krungsri
กรุงศรี

A member of MUFG
a global financial group

TOWARD SUSTAINABLE RECOVERY



ANNUAL REGISTRATION STATEMENT/
ANNUAL REPORT 2021 (Form 56-1 One Report)



TOWARD SUSTAINABLE RECOVERY

Krungsri continues to stand alongside our customers and other stakeholders through the coronavirus crisis.

We are strongly committed to our roles and responsibilities as a financial intermediary, in the spirit of **'banking with purpose',** while creating opportunities for meaningful employment, as well as socio-economic resilience.

...So we can achieve a return to normality, the normal course of business, spending sprees and excursions.

...**Toward sustainable recovery**







RECOVERING
OPPORTUNITY

SUPPORT THAI BUSINESSES ON THEIR BOUNDLESS JOURNEYS

Enrich your productivity while capitalizing on the ultimate global network strengths of Krungsri and MUFG to tap into new customer segments

Enhance value proposition and business soundness, taking pride in delivering local service excellence and expertise for global reach





RECOVERING
EXPERIENCE

RECREATE SPARKLING TRAVEL VIBES AND AMBIANCE

Greet visitors with welcoming and cordial hospitality for their wide grins and joyfulness

Deliver the best quality of life and robust economic momentum across the nation





RECOVERING BUSINESS

OFFER LIQUIDITY SUPPORT TO SHORE UP CONSUMPTION

Generate revenues, raise purchasing power and cash flow for households and businesses

Restore normalcy in social and economic activities

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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



Krungsri made great strides toward our aspiration to 'Be the preferred Thai bank connecting customers' needs across ASEAN' in 2021, one year into our current Medium-Term Business Plan (2021-2023), despite the ongoing challenge of the global pandemic which has launched and accelerated a number of trends that will shape the development of the Thai economy and the banking sector going forward.

Our financial robustness and resiliency were key to our achievements for 2021, with record net profits of 33,794 million baht and the banking sector's lowest non-performing loan ratio at 2.20 percent. We also succeeded in our crucial role as a Domestic Systemically Important Bank (D-SIB) through our continued financial support for enterprises and households striving with the burden of COVID-19, with loan outstanding amounting to 170,211 million baht as of the end of 2021, under Krungsri Group's customer relief program.

Other significant advancements under the Medium-Term Business Plan include Krungsri's regional strategy advancement with the purchase agreement of SHBank Finance Company Limited, a leading consumer finance player in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank (SHB); as well as our progress in digital innovation with core technology modernization, central to Krungsri's strong support of the Bank of Thailand's Smart Financial and Payment Infrastructure project in driving Thailand's digital economy.

2021 also witnessed Krungsri Group's determination to conduct business following sustainable banking guidelines, as we joined the country's other leading financial institutions in signing the statement of intent to adopt the Principles for Responsible Banking (PRB) together with the Principles for Responsible Investment (PRI) of the United Nations Environment Programme Finance Initiative (UNEP FI). In this regard, the Bank will align our banking and investment governance and strategies with the vision of sustainable socio-economic and environmental progress in support of the United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

Another bold move of Krungsri that set an example for the industry was our declaration of the Krungsri Carbon Neutrality Vision, stating our intent to decarbonize our own operations by 2030 and our financial services by 2050, to correspond with Thailand's ambitious pledge at the 26th United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP26) in Glasgow to cut emissions, moving toward carbon neutrality by 2050 and in support of Mitsubishi UFJ Financial Group Inc. (MUFG)'s ambitious global decarbonization initiatives. This, together with Krungsri becoming the founding member of Thailand's first carbon exchange system, the Carbon Markets Club (CMC), reflects our unwavering commitment to 'doing better business for society' through the integration of social and environmental considerations into our strategy formulation and business objectives.

Manifesting our responsible banking tenets and accountability to all stakeholders through environmental, social, and corporate governance responsibilities, we were presented with 24 ESG and IR excellence awards in 2021, and ranked number one on the ESG debenture league table, as evidenced by Krungsri's trailblazing role in social and sustainable financing development in Thailand.

Looking at 2022 and beyond, the path toward post-pandemic recovery is still uncertain, buffeted by structural challenges and permanent disruptions stemming from the 'new' and 'next normal', characterized by fast-changing customer preferences and accelerated digital adoption as well as a number of emerging global megatrends. Robust digital transformation will remain a key priority as we continue to embed digitalization across the full range of banking processes and services, as well as promoting digital culture to enhance value creation for our customer journey. By staying at the forefront of financial innovations and emerging technologies, we aim to be a leader in smart financial technology infrastructure.

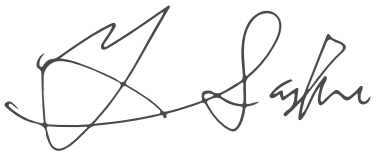
In addition, the growing acknowledgement that climate change will greatly influence the future has prioritized related agendas for households, businesses, and national governments. While pursuing sustainable business goals in meeting our stakeholders' expectations, Krungsri Group will carry on with our roles and responsibilities as a D-SIB that transcends our own business endeavors toward 'doing better business for society', while adhering to a 'banking with purpose' paradigm. Employing ESG theses and objectives as competitive tools, we will advance toward our carbon neutrality ambitions by phasing out our current exposure to coal-fired power plants within this decade, enhancing financial disclosure policies in alignment with global report initiatives detailing portfolios' financial emissions and reduction targets, and increasing our social and sustainable finance portfolio to 50-100 billion baht by 2030.

We will continue to reimagine our new and sustainable business paradigm leveraging the new growth opportunities presented by regional economic integration, particularly that of the ASEAN ecosystem. Of increasing importance, we will also leverage the extensive regional and global networks of both Krungsri and MUFG in materializing trade and investment gains from the world's largest free trade area—The Regional Comprehensive Economic Partnership (RCEP)—which came into force on January 1, 2022, and of which ASEAN and Thailand are core members.

While remaining committed to our goal, 'Be the preferred Thai bank connecting customers' needs across ASEAN', we will lead the way toward a future in which Krungsri and the banking community make positive contributions to people, economy, and the planet in line with society's expectations.



Karun Kittisataporn
Chairman



Takanori Sazaki
Vice Chairman

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



As 2021 marked the second year of the ongoing public health crisis and the global effort to overcome it, Krungsri continued to act with the spirit and responsibility of a Domestic Systemically Important Bank (D-SIB), moving forward with the twin objectives of continually strengthening our financial resiliency and robustness, while advancing assistance to businesses and households impacted by the recurrent waves of COVID-19 transmission.

With the above-mentioned priorities at heart, Krungsri provided support for crisis-hit enterprises and individuals, leading to customer relief programs accounting for approximately 9 percent of total loans outstanding, or 170,211 million baht, at the end of 2021, distributed among 181,279 retail customer accounts and 5,359 commercial customers. For SMEs, additional credit lines of 28,017 million baht were offered to 8,127 SME customers to meet their liquidity needs under the Bank of Thailand's soft loan and special rehabilitation loan programs and the Government Savings Bank's soft loan program.

On the financial front, Krungsri delivered excellent performance with net profit of 33,794 million baht in 2021, representing a robust increase of 46.7 percent from 2020, driven by gain on investment from the sale of shares in Ngern Tid Lor Public Company Limited (TIDLOR) in the second quarter of 2021, leading to return on equity (ROE) of 11.2 percent, the highest among leading Thai banks.

Reflecting our support for business and economic recovery, loans expanded 3.1 percent. Asset quality remained strong with the industry's lowest non-performing loan ratio at 2.20 percent; concurrently, the coverage ratio strengthened to 184.2 percent, a new record high. Capital position continued to strengthen, with the capital adequacy ratio (CAR) reaching 20.08 percent.

Complementary to our core principle of banking with purpose, we declared the 'Krungsri Carbon Neutrality Vision', aligned with Thailand's pledge of carbon neutrality at the 26th United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC COP26) and—as a strategic member of Mitsubishi UFJ Financial Group Inc. (MUFG)—in support of MUFG's decarbonization ambitions. Under this bold initiative, Krungsri is firmly committed to accelerating our own emissions reduction while utilizing environmental, social, and governance (ESG) fundamentals as our competitive tools in supporting customers' sustainable 'brown to green' transitions and thus transforming Thailand into a low-carbon society.

Guided by Krungsri's social and sustainable finance mandates, the Bank continued its market leadership position, commanding the largest market share of 29 percent for ESG debenture underwriting in 2021. Furthermore, underscoring our competitive advantage in ESG, Krungsri played an instrumental role in supporting Thailand's leading corporations in funds mobilization success through the Kingdom's first-ever sustainability-linked loan (SLL) and sustainability-linked bond (SLB) denominated in local currency.

Of equal importance, Krungsri, together with other leading organizations of Thailand, established the Carbon Markets Club (CMC)—a first for the Kingdom in developing and promoting the trading of carbon credit and Renewable Energy Certificates (RECs) in our collective effort to combat climate change.

In recognition of our efforts in 'doing better business for society' which are central to our ESG tenet, Krungsri's ESG excellence was celebrated at multilateral and regional forums. Among others, Harvard Business School published a case study on Krungsri's gender bond for its undergraduate curriculum. Krungsri was also recognized by the International Finance Corporation (IFC) and SME Finance Forum together with the UN Women 2021 Thailand WEPs Awards for our continued efforts in financing women entrepreneurs, in addition to winning eight awards from Corporate Governance Asia, highlighting our leadership in ESG, investor communications, and CSR excellence.

On other developmental fronts, Krungsri reached an agreement with Saigon-Hanoi Commercial Joint Stock Bank (SHB) to purchase 100 percent of charter capital in SHBank Finance Company Limited (SHB Finance), one of the leading consumer finance players in Vietnam. This agreement marked a new milestone for Krungsri's ASEAN aspirations.

2022 will be the second fiscal year under our current 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 with prudent risk management, focusing on three priorities: ASEAN opportunities, digitalization and innovation, and sustainability

On the ASEAN front, Krungsri aims to leverage regional growth dynamism to build its business and obtain new revenue streams from the economic bloc through both Krungsri-owned strength in consumer finance and MUFG's global strength and partnership networks.

Concurrently, we will accelerate the organization's digital transformation with continued investment to advance our technology and set the foundation to be a leader in smart financial technology infrastructure. Strengthening our organization's agility, blockchain solutions, AI, and data analytics capabilities, the new paradigm of the 'Banking as a Service' model will be a key driver for us to competitively and effectively meet the needs of all customer segments and ecosystems.

On the sustainability front, we sincerely believe that, given our vital role as a financial intermediary, we can create a positive impact on people's lives and society. We will move forward in doing better business for society, particularly in support of customers and business enterprises as well as the greater Thai society in the post-pandemic rehabilitation and recovery. Through the introduction of innovative ESG financial products and services, we will contribute to the socio-economic as well as environmental development of Thailand and ASEAN at large.

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













1.

Mr. Karun Kittisataporn

Chairman

Independent Director

2.

Mr. Takanori Sazaki

Vice Chairman

Nomination and Remuneration Committee Member

3.

Mr. Seiichiro Akita

Executive Director

Chairman of the Executive Committee

7.

Miss Nopporn Tirawattanagool

Director

Nomination and Remuneration Committee Member

Risk and Compliance Committee Member

8.

Dr. Jamlong Atikul

Independent Director

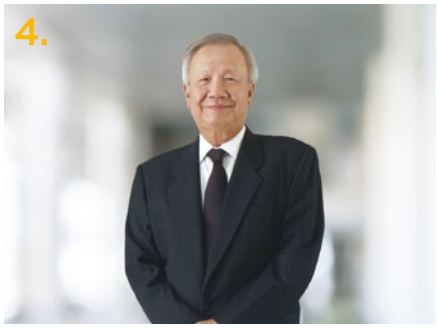
Chairman of the Nomination and Remuneration Committee

Audit Committee Member

9.

Miss Junko Kawano

Director













4.

Mr. Virat Phairatphiboon

Independent Director

Chairman of the Risk and Compliance Committee

Audit Committee Member

Nomination and Remuneration Committee Member

5.

Mr. Pornsanong Tuchinda

Executive Director

Executive Committee Member

6.

Miss Potjanee Thanavaranit

Independent Director

Chairman of the Audit Committee

10.

Mr. Hisashi Kanamori

Director

Risk and Compliance Committee Member

11.

Miss Duangdao Wongpanitkrit

Executive Director

Executive Committee Member

12.

Mrs. Tongurai Limpiti

Independent Director

Audit Committee Member

Risk and Compliance Committee Member

SENIOR MANAGEMENT

















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

7.

Mr. Kenichi Nishii

Head of Global Markets Group

8.

Mr. Chandrashekar Subramanian Krishoolndmangalam

Chief Risk Officer

9.

Mr. Pairote Cheunkrut

Chief Strategy Officer

13.

Miss Duangkamol Limpuangthip

Head of SME Banking Group

14.

Mrs. Kittiya Srisanit

Head of Krungsri Auto Group

















4.

Mr. Phonganant Thanattrai

Head of Retail and Consumer Banking

5.

Mr. Sayam Prasitsirigul

Chief Information and Digital Officer

6.

Miss Duangdao Wongpanitkrit

Chief Financial Officer

10.

Miss Puntipa Hannoraseth

Head of Internal Audit Group

11.

Dr. Vasin Udomratchatavanich

Chief Human Resources Officer

12.

Mr. Prakob Phiencharoen

Head of Corporate and Investment Banking Group

15.

Miss Nayanee Peaugkham

Head of Krungsri Consumer Group

16.

Mr. Saengchart Wanichwatphibun

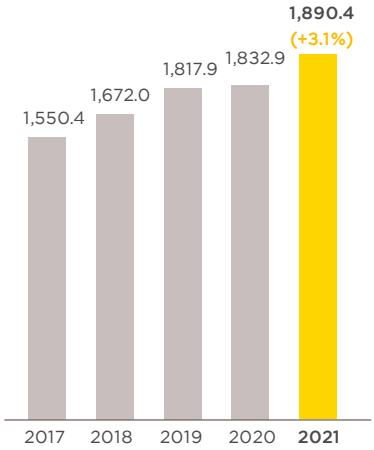
Chief Compliance Officer

FINANCIAL HIGHLIGHTS

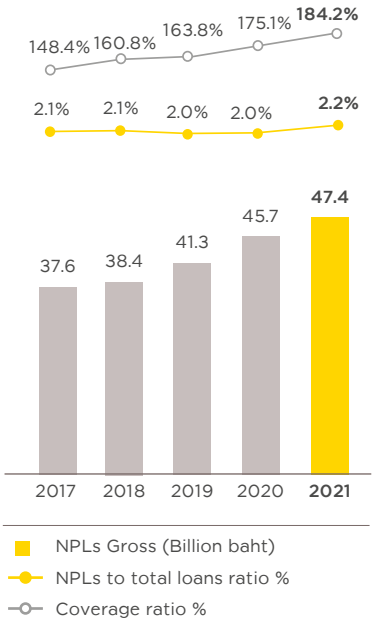
(CONSOLIDATED)

LOANS TO CUSTOMERS

(Billion baht)

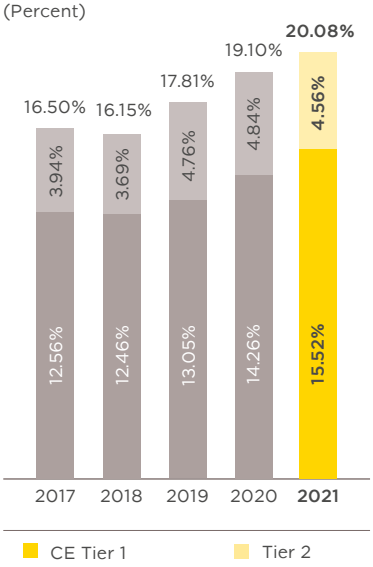


NPL RATIO



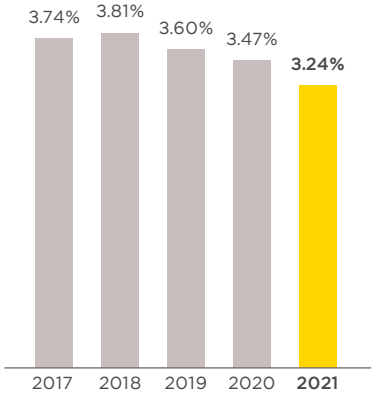
CAPITAL ADEQUACY RATIO

(Percent)



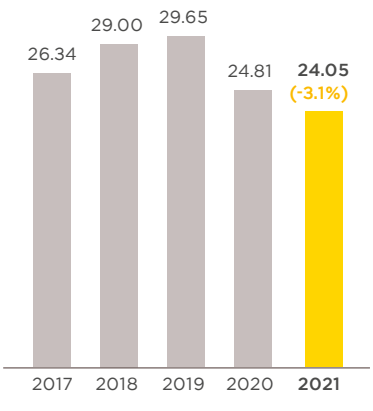
NET INTEREST MARGIN (NIM)

(Percent)



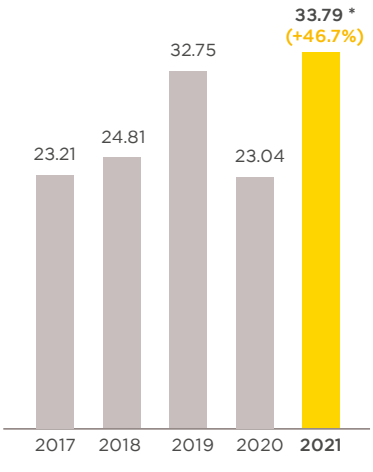
FEES AND SERVICE INCOME

(Billion baht)



NET PROFIT [1/]

(Billion baht)



[1/] Attributable to equity holders of the Bank

* Excluding the one-off item in 2021 from the recognition of gains on investment from the sales of shares in Ngern Tid Lor Public Company Limited (TIDLOR), a normalized net profit of 25,609 million baht was registered in 2021, representing an increase of 11.1%, or 2,569 million baht, from 2020.

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

		2021 (TFRS 9)	2020 (TFRS 9)	2019	2018	2017
Financial position information (Million baht)						
Total assets		**2,499,109**	2,609,374	2,359,592	2,173,622	2,088,772
Loans to customers [1/]		**1,890,376**	1,832,935	1,817,877	1,672,018	1,550,404
Allowance for expected credit loss/Allowance for doubtful accounts and Revaluation allowance for debt restructuring		**84,360**	76,407	67,384	61,360	55,476
Non-performing loans, gross (NPLs gross)		**47,448**	45,672	41,334	38,446	37,622
Total liabilities		**2,180,872**	2,320,195	2,087,476	1,929,904	1,862,785
Deposits		**1,779,139**	1,834,505	1,566,885	1,426,348	1,319,229
Total shareholders' equity		**318,237**	289,179	272,116	243,718	225,987
Operating performance (Million baht)						
Interest income		**99,804**	108,062	110,455	107,132	94,998
Less: interest expenses		**21,824**	26,758	34,032	31,804	26,463
Interest income, net		**77,980**	81,304	76,423	75,328	68,535
Fees and service income, net		**16,851**	17,564	21,777	21,248	19,675
Non-interest and non-fee income		**28,075**	15,119	23,408	13,003	12,270
Total income		**122,906**	113,987	121,608	109,579	100,480
Less: other operating expenses		**48,954**	48,465	52,169	51,741	48,210
Less: expected credit loss/Impairment loss of loans and debt securities		**31,604**	36,644	28,203	26,180	22,970
Less: income tax expenses and non-controlling interest		**8,554**	5,838	8,487	6,845	6,091
Net profit (Attributable to equity holders of the Bank)		**33,794**	23,040	32,749	24,813	23,209
Financial ratios						
Return on assets	(%)	**1.32**	0.93	1.44	1.16	1.17
Return on equity	(%)	**11.17**	8.25	12.76	10.61	10.71
Earnings per share	(Baht)	**4.59**	3.13	4.45	3.37	3.16
Cost to income ratio	(%)	**39.83**	42.52	42.90	47.22	47.98
Total capital adequacy ratio - financial business group	(%)	**20.08**	19.10	17.81	16.15	16.50
Total Common Equity Tier 1 capital ratio - financial business group	(%)	**15.52**	14.26	13.05	12.46	12.56
Book value per share	(Baht)	**43.26**	39.31	36.99	33.13	30.72
Loans to deposit ratio	(%)	**106.25**	99.91	116.02	117.22	117.52
Loans to deposit plus debentures and bills of exchange ratio	(%)	**103.29**	95.71	108.37	108.93	109.53
Non-performing loan to total loans [2/]	(%)	**2.20**	2.00	1.98	2.08	2.05
Coverage ratio	(%)	**184.23**	175.12	163.82	160.76	148.43

Remarks: [1/] Loans to customers less deferred revenue for 2017 - 2019

[2/] Total loans are loans to customers and loans to financial institutions

AWARDS AND RECOGNITION IN 2021



BANK OF AYUDHYA

ENVIRONMENT, SOCIAL, AND GOVERNANCE

Corporate Governance Asia

- Asia's Best CEO (Investor Relations) for Mr. Seiichiro Akita (7th consecutive year and 2nd recognition for Mr. Seiichiro Akita)
- Asian Corporate Director Recognition Award for Mr. Seiichiro Akita
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (7th consecutive year)
- Asia's Icon on Corporate Governance Award (7th year)
- Asia's Best CSR (2nd consecutive year)
- Best Investor Relations Professional (Thailand) (2nd consecutive year)
- Best Investor Relations Company (Thailand) (8th consecutive year)
- ESG Influencer Award

Stock Exchange of Thailand (SET)

- Listed in Thailand Sustainability Investment (THSI)

Ministry of Natural Resources and Environment

- G-Gold Award – The Green Office Project

Thailand Management Association (TMA) and Sasin School of Management, Chulalongkorn University

- Distinguished – Thailand Corporate Excellence Award in the category of Financial Management Excellence

Thaipat Institute

- Certificate for ESG100 Company (6th consecutive year)

Building Inspectors Association

- GOLD Award – BSA Building Safety Award 2021



CORPORATE BRANDING AND MARKETING

Asian Banking & Finance (ABF)

- Marketing & Brand Initiative of the Year – Thailand for 'We never stop caring' campaign
- Financial Inclusion Initiative of the Year – Thailand for 'Plearn เพลิน by Krungsri GURU' online content hub

INFORMATION AND DIGITAL

The Asian Banker

- Best Business Ecosystem/ Platform Initiative for 'Krungsri Co-op'

Retail Banker International (RBI)

- Winner – Most Effective Investment Service Offering for 'Smart Advisor'

The Digital Banker

- Best e-KYC for 'Krungsri iFIN'

Asian Banking & Finance (ABF)

- Domestic Technology and Operations – Thailand for 'Krungsri Biz Online'
- Thailand Domestic Initiative of the Year award for 'Krungsri iPro'

CORPORATE AND INVESTMENT BANKING

Thai Bond Market Association (ThaiBMA)

- Deal of the Year – PTT PCL
- Best THOR Engagement Award – Bank of Ayudhaya PCL
- Best ESG Bond for Corporate – Thai Union Group PCL
- Distinguished Issuer – Thai Union Group PCL

International Financing Review Asia (IFR Asia)

- Thailand Capital Market Deal – Thai Union Group PCL
- Best Issuer for Sustainable Finance – Thai Union Group PCL

The Asset

- Best Sustainability Linked Bond – Thai Union Group PCL
- Best Sustainability Bond – Bangkok Expressway and Metro PCL
- Best Green Bond – Toyota Leasing (Thailand) Co., Ltd.
- Best Local Currency Bond – CP All PCL



SME BANKING AND GLOBAL MARKETS



UN Women

- 1st Runner-up – UN Women 2021 Thailand Women Empowerment Principles (WEPs) Award in the Gender-Responsive Marketplace category

International Finance Corporation (IFC) and SME Finance Forum

- Honorable Mention Winner – Best Bank for Women Entrepreneurs

TRANSACTION BANKING

The Asset

- Best Supply Chain Solution for digital QR solutions
- Best Payments and Collections Solution for 'e-Trade Services System'



RETAIL AND CONSUMER BANKING



The Asset

- Best Gamification Project for Kept by Krungsri

IDC

- Future of Customers and Consumer for Kept by Krungsri

The Asian Banker

- Best Digital Account Opening/ Customer On-boarding Initiative/ Application for Kept by Krungsri
- Best Digital Deposit Service for Kept by Krungsri
- Best Digital Brand Campaign for Kept by Krungsri

OPERATIONS

Operations

- Straight Through Processing (STP) Excellence Award from USD Nostro Bank, Citibank, New York and J.P. Morgan, New York

KRUNGSRI AUTO



Superbrands Thailand Council

- Superbrands Thailand 2021 (9th consecutive year)

BrandAge

- Thailand's Most Admired Brand 2021 (9th consecutive year)

The Asian Banker

- The Best Mobile Banking Technology Implementation for 'GO Application'

Grand Prix International

- Best Car & Bike Finance of the Year 2021 (8th consecutive year)

Cannes Lions International Festival of Creativity

- Bronze Prize - Cannes Lions Award 2021 in the Entertainment category for Car4Cash's 'Come Back' commercial

Campaign Brief

- The Work 2021 in the Film/TV/ Cinema/Web Film and Branded Content + Entertainment for Car4Cash's 'Come Back' commercial

AD Stars

- Crystal Prize in the Video Stars – Branded Information Videos category for Car4Cash's 'Come Back' commercial

Thailand Automotive Quality Award

- The Outstanding Brand for Auto Finance

Advertising Association of Thailand

- Adman Awards 2020 & 2021 for Car4Cash's 'Come Back' commercial campaign
  - Bronze Award in the Fiction/Non-Fiction Film or Series: Up to 30 mins category
  - Bronze Award in the Consumer Services/B2B/ Financial/Real Estate category
  - Silver Award in the Casting category
  - Finalist Award in the Directing category
  - Finalist Award in the Script category

KRUNGSRI ASSET MANAGEMENT

Morningstar

- Morningstar Thailand Fund Awards 2021 in Best Retirement Mutual Fund – Fixed-Income (2nd year) for KFLTGOVRMF

The Asset

- Asset Management of the Year, Thailand (7th year): Highly commended in 2020-2021

Asia Asset Management

- Best Bond Manager, Thailand (2nd year)
- Fund Launch of the Year, Thailand for KFCORE

Alpha Southeast Asia

- Best Online & Mobile Platform (Asset Manager), Thailand (3rd consecutive year)
- Best Fund Manager for Pension Mandates & Private Retirement Scheme, Thailand

Fund Selector Asia

- Best Fixed Income House, Thailand



International Finance

- Best Mutual Fund House, Thailand
- Most Innovative Asset Management Products Initiative, Thailand for KFCORE

Global Banking & Finance Review

- Asset Management Company of the Year, Thailand (3rd consecutive year)
- Most Innovative Investment Product, Thailand for KFCORE
- Pension Fund Manager of the Year, Thailand

KRUNGSRI SECURITIES

Global Banking & Finance Review

- Most Innovative Online Broker, Thailand

KRUNGSRI CONSUMER







HR Asia

- Gold Excellence in HR Communication Strategy

The Digital Banker

- Best User Experience – Mobile Banking for UCHOOSE
- The Winner of Outstanding Bank Card Innovation (5th consecutive year) for Central The 1 Credit Card

Retail Banker International (RBI)

- Winner – Best Loyalty/Rewards Program – Asia Pacific for UCHOOSE
- Highly Commended – Best Credit Card Initiative for UCHOOSE
- Highly Commended – Best Loyalty/ Rewards Strategy for UCHOOSE
- Highly Acclaimed – Best Mobile Banking Initiative for UCHOOSE

The Asian Business Review

- Thailand Technology Excellence Award for Digital – Banking for UCHOOSE
- Thailand Technology Excellence Award for Mobile – Financial Services for UCHOOSE

Wisesight (Thailand) – Thailand Zocial Awards

- Best Brand Performance on Social Media in the category of Financial Service (3rd consecutive year) for Krungsri First Choice

Advertising Association of Thailand

- Adman Awards & Symposium 2020 & 2021

- Bronze Award in Film Category for Krungsri First Choice from its advertisement titled 'Camera'
- Bronze Award in Film Category for Krungsri First Choice from its advertisement titled 'Wakeboard'
- Bronze Award in Digital & Social – Influencer/Talent category for Krungsri First Choice from its online MV Campaign
- Bronze Award in Public Relation Planning – Use of Celebrity/ Influencer/KOL category for Krungsri First Choice from its online MV Campaign

NGERN TID LOR

Asian Banking & Finance

- Finance Company of The Year 2021

Business+

- Product and Innovation Awards 2021

BrandAge

- Thailand's Most Admired Brand 2021 (3rd consecutive year)

The Digital Banker

- Outstanding CX in Digital Sales Strategy
- Highly Acclaimed Award: Best Use of Data and Analytics

International Data Corporation (IDC)

- Best in Future of Intelligence Thailand 2021

Retail Banker International

- Highly Commended – Best Retail Bank Thailand
- Highly Commended – Best App for Customer Experience
- Highly Commended – Best Application of Data Analytics
- Highly Commended – Best Use of Machine Learning
- Highly Commended – Best Advertising Campaign

The Asian Banker

- Best Digital Business Model Initiative/Application in Thailand 2021

Employer Branding Institute

- Asia's Best Employer Brand Awards 2021



OPERATING ENVIRONMENT



THE THAI ECONOMY IN 2021, AND THE OUTLOOK FOR 2022

THE THAI ECONOMIC RECOVERY IN 2021 WAS DELAYED BY MULTIPLE WAVES OF INFECTIONS.

The recurrent waves of COVID-19 infections in late 2020 and the subsequent Delta variant-driven outbreak that swept through the country in the third quarter of 2021 forced the government to impose containment measures for several months. The pandemic weighed on economic activity, most visibly in supply disruptions and temporary halts on construction sites. However, significant progress in vaccinations by the fourth quarter of 2021 allowed the easing of restrictions and resumption of economic activity. Nevertheless, concerns rose once more in late 2021 over the spread of the Omicron variant, which further dragged upon any recovery. As such, **following the steep contraction of 6.2 percent in 2020, the overall economy grew by just 1.6 percent in 2021.**

The sluggish conditions in the tourism sector in 2020 persisted throughout 2021 as the pandemic intensified from the beginning of the year. Despite the introduction of the 'Phuket Sandbox' in mid-2021 and the reopening of the country that allowed quarantine-free arrivals from 63 countries in November (under the Test & Go scheme), restrictions on outbound travel in departure countries and the emergence of the Omicron variant at the end of 2021 forced authorities to temporarily suspend Test & Go, thereby reducing 2021 foreign arrivals to only 0.43 million, against 6.7 million in 2020. However, **exports remained a major driver of economic growth throughout 2021.** Following a 6.5-percent contraction in 2020, exports rose 18.8 percent in 2021 on the back of a return to growth in global trade and economies. The improvement in exports was seen across export destinations and product categories, while the sector benefited further from the work-from-home policy and ongoing demand for protective products against the spread of COVID-19. A rally in commodity prices at the end of 2021 supported further growth in some export categories.

Despite being boosted by government expenditure, domestic spending remained weak for the year. Having shrunk by 1.0 percent in 2020, **private consumption** expanded by merely 0.3 percent in 2021. This was a result of restrictions that caused disruption in many economic activities, weakening labor markets, undercutting workers' income, and dragging

consumer confidence to historic lows. Nevertheless, spending began to recover as the pandemic abated, together with government stimulus measures and recovering domestic tourism towards year-end. **Private investment improved alongside exports expansion**, rebounding by 3.2 percent in 2021. Meanwhile, private construction was negatively affected by labor shortages and the spread of COVID-19 in construction sites, while a lack of liquidity among SMEs related to the tourism industry also weighed on recovery in investment. Conversely, **public spending played an important role in supporting the economy throughout the year.** The 2021 fiscal budget disbursements were made as planned. However, the prolonged impacts of COVID-19 on the economy compelled the government to issue the Additional Emergency Decree Authorizing the Ministry of Finance to Borrow Money to Address Economic and Social Issues from the COVID-19 Outbreak with an Authorized Amount of 500 billion Baht, B.E. 2564 (2021) in 2021, following up on the Emergency Decree Authorizing the Ministry of Finance to Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2563 (2020) of 1 trillion baht in 2020. The additional funds are being used to alleviate the consequences of the pandemic and to help revive the economy in the upcoming period. This will cause public debt to rise further, and thus the public debt ceiling has been lifted from 60 percent to 70 percent of GDP.

Greater progress with the vaccine rollout worldwide in the last quarter of 2021 helped support both a rebound in economic activity and greater global demand for commodities. Combined with the abovementioned factors and supply disruptions, headline inflation thus escalated at the end of 2021. But rising inflationary pressures were expected to be temporary, driven mainly by energy price hikes. Nonetheless, the severe impacts of the outbreak on the domestic economy made the **Bank of Thailand (BOT) keep its policy rate unchanged at as low as 0.50 percent throughout 2021.** BOT monetary measures have shifted to an increased emphasis on assisting target groups, including offering special loans, asset warehousing, refinancing for retail debtors, and debt consolidation for those with mortgages and other types of debt, as well as relaxing banking rules to help lenders provide additional assistance to debtors, and temporarily easing the loan-to-value ratio (LTV) regulation. **The Thai baht saw some volatility over the course of the year, weakening sharply** in the third quarter of 2021 as the Delta variant spread rapidly. The value of the baht was further undercut by a stronger dollar, following the Fed's signal of a gradual tapering of quantitative easing (QE) that would pave the way for subsequent rate hikes which are likely to be more aggressive and faster than previously anticipated. In addition, pressure also came from the first current account deficit in eight years. However, Thailand's external stability remains secure, thanks to the country's strong position in foreign reserves, which helps to cushion against fluctuations in financial markets.

IN 2022, THE THAI ECONOMY IS TAKING ITS FIRST STEP ON THE PATH TO RECOVERY WHICH IS, HOWEVER, UNEVEN.

The Thai economy is expected to grow by 2.8 percent in 2022, rising further from an estimated 1.6 percent in 2021, and this should bring Thailand's GDP back to its pre-pandemic size in the second half of 2022. Key drivers would be a recovery in economic activity at home and abroad, supported by progress of vaccinations worldwide, including Thailand, which in turn should broaden reopening activities. In addition, the global economic recovery and windfalls from regionalization should help further boost exports. Moreover, industry transformation could lead to a new investment cycle. Government stimulus measures would also buoy domestic spending. The tourism sector has shown signs of improvement, though it is still at an early stage of recovery. However, uncertainties remain high given several risks and challenges ahead which could affect the pace of Thailand's economic recovery.

Private consumption is expected to improve at an uneven pace with growth of 3.8 percent in 2022, given the relaxation of control measures, the progress of domestic vaccinations, and government stimulus spending. However, the expansion of spending would be limited as labor markets remain weak. We expect the average wage in 2022 to rise but remain below the pre-pandemic level. Consumption recovery is also patchy in terms of region, income group, and business sector, so income and expenditure in harder-hit sectors will remain weak, especially in segments connected to the tourism sector. For the **exports outlook, despite a slowdown, we project 2022 export growth** of 5.0 percent, higher than the average of 2.9 percent during 2001-2019 (pre-pandemic), supported by the widespread progress of vaccinations and recovery of the global economy. In addition, Thailand will benefit from greater regionalization which will help boost trade, especially from the implementation of the Regional Comprehensive Economic Partnership (RCEP) starting in early 2022. According to research of the Asian Development Bank (ADB), RCEP will see Thailand registering incremental export growth of 4.9 percent by 2030, behind that of Japan and South Korea, yet the highest among ASEAN countries.

Alongside this, **private investment should rise 4.3 percent on recovery in domestic and external demand, which will then spur a new investment cycle.** Another supportive factor is business investment in response to the 'new normal' and accelerating digitalization. Furthermore, there is a positive sign from net inflows of foreign direct investment (FDI) for the first half of 2021, which increased and exceeded the pre-pandemic level recorded for all of 2019. Pushing ahead with government infrastructure spending will also help to induce private investment, with most projects organized as public-private partnerships (over 80 percent of infrastructure

investment during 2022-2026 is in PPPs). **Government expenditures are likely to decline** due to the smaller amount of budget planned for fiscal year 2022. Nonetheless, there is more than 200 billion baht in loan remaining from the Additional Emergency Decree Authorizing the Ministry of Finance to Borrow Money to Address Economic and Social Issues from the COVID-19 Outbreak with an Authorized Amount of 500 billion Baht, B.E. 2564 (2021) in 2021. For the **tourism sector, there are signs of nascent recovery**. Although Thailand reopened to quarantine-free travel at the end of 2021, the recovery could be disrupted by continuing uncertainties over the spread of COVID-19 and travel restrictions in many of Thailand's major tourism markets. Given this, we project foreign arrivals to reach 7.5 million in 2022, and the sector is unlikely to return to its pre-COVID-19 record of 40 million arrivals until 2025. Domestic tourism will recover ahead ofinbound tourism with 160 million domestic trips—matching pre-pandemic levels—in 2024, compared to an expected 90 million domestic trips in 2022.

The drawn-out nature of the COVID-19 crisis has left deep scars on the economy. Recovery thus remains fragile, while the cost-push inflationary pressure is only a temporary rise and is expected to reach its peak in the first quarter of 2022 due to the low base effect. Inflation is then expected to fall to around 1 percent in the second half of 2022, close to the lower end of the inflation target range, in line with the trend of a slump in global crude oil prices after the gradual rebalance of demand and supply. Meanwhile, domestic spending remains weak and uneven. The **Monetary Policy Committee (MPC) is thus expected to leave the policy interest rate unchanged at a record low of 0.50 percent throughout 2022** to nurture economic growth which would remain below its maximum potential.

For 2022, there is much uncertainty over multiple risks and challenges which could affect the pace of Thailand's economic recovery. Examples include the spread of new COVID-19 variants, the fragile labor market and rising household debt, volatility in the capital and financial markets due to impacts of monetary easing implemented by major economies, and constraints of global supply which could prolong the existing pressure on production costs. In addition, there are geopolitical risks and conflicts between major countries, as well as domestic political uncertainties and their potential impact on the continuity of economic policies.

THAILAND'S COMMERCIAL BANKS IN 2021 AND THE 2022 OUTLOOK

2021 SECTOR REVIEW

2021 marked the second year of the ongoing global pandemic, with recurrent waves of COVID-19 transmission including the Delta variant outbreak in the second half of 2021, during which commercial banks provided customer support with relief



measures directed by the Bank of Thailand (BOT). Examples of additional BOT assistance measures include the third-phase measures to further assist retail customers severely affected by the pandemic; additional relief measures to support SMEs; a two-month debt moratorium for SMEs and retail customers suffering a direct impact from the government's coronavirus lockdown measures imposed during July – August 2021; the adjustment of its special rehabilitation loan scheme to provide liquidity for SME borrowers; relaxation of regulations for retail debtors on credit card loans, supervised personal loans, and digital personal loans; as well as measures to make existing debt restructuring facilities more sustainable. The BOT also relaxed regulations on asset classification and provisioning criteria, with the scope of relaxation offered being based on the extent of banks' customer support. The central bank also extended the reduction of the Financial Institutions Development Fund (FIDF) fee to 0.23 percent to the end of 2022, to help reduce costs for commercial banks as an incentive for the efficient provision of customer assistance.

In 2021, commercial banks' lending growth registered 6.5 percent, driven mainly by expansion in corporate loans of 7.9 percent, with the growth seen in most sectors reflecting the growing liquidity needs of businesses in line with economic recovery, while SME loans were driven mainly by the special rehabilitation loan program.

Banks' consumer loans grew by 4.0 percent, reflecting an improved consumer confidence outlook and the relaxation of COVID-19 containment measures toward the end of 2021. Credit card loans rose by 1.7 percent, in alignment with the gradual recovery of economic activity, while personal loans grew by 7.8 percent in accordance with households' rising liquidity needs. Auto loans remained stable in line with domestic car sales, which have not yet recovered. Meanwhile, mortgage loans increased at a slower pace of 4.4 percent in line with a decline in housing demand compared to that of 2020.

Deposits increased by 4.3 percent in 2021, mainly resulting from the rise in savings deposits from both retail and corporate customers. Consequently, the loan to deposit ratio in 2021 increased to 94.2 percent from 92.3 percent in 2020, reflecting loan expansion at a faster pace than that of deposits.

In terms of asset quality, the non-performing loan (NPL) ratio of the banking industry was 2.98 percent, relatively stable from 2020, due mainly to debt restructuring and customer relief programs. Nevertheless, commercial banks continued to proactively set aside provisions to cushion against the potential impact of COVID-19 on asset quality, resulting in an increase of the coverage ratio to 189.2 percent, compared to 149.2 percent in 2020.

In 2021, commercial banks' total net profit was 181.0 billion baht, increasing by 23.6 percent from 2020, mainly due to their lower provisioning after an elevated level of provision set in 2020 as well as their effective operating cost control. As a result, the return on assets (ROA) increased to 0.81 percent, from 0.69 percent in 2020. However, the average net interest margin (NIM) narrowed to 2.46 percent, from 2.63 percent in 2020, caused by a decrease in net interest income, in alignment with the previous policy rate cuts, customer relief measures, and interest rate ceiling reductions for consumer finance loans.

The Thai banking system remained resilient with high levels of capital fund and liquidity. In 2021, commercial banks issued Additional Tier 1 (AT1) capital instruments and subordinated debentures (Tier 2) capital instruments, while the risk-weighted assets increased as a result of loan expansion. Consequently, the capital adequacy ratio was at 19.9 percent, a slight decrease from 20.1 percent in 2020. Meanwhile, the liquidity coverage ratio (LCR) was at 189.2 percent, far greater than the current minimum requirement of 100 percent.

2022 BUSINESS OUTLOOK

Although the Thai economy has the potential to recover in 2022, commercial banks will be operating business with prudence and caution to cope with the ongoing uncertainty of the COVID-19 pandemic, which could impact any recovery and debt-servicing ability of the business and household sectors. Meanwhile, commercial banks will continue to provide assistance measures for all customer segments impacted by the pandemic through liquidity support and debt restructuring solutions.

Changes in the environment, business operations, and the 'new normal' lifestyle, as well as technological innovations, are increasing commercial banks' focus on the development of products and services in alignment with changing consumer behaviors and the enhancement of financial transactions on a convenient and real-time basis.

Furthermore, Thai commercial banks have put greater emphasis on operating business under the principles for sustainable banking through the provision of innovative financial products and services, taking into account environment, social, and governance (ESG) dimensions to support sustainable economic growth.

Looking ahead, Thai commercial banks must adapt themselves amid the transition toward upcoming changes based on the concept, 'Repositioning Thailand's Financial Sector for a Sustainable Digital Economy', which is the Bank of Thailand's policy regarding the direction of Thailand's financial sector in the near future.

1 BUSINESS OPERATIONS AND PERFORMANCE





BACKGROUND

Bank of Ayudhya Public Company Limited (the Bank or Krungsri) officially opened its doors on April 1, 1945, and was listed on the Stock Exchange of Thailand (SET) on September 26, 1977. Our steady growth has continued to the present day. As of December 31, 2021, the Bank had total registered capital of 75,741,437,470 baht and paid-up capital of 73,557,617,730 baht.

In 2007, General Electric (GE) Group by GE Capital International Holdings Corporation (GECIH) purchased 2,000 million new ordinary shares of Krungsri at the price of 16 baht per share, or 34.92 percent of all issued shares (5,726,945,606 ordinary shares). With GE Group becoming Krungsri's business partner, 2007 was the year of strengthening Krungsri's infrastructure. The integration of complementary strengths from two organizations created competitive advantages, driving growth and enabling Krungsri to compete with leading banks in the country and across the region. Krungsri also applied GE's global standard of corporate governance to ensure that we are a strong financial institution in terms of both capital and management, meeting international standards. Additionally, Krungsri applied the Sales Force Effectiveness (SFE) model, the Lean process, and the customer centricity model to improve the Bank's overall service.

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

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

Krungsri created its first Medium-Term Business Plan (MTBP) in 2014—a strategic framework formulated as a guide for Krungsri's business operations from 2015 through 2017— with our aspiration 'To be a top-tier financial group in Thailand'.

On January 5, 2015, Krungsri completed its integration with MUFG Bank Bangkok Branch by accepting the entire business transfer of MUFG Bank Bangkok Branch to Krungsri. In addition, Krungsri allotted the private placement of 1,281,618,026 newly issued ordinary shares with the par value of 10 baht per share to MUFG Bank as consideration according to the resolution

of the Extraordinary General Meeting of Shareholders (EGM) No. 1/2556 (2013) on October 31, 2013. Krungsri completed the registration of paid-up capital increase with the Department of Business Development, Ministry of Commerce, on January 5, 2015, leading Krungsri to have 73,557,617,730 baht of paid-up capital or 7,355,761,773 issued shares, and MUFG Bank holds 5,655,332,146 shares in Krungsri (76.88 percent of all issued shares).

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

In September 2017, Krungsri was recognized as a Domestic Systemically Important Bank (D-SIB) by the Bank of Thailand, which plays a key role in driving the country's economic and financial systems.

In February 2018, Krungsri announced the second Medium-Term Business Plan (2018-2020) with a focus on three key strategic themes: 1) Lead by Innovation: Think 'Digital First'; 2) Enhance Customer Experience to Become a Main Bank; and 3) Enhance Retail and Commercial Banking Platform, and Achieve Sustainable Growth.

In May 2018, Krungsri inaugurated the Krungsri Ploenchit Office. Recognized as one of Thailand's leading environmentally friendly buildings, the Krungsri Ploenchit Office was built using energy-efficient designs in compliance with the Leadership in Energy and Environmental Design (LEED) standards. Located at the corner where Ploenchit Road and Wireless Road intersect in the heart of Bangkok's central business district, the building serves as a venue that will contribute to advancements in commercial banking as well as Krungsri Group's sustainable growth.

SIGNIFICANT CHANGES AND DEVELOPMENTS IN THE PAST THREE YEARS

2019:

- On February 28, 2019, Krungsri completed the sale of 50 percent of ordinary shares in Ngern Tid Lor Company Limited (NTL) to Siam Asia Credit Access Pte. Ltd. (SACA), and the change of shareholders was duly registered with the Department of Business Development, Ministry of Commerce.
- On June 26, 2019, the Board of Directors resolved to appoint Mr. Karun Kittisataporn as the Chairman of the Board of Directors, effective July 1, 2019, in replacement of Mr. Veraphan Teepsuwan, who passed away on May 14, 2019.
- On August 8 and December 18, 2019, the Board of Directors approved Krungsri's acquisition of 50 percent of all issued shares in SB Finance Company, Inc. (SBF), which operates a consumer finance business in the Philippines, so as to increase Krungsri's competitive advantage and expand the customer base to cover countries beyond the Mekong countries. This transaction was subject to approval from the shareholders, the Bank of Thailand, and other relevant regulators in Thailand and other countries.
- In August 2019, Krungsri was the first bank in the Asia-Pacific region to issue gender bonds. This was also the first social bond issuance in Asian emerging markets. The funds raised thereafter will be used to boost lending to woman-led small and medium-sized enterprises in Thailand.
- On November 1, 2019, Krungsri unveiled its subsidiary Krungsri Nimble Co., Ltd. (KSN) (formerly Krungsri Factoring Co., Ltd.), an IT solutions hub established to enhance Krungsri's financial technology and innovation development, heightening the Bank's competitiveness as well as giving the next generation of talent great opportunities to leverage their IT engineering expertise and motivation in making innovative changes. The expansion of KSN's business scope was duly registered with the Department of Business Development, Ministry of Commerce.

2020:

- On October 20, 2020, Krungsri completed the business acquisition through purchase of 50 percent of all issued shares of SBF in the Philippines from Security Bank Corporation (SBC) as approved by Krungsri's Annual General Meeting of Shareholders on July 30, 2020, and as approved by the Bank of Thailand and other relevant regulators in the Philippines. As a result, SBF is now a non-solo consolidation subsidiary in Krungsri's Financial Business Group.





- On December 24, 2020, Ngern Tid Lor Company Limited (NTL), Krungsri's joint venture in which approximately 50 percent of the shares is held by the Bank and the other 50 percent is held by SACA, submitted an application for approval of the offering of newly-issued ordinary shares, the registration statement for offering the sale of securities, and the draft prospectus to the Securities and Exchange Commission (SEC). NTL also submitted an application with the SET for approval of the listing of ordinary shares on the SET.

2021:

- On February 3, 2021, Krungsri announced the third Medium-Term Business Plan (2021-2023), with the aspiration of being 'the preferred Thai bank connecting customers' needs across ASEAN' driven by five strategic directions, comprising One Retail Transformation, Commercial Business Enhancement, Ecosystem and Partnership, ASEAN Expansion, and New Revenue Streams, based on the success of the previous Medium-Term Business Plan and the world's megatrends. Under the third MTBP, which draws on the potential of synergies between MUFG's expertise and global network and Krungsri's outstanding strengths for sustainable growth, Krungsri will focus on better responding to customer needs along with accelerating sustainable growth in new markets outside the country.

- On June 10, 2021, the Board of Directors resolved to appoint Mr. Takanori Sazaki as a Bank Director, the Vice Chairman, and a member of the Nomination and Remuneration Committee in replacement of Mr. Noriaki Goto, who resigned effective June 10, 2021.

- On May 10, 2021, the ordinary shares of Ngern Tid Lor Public Company Limited or TIDLOR, which operates a vehicle title loan business and is a joint venture of Krungsri, were traded on the SET for the first day. The initial public offering (IPO) subscription price of TIDLOR was 36.50 baht.

- On August 25, 2021, Krungsri announced the acquisition of SHBank Finance Company Limited (SHB Finance) through the purchase and receipt of 100 percent of charter capital in SHB Finance, which operates a consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank, with a total consideration of approximately VND 3,590.3 billion (equivalent to approximately 5,184.4 million baht), marking another milestone reached in accordance with our strategic direction of ASEAN business expansion. The transaction has been divided into two phases:

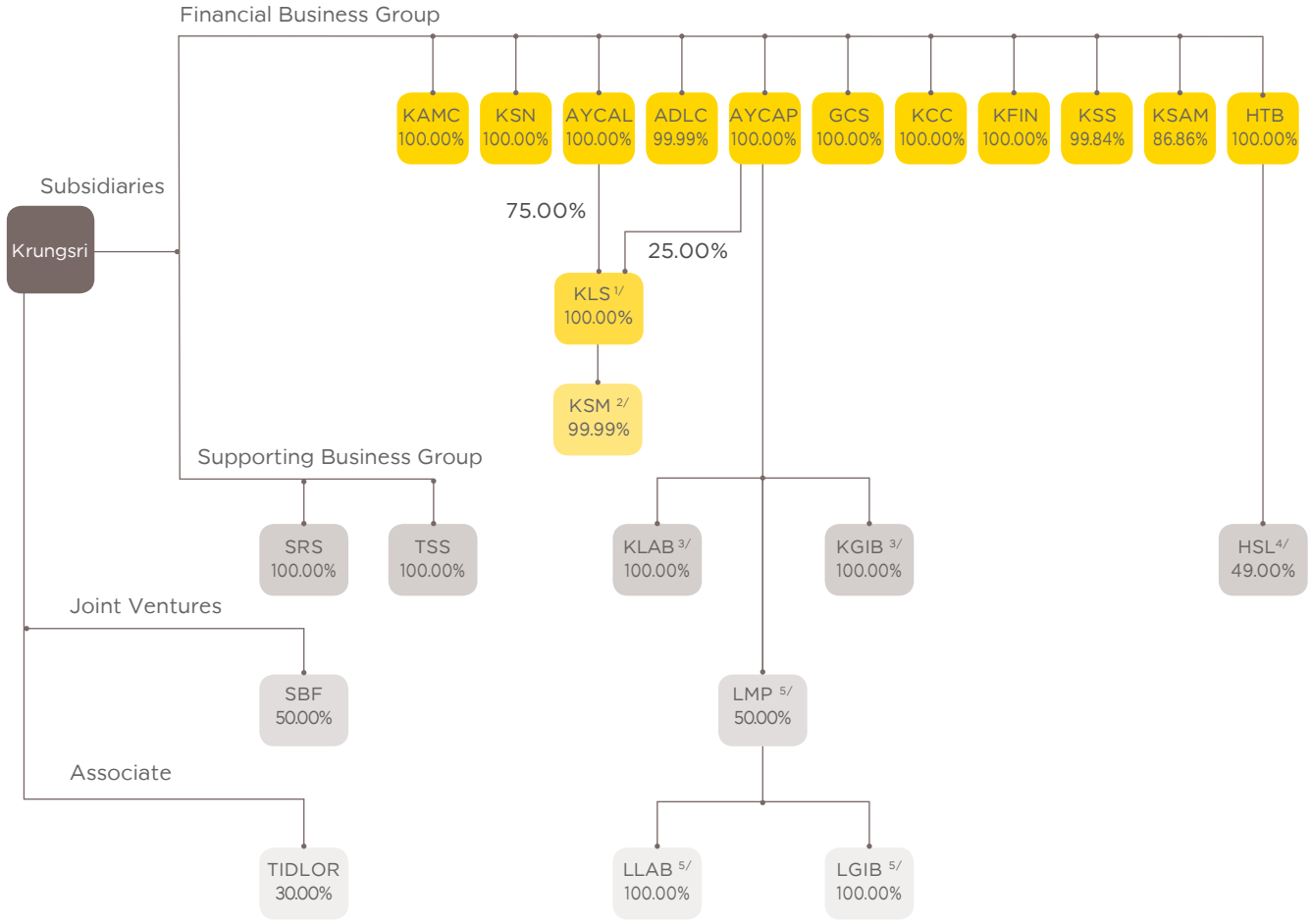
    - The purchase and receipt of the transfer of 50 percent of charter capital in SHB Finance for a consideration of approximately VND 1,573.4 billion (equivalent to approximately 2,272 million baht)

    - The purchase and receipt of the transfer of the remaining 50 percent of charter capital after the first transaction, which will be conducted three years after the completion of the first transaction, for a consideration of approximately VND 2,016.9 billion (equivalent to approximately 2,912.4 million baht)

- On December 27, 2021, Krungsri declared an ambitious Carbon Neutrality Vision, committing to decarbonizing its own operations by 2030 and its financial services by 2050, laying out strategic initiatives to support the sustainable transformation of the Thai society and business sector into a low-carbon society.

SHAREHOLDING STRUCTURE AND BUSINESS OPERATIONS OF THE COMPANIES IN KRUNGSRI GROUP

SHAREHOLDING STRUCTURE



KAMC = Krungsri Ayudhya AMC Ltd.	KSS = Krungsri Securities PCL	KGIB = Krungsri General Insurance Broker Ltd.
KSN = Krungsri Nimble Co., Ltd.	KSAM = Krungsri Asset Management Co., Ltd.	HSL = Hattha Services Co., Ltd.
AYCAL = Ayudhya Capital Auto Lease PCL	HTB = Hattha Bank Plc. (formerly Hattha Kaksekar Limited)	SBF = SB Finance Company, Inc.
ADLC = Ayudhya Development Leasing Co., Ltd.	KLS = Krungsri Leasing Services Co., Ltd.	LMP = Lotus's Money Services Ltd. (formerly Tesco Lotus Money Services Ltd.)
AYCAP = Ayudhya Capital Services Co., Ltd.	KSM = Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	LLAB = Lotus's Life Assurance Broker Ltd.) (formerly Tesco Life Assurance Broker Ltd.)
GCS = General Card Services Ltd.	SRS = Siam Realty and Services Security Co., Ltd.	LGIB = Lotus's General Insurance Broker Ltd. (formerly Tesco General Insurance Broker Ltd.)
KCC = Krungsriayudhya Card Co., Ltd.	TSS = Total Services Solutions PCL	TIDLOR = Ngern Tid Lor PCL (formerly Ngern Tid Lor Co., Ltd.)
KFIN = Krungsri Finnovate Co., Ltd.	KLAB = Krungsri Life Assurance Broker Ltd.	

Remarks:
1/ KLS is Krungsri's subsidiary where we indirectly hold 100.00 percent of shares via AYCAL at 75.00 percent and AYCAP at 25.00 percent.
2/ KSM is Krungsri's subsidiary where we indirectly hold 99.99 percent of shares via KLS.
3/ KLAB and KGIB are Krungsri's subsidiaries where we indirectly hold 100.00 percent of shares in each company via AYCAP.
4/ HSL is Krungsri's subsidiary where we indirectly hold 49.00 percent of shares via HTB.
5/ LMP, LLAB and LGIB are Krungsri's joint ventures where we indirectly hold 50.00 percent of shares in each company via AYCAP.

SHAREHOLDING AND BUSINESS OPERATIONS OF THE COMPANIES IN KRUNGSRI GROUP

Krungsri holds shares directly and indirectly in 18 subsidiaries, four joint ventures, and one associate as defined by the Securities and Exchange Commission; the information as of December 31, 2021, is as follows:

Company Name	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Krungsri's Shareholding (%)
SUBSIDIARIES				
Financial Business Group				
1. Hattha Bank Plc. [1/] (formerly Hattha Kaksekar Limited)	Commercial bank in Cambodia	4,534.8	4,534.8	100.00
2. Krungsri Ayudhya AMC Ltd.	Purchase or accept the transfer of impaired assets (NPA and NPL) for management through debt restructuring and/or purchasing their collateral for disposal including undertaking NPA maintenance to ensure they are in good condition and ready for sale	2,700.0	2,700.0	100.00
3. Krungsri Nimble Co., Ltd.	Provide information technology services to Krungsri and all companies in Krungsri's Financial Business Group only	300.0	300.0	100.00
4. Ayudhya Development Leasing Co., Ltd.	Provide financial lease and hire purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use	1,235.0	1,235.0	99.99
5. Ayudhya Capital Auto Lease PCL	Hire purchase for motorcycles and top-up loans for existing customers and inventory financing for car dealers	28,845.0	25,545.0	100.00
6. General Card Services Ltd.	Credit card and personal loan	2,458.0	2,458.0	100.00
7. Ayudhya Capital Services Co., Ltd.	Sales financing (merchandise installment financing), personal loans, credit card and nanofinance products	5,925.0	5,925.0	100.00

Company Name	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Krungsri's Shareholding (%)
8. Krungsriayudhya Card Co., Ltd.	Credit card and personal loan	5,905.5	5,905.5	100.00
9. Krungsri Finnovate Co., Ltd.	Venture capital	2,500.0	2,500.0	100.00
10. Krungsri Securities PCL	Securities business	1,350.0	1,350.0	99.84
11. Krungsri Asset Management Co., Ltd.	Asset management	350.0	350.0	86.86
12. Krungsri Leasing Services Co., Ltd. 2/	Leasing/Hire purchase/ Sales finance in Lao PDR	905.5	905.5	100.00
13. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. 3/	Microfinance institution that does not accept deposits in Lao PDR	32.6	32.6	99.99
Supporting Business				
14. Siam Realty and Services Security Co., Ltd.	Provide car rental and human resources service to Krungsri Group	100.0	100.0	100.00
15. Total Services Solutions PCL	Collection services	401.5	401.5	100.00
16. Krungsri Life Assurance Broker Ltd. 4/	Life insurance broker	92.0	92.0	100.00
17. Krungsri General Insurance Broker Ltd. 4/	Non-life insurance broker	92.0	92.0	100.00
18. Hattha Services Co., Ltd. 5/	Supporting business in relation to property development for operations of Hattha Bank Plc. and subsidiaries under Krungsri's Financial Business Group only	0.03	0.03	49.00
JOINT VENTURES				
19. Lotus's Money Services Ltd. (formerly Tesco Lotus Money Services Ltd.)	Credit card and personal loan	2,080.0	2,080.0	50.00
20. Lotus's Life Assurance Broker Ltd. (formerly Tesco Life Assurance Broker Ltd.) 6/	Provide life insurance products to customers of Lotus's Money Services Ltd. and Lotus's stores	12.0	12.0	50.00
21. Lotus's General Insurance Broker Ltd. (formerly Tesco General Insurance Broker Ltd.) 6/	Provide non-life insurance products to customers of Lotus's stores	107.0	107.0	50.00

Company Name	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Krungsri's Shareholding (%)
22. SB Finance Company, Inc. 7/	Undertake retail banking business in the Philippines	3,555	970	50.00
ASSOCIATE				
23. Ngern Tid Lor PCL (formerly Ngern Tid Lor Co., Ltd.)	Provide sale and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles, as well as non-life insurance brokerage service	8,580.2	8,580.2	30.00

Remarks:
1/ Krungsri's subsidiary where we directly hold 100.00 percent of shares. Formerly Hattha Kaksekar Limited, Microfinance Deposit Taking Institution; obtained approval from relevant regulators both in Thailand and Cambodia to expand its business to be a commercial bank on August 26, 2020.
2/ Krungsri's subsidiary where we indirectly hold 100.00 percent of shares through Ayudhya Capital Auto Lease PCL at 75.00 percent and Ayudhya Capital Services Co., Ltd. at 25.00 percent
3/ Krungsri's subsidiary where we indirectly hold 99.99 percent of shares through Krungsri Leasing Services Co., Ltd.
4/ Krungsri's subsidiary where we indirectly hold 100.00 percent of shares in each company through Ayudhya Capital Services Co., Ltd.
5/ Krungsri's subsidiary where we indirectly hold 49.00 percent of shares through Hattha Bank Plc.
6/ Subsidiary of Lotus's Money Services Ltd.
7/ Krungsri's subsidiary where we directly hold 50.00 percent of shares

MEDIUM-TERM BUSINESS PLAN

Krungsri's Medium-Term Business Plan (MTBP) is the translation of our vision into an execution plan by leveraging our foundation and achievements from the previous MTBP. It lays out our corporate objectives over three years and includes analyses and strategies to cope with the changes in customers and the economic environment we are operating in. We remain committed to enhancing our global network with MUFG in helping corporate and retail customers thrive through the best advice and solutions that suit their needs.

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

2021 was 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 MTBP (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 recognition as a Domestic Systemically Important Bank (D-SIB) with record achievements in environmental, social and governance (ESG) innovations and excellence.

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

FIVE STRATEGIC DIRECTIONS

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

THREE KEY ENABLERS

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

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

SUCCESSFUL STRATEGIC EXECUTION

We were able to make significant progress in our strategy and initiatives under our MTBP, 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.

LEVERAGING SYNERGIES WITH MUFG

SYNERGY HIGHLIGHTS

Our focus on leveraging the complementary strengths of Krungsri and MUFG showed steady progress throughout 2021 despite the continuous 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 achievements.

- **Payroll account acquisition:** Krungsri has acquired more than 101,000 payroll accounts since the integration with MUFG Bank, Ltd. (MUFG Bank)'s Bangkok Branch in 2015, and promoted cross-selling of retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.

- **Supply chain financing:** The Bank continued to promote end-to-end solutions, ranging from supplier financing to dealer financing, tapping into the market of Japanese manufacturers and their supply chains. Leveraging MUFG's long-term relationships with Japanese car manufacturers, Krungsri discovered considerable business opportunities in the auto dealer segment and cross-sold to gain substantial wallet share in the hire purchase business.

- **Business matching:** In December 2021, Krungsri and MUFG jointly organized the Krungsri-MUFG Virtual Business Matching Fair 2021, a global business matching event through online channels, for the second consecutive year. The virtual event was attended by participants and entrepreneurs from Thailand, Japan, and ASEAN. The collaboration between Krungsri and MUFG in arranging business matching activities for the ninth year in a row reinforces the synergies between Krungsri's local expertise and MUFG's global network in driving the growth of Thailand's business sector according to the third Medium-Term Business Plan (2021-2023) of Krungsri. This showcases our effort to enhance the business potential of commercial banking customers and propel Krungsri's aspiration of being the preferred Thai bank connecting customers' needs across ASEAN.

- **Investment banking:** We enhanced the 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. In 2021, Krungsri continued to collaborate closely with MUFG regarding environmental, social and governance (ESG) activities. With MUFG Securities' technical ESG expertise, Krungsri has concluded various ESG finance transactions including the inaugural sustainability-linked loan in Thai baht and the first-ever sustainability-linked bond in Thailand. Having achieved a notable market share in Thailand's ESG bond market, Krungsri has become a leading ESG bank. We will continue in our commitment toward environmental, social, and governance issues for sustainable growth.

- **Transaction banking:** With 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. Moreover, Krungsri's digital capability creates tangible value for MUFG by capitalizing on our networks among partner banks to offer our customers unparalleled payment services. Krungsri is also capable of providing total global supply chain solutions to MUFG inbound customers.

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

Throughout 2021, Krungsri and MUFG synergies allowed Krungsri to better respond to our clients' financial needs. Looking to 2022, Krungsri will continue to enhance our customer service capabilities by uniting MUFG's global platform and networks with our local expertise and strengths.

EXPANDING OUR BUSINESS IN THE REGION

Despite the lingering pandemic, the ASEAN economy is expected to recover in the medium term and continues to have prominent long-term growth prospects driven by its growing young workforce as well as an emerging middle class. In 2021, Krungsri expanded its regional business footprint in Vietnam, one of the ASEAN economies with high growth prospects.

On August 25, 2021, Krungsri signed agreements with Saigon-Hanoi Commercial Joint Stock Bank ('SHB'), the fifth largest joint-stock commercial bank in Vietnam, to purchase and receive the transfer of 100 percent of charter capital in SHBank Finance Company Limited ('SHB Finance'), a top 10 consumer finance player in Vietnam. The transaction is subject to regulatory approval and will be carried out in two phases, with SHB transferring 50 percent of SHB Finance to Krungsri in the first phase, then the remaining 50 percent of charter capital three years after the first transaction.

Both Krungsri and SHB will work together to grow their consumer finance business in Vietnam, bringing greater value to customers, shareholders, and partners. This acquisition aligns with Krungsri's strategic direction of ASEAN expansion, paving the way for realizing our aspiration to 'Be the preferred Thai bank connecting customers' needs across ASEAN'.

Krungsri will continue to expand its 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

CONSUMER DIGITAL SOLUTION DIVISION

Under the current unstable environment resulting from the COVID-19 epidemic, customers' lifestyles have constantly trended toward the 'new normal' way of living. Customers' behaviors in spending and accessing service offerings through digital channels have increased exponentially, accelerating the transition to a cashless society. In 2021, the number of Krungsri customers applying for Krungsri Mobile Application (KMA) surged by over 25 percent, whereas the number of transactions rose by over 50 percent, with over 80 percent of total transactions made through digital channels.

In order to respond effectively to customers' needs in the digital age, we swiftly built upon the ongoing development of the KMA platform to enhance its service capacities so that the customers are satisfied in their daily service use, in all aspects. Application development emphasized customer

centricity to deliver excellent user experiences in tandem with the promotion of financial service accessibility through convenient and safe procedures. Various innovations have been adopted to fulfill the quality requirements, making customers satisfied with the experience to a degree comparable to conducting financial transactions at a bank branch. In 2021, our implementations were as follows:

- **Digital Banking User Experience:** We adopted biometric technology for the identity verification and authentication process to enable customers to access the services easily yet securely. QR codes were added to e-slips to facilitate customers in checking their transactions' accuracy right after making them. Moreover, a transaction alert service is now available, allowing customers to conveniently verify their transactions.

- **Service Scalability:** The personal loan application service called 'Krungsri iFIN' was launched by building upon the success of the e-Savings account opening technology, leading to the upgrading of end-to-end digital lending applications. This was followed by the full-scale adoption of the digital identity verification and authentication technology via e-KYC through the National Digital ID platform (NDID) or Krungsri i-CONFIRM. The e-Signature and e-Consent services were introduced in the loan application process with the aim of reducing paper usage and providing customers a full range of digital experiences that are simple, convenient, quick, accurate, and secure throughout the whole process. In addition, KMA also served as an online subscription platform for the initial public offering (IPO) of the common shares of Ngern Tid Lor Public Company Limited, being convenient, swift, and able to meet all the financial needs of customers.



- **Continuous Engagement:** We bolstered the capabilities of KMA services to fully meet the lifestyles of Krungsri Prime customers. They can access financial news and information and enjoy the privileges and benefits specifically selected for them conveniently, easily, and seamlessly under a single application.

For the next step, Krungsri continues to strive for further KMA development, focusing on building a better customer experience by adjusting the user interface for user friendliness and greater user satisfaction. In-depth data analysis will be processed to gain customer insights and win their hearts. We aim to upgrade the quality of customer service together with the offering of promotional privileges that match customer preferences, and at the same time improve system stability to ensure that the application can effectively accommodate customers' daily service use.

COMMERCIAL DIGITAL SOLUTION DIVISION

As the world is changing because of the COVID-19 pandemic, economic trends, and digital disruption to both individuals and businesses, these factors are also affecting both consumer and commercial banking. In 2021, Krungsri's digital banking service for the SME segment, called Krungsri Biz Online, saw a 92-percent increase in transactions and a 36-percent growth in new acquisitions compared to 2020.

Moreover, in the fourth quarter of 2021, Krungsri iPro was launched to deliver next-generation digital customer experiences for juristic customers through a new digital account opening platform for the SME segment, providing professional services through the relationship manager. Krungsri iPro is connected directly via Open API with other systems such as those of the Department of Business Development (DBD), Department of Public Administration (DOPA), UBO, KYC, RPT Blacklist, and FATCA to expedite the customer onboarding process.

Owing to the changing consumer behavior, online payments via the website or mobile application of merchants in every industry have surged, resulting in a 101-percent rise in the volume of Krungsri's e-payments.

Since Krungsri joined the Thailand Blockchain Community Initiative (BCI) in the last few years, the electronic letter of guarantee (e-LG) has been successfully implemented with blockchain technology, both online and at branches nationwide, earning the Bank a 187-percent growth in LG compared to 2020. Also, the system and the process of e-LG have been leveraged so that all Krungsri e-LG beneficiaries were able to send e-requests via the digital channel by the second quarter of 2021.



In alignment with the direction of Krungsri's focus on ASEAN expansion, we enhanced the Krungsri Internet Banking Laos (KIBL) Service Phase 2, which led to growth of 167 percent with large corporates in the JPC/MNC segment as our key customers.

Moreover, the transaction volume of the Krungsri Blockchain Interledger, which is our Thai-Lao real-time funds transfer service, increased by 365 percent. In the fourth quarter of 2021, it became Krungsri's first 24/7 outward remittance solution designed with the new low-cost remittance model of Nium, a global payment services provider. The service covers nine currencies and 13 major countries around the globe.

In mid-2021, the Bank of Thailand's national project collaboration with other banks and non-banks called Central Web Service (CWS) was launched. The CWS is an open architecture system for supporting SMEs with more opportunities of factoring, while preventing problems related to double financing. Krungsri was the first bank to leverage CWS by connecting it with Krungsri Supply Chain on Blockchain (KSB) via Open API, transforming KSB into a comprehensive supply chain solution that provides the best benefits for all parties throughout the chain.

In 2022, the Commercial Digital Solution Division will focus on digital penetration into every commercial segment as well as collaborative infrastructure initiatives with the Bank of Thailand, i.e., the Central Bank Digital Currency (CBDC) and the Juristic National Digital ID (NDID) platform, the results of which could be leveraged to better serve Krungsri commercial customers throughout the business banking (BB), SME, corporate, and JPC/MNC segments.

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 accelerator program, and ecosystem, 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 X TDPK

Continuing from the previous year, Krungsri Finnovate, together with True Digital Park, ran the Meet the Angels by Krungsri Finnovate program, a forum connecting angel investors with startups through virtual pitching, a win-win synergy giving Thai startups a boost amid the COVID-19 pandemic.

Krungsri Finnovate joined with True Digital Park to further develop the Meet the Angels by Krungsri Finnovate x TDPK program as an intermediary connecting startups and investors who are interested in businesses with high growth potential, facilitating business matching between startups and angel investors to facilitate further business expansion.

The virtual pitching under Meet the Angels by Krungsri Finnovate X TDPK takes place every last Wednesday of the month, from 20.00 to 22.00 hr. We have successfully conducted 16 virtual pitching sessions with 71 startups from 17 different business verticals, for more than 200 registered investors.



KRUNGSRI UNICORN

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: the Pony, Centaur, and Unicorn stages.

In 2021, Krungsri Finnovate collaborated with Krungsri Consumer to support employees in creating business models, including testing and evaluating business ideas to enter the Centaur Stage from a total of six Pony Stage finalists, moving on to the next phase of testing ideas and products in terms of market demand in 2022.

STARTUP STRATEGIC PARTNERSHIP

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

Driven mainly by collaboration between startups and Krungsri Group, Krungsri Finnovate also completed 113 projects in 2021 across various business units throughout Krungsri Group, and plans further delivery of new projects.

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 2021, Krungsri Finnovate expanded with five new investments in our portfolio, totaling 15 direct investments and one fund-of-funds investment. During the year, one of our portfolio companies made consecutive rounds of fund raising: Flash Partners Ltd., Thailand's first unicorn. Grab Holdings Ltd., a joint investment of Krungsri Finnovate and MUFG in 2020, was listed on the NASDAQ Stock Exchange by the Special Purpose Acquisition Company (SPAC) method through a merger with Altimeter Growth Corp. at the end of 2021.

New investments in five startups include:

1. **TZO COMPANY Limited (Wisesight),** the leading social big data analytics company in Thailand, developing software that collects social media data, supporting organizations to recognize social feedback, understand consumer behavior, and utilize software which is the organizational tool for creating interactions with people on social media in a timely manner to solve problems and close sales with ease

2. **Builk One Group Company Limited,** a developer of business administration software and e-commerce services for the construction and real estate industries that offers services including enterprise resource planning (ERP), customer relationship management (CRM), and construction technology software for managing costs, duration, and quality of construction projects and real estate, which covers digital transformation connecting stakeholders throughout the supply chain and leads to the extension of related financial technology services

3. **Zipmex Asia Pte. Ltd.,** an Asia-Pacific digital asset platform under the supervision of government agencies from four countries—Australia, Singapore, Indonesia and Thailand—focusing on the design of services and products to serve lifestyles and provide maximum benefits to customers as well as being an easy-to-use investment platform along with the highest security in the digital asset industry

4. **PUUN Intelligent Company Limited,** the number-one developer of an online accounting program (Cloud Accounting Platform) by Thai accountants under the name PEAK, a solution that provides professional accounting management with accuracy and reliability, especially for SMEs which have limited expertise in accounting document management and accounting standards. Entrepreneurs can thus appropriately manage financial information, paving the way for growth and improved access to capital resources in the future.

5. **Zortout Co., Ltd.,** developer of a complete store management system which can connect all platforms through extensive integration, managing store and sales orders via multiple channels, such as online, offline, dealers, and consignment, to save sellers' time and reduce working process, providing a report summary, connecting to the transport system, and utilizing a bookkeeping method for avoiding errors. It also helps to reduce labor costs.

In 2021, Krungsri Finnovate established a startup Venture Capital Fund, in the form of private equity trust fund, available to external investors, the first of its kind in Thailand, under the name 'Finnoventure Private Equity Trust I'. The fund was set up to provide opportunities for ultra-high net worth and institutional investors who are interested in startups in Thailand and overseas, with a focus on investments in three sectors: FinTech, e-commerce, and automotive.

COMMERCIAL BANKING

CORPORATE AND INVESTMENT BANKING GROUP

The Corporate and Investment Banking Group aspires to become customers' trusted banking partner for sustainable growth. With this aspiration in mind, we strive to deliver innovative and competitive products and solutions to meet customers' needs through the synergy from combining Krungsri's local expertise with MUFG's global network.

Our successes in 2021 include:

- Krungsri responded to the Bank of Thailand (BOT)'s policy to promote Thailand's interest reference rate, successfully providing a long-term loan facility of 6 billion baht to PTT Public Company Limited using the Thai Overnight Repurchase Rate (THOR) as the reference rate. The transaction marks the largest THOR-based loan facility since the launch of the THOR. Krungsri also partnered with Next Capital Public Company Limited to launch Thailand's first THOR-based long-term loan deals with THOR-based derivative contracts to support businesses in risk management and cost control.

- **Sustainability promotion**
  - Krungsri joined as an underwriter for the sustainability bonds issued by the Ministry of Finance which were listed for the first time for Thailand and ASEAN countries on the Luxembourg Green Exchange (LGX) in the Luxembourg Stock Exchange.
  - Krungsri played an important role in leading SPCG Public Company Limited or SPCG's first green bond issuance, which was well received by the investors community as evidenced by the final order book of over 4.5 billion baht, surpassing the target issue size by three times.
  - Krungsri was appointed as the joint lead underwriter and the joint sustainability structuring advisor for Bangkok Expressway and Metro Public Company Limited (BEM) to offer sustainability bonds which were the first ones issued by a company in the transportation sector in Southeast Asia.



- Krungsri introduced sustainability finance products by capitalizing on MUFG's expertise. We were entrusted by Thai Union Group Public Company Limited with the following roles:

  Sole arranger of Thai Union's 4-billion-baht sustainability-linked bonds (SLB) in July, the first-ever SLB issuance in Thailand, followed by another 6 billion baht in November. Thai Union's SLBs are the first globally to introduce step-up and step-down facilities related to the achievement of Sustainability Performance Targets (SPTs).

  Krungsri and MUFG were appointed as the sustainability coordinators and the mandated lead arrangers and bookrunners for Thai Union's syndicated sustainability-linked loans (SLL) in both Thailand and Japan.

- Moreover, Krungsri was appointed as the sustainability coordinator in addition to acting as the sole lender of sustainable financing worth 5 billion baht for SCG Packaging Public Company Limited (SCGP).

- Krungsri, as a selling agent, underwrote the IPO of the ordinary shares of Ngern Tid Lor Public Company Limited or TIDLOR, which were available for booking via Krungsri Securities Public Company Limited (KSS). We also accepted subscriptions via the Krungsri Mobile Application (KMA) channel for the first time.

- Besides financial products and services, Krungsri also supported business customers in expanding their business potential and fostering long-term strength through the Krungsri Virtual Business Matching, an online business matching activity connecting small and medium-sized enterprises (SMEs) with large corporate customers to create opportunities among Thai businesses, and the Krungsri-MUFG Virtual Business Matching Fair, an international business matching event through online channels to create growth opportunities for Thai businesses wishing to expand their business abroad.

Amidst the highly volatile and challenging environment caused by the COVID-19 pandemic, the Corporate and Investment Banking Group provided direct and indirect financial support for our customers, offering special debt restructuring (SDR) and debt holidays. We provided additional support measures to enhance liquidity for our business customers by expanding credit lines through government measures for special rehabilitation loans. We also gave opportunities for new customers who did not yet have credit with any financial institution to access assistance from these special loan measures. In addition to the suspension of principal payment and installment payment, reduction of the number of installment payments, interest rate cuts, and adjustment of the type of credit limit, we also supported asset warehousing measures.

Strategic Plans for 2022

We remain committed to being customers' trusted partner for sustainable growth under the foundation of customer-centric services while leveraging MUFG's global network to meet the evolving needs of our customers.

1. **Value Chain**—Respond to customers' needs while enhancing business potential in the ecosystem in all aspects
2. **Asset Quality**—Create quality growth through selective consideration of business capabilities and opportunities based on the industry landscape, management policies, and business expansion objectives both domestic and abroad, while also accounting for the impact of the COVID-19 pandemic
3. **Product Initiatives**—Support continuous growth by offering various financing solutions for domestic and offshore investment as well as financial innovations
4. **MUFG Collaboration**—Leverage MUFG's network to enhance value creation, support cross-border transactions, and offer financial innovations
5. **Digitize Process**—Continue to improve our internal processes with increased use of technology to enhance the customer experience and strengthen operating systems

SME BANKING GROUP

The SME Banking Group consists of divisions responsible for SME customers with sales volumes ranging from 20 million baht to 1 billion baht and divisions responsible for micro SME customers with sales volumes not exceeding 20 million baht or individual customers who need commercial loans not exceeding 15 million baht.

SME BUSINESS DIVISION

We are determined to be the main bank for SME customers in providing financial services that help enhance their business efficiency, standing by their side as a partner who is ready to help customers affected by the COVID-19 situation through continuous proactive measures covering a wide range of business types and sizes. Moreover, we have teamed with MUFG to expand customers' businesses through our global business network and coordinate the mutual benefits of customers within supply chains as well as bolster the efficiency of customers' businesses through the Krungsri Business Empowerment service that provides in-depth knowledge through seminars as well as networking and business opportunities.

Our key achievements and initiatives in 2021

- Introduced relief measures for SMEs directly and indirectly affected by the COVID-19 pandemic based on government relief measures such as the soft loan scheme, special rehabilitation loan program, the Asset Warehousing Program, the debt suspension scheme for businesses that have temporarily closed, and additional measures from Krungsri such as suspension of principal repayment, suspension of installment repayment, reduction of installment repayment amount, reduction of interest rate, and adjustment of credit type. So far, Krungsri has assisted business customers with a combined loan value of more than 180 billion baht.
- Continuously developed the Krungsri Digital Supply Chain Solutions in terms of products and digital platforms in collaboration with the public and private sectors in several industries by helping fund SME entrepreneurs with special loans for which no collateral is required. Moreover, we enhanced the efficiency of the purchasing process and fund management so they are convenient and real-time on the digital platform. We were also part of the Smart Financial and Payment Infrastructure for Business project, which is a multi-sector collaboration that connects trade and payment data among businesses for boosting the efficiency of the country's financial system.
- Contributed to the development of the 'Debt Crowdfunding Portal' platform for creating ecosystems and partnerships. This is a new alternative that allows SMEs to access funding more easily, allowing the Bank to meet the varied needs of SME customers continuously and more efficiently.
- Organized the Krungsri Virtual Business Matching activity to create business opportunities for customers. This activity is held annually for both domestic markets and for expansion into the ASEAN market. In 2021, we held two business matching activities garnering more than 270 companies that applied for the events, namely Krungsri Virtual Business Matching 2021 which led to more than 300 business matchings and Krungsri-Thaitown Matching Fair 2021 which allowed more than 300 Thai products to enter the Myanmar market. In addition, for the ninth consecutive year, Krungsri and MUFG jointly organized the Krungsri-MUFG Virtual Business Matching Fair 2021, an international business-matching event for entrepreneurs from Thailand, Japan, and ASEAN countries.
- Arranged Krungsri Business Talks, a series of online seminars under the topics, 'What's Next for the Thai Economy



and Business?', 'What's Next for the Food Industry?', and 'What's Next for the Automotive Supply Chain?', to provide insights for business customers in each industry. In addition, we provided in-depth knowledge of business investment opportunities in China, Myanmar, and ASEAN in the form of videos via online channels.

- Launched the Krungsri Business Academy, an online learning platform for SME entrepreneurs. Krungsri, together with business partners and leading e-commerce platforms, developed 15 online training courses to build knowledge of digital marketing, branding, and sales boosting techniques among Thai SMEs.
- Shared knowledge, perspectives, and experiences from leading organizational change leaders in 'THE CHANGE MASTER' project, wherein four CEOs of leading Thai business organizations shared ways to overcome the present crisis, in the form of video interviews distributed through various media channels for SMEs to apply and be inspired to change their businesses to cope with disruption and uncertainties.

Strategic Plans for 2022

- Aim to be the main bank for SME customers that helps customers' businesses recover (Resilient) to be able to truly meet customers' needs (Respond) and help customers' businesses to grow in the future (Rebuild for Future Growth) by introducing various support measures to assist customers in need. We are ready to develop and provide comprehensive financial services, especially digital financial products and services, to support business operations for entrepreneurs to effectively enter the digital era.
- Focus on maintaining good relationships with customers as well as providing services apart from financial services to enhance the efficiency of business operations for Krungsri customers through knowledge sharing, opportunities, and business networks
- Be customer-centric by focusing on creating a good experience through understanding the customers in each group to create financial products and services that suit their needs to the fullest possible extent
- Drive and coordinate business customers and partners' collaboration by linking data and taking care of SME customers by industry group with the Krungsri Digital Supply Chain Solutions that increase efficiency for the entire business system
- Collaborate with MUFG to support customer business expansion with efficient cross-border transaction services and opportunities for business matching with a network of reliable partners
- Support and build ecosystems to increase efficiency in providing total services to customers in a variety of dimensions

BUSINESS BANKING DIVISION (MICRO SME)

We aim to provide various kinds of financial products suitable for each type of micro SME customer as well as beneficial advice through the branch network and staff equipped with commercial credit knowledge and expertise in order to enhance customers' competitive edge. In addition, the Bank places importance on providing support for and closely looking after customers affected by economic difficulties, through various assistance measures.

Our key achievements and initiatives in 2021

- **Soft loan measures**

  1) Soft loans to revive the Thai tourism sector
  2) Financial Assistance for Entrepreneurs Affected by the COVID-19 Pandemic, from the Bank of Thailand
  3) Financial Rehabilitation Measures to Support Business Recovery Post-COVID-19, Phase 1 and Phase 2, from the Bank of Thailand
  4) Portfolio Guarantee Scheme Special Phase Soft Loan Plus by the Thai Credit Guarantee Corporation
  5) Credit guarantees by the Thai Credit Guarantee Corporation as per the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators Impacted by the Spread of the COVID-19 Pandemic Phase 1 and Phase 2

- **Assistance measures and debt holiday**—Business banking customers can receive installment payment suspension for up to six months and principal payment suspension for up to 12 months and installment amount reduction for up to 12 months through measures in each period as follows:

  1) Assistance measures and debt holiday for customers affected by the COVID-19 pandemic after the assistance measures per the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators ended in October 2020: The Bank provided continuous assistance to customers until December 2021.
  2) Special two-month debt holiday spanning July 19 – August 15, 2021 for SME customers that had to comply with the Centre for COVID-19 Situation Administration (CCSA)'s order to temporarily close their business during July 2021.

- Debt restructuring through the Asset Warehousing Program with buy-back options for adversely affected borrowers whose businesses have recovery potential: Customers can transfer their collateral to the Bank to reduce their liabilities and still lease their assets to continue business operations, then repurchase their assets in a period of three to five years.

- Provision of special credit limits for woman SME entrepreneurs, who play an important role in driving the economy and increasing Thailand's employment rate, to increase financial access opportunities for this group while also raising awareness of and accounting for the environmental and social impacts

- Expansion of the new customer base by joining hands with Shopee University: Financial Edition for the second year to provide online entrepreneurs intensive tutoring on post-pandemic online business and related technological trends for the new SME generation, including tips for applying technologies and financial tools on the digital platform, to support online entrepreneurs so that they can adapt their strategies to the 'new normal' era or leverage their businesses efficiently, creating commercial opportunities for businesses to grow and prosper in spite of the COVID-19 situation.

Strategic Plans for 2022

- The Bank will continue to develop and improve the business banking customer experience in terms of credit approval process and account management by streamlining the application process and adapting applications through digital channels so that customers can use services more conveniently, such as credit approval with new digital tools and platforms. In addition, the use of documents will be reduced to speed up transactions.

- 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 cross-border remittance via mobile applications.

- Specific products and services will be offered for each industry, more varieties of collateral will be accepted, and business partnerships will be expanded to better serve customer needs.

JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

At the beginning of 2021, the business sector appeared to be recovering from the COVID-19 pandemic. Unfortunately, additional and more severe outbreaks emerged, forcing many companies to temporarily stop or decrease their production in accordance with stricter government measures, and the business sector was impacted by resulting supply chain disruptions. Due to the aforementioned concerns, business sentiment remained fragile, and business operations stagnated.

JPC/MNC Banking, as a partner of Japanese and multinational corporates in Thailand, assisted our customers in maintaining and supporting their business growth. Despite the difficult situation, we continued to provide knowledge sharing such as industry outlooks and market updates via online seminars, and arranged Krungsri-MUFG Virtual Business Matching Fair in collaboration with MUFG Bank and Mitsubishi UFJ Research and Consulting Co., Ltd. to foster business synergy. In addition, we took preventive actions and applied special operational measures to ensure the continuance of business operations and transaction executions in line with our commitment to meeting customers' business needs.

In 2021, JPC/MNC Banking made changes to our fundamental structure to facilitate and elevate the potential of strategies following the three key themes under the current Medium-Term Business Plan (MTBP) 2021-2023, which are 1) to build business resilience; 2) to provide business solutions for customers; and 3) to transform operating models in pursuit of our aspiration to become the top-of-mind business partner. Initiatives were implemented not only to strengthen banking products and services such as loans, deposits, foreign exchange, derivatives, and transaction banking, but also to leverage our advisory and research capabilities as well as



to promote and facilitate collaboration with MUFG's global network, partner banks, and all business units across Krungsri. In addition, we monitored credit portfolios closely to ensure the quality of the Bank's assets. Furthermore, we put more effort in enhancing the skills of our people and improving and digitalizing operating processes in order to improve our efficiency and capability to provide services to customers.

Amidst the challenges of fragile business sentiment caused by the ongoing COVID-19 pandemic, JPC/MNC Banking delivered a satisfactory performance. Our successes for 2021 are as follows:

- Maintained our position as the top market share holder in the Japanese corporate market and were able to expand business activities with multinational corporates in Thailand
- Established the Business Solution Division to reinforce capabilities in terms of research, advisory, as well as business synergy promotion
- Made significant progress on gaining a foothold in the Eastern Economic Corridor (EEC). We built good relationships with the Eastern Economic Corridor Office of Thailand as well as industrial estate and real estate agencies, and collaborated with them to support customers' investment in the area
- Facilitated the green bond issuance of a Japanese automotive leasing company
- Started undertaking the bancassurance business

STRATEGIC PLANS FOR 2022

We will continue to enhance JPC/MNC Banking's capability to provide suitable total solutions for customers and to transform our operating models in order to become the top-of-mind business partner.

- Deepen our understanding of customers' businesses thoroughly in order to support their growth
- Provide insights and exclusive business and economic information, as well as leverage our global and local networks to meet business needs
- Seek business opportunities within Thailand and across the region to support business expansion and development
- Consistently transform our operational platform to enhance efficiency and capability in conformity with the business environment

We are positive that we will be able to strengthen our relationships with a larger number of Japanese and multinational corporate customers investing in Thailand. With the continuous execution of all these strategies, we will offer products and services that better meet customer needs, creating a great customer experience.

TRANSACTION BANKING GROUP

Under Krungsri's aspiration to 'Be the preferred Thai bank connecting customers' needs across ASEAN' in accordance with the third Medium-Term Business Plan (2021-2023), the provision of financial services plays an important role in realizing our aspiration, fulfilling customers' needs not only in Thailand but also across the region. Krungsri will be comparable to a business partner that efficiently manages the financial transactions of customers.

In 2021, the Transaction Banking Group continuously developed and enhanced our digital systems to suit customers' needs while also leveraging MUFG's strong network to become the leader in cross-border transactions. Our core strategy consists of adaptation to changes in both payment behaviors and global trends such as changing consumer behaviors, regulatory requirements, likelihood of business expansion to the regional level, and current spending habits. With these factors in mind, the Bank ceaselessly adjusts our services to best suit new trends.

COMMITMENT TO DEVELOPING SUSTAINABLE DIGITAL FINANCIAL INNOVATIONS IN LINE WITH CHANGES

Despite the impact from the COVID-19 pandemic in 2021, the Transaction Banking Group continuously developed new solutions to complete customers' transactions, both in-store purchases and online channels, by creating innovative services while also uplifting existing products and services. Our development of the e-Trade Services System (ESS) for Siam City Cement Public Company Limited (SCCC) and digital QR solutions for Siam Global House Public Company Limited reflect the Bank's accomplishments in tailoring solutions to customers' needs in conformity with the MTBP, which aims to enhance customers' business capabilities. These successes have been confirmed with 'The Asset Triple A Awards 2021' in the category of 'Best Supply Chain Solution Award' and 'Best Payments and Collections Solution Award', respectively.

In addition, we developed other solutions to suit each customer's business sector, e.g., logistics solutions for making payment among businesses in the logistics industry more convenient and faster. This solution changes the payer's payment from cheque or cash to money transfer via the Krungsri CashLink system, and the recipient can reconcile the payment reference number. Moreover, we implemented QR code payment technology to facilitate and control corporate payments via the Bank's advanced system.

As regards merchant applications, the Bank launched a new application called 'Krungsri Mung-Mee Shop' to assist individual merchants in accepting payment via QR code in the form of money transfers, e-wallet payments, and credit card payments. Customers can immediately activate the service and create a virtual shop via their mobile phone without going to a Krungsri branch.

APPLICATION PROGRAMMING INTERFACE FOR BETTER CONNECTIVITY

Krungsri applied API technology to make the exchange of information between customers and banks more convenient, more secure, and in real-time. For individual customers, their daily transactions can be performed with their smartphones such as topping up, paying bills, and online shopping. For corporate customers, their services have been transformed from banking channels to direct connection with customers' systems, helping them streamline their previously redundant procedures, reduce documents considerably, and eliminate the need for tracking since all activities are connected as one system for a seamless customer journey wherein the activities are real-time and paperless.





Not only did the Transaction Banking Group develop domestic financial services, but we also enhanced the flexibility and convenience of cross-border transactions to better serve the needs of Thai customers working abroad and enhance the smooth payment experience for Thai customers traveling abroad, e.g., successful interbank API integration leading to the launch of the 'Thai-Cambodian Real-Time International Transfer Service' for facilitating business between the two countries. The international money transfer experience for business customers via digital platforms has also been elevated to make transactions faster, easier, more convenient, and more secure by connecting networks with Krungsri's business partners Ripple and Nium—the world's leading payment network providers. This suits the needs of SME entrepreneurs, especially the businesses of importing goods or purchasing raw materials from abroad.

STRATEGIC PLAN FOR 2022

In 2022, the Transaction Banking Group will continue to provide modern, complete, and differentiated services in order to offer individual customers more agile services without worrying about using cash for spending domestically or abroad. On top of this, business customers will also experience convenience and flexibility in line with the changing behaviors of both domestic and foreign trade in the 'new normal' era. Cost and time management will be more efficient, and customers will have more accurate financial information for decision-making.

We will carry on with our third MTBP (2021-2023) strategy, focusing on five areas as follows:

1) **Smart Financial Infrastructure** by improving platform infrastructure to support new payment technologies for both domestic and cross-border markets

2) **Scalability with Partnership Model & Industry Solution** for exponential growth stemming from cooperation with business partners, creating meaningful services and solutions for each business segment and industry

3) **Seamless Customer Experiences** by enhancing the customer journey with digitized services that are more convenient and faster

4) **Synergized Regional Expansion** by leveraging our digital capabilities and connecting with banks within the MUFG network to create tangible value from the growth of cross-border transactions

5) **Synchronized Data for Business Opportunities** from various data sources to extract meaningful insights and support customers' businesses aiming to formulate business strategies for better serving customers and suiting their needs

GLOBAL MARKETS GROUP

The year 2021 suffered an unexpectedly deep and persistent impact from the COVID-19 pandemic. Even so, from the beginning of the year, the Global Markets Group managed to continue rendering excellent service to our clients with smooth operations, significantly contributing to our great business accomplishment in 2021.

Under socially distanced working environments, the human touch through customer communication was emphasized to maintain solid business ties with clients. The 'Krungsri FX' Line official account was established as an additional channel to equip customers with daily market commentary, market knowledge, and counter rates. In collaboration with JPC/MNC Banking, online quarterly Thai baht and Thai economics seminars were provided in the Japanese language via YouTube to serve our Japanese corporate client base.

Likewise, the Global Markets Research and Analysis team successfully engaged with clients via virtual seminars and social media during the pandemic. Though adopted out of necessity as a social distancing measure, online presentations still made customers feel connected in the midst of market volatility, enabling participation and facilitating access to the recorded content at their convenience as we helped form their business strategy. A closer collaboration with the High Net-Worth Division also led to a wider audience for our work and enhanced brand awareness, while also broadening the team's perspective of investment flows across different asset classes.

In addition to our traditional human touch FX business under the COVID-19 pandemic, FX-related flows through digital channels such as SWIFT funds transfer via Krungsri Mobile Application (KMA), Krungsri Business Online (KBOL), Krungsri Boarding Card, and FX@Krungsri all enjoyed significant growth in 2021. To accelerate the pace of digitalization, our close cooperation with the Transaction Banking Group thrived with good momentum. Several digital projects were launched, allowing us to capture more sustainable FX revenue streams. For instance, by partnering with Nium, a leading global payments platform, we adopted Ripple technology to provide low-cost real-time money transfer services for 13 countries worldwide 24/7. Capitalizing on the service recently launched in Japan, cross-border QR payment in Indonesia was successfully implemented to support Thai and Indonesian tourists. API real-time inward remittance with Hattha Bank Plc. — a wholly-owned subsidiary of Krungsri in Cambodia — was launched by leveraging MUFG's global network synergy, in addition to the successful yield enhancement scheme for US dollar deposit products at Hattha Bank Plc., which saw remarkable growth in 2021.

On top of that, the Global Markets Group played an important role in supporting Thai financial market development. In 2021, a milestone year for London Interbank Offer Rate (LIBOR)-related index cessation, the Bank of Thailand established a steering committee in which Krungsri's Global Markets Group is an active member to ensure the smooth index transition and development of the Thai Overnight Repurchase Rate (THOR) as a new alternative reference rate for the Thai baht. With our long journey of comprehensive preparation for readiness, Krungsri became the first bank to execute THOR loans and THOR derivatives in 2021, paving the way for market development and active transition of legacy contracts to the THOR index in 2022-2023. Successful deals in 2021 meriting mention are as follows:

- Thailand's first THOR interest reference rate for long-term loan deals, including a derivative contract with the THOR Overnight Index Swap (THOR OIS) to support Next Capital Public Company Limited's risk management and control of financial costs.
- Six billion baht long-term loan facility using THOR as the reference rate for a period of five years, the largest ever THOR-based loan facility since the launch of the new THOR reference rate in Thailand, with PTT Public Company Limited (PTT). This marks an important financial transaction for PTT and Krungsri which helps build confidence in and mobilize the Thai financial market.
- Dual-tranche senior and unsecured sustainability-linked bonds (SLB) totaling 6 billion baht to institutional investors by Thai Union Group Public Company Limited based on the THOR OIS to convert the cost of sustainability-linked bonds from fixed rate to floating rate, referencing THOR, which resulted in effective funding cost management.



Furthermore, to promote a sustainable environment and society as well as to conform with Krungsri's strategy of becoming Thailand's leading bank with a strong commitment to the sustainability journey, the Securities Investment Department invested in several ESG (Environmental, Social, and Governance) bonds including both green bonds and sustainability-linked bonds. We invested in Thailand's first sustainability-linked bond which was the first in the world to introduce step-up and step-down facilities related to the achievement of Sustainability Performance Targets (SPTs). This investment reflects Krungsri's determination and commitment to incorporating ESG principles into business strategies by focusing on pioneering ESG products and services, and we will continue such investment plans going forward.



Another society-driven strategy is the Strategic Assets and Liabilities Management Department's role as the key driver of the first social bond in the Asia Pacific region with a focus on making use of the proceeds to support women entrepreneurs, with a proper process developed and managed to ensure compliance with International Capital Market Association (ICMA) pillars. Also, the consistent achievements of the Business Banking Division in growing woman SME (WSME) loans to meet targets reflect the Bank's continuous effort to promote gender equality and female empowerment.

Moving toward the year 2022, the Global Markets Group will retain our determined commitment to achieving our business goals established under the third Medium-Term Business Plan (2021-2023). We will contribute to the development of the financial market, not only banking digitalization to accommodate changing customer behaviors, but also the stabilization of the THOR index market to support a smooth active transition, while also continuously fostering a sustainable environment and society.

RETAIL AND CONSUMER BANKING GROUP

In response to the rapid and continuous change in today's business environment and consumer behavior, the Retail and Consumer Banking Group launched the third Medium-Term Business Plan (2021-2023). The main thrust of the plan, focusing on our ability to meet customers' needs, is to achieve unified retail banking customer services under the Krungsri One Retail Transformation initiative, and the introduction of 360-degree financial services through various online and offline channels. The Retail and Consumer Banking Group's key strategy in 2021 consisted of efforts to expand the retail banking customer base and foster sustainable customer relationships through the creation of an integrated database encompassing the Bank and subsidiaries. This made it possible to conduct in-depth data analysis to identify customer needs and expectations for effective product and service development. The integrated customer service channels of the Bank and subsidiaries also enable customers to seamlessly and conveniently access products and services, thus enhancing the customer experience.

In addition, the Retail and Consumer Banking Group has attached the utmost importance to preventing and mitigating the spread of COVID-19, especially at the Bank's branches, which provide in-person customer services, by introducing strict precautions, including health screening measures, hygienic measures, social distancing measures, and limited number of customers at branch at any given time, complete with SMS alert for queue management. Transaction services that could pose a risk to employees or customers were suspended along with postponement of person-to-person services. Public awareness campaigns were introduced to help customers understand the importance of good personal hygiene to protect themselves and others from COVID-19. At the same time, the Retail and Consumer Banking Group has unlocked branch staff's capabilities, enabling them to deliver comprehensive financial advisory services through Krungsri Reskill & Upskill, among comprehensive training programs.

Branch Connect and Branch Academy, an online repository of information and knowledge for branch staff, were created to enhance their learning process. To reach out to potential customers in areas not covered by Bank branches, digital advisory service points operated by specialist staff as well as Mobile Branches have been established. Omotenashi, the world-renowned philosophical concept behind Japan's so-called 'heartfelt' service, has been applied to services at branches nationwide, bringing service quality oversight to a whole new level and ensuring that customer services consistently meet the Bank's standards. A Service Dashboard, comprising all types of service quality indices for service quality management and monitoring, has been developed along with a customer feedback audit system and CCTV Service Surveillance backed by artificial intelligence, all of which has made it possible to audit and improve service quality with speed and precision.

The Retail and Consumer Banking Group also extended assistance to customers who had borne the brunt of economic impacts in 2021 through measures including suspension of debt repayment, debt restructuring and debt consolidation, etc.

As for the business plan for 2022, the Retail and Consumer Banking Group will adhere to implementation of the Medium-Term Business Plan to further improve financial services and products as well as digital innovation by enhancing data analysis capabilities and expanding collaboration with business partners in various ecosystems. The goal is to meet customer needs in all aspects as well as delivering a good customer experience and driving the Bank towards attaining the aspiration of to 'Be the preferred Thai bank connecting customers' needs across ASEAN'.

CUSTOMER SEGMENTS

KRUNGSRI EXCLUSIVE

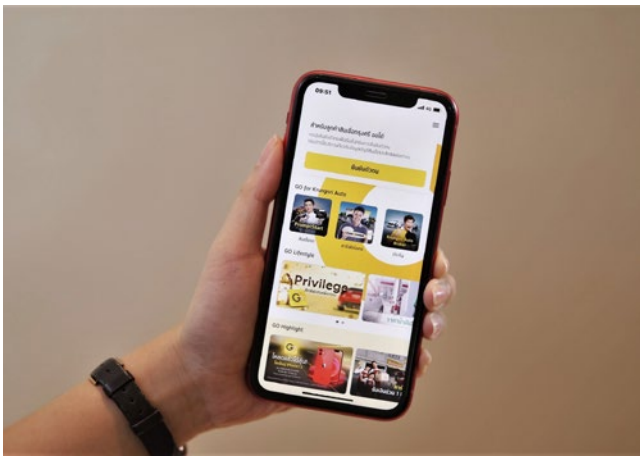
Even as 2021's economic prospects and investment climate continued to reel under the impact of the COVID-19 pandemic, the Bank remained committed to offering financial advisory and investment consulting with personalized attention by our high-caliber professionals. Such efforts were coupled with the development and upgrade of services tailored for High Net Worth customers to cater to their personal needs under the customer-centric approach. The use of data analytics helps us gain a deep understanding of customer needs, and the customer-centric concept lays the groundwork for the Bank to achieve the status of an Investment Wealth Advisory Bank that remains foremost in customers' minds when they seek financial investment advice.



The Bank has gained its expertise and profound understanding of economic conditions, financial situation, and investment landscape by harnessing the combined competencies of its business units and subsidiaries. The Krungsri Research team consists of Thailand's leading economists, while the Global Markets team is well-versed in primary and secondary markets, and the Krungsri Investment Intelligence Office (IIO) handles advice on investment strategies and portfolio management, in collaboration with Krungsri Asset Management Company Limited and Krungsri Securities Public Company Limited. The Bank has entered a partnership with BlackRock, one of the world's largest asset management companies. The partnership led to the creation of ONE Krungsri Investment View to deliver quality investment perspectives and insightful advice on both local and global markets for Krungsri Exclusive customers through published articles, seminars, and online information channels at the customers' disposal.

October 2021 marked the first anniversary of Krungsri Global Core Allocation Fund (KFCORE), which was launched out of the Krungsri-BlackRock partnership. KFCORE, an open-end global multi-asset fund, was the first product developed exclusively for Krungsri customers. With total market value of over 4 billion baht, KFCORE registered NAV returns at over 7 percent in US dollars and about 7 percent in Thai baht during its first year since inception, which exceeded the projected returns of 3-5 percent despite market volatility. The key to its success was BlackRock's astute investment strategy, with the help of a team of experts who closely monitored latest developments and market movements along with the use of big data and artificial intelligence in fund management. This allows flexibility to adjust investment portfolios in a timely manner to consistently achieve good returns in all market conditions. Krungsri and BlackRock are planning





to jointly launch other investment products featuring new asset classes in 2022 to broaden investment horizons for the Bank's customers.

KRUNGSRI PRIME

Amid the COVID-19 pandemic, Krungsri continued our focus on servicing Krungsri Prime customers under the concept, 'See your success clearly, faster than ever'. The Bank also enhanced customer convenience in accessing its services under the 'new normal' conditions by merging the Krungsri Prime Application into the Krungsri Mobile Application. This allows customers to make various transactions and to enjoy special privileges offered by the Bank under the single platform. Our special privileges remain focused on free gifts and special discounts for various online services. Adding more variety and expanding to cover the entire country made it possible for Krungsri Prime customers to pick exclusive privileges from anywhere. The monthly online financial seminar series has gained in popularity, enabling the Bank to broaden the Krungsri Prime customer base and maintain the annual asset growth rate of Krungsri Prime customers at above 10 percent.

MASS RETAIL CUSTOMER

To further improve general customers' convenience, Krungsri has deployed digital technology to drive and deliver omnichannel services by linking customer data from all the Bank's customer service channels and combining digital services with a human touch. This is to deliver personalized services while offering a seamless customer experience in choosing products and services through convenient channels, where customers can either self-complete the whole account opening on mobile banking, or starting with online research and choosing to visit branch for further advice and assistance in new product or service account opening with confidence. Data analytics is being used to help the Bank understand customer behavior and design personalized experiences to meet customers' needs in all aspects of personal finance management for wealth creation and financial security. Krungsri has also developed Recommendation AI to enhance our capability in tailoring both products or services as well as a communication approach that will appeal to each individual customer. And, the Bank has linked this Recommendation AI to its sales and customer service systems so that employees at branches and call centers can provide better advice and improve customer care and assistance.

To provide a savings and personal finance solution, Kept by Krungsri launched 'Together Savings', a new product featuring goal-oriented savings. Customers may choose to start personal savings or collective savings with a loved one, family members or friends. All savers in each group can see and monitor the savings balance as well as transaction movement, thus putting the goals of joint savings into sharper focus for all. The savings product has been well-received, specifically by the new-generation target group, registering high growth far exceeding expectations. The number of active Kept users reached 220,000, with more than 500,000 new accounts opened in 2021.

To provide a spending solution to our target customers, Krungsri Consumer launched a new product, the 'Krungsri NOW Credit Card'. The credit card caters to the new generation's digital lifestyle, from online shopping and dining to movies and music streaming entertainment services, with attractive offers and easy-to-redeem benefits. Customers earn 5 percent cash back for online purchases, and 2x reward points for spending at participating restaurants. To step into the personalized marketing era, Krungsri Consumer has developed a Marketing AI system that, in addition to being able to recommend promotions that appeal to individual customers, can also be customized to offer only those deals that are available to specific customers in a specific, predetermined place and time, to enhance the customer's credit card spending experience by offering the right thing

at the right place and the right time. Krungsri Consumer also launched a new service, 'Digital Lending', which allows consumers to apply for credit cards or personal loans using digital identity verification via the NDID platform and submit supporting documents for the application as well. Applicants can track their application status by themselves through the UCHOOSE mobile application. Krungsri Consumer was the first to implement such innovations in credit card and personal loan mobile application services. In addition, the UCHOOSE mobile application added new services for customers' convenience, such as UCash, a service to withdraw cash advance from a credit card account and deposit it in either a bank or PromptPay account; UCard, a service to apply for a credit card or digital personal loan card; and UMall, a service featuring special privileges for products offered by our partners, etc.

To provide a good customer experience covering all aspects of automotive finance, Krungsri Auto launched the 'Krungsri Auto Ecosystem', which connects automobile users and their lifestyles to information and various services that can be conveniently and quickly accessed via the GO Application by Krungsri Auto, which is a gateway to all its product offerings for automobile users, from digital products and after-sales services to auto lifestyle benefits offered by our partners. The aim is to deliver the fastest and most convenient digital automotive experience and services. Customers can apply for a loan, pay installments, and make an appointment for a car inspection as well as redeem prizes, monitor fuel prices, or follow useful tips for motorists. In September 2021, Krungsri Auto piloted a digital automotive loan service via GO Application by Krungsri Auto, becoming the first lender catering to both new and used automobile buyers, while also offering loans based on each customer information. In November 2021, 'Car For Cash', the market leader in auto refinance, reaffirmed its position as a worthwhile alternative for car owners who want to increase their financial liquidity to overcome life challenges, by introducing a new product, 'Car For Cash Prompt Chai or Revolving Loan', a no-registration-book-transfer auto loan that offers liquidity to help customers manage financial difficulties, with a one-time application process offering the fix installment repayment amount. One of the selling points of this auto refinance scheme is that money can be withdrawn via the Line application anywhere, anytime.

NGERN TID LOR

Ngern Tid Lor Public Company Limited (TIDLOR) focuses on innovation-driven business operation through trailblazing platforms to enhance the omnichannel customer experience. The company's two core businesses are complete services of car title loans and non-life insurance brokerage services with a wide variety of coverage in accordance with customer demands. Examples include all types of auto insurance with up to 10-month installments and no need for credit card payment, compulsory motor insurance, personal insurance, cancer insurance, and loan protection insurance. Licensed professional brokers are available for customer insurance advice at branches nationwide, online channels, call center, and the mobile application.

TIDLOR has undertaken business based on financial inclusion principles with fair and transparent practices, particularly for the underbanked segment, and offers consumers access to insurance protection to promote sustainable social equity. In 2021, Ngern Tid Lor Public Company Limited was converted



to a public limited company and in May was listed on the Stock Exchange of Thailand under the symbol of TIDLOR, paving the way for the company's sustainable growth.

2021 saw the comprehensive spread of COVID-19, with some customer segments experiencing income shortfalls. TIDLOR has therefore provided continual customer assistance through debt suspension programs, while still maintaining business continuity despite the crisis. According to the company's operating results, customers increased by 20 percent in 2021, with more than 800,000 customers having financial access, and total loans registered 61,458 million baht. As for the insurance business, TIDLOR's total premiums were recorded more than 5,200 million baht, an increase of 30 percent compared to 2020. In addition, TIDLOR added 210 branches in 2021, reaching a total of 1,286 branches for nationwide coverage as well as enhanced customer service.

In 2021, TIDLOR was widely recognized in terms of innovation, organizational culture, and TIDLOR branding by leading regional and international organizations, evidenced by 17 awards from 10 award competitions at home and abroad. This reflects that the company has been entrusted with outstanding innovations that help drive business and enhance customer convenience. For example, the launch of the Ngern Tid Lor application has been warmly welcomed, as reflected in the high number of downloads and registration of more than 500,000 customers, while digital technology and data have been used to create an improved customer experience, allowing customers fast and easy access to TIDLOR services. Moreover, chatbot technology has been implemented for customer service, heightening service capacity and convenience through the Facebook Messenger application. Moreover, the company was recognized in terms of its strong organizational culture which significantly boosts sustainable growth and has grown even stronger despite the COVID-19 pandemic. The TIDLOR brand has also been widely recognized among consumers. Recognition of the aforementioned qualities has allowed the company to become competitive without the need to change the organizational structure in the future, so that the company can help provide financial opportunities to members of the public, while growing sustainably.

Apart from its business undertakings, TIDLOR has continued to place great importance on creating a sustainable society through the company's many philanthropic projects, namely the 'Life Rolls Forward' project, under which financial literacy activities are organized for communities across the country, factory staff, and employees of diverse organizations who are in need of basic financial knowledge. More than 4,800 persons have been trained through this project.

For 2022, TIDLOR will continue to accelerate growth based on strong, innovation-driven business fundamentals. Examples include the launch of 'TIDLOR Card', a revolving cash facility that allows borrowers to withdraw cash from nearby ATMs of any banks in accordance with their credit limit in a more convenient way. Therefore, they have easy access to cash when needed, while streamlining the documentation process of credit application and reducing costs for customers who do not need to travel to the company's branches. Customer service will also be enhanced through digital platforms, including the Ngern Tid Lor application, in tandem with the 'new normal' lifestyle, creating opportunities for customers to access diverse financial and insurance benefits, and truly promoting fairness in financial access. Moreover, the company plans to expand by more than 300 additional branches or more in 2022, for extended service areas and greater financial access for customers nationwide.

HATTHA BANK PLC. (HATTHA BANK)

Hattha Bank is one of the leading banks in Cambodia; it officially received a banking license from the National Bank of Cambodia and the Ministry of Commerce to operate as a commercial bank in August 2020.

After nearly 30 years of 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 related to trading, agriculture, general services, construction, and retail consumption;
- Offer a debt restructuring program to support customers impacted by the pandemic, especially those in the sectors of hotels and guest houses, tourism, and garments and footwear;
- Follow the guidance of the National Bank of Cambodia to continue monitoring the pandemic and take any actions necessary to protect the employees and clients and thus ensure the reliability and sustainability of the bank services; and



- Enhance its digital service (Hattha Mobile) and work closely with the National Bank of Cambodia to enable cross-bank money transfer (Bakong System) to allow customers to do self-banking anywhere, anytime, more conveniently and quickly, without visiting bank branches.

According to the World Bank's latest Economic Update for Cambodia, Cambodia's GDP growth is projected to reach 2.2 percent in 2021, impeded by slow growth in the service sector including tourism, construction, and real estate. However, other traditional growth drivers, especially the garment, travel goods, footwear, and bicycle manufacturing industries, as well as agriculture, are underpinning the economic recovery. Against this backdrop and the COVID-19 pandemic, Hattha Bank has managed to maintain its strong position and business performance.

As of December 31, 2021, our outstanding loans were at USD 1,691 million, representing 27.8-percent growth from 2020. Deposits showed strong growth at 29.6 percent from 2020 to reach USD 1,028 million.

Hattha Bank has continued to provide diversified financial services to business entities and individual customers nationwide. As a result, Hattha Bank has introduced and improved many financial services, including mobile banking service (Hattha Mobile), QR code payment to Thailand, cross border remittance, special account numbers, and waste disposal bill payment, in addition to its exceptional current services such as loan, deposit, local money transfer, ATM, payroll, interbank transfer, overdraft loan, current account, cheque service, SME co-financing, and insurance referral service.

In accordance with its vision, 'To be a highly admired bank and the customers' preferred choice through our professional employees', the achievements of 2021 are highlighted as follows:

- Became a top-five largest commercial bank in Cambodia in terms of lending portfolio
- Successfully increased its registered capital to USD 140 million
- Obtained the credit rating of BBB+ with 'Stable' outlook for the fourth consecutive year from TRIS Rating, with an upgrade on Standard Credit Profile to A-/Stable
- Officially organized the contract signing ceremony and commenced construction of the new Hattha Bank head office. The building, which will stand 22 stories tall and provide space of approximately 40,000 square meters, is located on Samdech Techo Sen Boulevard.
- Received funding from Norfund to expand its potential loan market to enhance SME businesses and living standards of Cambodians
- Offered various promotional programs on many products and services including deposits, mobile banking, special account numbers, cross-border remittance, and interbank transfer
- Strengthened collaborations with business partners to provide bancassurance to Hattha Bank's customers, allowing them to rest assured with financial protection, and to promote agricultural development in Cambodia

- Introduced many financial services to meet a wider range of customer needs

For 2022, with Cambodia's favorable 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:

- Enhance core commercial banking products, digital platforms, and ecosystems
- Reimagine growth through new customer segments for lending and fee-based products
- Reduce cost of funds by growing current and savings deposits (CASA) and low-cost borrowings
- Carry out proactive asset management through risk management, debt collection, and recovery

ASSET MANAGEMENT

The Thai economy in 2021 continued to suffer severe impacts from the COVID-19 pandemic. The Thai bourse also witnessed high volatility even though domestic vaccinations have been provided since the first quarter of the year. However, from the investment perspective, this crisis could be seen as an investment opportunity for stock accumulation while anticipating an economic recovery or to reap gains from the year of market volatility. Krungsri Asset Management Company Limited (KSAM) went through the year with satisfactory performance and investor confidence. Its net assets under management, at the end of 2021, totaled 581,385 million baht, up 12 percent from 2020. It was ranked sixth in terms of market share. The company's growth mainly came from the mutual fund business with its assets under management of approximately 415,633 million baht.

Regarding the private fund business, at the end of 2021 the company recorded assets under management of 112,372 million baht, ranked as the fourth largest of the industry. The company consistently earned recognition from both individual and leading institutional investors for its asset management.

Although the provident fund business has been impacted by the COVID-19 pandemic with a one-year halt of affected employers' contributions to provident funds and provident fund cancellation of some companies, KSAM's assets under management continued to rise. At the end of 2021, its assets under management for the provident fund business amounted to 53,380 million baht.

New products

In 2021, the company was highly committed to presenting new and varied investment options for investors, emphasizing those benefiting from megatrends or potential growth from the new world through as many as 12 funds. These types of funds received good response from investors with extension into eight super savings funds (SSFs) and retirement mutual funds (RMFs). This move aimed to expand investment options into foreign stocks and provide an opportunity for investment portfolios' long-term growth, with tax privileges.

In addition, in late 2021, the company offered the new **Krungsri Finnoventure PE Y2033 Fund –** Not for Retail Investors. It was Thailand's first fund that allowed investors to join investment in leading startups in Thailand and Southeast Asia through the Finnoventure Private Equity Trust I, which was managed by Krungsri Finnovate Company Limited, the experienced and widely accepted Thai corporate venture capital firm.

Development of services

In 2021, the company's '@ccess Mobile' developed the following new features to allow easy investment:

- Online account opening with identity authentication and immediate investment. Identity authentication can be done at 7-Eleven Counter Service nationwide.





- New menu: Provident Fund that allows fund members to check their investment amount and change their investment plans more conveniently and rapidly
- New channel for exchanging points earned from Krungsri Group's credit cards into fund investment

The COVID-19 pandemic affected investors' confidence, while simultaneously providing investment opportunities. The company consistently provided updated information for investors through webinars where fund managers and foreign fund executives presented fund information, perspectives, and recommendations for investment. A total of 13 webinars and 10 Facebook Live sessions were held with over 1,500 webinar participants and 1.8 million live viewers, respectively.

For the year 2022, the company will continue in its commitment to managing funds for all groups of investors at all ages, while paying attention to sustainable growth with stability, based on the following guidelines of the third Medium-Term Business Plan (2021-2023):

1) **Development of quality products for all groups of customers:** The best products will be selected, and funds will be managed to earn good returns. Innovative products will be a focus to cope with future trends.

2) **Strengthening and expansion of service channels through Krungsri Group's synergy for expansion of new customer bases:** Sales agents including the country's leading banks and online platforms will be added for greater access to new-generation customers.

3) **Focus on customers with build-up of good investment experiences:** Technology will be used to develop online channels, allowing seamless investment from beginning to end.

4) **Development of employees' capabilities:** Employees will be developed to have knowledge and capabilities to keep pace with technology and rapidly changing customer behavior for efficient and professional services.

SECURITIES

Krungsri Securities Public Company Limited is one year into our third Medium-Term Business Plan (2021-2023). Competition in the securities business has been intensifying in both traditional assets and the increasingly popular digital assets. We have continued to develop and adjust to the constantly changing business landscape. We aim to attract our target customers to achieve a top 20 market share and collaborate with Krungsri Group to generate sustainable growth, develop new investment instruments, improve the trading system, and identify new tools to facilitate investment.

As for investment in the Stock Exchange of Thailand sorted by investors, the share of investment of retail investors had dropped from 41 percent in 2018 to 34 percent in 2019, but recovered to 44 percent in 2020 as the dominant contributor. The share of foreign investors has been volatile, rising from 36 percent in 2018 to 41 percent in 2019 and falling to 36 percent in 2020. However, there has been a change in the investment behavior of individuals, with increasing investment flows in the digital world. The proportion of investment from individual investors reached a peak of 52 percent in April and is estimated to have averaged 47 percent in 2021 in line with increased online trading volume by individuals, which has risen from a share of 69 percent in 2018 to 79 percent in 2020 and 88 percent in 2021.

Given these developments, an opportunity has arisen for Krungsri Securities to offer fully integrated services under the customer-centric 'One Retail' concept. It serves to link fundamental data from all business groups and analyze behavior and lifestyles to offer customized investment products and services to meet a diverse range of customer requirements.

- Developed a more efficient trading system by constantly improving system specifications
- Allowed real-time deposit and withdrawal of collateral to improve access to investment opportunities
- Customers can conveniently open a securities trading account online. They are not required to submit any documents and can start to trade securities within 10 minutes after opening an account, although this is subject to meeting a set of preconditions.
- e-Finance Trade Plus can help investors monitor their investment targets.



- Collaboration with DEEPSCOPE to offer KSS AI platform to provide a more complex analysis feature to support investment decisions
- Added more i-Confirm service points to improve coverage and accessibility. The scope of services has been extended to facilitate customer verification at over 18,000 service points nationwide.
- Offered new products to facilitate several investment channels to customers and within Krungsri Group
- Offered a private fund investing in Hattha Bank Plc.'s deposit instruments, which has generated an annual yield of 3.30 percent for Wealth and Krungsri Exclusive customers.
- Offered crowdfunding service to help small and medium enterprises (SMEs) to raise funds, with individuals or juristic persons as lenders

In 2022, Krungsri Securities will continue to improve and develop products and services to meet the changing demands of investors and investment conditions. We will focus on collaboration with Bank of Ayudhya PCL and developing new products for online and offshore investment. These initiatives will help us offer greater customization of products and services and be more customer-centric.

We will also strive to improve the investment process so that we may continue delivering the best service to our customers and helping them navigate the constantly changing investment environment.

CORPORATE BRANDING AND MARKETING DIVISION

The aspiration to 'Be the preferred Thai bank connecting customers' needs across ASEAN' as stated in the third Medium-Term Business Plan (2021-2023) (MTBP) by adhering to the principle of customer centricity has been translated into the key strategies toward sustainable corporate branding and marketing through listening to the voices of customers from every channel, conducting the Net Performer Score (NPS) Survey to create continued awareness of the Krungsri brand, and analyzing data related to customer lifestyles to gain relevant insights and use such data productively.

We continuously communicated Krungsri's five strategic pillars and three key enablers under the MTBP, both internally and externally, throughout 2021. Examples include the 'Go ASEAN with krungsri' campaign and the 'MTBP Focus' column.

Under the COVID-19 pandemic that continues to affect customers across all segments, Krungsri is well-aware of its impact and customers' financial needs. Dedicated to delivering a great customer experience, we designed several modes of communication to reach our customers under the 'Never Stop Caring' campaign, reflecting our belief that the best way to show our care is to take actions seriously, regularly, and continuously in order to stay beside our customers and assist them in any circumstance.

Later in 2021, Krungsri built upon the success of the earlier branding campaigns by launching another campaign under the concept of 'We Care So You Can' which was communicated through an online advertising film featuring confrontations with challenges and obstacles just like attempting to conquer a high

mountain; but with a friend by our side offering meaningful advice and encouragement, the overwhelming mountain suddenly seems smaller, similar to Krungsri that always stands by customers to help them achieve their dreams through various financial solutions and other measures, including equipping customers with useful news and information along with activities that benefit society.

'Go ASEAN with krungsri' is another highlight of the 2021 campaigns, reaffirming Krungsri's position as a regional bank. With more than 75 years of experience in Thailand, its local expertise and solid network in ASEAN combined with the global strength of MUFG, Krungsri stands out from other Thai financial institutions as it truly knows and understands its customers' needs and is ready to create business opportunities and help customers to thrive in the ASEAN region.

The Bank continued to improve communication channels to effectively accommodate customers' behaviors through both website and social media channels. The website layout of www.krungsri.com was improved continuously by adding new functions, allowing the website to reach new customers and prospects. In 2021, the display of results from search engines increased by over 44 percent over-year. Likewise, multiple social media platforms were developed to widely accommodate users' behaviors and the online customer journey, resulting in the number of followers via social medial channels growing by 5 percent in 2021.

In 2021, the Bank's online marketing was a spectacular success thanks to an effective online media buying strategy and the utilization of social media to create awareness and interest among customers so that they applied for the Bank's SME loan, personal loan, and Krungsri home loan products via website. The number of prospects increased by 20 percent over the previous year.

Krungsri upgraded our Line platform by connecting it with the Line MyCustomer platform to enhance personalized communications. Also, a financial planning program was developed as a tool enabling customers to achieve their financial goals.

We also capitalized on the success of 'Plearn เพลิน by Krungsri GURU' by adopting AI technology to analyze the behaviors of website visitors so that it could recommend appropriate articles and increase the number of visitors browsing the pages of the Bank's website. The number of new website visitors grew by 11 percent compared to 2020, similar to our YouTube podcast audiences which increased by 100 percent compared to 2020.

For 2022, Krungsri will move forward with its effort to create brand awareness as a regional bank, a good retail financial advisor for individual customers, and a trusted banking partner for business customers. Moreover, we will endeavor to advance our digital offerings and innovations continuously, aiming to facilitate financial matters and make life simple for everyone.

CORPORATE STRATEGY AND PLANNING GROUP

BUSINESS ECOSYSTEM DEVELOPMENT

In 2021, the Bank formulated its strategy to build ecosystems, expanding business cooperation and increasing capabilities to provide services to partners and customers. Emphasis was placed on ecosystems wherein the Bank has a strong foundation as well as business with potential for continuous growth despite the effects of the COVID-19 pandemic.

The inclination to strengthen mobility ecosystems and add partners to them raised widespread awareness in the industry. For instance, Krungsri joined hands with partner companies in developing auto care service inclusive (ASI), an initiative that led to successful provision of new auto maintenance services via the GO Application by Krungsri Auto, which offers car pick-up and drop-off in order to meet the needs of working-age car owners. This fruitful collaboration sparked interest among numerous leading local and international auto service companies that became interested in partnering with Krungsri as well.

The Bank has achieved success in applying the concept of the ecosystem to create new business models in order to connect with related businesses, namely leading auto service centers, the industries of electrical vehicles, transportation, and clean energy, as well as their network of manufacturers and importers. These partnerships provided the Bank with opportunities to showcase our financial service strong points to link businesses with one another, fostering explicit robust growth while also generating a new form of income for Krungsri and its subsidiaries. As for the living ecosystem, the Bank laid out a financial cooperation system for using invoice information to support loan origination via the ERP platform of key vendors in order to link with developers and construction companies.

In terms of bolstering B2B e-commerce, Krungsri successfully developed a business matching system that enables companies within Thailand to connect with vendors at home and abroad conveniently with the credible platform of the Bank.

BENCHMARK TRANSITION PROJECT

After the United Kingdom's Financial Conduct Authority (FCA) announced that it would cease publishing the LIBOR, the LIBOR settings would become unrepresentative, and the FCA would no longer mandate banks to submit information for LIBOR calculation, new reference rates such as the THOR and the SOFR were developed as alternative standards for the existing Interbank Offered Rate (IBOR). This benchmark transition also indirectly impacted the Thai money market wherein transactions are conducted using the THBFIX, the calculation of which referred to the LIBOR. Therefore, in the Benchmark Transition Project, products that might use the aforementioned new reference rates were gathered in preparation for the transition. The Bank appointed a working committee to execute the benchmark transition project, which covered negotiations and contract amendments, risk management and fair value measurement of financial instruments, tax and accounting, and communication to internal and external parties, including system development and improvement. The committee's performance progressed according to plan and in conformity with the time frame set by the Bank of Thailand.

AUTOMATIC SIGNATURE VERIFICATION

Krungsri established the automatic signature verification process for the cheque clearing system between the Bank and its branches by adopting technology to enhance cheque verification efficiency and effectiveness, and to reduce the workload of the Cash Management and Cheque Operations Division in verifying a high volume of cheques on a daily basis.

ROBOTIC PROCESS AUTOMATION

Krungsri has employed robotic process automation (RPA) since 2018 to support the organization's various operations, reducing the need to increase manpower in many business units for new business expansion. RPA also helps save non-renewable resources, as well as operational time and costs.

ENTERPRISE FRAUD MANAGEMENT PROJECT

Krungsri continually places importance on the security of financial products and services. In 2021, the Bank allocated a budget of over 500 million baht to upgrade the enterprise fraud management system with cutting-edge artificial intelligence and machine learning technologies for enhancing the stability and security of our financial services. The enterprise fraud management project is being further improved and is scheduled for completion by the end of 2023.

OMNICHANNEL EXPERIENCE

The Bank's creation of a seamless omnichannel experience in using financial services through Krungsri's diverse service channels was initiated in 2021, focusing on enhancing the Bank's existing core service channels before extending to new channels in the following year.

In 2021, Krungsri designed customer journeys at the Bank's branches or call centers by shifting to digital service channels so that customers can access services matching their preferences with greater convenience, speed, and ease. These services include personal data rectification, queries regarding bank statements, credit details, etc. The design of customer journeys also involved studying customer behaviors to create a seamless customer experience in response to customer needs in the digital era and to develop digital platforms for front-line staff.

Thanks to the designed customer journeys, Krungsri has successfully developed and rolled out the Salesforce system, the key mechanism that enables the Bank to offer omnichannels to support the call center service for retail customers, extending and connecting the service scope to other financial products and service systems within the Bank's branches. Thanks to this customer journey system, retail customers have used the Bank's services with greater satisfaction, while staff operational efficiency has been noticeably boosted. Krungsri therefore plans to adopt the full-fledged customer journey system to all corporate and SME customers by mid-2022, as the previous trial on commercial customers was so well-received.

INFORMATION AND DIGITAL

In 2021, the Information and Digital took relevant actions to prepare the Bank for the digital era. We managed to restructure our organization—especially the tech functions of the Bank and subsidiaries. This is to enhance management flexibility and alignments to quickly respond to the ever-changing financial market as well as to attract tech talents to work with the Bank and subsidiaries.

The Information and Digital focused on a number of initiatives in accordance with the third Medium-Term Business Plan (2021-2023), namely data-driven organization, digital first and platform for the future, open banking architecture, and the development of IT and digital infrastructure to enhance employees' effectiveness and efficiency.

DATA-DRIVEN ORGANIZATION

The Bank integrated data of the subsidiaries to uplift data usage and analytical capabilities and thus support decision-making and business planning as well as to foster relationships with both individual and business customers. Such efforts not only allow the Bank to use information to create visualizations and business models, but also to link different data sets so that the information can be put to use efficiently and effectively, such as the management of remaining cash in ATMs across the country. In addition, the Bank has prepared tools for employees to access data more easily, created an organizational culture for using data to drive the organization, and provided training programs related to data and advanced data analytics. In 2021, the Bank achieved its targets in terms of preparation of data integration and equipping our employees with advanced data usage and analytical skills.

DIGITAL FIRST AND PLATFORM FOR THE FUTURE AND OPEN BANKING

The Bank is ready to adopt digital services as a core service and has prepared relevant work systems to support future work processes. This also includes open banking using the Application Programming Interface (API). This method refers to the software communication of various systems—enabling the applications to connect to one another. Open banking is considered an essential element for the next generation of banking technology. As a part of the business ecosystem, the Bank focuses on continually improving its systems by seamlessly connecting various systems through the open banking API as well as developing a proactive API ready for system integration to connect it with business partners and thus create new business agreements. This collaboration will lead to sustainable development and help the Bank to explore business opportunities which will eventually become new sources of income in the future. In 2021, the Bank achieved success in terms of the acquisition of new business partners through API channels and proactively developed more than 200 API services which are now generating income for the Bank and have growth potential.

EQUIP OUR PEOPLE WITH GREATER SKILLS IN DATA USAGE AND ADVANCED DATA ANALYSIS

The Bank has a long-term plan for technology and infrastructure development including services offered through various channels and core banking technology with cutting-edge development processes. In addition, the Bank has emphasized the development of its cloud infrastructure for flexibility to handle increased and fluctuating transaction volumes through the Bank's digital channels. This includes optimizing internal processes by using more automated workflows and robotic processes. Furthermore, the Bank plans to implement tools, systems, equipment, and system security measures to ensure our employees can work from anywhere to support a new way of working after the COVID-19 pandemic.

The highlights of the Information and Digital roadmap in 2022 consist of four key parts, namely:

1) Carry on with the projects according to the current Medium-Term Business Plan roadmap in terms of product and service development as well as support various business groups of the Bank and subsidiaries through optimization of resources for both short- and long-term benefits.

2) Upgrade the Bank's technology infrastructure and systems, especially the core banking and customer experience-related systems through various channels.

3) Upgrade the Bank's reputation in terms of IT and digital to create a modern image and attract tech talents to work with the Bank and subsidiaries.

4) Develop processes for research, exploration, experimentation, and testing of new technologies that can be applied to the banking sector, as well as establish the Bank as a part of the ecosystem. We will set up internal infrastructure to support coordination between the Bank and tech-oriented subsidiaries such as Krungsri Nimble and Krungsri Finnovate that focus on exploring new technology and engage in joint ventures with tech startups to strengthen the Bank's business prowess.

OPERATIONS GROUP

2021 saw the continuance of the COVID-19 pandemic with some signs of economic recovery. Operations Group concentrated on implementing preventive measures to cope with the pandemic together with driving the third Medium-Term Business Plan (2021-2023) strategy. Bearing in mind that technology is crucial for capability and service enhancement, we aimed to leverage advanced new technologies to improve operations processes while aspiring to digitize our operations for better productivity, accuracy, and environmental friendliness. These missions remain a priority which will enable us to support our customers toward sustainable recovery in the years to come.

During the new wave of outbreaks beginning in late December 2020, we activated our alternate site policy to enable staff to work remotely and help ensure their safety. We also encouraged our employees to work from home as much as possible for their ongoing safety and so they could continue to provide services without affecting customers.

Amidst the public health difficulties, Krungsri Contact Center, in collaboration with the Thai Bankers' Association (TBA), offered call center support to the Ministry of Public Health under the 'Mor Prom Contact Center Project'. With the expertise and excellence of Krungsri Contact Center, we supported the provision of information related to general inquiries for the Mor Prom application—including COVID-19 vaccination registration and appointments. Assistance was given to more than 34,000 people from May to August 2021.

To support customers affected by the pandemic, in accordance with the Bank of Thailand's relief measures, the credit business operations function put forth its best effort to assist customers. In 2021, the Operations Group successfully helped customers through the following programs:

- Krungsri's customer assistance measures for corporate, SME and retail segments
- Special Rehabilitation Loan Program rolled out by the BOT
- Asset Warehousing Program

In terms of building digital platforms, we embraced new technology and automation in response to the Medium-Term Business Plan in the following areas:

One of the key highlights was the adoption of artificial intelligence (AI) and machine learning (ML) for ATM cash forecasting. This initiative helped us in terms of cost efficiency, since cash logistics expenses are a substantial portion of our operating expense. We applied these advanced technologies to optimize cash forecasting for cash replenishment for the Automated Deposit Machines in the metropolitan area and also launched a pilot project for a vehicle routing protocol in Chachoengsao province. These endeavors are scheduled to be fully implemented by the middle of 2023.

We adopted optical character recognition (OCR) technology to automate the check signature verification process. This technology has greatly improved the productivity and efficiency of cheque processing by automatically verifying uncomplicated cheque contents and signatures. In this regard, full-scale development is in our pipeline and is expected to be implemented at a future date.

Also, our credit operations team has initiated an end-to-end credit process improvement program by collaborating with all concerned functions to increase the competitiveness of lending services on digital platforms. We plan to develop and digitize the credit operating system through data interfacing from the front-end system to various core banks' systems with the traceability feature throughout the credit operation process—namely credit registration and execution, documentation, and digital storage. On top of that, we have prepared a roadmap and gathered all business requirements to submit to the Information Technology function to establish a plan for system development and resource management.

In 2021, we integrated multiple customer contact channels by introducing a customer relationship management platform (Salesforce) to offer omnichannel services to customers. Hence, both Krungsri Contact Center and Kept Support Center proactively and seamlessly delivered superb service to customers during the pandemic. This is because most customers prefer making financial transactions through online channels rather than face-to-face.

As regards international payment, we partnered with Bank Rakyat Indonesia (BRI) to launch QR cross-border payment and 'Nium'—an internationally recognized payment network provider—to offer real-time cross-border payment, allowing customers to make transactions 24/7 through Krungsri Biz Online.

Additionally, we closed two Krungsri Business Centers; in 2021, the total number of Krungsri Business Centers stood at 23 branches. Also, in 2022, we plan to reduce the centers to 20 branches, in alignment with the increase in online banking transactions. This initiative minimizes our operating costs and lets us optimize our resources. Its implementation has led to the restructuring of inward remittance operations, which have been transferred to be under the responsibility of the Foreign Remittances Operations Department, resulting in a 45-percent SLA improvement.

The discontinuation of the London Interbank Offered Rate (LIBOR) impacted our operations. With the great teamwork and synergy of relevant functions, we completely redesigned the process and provided necessary requirements as to system configuration to ensure that the transition away from LIBOR is smoothly undertaken.

We promoted full adoption of the Thai Overnight Repurchase Rate (THOR), leading to the acquisition of a number of major customers—thanks to our expertise and collaboration with MUFG regarding the preparation of the systems, documents, and relevant contracts. Also, we shared knowledge with various functions to ensure that the relevant agreements are in accordance with international principles and standards.

In 2022, the Operations Group will continue to focus on creating a good customer experience and raising service standards in line with the Medium-Term Business Plan. We will focus on the transformation of work processes to be more automated and digital, as well as work on our pending projects. To enhance customer convenience, we will adjust electronic service channels and increase online service channels, namely e-FX confirmation and electronic document submission for trade finance, cash management, cheques,

and payment operations. In addition, the Operations Group will emphasize real-time data interfacing among banking systems or applications starting with global markets and trade finance systems for faster, more accurate, and automated transactional processes.

HUMAN RESOURCES GROUP

WE ARE COMMITTED TO SUPPORTING SUSTAINABLE HUMAN RESOURCE DEVELOPMENT AND ORGANIZATIONAL GROWTH

In 2021, having embraced the concept, 'Employees Are Our Important Customers', the Human Resources Group continued to provide the best support to our employees to ensure that they could efficiently perform their duties, deliver results, and achieve sustainable growth. The Human Resources Learning and Development Division put in a constant effort to enhance organizational capabilities to ride the digital wave and prepare our human capital to actively embrace the 'new normal' way of working. To achieve such aspirations, we designed six learning programs for Krungsri executives and employees, namely 1) Achieving Everyday Success, 2) Striving Beyond Your Best, 3) Getting Ready for Future, 4) Winning Business Challenges, 5) Growing Expertise, and 6) Leading to the NEXT Level. Examples of courses included 'TRANSCEND' and 'TRANSITION' leadership programs specifically designed to develop our senior executives, and 'Data Analytics Bootcamp 2021' and 'Personalized Data Development Track' under the Krungsri School of Data to enhance skills in data analytics and thus improve decision-making and increase value for the organization. Moreover, we introduced the Krungsri Talent Management System to support efficient and comprehensive successor and talent development programs.

On top of that, we successfully launched an employee mobile application, namely KarE, to provide convenience and flexibility, promote a digital mindset, and increase employee familiarity with the digital world and the 'new normal' way of working as well as to foster an innovation culture in our organization to address the digital transformation. This new mobile application also serves as a tool to promote employee engagement and a channel that facilitates effective communication anytime, anywhere, enhances convenience, and allows employees to get things done faster. Certain manual processes have been automated to support the embrace of future technologies such as artificial intelligence as well as robotic process automation. Employee self-service functions are also available online to offer more efficient and faster employee data management. Moreover, we introduced a new payroll system on PeopleSoft 9.2,



while documents and forms such as payslips and overtime disbursement forms are available in an electronic format to minimize delivery time and prevent document loss. Our employees can submit a staff loan application through this channel, where they can keep track of their application status online.

As productivity management remains our key focus, we continually monitored, evaluated, and improved human capital cost and effectiveness. To achieve sustainable organizational development in the long run, we established and annually reviewed succession plans for core positions of Krungsri and companies in the Financial Business Group. We placed our focus on the key considerations of grooming and enhancing the capabilities of executives to prepare them for their roles through a variety of learning and development approaches such as training programs, seminars, and job rotation.

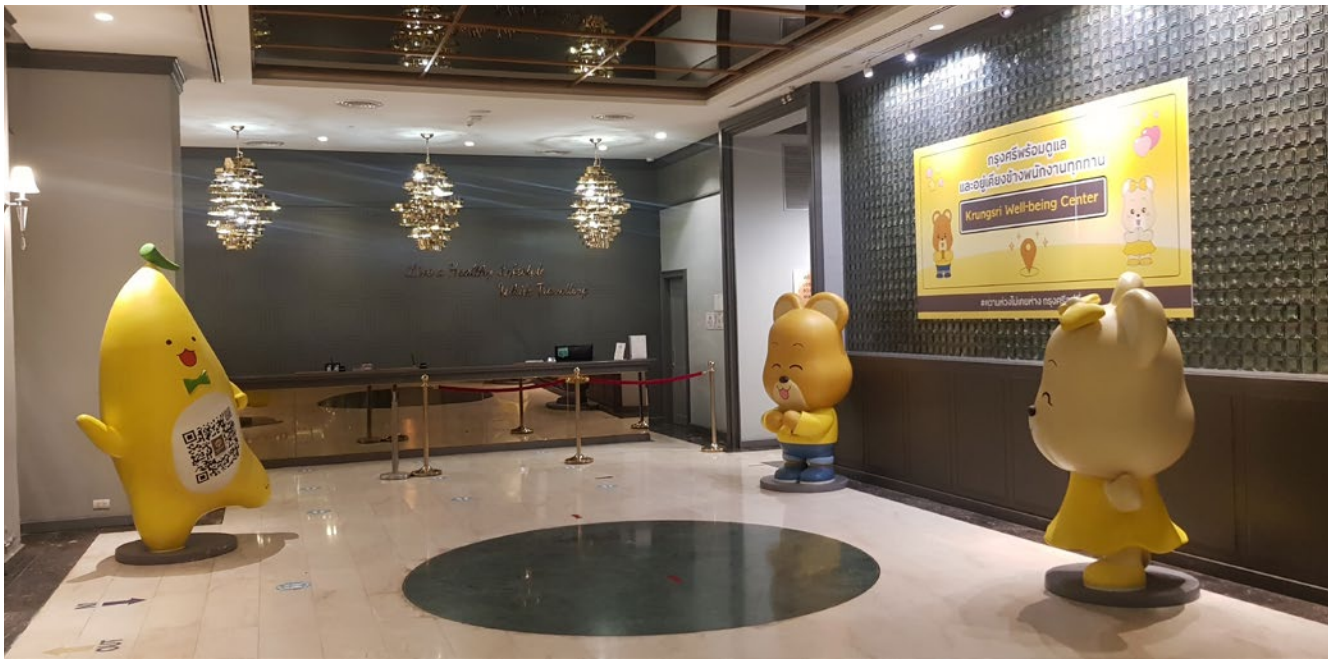
In 2021, the Talent Acquisition Department made a conscious effort to attract high-quality talents both inside and outside the banking industry to create a strong workforce that supports our organization in pursuing our vision and missions and effectively responding to business needs. We used a variety of recruitment approaches through digital channels to reach out to a wider range of target candidates. We adopted an e-application platform together with online interview, evaluation, and onboarding processes. Also, we reviewed, revamped, and communicated our talent acquisition journey

in accordance with MUFG policies and in compliance with relevant laws and regulations. We continuously emphasized the employer brand in our communications on social media platforms, using Facebook, Instagram, Line, and LinkedIn as key tools for communicating our job postings, organization news, and updates, as well as articles about our executives and staff for job applicants to know more about Krungsri in various aspects. We also maintained our strategic partnerships with more than 10 leading academic institutions nationwide. Proactive academic collaboration was achieved through the 'Research/Project Funding Program 2021' in which Krungsri employees, university professors, and students were invited to exchange knowledge and come up with innovations to increase operating efficiency and achieve sustainability. Additionally, we carried on with our Krungsri Tech Academy to create a digital talent pipeline to fulfill the present and future needs of the business and provide an opportunity for talented students to receive on-the-job training through the cooperative program and the opportunity for a career with Krungsri after graduation.

WE ARE COMMITTED TO ALWAYS BEING THERE FOR EMPLOYEES... ALONG THE PATH TO SUSTAINABLE GROWTH

During the COVID-19 pandemic, the Human Resources Group has made our best effort to take care of our employees' well-being, safety, health, and hygiene, to make them feel secure in life and thus encourage them in the performance of their duties and in driving the organization forward. Therefore, the Bank granted a special reward and recognition of 3,500 baht to over 20,000 non-management employees to express appreciation for their dedication and boost their morale. Also, Krungsri has worked with the Social Security Office in administering COVID-19 vaccines to employees as well as providing alternative vaccines, namely Sinopharm, to staff working upcountry, and acquiring the Moderna vaccine as a booster dose to enhance vaccine effectiveness. We have constantly communicated with employees through the LINE Official Account, 'Humans of Krungsri', which serves as a COVID-19 helpdesk and communication channel for relevant announcements and news, risk reporting, and COVID-19 inquiries. We collaborated with hospitals to provide the Polymerase Chain Reaction (PCR) test for employees having COVID-19 risk exposure. In addition, Krungsri, in collaboration with Piyavate Hospital, set up a hospitel under the name 'Krungsri Well-being Center (KWC)' as an ad-hoc medical center for employees of Krungsri Group and their family members who were infected with COVID-19. Furthermore, COVID-19 insurance has been taken out for Krungsri employees.

In 2022, the Human Resources Group will continue in our unwavering commitment to providing support for our employees so that they can work with confidence, feel secure, and enjoy convenience and flexibility in their working life. We will continue to promote employee productivity and efficiency through comprehensive learning approaches as well as capability and leadership development programs. We will drive our organization forward with the 'Center of Excellence' model to support the implementation of policies and strategies to strengthen Krungsri's capabilities for sustainable growth.



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 Used Privately Owned Motorcycle,** Krungsri Big Bike, and Krungsri Used Big Bike), motorcycle refinance (Krungsri Car for Cash Motorcycle), and inventory financing (Krungsri Inventory Finance) along with insurance products and services, operated by Ayudhya Capital Auto Lease Public Company Limited.

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

KRUNGSRI CONSUMER

KRUNGSRIAYUDHYA CARD COMPANY LIMITED (KCC)

Type of service: Credit card issuer provides various products to serve customers' diverse lifestyles. With a total of over 2.3 million cardholders in 2021, KCC's product range comprises Krungsri Exclusive Signature Credit Card, Krungsri Signature Credit Card, Krungsri Visa Platinum Credit Card, HomePro Visa Platinum Credit Card, Krungsri Lady Titanium Mastercard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa Platinum Card, Krungsri JCB Platinum Card, Siam Takashimaya Credit Card, and the newly launched Krungsri Now Credit Card, KCC's first digital credit card. On October 28, 2021, KCC was assigned an AAA rating by TRIS Rating Company Limited. It has been assigned this rating for six consecutive years, reflecting the company's capability in maintaining its leading position in the credit card business, with asset quality management and a solid equity base, as a strategic subsidiary of Bank of Ayudhya Public Company Limited.

Product: KCC continued to adapt its various products and services, particularly in digital and online areas, to fulfill customers' changing lifestyles in all segments and ensure all products were well-suited to the market environment during the COVID-19 pandemic in 2021. Indeed, KCC emphasizes necessity-for-living categories such as insurance, hospital and supermarket, as spending on all online platforms is also included for best relevance. Those online privileges are available for e-commerce platforms, QR payment and wallet applications. In collaboration with all possible partners,

KCC covers all sub-categories, marketplace, delivery and fashion online shopping as the company also delivers different payment experience through chat and shop, and scan to pay. This ensures customers can live in the digitally connected and cashless society. Moreover, KCC addresses value for money and tailored benefits, and is on top with enjoyable point redemption, especially for online discount codes.

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

Source of funds: The Bank

GENERAL CARD SERVICES LIMITED

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

Type of service: Launched in 2017, Central The 1 Credit Card is the first and only co-branded lifestyle credit card that allows cardholders to collect more points at a faster rate 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 Mastercard, has been introduced as part of the Central The 1 Credit Card. Cardholders' shopping experience has been upgraded as cardholders can now simply place their cards over the payment terminal and go. This provides shoppers more convenience, as well as faster and more secure transactions through the contactless payment method.

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 Bank's ATMs nationwide without submitting additional documents.

Source of funds: The Bank

LOTUS'S MONEY SERVICES LIMITED

Type of service: Lotus's Money Services is a 50:50 joint venture between Krungsri Group and Lotus's, Thailand's largest hypermarket chain. Established in 2001 and launched with the Tesco Lotus Private Label Credit Card, which was later enhanced to become the Lotus's Credit Card, the company grew further and established two wholly owned insurance brokerage subsidiaries for general and life insurance. Previously known as Tesco Lotus Money Services Limited, it changed its name to Lotus's Money Services Limited with the new brand, 'Lotus's Money Plus', in 2021. Lotus's Money Services continues to expand its distribution network through Lotus's stores, with over 200 in-store financial services and insurance counters, and more than 850 dedicated sales staff offering Lotus's shoppers simple and convenient financial services, focusing on 'ease, value, and trust'.

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

Lotus's 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 Lotus's 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)

LOTUS'S GENERAL INSURANCE BROKER LIMITED

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

Based on their key principles of 'ease, value, and trust', these products aim to make insurance more accessible, inclusive, and affordable. 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 (Lotus's Money Services Limited)

LOTUS'S LIFE ASSURANCE BROKER LIMITED

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

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

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 Lotus's Money Services Limited.

Strategies for business growth: The company plans 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. It also provides debt counseling services focused on building better customer experiences, including overdue and bad debt management by analyzing customers' ability or intention to pay off debt, and designing programs to help them reduce their debt burden in a way that aligns with their payment ability. 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 the company's resilient transformation and serves as a new paradigm for its sustainable growth as one of Thailand's top debt collection service firms.

Customer services: In terms of improving customer experience, customer centricity is used as the conceptual model and disseminated to all employees based on customer analysis, or understanding of customers' behavior that requires more facilities, faster response, and straightforward services, including provision of a new, superior customer experience model. At the same time, the company has developed an AI-based system that helps in learning and understanding customer problems to meet

their needs, by running the 'AI Outbound Call' pilot project, and has made use of the UCHOOSE mobile application for its debt collection services, increasing digital contact channels (such as Line Official Account, SMS Landing Page) and providing information about debt relief and debt restructuring programs through this self-service application, 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 enhancements launched in 2021 were Car4Cash Balance Transfer, and Krungsri First Choice Credit Line, to better serve customer needs with faster turnaround time.

As a benefit of market coverage physical expansion, combined with Direct Sales Agent (DSA) 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 the company's Medium-Term Business Plan.

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

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

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

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

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

Market and competition: Amidst the global impact of the COVID-19 pandemic, the economy of Lao PDR was inevitably affected as well. In particular, the second and third waves of the pandemic in 2021 resulted in severe impacts due to the higher number of cases. Krungsri Leasing Services, as the major financier in the market, provided multiple debt relief programs offered to impacted customers in supporting them during this period of financial difficulty.

At the same time, the government of Lao PDR enforced tightened measures and policies to control the spread of the virus.

With COVID-19, Lao PDR GDP* growth is forecast at 2.3 percent in 2021, from -0.5 percent in 2020, which is ranked in the middle compared to other Southeast Asian countries. However, if the COVID-19 situation comes under control and vaccines are widely introduced as reflected in government measurements, the economy is expected to recover rapidly, driven by the tourism industry. Another key factor is that the completion of the Laos-China railway projects will increase income per capita in line with economic expansion, apart from other driving factors of foreign direct investment and the boosting of domestic demand.

The company continues to focus on strengthening relationships with its dealers and expanding dealer networks with a dealer segmentation strategy, along with products and services, by adopting expertise and technology from Krungsri Auto and Krungsri First Choice, which will 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

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 have potentials to generate consistent returns in line with the desired degree of risk. Products and services cater to the needs of each group of investors, including 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). The company has public disclosure measures regarding information about employment of goverment officials to ensure transparency and accountability.

Source of funds: The Bank

NGERN TID LOR PUBLIC COMPANY LIMITED

Type of service: Krungsri acquired a controlling stake in CFG Services Company Limited (now renamed Ngern Tid Lor Public Company Limited: TIDLOR) from AIG Group in 2009. It provides microfinance of car title loan. In 2014, the company launched non-life insurance brokerage services to promote access to insurance coverage among the general public. The company was renamed from CFG Services Company Limited to Ngern Tid Lor Company Limited in 2015. In 2019, Krungsri entered into a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50 percent of ordinary shares in Ngern Tid Lor Company Limited; this not only bolstered business growth and opportunities for Ngern Tid Lor Company Limited, but also further strengthened the company's competitive capabilities to stay at the forefront of the title loan industry. Ngern Tid Lor Company Limited changed the status to Ngern Tid Lor Public Company Limited on December 17, 2020 and traded on the Stock Exchange of Thailand on May 10, 2021 with symbol of TIDLOR. TIDLOR's initial public offering of shares (IPO) is the largest IPO ever in the Finance and Securities Sector as well as one of the top five largest equity IPOs in the Thai equity capital market's history, with the total offering size of 38,089 million baht (including an overallotment option) and the market capitalization, at the IPO price, of 84,643 million baht, demonstrating its strong fundamental as the leading vehicle title loan provider and the leader of retail-focused insurance broker with rapid growth, driven by technological innovations and omnichannel distribution platform under the principle of creating fair and transparent financial opportunities for the people and encourage consumers to have insurance coverage.

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

HATTHA BANK PLC. (HATTHA BANK)

In September 2016, the Bank acquired all 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.

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

As of December 2021, Hattha Bank's total deposits were USD 1,028 million with more than 294,000 depositors, while its total loans were USD 1,691 million with 204,000 borrowers.

Source of funds: Deposits and loans from financial institutions

HATTHA SERVICES CO., LTD.

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

Source of funds: The company and loan from local bank

SB FINANCE COMPANY, INC. (SBF)

Type of service: SBF is a financing company registered with the Securities and Exchange Commission of Philippines and a significant player in the competitive landscape of consumer finance companies in the Philippines. The company is engaged in the business of financing by extending credit facilities to consumers in the mass market segment in response to the government's call for financial inclusion.

Source of funds: The company, loans from local banks, and recapitalization in 2021

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

For 2021 operating performance, the Bank, subsidiaries, associate, and joint ventures had interest income and non-interest income at a ratio of 65.69 percent and 34.31 percent, respectively. Interest on loans constituted the largest proportion representing 41.63 percent of total income. Details are as follows:

Income Structure	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
Interest Income						
Interest on loans	63,248	41.63	69,158	46.73	72,244	44.18
Interest on interbank and money market items	2,583	1.70	2,720	1.84	4,681	2.86
Hire purchase and financial lease income	32,530	21.41	34,526	23.33	31,073	19.00
Investments and trading transactions	25	0.02	61	0.04	91	0.06
Investments in debt securities	1,390	0.91	1,561	1.06	2,279	1.39
Other	28	0.02	36	0.02	87	0.06
Total Interest Income	**99,804**	**65.69**	**108,062**	**73.02**	**110,455**	**67.55**
Non-Interest Income						
Fees and service income	24,053	15.83	24,812	16.77	29,652	18.13
Gains on financial instruments measured at fair value through profit or loss	4,096	2.70	4,112	2.78	-	-
Gains on trading and FX transactions	-	-	-	-	4,350	2.66
Gains on investments	10,925	7.19	109	0.07	9,232	5.65
Share of profit from investment using equity method	1,930	1.27	1,523	1.03	1,409	0.86
Dividend income	366	0.24	273	0.18	211	0.13
Bad debts recoveries	6,587	4.33	6,753	4.56	6,484	3.97
Other income	4,171	2.75	2,349	1.59	1,723	1.05
Total Non-Interest Income	**52,128**	**34.31**	**39,931**	**26.98**	**53,061**	**32.45**
Total Income	**151,932**	**100.00**	**147,993**	**100.00**	**163,516**	**100.00**

	Income Structure	2021		2020		2019	
		Million baht	%	Million baht	%	Million baht	%
1.	**Bank of Ayudhya Public Company Limited** [1/]						
	Total Interest Income	68,850	64.03	76,275	77.12	80,945	70.45
	Total Non-Interest Income	38,675	35.97	22,628	22.88	33,952	29.55
	Total	107,525	100.00	98,903	100.00	114,897	100.00
2.	**Krungsri Ayudhya AMC Limited**						
	Total Interest Income	91	32.04	103	32.19	67	24.91
	Total Non-Interest Income	193	67.96	217	67.81	202	75.09
	Total	284	100.00	320	100.00	269	100.00
3.	**Ayudhya Development Leasing Company Limited**						
	Total Interest Income	234	82.11	293	84.68	347	62.52
	Total Non-Interest Income	51	17.89	53	15.32	208	37.48
	Total	285	100.00	346	100.00	555	100.00
4.	**Krungsri Nimble Company Limited**						
	Total Interest Income	-	-	-	-	-	-
	Total Non-Interest Income	178	100.00	157	100.00	28	100.00
	Total	178	100.00	157	100.00	28	100.00
5.	**Ayudhya Capital Auto Lease Public Company Limited**						
	Total Interest Income	5,715	55.32	6,293	55.54	6,246	55.12
	Total Non-Interest Income	4,615	44.68	5,037	44.46	5,086	44.88
	Total	10,330	100.00	11,330	100.00	11,332	100.00
6.	**Ayudhya Capital Services Company Limited**						
	Total Interest Income	11,265	63.62	13,140	69.96	12,045	62.76
	Total Non-Interest Income	6,441	36.38	5,642	30.04	7,148	37.24
	Total	17,706	100.00	18,782	100.00	19,193	100.00
7.	**General Card Services Limited**						
	Total Interest Income	2,299	54.79	2,335	59.25	1,905	49.96
	Total Non-Interest Income	1,897	45.21	1,606	40.75	1,908	50.04
	Total	4,196	100.00	3,941	100.00	3,813	100.00
8.	**Krungsriayudhya Card Company Limited**						
	Total Interest Income	4,869	55.87	5,219	59.15	4,600	49.20
	Total Non-Interest Income	3,846	44.13	3,604	40.85	4,749	50.80
	Total	8,715	100.00	8,823	100.00	9,349	100.00
9.	**Krungsri Securities Public Company Limited**						
	Total Interest Income	49	5.88	41	6.20	60	10.15
	Total Non-Interest Income	785	94.12	620	93.80	531	89.85
	Total	834	100.00	661	100.00	591	100.00
10.	**Siam Realty and Services Security Company Limited**						
	Total Interest Income	-	-	-	-	-	-
	Total Non-Interest Income	621	100.00	616	100.00	659	100.00
	Total	621	100.00	616	100.00	659	100.00
11.	**Krungsri Asset Management Company Limited**						
	Total Interest Income	8	0.17	(90)	(2.33)	78	1.91
	Total Non-Interest Income	4,587	99.83	3,947	102.33	4,012	98.09
	Total	4,595	100.00	3,857	100.00	4,090	100.00

Income Structure	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
12. Total Services Solutions Public Company Limited						
Total Interest Income	4	0.38	11	1.09	22	1.84
Total Non-Interest Income	1,050	99.62	998	98.91	1,174	98.16
Total	1,054	100.00	1,009	100.00	1,196	100.00
13. Ngern Tid Lor Public Company Limited [2/]						
Total Interest Income	9,834	78.23	8,749	80.15	7,636	78.61
Total Non-Interest Income	2,737	21.77	2,167	19.85	2,078	21.39
Total	12,571	100.00	10,916	100.00	9,714	100.00
14. Krungsri General Insurance Broker Limited [3/]						
Total Interest Income	-	-	1	0.21	5	1.04
Total Non-Interest Income	436	100.00	470	99.79	478	98.96
Total	436	100.00	471	100.00	483	100.00
15. Krungsri Life Assurance Broker Limited [3/]						
Total Interest Income	1	0.26	2	0.51	4	1.06
Total Non-Interest Income	384	99.74	393	99.49	372	98.94
Total	385	100.00	395	100.00	376	100.00
16. Lotus's Money Services Limited [4/] **(formerly Tesco Lotus Money Services Limited)**						
Total Interest Income	2,262	53.26	2,476	56.50	2,226	49.99
Total Non-Interest Income	1,985	46.74	1,906	43.50	2,227	50.01
Total	4,247	100.00	4,382	100.00	4,453	100.00
17. Lotus's General Insurance Broker Limited [5/] **(formerly Tesco General Insurance Broker Limited)**						
Total Interest Income	3	0.50	3	0.51	4	0.70
Total Non-Interest Income	599	99.50	587	99.49	564	99.30
Total	602	100.00	590	100.00	568	100.00
18. Lotus's Life Assurance Broker Limited [5/] **(formerly Tesco Life Assurance Broker Limited)**						
Total Interest Income	-	-	1	1.82	1	2.22
Total Non-Interest Income	59	100.00	54	98.18	44	97.78
Total	59	100.00	55	100.00	45	100.00
19. Krungsri Leasing Services Company Limited [6/]						
Total Interest Income	560	127.85	673	135.69	771	100.39
Total Non-Interest Income	(122)	(27.85)	(177)	(35.69)	(3)	(0.39)
Total	438	100.00	496	100.00	768	100.00
20. Hattha Bank Plc.						
Total Interest Income	6,840	95.97	5,194	96.38	4,451	95.89
Total Non-Interest Income	287	4.03	195	3.62	191	4.11
Total	7,127	100.00	5,389	100.00	4,642	100.00
21. Krungsri Finnovate Company Limited [7/]						
Total Interest Income	2	20.00	1	-	-	-
Total Non-Interest Income	8	80.00	(1)	-	1	100.00
Total	10	100.00	-	-	1	100.00

Income Structure	2021		2020		2019	
	Million baht	%	Million baht	%	Million baht	%
22. Hattha Services Company Limited [8/]						
Total Interest Income	1	100.00	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	1	100.00	-	-	-	-
23. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. [9/]						
Total Interest Income	24	96.00	4	100.00	-	-
Total Non-Interest Income	1	4.00	-	-	-	-
Total	25	100.00	4	100.00	-	-
24. SB Finance Company, Inc. [10/]						
Total Interest Income	1,099	89.13	175	97.77	-	-
Total Non-Interest Income	134	10.87	4	2.23	-	-
Total	1,233	100.00	179	100.00	-	-

Remarks: Based on 2021 unaudited financial statements of subsidiaries, associate, and joint ventures

[1/] The Bank's statement of profit or loss and other comprehensive income.
[2/] The Bank's shareholding decreased from 50 percent to 30 percent in April 2021.
[3/] Indirect holding via Ayudhya Capital Services Company Limited of 100 percent.
[4/] Indirect holding via Ayudhya Capital Services Company Limited of 50 percent.
[5/] Indirect holding via Lotus's Money Services Limited of 100 percent.
[6/] Indirect holding via Ayudhya Capital Auto Lease Public Company Limited of 75 percent and Ayudhya Capital Services Company Limited of 25 percent.
[7/] The financial information is immaterial.
[8/] Indirect holding via Hattha Bank Plc. of 49 percent and the voting power held by the Bank of 100 percent. The financial information is immaterial.
[9/] Indirect holding via Krungsri Leasing Services Company Limited of 99.99 percent since April 20, 2020.
[10/] Direct holding by the Bank of 50 percent since October 20, 2020.

SHAREHOLDING STRUCTURE

As of the latest record date on September 8, 2021, the list of the shareholders holding the ordinary shares over 0.5 percent of the total shares (7,355,761,773 issued and paid-up ordinary shares at the par value of 10 baht per share) is as follows:

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

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

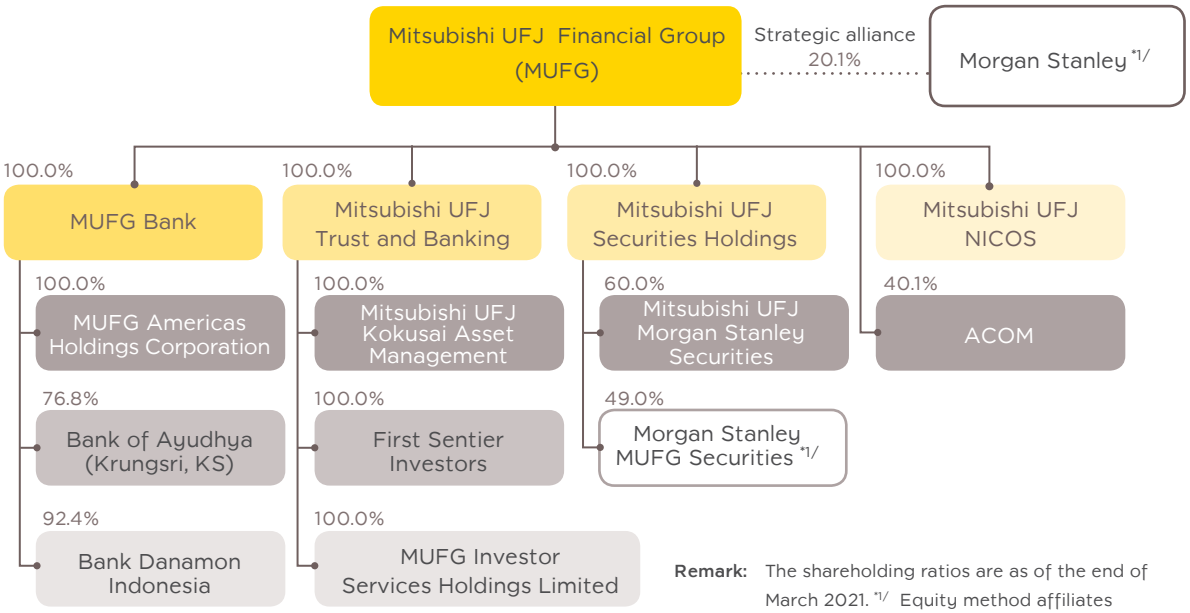
Krungsri Obligations on Share Issuance in the Future
-None-

RELATIONSHIP WITH MAJOR SHAREHOLDERS

On July 2, 2013, MUFG Bank announced that it had signed a Share Tender Agreement with GE Capital International Holdings Corporation ('GECIH') to purchase Krungsri's ordinary shares held by GECIH. Under the agreement, MUFG Bank was required to launch a Voluntary Tender Offer ('VTO') for all of Krungsri's ordinary shares, and GECIH would then tender its entire shareholding, representing 25.33 percent of all issued shares, to MUFG Bank. Following the above, in September 2013, Krungsri entered into a Branch Purchase Agreement with MUFG Bank in which Krungsri would accept the transfer of the business of MUFG Bank, Bangkok Branch and integrate Krungsri and MUFG Bank, Bangkok Branch within a year after completion of the VTO. In late December 2013, after the successful completion of the VTO, MUFG Bank replaced GECIH as the strategic shareholder of Krungsri. As of December 31, 2021, MUFG Bank holds 76.88 percent of all issued shares.

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

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



Remark: The shareholding ratios are as of the end of March 2021. *1/ Equity method affiliates

THE BANK'S SECURITIES

Number of Registered and Paid-up Capital as of December 31, 2021

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 (per annum)	Maturity Date	Conditions	Issue Amount	Unredeemed amount and value as of December 31, 2021
Long Term Bonds (Non-Collateral)					
1. Subordinated Instrument No. 1/2017 (BAY27NA) Issue date: May 24, 2017 Debenture rating (Fitch): AA+ Agent: None Objective*	3.90%	November 24, 2027 (10 years and 6 months)	-	17,007.00	17,007.00
2. 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
3. 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
4. Subordinated Instrument No. 1/2021 (BAY31NA) Issue date: November 5, 2021 Debenture rating (Fitch): AAA Agent: None Objective*	3.00%	November 5, 2031 (10 years)	-	10,000.00	10,000.00
5. 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
6. 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
7. Debenture 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
8. 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, 2021
Other Debt Instruments (Non-Collateral)					
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 2021

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collateral)			
1. Debenture No. 1/2018 (BAY211A)	15,000.00	January 26, 2018	January 26, 2021
2. Debenture No. 2/2018 (BAY217A)	14,000.00	July 12, 2018	July 12, 2021
3. Debenture No. 2/2019 Series 1 (BAY21NA)	7,000.00	November 22, 2019	November 22, 2021
4. Subordinated Instrument No. 1/2016 (BAY272A)	10,000.00	August 11, 2016	November 11, 2021

DIVIDEND PAYOUT POLICY

1. The Bank's Dividend Payout Policy

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

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, which states, '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 Annual General Meeting. The Bank may occasionally pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

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

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

2. Subsidiaries' Dividend Payout Policy

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

INVESTMENT IN OTHER COMPANIES

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Bank Plc.	Commercial Bank	Ordinary	140,000,000	100.00
2. Krungsri Ayudhya AMC Limited.	Asset management	Ordinary	270,000,003	100.00
3. Krungsri Nimble Co., Ltd.	Information Technology Services	Ordinary	30,000,000	100.00
4. Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99
5. Ayudhya Capital Auto Lease PCL.	Finance (Auto Financing)	Ordinary	2,554,500,000	100.00
6. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	100.00
7. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	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 (Collection)	Ordinary	1,000,000	100.00
13. Krungsri Finnovate Co., Ltd.	Finance (Venture Capital)	Ordinary	250,000,000	100.00
14. Krungsri Securities PCL.	Finance (Securities)	Ordinary	135,000,000	99.84
15. Krungsri Asset Management Co., Ltd.	Finance (Asset Management)	Ordinary	3,500,000	86.86
16. 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 Institution that does not accept deposit taking	Ordinary	360,000	99.99
18. Ngern Tid Lor PCL.	Finance (Auto Financing)	Ordinary	2,318,984,570	30.00
19. Lotus's Money Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
20. Lotus's Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
21. Lotus's General Insurance Broker Limited	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.	Finance (Consumer Finance)	Ordinary	15,000,000	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. 1/	Big Data for Retail Estate	Ordinary	24,186	14.20
			Preferred	29,950	
4.	Finnomena Co., Ltd. 2/	Robo Advisor	Ordinary	479,518	12.44
			Preferred	383,293	
5.	Choco Card Enterprise Co., Ltd. 3/	POS & CRM Platform	Ordinary	54,968	11.50
			Preferred	6,794	
6.	Zortout Co., Ltd. 4/	Online Seller Management	Ordinary	110,472	10.60
			Preferred	29,505	

COMPANIES ACQUIRED THROUGH DEBT RESTRUCTURING PROCESS

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

Remarks: 1/ Indirectly holding via Krungsri Finnovate Co., Ltd. of 14.20 percent
2/ Indirectly holding via Krungsri Finnovate Co., Ltd. of 12.44 percent
3/ Indirectly holding via Krungsri Finnovate Co., Ltd. of 11.50 percent
4/ Indirectly holding via Krungsri Finnovate Co., Ltd. of 10.60 percent

PROVISION OF PRODUCTS OR SERVICES

SOURCE OF FUNDS

Krungsri provides deposit services to general public whereby it is the most important source of funds for Krungsri. As at December 31, 2021, Krungsri had a deposit balance of 1,779,139 million baht or 71.2 percent, interbank and money market items of 8.1 percent, debt issued and borrowings of 4.8 percent, shareholders equity of 12.7 percent and other sources of funds of 3.2 percent. Krungsri provides the following two types of the deposit services: non-interest bearing deposit i.e., current deposit and interest bearing deposit i.e., savings deposit and time deposit.

CAPITAL MAINTENANCE ABILITY

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

Krungsri maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand which is in line with the Basel III. As at December 31, 2021, Krungsri's capital fund and capital adequacy ratio are as follows:

(Unit: Million baht)

	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital	278,164	213,473
Total Tier 1 capital	279,616	213,473
Total capital fund	359,883	291,794

(Unit: Percent)

	BOT Regulatory Minimum Requirements	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital/Total risk weighted assets	8.00	15.52	13.56
Total Tier 1 capital/Total risk weighted assets	9.50	15.60	13.56
Total capital/Total risk weighted assets	12.00	20.08	18.53

OPERATING ASSETS

MAIN FIXED ASSETS FOR BUSINESS OPERATIONS

Premises and Equipment

As at December 31, 2021 and 2020, the net premises and equipment are as follows:

(Unit: Million baht)

Consolidated	2021	2020
Land		
Cost	5,239	5,171
Appraisal Increase	9,290	9,346
Premises		
Cost	13,360	12,995
Appraisal Increase	15,785	15,890
Equipment	15,072	15,010
Leasehold Improvement	3,530	3,541
Others	2,348	1,081
Total	**64,624**	**63,034**
Less Accumulated Depreciation	(33,728)	(31,762)
Allowance for Impairment	(75)	(75)
Net Property, Premises and Equipment	**30,821**	**31,197**

Remark: As at December 31, 2021 and 2020, right-of-use assets are included in the premises and equipment at cost amounting to 4,653 million baht and 4,236 million baht, respectively.

Lease Liabilities

Lease liabilities as at December 31, 2021 and 2020 are as follows:

(Unit: Million baht)

Consolidated	2021	2020
Within one year	1,136	1,040
One year to five years	1,163	1,464
Over five years	503	598
Total	**2,802**	**3,102**

Loans to Customers and Investments

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

Loans to Customers

Assets Classification and Allowance for Expected Credit Loss
Krungsri has complied with the Bank of Thailand's guideline requiring Krungsri to classify its assets and set aside the allowance for expected credit loss according to the instructions prescribed for each debt classification. This is in pursuant to the Bank of Thailand's Notification SorNorSor. 23/2561 Re: Regulations on Assets Classification and Provisioning of Financial Institutions dated October 31, 2018 which is effective from January 1, 2020, and the other related BOT notifications.

The assets classification of loans to customers and accrued interest receivables of Krungsri and its subsidiaries as at December 31, 2021 and 2020 is presented below:

(Unit: Million baht)

Consolidated	2021	
	Amount	%
Stage 1 Performing	1,706,665	89.77
Stage 2 Under-performing	145,226	7.64
Stage 3 Non-performing	49,338	2.59
Total	**1,901,229**	**100.00**

Remark: Excluded interbank and money market items

(Unit: Million baht)

Consolidated	2020	
	Amount	%
Stage 1 Performing	1,651,700	89.67
Stage 2 Under-performing	143,545	7.79
Stage 3 Non-performing	46,785	2.54
Total	**1,842,030**	**100.00**

Remark: Excluded interbank and money market items

Criteria for Classification and Set Up Allowance for Expected Credit Loss

Krungsri and its subsidiaries recognise a loss allowance for expected credit loss ('ECL') on financial assets measured at amortised cost or measured at fair value through other comprehensive income. No impairment loss is recognised on equity instruments measured at fair value through other comprehensive income. ECLs are required to be measured through a loss allowance at an amount equal to:

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

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

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

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

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

Krungsri and its subsidiaries measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's Original Effective Interest Rate, regardless of whether it is measured on an individual basis or a collective basis.

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

Krungsri and its subsidiaries also set up the allowance for expected credit loss in compliance with the Bank of Thailand's guidelines. As at December 31, 2021, Krungsri set up provision of 87,411 million baht for the consolidated financial statements. Such allowance for expected credit loss consisted of the allowance for expected credit loss for loans to customers and accrued interest receivables, interbank and money market items and loan commitments and financial guarantee contracts.

Non-Performing Loan Management

Non-performing loans to total loans of Krungsri and its subsidiaries as at December 31, 2021 and 2020 are as follows:

(Unit: Million baht)

	2021	2020
Non-performing loans	47,448	45,672
Percentage of total loans	2.20	2.00

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

Investment in Securities

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

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

Government bonds, Bank of Thailand bonds, state-owned enterprise bonds guaranteed by the Ministry of Finance are highly secured and liquid. The main objectives of investment are for liquidity management, to preserve as liquid assets in compliance with the Bank of Thailand's requirements, and to facilitate transactions made with the Bank of Thailand and other financial institutions/ counterparties in the private sector.

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

(2) Investment in Private-Sector Securities and Risk Management

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

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

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

Investment in Subsidiaries and Joint Ventures

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

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

In terms of management, we have established regulatory mechanisms for overseeing the operation of subsidiaries across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In addition, we assign subsidiaries' directors and executives to supervise business operations, plans and annual budgets, and to provide Krungsri important information for approval before taking actions.

RISK FACTORS AND RISK MANAGEMENT

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

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

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

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

RISK MANAGEMENT STRUCTURE

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

BOARD OF DIRECTORS

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

CREDIT COMMITTEE

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

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

RISK MANAGEMENT COMMITTEE

Primary responsibilities:

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

CREDIT PORTFOLIO SUBCOMMITTEE

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

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

NPL/NPA/TDR SUBCOMMITTEE

Primary responsibilities:

- Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR;
- Considering and approving credit requests, guidelines, and methods employed regarding NPL/NPA/TDR;
- Supervising and continually monitoring progress of these cases to speed up debt restructuring and prevent debt quality deterioration; and



- Approving principles for price determination as well as bid pricing and participation in collateral auctions for legal execution or asset sales.

COLLATERAL VALUATION SUBCOMMITTEE

Primary responsibilities:

- Establishing and reviewing policies and procedures for collateral valuation for loan or credit extension and valuation of foreclosed assets obtained from debt payment or auction 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. The Enterprise-wide Risk Management Division manages the ERM framework, including identifying and monitoring potential risks and Krungsri Group's consolidated status for all significant risks.

The Enterprise-wide Risk Management Division also collaborates with risk owners to capture emerging risks, assess risk levels, and establish risk mitigation and prevention plans. Risk status, including risk mitigation and prevention plans, is regularly reported to the Board 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 2021:

Material Risk	Risk Type
Pillar 1	Credit Risk
	Market Risk
	Operational Risk
Pillar 2	Credit Concentration Risk
	Interest Rate Risk in Banking Book
	Liquidity Risk
	Reputation Risk
	Strategic Risk
Other Material Risk	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 the Bank of Thailand's rules and regulations.

In 2021, the Bank established 'Responsible Lending Guidelines' to address our concerns pertaining to Environmental, Social and Governance Risks ('ESG Risks'). The guidelines clearly stated characteristics of credit transactions and sectors which are prohibited in view of non-compensable ESG risks or are restricted in view of material ESG risks. It is our strong intention to gradually phase out from financing coal-fired power plants by 2030.

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

As part of digital 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 single customer or industry generating heavy losses due to credit risk.

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

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

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.

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 the 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 also maintains sufficient capital for both normal and stressed business conditions.

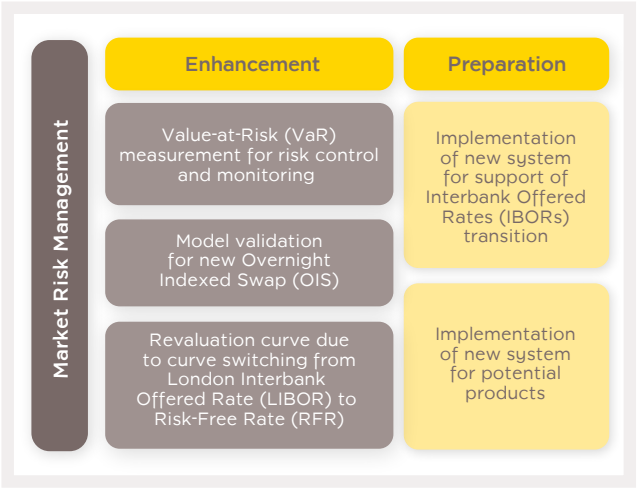
Market risk management is overseen by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division provides strategic risk management options and reports risk exposure to the committee, while the Global Markets Group executes transactions 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 2021**

  The Bank has enhanced market risk measurement in response to internal management, market volatility, and new requirements through the development or modification of risk measurement tools for potential new products, and preparation for future implementation. In addition, as 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.



- **2021 Trading Book Transaction Risks**

  Due to the ongoing concerns related to COVID-19 and the elevated pressure from rising inflation, policy decisions by the central banks needed to find balance between fostering economic recovery and coping with the risk of inflation. This caused market volatility, e.g., FX, yield, and equity price. However, the Bank continued to provide customers the suitable products, e.g., FX and interest rate derivatives—not only existing but also new or tailored products—to serve their businesses. On top of that, the interest rate derivatives and bond trading transactions with new reference rates (RFR), e.g., THOR for THB floating reference index and SOFR for USD floating reference index, have increased and are offered for risk hedging to support the benchmark transition and enhance market liquidity. In this regard, the Bank prudently and closely managed market risk exposure within acceptable risk levels while also responding to such risks in a timely manner in a bid to mitigate impacts from market movements.

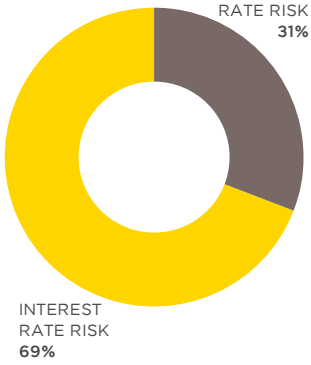
  Value-at-Risk (VaR) and backtesting have been adopted to assess risk and validate model reliability. In addition, the Bank actively alerted relevant parties through flash reports when significant events occurred, and conducted stress testing to assess risk under crisis situations. The Bank's aggregate market risk in 2021 was well within acceptable levels. The VaR for a 10-day holding period at a 99-percent confidence level of the trading book averaged 129.26 million baht.

- **Market Risk Capital Requirement**

Krungsri Group: Minimum Market Risk Capital Requirement

As of December 31, 2021

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.



MARKET RISK IN BANKING BOOK

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

Interest Rate Risk in Banking Book

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

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

To manage interest rate risk, the Bank conducts repricing gap analysis by both static and dynamic simulations based on projected interest rate trends, on a monthly basis or upon any significant change. The Bank also assesses the potential impact on net interest income (NII impact) 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 2021**

  In 2021, the Bank reviewed interest rate risk in banking book policy, practical guidelines, and measurements for enhanced efficiency, and elevation of sound risk governance standards in line with BOT's regulations on Interest Rate Risk in the Banking Book of Financial Institutions and Supervisory Guideline on Capital Fund under Pillar 2. Important actions were taken, as follows:

  - Simulated BVE impacts under a set of interest rate shock scenarios
  - Enhanced NII and BVE measurements to capture the basis risk and option risk
  - Studied customer behavior in response to interest rate changes in non-maturity deposits (NMDs), term deposits, fixed-rate loans, etc.
  - Adjusted models for stress testing under banking Value-at-Risk calculation to meet Internal Capital Adequacy Assessment Process (ICAAP) framework



- **2021 Interest Rate Risk in Banking Book**

  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, 2021
THB	-2,584
USD	-256
Other Foreign Currencies	-516
Total Impact	-3,356
% of projected net interest income over the next 1 year	-4.08%

BOOK VALUE OF EQUITY
(ECONOMIC VALUE PERSPECTIVE)

Unit: Million baht

Currency	As of December 31, 2021
THB	-13,610
USD	-607
Other Foreign Currencies	-118
Total Impact	-14,335
% of Total Capital Fund	-3.98%

Equity Price Risk in Banking Book

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

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

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

Foreign Exchange Risk in Banking Book

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

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

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

MARKET SENTIMENT IN 2021 AND MARKET RISK TREND IN 2022

In 2021, though many countries had effectively managed the COVID-19 pandemic, the spread of the Omicron variant starting in November caused renewed concerns in the global community. All sectors have therefore been required to closely monitor the situation to analyze the impact on global economies, while vaccination with booster doses remains another priority. Moreover, attention must be paid to major economic developments such as the uncertain monetary policies of major policymakers and the looming potential default of China's property developer. Domestically, the Bank of Thailand (BOT) is expected to keep the policy rate unchanged while increasing government bond supplies to facilitate the fiscal policy which has pushed yields up, prompting uncertainty in market sentiment. At the end of 2021, the SET Index, 5-year Thai government bond yield and USD/THB exchange rate stood at 1,657.62, 1.28 percent and 33.42, compared with the levels at the end of 2020 of 1,449.35, 0.61 percent and 30.04, respectively.

However, as the increase of inflation apparently proves to not be temporary, the Federal Reserve (Fed) is likely to curb its quantitative easing (QE) policy and, in 2022, it is widely expected that there will be three interest rate hikes. Thus, such monetary policy divergence needs to be highlighted, as it could affect market sentiment. In 2022, the Bank will closely monitor the development of strategies to respond to the impacts of the new wave of the COVID pandemic, together with the divergence of the major central bank policies,

e.g., the hawkish Fed policies to overcome the inflation risk alongside the BOT's stance to keep the interest rate low—leading to a widened yield gap, and FX and stock market volatility caused by capital flow movements. Thus, the Bank needs to comprehensively monitor the risk factors and establish proactive approaches to efficiently manage the market risks that may negatively impact the Bank's trading and banking portfolio.

LIQUIDITY RISK MANAGEMENT

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

LIQUIDITY RISK MANAGEMENT FRAMEWORK

The Bank establishes the liquidity risk management policy, manages, and controls the liquidity risks to ensure having adequate sources of liquidity to maintain sufficient future cash flows during both normal and stressed situations to cover business activities. The policy 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 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.

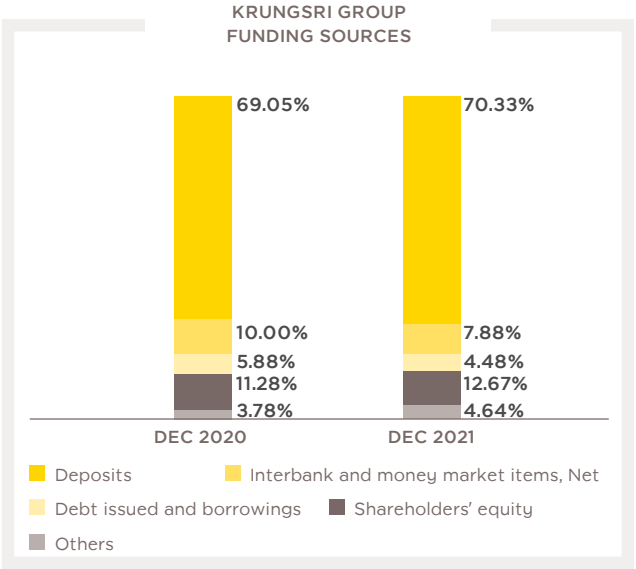
A manageable level of maturity mismatches of cash flows from assets and liabilities is then consistently maintained and regularly monitored with liquidity stress testing, together with sufficient liquidity reserves. The Bank also has a liquidity contingency plan that outlines the roles and responsibilities 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's major funding source is customer deposits stimulated by various deposit campaigns and mobile banking services. This strategy can support continuous expansion of the retail customer base. In addition, the Bank encourages customers to foster relationships with the Bank and focuses on the operational services to increase deposit volume and comply with BOT guidelines.

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.

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.

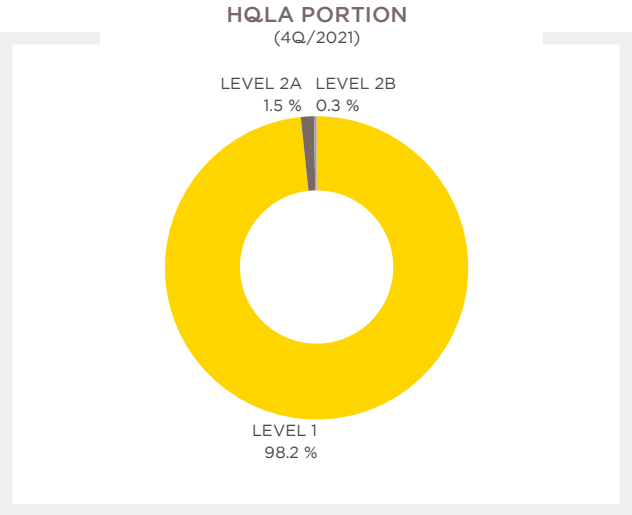


REGULATORY REQUIREMENTS ON LIQUIDITY COVERAGE RATIO AND NET STABLE FUNDING RATIO

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 2021 was 139 percent, still well above the BOT's minimum requirement and the Bank's internal trigger level. The Bank's high-quality liquid assets (HQLA) in the fourth quarter of 2021 decreased by 16 percent compared to the fourth quarter of 2020, mainly due to a decrease of reverse repo transactions to support the loan growth and the repayment of interbank borrowing. However, the Bank still had sufficient liquidity by maintaining 98 percent of total HQLA in Level 1 assets including government bonds, BOT bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.



LIQUIDITY SITUATION IN 2021 AND LIQUIDITY RISK TREND IN 2022

In 2021, overall liquidity in the banking system remained stable at a high level because deposits saw stronger growth than net loans. Meanwhile, liquidity management at given periods may vary from bank to bank, depending on their respective liquidity positions and management guidelines.

The Bank recognizes the economic uncertainty caused by the COVID-19 pandemic as well as changes in external factors in 2021. We therefore maintained daily liquidity positions for appropriate liquidity management both in terms of foreign currencies and the Thai Baht to guard against any potential liquidity shortage.

In 2022, Thailand's economy is expected to recover in several sectors as a number of restrictions have been lifted or eased to spur economic growth. However, the spread of the Omicron variant has posed concerns among global communities. Additionally, the global economic situation may have an impact on the local economy, e.g., the expected high inflation in the US may also affect capital outflows. As a result, the Bank will closely monitor factors that could affect our liquidity risk over both the short and medium term, including:

- Capital inflows and outflows triggered by both internal and external factors
- Intensified competition among financial institutions in savings and investment products, which may affect overall liquidity in the 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.

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 recognizes the increased potential for operational risk incidents to the Bank's operations from pandemics, destructive cybersecurity incidents, technology failures, political crises, flooding, and other natural disasters.

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

Operational risk is managed under 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 with the Three Lines Model, to ensure independent oversight of operational risk management. All business units as primary operational risk owners and risk-takers have primary responsibility for day-to-day identification and management of the operational risk inherent in their products, activities, procedures, and systems, in accordance with the Bank's policy.

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

OPERATIONAL RISK MANAGEMENT FRAMEWORK AND TOOLS

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

The Risk and Control Self-Assessment (RCSA) Program is reviewed regularly based on historical loss data and changes in the business environment, which helps the results in reflecting the risk profile of the Bank. In 2021, we started to implement the testing program of key controls for key risks as identified in the RCSA. The aim is to ensure that key controls are well-designed and performed regularly, as reflected in the risk profiles.

We also conduct risk assessment on new products, processes, and technologies to ensure that all new products and technologies, or significant changes of existing processes and systems, are subject to comprehensive risk evaluation in terms of potential operational risk, information technology risk, cyberthreats, and other risks, 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.

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

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



The Bank recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across Krungsri Group, key products and customer services can be provided or restored within a reasonable period. During the COVID-19 pandemic, the Bank has 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.

CAPITAL REQUIREMENTS

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

KRUNGSRI OPERATIONAL RISK MINIMUM CAPITAL REQUIREMENTS
AS OF DECEMBER 31, 2021, AND DECEMBER 31, 2020

Unit: Million baht

Standardized Approach	Dec 31, 2021	Dec 31, 2020
Total Capital Charge for Operational Risk	11,624	10,702
Equivalent Risk-Weighted Assets for Operational Risk	145,302	133,773

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 IT risk management governance and policy framework.

Information technology risk management is part of the Bank's operational risk management and serves as an element 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 an IT risk management policy to cover the organizational structure, roles, and responsibilities for the related parties according to the Three Lines Model. The Bank has developed the appropriate IT risk management framework to ensure that such risks, including the risks incurred from cyberthreats, the use of third-party services, and IT project management are identified, assessed, monitored, controlled, and reported. The IT risk management framework is aligned with the Bank's operational risk management framework. In this regard, the process of the IT risk management framework covers risk assessment, risk treatment, risk monitoring and review, and risk reporting.

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

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

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

The Bank controls and manages third-party risk management, which is under the information technology risk management framework. We also recognize the importance of monitoring and managing the risks arising from the use of, connection with, and access to a third-party database and service in accordance with the 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.

On top of that, the Bank has in place a process to manage and report significant information technology incidents or problems as well as significant cyberthreats 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.

DRIVING BUSINESS FOR SUSTAINABILITY

1) SUSTAINABILITY POLICY AND GOALS

With the spirit and responsibilities of a Domestic Systemically Important Bank (D-SIB), Krungsri has adhered to undertaking business based on good corporate governance, in accordance with best practices of **sustainable banking** by integrating environmental, social, and governance (ESG) dimensions into our operations, in parallel with strict and prudent ESG risk management. We would therefore seek business opportunities appropriate for responsible financial service providers on a solid ESG foundation for the ultimate interest of all stakeholder groups and enhanced capabilities in response to sustainable development goals, nationally and globally.

Krungsri established the sustainability vision of **'To be the most sustainable commercial bank in Thailand'** with an explicit sustainability framework and policy, as well as annual materiality assessment, in conformity with the urgent domestic and global agenda of sustainability.

In 2021, the Sustainability Committee resolved to approve the revision of Krungsri's materiality by taking into account material aspects related to financial service providers, expectations of stakeholders toward the Bank's business operations, as well as expectations of regulators and sustainability organizations at home and at the regional level as follows:

Sustainability Vision

'To be the most sustainable commercial bank in Thailand'



Environmental Aspect

- Environmental Management and Resource Efficiency
- Climate Change Management



Social Aspect

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



Governance Aspect

- Risk and Crisis Management
- Cybersecurity
- Good Governance and Anti-Corruption
- Customer Experience and Market Conduct
- Economic Performance and Impacts
- Data Governance and Personal Data Protection
- Innovation and Digital Transformation
- Supply Chain Management

Remark: Please see more details of 'Materiality Identification Process' in Krungsri's Sustainability Report 2021.

2) VALUE CHAIN MANAGEMENT

Krungsri places importance on stakeholders of the entire value chain, upstream through downstream, thereby focusing on sustainable value creation in parallel with managing impacts on stakeholders though appropriate stakeholder engagement in response to their expectations as well as international guidelines and practices.

VALUE CHAIN

Primary Activities

Funding sources	Operations	Marketing and sales	Access to financial innovations and products	Financial transactions	After-sales services
Take into account and connect with socio-economic and environmental impacts					
• Financial product development appropriate for target groups, in consideration of ESG dimensions • Financial inclusion and equity • Financial access	• Credit underwriting based on ESG dimensions • Digital transformation to cut waste and emissions • Business continuity	• Market conduct • Accurate and complete disclosure of financial product data • Fair competition • Advertising and public relations that promote brand image	• Convenient and fast financial services • Inclusive and thorough centers/ offices/ branches of banks	• Cybersecurity • Personal data security	• Communication channels appropriate for target groups • Customer relationship management • Complaint case management

Support Activities

Risk management	Procurement management	Human resources management	Digital innovation and technology management	Other infrastructures, e.g., accounting and finance system, business administration, legal tasks, etc.

STAKEHOLDER ANALYSIS

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



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

Remark: Please see more details of 'Shareholder Engagement' in Krungsri's Sustainability Report 2021.

3) ENVIRONMENTAL MANAGEMENT

Krungsri is well aware that the Bank's business operations and activities could bring about environmental impacts and climate change, directly or indirectly. Krungsri, as a responsible financial service provider, places great emphasis on environmental management and climate action, along with promoting positive environmental impacts. We have raised awareness and campaigned among all related parties to prioritize mitigation of their environmental footprints and ultimate resource efficiency.

Optimal environmental management, climate action, and resource efficiency will help enhance environmental initiatives in the country and elsewhere, bring about broader positive social and environmental impacts, and enable us to more fully adopt the United Nations Sustainable Development Goals (Goal 12: Responsible Consumption and Production; Goal 13: Climate Action; and Goal 17: Partnerships for the Goals).

ENVIRONMENTAL MANAGEMENT GUIDELINES

- Formulate an **'Environmental Disclosure Statement'** addressing the following international environment issues:
  - Striving to protect the environment and responding to climate change is the responsibility of all human beings
  - Contributing to the realization of sustainable society by protecting the global environment in alignment with the SDGs
  - Complying with applicable international legislation and agreements, and responding appropriately when our operations result in environmental risks or negative impacts
  - Striving to reduce environmental impacts of our operations, as well as actively working toward finding solutions to global environmental issues through our business activities
- Declare **Krungsri Carbon Neutrality Vision** in conformity with the United Nations Sustainable Development Goal 13: Climate Action, and Thailand's Nationally Determined Contributions (NDCs), as well as MUFG's Carbon Neutrality Declaration, with the following goals:
  - Decarbonizing the Bank's own operations by 2030
  - Decarbonizing the Bank's financial services by 2050
    - Phasing out our exposure to coal-fired power plants within 2030, enhancing the financial disclosure policies with an action plan to disclose our portfolio's financial emissions as well as reduction targets
    - Increasing social and sustainable finance portfolio to 50-100 billion baht by 2030
    - Contributing to the active promotion of sustainable and green finance market development in Thailand
- Conduct **Carbon Footprint for Organization (CFO)** evaluation to calculate greenhouse gas emissions from our headquarters and Krungsri Ploenchit Office, and start collecting and calculating carbon footprint of all the Bank's branches, using 2021 as the base year. Krungsri's CFO evaluation was conducted in compliance with international standards or equivalent and reviewed by entities registered at the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO), so that CFO can be endorsed by TGO.
- Establish **'Policy for Environment, Resource, Occupational Health, and Safety'** to promote and support environmental management and resource efficiency. The policy was adopted as a guideline to determine the environmental protection and resource conservation measures, and to comply with the relevant laws and regulations related to the environment. Krungsri's executives and staff members, as well as internal and external related parties, shall cooperate in complying with the policy.
- Appoint **'Working Committee on Environment'** to support responsible business operations that take into account environmental mandates, and ultimate energy efficiency and resource management, comprising 10 business unit representatives, responsible for directly reporting to the Sustainability Committee
- Provide **appropriate environmental complaint channels** via the Bank's complaint channels, e.g., the website, at www.krungsri.com/th/esg/contactus, Krungsri Call Center 1572, or directly file complaints to the Working Committee on Environment, etc.

EXAMPLES OF KEY ENVIRONMENTAL PRACTICES

Emissions reduction

- **Greenhouse gas emissions [1/] of Krungsri's Head Office, Krungsri Ploenchit Office, and branches 42,212 metric tons of carbon dioxide equivalent.**
- **Head Office [2/]**
  - Greenhouse gas emissions of 11,977 metric tons of carbon dioxide equivalent
  - Down 31.69 percent (compared with the base year 2017)
- **Krungsri Ploenchit Office [3/]**
  - Greenhouse gas emissions of 4,106 metric tons of carbon dioxide equivalent
  - Down 10.15 percent (compared with the base year 2020)
- **Started collecting and calculating carbon footprint of all the Bank's branches, using 2021 as the base year**
  - Greenhouse gas emissions of 26,129 metric tons of carbon dioxide equivalent

Remarks:

1/ Scope 1 and 2 only

2/ The Head Office comprises Building A, B, C, and Krungsri Learning Center

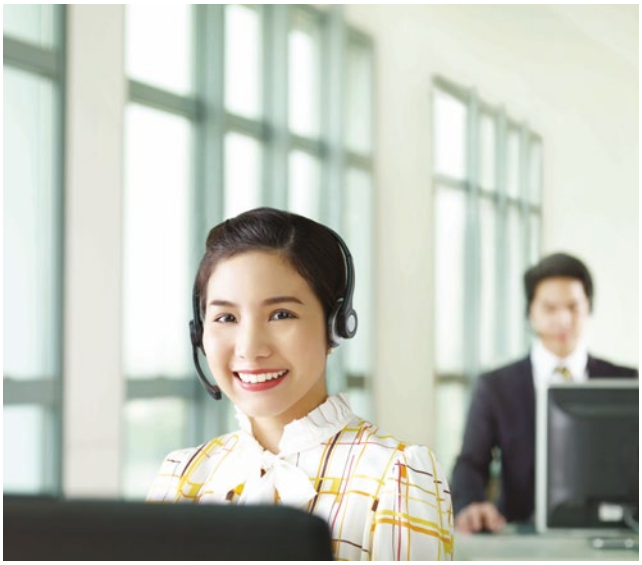
3/ Krungsri Ploenchit Office meets the Leadership in Energy and Environmental Design (LEED) standards with the Gold Level of certification

Energy consumption

Krungsri has continually sought electricity conservation solutions for our Head Office in order for us to mitigate greenhouse gas emissions as much as possible. In 2021, Krungsri could save 359,331 units of electricity or 1,535,825 baht in electricity costs as a result of changing the plate heat exchanger of the heat exchanger pump (HXP), replacing fluorescent lamps in the office with LED bulbs, and changing the whole chiller system.

Water consumption

Krungsri reuses wastewater from the Head Office's cooling tower system and dripping water from the condensation coil system which has been treated. As for Krungsri Ploenchit Office, Krungsri also reuses water from rainwater tanks and dripping water from the condensation coil system which has been treated, with an aim of achieving water use efficiency and reducing environmental impacts. In 2021, treated wastewater was reduced as follows:



- **Head Office:** Treated wastewater was used for watering plants, cleaning parking lots on the ground floor, and filling in the artificial fountain in front of the building, which could save water by an average of 290 cubic meters per month or 3,480 cubic meters per year, or 59,647.20 baht in water costs.
- **Krungsri Ploenchit Office:** Treated wastewater was used for watering plants around the building, and reused in the cooling tower system, which could save water by an average of 105 cubic meters per month or 1,260 cubic meters per year, or 21,596.40 baht in water costs.

Waste management

In 2018, the **'Krungsri Zero Waste'** initiative was introduced to address the Sustainable Development Goals, particularly Goal 12: Responsible Consumption and Production, and Goal 13: Climate Action. Krungsri also launched several internal projects to reduce the amount of waste and promote resource efficiency as follows:

- Encouraging employees to properly sort trash to facilitate the recycling process through the 'Krungsri Right Place, Right Bin' activity
- Calling for employees to carry four items, i.e., reusable straw, cup, bag, and food container, to minimize single-use plastic
- Promoting the donation of reusable cloth bags or plastic bags still in good condition to reduce the need for new plastic bags
- Installing food waste decomposer at the Head Office's canteens to reduce food waste to landfills
- Projects and activities organized in collaboration with the public sector and partnership networks to reduce waste to landfills to zero and mitigate emissions caused by waste, e.g., the Green Office project

'KRUNGSRI...THE GREEN OFFICE'

2021 was the first year that Krungsri participated in the Green Office project initiated by the Department of Environmental Quality Promotion, Ministry of Natural Resources and Environment. Krungsri, therefore, commenced the **'Krungsri...The Green Office'** project, which is part of the 'Krungsri Zero Waste' project, by focusing on achieving the status of an environmentally friendly organization, along with adjusting staff behaviors and promoting their engagement in reducing energy and resource use, and reducing waste from the Bank's operations and activities. In addition, environmentally friendly projects have been promoted to reduce greenhouse gases to net zero.

After participating in the Green Office project, **in 2021 Krungsri became the first commercial bank in Thailand to achieve the Excellent Level (G-Gold)** which is the highest-level award of the Green Office project.





FOOD WASTE DECOMPOSER

Krungsri initiated the installation of a food waste decomposer at the Head Office in 2020. The machine uses biotechnology for aerobic conversion of food waste into high quality organic fertilizer for application in agriculture.

- In 2021, the machine installed at the Head Office helped reduce more than 5,000 kilograms of food waste into 1,300 kilograms of organic fertilizer, reducing 12,700* kilograms of carbon dioxide equivalent emissions, comparable to planting 1,411 trees.

Moreover, Krungsri began work to install a food waste decomposer at Krungsri Ploenchit Office (KSPO), which is expected to be complete within the second quarter of 2022.



Remark: * Refer to the report of Oklin (Thailand) Co., Ltd. The food waste amount was reduced compared to the previous year as most staff members worked from home, thereby significantly reducing the number of canteen users.

Remark: Please see more details of 'Environmental Management and Resource Efficiency,' and 'Climate Change Management,' in Krungsri's Sustainability Report 2021.

4) SOCIAL IMPACT MANAGEMENT

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

SOCIAL IMPACT MANAGEMENT

Employee and labor practices

- Promulgate the **'Human Rights Disclosure Statement'** in 2018 that reads, 'Krungsri recognizes respect for human rights as an important issue to be addressed in our business management to realize our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations.' This disclosure statement reaffirms the Bank's commitment to addressing international sustainable issues and meeting the targets.

- Stipulate the **Human Resource Policy** as a framework for establishing guidelines for communicating our human resource management and development process, as well as related roles and responsibilities, applicable to the Bank and companies in the Financial Business Group in which the Bank holds more than 50 percent of shares ('subsidiaries'). The subsidiaries must apply the Human Resource Policy in creating a comparable policy of their own.

- Establish the **Guidelines on Fair Hiring Practices** covering full-time employees, short-term employees, advisors, specialists, and outsourced staff, taking into account fair recruitment and employment, while being in strict compliance with labor laws and regulatory requirements. Job applicants' qualifications and job descriptions are considered without discrimination, while emphasis and value are placed on diversity, including ethnicity, gender, age, religious belief, or faith. In addition, the Bank focuses on the employee and applicant privacy best practice, while accounting for data security and respect for the rights of employees and applicants.

- Perform **a survey and review the remuneration payment and provision of employees' benefits on a regular basis** to improve criteria/remuneration structures in line with the current labor market trends as well as to ensure that the Bank's remuneration and benefits are competitive and corresponding to industry peers. In this connection, differences and diversity, including gender, age, ethnicity, religion, etc., will not be taken into consideration when determining remunerations, benefits, or promotions of the employees.

- Provide **appropriate benefits to support employees** and their families and/or reduce their cost of living and ease their financial concerns, which will lead to good operating performance.

- Organize **activities to foster employee engagement** such as the retirement and service recognition ceremony, activities on important occasions, namely a merit-making ceremony on the occasion of Krungsri's establishment anniversary, etc., and conduct an employee opinion survey (Voice of Krungsri) by an external party. Employees' feedback would be taken into consideration to develop the human resource operation as well as enhance efficiency and engagement of the employees. The frequency of the survey depends on the Bank's consideration.

Remark: Please see more details of 'Fair Labor Practices and Respect for Human Rights' in Krungsri's Sustainability Report 2021.

Responsibilities toward customers

- Establish the **Krungsri core value of 'Customer Centricity'** as part of the organization's culture as well as the heart of our business operations in order to become customers' most preferred financial institution.

- Formulate the **'Policy for Market Conduct'** for controlling market conduct management according to 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 (Krungsri Group), which are all obliged to comply with the policy and must refer to it as a guideline for formulating their own comparable policies unless there are more stringent legal or regulatory requirements imposed on each company. Moreover, the policy must be reviewed at least once a year or upon significant changes.

- Stipulate **processes relating to offering products and services in an appropriate manner** to not invade customers' privacy. Customers shall receive complete, sufficient, and accurate key facts about products or services for their decision-making. This includes providing complete and appropriate after-sales information and services. In this regard, the after-sales service and data provision must be sufficient and appropriate, particularly where there is a change in terms and conditions or services that could cause greater burdens or risks for customers.

- Put in place an audit of sales and service operations of staff by establishing the **procedure of callbacks** to control, supervise, and audit sales and service operations in compliance with the market conduct policy by randomly making telephone calls for customer satisfaction surveys. The survey results will be analyzed and used for the Bank's service enhancement.

- **Safeguard customers' data by being mindful of privacy and confidentiality.** In this regard, disclosure of customer data to other parties must not violate the customers' privacy, whether it is for marketing purposes or not. (Please see more details of 'Data Governance and Personal Data Protection' in Krungsri's Sustainability Report 2021.)

- **Strictly comply with the Bank of Thailand's market conduct guideline** to mitigate potential risks arising from non-compliance with BOT regulations and requirements, or being suspended from service provision, penalized, or blamed, as well as potential brand and reputation risks.

- Promote, communicate, and set standards so that all parts of the Bank realize and understand the Bank's **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 any complaint within the time limit counting from the date that the complaint was received.

- Expand scope of customer services via live chat by establishing **the Digi-care Contact Center team** to support customer contact through the Bank's social media channels, e.g., Facebook, Twitter (Krungsri Simple), website (www.krungsri.com), email, or other online media such as the Pantip webboard to ensure that customer service and assistance are provided on a timely basis.

Remark: Please see more details of 'Customer Experience and Market Conduct' in Krungsri's Sustainability Report 2021.

Community and social responsibility

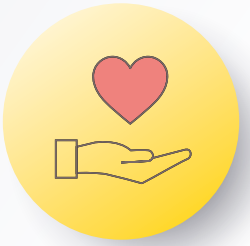
- Appoint the **Sustainability Committee** responsible for determining the strategies, directions, policies, and regulations for operations related to ESG, sustainability, or social accountability of the Bank and the companies in the Financial Business Group (Krungsri Group) in accordance with sustainable banking principles, the guidelines and expectations of regulators, including the Sustainable Development Goals (SDGs) of the United Nations, to be proposed to the Executive Committee for approval. The Sustainability Committee shall hold a meeting no less than once per quarter and shall report its performance directly to the Executive Committee.

- Form the **'Policy for Social Contribution and Project Formulation'** as the basic framework for providing financial support and donations to corporate social responsibility (CSR) activities of Krungsri Group, which must use this policy as a guideline in forming an equivalent policy of their own.

- Establish the **Corporate Social Responsibility Department** under the Environmental, Social and Governance Division of the Corporate Strategy and Planning Group. Its responsibility is to devise CSR strategies and determine plans, projects, or campaigns that have a positive impact on society, including driving Krungsri's CSR activities in cooperation with our alliances and relevant parties, both internal and external, to carry out CSR activities in conformity with international guidelines or standards as well as the SDGs.

- Stipulate the social responsibility framework called **'Krungsri's 4 CSR Pillars'** so that our CSR activities respond to sustainable development at the national and international levels. Details are as follows:

KRUNGSRI'S 4 CSR PILLARS



CREATING SUSTAINABILITY VALUE

Focusing on creating an understanding of social responsibility and sustainability among employees and executives, and promoting the long-term participation of stakeholders. The Sustainability Report is also prepared in order to assess our performance and create awareness among all groups of stakeholders.

GIVING BACK TO THE COMMUNITY

Emphasizing the creation of community engagement both in the Bank's surrounding community 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 granting scholarships, disaster relief, and donations to charitable organizations

Remark: Please see more details of 'Community Participation and Social Engagement' in Krungsri's Sustainability Report 2021.

EXAMPLES OF KEY SOCIAL PRACTICES

Labor practices



Employee expenses [1/]

26,717

million baht



Krungsri employees passing compulsory programs:

99.84 percent

(or 99.90 percent including employees under special conditions [2/]**)**



Arerage hours of training per employee:

58.26



Branch employees who were recruited in 2021 and passed the training and tests of the Market Conduct program:

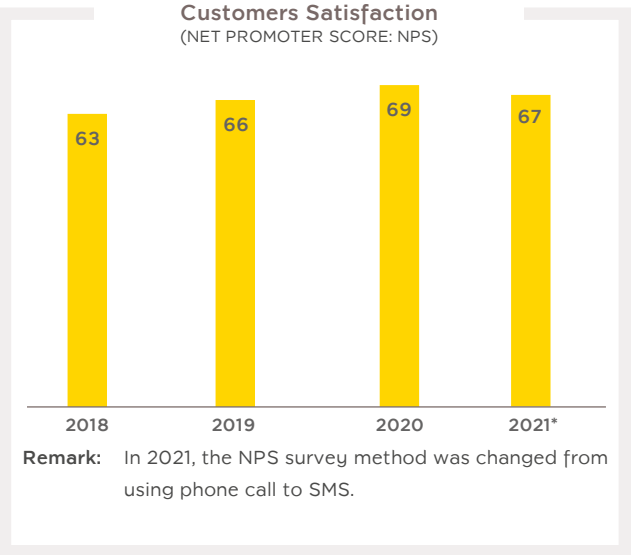
100 percent

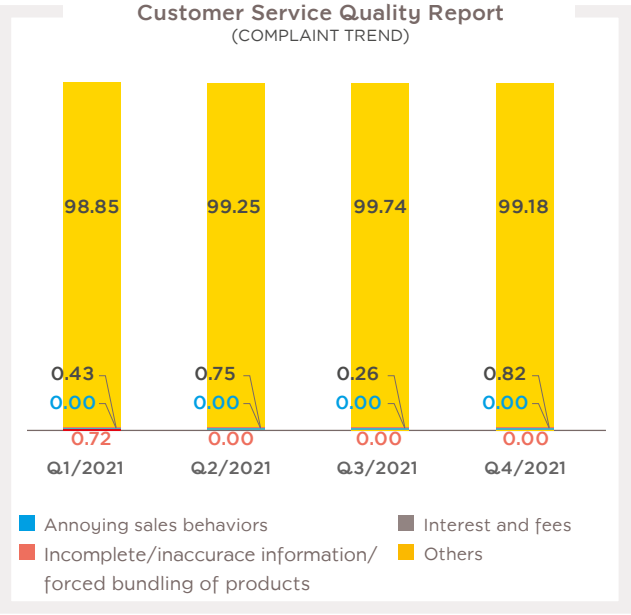
Remarks:

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

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

Responsibilities toward customers





Community and social responsibilities

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 in Thailand and in countries we operate in. However, because of the COVID-19 pandemic in 2020, visiting the target groups was inadvisable, so Krungsri adjusted the project activities accordingly by creating **an animated series titled, 'Simple to Learn – Stay Safe during COVID-19'** to share easily digestible financial knowledge through Krungsri's main characters, Billy and Bella. The series consists of four episodes: 1) 'Think before Buying', 2) 'The Savings', 3), 'Young Bookkeeper', and 4) 'Recycle', plus one special episode on hygienic measures to prevent the spread of COVID-19 in schools. The animated series was supported by the Office of the Basic Education Commission (OBEC) and the Equitable Education Fund (EEF).

2021 was a cautious year of curbing the spread of COVID-19 in continuation of 2020. It was also the seventh year of the Krungsri Financial Literacy 'Simple to Learn' project. Krungsri added two more episodes to the animated financial knowledge series: **1) 'Let's Get to Know Commercial Banks and the Central Bank',** and **2) 'Following the Journey of Banknotes'**, and the Bank of Thailand (BOT) helped review the content. Krungsri also received support from OBEC and EEF in promoting and disseminating our animated series to elementary students in over 28,000 schools throughout Thailand under the responsibility of OBEC and EEF, including 15 elementary schools in the vicinity of our Head Office.



Scan the QR code to watch Krungsri Financial Literacy 'Simple to Learn' – Let's Get to Know Commercial Banks and the Central Bank



Scan the QR code to watch Krungsri Financial Literacy: Simple to Learn – Following the Journey of Banknotes

KEY FINANCIAL INFORMATION

SUMMARY OF THE AUDIT REPORT

The auditor is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Mr. Chavala Tienpasertkij, who has audited the financial statements for the years 2019 - 2021. An auditor expressed an unmodified audit opinion in the audit reports for the years 2019 and 2021, and expressed an unmodified with an emphasis of matters audit opinion in the audit report for the year 2020.

SUMMARY OF CONSOLIDATED FINANCIAL STATEMENTS

Statements of Financial Position

Bank of Ayudhya Public Company Limited and Subsidiaries
As at December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Assets			
Cash	29,370,777	30,333,319	33,830,336
Interbank and money market items, net	346,816,011	523,384,552	331,431,378
Financial assets measured at fair value through profit or loss	735,901	786,336	-
Claims on security	-	-	9,611,500
Derivatives assets	24,993,090	30,445,120	21,841,044
Investments, net	182,710,312	162,100,028	118,340,121
Investments in subsidiaries, associate and joint ventures, net	14,457,378	14,365,116	11,952,177
Loans to customers and accrued interest receivables, net	1,816,869,472	1,765,622,639	1,754,976,035
Customers' liability under acceptance	-	-	299,089
Properties for sale, net	3,273,214	3,365,637	3,500,200
Premises and equipment, net	30,821,335	31,196,615	29,029,494
Goodwill and other intangible assets, net	17,021,650	17,031,374	16,902,975
Deferred tax assets	4,510,329	4,890,090	4,479,273
Other assets, net	27,529,161	25,852,963	23,397,974
Total assets	**2,499,108,630**	**2,609,373,789**	**2,359,591,596**

Statements of Financial Position (Continued)

Bank of Ayudhya Public Company Limited and Subsidiaries

As at December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Liabilities and Equity			
Deposits	1,779,138,526	1,834,505,186	1,566,884,776
Interbank and money market items	202,149,529	243,569,647	252,121,143
Liability payable on demand	4,041,826	5,607,230	3,802,060
Liability to deliver security	-	-	9,611,500
Derivatives liabilities	21,671,872	32,941,510	23,326,062
Debt issued and borrowings	118,977,170	146,118,868	175,667,180
Bank's liability under acceptance	-	-	299,089
Provisions	12,014,547	13,378,497	9,717,481
Deferred tax liabilities	1,125,626	686,388	1,823,357
Other liabilities	41,752,882	43,387,499	44,223,303
Total liabilities	**2,180,871,978**	**2,320,194,825**	**2,087,475,951**
Equity			
Share capital			
Authorized share capital			
7,574,143,747 ordinary shares of 10 THB each	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital			
7,355,761,773 ordinary shares of 10 THB each	73,557,618	73,557,618	73,557,618
Premium on ordinary shares	52,878,749	52,878,749	52,878,749
Other reserves	4,299,561	4,271,362	4,312,103
Retained earnings			
Appropriated			
Legal reserve	7,574,144	7,279,800	6,870,800
Unappropriated	179,205,803	149,556,653	133,170,675
Total Bank's equity	317,515,875	287,544,182	270,789,945
Non-controlling interest	720,777	1,634,782	1,325,700
Total equity	318,236,652	289,178,964	272,115,645
Total liabilities and equity	**2,499,108,630**	**2,609,373,789**	**2,359,591,596**

Statements of Profit or Loss and Other Comprehensive Income

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Interest income	99,803,755	108,062,348	110,455,442
Interest expenses	21,823,669	26,758,210	34,032,364
Interest income, net	77,980,086	81,304,138	76,423,078
Fees and service income	24,053,016	24,811,854	29,652,171
Fees and service expenses	7,201,753	7,247,669	7,875,668
Fees and service income, net	16,851,263	17,564,185	21,776,503
Gains on financial instruments measured at fair value through profit of loss, net	4,095,788	4,112,021	-
Gains on trading and foreign exchange transactions, net	-	-	4,349,796
Gains on investments, net	10,925,241	108,747	9,232,109
Share of profit from investment using equity method	1,930,465	1,523,281	1,409,261
Dividend income	366,328	272,950	210,418
Bad debts recoveries	6,586,684	6,752,472	6,483,470
Other operating income	4,170,541	2,349,127	1,723,350
Total operating income	122,906,396	113,986,921	121,607,985
Other operating expenses			
Employee's expenses	26,717,401	25,296,702	27,648,472
Directors' remuneration	64,604	64,639	59,172
Premises and equipment expenses	7,194,404	7,549,879	7,922,336
Taxes and duties	2,216,677	2,534,958	2,871,176
Others	12,761,187	13,018,826	13,667,558
Total other operating expenses	48,954,273	48,465,004	52,168,714
Expected credit loss	31,604,341	36,643,685	-
Impairment loss on loans and debt securities	-	-	28,202,962
Profit from operating before income tax expenses	42,347,782	28,878,232	41,236,309
Income tax expenses	8,293,292	5,537,981	8,104,797
Net Profit	**34,054,490**	**23,340,251**	**33,131,512**

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

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Gain (loss) on investments in debt instruments at fair value through other comprehensive income	(718,832)	303,190	-
Gain (loss) on cash flow hedges	50,703	(161,013)	-
Gain on remeasuring available-for-sale investment	-	-	9,462
Gain (loss) aising from translating the financial statements of foreign operation	1,167,030	(91,607)	(701,842)
Share of other comprehensive income of associate and joint ventures	5,437	(5,773)	-
Income tax relating to components of other comprehensive income	(102,153)	(8,250)	122,795
Items that will not be reclassified subsequently to profit or loss:			
Gain (loss) on investments designated at fair value through other comprehensive income	1,000,767	86,586	-
Change in assets revaluation surplus	-	-	3,821,640
Actuarial gain (loss) on defind benefit plans	1,234,956	(560,724)	(1,031,120)
Share of other comprehensive income of associate and joint ventures	(1,507)	(1,434)	(9,412)
Income tax relating to components of other comprehensive income	(447,145)	94,292	(558,084)
Total other comprehensive income, net	2,189,256	(344,733)	1,653,439
Total comprehensive income	36,243,746	22,995,518	34,784,951
Net profit attributable			
Owners of the Bank	33,794,188	23,039,785	32,748,508
Non-controlling interest	260,302	300,466	383,004
	34,054,490	23,340,251	33,131,512
Total comprehensive income attributable			
Owners of the Bank	35,988,558	22,686,391	34,405,408
Non-controlling interest	255,188	309,127	379,543
	36,243,746	22,995,518	34,784,951
Earnings per share of owners of the Bank			
Basic earnings per share (THB)	4.59	3.13	4.45
Weighted average number of ordinary shares (Shares)	7,355,761,773	7,355,761,773	7,355,761,773

Statements of Cash Flows

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Cash flows from operating activities			
Income from operating before income tax expenses	42,347,782	28,878,232	41,236,309
Adjustments to reconcile income to cash received (paid) from operating activities:			
Depreciation and amortization	4,761,064	5,048,950	4,008,244
Expected credit loss	31,604,341	36,643,685	-
Impairment loss on loans and debt securities	-	-	28,202,962
(Gain) loss on translation in foreign currencies	1,772,698	(1,861,624)	(7,886,392)
Unrealized (gain) loss from revaluation of derivatives	3,381,013	3,774,390	(407,031)
Share of profit from investment using equity method	(1,930,465)	(1,523,281)	(1,409,261)
Gain on investments	(10,925,241)	(108,747)	(9,232,109)
Increase (decrease) in discount on investments	558,215	453,500	(362,965)
Gain on sales of properties for sale	(1,476,540)	(1,030,962)	(608,101)
Loss on sales of premises and equipment	209,009	89,791	5,087
Loss on impairment of properties for sale (reversal)	(58,567)	303,455	207,063
Reversal of impairment of premises and equipment	-	-	(16,579)
Reversal of impairment of other assets	(19,479)	(50,041)	(268,358)
Increase (decrease) in other reserves	(806,921)	1,056,673	1,933,937
Interest income, net	(77,980,086)	(81,304,138)	(76,423,078)
Interest received	98,144,442	103,431,303	110,348,970
Interest paid	(22,994,644)	(29,760,357)	(32,544,825)
Dividend income	(366,328)	(272,950)	(210,418)
Dividends received	366,328	272,973	210,419
Increase (decrease) in other accrued expenses	271,076	(2,236,620)	62,814
Income tax paid	(8,037,612)	(6,373,368)	(7,092,662)
Income from operations before changes in operating assets and liabilities	58,820,085	55,430,864	49,754,026

Statements of Cash Flows (Continued)

Bank of Ayudhya Public Company Limited and Subsidiaries

For the Year ended December 31

(Unit: Thousand baht)

	Consolidated Financial Statements		
	2021	2020	2019
Cash flows from operating activities (Continued)			
(Increase) decrease in operating assets			
Interbank and money market items	180,429,574	(186,202,686)	(90,106,276)
Financial assets measured at fair value through profit or loss	50,435	1,884,771	-
Current investments - securities for trading	-	-	(469,204)
Loans to customers	(100,232,050)	(66,474,423)	(169,144,808)
Properties for sale	24,300,754	22,672,548	17,265,071
Other assets	(200,775)	(447,835)	(1,940,387)
Increase (decrease) in operating liabilities			
Deposits	(62,033,789)	265,723,732	146,438,864
Interbank and money market items	(51,625,708)	(13,079,004)	20,671,955
Liability payable on demand	(1,643,145)	1,860,435	(2,057,335)
Other liabilities	(1,460,207)	2,253,707	(7,709,459)
Net cash from operating activities	46,405,174	83,622,109	(37,297,553)
Cash flows from investing activities			
Proceeds from sales of investments in securities	81,951,737	115,464,655	80,975,763
Cash paid for puchases of investments in securities	(102,114,526)	(162,224,477)	(62,414,530)
Proceeds from sales of investments in joint venture	12,696,670	-	8,027,466
Cash paid for investment in subsidiaries and joint venture	(1,545,027)	(983,991)	(855,001)
Dividend received from subsidiaries and joint venture	-	-	950,100
Proceeds from sales of premises and equipment	218,815	297,847	118,238
Cash paid for purchases of premises and equipment	(1,823,585)	(2,601,111)	(1,493,277)
Cash paid for purchases of intangible assets	(1,184,593)	(1,898,796)	(1,709,516)
Net cash from investing activities	(11,800,509)	(51,945,873)	23,599,243
Cash flows from financing activities			
Proceeds from debts issued and borrowings	27,455,784	12,220,988	67,247,978
Repayment of debts issued and borrowings	(54,834,278)	(40,952,958)	(47,221,668)
Payment for lease liabilities	(1,578,659)	(1,632,282)	(188,945)
Dividend payment	(5,516,821)	(3,310,093)	(6,387,593)
Net cash from financing activities	(34,473,974)	(33,674,345)	13,449,772
Total	130,691	(1,998,109)	(248,538)
Effect arising from translating the financial statements of foreign operations	896,030	(41,622)	(499,656)
Effect of exchange rate change on cash	78,460	82,084	(51,896)
Net increase (decrease) in cash and cash equivalents	1,105,181	(1,957,647)	(800,090)
Cash and cash equivalents as at January 1,	37,612,722	39,570,369	40,370,459
Cash and cash equivalents as at December 31,	**38,717,903**	**37,612,722**	**39,570,369**

Key Financial Ratios

(Unit: Percent)

Consolidated	2021 (TFRS 9)	2020 (TFRS 9)	2019
Profitability Ratio			
Net Profit Ratio	22.24	15.57	20.03
Return on Equity Ratio	11.17	8.25	12.76
Yield on Earning Assets	4.15	4.61	5.25
Cost of fund	1.01	1.27	1.78
Interest Rate Spread 1/	3.14	3.34	3.47
Return on Investment Ratio	7.80	2.31	9.87
Efficiency Ratio			
Net Interest Income to Assets	3.05	3.28	3.37
Return on Assets	1.32	0.93	1.44
Asset Turnover (times)	0.06	0.06	0.07
Financial Policy Ratio			
Liability to Equity (times)	6.85	8.02	7.67
Loan to Borrowings	99.59	92.54	104.32
Loan to Deposit Ratio	106.25	99.91	116.02
Deposit to Liability Ratio	81.58	79.07	75.06
Dividend Payout Ratio 2/	18.50	11.17	19.09
Total Capital Adequacy Ratio – Financial Business Group	20.08	19.10	17.81
Asset Quality Ratio			
Allowance for Expected Credit Loss or Allowance for Doubtful Accounts to Loans and Accrued Interests Receivables	4.44	4.15	3.61
Expected Credit Loss to Loans	1.67	1.99	1.56
Non-Performing Loan to Total Loans 3/	2.20	2.00	1.98
Accrued Interest Income to Loans and Accrued Interests Receivables	0.57	0.49	0.25

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

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

3/ Total loans are loans to customers and loans to financial institutions

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

EXECUTIVE SUMMARY:

2021 marked the second year of ongoing global pandemic with recurrent waves of COVID-19 transmission and the subsequent outbreak of Delta-variant that severely impacted socio-economic fabric of Thailand. The health crisis, in particular, considerably impacted and transformed the Thai banking business landscape. Krungsri, amidst such adverse operating environment, continued to act with the spirit and responsibilities of D-SIB with the twin objectives of continually strengthening our financial resiliency and robustness while advancing assistance to impacted businesses and households with relief measures/programs in the short term and concurrently sustaining loan demand in support of business rehabilitation and economic recovery in the longer term.

Governed by the aforementioned priorities and in corresponding to and support of the government's and the Bank of Thailand's guidance, Krungsri provided support with relief measures in mitigating severe impacts for fragile enterprises and households leading to the outstanding amount of Baht 170,211 million at the end of December 2021. In addition, special soft loans were also granted, resulting in the soft loan amount of Baht 28,017 million to date. Concurrently, for the year, loan growth of 3.1% was registered in support of business and economic recovery.

For 2021, the exceptional **net profit** of Baht 33,794 million was recorded, representing a robust increase of 46.7%, or Baht 10,754 million, from 2020, driven by the gain on investments from the sales of shares in Ngern Tid Lor Public Company Limited (TIDLOR) in 2Q/21.

Excluding the one-time gain from TIDLOR transaction, a normalized net profit of Baht 25,609 million was registered in 2021, representing an increase of 11.1%, or Baht 2,569 million, from 2020.

Total loan outstanding stood at Baht 1,890,376 million, increasing by 3.1%, or Baht 57,441 million from December 2020. Corporate and SME loans grew by 6.6% and 3.9%, respectively. The growth in commercial lending portfolios underpinning the gradual economic recovery and resumption of working and investment expenditure demand, corresponding to the recovery in domestic and global demand, together with the liquidity support extended to SME customers. Meanwhile, retail loans increased by 0.4%, largely driven by the improved consumer confidence and spending following the gradual relaxation of COVID-19 restrictions and the country's reopening in the fourth quarter.

Deposits totaled Baht 1,779,139 million, a decrease of Baht 55,366 million, or 3.0% from the end of December 2020, largely driven by the Bank's proactive management to optimize liquidity position and improve the CASA-mix while lowering the time deposit volume.

Non-interest income significantly increased by Baht 12,243 million, or 37.5%, from 2020, mainly driven by the recognition of gains on investments from the sales of shares in TIDLOR.

Upon adjusting the aforementioned extraordinary gains on investment, the normalized non-interest income increased by Baht 1,517 million, or 4.6%, from 2020.

The **non-performing loan (NPL) ratio** registered 2.20% at the end of December 2021, compared to 2.00% at the end of December 2020. Krungsri continued to prudently maintain a conservative level of provision at 167 basis points of credit cost to cushion against potential uncertainties arising from the new COVID-19 viral mutation and its potential impact on the economic recovery. As of December 31, 2021, **total loan loss reserves** reached Baht 87,411 million resulting in a new high **coverage ratio** level at 184.2%, improving from 175.1% at the end of December 2020.

Capital adequacy ratio (Bank only) was recorded at 18.53%, increasing from 17.92% at the end of December 2020, reflecting our strong capital position which is adequate to soundly operating business under both base-case and deviation from base-case scenarios.

Key Highlights in 2021

- Krungsri announced the decrease of shareholding percentage in Ngern Tid Lor Public Company Limited (TIDLOR) from 50% to 30% post the initial public offering of shares (IPO) and the listing of the company's ordinary shares on the Stock Exchange of Thailand on May 10, 2021. The sales of 20% of shares in TIDLOR consisted of the ordinary share offering and the exercise of over-allotment option at the price of Baht 36.50 per share, which is the same as the IPO subscription price.

- Krungsri announced the acquisition of business through the purchase and receipt of 100% of charter capital in SHBank Finance Company Limited, which operates the consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank, with total consideration up to approximately VND 3,590.3 billion (equivalent to Baht 5,184.4 million), marking another key milestone accomplished in accordance with our ASEAN business expansion plan. The transaction will be divided into two phases:

- The purchase and receiving the transfer of the 50% of charter capital in SHB Finance, for a consideration up to approximately VND 1,573.4 billion (equivalent to Baht 2,272.0 million)

- The purchase and receiving the transfer of the 50% of charter capital remaining from the first purchase and receiving the transfer of charter capital, which will be entered in the next three years after the completion of the first purchase and receiving the transfer of charter capital, for a consideration up to approximately VND 2,016.9 billion (equivalent to Baht 2,912.4 million)

- Krungsri declared an ambitious Carbon Neutrality Vision committing to decarbonize its own operations by 2030 and its financial services by 2050, laying out a strategic pathway in support of Thai business and society transitioning towards a low-carbon society.

Thai economic outlook

Multiple waves of COVID-19 infections during the year and corresponding containment measures led to the slowdown in both economic and business activities as well as the continually depressed tourism sector, thus delaying the dynamic of economic recovery in 2021. The Thai economy is expected to grow 1.2% in 2021 and continue to expand by 3.7% in 2022.

Notwithstanding heightening concerns surrounding the recent surge of the fast-spreading Omicron variant in Thailand, the significant progress on vaccinations and its efficacy as well as COVID-19 treatments would limit the outbreak impacts on the economy. Key growth drivers for 2022 would be domestic spending, a gradual improvement in foreign tourist figure, as well as the recovery in various business sectors in line with economic activities. Exports should continue to expand, albeit at a slower pace, in tandem with the trading partners growth. The Thai economy could underperform the baseline projection should the impact of viral mutations become more severe and prolonged than anticipated.

Krungsri, as a D-SIB, will continue to pursue our important intermediary functions in assisting borrowers and accommodating loan demand, including households' and SMEs' access to liquidity in support of sustainable business and economic recovery.

Progress of Krungsri's measures to assist customers impacted by the coronavirus pandemic

Krungsri carried on with assisting customers impacted by the coronavirus pandemic in compliance with the Bank of Thailand's relief measures namely debt restructuring solutions, debt moratorium extension, soft loans, the asset warehousing program, and particularly long-term debt restructuring for sustainable recovery.

As of December 31, 2021, the loans outstanding under Krungsri's customer relief programs accounted for approximately 9% of total loans outstanding, or Baht 170,211 million, representing 181,279 retail customer accounts and 5,359 commercial customers [1]. For SMEs, additional credit lines of Baht 28,017 million were offered to 8,127 SME customers to support their liquidity requirement under the Bank of Thailand's soft loan and special rehabilitation loan programs and the Government Savings Bank's soft loan program.

[1] The number encompasses only the customers who completed entering the contract signed under Krungsri debt relief/restructuring programs. The customers who are under the process of negotiating/offering the debt relief program are not included.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated	2021	2020	Change	
			Baht mn	%
Interest Income	99,804	108,062	(8,258)	(7.6)
Interest Expenses	21,824	26,758	(4,934)	(18.4)
Interest Income, Net	**77,980**	**81,304**	**(3,324)**	**(4.1)**
Fees and Service Income	24,053	24,812	(759)	(3.1)
Fees and Service Expense	7,202	7,248	(46)	(0.6)
Fees and Service Income, Net	**16,851**	**17,564**	**(713)**	**(4.1)**
Non-interest and Non-fees Income	28,075	15,119	12,956	85.7
Other Operating Expenses	48,954	48,465	489	1.0
Pre-Provision Operating Profit (PPOP)	**73,952**	**65,522**	**8,430**	**12.9**
Expected Credit Loss	31,604	36,644	(5,040)	(13.8)
Income Tax Expense	8,293	5,538	2,755	49.7
Net Profit	**34,055**	**23,340**	**10,715**	**45.9**
Other Comprehensive Income, Net	2,189	(344)	2,533	736.3
Total Comprehensive Income	**36,244**	**22,996**	**13,248**	**57.6**
Net Profit Attributable To				
Owners of the Bank	33,794	23,040	10,754	46.7
Non-Controlling Interest	261	300	(39)	(13.0)
Net Profit	**34,055**	**23,340**	**10,715**	**45.9**
Total Comprehensive Income Attributable To				
Owners of the Bank	35,989	22,687	13,302	58.6
Non-Controlling Interest	255	309	(54)	(17.5)
Total Comprehensive Income	**36,244**	**22,996**	**13,248**	**57.6**
Earning Per Share (Baht)	**4.59**	**3.13**	**1.46**	**46.6**

In 2021, the operating profit was Baht 73,952 million, an increase of Baht 8,430 million, or 12.9% from 2020, largely driven by the extraordinary gain on investments from the sales of shares in Ngern Tid Lor Public Company Limited (TIDLOR) in 2Q/21, offset by a decrease in net interest income, resulting from a change in loan portfolio mix, lower lending rates, and interest rate ceiling reductions for consumer finance loans.

Excluding the one-time gain in 2Q/21, the operating profit in 2021 decreased by Baht 1,802 million, or 2.8%, mainly due to lowered net interest income, offset by an increase in non-interest income, mainly from gains on sale of written-off loans and properties for sale.

The net profit in 2021 totaled Baht 33,794 million, representing an increase of Baht 10,754 million, or 46.7% compared to 2020, mainly resulting from higher operating profit and lower expected credit loss.

Excluding the one-time item in 2Q/21, the net profit in 2021 was Baht 25,609 million, an increase of Baht 2,569 million, or 11.1%.

FINANCIAL PERFORMANCE

Net Interest Income

Consolidated	2021	2020	Change	
			Baht mn	%
INTEREST INCOME				
Interest on loans	63,248	69,158	(5,910)	(8.5)
Interest on interbank and money market items	2,583	2,720	(137)	(5.0)
Hire purchase and financial lease income	32,530	34,526	(1,996)	(5.8)
Investments and trading transactions	25	61	(36)	(59.0)
Investments in debt securities	1,390	1,561	(171)	(11.0)
Other interest income	28	36	(8)	(22.2)
Total Interest Income	**99,804**	**108,062**	**(8,258)**	**(7.6)**
INTEREST EXPENSE				
Interest on deposits	11,846	15,521	(3,675)	(23.7)
Interest on interbank and money market items	1,750	2,603	(853)	(32.8)
Interest on borrowings	3,862	4,522	(660)	(14.6)
Contribution to Financial Institution Development Fund and Deposit Protection Agency	4,277	4,011	266	6.6
Other interest expenses	89	101	(12)	(11.9)
Total Interest Expenses	**21,824**	**26,758**	**(4,934)**	**(18.4)**
Interest Income, Net	**77,980**	**81,304**	**(3,324)**	**(4.1)**

Interest income in 2021 was recorded at Baht 99,804 million, decreasing by Baht 8,258 million, or 7.6% from 2020. Key items are as follows:

- Interest on loans decreased by Baht 5,910 million, or 8.5%, resulting from a change in loan portfolio mix, lower lending rates as well as interest rate ceiling reductions for consumer finance loans.
- Interest on hire purchase and financial lease decreased by Baht 1,996 million, or 5.8%, corresponding to lowered outstanding hire purchase loan balance.

Interest expenses were recorded at Baht 21,824 million, decreasing by Baht 4,934 million, or 18.4% from 2020. Key items are as follows:

- Interest on deposits decreased by Baht 3,675 million, or 23.7%, underscoring the Bank's considerable efforts to manage cost of funds and improve the CASA mix.
- Interest on interbank and money market items decreased by Baht 853 million, or 32.8%, mainly resulting from lower interbank loans.

Consequently, net interest income was recorded at Baht 77,980 million, representing a decrease of Baht 3,324 million, or 4.1%, from 2020.

Yield on earning assets in 2021 decreased to 4.15% from 4.61% in 2020, reflecting a decrease in yield on loans to 5.14% from 5.68%, mainly due to a change in loan portfolio mix, lower lending rates, interest rate ceiling reductions for consumer finance loans as well as lower effective interest rates due to customer relief measures. Meanwhile, cost of funds improved to 1.01% from 1.27%, largely driven by our deliberate effort to improve CASA mix which resulted in a decrease in time deposits balance, together with the reductions of deposit rates.

Consequently, NIM moderated to 3.24% from 3.47% in 2020.

	2021	2020
Net Interest Margin	3.24%	3.47%
Yield on Earning Assets	4.15%	4.61%
Yield on Loans	5.14%	5.68%
Cost of Funds	1.01%	1.27%
Cost of Deposits	0.89%	1.14%

Non-Interest Income

Consolidated	2021	2020	Change	
			Baht mn	%
Acceptances, aval and guarantees	474	500	(26)	(5.2)
Other fees and service income	23,579	24,312	(733)	(3.0)
Fees and service income	**24,053**	**24,812**	**(759)**	**(3.1)**
Fees and service expense	7,202	7,248	(46)	(0.6)
Net fees and Service Income	**16,851**	**17,564**	**(713)**	**(4.1)**
Gains (losses) on financial instrument measured at fair value through profit or loss (FVTPL)	4,096	4,112	(16)	(0.4)
Gains (losses) on investments	10,925	109	10,816	9,922.9
Share of profit (loss) from investment using equity method	1,930	1,523	407	26.7
Bad debt recoveries	6,587	6,753	(166)	(2.5)
Other operating income	4,537	2,622	1,915	73.0
Total Non-interest and Non-fees Income	**28,075**	**15,119**	**12,956**	**85.7**
Non-Interest Income	**44,926**	**32,683**	**12,243**	**37.5**

Fees & Service Income Breakdown

	2021	2020
Loan - related Fees	4%	4%
Bancassurance Fees	13%	15%
Transaction Fees	11%	12%
Auto HP Fees	15%	16%
Card - related Fees	30%	30%
Others	27%	23%
Total Fee and Service Income	**100%**	**100%**

For 2021, total non-interest income was Baht 44,926 million, increasing by Baht 12,243 million, or 37.5%, compared to last year. Details are as follows:

- Net fees and service income was Baht 16,851 million, decreasing by Baht 713 million, or 4.1%. Key factors are:
  - Mirroring the tepid domestic demand conditions, fees and service income decreased by Baht 759 million, or 3.1%, mainly resulting from:
    - Bancassurance fees decreased by Baht 748 million, or 19.6%.
    - Card-related fees decreased by Baht 382 million, or 5.1%, mirroring lowered spending volumes.
    - Auto hire purchase fees decreased by Baht 308 million, or 7.9%, reflecting the contraction of auto hire purchase portfolio.
    - Transaction fees decreased by Baht 248 million, or 8.6%.
    - Wealth & fund management and securities-related fees increased by Baht 899 million, or 19.9%.
  - Fees and service expenses decreased by Baht 46 million, or 0.6%, mainly resulting from ATM and card network fees.
- Gains on investments considerably increased by Baht 10,816 million, or 9,922.9% driven mainly by one-time gains on investment from the TIDLOR transaction of Baht 10,727 million.

Other Operating Expenses

Consolidated	2021	2020	Change	
			Baht mn	%
Employee expenses	26,717	25,297	1,420	5.6
Premises and equipment expenses	7,194	7,550	(356)	(4.7)
Taxes and duties	2,217	2,535	(318)	(12.5)
Directors' remuneration	65	64	1	1.6
Other expenses	12,761	13,019	(258)	(2.0)
Total Other Operating Expenses	**48,954**	**48,465**	**489**	**1.0**
Cost to Income Ratio	**39.8%**	**42.5%**		

Total other operating expenses in 2021 were Baht 48,954 million, increasing by Baht 489 million, or 1.0% from 2020. Key items are as follows:

- Employee expenses increased by Baht 1,420 million, or 5.6%, mainly from an annual merit increase and staff promotions.
- Premises and equipment expenses decreased by Baht 356 million, or 4.7%, driven mainly by a decrease in depreciation and rental expenses.
- Other expenses decreased by Baht 258 million, or 2.0%, resulting from a decrease in the impairment of the property foreclosed.

Amidst the prolonged coronavirus pandemic, Krungsri continued to pursue efficient expense management. The normalized cost to income ratio [1] was recorded at 43.2% in 2021, compared to the cost to income ratio of 42.5% in a prior year.

Incorporating the gains from TIDLOR transaction in 2Q/2021, the cost to income ratio in 2021 was 39.8%.

[1] Excluding the extraordinary gains from the TIDLOR transaction

Expected credit loss (ECL)

Consolidated	2021	2020	Change	
			Baht mn	%
Expected Credit Loss	31,604	36,644	(5,040)	(13.8)
Expected Credit Loss to Total Loans (bps)	167	199		

For 2021, on the backdrop of fragile economic recovery, the expected credit loss was prudently recorded at Baht 31,604 million, equivalent to a credit cost of 167 basis points, representing a decrease of Baht 5,040 million, or 13.8%, from the elevated conservative buffer reserved in corresponding to a sharp economic contraction due to the coronavirus pandemic in 2020.

FINANCIAL STATUS

Statement of Financial Position

Consolidated	Dec. 31, 21	Dec. 31, 20	Change	
			Baht mn	%
ASSETS				
Cash	29,371	30,333	(962)	(3.2)
Interbank and money market items, net	346,816	523,385	(176,569)	(33.7)
Financial assets measured at FVTPL	736	786	(50)	(6.4)
Investments, net	182,710	162,100	20,610	12.7
Investments in subsidiaries, associate and joint ventures, net	14,457	14,365	92	0.6
Loans to customers and accrued interest receivable, net	1,816,869	1,765,623	51,246	2.9
Properties for sale, net	3,273	3,366	(93)	(2.8)
Others	104,877	109,416	(4,539)	(4.1)
TOTAL ASSETS	**2,499,109**	**2,609,374**	**(110,265)**	**(4.2)**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	1,779,139	1,834,505	(55,366)	(3.0)
Interbank and money market items	202,150	243,570	(41,420)	(17.0)
Debt issued and borrowings	118,977	146,119	(27,142)	(18.6)
Others	80,606	96,001	(15,395)	(16.0)
TOTAL LIABILITIES	**2,180,872**	**2,320,195**	**(139,323)**	**(6.0)**
Issued and paid-up share capital	73,558	73,558	0	0.0
Retained earning	186,780	156,836	29,944	19.1
Others	57,899	58,785	(886)	(1.5)
TOTAL SHAREHOLDERS' EQUITY	**318,237**	**289,179**	**29,058**	**10.0**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,499,109**	**2,609,374**	**(110,265)**	**(4.2)**
Book value per share (Baht)	**43.26**	**39.31**	**3.95**	**10.0**

As of December 31, 2021, total assets stood at Baht 2,499,109 million, representing a notable decrease of Baht 110,265 million, or 4.2%, from the end of December 2020. Key items are as follows:

- Net interbank and money market items decreased by Baht 176,569 million, or 33.7%, resulting from a decrease in repurchase agreements of Baht 203,507 million, partly offset by an increase in loans to financial institutions and deposits at financial institutions totaled of Baht 26,938 million.

- Loans to customers increased by Baht 57,441 million, or 3.1%.

As of December 31, 2021, total liabilities stood at Baht 2,180,872 million, representing a decrease of Baht 139,323 million, or 6.0%, from the end of December 2020. Key items are as follows:

- Deposits decreased by Baht 55,366 million, or 3.0%, largely driven by time deposits attributed to the Bank's efforts to improve the funding cost while increasing CASA mix.

- Interbank and money market items decreased by Baht 41,420 million, or 17.0%, driven by a decrease in loans from financial institutions of Baht 34,626 million.

- Debts issued and borrowings decreased by Baht 27,142 million, or 18.6%, mainly driven by the maturity of the Krungsri Group's long-term debentures of Baht 44,163 million, offset by the issuance of long-term debenture amounting to Baht 14,142 million.

- Other liabilities decreased by Baht 15,395 million, or 16.0%, driven by a decrease in derivative liabilities and margin calls from counterparties.

As of December 31, 2021, total shareholders' equity stood at Baht 318,237 million, an increase of Baht 29,058 million, or 10.0%, from the end of December 2020 due to an increase in equity holders' net profit of Baht 33,794 million in 2021, which was partially offset by dividends paid of Baht 5,517 million.

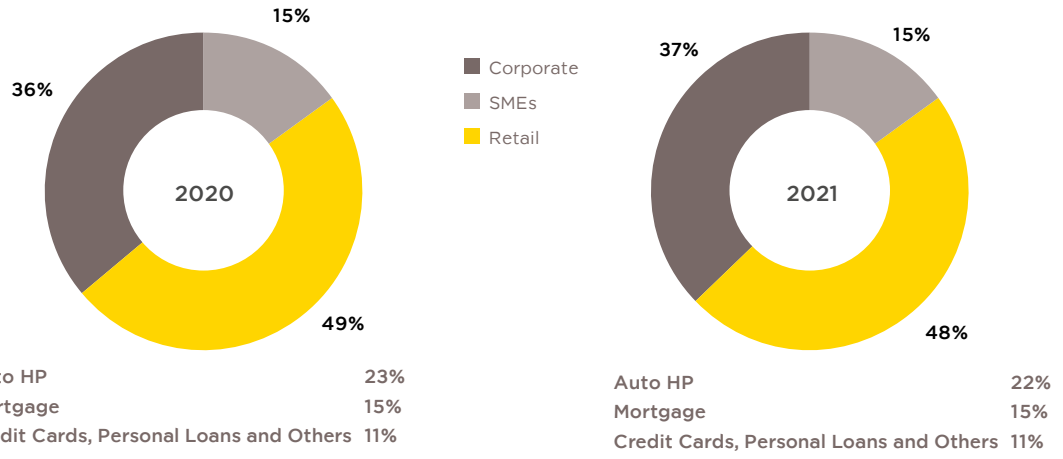
Book value per share as of December 31, 2021, increased by 10.0% to Baht 43.26 from Baht 39.31 at the end of 2020.

LOANS TO CUSTOMERS

Loans by segment

Consolidated	Dec. 31, 21	Dec. 31, 20	Change	
			Baht mn	%
Corporate	**694,501**	**651,254**	**43,247**	**6.6**
- Thai Corporate	445,329	405,730	39,599	9.8
- International Corporate (JPC/MNC)	249,172	245,524	3,648	1.5
SMEs	**289,566**	**278,787**	**10,779**	**3.9**
Retail	**906,309**	**902,894**	**3,415**	**0.4**
- Hire purchase	416,340	423,860	(7,520)	(1.8)
- Mortgage	285,394	284,201	1,193	0.4
- Credit cards, personal loans and others	204,575	194,833	9,742	5.0
Total	**1,890,376**	**1,832,935**	**57,441**	**3.1**

LOANS BREAKDOWN



Auto HP	23%
Mortgage	15%
Credit Cards, Personal Loans and Others	11%

Auto HP	22%
Mortgage	15%
Credit Cards, Personal Loans and Others	11%

As of December 31, 2021, total outstanding loans stood at Baht 1,890,376 million, an increase of Baht 57,441 million, or 3.1% from the end of December 2020.

At the end of December 2021, commercial loans, comprising corporate and SME loans, were accounted for 52% of the total loan portfolio, while retail lending represented the remaining 48%.

Details of loan performance by segment are as follows:

Underpinning the gradual economic recovery and resumption of investment activities, **corporate loans** increased by 6.6%, or Baht 43,247 million from the end of December 2020. Thai Corporate loans increased by Baht 39,599 million, or 9.8% and International Corporate (JPC/MNC) loans increased by Baht 3,648 million, or 1.5%.

SME loans grew by 3.9%, or Baht 10,779 million from the end of December 2020, underlining Krungsri's liquidity support and special rehabilitation loan programs to support SME customers.

Corresponding to 2021's subdued consumer confidence and outlook, the **retail loan** segment increased by Baht 3,415 million, or 0.4%, from the end of December 2020.

- **Auto hire purchase loans** contracted by 1.8%, or Baht 7,520 million, from the end of December 2020, attributed to the prudent and cautious underwriting policy together with a weakening consumers' purchasing power and confidence.
- Tracing the residential properties industry growth and development, **mortgage loans** increased by 0.4%, or Baht 1,193 million, from the end of December 2020.
- **Credit cards, personal loans and others** increased by 5.0%, or Baht 9,742 million, from the end of December 2020, following the relaxation of containment measures and seasonal year-end spending pattern in the fourth quarter.

ASSET QUALITY

Loan classification

Unit: Baht mn

Consolidated	Dec. 31, 21		Dec. 31, 20	
	Loan to Customers and Accrued Interest Receivable	Allowance for Expected Credit Loss	Loan to Customers and Accrued Interest Receivable	Allowance for Expected Credit Loss
Stage 1 (Performing)	1,706,665	36,582	1,651,700	32,982
Stage 2 (Under-performing)	145,226	22,378	143,545	18,214
Stage 3 (Non-performing)	49,338	25,400	46,785	25,211
Total	**1,901,229**	**84,360**	**1,842,030**	**76,407**

Non-performing loans*

Consolidated	Dec. 31, 21	Dec. 31, 20
Non-performing Loans (Baht mn)	**47,448**	**45,672**
NPL Ratio	**2.20%**	**2.00%**
Non-performing Loans by segment		
Corporate	**0.9%**	1.0%
SMEs	**4.7%**	4.4%
Retail	**3.0%**	3.0%
Hire Purchase	**1.6%**	1.9%
Mortgage	**4.7%**	4.1%
Personal Loans, Credit Cards and Others	**3.5%**	3.9%
Coverage Ratio	**184.2%**	175.1%

* Excluding accrued interest in accordance with the BOT's guideline

As of December 31, 2021, gross NPLs stood at Baht 47,448 million, an increase of Baht 1,776 million, or 3.9%, from Baht 45,672 million at the end of December 2020, mainly driven by the impacts of recurrent waves of COVID-19, particularly the subsequent outbreak of Delta-variant, during the year.

In 2021, Krungsri conducted the NPL sales in 4Q/21 of Baht 1,660 million.

With Krungsri Group's vigilant credit risk management practices, the ratio of gross NPLs as of December 31, 2021, was maintained at 2.20%, compared to 2.00% at the end of December 2020.

As of December 31, 2021, total loan loss reserves stood at Baht 87,411 million. The coverage ratio was recorded at a new high level of 184.2%, compared to 175.1% at the end of December 2020.

INVESTMENT IN SECURITIES

As of December 31, 2021, Krungsri Group had investments in government securities with a book value of Baht 154,794 million and private sector securities with a total value of Baht 28,652 million.

FUNDING STRUCTURE

Deposits

Consolidated	Dec. 31, 21	Dec. 31, 20	Change	
			Baht mn	%
Current	**49,339**	**41,711**	**7,628**	**18.3**
Savings	**1,081,395**	**866,295**	**215,100**	**24.8**
Time	**648,405**	**926,499**	**(278,094)**	**(30.0)**
< 6 Months	333,951	404,168	(70,217)	(17.4)
6 Months and < 1 Year	11,358	64,812	(53,454)	(82.5)
1 Year and over 1 Year	303,096	457,519	(154,423)	(33.8)
Total Deposit	**1,779,139**	**1,834,505**	**(55,366)**	**(3.0)**
Proportion of Current and Savings Deposits	**63.6%**	**49.5%**		

Borrowing

Consolidated	Dec. 31, 21	Dec. 31, 20	Change	
			Baht mn	%
Debenture	51,048	80,680	(29,632)	(36.7)
Subordinated debenture	62,306	61,163	1,143	1.9
Other	5,623	4,276	1,347	31.5
Total Borrowing	**118,977**	**146,119**	**(27,142)**	**(18.6)**

Liquidity

Consolidated	Dec. 31, 21	Dec. 31, 20
Loans to Deposits Ratio	106%	100%
Loans to Deposits and Debenture Ratio	103%	96%

As of December 31, 2021, deposits totaled Baht 1,779,139 million, a decrease of Baht 55,366 million, or 3.0% from December 2020, attributed to a decrease in time deposits of Baht 278,094 million, or 30.0%, offset by an increase in savings deposits of Baht 215,100 million, or 24.8%. Krungsri continued to proactively optimize the deposit structure by reducing high-cost deposits and replacing them with current and savings deposits (CASA).

The proportion of CASA as a percentage of total deposits significantly improved to 63.6%, compared to 49.5% in December 2020.

As of December 31, 2021, total borrowing stood at Baht 118,977 million, decreasing by Baht 27,142 million, or 18.6% from December 2020, mainly driven by the maturity of the Krungsri Group's long-term debentures of Baht 44,163 million, offset by the issuance of long-term debentures amounting to Baht 14,142 million.

Consequently, the loan to deposit ratio and the loan to deposit plus debentures ratio increased to 106% and 103%, respectively, compared to 100% and 96%, respectively, at the end of December 2020.

Contingencies

Consolidated	Dec. 31, 21	Dec. 31, 20	Change	
			Baht mn	%
Avals to bills and Guarantees of loans	3,674	3,655	19	0.5
Liability under unmatured import bills	2,780	1,401	1,379	98.4
Letters of credit	5,926	5,005	921	18.4
Other contingencies	109,686	122,879	(13,193)	(10.7)
Total	**122,066**	**132,940**	**(10,874)**	**(8.2)**

Krungsri Group's contingencies as of December 31, 2021, totaled Baht 122,066 million, a decrease of Baht 10,874 million, or 8.2%, from the end of December 2020. The decrease was mainly caused by a decrease in liability to deliver security related to repurchase transactions of Baht 9,679 million.

Statutory Capital

As of December 31, 2021, Krungsri's capital (Bank only) was recorded at Baht 291,794 million, equivalent to 18.53% of risk-weighted assets, comprising Common Equity Tier 1 (CET1) capital of 13.56% and Tier 2 capital of 4.97%

The current level of capital is 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).

Bank only	Capital Fund (Baht mn)		Capital Adequacy Ratio	
	Dec. 31, 21	Dec. 31, 20	Dec. 31, 21	Dec. 31, 20
Total Capital Fund	291,794	276,258	18.53%	17.92%
Common Equity Tier 1	213,473	198,183	13.56%	12.85%
Tier 2	78,321	78,075	4.97%	5.07%

Remarks:

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 also requires the conservation buffer at more than 2.50%, and requires Domestic Systemically Important Banks (D-SIBs) to maintain an additional Common Equity Tier 1 ratio at 1.00%.

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

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2021, are shown in the table below.

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
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

Fitch Ratings	
International Ratings	
Long-term Issuer Default Rating	BBB+
Short-term Issuer Default Rating	F1
Viability Rating	bbb
Outlook	Stable
National Ratings	
Long-term Rating	AAA (tha)
Long-term Debenture	AAA (tha)
Short-term	F1+(tha)
Subordinated Debt	AA (tha)
Outlook	Stable
TRIS Rating	
Company Rating	AAA
Issue Rating-Senior Unsecured	AAA
Outlook	Stable

SUMMARY OF FINANCIAL HIGHLIGHTS

Consolidated (Unit: Baht mn)	2021	2020	Change YoY
Interest Income, net	77,980	81,304	(3,324)
Non-interest Income	44,926	32,683	12,243
Operating Expenses	48,954	48,465	489
Pre-Provision Operating Profit	73,952	65,522	8,430
Expected Credit Loss	31,604	36,644	(5,040)
Net Profit Attributable to Owners of the Bank	33,794	23,040	10,754
Consolidated (Unit: Baht mn)	**Dec. 31, 21**	**Dec. 31, 20**	**Change**
Loan to Customers	1,890,376	1,832,935	57,441
Total Assets	2,499,109	2,609,374	(110,265)
Deposits	1,779,139	1,834,505	(55,366)
Total Liabilities	2,180,872	2,320,195	(139,323)
Total Shareholders' Equity	318,237	289,179	29,058
Financial Ratio (Consolidated)	**2021**	**2020**	
Net Interest Margin	3.24%	3.47%	
Cost to Income Ratio	39.8%	42.5%	
Return of Equity Ratio	11.17%	8.25%	
Return of Assets Ratio	1.32%	0.93%	
Loan to Deposit Ratio	106%	100%	
Loan to Deposit and Debenture Ratio	103%	96%	
NPL Ratio	2.20%	2.00%	
Expected Credit Loss to Total Loans (bps)	167	199	
Coverage Ratio	184.2%	175.1%	
Capital Adequacy Ratio (Bank only)	**Dec. 31, 21**	**Dec. 31, 20**	
Capital Adequacy Ratio	18.53%	17.92%	
Common Equity Tier 1 Ratio	13.56%	12.85%	
Tier 2 Capital Ratio	4.97%	5.07%	

APPENDIX

Bank of Thailand announcements

I. On May 14, 2021, the Bank of Thailand announced the third phase of measures to further assist retail customers severely affected by the coronavirus pandemic.

1) Credit card and personal loans (revolving and installment loans)
   - Convert to long-term loans or reduce the installment amount
   - In case of extending the installment period to more than 48 installments, financial institutions must keep the interest rate lower than the interest rate ceiling.
   - Debt consolidation: mortgage and other retail loans

2) Car and motorcycle title loans

2.1 Car title loans
   - Installment amount reduction
   - Provision of two options for severely affected borrowers:
     - o Suspension of installment payment
     - o Being unable to service debts, borrowers can return their vehicles to financial institutions. If actual proceeds from the vehicle auction are too low to settle the debt, financial institutions must help restructure the remaining debt in accordance with the debtor's financial status.
   - Debt consolidation: mortgage and other retail loans

2.2 Motorcycle title loans
   - Installment amount reduction
   - Debt consolidation: mortgage and other retail loans

3) Car and motorcycle hire-purchase loans

3.1 Car hire-purchase loans
   - Installment amount reduction or extension of installment payment period
   - Provision of two options for severely affected borrowers:
     - o Suspension of installment payment without interest charge during the suspension period or charging interest based on the installment amount during the suspension period
     - o Being unable to service debts, borrowers can return their vehicles to financial institutions. If actual proceeds from the vehicle auction are too low to settle the debt, financial institutions must help restructure the remaining debt in accordance with the debtor's financial status.

In this regard, the effective interest rate (EIR) for above options must not exceed the EIR charged before the measure is provided.

   - Debt consolidation: mortgage and other retail loans
   - In case borrowers prefer a one-time settlement of their accounts, interest not reaching the due date must be reduced by a minimum of 50%, according to the guidance stipulated by the Office of the Consumer Protection Board.

3.2 Motorcycle hire-purchase loans
   - Installment amount reduction or extension of installment payment period. The new effective interest rate (EIR) must not exceed the EIR charged before the measure is provided.
   - Debt consolidation: mortgage and other retail loans
   - In case borrowers prefer a one-time settlement of their accounts, interest not reaching the due date must be reduced by a minimum of 50%, according to the guidance stipulated by the Office of the Consumer Protection Board.

4) Mortgage loans
   - Relieve debt burden by reducing the installment amount or providing a grace period for principal payment and partial interest repayment or a grace period on principal with interest rate reduction or a suspension of installment payment
   - Step-up repayment to suit borrowers' ability to service debts after the end of installment amount reduction or a suspension of installment payment
   - Debt consolidation: mortgage and other unsecured personal loans

II. On June 10, 2021, the Bank of Thailand announced additional relief measures to support SMEs.

The measures include:

1) Extending the debt moratorium period from June 30, 2021 to December 31, 2021 for SMEs who have been severely impacted by the third wave of coronavirus pandemic.

2) Relaxing loan classification and provisioning relief to encourage banks' debt restructuring negotiations with SMEs by taking into account their ability to service debts and repayment periods based on borrowers' future cash flows.

3) Banks are allowed to pay interim dividends with the dividend payout ratio not exceeding that of 2020 and up to 50% of 1H/21 net profit. But banks are not allowed to buy back their shares as well as capital instruments before maturity dates, unless they have plans to replace those shares and capital instruments.

III. On July 15, 2021, the Bank of Thailand announced a two-month debt moratorium for small and medium-sized enterprises (SMEs) and retail customers suffering a direct impact from the government's latest lockdown measures to combat the coronavirus pandemic, starting July 1, 2021, and ending August 31, 2021.

IV. On August 20, 2021, the Bank of Thailand announced additional customer assistance measures in adjusting its special rehabilitation loan scheme to support liquidity for both existing and new SME borrowers by expanding their credit lines.

Measure to maintain and provide new liquidity to SMEs and retail debtors for retaining their businesses and satisfying their basic needs

1) Revision to regulations for special loan for SMEs
   1.1 Increase credit limit
   - New SME borrowers: increase maximum credit line from Baht 20 million to Baht 50 million per borrower for loans from any financial institutions
   - Existing SME borrowers: allow a creditor to grant additional credit line of up to 30% of the existing credit line, but no more than Baht 150 million. If 30% of the existing credit line is below Baht 50 million, borrowers would be allotted a maximum credit line of Baht 50 million each.

   1.2 Increase individual credit guarantee rate and lower guarantee fees

2) Temporarily relax regulations for retail debtors for credit card loans, supervised personal loans, and digital personal loans (until the end of 2022)
   2.1 Increase credit limit to two times of monthly income for credit card and personal loans for those whose monthly income is below Baht 30,000. Debtors can apply for personal loans from lenders without restriction on the number of lenders.

   2.2 Maintain the minimum debt repayment rate at 5%

   2.3 Increase credit limit for digital personal loans from Baht20,000 to Baht 40,000 and extend the maturity period from not more than six months to not more than 12 months.

Measures to improve existing debt restructuring facilities to be more sustainable

To support financial institutions that provide assistance to debtors via the targeted, long-term debt restructuring program, the measures need to be customized for each debtor.

1) Relax regulations for asset classification and provisioning criteria. The degree of relaxation would depend on the degree of support provided to debtors.
2) Extend the reduction of the Financial Institutions Development Fund (FIDF) fee at 0.23% to the end of 2022.

V. On November 22, 2021, the Bank of Thailand introduced additional long-term debt restructuring measures through refinance and debt consolidation, with key details as follows:

1) Financial institutions are not allowed to collect prepayment fees for personal loans and nanofinance under supervision on a temporary basis, until December 31, 2023.

2) Revise the guideline for debt consolidation of housing and other retail loans by extending the scope of this measure to cover debt consolidation across financial institutions and/or other financial service providers, rather than at the same lenders as previously.
   - In case a financial institution has already extended a mortgage loan, the interest rate charged on such mortgage loan must not exceed the mortgage rate under the original contract.
   - In case of receiving a refinanced mortgage loan from another financial institution, the mortgage rate can be set in alignment with the debtor's risk profile.
   - For other consolidated retail loans, the interest rate must not exceed the mortgage rate (after teaser rate) plus 2% per annum.

The Bank of Thailand has also relaxed its regulations on debt classification, reserve requirements, and capital levels to reduce costs for financial institutions that help with the debt consolidation scheme by December 31, 2023.

Krungsri announcements

I. Krungsri Group's assistance measures (Phase 3) for customers impacted by the coronavirus pandemic (COVID-19) comprise:

1) Personal loan customers
   - Change from a revolving loan limit to one with installment payment
   - Installment amount reduction
   - Debt consolidation in accordance with debt restructuring by the debt consolidation approach

2) Mortgage or mortgage refinancing customers
   - A grace period for principal and interest payment
   - A grace period for principal repayment with partial interest payment
   - Installment amount reduction
   - Debt consolidation in accordance with debt restructuring by the debt consolidation approach

3) Commercial Banking customers
   The Bank provides assistance measures through 'Special Loan' and 'Asset Warehousing' in accordance with impacts on a case-by-case basis.

4) Krungsri Auto
   4.1 Auto Hire Purchase
   - Car: Installment amount reduction with extension of installment payment period; and suspension of installment payment for customers severely impacted by the COVID-19
   - Motorcycle: Installment amount reduction with extension of installment payment period

   4.2Auto Financing
   - Car: Installment amount reduction with extension of installment payment period; and suspension of installment payment for customers severely impacted by the COVID-19
   - Motorcycle: Installment amount reduction with extension of installment payment period

5) Krungsri Consumer's credit card and personal loan customers
   - Measure 1: For all customers – Reduction of minimum monthly payment rates
     - o For credit card products, the minimum monthly payment rate for all customers will be automatically reduced from 10% to 5% for all billing cycles until December 31, 2021, without the need to notify their intent.
     - o For personal loan products, the minimum monthly payment rate for all customers will be automatically reduced from 5% to 3% for all billing cycles until December 31, 2021, without the need to notify their intent.

   - Measure 2: For customers with a normal account status, a special reduction of interest rates and an extension of the installment payment period for up to 99 months for customers in the affected business groups are provided. Customers must register for this measure from May 20, 2021 – December 31, 2021 and will be considered for approval on a case-by-case basis.
     - o For credit card products: a special reduction of interest rate and an extension of the installment payment period for up to 48 months are provided.
     - o For personal loan products:
       - For customers with less than Baht 30,000 of outstanding balance, a special reduction of interest rate and a reduction of minimum monthly payment rate to 3% are provided.
       - For customers with a minimum outstanding balance of Baht 30,000, a special reduction of interest rate and an installment period extension for up to 99 months are provided.

   - Measure 3: For both credit card and personal loan customers with outstanding balance, a monthly installment amount reduction and an installment period extension for up to 99 months (debt restructuring) with a special reduction of interest rate are provided. Customers must register and will be considered on a case-by-case basis.

II. On July 16, 2021, the Bank issued a new relief measure to help SME customers of all sizes by allowing a suspension of debt repayment for both the principals and the interests for two months commencing from July 2021 onwards. The measure is applicable to the directly affected SMEs that closed their business operations in the maximum controlled areas in the original 10 announced provinces as well as the SMEs outside the controlled areas that had to close their businesses due to the government's measures.

GENERAL INFORMATION AND OTHER IMPORTANT INFORMATION

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,
  Rachadapisek Road, Din Daeng, Bangkok 10400
  Tel: 0-2009-9999, Fax: 0-2009-9991

- Subordinated Instrument No. 1/2017
- Subordinated Instrument No. 2/2017
- Subordinated Instrument No. 1/2019
- Subordinated Instrument No. 1/2021
- Long Term Debenture No. 1/2019
- Long Term Debenture No. 2/2019 TRANCHE 2
- Long Term Debenture No. 1/2020 TRANCHE 1
- Long Term Debenture No. 1/2020 TRANCHE 2

: Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel: 0-2296-4772, 0-2296-5696 and 0-2296-2030
Fax: 0-2683-1302

Debenture Holder Representative

- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Subordinated Instrument No. 1/2019 : None
- Subordinated Instrument No. 1/2021 : None
- Long Term Debenture No. 1/2019 : None
- Long Term Debenture No. 2/2019 TRANCHE 2 : None
- Long Term Debenture No. 1/2020 TRANCHE 1 : None
- Long Term Debenture No. 1/2020 TRANCHE 2 : None

Auditors:

Mr. Chavala Tienprasertkit	Certified Public Accountant Registered No. 4301
Mr. Kasiti Ketsuriyonk	Certified Public Accountant Registered No. 8833
Mrs. Nisakorn Songmanee	Certified Public Accountant Registered No. 5035
Mr. Yongyuth Lertsurapibul	Certified Public Accountant Registered No. 6770

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
Mr. Trakul Winitnaiyapak

Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel: 0-2296-3874, 0-2296-3881 and 0-2296-3882, Fax: 0-2683-1436

LEGAL DISPUTES

Krungsri has legal disputes with third parties, and a few of these cases are currently pending in court. However, it appeared that at the end of the latest accounting year, no case affected Krungsri's assets more than 5 percent of the shareholder's equity or significantly impacted our operations, or resulted from our usual business conduct.

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

(AS OF DECEMBER 31, 2021)

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*	**641**
Greater Bangkok and vicinity	278
Upcountry	363
Number of overseas branches outside Thailand	**1**
Foreign Currency Exchange Booths	50
Exclusive Banking Zones	51

Remark: * For more information, please visit our website (www.krungsri.com).

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 Co., Ltd.
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

Lotus's Money Services Limited [1/]
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone: 1712
Facsimile: 0-2627-8615

[1/] Formerly Tesco Lotus Money Services Limited

Lotus's General Insurance Broker Limited [2/]
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8888
Facsimile: 0-2627-8611

[2/] Formerly Tesco General Insurance Broker Limited

Lotus's Life Assurance Broker Limited [3/]
Krungsri Ploenchit Office,
550 Ploenchit Road, Lumphini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8888
Facsimile: 0-2627-8611

[3/] Formerly Tesco Life Assurance Broker Limited

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 Building
2/3 Moo 14, Bangna-Trad Road, K.M.6.5
Bangkaew, Bangplee, Samutprakarn 10540
Telephone: 0-2714-5199
Facsimile: 0-2777-0009

Krungsri Leasing Services Co., Ltd. (Lao PDR)
No. 196, Khampeangmeuang Road, Phonthun Village,
Xaysettha District Vientiane Capital, Lao PDR.
Telephone: +856 2028 6100

Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd. (Lao PDR)
No. 197 Khampheangmueng Road, Phonthan Village,
Xaysettha District Vientiane Capital, Lao PDR.
Telephone: +856 2128 6336

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

Ngern Tid Lor PCL
Ari Hills Building, Floor 9-15
428 Phahonyothin Road, Samsennai, Phayathai,
Bangkok 10400
Telephone: 0-2792-1888
Facsimile: 0-2792-1819

Hattha Bank Plc. (HATTHA BANK)
No.606, Street 271, Village Sansam Kosal 3,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

Hattha Services Co., Ltd.
No.606, Street 271, Village Sansam Kosal 3,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, Kingdom of Cambodia

SB Finance Company, Inc. (SBF)
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. [4/]
21/5, Soi 9, Siri Mangkalajarn, Mueang Chiang Mai District,
Chiang Mai 50200

[4/] Indirectly holding via Krungsri Finnovate Co., Ltd. of 14.20 percent

Finnomena Company Limited [5/]
Thaniya Plaza, Floor 17, Zone D,
52 Silom Road, Suriyawong, Bangrak, Bangkok 10500
Telephone: 0-2026-5100

[5/] Indirectly holding via Krungsri Finnovate Co., Ltd. of 12.44 percent

Choco Card Enterprise Co., Ltd. [6/]
No. 2150/4, Sukhumvit Road, Bangchak Sub-district,
Phra Khanong District, Bangkok, 10260

[6/] Indirectly holding via Krungsri Finnovate Co., Ltd. of 11.50 percent

Zortout Company Limited [7/]
128/152 Payatai Plaza, Floor 14, Phaya Thai Road, Thung
Phaya Thai, Ratchathewi, Bangkok 10400
Telephone: 0-2026-6423

[7/] Indirectly holding via Krungsri Finnovate Co., Ltd. of 10.60 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

2 CORPORATE GOVERNANCE



GOOD CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors recognizes that good corporate governance is a foundation for the sustainable growth of the organization and one of the significant elements facilitating the organization's competitiveness and effective adaptation under a dynamic environment, as well as an important factor that has led Krungsri to success as a leader in the Thai financial sector in line with sustainable banking. Krungsri has adhered to a culture of responsible business practices, covering social, environmental, and governance dimensions for strong and sustainable growth, while operating the business in accordance with its mission, 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of customers and serving society through sustainable growth', while creating a good long-term performance.

In this regard, Krungsri attaches importance and adheres to good corporate governance criteria stipulated by regulatory bodies, i.e., the Bank of Thailand, the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, and the Thai Institute of Directors Association, including the international corporate governance criteria such as ASEAN Corporate Governance Scorecard. The Good Corporate Governance Principles of Krungsri have been established, as well as policies and practices in various fields that are consistent with those rules. The Board of Directors also regularly ensures that oversight mechanisms are in place to ensure compliance with requirements in any matter that has not yet been established as a policy or practice, and that there has been a review of the appropriateness of the operation, including assignments and a follow-up process for relevant departments to consider proceeding in accordance with Krungsri's business.

GOOD CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

Krungsri has established Governance Principles and Guidelines covering eight practices according to the Thai Corporate Governance Code for Listed Companies 2017 prescribed by the Securities and Exchange Commission and has made implementations in compliance with such criteria as follows:

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

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

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

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

- Krungsri has clearly separated the roles and responsibilities of the Board of Directors and the Management whereby the Chairman of the Board and President and Chief Executive Officer cannot be the same person. Roles and responsibilities of the Board of Directors, Chairman of the Board, President and Chief Executive Officer, and the executives are clearly specified in the Good Corporate Governance Principles.
- Krungsri clearly stipulates the approval authority of the Board of Directors with respect to significant matters in accordance with laws, the Bank's Articles of Association and guidelines, such as important policies for the Krungsri Group's operations, the annual operating plan, and budget.



Details are shown in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) under the topic, 'Management Structure'.

GOOD CORPORATE GOVERNANCE PRINCIPLES

- Krungsri has established 'Good Corporate Governance Principles' (the Principles) to be used as the policy and guidelines for supervision of the business operations of Krungsri, to which the directors, executives, and employees shall adhere. The Principles are filtered by the Executive Committee and Risk and Compliance Committee before proposing to the Board of Directors for approval. The Principles shall be reviewed on an annual basis or without delay in case of any significant change. This is to ensure the appropriateness of the Principles in changing circumstances, and their alignment with relevant regulations of the regulatory bodies, Krungsri's organizational structure, and the environmental situation of corporate governance of Krungsri Group.
- The Principles' contents cover various significant matters, e.g., shareholders' rights and their equitable treatment, information disclosure and transparency, composition and qualifications of the Board of Directors, roles and responsibilities of the Chairman, the Board of Directors, and the 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 as well as Krungsri's website under the topic of corporate governance in order for the directors, executives, employees, and related persons to study and adhere to them. There are activities to promote comprehensive understanding amongst employees. In addition, in order to be in line with the Board of Directors' resolution, Krungsri communicates the Principles including the 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 it will also strengthen the operations of Krungsri Group.
- In addition, Krungsri has developed a compulsory course of Good Corporate Governance via Krungsri Learning Companion (KLC). All executives and employees must complete the course every two years or whenever it is significantly updated. Course participants must pass tests with a score meeting the benchmark.

PRACTICE 2: SPECIFY MAIN OBJECTIVES AND TARGETS OF THE ORGANIZATION TO BE SUSTAINABLE

Krungsri drives toward 'Sustainable Banking' by operating its business with responsibility and good corporate governance as well as achieving the goals of the Medium-Term Business Plan, as part of working toward its aspiration of being 'the preferred Thai bank connecting customers' needs across ASEAN.' Krungsri has emphasized that all business units within the organization deliver products and services by adhering to

three main principles: 'Trust, Integrity and Reliability', which is the cornerstone of business and operations.

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

- The Board of Directors clearly determines Krungsri's mission, vision, and core values 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 conducted the Medium-Term Business Plan, which is a strategic framework formulated for business operations over three years and shall be reviewed annually to ensure correspondence with prevailing conditions. In addition to ensuring that the Management communicates the Medium-Term Business Plan to the Management and employees of Krungsri, there is also control and monitoring of the Management's work in accordance with the strategies and plans formulated and to ensure that the operating results are reported in comparison with the strategic plans set forth at the Board of Directors' meetings on a monthly and quarterly basis.
- The Board of Directors is committed to operating in accordance with the mission and the Medium-Term Business plan while formulating strategies to strengthen Krungsri's ability to cope with the impact of various situations effectively. The Board has therefore encouraged the development of innovation and financial technology, taking into account the changing environment, and customer needs and behavior, including expectations of all stakeholder groups, for example, the use of technology to help customers access Krungsri products and services conveniently, quickly, and safely, whether they are transacting through online channels or through branches (Smart Branches and Smart Kiosk), and has also introduced artificial intelligence (AI) technology to support the work processes of employees, who are customers within Krungsri's organization, to be able to work more effectively and efficiently in response to customer needs.
- Furthermore, the Board of Directors has also promoted the development of new business models, including financial innovations that can benefit the environment, society, and governance (ESG) to increase opportunities for Krungsri to have sustainable growth and flexibility in any situation that may arise.

PRACTICE 3: ENHANCE THE BOARD OF DIRECTORS' EFFICIENCY

- The Board of Directors comprises 12 directors: four non-executive directors; five independent directors (including two women); and three executive directors.
- Currently, our Board of Directors consists of members having 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 and plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated directions and strategies.

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 also assists in the creation of a director development plan. Krungsri has also created its own director pool by collecting name lists from various sources, e.g., the Thai Institute of Directors Association Chartered Director (IOD Chartered Director), as supporting information when searching for candidates for nomination. Finally, Krungsri has hired a professional search firm to help recruit and select qualified persons to serve as directors as well.

- Details of director nomination and appointment criteria appear in the Annual Registration Statement/Annual Report (Form 56-1 One Report) under the topic, 'Nomination and Appointment of Directors and Senior Executives'.
- Krungsri clearly specifies the definition of the independent director in compliance with the Notification of the Capital Market Supervisory Board. A more stringent criterion on shareholding percentage is also applied.

POSITIONS OF THE DIRECTORS IN OTHER COMPANIES

- Allowed to serve as chairman or executive director 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, those companies shall be considered as companies of Krungsri Group.
- Allowed to hold directorship in no more than five listed companies both domestically and overseas (including Krungsri) excluding the listed companies acquired by Krungsri through debt restructuring.
- 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. FPG. 10/2561 Re: Corporate Governance of Financial Institutions, may continue in their directorships but not beyond May 1, 2022, in accordance with the transitional provision of the aforesaid notification.

BOARD OF DIRECTORS MEETING

- A Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each meeting set in advance for the entire year. In case of necessity or urgency, an extraordinary meeting may be called on occasion as determined by the Chairman of the Board.
- The Chairman of the Board and the President and Chief Executive Officer have the duty to jointly consider matters to be included in the agendas of Board of Directors meetings. However, other directors including independent directors 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 Executive Committee, who acts as a gatekeeper, each week and/or at least seven days prior to the meeting date, to ensure that the directors have sufficient time to review the agenda items. If the directors require additional information or documents, they can make such requests to the executive directors or the Corporate Secretary.
- Every director is obligated to attend every Board of Directors meeting, unless they have imperative business such as a meeting with a government agency or an overseas business trip, or have fallen ill.
- A meeting requires no less than half of all directors to constitute a quorum, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the Chairman shall have an additional vote to break the tie. In compliance with the Good Corporate Governance Principles, a quorum of at least two-thirds is required at the time of voting for Board decisions.
- Each Board of Directors' meeting takes an average of four hours. The Chairman of the Board provides an opportunity for all directors to be fully independent in making inquiries and suggestions, and to debate and express their opinions, to ensure prudent discretion. The senior executives and officers involved in the matter are also invited to answer questions, as well as receive suggestions and observations made by the Board of Directors.
- The meeting minutes identify in clear and sufficient detail the date and time that the meeting was declared open and closed, lists of 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 are signed by the Chairman of the meeting and the minutes taker. In addition, any director having a conflict of interest in any agenda item will neither join the consideration nor vote on that particular item. In this regard, the Corporate Secretary normally checks information on conflicts of interest in advance

and notifies all directors prior to the meeting, as well as records such data in the meeting minutes. In addition, when holding the e-Meeting, there is a record in the meeting minutes as stipulated by laws, i.e., identification of the meeting participants, presenters' name list, and meeting administrators' name list. In this regard, the attending directors' name list will be recorded separately between the directors who attend in person and the directors who attend via electronic means.

- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the meeting minutes to the relevant internal and external units within the prescribed time, and safekeeping the same in the form of hard and soft copies for future reference and audit. No amendment to the meeting minutes can be made without approval from the Board of Directors meeting.

- The Board of Directors encourages non-executive directors to organize meetings among themselves to independently discuss various issues without management's presence, i.e., matters covering organizational culture, human resources management, and future business direction, and to present a summary of their opinions to the President and Chief Executive Officer for acknowledgement.

PERFORMANCE EVALUATION

Krungsri arranges for the performance evaluation of the Board of Directors and the 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 during the previous year for further improvement.

• The Performance Evaluation of the Board of Directors

- Criteria: Types of performance evaluation of the Board of Directors are as follows: 1) Board Evaluation; 2) Self-Evaluation; and 3) Cross-Evaluation. The evaluation forms, which are designed in accordance with the guidelines of the Stock Exchange of Thailand as well as aligning with 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 completed forms for summarizing the overall result including their comments or suggestions, and report to the Nomination and Remuneration Committee and the Board of Directors so that they can discuss solutions to enhance operational efficiency for maximum benefit. In addition, the overall individual results from cross-evaluation will be presented to each director.

• The Performance Evaluation of the Board of and the Committees Reporting to the Board of Directors

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

- The evaluation topics of Audit Committee and Nomination and Remuneration Committee (as a whole) and the evaluation topics of Audit Committee, Nomination and Remuneration, and Executive Committee (individual)
  1. Structure and characteristics of the committee;
  2. Committee meetings;
  3. Roles and Responsibilities of the committee

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

- Steps: The secretary of each committee will send an evaluation form to every committee member, then gather all completed forms for summarizing the overall result including their comments or suggestions, and report to the respective committee so that they can discuss solutions to enhance operational efficiency for maximum benefit.

DIRECTORS' INDUCTION AND DEVELOPMENT

- Krungsri has conducted an induction for new directors to be prepared before performing their duties, focusing on strategies, plans, and business operations in various aspects including necessary information for the director. Furthermore, Krungsri has prepared documents for the director as information for director performance, e.g., director's handbook, and a summary of important laws and regulations on the e-document system, which can be accessed from provided tablets.

- During their directorship, each quarter, all directors will be provided various training courses held by the Thai Institute of Directors Association (IOD) relating to the roles and responsibilities of directors, together with specific training courses related to the duties of each individual type of director, e.g., duties of Chairman, Audit Committee members, and Corporate governance, so that each director can consider participation in these courses throughout the year. The Corporate Secretariat Department is responsible for coordinating registration, and the Bank is responsible for all expenses.

- Krungsri offers training courses/seminars on digital, IT, and other topics relevant for directors, for each director to consider and attend training/seminars to continually enhance their skills and knowledge. In addition, in-house training sessions have been organized to provide knowledge to the directors by giving lectures from internal and external experts on various topics.

REMUNERATION OF THE DIRECTORS

- Krungsri has established a policy on remuneration of the directors to ensure that it is appropriate and commensurate with the responsibilities of directors in accordance with the size and business operations of Krungsri. In addition, the remuneration policy aligns with Krungsri's performance and brings the maximum benefit to its shareholders, as well as being comparable to peers. In this regard, the Nomination and Remuneration Committee is responsible for reviewing its appropriateness and 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 and independent 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. In addition, there is no remuneration for holding a directorship.

- Other benefits, i.e., entitlement to medical benefits and annual health check-up, and a company car, are in accordance with Krungsri's regulations.

SUPERVISION OF THE SUBSIDIARIES' OPERATIONS

- The Board of Directors has determined frameworks for the overall operations and strategic targets and oversees the mechanisms of compliance and operations of Krungsri Group.

- The Board of Directors has clearly set roles and responsibilities of the Management to the President and Chief Executive Officer and senior executives in a Policy for Governing Group Companies and also follows up on assignments' progress.

- Krungsri has established the Policy for Governing Group Companies specifying the nomination of Krungsri's personnel to be directors of the subsidiaries, and their roles and responsibilities. In addition, there is a set of group-wide policies specifying internal controls and important information disclosure of the subsidiaries which is in line with relevant laws and regulations.

- In case of significant investment in other businesses, Krungsri and/or its subsidiaries will make an affiliate agreement for clear management authorities and take part in the decision-making for important matters. Regular performance reports are required for the maximum benefit of Krungsri and/or its subsidiaries, and for the timely conducting of standard financial statements.

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 in the performance of duties. Each member's background and qualifications, the composition of the committees, number of meetings, and individual statistics on meeting attendance are disclosed in the Annual Registration Statement/Annual Report (Form 56-1 One Report).
- Management committees are also appointed to examine and filter related matters before submission to the Board of Directors, such as the Risk Management Committee and the Compliance Committee, whose composition, qualifications, roles, and responsibilities are specified in their respective directives.

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

NOMINATION, DEVELOPMENT AND SUCCESSION PLANS FOR SENIOR EXECUTIVES

- The President and Chief Executive Officer shall propose the nomination/promotion/appointment criteria for Executive Vice President level and above to the Nomination and Remuneration Committee for consideration, whereby its details appear in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) under the topic, 'The Nomination of Senior Executives'.
- Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities. Moreover, Krungsri provides them training courses in various areas appropriately and on a regular basis, for their personnel development and career path.
- Krungsri must have a plan and be well-prepared in terms of succession plans for positions deemed vital to business operations so that in the event of a vacancy, a qualified successor can be appointed immediately 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 to the Board of Directors for approval. The succession plans for senior executives will be reviewed on an annual basis. The succession plan for Krungsri successor readiness is divided into 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 sudden emergency in an executive position causing a vacancy.

  In order to develop successors, Individual Development Plans are prepared for all Krungsri Group executives. Apart from Competency-Based Management, Krungsri has developed a career plan ensuring that executives gain critical experience beneficial for holding key positions in the future. As an internal process, HR periodically facilitates the monitoring of successors' careers and competency development progress through meetings with related executives and committees. In addition, the Head of 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 enables the President and Chief Executive Officer and senior executives holding 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 on the remuneration of the President and Chief Executive Officer and senior executives; however, executive directors do not participate in considering the remuneration of the President and Chief Executive Officer. Remuneration criteria are stipulated by the Board of Directors.
- Krungsri stipulates a fair, reasonable, and incentivizing remuneration in order to retain proficient executives as well as create long-term value for shareholders. The remuneration is also associated with Krungsri's performance and targets, both short-term and long-term, as well as KPI results of each individual's performance against targets under the Balanced Scorecard criteria, including performance indicators aligning with organizational strategies, and a scope of responsibilities of an individual executive which is comparable to the industry benchmark. As for executives who also serve as members of the committees reporting to the Board of Directors or the Management committees, including directors in any Krungsri's subsidiaries, they do not receive additional remuneration.
- Krungsri annually conducts a performance assessment of the President and Chief Executive Officer, whereby its criteria, targets, and performance assessment using the Balanced Scorecard are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, targets, and strategies, as well as short- and long-term benefits.
- The Board of Directors (except for the executive directors) shall assess the performance of the President and Chief Executive Officer, and the assessment results will be used for considering bonus payment and annual compensation increment. Assessment criteria and results are communicated to the President and Chief Executive Officer.

HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT

- Krungsri recognizes that its employees at all levels are valuable resources and key drivers for Krungsri's achievement according to its short-term and long-term business strategies. Krungsri therefore sets appropriate human resources management policies, aims for a fair recruitment and selection process, provides proper remuneration and welfare benefits to employees, retains talented employees, promotes career advancement, and continuously enhances employee skills and competencies through a variety of courses to support the organization in its drive towards the business world in the digital era as well as preparing for the 'new normal' and sustainable business growth through various learning channels and equal development opportunities.
- 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-term 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 measure against Krungsri's long-term strategic plan. In addition, Krungsri has created individual development plans and an executive development program to enhance employees' potential and thus ensure sufficient readiness and competency for their given duties as well as succession planning and the development of high-potential employees. Krungsri provides employees justness 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 other forms of benefits, for the purpose of retaining employees and incentivizing them to perform their duties to support long-term value creation for Krungsri and its shareholders, e.g., establishing a provident fund for employees, to which Krungsri is obliged to make partial contributions, so that employees have savings for retirement, resignation, disability, or as life insurance for their families. In 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, the benefits, the fund's investment policy, and the risks associated with the investment. At present, Krungsri has changed the investment policy from a 'single fund with one investment policy' approach to a 'single fund with multiple investment policies' approach to allow employees to choose their desired investment policy or investment plan (Employee's Choice) based on their age, expected returns, and risk appetite.

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

- Krungsri focuses on enhancing people's excellence to develop individuals, drive the organization towards a fully digital business world, prepare employees to support continuous changes in the 'new normal' era, and encourage creative changes to increase the productivity of the organization in various fields, including increasing the productivity of employees and increasing competitiveness and sustainable business growth in the future. Krungsri designed learning services for executives and employees, comprising six learning programs: Achieving Everyday Success, Striving Beyond Your Best, Getting Ready for the Future, Winning Business Challenges, Growing Expertise, and Leading to the NEXT Level, e.g., high-level executive potential 'TRANSCEND' and 'TRANSITION', the Data Analytic Bootcamp 2021 learning program, and the Personalized Data Development Track under the Krungsri School of Data program to develop data analytics skills and drive organizations in the use of data in decision-making. Krungsri also continues to provide opportunities for its people to learn and grow their careers amidst business challenges and technological revolutions. 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, as well as digital learning solutions that provide limitless learning opportunities anywhere, anytime. In 2021, all employees participated in various training courses for an average of 58.2 hours per person.

- Apart from aiming to foster excellence among Krungsri people by encouraging employees to express themselves through Krungsri Core Values, and showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed learning programs that support its employees to be good and ethical citizens and exhibit responsibility toward stakeholders, society, and the environment. Examples of these programs include the the Personal Data Protection Act course, Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) course, Good Corporate Governance course, 'ESG for Banks' course, Occupational Health, Safety, and Environment course, etc. Krungsri has also designed the Wellness Booster Series (Healthy Mind, Healthy Fit, and Healthy Money) learning programs, developed especially so that employees are able both physically and mentally to thrive in the time of COVID-19, including health promotion programs and personal finance training courses to promote retirement savings and to provide investment and wealth management knowledge, such as 'Plan for Retirement, Salaryman Style', 'Portfolio Management', and 'Provident Fund is more Important than You Think', etc.

- In terms of employees' 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 for employees who are suffering from work-related or life-related stress and also set up a '5 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 which disclosed information in sustainability report. In 2021, two employees suffered work-related accidents; however, no employee had a work-related illness.

- Under the COVID-19 pandemic, Krungsri set out various measures to take care of employees and prevent the spread of the pandemic, such as measures to control

the entrance and exit of the building and establishing a screening point before entering the building, health insurance to protect against COVID-19 for employees, allowing employees to work from home to reduce the risk of mass gathering, coordinating to ensure that employees are vaccinated against COVID-19 as prescribed by the Social Security Office, as well as educating employees to take care of themselves, with protective measures and appropriate lifestyle choices during the pandemic situation. In addition, updates were provided in the event of an employee being infected, along with preventive measures and risk reduction methods as well as giving special incentives to operational and temporary employees of Krungsri as a gift and a form of encouragement.

SHAREHOLDERS STRUCTURE AND RELATIONSHIP

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

PRACTICE 5: INNOVATION ESCALATION AND RESPONSIBLE BUSINESS OPERATIONS

INNOVATION ESCALATION, IT MANAGEMENT, AND RESPONSIBLE BUSINESS OPERATIONS

- The Board of Directors has ensured creation of innovations in adding value to the business together with benefits to customers or all relevant parties and being responsible towards society and the environment. The Board of Directors has also followed up on the Management's implementation on effective and efficient resource allocation and management. In addition, Krungsri has focused on financial business transformation in the digital era through innovation development in terms of products as well as the adoption of innovations for better working processes 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.
- The Board of Directors has ensured the establishment of enterprise information technology governance and management frameworks which are in line with Krungsri Group's needs, ensured adoption of information technology to stimulate new business opportunities, and developed business operations and risk management for achievement of Krungsri Group's objectives and key goals. The IT Management Committee is in charge of considering information technology strategies and policies to support and align with Krungsri's strategies and goals, including considering the priorities of the project which must be allocated information technology resources in accordance with what is available, as well as transfering/allocating new resources as appropriate.
- In this connection, the 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. Krungsri has established policies and procedures on information technology risk management. Information security policies and procedures are used as a guideline for managing and protecting Krungsri's information assets. Krungsri operates under the framework of three important principles: Confidentiality, Integrity and Availability. In addition, a process for allocation and management of information technology resources has been established in order for Krungsri to be able to resolve abnormal events that result in system interruption or damage in a manner where the business continues to run and the system is restored to normal within an acceptable period of time, including establishing measures to manage information security as a guideline for managing the Bank's information assets.
- The Board of Directors oversees Krungsri Group's business operations to ensure their responsibility to society and the environment, e.g., support green energy loans to increase renewable energy sources which will be integrated with existing energy sources of the country and the world, promote and support investments in the energy infrastructure and green energy technology, as well as operate the business according to sustainable banking principles by providing responsible lending and taking into consideration the environmental, social, and governance (ESG) aspects. In addition, Krungsri has implemented measures to reduce greenhouse gas emissions incurred by business operations.

TREATMENT OF STAKEHOLDERS

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

- **Investors:** Krungsri recognizes the importance of disclosure of both financial and general information that is accurate, adequate, transparent, regular, and in a timely manner, through various channels and media for investors. Krungsri has established the Investor Relations function, currently overseen by the Corporate Affairs Department, being responsible for coordinating, answering enquiries, presenting Krungsri's operating results, and establishing a good relationship with investors and stakeholders.

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

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

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

- **Employees:** Krungsri adheres to all applicable laws and standards, as well as giving fair treatment to its employees and respecting human rights. Krungsri follows international human rights principles and is bound by laws concerning freedom of association, privacy, working time, wages, and working hours, as well as non-discrimination in employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri does 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 declaring a strong intention of preserving human rights, but also promotes a culture of mutual respect.

  The Board of Directors, executives, and employees shall adhere to human rights standards and not support any activities violating human rights according to the Good Corporate Governance Principles. Krungsri also provides proper welfare, arranges for a safe workplace and working conditions, ensures compliance with laws and regulations regarding the environment, hygiene, and safety, creates a work environment without discrimination, and protects as well as manages employee information through employee consent as stipulated by the Personal Data Protection Act B.E. 2562 (2019).

  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 a core value of customer centricity by focusing on compliance with all applicable laws and standards, establishing a market conduct policy, and serving its customers with honesty, integrity, fairness, and verifiable processes. Krungsri also provides customers equal measures of services and advice, develops and offers high-quality products and excellent services consistently, as well as provides them accurate, adequate, clear, and trustworthy information in order to protect their interests and avoid misunderstandings while delivering maximum customer satisfaction.

Amidst the COVID-19 situation which has had widespread impacts on business sectors, Krungsri has joined programs and designed measures to accommodate debtors with the Bank of Thailand and other commercial banks, e.g., soft loan schemes to strengthen customers' liquidity as well as relief measures and restructuring.

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 require that the customers' information not be disclosed, unless required by law or authorized in writing by the customers, and the use of 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 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 clear targets by providing a customer satisfaction survey. Krungsri has also developed the 'Instant Feedback' system, which is a multifunction self-service kiosk that allows branch employees to know customers' feedback immediately after making transactions, the results of which are annually analyzed to develop and improve the quality of services provided by the employees. Moreover, customers can file complaints or make recommendations to Krungsri via several channels.

- **Vendors/Suppliers:** Krungsri 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 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 Supplier Code of Conduct which covers the matters promoting the vendors/suppliers business operations in compliance with the Good Corporate Governance Principles as well as laws and relevant regulations; the keys are as follows:

  1. Have a selection process to ensure that vendors/suppliers are operating business in compliance with laws and agreed conditions not listed in the UN & OFAC & JFEL SDN List or the AMLO SDN List, and to verify whether the vendors/suppliers have any relationship with Krungsri's directors or executives (Related Party). In case of being the related party, the declaration and the operations shall strictly comply with Krungsri's relevant disclosure and other regulations. Vendors/suppliers shall adhere to the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requirements.
  2. Ensure transparency and fairness, provide correct, complete information to all vendors/suppliers, and keep information provided by the vendors/suppliers in confidentiality and disclose only to persons involved. Any possible conflict of interest shall be avoided.
  3. Foster vendors/suppliers who operate business in compliance with laws, relevant regulations, adherence to integrity and transparency, respect for human rights, commitment to fair employment, and responsibility for society and the environment.
  4. Prepare 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 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 accurate and adequate information as well as promoting activities leading to a better mutual understanding.

  Krungsri has comprehensively structured its management for business operations and established a clear strategy



on capital management for the organization's stability and strength, to ensure that Krungsri will not fall into any financial difficulty that would result in its inability to repay debts. Krungsri has managed its liquidity to ensure the ability to repay debts on time according to maturity periods, as well as have readiness to repay debts in an emergency. This managerial structure ensures that Krungsri is capable of repaying its debts even when faced with a liquidity crisis. If Krungsri cannot comply with the agreed-upon conditions, creditors will be notified in advance so that they can jointly consider the issues and seek solutions.

Krungsri has also established a clear and concrete policy on fair treatment and responsibility to creditors, in particular guarantee conditions, capital management, and default of repayment. Additional details are shown in the annual 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 laws relating to business competition.

  Krungsri provides cooperation in activities beneficial to the overall business to prevent any impact on the commercial banking system and promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. In addition, Krungsri has established a Gift and Entertainment Policy with regards to receiving gifts from customers and vendors/suppliers to prevent bribery or conflicts of interest in doing business, except for cases in which gift-receiving is necessary in order to maintain business relationships. However, any gifts that are received must be managed in accordance with Krungsri's guidelines, e.g., donated to charities or public interest non-government organizations.

  Moreover, Krungsri also provides cooperation in reducing the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in the annual Sustainability Report.

- **Responsibility to Society and the Environment:** Krungsri established the Sustainability Committee to formulate Krungsri and Krungsri 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. Krungsri also established the Environmental, Social and Governance Division (ESG Division), under supervision of the Corporate Strategy and Planning Group, to ensure clear and concrete operations, strategic policies, and activities under the framework of sustainable banking with integration of ESG 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.

Krungsri has prepared a Sustainability Report, separate from the Annual Registration Statement/Annual Report (Form 56-1 One Report), to disclose the sustainability of Krungsri and Krungsri Group. It covers environmental, social, and governance (ESG) dimensions as well as economic dimensions under the Global Reporting Initiatives Standards (GRI Standards) as the Core, along with the Financial Service Sector Disclosure Sustainability Guidelines, G4 edition as recommended by GRI Standards to suit the nature of Krungsri's business and sustainability issues that are significant to the organization and its stakeholders, such as employees, customers, business partners, shareholders, regulators, community, and society. It also presents the link between the organization's approach to actions and the United Nations' Sustainable Development Goals 2030: SDG 2030.

Responsibility to Society

Krungsri established the framework of CSR activities, or Krungsri's 4 CSR Pillars, so that the operations of social activities can be responsive in supporting sustainable growth at both the domestic and international level; 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 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 other areas, through diverse social projects/activities.

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.

Environmental Management

Although doing business in the financial sector may not have a directly negative impact on the environment, Krungsri, as a financial service provider, recognizes the importance of accounting for the environmental impact that may arise from Krungsri's business operations by driving positive environmental impacts through internal environmental management. Krungsri sets environmental management guidelines as well as encouraging employees to realize the importance of environmental management. The Policy for Environment, Resource, Occupational Health, and Safety have been established to promote and support such management, including communication of environmental information to employees and provision of channels for whistle-blowing or complaints about environmental issues.

Efficient Resource Utilization

Krungsri established a Policy for Environment, Resource, Occupational Health, and Safety in order to encourage conservation by mandating the efficient use of eco-friendly resources for its operations. Any materials used will be made with eco-friendly manufacturing processes. In addition, Krungsri encourages its employees to recognize and participate in the use of resources with maximum efficiency and has established measures for achieving concrete results. In addition, executives and employees at all levels are required to take responsibility and cooperate in promoting and complying with policies and measures related to resource management and environmental stewardship, including the efficient use of energy and resources, and environmental conservation.

Krungsri also established a working group on energy management and its evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007)) to ensure efficient energy management. Krungsri organizes training and public relations information and activities in the area of proper energy conservation and management, whereby Krungsri will annually review the members of the Energy Management Working Group.

To enhance employees' knowledge of sustainable development, Krungsri provides both in-house and external training for them to improve their knowledge and application of sustainable development including environmental sustainability. Details of Krungsri and Krungsri Group sustainability practices regarding environmental, social, and governance (ESG) as well as economic aspects are disclosed in the annual Sustainability Report.

Respect for Intellectual Property or Copyright

Krungsri shows respect for intellectual property by stipulating such concern in The Spirit & The Letter (S&L) and a clear Policy on Entity, Identity and Intellectual Property, requiring employees to protect intellectual

property including 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 property of other people without authorization.

PRACTICE 6: STRENGTHEN EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL

To ensure that Krungsri has an appropriate risk management and internal control system and complies with applicable laws and standards, the Board of Directors, therefore, has appointed subcommittees reporting to the Board of Directors to support the implementation of such matters as follows:

Audit Committee: The committee performs the duty of reviewing operations to be in compliance with the policy, regulations, as well as laws and regulations of regulatory agencies, and encourages the development of financial and accounting reports to be in accordance with the standards, including reviewing the internal control system and internal audit system, and ensuring a concise and efficient risk management system. The Audit Committee can perform duties and express opinions independently.

Risk and Compliance Committee: The committee is responsible for determining and reviewing the effectiveness of policies, strategies, and risk governance frameworks including overall business governance; its duties and responsibilities cover the responsibilities set by the Bank of Thailand regarding the Risk Oversight Committee under the context of the financial institutions' governance criteria

Each of the above committees will assess the performance of the Bank's Chief Compliance Officer and Chief Risk Officer to maintain independence in the performance of the duties of the top management of the supervisory authority and risk management function which is responsible for overseeing the business operations of Krungsri and companies in the Krungsri Group to ensure their compliance with the specified rules and risk levels.

In addition to meetings of each committee, during the year, the Risk and Compliance Committee regularly discusses and exchanges views with the Audit Committee, and the two committees have an annual meeting to jointly consider guidelines for improvement and continually develop policy and risk management. In 2021, there was one meeting of the Risk and Compliance Committee and the Audit Committee, on December 25.

GOVERNING RISK MANAGEMENT, INTERNAL CONTROL, AND INTERNAL AUDIT

- Krungsri has established policies and procedures for efficient governance of risk management, internal control, and internal audit to comply with relevant laws and standards.
- In the event of significant investments in other businesses, Krungsri and/or its subsidiaries should consider the results of their internal control and risk management assessments.
- Krungsri has established a clear internal audit system in line with international practice, consisting of the Three Lines Model: the business, compliance, and internal audit units. These three units cooperate to ensure effective internal control.
- Krungsri requires the Compliance Group to report any non-compliance with regulatory rules to the Board of Directors through the Audit Committee for acknowledgment and has established an independent unit reporting to the Audit Committee, i.e., 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 Miss 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 the Good Corporate Governance Principles, and to provide suggestions to the Board of Directors for consideration regarding policies and procedures related to risk management, as well as the policy of the business continuity management plan. In this regard, all policies are regularly reviewed.

- The Board of Directors has established a risk appetite framework and assigned the Risk Management Committee to define levels of material risk including other risks such as information technology risk and cyber risk and to define Key Risk Indicators (KRIs) under the Policy for Enterprise-Wide Risk Management and Internal Capital Adequacy Assessment Process Policy. The Enterprise-Wide Risk Management Department is responsible for assessing, monitoring, and ensuring the appropriate risk levels via Enterprise-Wide Risk Management Framework tools. A summary of these risks is shown in the Enterprise Risk Management report, including significant information technology incidents or problems and significant cyber-attack 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/Annual Report (Form 56-1 One Report) under the topics, 'Risk Management' and 'Internal Control and Related Party Transactions.'

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.

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 for which directors have a related interest, and that they will not participate in consideration nor have they any right to vote on such agenda. As for the agenda of which directors may have related interest, those directors would refrain from participating in consideration of that agenda, and abstain from voting. If a director is aware that they have related interest in any agenda other than what has been informed by the Corporate Secretary, they will inform the meeting before beginning such agenda. The information on related interest of directors in each agenda is recorded in the minutes of the meeting.

- Krungsri has established a policy prohibiting the granting of any loan, loan-like transaction, or debt guarantee to its directors, senior executives, or other related persons, except loans granted in the form of credit card or loan as a part of welfare loan, in compliance with the regulations of the Bank of Thailand.

RECEIPT OF COMPLAINTS FROM, AND COMMUNICATION CHANNELS WITH, STAKEHOLDERS

Krungsri provides channels for all groups of stakeholders as well as those affected by Krungsri's operations through which they can inquire or file a complaint or provide information to Krungsri when witnessing, perceiving, or having questions or reasonable grounds to believe in good faith that the Bank's function or employee has acted in violation of or does not comply with the laws, rules, regulations, good corporate governance, business ethics, applicable policies, and regulations, which may cause damage to the Bank.

- 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
  - Krungsri's website under the heading, 'Contact Us'
  - email: webmaster@krungsri.com
  - Call Center at 1572 (Overseas Dial 66-2296-2000 #1)
  - The Bank's branches

  Krungsri has set up a function to consider complaints received and inform the relevant departments to investigate the facts of the complaints and take appropriate corrective action with a clear timeline for implementation. The relevant functions will give notice of the results to the complainants within a reasonable period of time.

  In order to protect the rights of complainants and informants who act in good faith, Krungsri will conceal the name, address, or any other information that can identify the complainant or the information provider and keep the information of the complainant and the informant confidential. Only those responsible for the investigation of complaints will have access to such information. Those involved are responsible for keeping information, complaints, and documentary evidence of the complainant and the information provider confidential, and cannot disclose information to any other person who does not have a relevant duty, unless it is a disclosure in accordance with the duty required by law.

PRACTICE 7: MAINTAIN RELIABLE FINANCE AND INFORMATION DISCLOSURE

MONITORING AND ASSESSING LIQUIDITY RISK

The Bank recognizes the importance of regulatory requirements, as the Liquidity Coverage Ratio (LCR) 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.

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.

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 it must be disclosed in Thai and English for both financial and other information via easily accessible channels in a correct, adequate, transparent, prompt, timely, and equal manner under prescribed criteria and in compliance with the relevant laws and regulations of government authorities; this includes updating important information as needed. Krungsri regularly reviews and assesses the effectiveness of its disclosure process.

Information Disclosure Guidelines

Krungsri has set information disclosure guidelines in accordance with related regulations of the Stock Exchange of Thailand to be used as standard practices in preparing information to disclose and/or communicate to investors, analysts, fund managers, and other parties. The guidelines are as follows:

- Information to be disclosed to investors, analysts, fund managers, and other parties must have consent for release and/or be able to be disclosed to the public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission, Thailand;

- Krungsri will not disclose any sensitive information that may affect its reputation to investors, analysts, fund managers, or other parties, unless otherwise authorized by senior executives or until the actions related to raising the issue are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers, and other parties;
- For any information disclosure regarding unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities. Such information to be disclosed to the investors, analysts, fund managers, and other parties shall be the same as that already disclosed to the Stock Exchange of Thailand, the Securities and Exchange Commission, Thailand, and/or other relevant authorities;
- Krungsri will avoid disclosure of information such as that which is viewed as aiming to persuade, convince, or propagandize, for product and service marketing purposes, including unsubstantiated information that aims to create a sense of superiority.
- Any person preparing, involved in, or with knowledge of unreleased information is not allowed to disclose or convey the same to any person closely related to them or other persons without permission from the authorized person, and such information shall be treated as confidential until the permission is granted and/or such information has already been reported to the Stock Exchange of Thailand;
- Disclosure channels to the public must be suitable for each group of stakeholders, and in compliance with the rules applicable to each channel;
- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by the Chief Financial Officer, related Head of Group/Chief Officer, and/or President and Chief Executive Officer;
- The Corporate Affairs Department shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions related to investments. If the information is found to be incorrect, the Corporate Affairs Department, with approval from the Chief Financial Officer, shall issue a clarification and provide the correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via 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 President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications;
- The Corporate Affairs Department shall be the center for handling interview and information requests from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure;
- Information of investors, analysts, fund managers, and other parties shall be kept in a database categorized by type (investors, analysts, fund managers, and other parties), and shall include their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.

Information Disclosure Channels

Krungsri has disclosed its information related to both financial and general matters so that the stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website (www.krungsri.com), the Annual Registration Statement/Annual Report (Form 56-1 One Report) (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.

- **Disclosure in the Annual Registration Statement/Annual Report (Form 56-1 One Report):**

  Krungsri discloses useful information for its shareholders as follows:

  1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, Thailand, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association, separated into eight practices as per Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission, Thailand.

2. Vision and Mission for business operations of Krungsri, which are fundamental aims and medium- to long-term goals, and Krungsri has identified its Core Values, which are fundamental behaviors to build organizational culture and make the employees aware of Krungsri's expectations. This will enable Krungsri to accomplish its Vision and Mission.

3. Krungsri discloses 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 Registration Statement/Annual Report (Form 56-1 One Report) of Krungsri, are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, to which consistent adherence is made, and to apply appropriate projection methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's actual financial status and performance, which are beneficial to the shareholders and general investors. The 2021 financial statements were certified with an unqualified opinion by an independent auditor.

4. Krungsri has received a number of awards which reflect its success and excellence in various aspects, i.e., corporate governance, business operations, employee engagement, innovation, and other initiatives in marketing as well as brand building. Krungsri also measures customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Score (NPS) for the purpose of tracking the interests and preferences of customers toward the Krungsri brand. NPS serves as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2021, Krungsri's NPS score was at 67

5. The nature of business and competition situation, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.

6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.

7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. The nature of each type of risk and risk mitigation is also specified.

8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.

9. Roles of stakeholders whereby complaint process and communication channels with Krungsri are specified so that different groups of stakeholders can contact Krungsri, ask for information, and make complaints or whistleblowing conveniently and rapidly.

10. The name list of directors.

11. 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 the current year, and changes in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission, Thailand and the Board of Directors for acknowledgement.

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 Registration Statement/Annual Report (Form 56-1 One Report), which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements. Krungsri's financial statements therefore reflect actual financial position and performance, which is beneficial to the shareholders and general investors.

- **Information Disclosed on Krungsri's Website:** Various information including financial information and other important information of Krungsri that may affect Krungsri's stock price or affect the rights of shareholders that are disclosed through channels of the Stock Exchange of Thailand, information notified to shareholders, as well as information about Krungsri that will benefit shareholders and investors; all has been organized into categories on Krungsri's website so it can be accessed and searched easily, and is prepared in both Thai and English, e.g., the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information related to the Board of Directors, the 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 roles and responsibility to disclose information, support,

foster good relationships and establish confidence for shareholders, investors, analysts, in order to reflect the long-term intrinsic value of Krungsri's securities and build investor confidence.

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. In addition, communication channels with a contact person are disseminated on Krungsri's website.

Contact Information:
Corporate Affairs Department
Mr. Poonsit Wongthawatchai
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 Corporate Affairs Department:** have become far more developed and cover a wider scope since Krungsri became a subsidiary of Mitsubishi UFJ Financial Group (MUFG). The Corporate Affairs Department communicates Krungsri's increasing business potential to its stakeholders in addition to meeting with MUFG's investor relations team to coordinate and share their experience and discuss practical guidelines for information disclosure and investor relations activities.
- **Engagement by Senior Executives:** both in planning and participating in investor relations activities, is an essential factor in reinforcing the effectiveness of two-way communication with the stakeholders. The senior executives meet with investors both domestic and foreign 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 the arrangement of meetings to communicate with investors and analysts via video conferencing, one-on-one and in groups, and participating in domestic and international conferences. Such activities also reflect how investors, securities analysts, and analysts from credit rating agencies are enthusiastic about and interested in Krungsri, which is recognized as the leader in retail banking and a member of MUFG. In 2021, 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:

- Corporate Affairs Department held a Virtual Analyst Briefing in which the President and Chief Executive Officer and Chief Financial Officer provided information regarding 2020 financial performance, operating direction, and 2021 financial objectives, and Krungsri's Visions under the Medium-Term Business Plan (MTBP) which covers operations in 2021-2023. In the event, the Chief Risk Officer, Chief Strategy Officer and Executive of the Research Division helped provide information and answer questions.
- Corporate Affairs Department held a Virtual Analyst Briefing via video conference for securities analysts,





fund managers and credit rating agencies. The Chief Financial Officer and Chief Risk Officer also shared a summary of the Bank's operating performance for the first half of 2021, including business trends, and the operating performance projection for the second half of 2021.

- Chief Financial Officer shared information at Thailand Focus 2021, which is the biggest annual meeting held by the Stock Exchange of Thailand for institutional investors, under the topic, 'Thriving in the Next Normal'. In this regard, the Executive Vice President of the Environmental, Social and Governance Division also attended this meeting.

- President and Chief Executive Officer, together with senior executives from Bangchak Group and nine leading organizations in Thailand, has pioneered through establishing the Carbon Markets Club, which is Thailand's first carbon credit trading system, in support of Thailand's transition period toward a low carbon society.

- Head of Commercial Banking attended an online seminar for the project, 'Joining forces among trade businesses to move ahead on business recovery', organized by The Mall Group in response to the Bank of Thailand policy by integrating with government and private sectors to revive the Thai business economy; this online seminar event was attended by the Governor of the Bank of Thailand and senior management from Bangkok Bank PCL, Siam Commercial Bank PCL, Kasikornbank PCL and Government Savings Bank PCL.

- Commercial Banking Group was the Bank's representative in signing the Letter of Intent for Principles for Responsible Banking (PRB) of United Nations Environmental Program Finance Initiative (UNEP-FI) together with eight other commercial bank executives at the Sustainable Thailand 2021 event. This was held by the Government Pension Fund with the United Nations and Ministry of Finance, together with major departments of both the government and private sectors.

- Head of Commercial Banking was the representative of the Thai Bankers' Association and Krungsri in joining the Asia-Pacific Economic Cooperation (APEC) senior leadership summit on the topic, 'From Covid-19 to sustainable growth and inclusiveness', held in Phuket, having its main focus on sustainable finance, and was joined by the Country Director of Asia Development Bank and the Deputy Governor of the Bank of Thailand.

- Head of Retail Banking Division attended as speaker to share insights on 'Liquidity management under crisis and advantages and disadvantages of debt restructuring' for social entrepreneurs and other interested parties via online workshop at the Social Enterprise Thailand Forum 2021.

- Executive Vice President of the Environmental, Social, and Governance Division participated in a panel discussion entitled, 'The Role of Gender in Emerging Markets Development' at the 2021 Annual General Conference 'The Future Reimagined: Financial Institutions in the Post COVID-19 World' held by the International Finance Corporation (IFC) which had more than 1,500 attendees around the world.

- Executive Vice President of the Environmental, Social, and Governance Division shared the success and experiences of the private sector in raising funds to support mitigation efforts for Thailand's global warming problem, at an international conference under the framework of the United Nations Framework Convention on Climate Change (UNFCCC), with senior

officials from government agencies of Bangladesh, Mongolia, Tonga, and Vietnam.

- Executive Vice President of the Environmental, Social, and Governance Division and the Investor Relations Team attended JP Morgan's annual big seminar on investment under the theme, 'Thai Banks Day'
- Executive Vice President of the Environmental, Social, and Governance Division joined the panel discussion at the Virtual Forum Go Green Megatrend for Green World, where the Minister of Natural Resources and Environment delivered a keynote speech on 'National Strategy on Reduction of Greenhouse Gas Emission'.
- Executive Vice President of the Environmental, Social, and Governance Division presented and exchanged knowledge on environmental sustainability and innovative ESG financial tools that can be used to support business customer service at the Business Solution Division's Study Session or BSD Academy.
- Executive Vice President of the Environmental, Social, and Governance Division attended the online discussion at Social Enterprise Thailand Forum 2021, the first seminar regarding the social aspect of business to be held in Thailand. The event was organized with cooperation between the Social Enterprise Association and a network of participants from the government and private sectors, both domestic and international, totaling more than 60 organizations.
- Executive Vice President of the Environmental, Social, and Governance Division shared his vision at an international conference under the theme of Gender Finance, attended by the President of Commercial Bank of Ceylon, the largest private bank in Sri Lanka, and President of BRAC Bank, the largest commercial bank for SME entrepreneurs in Bangladesh which was organized by the International Finance Corporation (IFC) and attended by senior executives from 15 leading banks in Asia including Vietnam, Philippines, Indonesia, India, Bangladesh, and Cambodia.
- Krungsri and Ernst & Young (EY) jointly organized a workshop on the topic of ESG Finance & Business Opportunities to share experiences and knowledge, as well as developments in ESG financial products and services, which are a key and growing trend in global fundraising, whereby an executive from the Corporate Planning Division was given the honor of presiding over the opening remarks, with more than 250 interested people attending the event.
- Krungsri and KPMG (Thailand) joined hands to develop financial knowledge for sustainability and fundraising opportunities for PTT Group Public Company Limited with more than 100 PTT executives and employees from various business units attending the event, while an executive from the Fixed Income Securities Business Department along with executives from MUFG exchanged views at the seminar. The Head of the Corporate and Investment Banking Group also shared experiences and presented financial innovations with the PTT management team at this event.
- Krungsri, in collaboration with Bangchak Corporation Public Company Limited and the Electricity Generating Authority of Thailand, organized a workshop to share information on the latest developments and operations of the Carbon Markets Club, as well as guidelines for applying Renewable Energy Certificates as a strategic tool in dealing with climate change and to achieve the goal of carbon neutrality, with the Head of JPC/ MNC Banking delivering the opening remarks.

Major investor relations activities in 2021 are summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visit with investors/analysts	-	-	-
Conference call/ Video conference	12	58	84
Participation in international and domestic conference/meeting	1	9	25
Meeting with securities analysts*	2	70	96
Meeting with credit rating agencies for Krungsri Group**	3	4	18
Site visit	-	-	-
Press conference	7	351	401
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

Krungsri has established policies and guidelines regarding shareholders, as summarized below:

PROTECTION OF SHAREHOLDERS' RIGHTS

Krungsri recognizes and puts emphasis on the equal rights of all shareholders and commits no actions that would violate or deprive the shareholders of their rights or limit their access to vital information about Krungsri. Shareholders can access Krungsri's information via the Stock Exchange of Thailand's disclosure channels as well as Krungsri's website, under the heading 'Investor Relations', which contains updated operating 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 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 and business acquisition where the price appraisal is done by an independent party.

In addition, Krungsri's current shareholder structure has no cross or pyramid shareholding among Krungsri Group.

EQUAL TREATMENT OF ALL SHAREHOLDERS

All shareholders are regarded as the owner of Krungsri. Thus, Krungsri places importance on and upholds this as a governance policy to treat shareholders equally, whether they are minority, majority, or foreign shareholders. Also, Krungsri equally protects shareholders' rights regardless of gender, age, nationality, religion, political opinion, or physical disability.

MEETINGS OF SHAREHOLDERS

Given the situation of the coronavirus 2019 (COVID-19) pandemic, and Krungsri's concern for the safety and health of the shareholders and those involved in meeting preparation, the Annual General Meeting of Shareholders 2021 (e-AGM) No. 109 was conducted via electronic means on April 29, 2021, starting at 14.00 hrs, using a live streaming system with a meeting controller, namely QuidLab Co. Ltd., a service provider certified by the Electronic Transactions Development Agency, as the system controllers whereby the standards comply with the conditions and methods stipulated in the Royal Decree on Electronic Media Conference B.E. 2563 (2020) and the Notification of the Ministry of Digital Economy and Society on Standards for Maintaining Security of Meetings via Electronic Means B.E. 2563 (2020). In addition, Krungsri held the e-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.

The conduct of the e-AGM No. 109 can be summarized as follows:

- The minority shareholders were entitled to propose agendas and nominate qualified persons to be elected as the directors, three months prior to the end of the fiscal year (September 1 - November 30, 2020). The criteria, procedures and methods for exercising such rights were posted on Krungsri's website. The shareholders were informed at the e-AGM that no shareholder had proposed any agenda or nominated any person for director election.

- The notification of the e-AGM was published in both Thai and English and dispatched by post together with the Annual Registration Statement/Annual Report (Form 56-1 One Report) using QR Code, 29 days prior to the e-AGM date. It was also disseminated on Krungsri's website more than 44 days prior to the e-AGM date, giving the shareholders adequate time to study the information.
- Registration Form for the e-AGM No. 109 and Request Form for a hard copy of an the Annual Registration Statement/ Annual Report (Form 56-1 One Report) 2020/Making Enquiry in Advance were sent to all shareholders. They were to request to attend the e-AGM, and submit their questions concerning Krungsri or e-AGM agendas requiring replies at the e-AGM, including a request for a printed Annual Registration Statement/Annual Report (Form 56-1 One Report). These request forms were attached to the notification of the e-AGM, shareholders could download the form on Krungsri's website.
- The notification of the e-AGM was posted at the Head Office and all Krungsri branches 14 days prior to granting rights to attend the shareholders meeting, and advertised for three consecutive days in a newspaper more than three days prior to the e-AGM date.
- The notification contained clear information on the date, time, meeting type, venue for live broadcast, and details of the agendas which clearly indicated the purpose of requesting either acknowledgement or approval. The details of agendas comprised sufficient facts and reasons, together with adequate and precise opinions given by the Board of Directors and relevant committees, as supporting information for consideration. In addition, details on the registration and proxy process, identification documents in case of attending the e-AGM, both in person and by proxy, an excerpt from the Bank's Articles of Association relating to the meeting of shareholders, voting, and counting of votes, including information for inquiries regarding the use of the meeting system, etc. Krungsri also disseminated such information on its website.
- Krungsri neither added any agenda nor changed any significant information in the notification of the e-AGM without prior notice to shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the e-AGM. In case a shareholder wanted another person to be present and vote at the meeting on their behalf, they could use the proxy form to make their vote. 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 for a director who may be a stakeholder in any agenda, if the shareholder does not mark any resolution to vote, that proxy director will not vote for that agenda. But if a shareholder gives a proxy to any other person, that person will have the right to attend and vote in the same way as shareholders in all respects.
- Krungsri set the date and time of the e-AGM meeting, and the system was opened for shareholders to register and present themselves at the meeting 1 hour before the meeting time, so that shareholders could prepare and study how to use the system before the meeting started at 14.00 hrs. Shareholders could easily and safely attend meetings via electronic means, and it did not obstruct or create obstacles to allow shareholders' communications with each other. Krungsri has an electronic traffic data collection of all attendees.
- Krungsri arranged seating in the meeting room for three directors attending the meeting in person. including those who participated in the meeting with social distancing in accordance with the regulations and measures to prevent the spread of COVID-19 that were issued by the authorities and relevant agencies. All remaining directors, executives, auditors, and inspector attended via electronic means instead of attending the meeting in person.
- For the agenda 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, and appointment date. Other information useful for shareholders' consideration was also provided as per the regulations.
- For the agenda on directors' remuneration, the policy and criteria for consideration were specified, together with the amount and each type of remuneration i.e., retainer fee, attendance fee, and other annual compensation. Other benefits including entitlement to medical fee, annual health check-up, 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 is legally held via e-Meeting whereby Krungsri completely performs each process according to the law, and technology has been applied to the shareholders' meeting. The technology was applied to facilitate registration, making inquiries, and the vote-counting process, which was able to calculate and present results instantly and accurately.
- 11 out of 12 directors attended the meeting. One non-executive director requested to be absent from the meeting on account of it being near the end of his term, and gave notice of his intention to resign from the position of Bank director upon the end of the term, in order to reduce the number of people in the meeting broadcasting room and to meet the requirements and measures to prevent the spread of COVID-19. Also some foreign directors resided in overseas. As a result, three directors attended the meeting in person, and another eight people attended the meeting via video conference system.
- Directors attending the e-AGM held position as 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 so that the chairmen of all committees attended the meeting.
- The Chairman of the Board presided over the meeting to ensure that the meeting was in accordance with relevant laws and regulations including the Bank's Articles of Association by allocating an appropriate time for each agenda as stipulated in the notification of the e-AGM. The Chairman of the Board introduced all directors one-by-one and introduced the auditors of Krungsri and inspector to ensure compliance with laws and regulations and inspect the vote count, as well as a delegate from the Thai Investors Association, whom Krungsri invited to join the e-AGM as an observer.
- Krungsri arranged for all senior executives to attend the meeting through the video conference system where they could listen and answer questions from the shareholders throughout the meeting.
- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating in the e-AGM, both in person and by proxy, and explained the criteria and procedures for meeting, vote casting and vote counting. All shareholders and proxies were entitled to express their opinions or raise questions about either the agenda under discussion or Krungsri, independently. Each shareholder could make an inquiry through the system; the officer then passed those questions relating to each agenda to the Corporate Secretary to read, and the Chairman of the Board answered or assigned any persons to respond.
- For each agenda, after the vote counting, the results including approval, disapproval, abstention, no right to vote (except for agendas that required approval by majority vote from the shareholders who attended and casted 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 were not permitted to vote on that agenda, except for the agenda of director election. For this agenda, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.
- For Krungsri's shareholding structure, none of the directors hold more than 25 percent of the registered and paid-up common shares.
- Krungsri video recorded the entire meeting and disseminated the recording on Krungsri's website.
- Krungsri conveyed a summary of the meeting resolutions and the voting results for each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels on the meeting date. The results of the votes were posted on Krungsri's website on the following business day. Additionally, Krungsri sent the said resolutions and results and a thank you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.
- Krungsri prepared accurate, complete, and comprehensive minutes of the e-AGM, with the name list and titles of the directors and the senior executives who attended or did not attend the meeting, including the percentage of directors attending the e-AGM. The minutes also specified the inspector as the vote-count inspector, methods of vote

casting and vote counting, details and opinions of the Board of Directors on each agenda, 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, which were clearly separated into approval, disapproval, abstention, no right to vote (except for agendas that required approval by majority vote from the shareholders who attended and casted their votes), and voided ballot. The draft minutes were presented to the Chairman of the Board and all independent directors for a review of their accuracy and completeness before being submitted to the Chairman of the Board for sign-off, and then sent to the relevant government authorities within 14 days after the e-AGM date. Furthermore, the minutes were also disseminated on Krungsri's website. In order to comply with the Personal Data Protection Act B.E. 2562 (2019), the Corporate Secretary informed the meeting that the name and surname of the shareholders and proxies who made inquiries and expressed their opinions would also appear in the minutes of the meeting.

CODE OF CONDUCT

- 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 and disseminated 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 in the spirit of integrity, whereby matters to be acknowledged, complied with, and 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 on an annual basis. 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 the business operations must comply with the Code of Conduct and Krungsri's policies.

- S&L has set important policies covering the key areas that the Group focuses on as follows:

    1. Regulatory excellence
    2. Improper payments
    3. Supplier relationships
    4. International trade controls
    5. Money laundering prevention
    6. Privacy
    7. Government business
    8. Complying with competition laws
    9. Fair employment practices
    10. Environment, health, & safety
    11. Security & crisis management
    12. Intellectual property
    13. Controllership
    14. Conflicts of interest
    15. Insider trading & stock tipping

- 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 of regulators, policies and procedures, or corporate governance requirements stipulated by Krungsri for the employees in each particular function to be updated and adhere thereto, which continuously and constantly creates awareness and compliance with such principles.

- 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 to ensure that all executives and employees in the organization have knowledge and understanding of the S&L, and can perform their duties correctly and appropriately.

- All details of S&L are disseminated on Krungsri's website (www.krungsri.com) under the heading, 'About Us'.

SIGNIFICANT CHANGES AND KEY DEVELOPMENTS IN POLICIES, PRACTICES, AND CORPORATE GOVERNANCE GUIDELINES IN 2021

SIGNIFICANT CHANGES AND KEY DEVELOPMENTS

In 2021, Krungsri took actions related to good corporate governance system resulting in significant changes and key developments which can be summarized as follows:

- The conduct of the 2021 Annual General Meeting of Shareholders via electronic means. This is the use of technology to help facilitate shareholders to exercise their rights to attend meetings, vote, and inquire via electronic

meeting system (e-Meeting), which is in compliance with applicable laws and related regulations, without distance restrictions or concerns regarding the spread of virus that may affect their health.

- The arrangement for the performance appraisal of the Executive Committee and the Nomination and Remuneration Committee on an additional individual evaluation in addition to the evaluation as a whole for the year 2021 onwards, as assigned by the Board of Directors for consideration and implementation.
- Krungsri has requested consent from all employees in collecting, using, disclosing, and/or transferring personal information to enable Krungsri to comply with the contract and maintain benefits and welfare management as stipulated by the Personal Data Protection Act B.E. 2562 (2019).

APPLYING CRITERIA FROM CORPORATE GOVERNANCE CODE FOR LISTED COMPANIES 2017 (CG CODE) PRESCRIBED BY THE SECURITIES AND EXCHANGE COMMISSION

In 2021, the Board of Directors reviewed Krungsri's Good Corporate Governance Principles annually and considered that the existing Principles are still applicable to the current situation and are consistent with the regulations of regulatory agencies. Therefore, the key content of the Principles has not been revised.

In addition, the Board of Directors has reviewed Krungsri's operations to ensure it is in compliance with the good corporate governance criteria promulgated by various agencies. For the previous year, most of them were found to have already been applied; however, some were sensitive and complicated to the extent that the Board of Directors resolved that their implementation should be suspended. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.

As for some criteria from CG Code prescribed by the Securities and Exchange Commission which Krungsri has not yet applied, Krungsri has already proposed 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 positions for more than nine consecutive years since the initial 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 Re:Corporate Governance of Financial Institutions, 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 positions, but not beyond May 1, 2022.
2. Currently, the Nomination and Remuneration Committee comprises independent directors at 50 percent of the total number of directors, 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.

GOOD CORPORATE GOVERNANCE IN OTHER AREAS

Krungsri ensures compliance with the Principles, as evidenced below:

- Krungsri has never been acted upon or accused by regulators for failing to announce significant events within the time set by regulators or disclosing any information that does not comply with the requirements.
- There has been no case involving an accusation or fine imposed due to misconduct or violation of the regulations of the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, or the Office of Insurance Commission.
- There has been no case of fraud or violation of moral standards;
- No non-executive director has resigned for a reason related to Krungsri's corporate governance;
- There has been no case of defamation resulting from a failure of the Board of Directors to perform its supervisory duty;
- During the past two years, no directors or senior executives have worked for or been a partner of the outside audit company which provides services to Krungsri.

Furthermore, Krungsri received the following assessment results on good corporate governance:

- The result of the Corporate Governance Report of Thai Listed Companies (CGR) for the year 2021 by the Thai Institute of Directors Association (IOD) in the criteria of 'Excellent'
- A full 100 score from the evaluation of the quality of 2021 annual general meetings of shareholders (AGM checklist) of listed companies, carried out by the Thai Investors Association.

COMPLIANCE

The Bank firmly believes that good corporate governance is essential to our business operations, whereby the Bank is focused on the importance of environment, social and governance (ESG) matters in driving the banking businesses to continuously grow along with Thailand's economy under a sustainable banking environment, serving as guidelines which are always observed by the Bank.

Hence, the internal management of the Bank has a structure designed per the principles of checks and balances, whereby the Compliance Group is also designated as an independent function to serve management in overseeing the Bank's compliance with applicable laws, regulations, and good corporate governance principles. In 2021, the Bank restructured the compliance unit by elevating the Compliance Division to the 'Compliance Group' in alignment with international standards, consisting of two divisions and one department, namely the Core Compliance Division, the Financial Crimes Compliance Division, and the Compliance Strategy and Planning Department, respectively.

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 2021, training sessions on multi-faceted rules and regulations—namely market conduct and default interest rates, know your customer (KYC) for e-money service activation, and the guidelines on biometric technology for financial services—were organized for relevant business units, whereby the training sessions on the Terrorism and Proliferation of Weapons of Mass Destruction Financing Act B.E. 2559 and the Personal Data Protection Act B.E. 2562 were held through e-Learning. In addition, internal and external experts were invited to share their knowledge and experience with Krungsri's employees through online channels. Moreover, the Bank used various channels to communicate with employees on laws and regulations, such as the group mail on 'Central Compliance', the Bank intranet (WE Connect) and an official Line account, 'krungsricompliance'. This is to ensure that Bank employees can be equipped with knowledge and an understanding of various regulations in a comprehensive manner.

As for monitoring, the Compliance Group, 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 to ensure the efficiency and effectiveness of the Compliance Group's oversight. Based on the assessment results, measures including compliance checklists, as well as offsite and onsite testing, were deployed holistically to reflect the actual risks as deemed necessary. A review of the activities of the Bank's Compliance Group was also self-assessed by the Bank's own Compliance Strategy and Planning Department (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 and counter-terrorism, and proliferation of weapons of mass destruction financing (AML/CTPF), including those of MUFG's financial crime compliance standards, namely the 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 2021, the Bank moved forward with robotic process automation (RPA) to enhance efficiency in updating lists of designated persons and high-risk persons per the requirements of the Anti-Money Laundering Office (AMLO). The Bank also developed a PDPA Incident System for the Bank's staff to report violations in handling personal data within the organization, and a system for disclosure of conflict of interest (COI) to enhance efficiency in monitoring compliance with the COI-related regulations. In addition, the Compliance Group initiated the Center of Excellence (COE) project in 2021 in order to strengthen the efficiency and effectiveness of the group company supervision framework.

Additionally, the Compliance Group established the Debt Collection Dashboard to report the debt collection monitoring results on a quarterly basis, as well as to monitor proper actions to be taken should it appear that the debt collection process is not in compliance with regulatory requirements.

CORPORATE GOVERNANCE FOR COMPANIES IN THE FINANCIAL BUSINESS GROUP

Krungsri has regulatory mechanisms in place for supervising and overseeing the operations of companies in the Financial Business Group across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, the Bank assigns relevant executives to be directors of companies in the Bank's Financial Business Group to supervise business operations, plans, and annual budgets, under which important transactions as stipulated by regulatory requirements and the Bank's policies must be proposed to the Bank for approval before taking any action. The Bank monitors the operation of companies in the Financial Business Group through monthly operational reports submitted to the Bank and reported to the Bank's Board of Directors.

The Bank has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in the Bank's Financial Business Group. According to the procedures, 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 the Good Corporate Governance Principles. The directors of companies in the Bank's Financial Business Group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and the Bank's direction. In addition, directors must ensure the establishment of policies and procedures important for the companies' operations, and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders. 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, 2021.

In case that the Bank and companies in the Financial Business Group conduct related-party transactions, such transactions—according to the Bank and companies in the Financial Business Group's guidelines—must be conducted with the same conditions as those applied to other customers and through a screening process approved by authorized persons in strict compliance with regulatory requirements and the Bank and companies in the Financial Business Group's regulations. The allowance for expected credit loss policy complies with the same Bank of Thailand regulations which are applied to other debtors. The details can be found in the Related-Party Transactions section.

The Bank recognizes the importance of internal controls over companies in the Financial Business Group. Each company is required to maintain an adequate internal control system. This should encompass the business function units, 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 management teams to formulate viable business strategies to achieve the Bank's goals. Details can be found in the Internal Control and Internal Audit sections.

POLICIES AND MEASURES RELATED TO USING OF INSIDER INFORMATION

The Bank strongly believes that stakeholder confidence is key to achieving 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 an action would not only breach the Bank's internal policy and procedure but may also be deemed to be in violation of laws 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 observed by directors, executives, and all 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 to be aware of the importance of strict compliance with the principle of refusal to seek illicit benefits for themselves or others by using the Bank's or

its customers' insider information. In this regard, an official ceremony in which the President and Chief Executive Officer of the Bank officially signs the S&L is also held to establish 'the tone from the top' and promote this signing as a role model. In addition, there is a compulsory S&L course in the e-Learning platform with a test that all staff and executives must pass with a minimum score of 70 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 for 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 and/or Ngern Tid Lor Public Company Limited during a period of not less than three working days prior to and after the announcement of the Bank's performance or financial statements (the blackout period). The Bank's directors, restricted employees, and related persons are also required to hold the shares issued by the Bank and/or Ngern Tid Lor Public Company Limited for a period of not less than 90 days after their acquisition of these stocks. In certain circumstances, the Bank may prohibit certain groups of staff (restricted persons) from trading the Bank's shares.

Moreover, the Bank requires functions involved in certain types of transactions related to 'Material Non-Public Information (MNPI)', which means any insider information (not generally available to investors) 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, for example the establishment of 'information walls' to prevent disclosure of information that may cause any advantages or disadvantages from conducting transactions, data classification, and monitoring of email communications, etc.

Based on the various aforementioned measures, with knowledge enhancement among staff and executive members, auditing process, and other preventive measures, as well as the introduction of modern technologies for awareness among all staff and executives, the Bank firmly believes that all of this shall foster a strong compliance culture. In addition, the Bank applies the sustainable growth concept to effectively mitigate 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 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 courses 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 Internal 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, the 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 with 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. In addition, there is a process of Management Self-Identified Issues (MSIIs) that encourages the business unit to raise existing risk issues and follow-up on the action plans for remediation to support better overall risk management.

The Internal Audit Group developed the Robotic Process Automation (RPA) project to improve the auditing process by using automation to replace the human workforce.

Summary of Important Activities of the Internal Audit Group in 2021

Given the impacts of the COVID-19 pandemic on the Bank's operations, the internal audit 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, Microsoft Teams meetings have been added as a communication channel and operating process adjustment, and program modification on the electronic working paper documentation was performed in support of work-from-home mandates.

In 2021, the Internal Audit Group developed the M-Si system to facilitate the Bank's business units in recording risk issues or process deficiencies and action plans to manage risk at any time. The system also alerts shortly before the target date for convenience in proceeding with the Management Self-Identified Issues (MSIIs) process, and the Internal Audit Group has also developed tools to monitor the progress of the Audit Project Tracking System at every stage.

As regards the promotion and support for auditors to obtain professional certificates, in 2021, the Bank had a total of 128 auditors who had received a total of 187 audit certificates, increasing by 15 auditors and 25 certificates compared to 2020. Additionally, the Internal Audit Group arranged for audit quality assessment perforvmed by leading consulting firms.

THAI PRIVATE SECTOR COLLECTIVE ACTION AGAINST CORRUPTION

Krungsri Group upholds the Anti-Bribery and Corruption Policy and Program with integrity, transparency, and auditability in our business practices. In addition to other Krungsri Group entities, Krungsri is one of the commercial banks certified as a member of Thailand's Private Sector Collective Action Against Corruption (CAC), 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 written document of the Anti-Bribery and Corruption Policy and Program. All Krungsri Group directors, executives, and employees must sign and observe a binding agreement to adhere to our anti-bribery and corruption efforts, with disciplinary action taken against those violating these provisions.

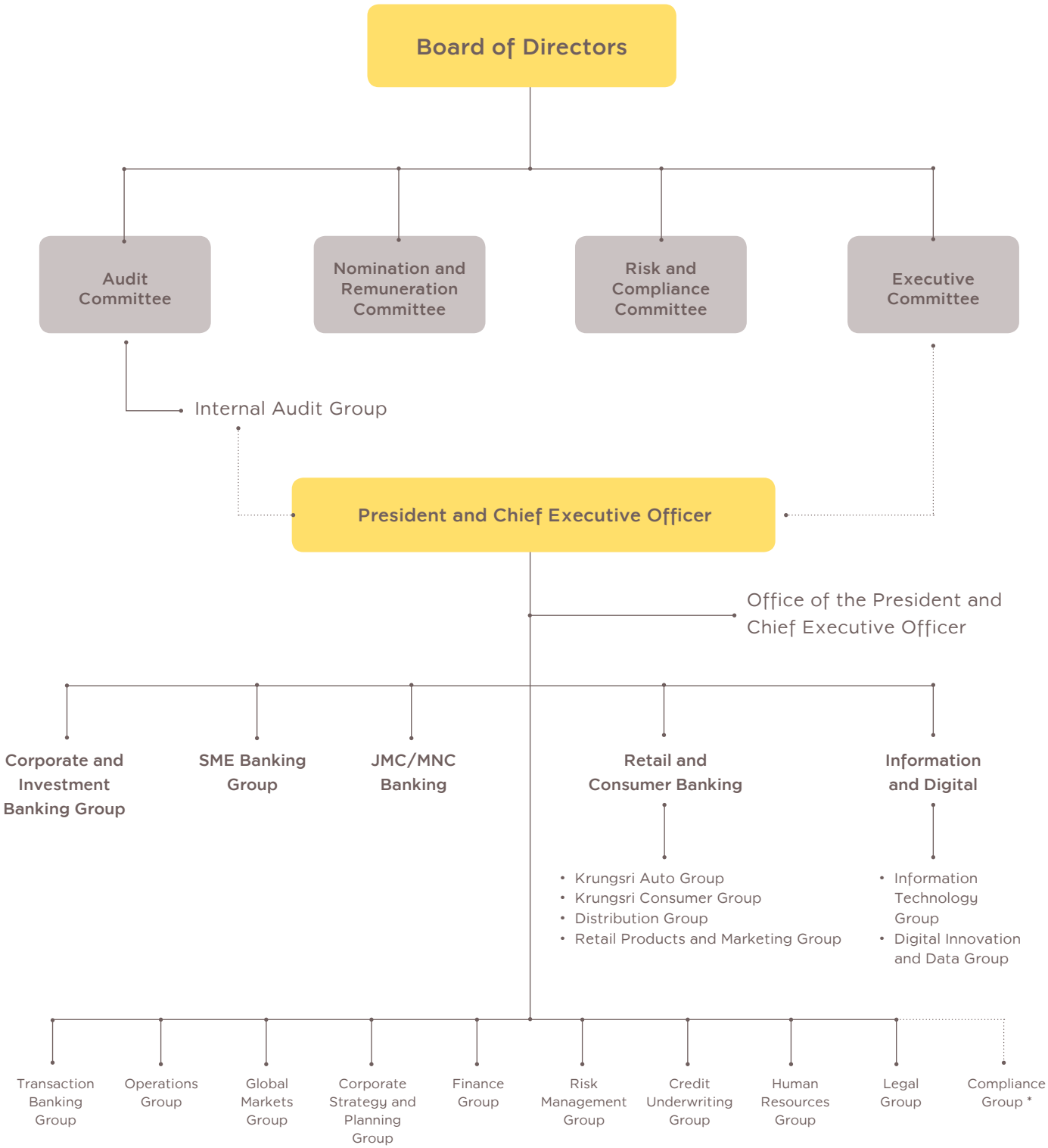
Krungsri Group also provides easily accessible whistleblowing channels and communicates to all employees. All whistleblowing leads shall be investigated to determine the facts, rectifications, and preventions, which shall be reported to senior executives and relevant committees. More importantly, any whistleblower's identity is 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.

In addition, employees and executives must enroll in training via a compulsory e-learning course on a bi-annual basis to comprehend the purpose of anti-bribery and corruption practices. In the meantime, Krungsri Group encourages employees to engage in various activities to continuously support anti-bribery and corruption campaigns in the form of, e.g., short films and posters, to promote and reinforce the importance of staff performing their duties with integrity, transparency, and auditability – the key principles of a comprehensive anti-bribery and corruption program.

As to contributions related to society and the general public, on September 6, 2021, Krungsri Group executives and employees representing our determination, together with the Thai Bankers' Association (TBA), the Thai Institute of Directors Association (IOD), and other leading organizations in Thailand, participated in Anti-Corruption Day 2021, under the 'Khob Dek Srang Chat' ('Be with the Nation Builder') theme, organized by the Anti-Corruption Organization of Thailand. Also on December 9, 2021, 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 the Public Sector Anti-Corruption Commission, and the Anti-Corruption Organization of Thailand (ACT) as well as its anti-corruption alliance network, as part of the social forces to drive and create further networks of related business partners, with a commitment to support and adhere to the Anti-Bribery and Corruption Policy and Program along with a pledge to perform duties with integrity, transparency, and auditability.

ORGANIZATION STRUCTURE

As of January 1, 2022



* The Compliance Group reports directly to the Risk and Compliance Committee

MANAGEMENT STRUCTURE

Krungsri's management structure consists of the Board of Directors and four committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. Krungsri's operations are divided into two parts based on their 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., four non-executive directors, five independent directors (including two women), and three 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 three independent directors or at least one-third of all the directors, whichever is greater. 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 that are appointed under the prescribed nomination process. In addition, they shall have expertise, extensive knowledge, and experience as prescribed, and have comprehensive understanding of their roles and responsibilities as well as the nature of the business, and be able to devote their time to perform as directors. Besides, at least one director shall possess knowledge or experience in information technology.

Term of Office

The directors' term of office is clearly specified in the Bank's Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992); at every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of three, the number nearest to one-third shall retire.

Regarding directors' retirement age, it is presently set at 75 years. If a director reaches the age of 75 while holding the directorship position, the director is allowed to hold the office until the end of their term of office. If a director has not yet reached the age of 75 at the time of nomination for election, the director may be re-elected for another term.

Roles and Responsibilities of the Chairman of the Board

1. Ensure proper structure of the Board of Directors, including overseeing and monitoring their performance as balanced in terms of corporate governance and achieving key objectives and goals of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision-making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.
4. Preside over the Board of Directors meetings, oversee the time allocated for the management to complete each agenda presentation, and encourage all directors to ask questions, express opinions, or make recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without the presence of executive directors.
6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow the sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.
7. Encourage the directors to attend seminars and training courses related to their duties and good corporate governance for knowledge development.
8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as ensuring that the directors perform their duties in line with Good Corporate Governance Principles.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage awareness and compliance among the directors, executives, and all employees.

10. Be a role model to promote good relationships between the executive and non-executive directors, and between the Board of Directors and the management.

Roles and Responsibilities of the Board of Directors

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under the principles and guidelines of the business judgment rule. In addition, the Board of Directors must recognize and uphold the interests 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 interests 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 provide 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 the 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 following up, evaluating and monitoring the performance report.
   3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanisms over the Group's policies and operations are in place, and promote comprehensive and correct understanding of 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 policy related to preventing the use of insider information, and the formation of a 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 related to risk management with regular reviews, and support the 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 related to anti-fraud and anti-corruption.
   11. Ensure the establishment of a supporting system for the Board of Directors' full performance of their roles and responsibilities including access to 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 innovations that create value for the business together with benefits to customers or other stakeholders, society, and the 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 definition, 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 the 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 the 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 support sustainable value creation.

24. Ensure shareholders' opportunities to participate in decision-making for significant corporate matters, and proper, transparent, and efficient shareholders' meetings which facilitate the shareholders in exercising 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 use of 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 on the management to ensure the efficient and effective implementation of those approved policies/plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer, and/or change of positions of senior executives, as well as the appointment of Krungsri's executives to serve as the directors of the companies in 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 the principles and guidelines of business judgment rule. In addition, executives must recognize and uphold the organization's interests with awareness of organizational matters and operations.

2. Play key roles in promoting good governance in order to enhance the trust of shareholders, customers, supervisory agencies, and all stakeholders for the best interests of the organization, industrial sector, and country.

3. Manage the business in accordance with strategies, policies, and plans approved by the Board of Directors.

4. Support the Board of Directors in formulating and reviewing strategies, goals and operating plan; ensure the appropriateness and adequacy of risk management and internal control systems; define the management's authority to be in accordance with their responsibilities; set policies related 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 interests, as well as control any possible damage to remain at acceptable levels 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' transactions towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be the main consideration.

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 a capable management team to effectively perform duties according to the Bank's strategies and objectives.

6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign another 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, 2021, the Board of Directors consists of 12 directors as listed 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	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	Independent Director/Audit Committee Member/Risk and Compliance Committee Member
Non-Executive Directors	
6. Mr. Takanori Sazaki [1/]	Vice Chairman (Authorized Signatory)/ Nomination and Remuneration Committee Member
7. Mr. Hisashi Kanamori [2/]	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 Vice Chairman and a Nomination and Remuneration Committee member, effective June 10, 2021
[2/] Appointed as the Director and a Risk and Compliance Committee member, effective April 29, 2021

The last updated profiles of directors are as detailed in Attachment 1. (The topic, 'Details of Directors, Executives, Persons with Managerial Authority, the Person taking the Highest Responsibility in Finance and Accounting, Person having Accounting Control and Corporate Secretary')

The directors authorized to sign on behalf of Krungsri are Mr. Takanori Sazaki and Mr. Seiichiro Akita, who jointly sign and affix the Company's seal; or either Mr. Takanori Sazaki or Mr. Seiichiro Akita co-sign with either Miss Nopporn Tirawattanagool or Mr. Pornsanong Tuchinda or Miss Daungdao Wongpanitkrit, for a total of two directors who jointly sign and affix the Company's seal.

The signatory authority of Mr. Takanori Sazaki and Miss Nopporn Tirawattanagool shall be subject to the condition that the binding signature must be made according to the items approved by the resolution of the Board of Directors on a case-by-case or temporary basis and co-signed with another director so that both directors possess the qualifications of Non-Executive Director in accordance with the rules stipulated by the Bank of Thailand.

Members of the Directors

In 2021, the meeting attendance of the Directors was as 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	The Annual General Meeting of Shareholders	The Extraordinary General Meeting of Shareholders
	Ordinary Meeting	Special Meeting						
Independent Directors								
1. Mr. Karun Kittisataporn	12/12	-					1/1	1/1
2. Miss Potjanee Thanavaranit	12/12	-		13/13			1/1	1/1
3. Mr. Virat Phairatphiboon	12/12	-	17/17	13/13	12/12		1/1	1/1
4. Dr. Jamlong Atikul	12/12	-	17/17	13/13			1/1	1/1
5. Mrs. Tongurai Limpiti	12/12	-		13/13	12/12		1/1	1/1
Non-Executive Directors								
6. Mr. Takanori Sazaki [1/]	7/7	-	10/10				-	1/1
7. Mr. Hisashi Kanamori [2/]	8/8	-			8/8		-	1/1
8. Miss Junko Kawano	12/12	-					1/1	1/1
9. Miss Nopporn Tirawattanagool	12/12	-	17/17		12/12		1/1	1/1
Executive Directors								
10. Mr. Seiichiro Akita	12/12	-				36/37	1/1	1/1
11. Mr. Pornsanong Tuchinda	12/12	-				33/37	1/1	1/1
12. Miss Duangdao Wongpanitkrit	12/12	-				37/37	1/1	1/1
Members who resigned or whose membership ended during the year								
1. Mr. Toru Matsuda [3/]	3/4	-			3/4		-	-
2. Mr. Noriaki Goto [4/]	5/5	-	6/7				1/1	-

Remarks: [1/] Appointed as the Vice Chairman and a Nomination and Remuneration Committee member, effective June 10, 2021
[2/] Appointed as the Director and a Risk and Compliance Committee member, effective April 29, 2021
[3/] Resigned from the Bank's directorship upon the end of his term, effective April 29, 2021
[4/] Resigned from the Bank's directorship, effective June 10, 2021

As of September 30, 2022, the number of meeting attendance of the Executive Committee in this table has been revised to ensure accuracy

In addition, two meetings of non-executive directors were held on May 27, 2021, and November 24, 2021.

EXECUTIVES (AS DEFINED BY THE CAPITAL MARKET SUPERVISORY BOARD)

Members of the Executives

The executives as defined by the Capital Market Supervisory Board are the President and Chief Executive Officer, Executive Vice President and above reporting directly to the President and Chief Executive Officer, Chief Financial Officer and another person designated as Acting for the above-mentioned, for a total of 16 persons as listed below:

Name – Surname	Position
1. Mr. Seiichiro Akita	President and Chief Executive Officer
2. Mr. Pornsanong Tuchinda	Head of Commercial Banking
3. Miss Duangdao Wongpanitkrit	Chief Financial Officer
4. Mr. Yoshiyuki Horio	Head of JPC/MNC Banking
5. Mr. Phonganant Thanattrai	Head of Retail and Consumer Banking
6. Mr. Sayam Prasitsirigul	Chief Information and Digital Officer
7. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chief Risk Officer
8. Miss Puntipa Hannoraseth	Head of Internal Audit Group
9. Mr. Pairote Cheunkrut	Chief Strategy Officer
10. Mr. Vasin Udomratchatavanich	Chief Human Resources Officer
11. Mr. Kenichi Nishii	Head of Global Markets Group
12. Mr. Saengchart Wanichwatphibun	Chief Compliance Officer
13. Mr. Wirote Chuenratanakul	Head of Operations Group
14. Mr. Yoshio Ueyama	Chief Credit Officer
15. Mrs. Yingluk Kongkasai	Head of Transaction Banking Group
16. Mr. Thitivorn Chothayaphorn	Head of Legal Group

The last updated profiles of executives are as detailed in Attachment 1.

- **Person taking the Highest Responsibility in Finance and Accounting**

  The Person taking the Highest Responsibility in Finance and Accounting is Miss Duangdao Wongpanitkrit, Chief Financial Officer, whose last updated profile is as detailed in Attachment 1.

- **Person having Accounting Control**

  The Person having Accounting Control is Mr. Kriangsak Jongsukkigparnich, Executive Vice President - Head of Accounting Division, Finance Group, whose last updated profile is as detailed in Attachment 1.

- **Corporate Secretary**

  Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of the Corporate Secretariat Department, has been appointed as Corporate Secretary and Secretary to the Board of Directors, having the qualifications, duties, and responsibilities of Corporate Secretary, whose last updated profile is as detailed in Attachment 1.

  The Board of Directors encourages the executives, Corporate Secretary, and persons who have a duty related to compliance to continuously take related training courses, not only external courses but also learning via Krungsri Learning Companion (KLC), which can be accessed through personal computer, mobile phone, or tablet that can connect to the internet. For example, Good Corporate Governance (CG), The Spirit and The Letter (S&L), and IT Security Policy.

  The Corporate Secretary takes various related training courses that are of benefit to the 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, Company Secretary Forum 2019 'Role of the Company Secretary in Shaping Corporate Culture', 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, as well as field trips to gain knowledge regarding corporate secretary tasks domestically and abroad. In 2021, the Corporate Secretary attended training courses, namely Innovation for Society held by Social Innovation School, Company Secretary's Roles in Enhancing CG regarding Anti-Corruption, and Ethical Leadership Program (ELP) held by the Thai Institute of Directors Association (IOD).

NOMINATION AND REMUNERATION COMMITTEE

Structure and Composition

The Board of Directors appoints the Nomination and Remuneration Committee, which consists of not less than three members who are independent directors or non-executive directors (currently, two independent directors and two non-executive directors). The Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Chief Human Resources Officer shall be appointed as 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 the vacancy at the earliest opportunity. During the process of nomination and appointment, remaining members can continue to perform their duties even if the number of the committee members does not meet the full composition. Such a person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

Scope of Authorities, Duties, and Responsibilities

1. To determine and endorse policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:

    1.1 The policies, rules, and procedures for nomination of Bank's directors, members of the subcommittees whose authority, roles, and responsibilities are directly assigned by the Bank's Board of Directors, senior executives at the level of Executive Vice President and above, and Bank's advisors equivalent to Director or executive at Executive Vice President level and above.

    1.2 The policies, rules, and procedures for nomination as well as selection and/or screening of the names of the suitable candidates, as the case may be, for directors, managing directors, or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares. Such selection and/or screening is 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, subcommittee members, senior executives at the level of Executive Vice President and above of the Bank, as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares.

2. To select and/or screen candidates and endorse the appointment of the candidates to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:

    2.1 Directors of the Bank

    2.2 Members of the various subcommittees reporting directly to the Bank's Board of Directors.

2.3 Appointment or removal or position change of senior executives at the level of Executive Vice President and above of the Bank.

2.4 Appointment or removal or position change of directors of the entities in which the Bank holds shares whereby the number and composition of directors will be as stipulated in the Articles of Association of each entity and in accordance with the Bank's guidelines on determination of numbers of directors of Krungsri Entities, directorship proportion according to JV agreement, and relevant regulatory requirements.

2.5 Appointment or removal or position change of managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares.

2.6 Appointment or removal or position change of directors, managing directors, or persons holding equivalent positions regardless of title of the entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries): The NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement.

2.7 Appointment or removal of the Bank's advisors equivalent to Director or executive at Executive Vice President level and above.

This shall exclude a person who is employed by the Bank for his/her special technical expertise or special skill, such as accounting advisor, legal advisor, information technology advisor, tax advisor, language advisor, corporate communication advisor, insurance advisor, or advanced quantitative model advisor, etc. or as stipulated by the Bank of Thailand.

3. To determine the policies on and the amount of remuneration and other benefits commensurate with roles and responsibilities, and reflect the objectives and relevant risks of the Bank and/or companies in its financial business group and that are in accordance with the clear and transparent criteria as well as comparable to the industry benchmark.

3.1 To determine and endorse remuneration and other benefits for Bank's directors, members of the various subcommittees, senior executives at the level of Executive Vice President and above, and Bank's advisors equivalent to Director or executive at Executive Vice President level and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.

3.2 To determine and endorse remuneration and other benefits for directors, managing directors, or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares, 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 the additional assignments.

3.4 To consider and endorse the salary structure of executives and employees of the Bank to ensure alignment with the Bank's business strategies and market-competitive pay taking into consideration the relevant risks before submission to the Board of Directors for consideration and approval.

3.5 To consider and endorse the annual performance bonus and merit increase framework of the Bank and the entities in which the Bank holds more than 50 percent of shares before submission to the Board of Directors for consideration and approval.

For entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries), the NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement.

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 the director selection and nomination process are in place so that 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 operations in the long run and in line with the Bank's business direction and strategies.

5. To ensure that the evaluation of performance is undertaken uniformly across the Bank and companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long term based on duties, responsibilities, and risks involved.

    5.1 To consider and endorse performance evaluation guidelines and performance evaluation forms prepared by the Bank in appropriate formats for use in evaluating the Board of Directors' performance before submission to the Board of Directors for consideration and approval.

    5.2 To consider and endorse performance evaluation guidelines, goals, and objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors, or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50 percent of shares in order to consider the annual remuneration before submission to the Board of Directors for consideration and approval.

    5.3 To consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

    5.4 To consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors, or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entities in which the Bank holds more than 50 percent of shares in order to consider the annual remuneration prior to submission of the matter to the Bank's Board of Directors for consideration and approval.

    For directors, managing directors or persons holding equivalent positions regardless of title of the entities in which the Bank indirectly holds shares through another entity in the Bank's financial business group (sub-subsidiaries), the NRC may assign the Executive Committee to consider and endorse the matter for further submission to the entity which is the parent company, and the matter shall be reported to the NRC for acknowledgement.

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 the functional group level and above or substantial or major changes in the Bank's organization structure and endorse the organization restructuring proposals before submission to the Board of Directors for consideration and approval.

8. To perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.

9. To disclose nomination and remuneration policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.

    9.1 To disclose the nomination process for Bank's directors and senior executives at the level of Executive Vice President and above.

    9.2 To disclose remuneration policy and various forms of compensation as well as details regarding criteria for overall performance assessment, goals, and activities, the Committee's opinions, and methodology and tools for remuneration payment that reflects risks (if any).

10. The committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.

11. To work closely with the Risk and Compliance Committee to ensure that remuneration policy reflects material risks of the Bank.

12. To consider the investigation results and/or opinions proposed by the Chief Human Resources Officer and the President and Chief Executive Officer, on disciplinary actions/liability for losses for wrongdoing in case the investigated employees are senior executives of the Bank at the level of Executive Vice President or above as well as directors, managing directors, or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entities in which the Bank holds more than 50 percent of shares.

    In cases where the NRC does not agree with the investigation results and/or the opinions of the Chief Human Resources Officer and the President and Chief Executive Officer, the decision of the NRC shall be deemed final.

13. To consider whistleblowing cases according to the Whistleblowing Policy as follows:

    13.1 To propose to the Board of Directors the appointment of the working committee consisting of the Head of Internal Audit Group, Head of Human Resources Group, and Chief Compliance Officer to consider whistleblowing cases involving employees at the Senior Vice President level and above.

    13.2 To consider and make decisions on the result of whistleblowing cases regarding executives at the Senior Vice President level and report the matter to the Board of Directors.

    13.3 To report and recommend course of action to the Board of Directors on the result of whistleblowing cases involving senior executives at the level of Executive Vice President and above.

Names of Members and Meetings of the Nomination and Remuneration Committee

In 2021, there were a total of 17 ordinary meetings scheduled in advance as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Dr. Jamlong Atikul	Chairman	17/17
2. Mr. Takanori Sazaki [1/]	Member	10/10
3. Mr. Virat Phairatphiboon	Member	17/17
4. Miss Nopporn Tirawattanagool	Member	17/17
Members who resigned or whose membership ended during the year		
1. Mr. Noriaki Goto [2/]	Member	6/7

Secretary to the Nomination and Remuneration Committee is Mr. Vasin Udomratchatavanich

Remarks: [1/] Appointed as a Nomination and Remuneration Committee member, effective June 10, 2021
[2/] Membership of the Nomination and Remuneration Committee ended on June 10, 2021

AUDIT COMMITTEE

Structure and Composition

The Board of Directors appoints the Audit Committee which consists of no less than three independent directors (currently, four independent directors). The Head of the 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 subcommittee appointed by the Board of Directors.

Audit Committee members shall possess knowledge and experience, as well as a thorough understanding of their duties and responsibilities. They shall also understand the nature of business operations and risk management of the Bank and its group companies. In addition, at least one Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

Term of Office

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of Audit Committee vacancy due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill the vacancy within three months from the date of such vacancy. During the process of nomination and appointment, remaining members can continue to perform their duties. Such a person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

Scope of Authorities, Duties, and Responsibilities

- Financial Reports and External Auditor

1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting (ICFR) to ensure that internal controls and the financial reporting preparation process have been designed effectively, and the Bank's financial reports and any disclosed documents related to the financial performance of the Bank and its group companies is accurate, adequate, reliable, and reflects the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.

2. Consider, select, and propose the independent persons to the Board of Directors, as well as candidates for appointment or termination of the external auditor, including their remuneration, prior to submission 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 ensures the 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 the Risk and Compliance Committee, Risk Management Committee, and Compliance Committee or another relevant committee.

6. Consider and approve Internal Audit's plan and Credit Review Plan, as well as considering the Internal Audit Charter, Internal Audit Policy, and policy for reviewing of credits, credit-like transactions and contingent liabilities, before submission to the Bank's Board of Directors for approval.

7. Ensure that relevant, appropriate, and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established audit committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or related 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 related 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, and 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 any employees that may be deemed as an incident of fraud or in violation of laws, regulations, as well as the Bank's policies, procedures, and directives, and also serve as a channel to receive reports or complaints that may have a negative impact upon the Bank.

- **Compliance with Regulatory Requirements**

11. Oversee and monitor the operations, business undertakings, or actions taken by the Bank to ensure compliance with the Securities and Exchange Act, 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 by the Bank's board members and management after receiving the external auditor's report on behavior suspected as fraud or violation of laws. 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. More detailed investigations shall be carried out as appropriate and the results reported to the Bank's Board of Directors for rectification within an appropriate timeline.

13. Consider inviting the management of internal control, risk management, and compliance functions for meeting as necessary to ensure 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 Annual Registration Statement/ Annual Report (Form 56-1 One Report), comprised 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 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 members and terms of office, and present the same to the Board of Directors to consider amendment as deemed appropriate.

16. Ensure clear written announcements 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 Annual Registration Statement/Annual Report (Form 56-1 One Report).

17. Submit timely reports to the Board of Directors for remedial action upon the Audit Committee finding or suspecting 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 Registration Statement/Annual Report (Form 56-1 One 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 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 advice, 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 2021, there were a total of 13 meetings, i.e., 12 ordinary meetings and one special meetings; two out of 13 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	13/13
2. Mr. Virat Phairatphiboon	Member	13/13
3. Dr. Jamlong Atikul	Member	13/13
4. Mrs. Tongurai Limpiti	Member	13/13

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All four members are competent and experienced in reviews of financial statements.

RISK AND COMPLIANCE COMMITTEE

Structure and Composition

The Board of Directors appoints the Risk and Compliance Committee which consists of at least three non-executive directors (currently, two independent directors and two 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 judgment for the best interest of the Bank and/or companies within the financial business group.

Terms of Office

The Risk and Compliance Committee members shall have the terms of office concurrent with their directorship terms of office. In case of any vacancy due to the reason other than completion of the term, the Board of Directors shall appoint a qualified individual to fill the vacancy at the earliest opportunity. During the process of nomination and appointment, other remaining members can continue to perform their duties even if the number of committee members does not meet the requirement of this Directive, and there is not a full composition of committee members. Such person shall hold the committee term of office concurrently with his/her directorship term. Upon completion of a term, the member may be re-appointed to the committee.

Scope of Authorities, Duties, and Responsibilities

1. Provide suggestions to the Board of Directors on the overall strategies, policies, and framework on risk management and compliance.

2. Prescribe Risk Management Group and Compliance Division's duties and scope of work to commensurate with the complexity of the bank's business and in accordance with this Charter. The Risk and Compliance Committee is to also oversee that Senior Management Team (SMT) and the Chief Risk Officer comply with the risk management policies, strategies, and the acceptable level of risk appetite.

3. Oversee and monitor the implementation of strategies for integrated risk management, inclusive of capital, liquidity, and compliance management in mitigating the major risks, i.e., credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk, and compliance risk.

4. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as the annual compliance plan and risk appetite level at least once a year or when there is any significant change, to ensure their effectiveness. The Risk and Compliance Committee should discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies and their effectiveness, which should cover all existing and new types of risk and whether the actions taken per these policies and strategies are effective and efficient.

5. Regularly report to the Board of Directors on the risk exposure, efficiency of risk management, progress on the implementation of risk culture, as well as significant factors and issues, and the required enhancement to be in line with the established risk and compliance policy and strategy. The Risk and Compliance Committee is to also communicate to the Audit Committee on any non-compliance issue for acknowledgement.

6. Review and monitor all pending/overdue issues from the Bank of Thailand, National Credit Bureau Co., Ltd., Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance-related issues, to ensure that they are rectified per the specified timeline.

7. Evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure independence and prevent possible conflicts 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 the Code of Business Conduct and The Spirit and 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 2021, there were a total of 12 ordinary meetings scheduled in advance as detailed

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. Hisashi Kanamori [1/]	Member	8/8
4. Mrs. Tongurai Limpiti	Member	12/12
Members who resigned or whose membership ended during the year		
1. Mr. Toru Matsuda [2/]	Member	3/4

Secretary to the Risk and Compliance Committee is Mr. Saengchart Wanichwatphibun

Remarks: [1/] Appointed as a Risk and Compliance Committee member, effective April 29, 2021
[2/] Membership of the Risk and Compliance Committee ended on April 29, 2021

EXECUTIVE COMMITTEE

Structure and Composition

The Board of Directors appoints the Executive Committee consisting of no less than 10 members, namely the President and Chief Executive Officer as the Chairman of the Executive Committee, Head of Commercial Banking, Head of JPC/ MNC Banking, Head of Retail and Consumer Banking, Chief Information and Digital Officer, Chief Financial Officer, Chief Risk Officer, Chief Strategy Officer, Chief Human Resources Officer, Head of Global Markets Group, and other suitable executives. The Chairman of the Executive Committee shall appoint the Secretary to the Committee.

Qualifications

The Executive Committee members shall possess knowledge and experience, as well as a thorough understanding of their duties and responsibilities, including good judgment to ensure the 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, they have a term of office as per the directive of their appointments. In case of vacancy due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill the vacancy for the remaining period. During the process of nomination and appointment, other remaining members can continue to perform their duties even if the number of committee members does not meet the established requirement. Members of the committee may be re-appointed upon completion of their term to ensure continuity in their function.

Scope of Authorities, Duties, and Responsibilities

1. To be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.
2. To be in charge of the Bank's business management to achieve the set goals, policies, strategies, and business plans.
3. To assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.
4. To screen strategic plans, annual business plan, capital expenditure budgets, operational objectives, and other project plans, including income/non-interest expenditure controls before their submission 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 related 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 rights over the Bank's assets.
   - 9.6 Liability payments, or liability payments before due date.
   - 9.7 Changes of strategies related 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 related 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 relevant operations related to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.
10. To monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.
11. To review, monitor, and provide suggestions and directions to ensure that the management systems and operational processes of various departments are up-to-date and correspond to the fast-changing economic situation.
12. To have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the committee may fulfill its objectives.
13. To have the authority to appoint and set the roles and responsibilities of the Management Committees and/or individuals as deemed appropriate to assist the management of the Bank.
14. To undertake assignments from the Board of Directors.
15. To report the Bank's operations and various activities that have major implications to the Board of Directors.
16. To operate in matters related to the Bank's overall businesses or operations.
17. To monitor operations of the Management Committees reporting to the Executive Committee.
18. To approve quarterly (reviewed) financial statements after review by the Audit Committee.

    Any matter to be proposed to the Committee should be filtered by at least one of the related Management Committees (if any).

Names of Members and Meetings of the Executive Committee

In 2021, there were a total of 37 ordinary meetings scheduled in advance as detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Seiichiro Akita	Chairman	36/37
2. Mr. Pornsanong Tuchinda	Member	33/37
3. Mr. Phonganant Thanattrai [1/]	Member	36/37
4. Mr. Yoshiyuki Horio	Member	21/37
5. Miss Duangdao Wongpanitkrit	Member	37/37
6. Mr. Sayam Prasitsirigul [1/]	Member	34/37
7. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	36/37
8. Mr. Pairote Cheunkrut	Member	37/37
9. Mr. Kenichi Nishii [1/]	Member	33/37
10. Mr. Vasin Udomratchatavanich	Member	32/37

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remarks: [1/] Appointed as an Executive Committee member, effective January 1, 2021

As of September 30, 2022, the number of meeting attendances in this table has been revised to ensure accuracy.

SELECTION AND APPOINTMENT OF DIRECTORS AND SENIOR EXECUTIVES

Nomination of Directors

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which are suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors are as follows:

- **Qualifications of the Directors**

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 one's duties as a director.
   (6) Attentively perform duties within one's scope of responsibilities.

2. A director should have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, and knowledge of the banking industry, international trade, risk management, accounting and finance, 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; and (4) Nominated by a minority shareholder.

2. Consideration process

   The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/screening by taking into consideration all of the required characteristics and qualifications before passing the matter on to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

- **Voting on Election/Appointment of Directors:** There are two voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution, i.e., election of new director to replace a director whose term of office expires and/or election of additional director (new director), will be in accordance with the rules and procedures stipulated in the Bank's Articles of Association as follows:

   (1) Each shareholder shall have one vote for one share.
   (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.
   (3) The election of candidates is decided by a majority vote, and in the event of a tie vote, the Chairman of the meeting shall have the deciding vote.

2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation, which requires the votes of not less than three-quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

   Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors three months before Krungsri delivers the notification of the annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the Stock Exchange of Thailand's system and the nomination criteria are disclosed on Krungsri's website.

- ## Qualifications for Independent Directors

Krungsri has established the following qualifications for independent directors which conform to the notification of the Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of 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 two years prior to the appointment, not being or never having 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 two years prior to the appointment, not having or never having had business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder, or control person of the Bank in a manner that may obstruct independent discretion. Also, not being or never having 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 two years prior to the appointment, not being or never having been the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder, or control person of the Bank, and not being or never having been the principal shareholder, control person, or partner 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 two years prior to the appointment, not being or never having been the professional service provider including legal advisor or financial advisor obtaining more than 2 million baht annual service fee from the Bank, parent company, subsidiary company, associated company, major shareholder, or control person of the Bank, and not being or never having been the principal shareholder, control person, or partner of such professional firm.

7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder, or other shareholder related to the major shareholder of 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 not being the principal partner or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of another company/partnership which operates the same business and is in competition for the business of the Bank, subsidiary company, or associated company.

9. Not having any other characteristics which may cause inability to provide independent opinions relating to the business operations of the Group.

Also, consideration of the above relationship periods must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decisions related to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remarks: * 'Related person' as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:
(a) a spouse of such person;
(b) a minor child of such person;
(c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;
(d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities, or a partner with limited liabilities holding shares in an aggregate number of more than 30 percent of the total number of shares of such limited partnership;

(e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than 30 percent of the total paid-up shares of such company;

(f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than 30 percent of the total paid-up shares of such company;

(g) a juristic person in which such person has managing authority as a representative of the juristic person.

Nomination of Senior Executives

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

• Qualifications of Executives

1. Characteristics
   (1) Demonstrate integrity and accountability.
   (2) Make decisions based on informed judgment.
   (3) Be mature and stable, a good listener, and willing to provide different and independent opinions.
   (4) Work in accordance with principles.

2. Have knowledge and expertise as well as experience relating to the banking industry.

3. Possess qualifications in compliance with the requirements of government authorities, i.e., the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

• Method for the Nomination/Promotion/Appointment of Executives at the Level of Executive Vice President and above

The Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.

SHAREHOLDING OF DIRECTORS AND EXECUTIVES IN KRUNGSRI

(As defined by the Capital Market Supervisory Board)

Name-Surname	December 31, 2021			December 31, 2020			Total Shares Increase/ (Decrease) During the Year (shares)
	No. of Shares		Total Shareholding (%) [1/]	No. of Shares		Total Shareholding (%) [1/]	
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Independent Directors							
1. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
2. Miss Potjanee Thanavaranit	-	-	-	-	-	-	-
3. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
4. Dr. Jamlong Atikul	-	-	-	-	-	-	-
5. Mrs. Tongurai Limpiti	-	-	-	-	-	-	-
Non-Executive Directors							
6. Mr. Takanori Sazaki	-	-	-	N.A. [2/]	N.A. [2/]	N.A. [2/]	N.A. [2/]
7. Mr. Hisashi Kanamori	-	-	-	N.A. [2/]	N.A. [2/]	N.A. [2/]	N.A. [2/]
8. Miss Junko Kawano	-	-	-	-	-	-	-
9. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
Executive Directors							
10. Mr. Seiichiro Akita	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executives							
13. Mr. Yoshiyuki Horio	-	-	-	-	-	-	-
14. Mr. Phonganant Thanattrai	-	-	-	N.A. [2/]	N.A. [2/]	N.A. [2/]	N.A. [2/]
15. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
16 Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
17. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
18. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
19. Mr. Vasin Udomratchatavanich	-	-	-	-	-	-	-
20. Mr. Kenichi Nishii	-	-	-	N.A. [2/]	N.A. [2/]	N.A. [2/]	N.A. [2/]
21. Mr. Saengchart Wanichwatphibun	-	-	-	-	-	-	-
22. Mr. Wirote Chuenratanakul	-	-	-	N.A. [2/]	N.A. [2/]	N.A. [2/]	N.A. [2/]
23. Mr. Yoshio Ueyama	-	-	-	-	-	-	-
24. Mrs. Yingluk Kongkasai	-	-	-	-	-	-	-
25. Mr. Thitivorn Chothayaphorn	-	-	-	-	-	-	-

Remarks: [1/] Including spouse and minor children. As at December 31, 2020 and December 31, 2021, Krungsri had a total of 7,355,761,773 issued shares.
[2/] In 2020, he/she was not the director and/or the executive under the definition of the Capital Market Supervisory Board.

KEY CORPORATE GOVERNANCE PERFORMANCE REPORT

SUMMARY OF THE BOARD OF DIRECTORS' PERFORMANCE FOR THE YEAR 2021

- The Board of Directors has reviewed Krungsri's Mission, Vision and Core Values, and resolved to leave them unchanged on the grounds that they are still aligned with long-term business direction.
- The Board of Directors has considered the third Medium-Term Business Plan covering 2021-2023, formulated by management, to replace Krungsri's second Medium-Term Business Plan (2018-2020) that has been completed, by considering the key successes and challenges of the first and second Medium-Term Business Plans, business operations under the Coronavirus Disease 2019 (COVID-19) pandemic, and its impact, including environmental changes and market trends at the global and national level. The third Medium-Term Business Plan was announced and communicated to Krungsri Group's management to be officially acknowledged at the annual Krungsri Leadership Meeting in order that it may be implemented in a coordinated direction and achieve the goals set, as well as conveyed to those under their command.
- The Board of Directors has supervised and monitored the management to ensure that the business is in accordance with the specified policies, strategies, and business plans in the Medium-Term Business Plan. The management shall report the operating results to the Board of Directors meeting for acknowledgment, for example, monthly performance report, monthly enterprise-wide risk report, and quarterly report on the implementation of the Medium-Term Business Plan.
- The Board of Directors has determined and reviewed various policies covering Krungsri and companies in Krungsri's financial business group such as the Policy for Personal Data Protection, Policy for Conflict of Interest, and Policy and Program for Anti-Bribery and Corruption, which is a policy that has combined the Policy for Gift and Entertainment and Policy for Anti-Corruption.

DIRECTORS' NOMINATION AND INDUCTION

In 2021, nomination of directors was carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites are as stipulated in relevant laws, regulations of Krungsri's regulators, and the Bank's Articles of Association, and are in line with international good corporate governance principles as well as Board diversity which includes knowledge, specialized proficiencies, and gender of nominated persons.

The following four directors were retired by rotation at the e-AGM No. 109: 1. Dr. Jamlong Atikul (Independent Director); 2. Mr. Pornsanong Tuchinda (Executive Director); 3. Mr. Seiichiro Akita (Executive Director); and 4. Mr. Toru Matsuda (Non-executive Director), all of whom have full qualifications as required by law and possess extensive knowledge and experience beneficial to the Bank's business operations, and had fully performed their duties throughout their directorships with accountability, prudence, and integrity, and were suited to continue serving as Bank directors, together with the fact that Mr. Toru Matsuda, who retired by rotation, had expressed his intention of resignation from the Bank directorship upon the end of his term. Therefore, the Nomination and Remuneration Committee proposed that the Board of Directors consider proposing that the e-AGM elect Mr. Hisashi Kanamori, who has full qualifications for the Bank's business operations, to serve as Bank director (non-executive director) as a replacement for Mr. Toru Matsuda, and proposed that the e-AGM re-elect the three directors who were scheduled to retire by rotation to serve as Bank directors for another term. In voting, Krungsri facilitated shareholders in electing directors individually by allowing shareholders to cast their votes in selecting each director being nominated. The shareholders were also entitled to propose agenda items and nominate other qualified persons to be elected as directors according to criteria posted on Krungsri's website. However, no shareholder proposed any agenda item or nominated any other person for director election.

In addition, during 2021, Krungsri appointed one new director, Mr. Takanori Sazaki, who was elected to serve as Vice Chairman (Non-Executive Director) during the Board of Directors Meeting No. 5/2021 in replacement of Mr. Noriaki Goto, effective from June 10, 2021, onwards.

Krungsri arranged inductions for the aforementioned two new directors, presented by the Chairman, the President and Chief Executive Officer and the senior executives who are responsible for core business groups of Krungsri, e.g.,

Head of Corporate and Investment Banking Group, Head of JPC/MNC Banking, Head of Retail and Consumer Banking, Chief Information and Digital Officer, Chief Financial Officer, and Chief Risk Officer, in order for the new directors to be informed and have the opportunity to ask questions about Krungsri's business operations in various areas. Furthermore, the Corporate Secretary was called upon to provide the new directors information on Krungsri Group's good corporate governance, performance of duties, Board of Directors meetings, and access to meeting documents and other important information prepared for directors to carry out their work, by means of an e-Document system.

DIRECTORS' DEVELOPMENT

In 2021, Krungsri organized internal training for the Board of Directors in a Cyber Security Awareness course, lectured by Mr. Rishi Anand from PricewaterhouseCoopers Consulting (Thailand) Company Limited, whereby all directors attended the training courses. Krungsri also presented training courses on a variety of topics by external speakers both in and outside the country in the e-Learning system that were selected as being useful or in the interest of the directors, for each director to choose to attend.

Furthermore, in addition to attending other training courses of directors organized by various regulatory agencies/institutions, at the Board of Directors meetings, all directors had the opportunity to receive useful information that helps to broaden their perspective on the performance of their duties from various departments, e.g., analysis of information on economic conditions, and risks and cybersecurity updates.

Details on training history are shown in the Annual Registration Statement/Annual Report (Form 56-1 One Report) in Attachment 1.

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

Krungsri arranged for the 2021 performance evaluation of the Board of Directors and the committees reporting to the Board of Directors, i.e., the Audit Committee, the Nomination and Remuneration Committee, the Risk and Compliance Committee, and the Executive Committee according to set criteria and guidelines, and reported the results, comments, and suggestions to the Board of Directors and other committees so that they could be informed and use that information to enhance operational efficiency for maximum benefit.

In this regard, overall results of the Board of Directors and the committees reporting to the Board of Directors 2021 evaluation were given as 'good.'

BOARD OF DIRECTORS MEETING

For 2021, as the Coronavirus 2019 (COVID-19) pandemic continued to intensify and many countries established strict defensive protocols and limited overseas travel, Krungsri arranged for Board of Directors meetings in the form of Electronic Meeting (E-Meeting) via WebEx system to enable the directors living in Thailand and overseas to attend the meetings and provide opinions without difficulty. The directors were required to identify themselves in order to sign in and join the meetings. Participants were recorded either via audio, or both video and audio, for the entirety of each meeting. Electronic traffic of all participants was kept as evidence, and all actions stipulated by laws were adhered to.

MONITORING TO ENSURE COMPLIANCE WITH GOOD CORPORATE GOVERNANCE PRACTICES

(1) Prevention of Conflict of Interest

- Krungsri has established a Policy for Conflict of Interest; directors, executives, and all employees shall avoid any direct or indirect action that may be seen as a conflict of interest. Misuse of resources or the image of Krungsri is prohibited. Also, conflict in business practices must be resolved to ensure fair treatment and avoid Krungsri's reputation risk. In this regard, implementations have been taken as specified e.g.:

  - Krungsri's directors and executives as stipulated by laws and Krungsri have reported their stakes and those involved, including reporting information on holding positions and holding securities in other companies, through the Related Party Information System (RPIS) in accordance with the method and within the specified period (first-time report, quarterly and inter-quarter report in case of any change of information) which the Corporate Secretary collects and proposes to the Chairman and the Chairman of the Audit Committee for acknowledgment. In 2021, none of the executive directors served as a director of other listed companies.

  - The directors and executives with a conflict of interest will neither join the consideration nor vote on the agenda item in question. The information on related interests of directors in each agenda item is recorded in the resolutions of the meeting.

- The Audit Committee considered related-party transactions or transactions that could create conflicts of interest before submission to the Board of Directors. The Audit Committee is of the opinion that such transactions are conducted on an arm's length basis under laws and regulations as a normal business transaction between the Group and its customers. Krungsri discloses related-party transactions in the Annual Registration Statement/ Annual Report (Form 56-1 One Report) under the topic, 'Related-Party Transactions'.
- In 2021, Krungsri neither violated nor failed to comply with the criteria for related-party transactions or the sale and purchase of assets.

- In 2021, the Board of Directors Meeting No. 4/2021 reviewed the Policy for Conflict of Interest and approved the revision with significant changes as follows:
  - Expanded the scope of conflict of interest requirement for activities in writing to supervisor and the Compliance Division staff's family member engaging in a contractual agreement with the Bank and/or Group Companies as well as any other individual/entity representing the Bank and/or Group Companies (Third Party).
  - Added requirement for possible conflict of interest activities: Employees shall request approval from a supervisor before proceeding with their activities during the Bank's business hours (except for employees' annual leave), e.g., being a guest speaker of an event, etc. Any compensation received shall be reported to the supervisor and copied to the Corporate Compliance Department with the donation evidence attached.

(2) Use of Inside Information to seek unlawful benefits for oneself or others

- All Krungsri's directors, executives, and employees are required to strictly abide by the relevant laws, 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 personal or others' benefits is prohibited.
- Use of Material Non-Public Information (MNPI), which means the use of internal or inside information (which is not publicly disclosed to investors) for the purpose of trading securities is prohibited since it is a violation of the laws and conflict of interest regulations. All directors, executives, and employees of Krungsri must strictly comply with relevant laws and regulations, including the law on financial institutions' business and the law on securities and stock exchange.
- Employees shall take appropriate care of information that is not yet publicly available and take any action based on the principle of the 'need to know' basis.
- Krungsri's directors and executives as stipulated by laws and Krungsri shall report any changes of their holding of Krungsri's securities or derivatives of themselves or persons with relationship as specified by regulations within three business days after the date of purchase, sale, transfer, or acceptance of a transfer of Krungsri's securities or derivatives to the Securities and Exchange Commission for acknowledgement (except for newly appointed directors and executives whose names have not yet been listed in the Securities and Exchange Commission's Directors and Executives Information System; they are required to report their changes in securities and derivatives holding to the Securities and Exchange Commission within seven business days after the changes) and are required to inform the Corporate Secretary to report to the Board of Directors.
- In terms of governance, Krungsri requires employees who may have inside information to report their securities holdings and assigns the compliance function to review the securities holdings of such employees with regards to whether they have used or may have used inside information for trading in securities in violation of the laws and Krungsri's internal procedures. In addition, Krungsri directors, executives, and employees are prohibited from trading in Krungsri shares and/or shares of Ngern Tid Lor Public Company Limited during a period of not less than three business days before and after the announcement of Krungsri's financial results or financial statements (blackout period), including requiring directors, executives, and restricted employees and related persons to hold shares of Krungsri and/or shares acquired by Ngern Tid Lor Public Company Limited for not less than 90 days after the date of acquisition, and certain groups of employees may be prohibited from trading Krungsri's shares (restricted persons) in some cases.
- In 2021, there were no cases of insider trading of securities or derivatives committed by Krungsri's directors, executives, or employees.

(3) Anti-Corruption

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/Annual Report (Form 56-1 One Report) under the topic, 'Thai Private Sector Collective Action Against Corruption'.

(4) Whistleblowing

- Krungsri has established a Policy for Whistleblowing as a basic framework for whistleblowing to encourage the reporting of employees' actions that may violate the law, policies, procedures, and business ethics, as well as to build confidence for whistleblowers and all stakeholders that they will be treated fairly.

- Whistleblowers or complainants are able to report mattersor complaints through the following channels:
  1. Supervisor or next-level supervisor who is trusted by the complainant
  2. Compliance Group (Compliance executive)
  3. Ombudspersons through three channels:
     - Phone: For Head Office Tel. 85588, Branch Tel. 0-2296-5588
     - Mail: P.O. Box 169, Yan nawa, Bangkok 10120
     - Intranet: We Connect > Krungsri Compliance > Whistleblowing
  4. Branch Standards Supervision Department
     Tel. 83456, press 1, then press 2
  5. Human Resources Group HR Hotline Tel. 85577
  6. Audit Committee
     - email: audit.committee@krungsri.com
     - Mail to: The Audit Committee
       Bank of Ayudhya PCL, Head Office
       1222 Rama III Road, Bang Phongphang,
       Yan Nawa, Bangkok 10120
  7. MUFG Channel (English or Japanese language only)
     - Nishimura & Asahi Law Firm
       Otemon Tower, 1-1-2 Otemachi, Chiyoda-ku, Tokyo, 100-8124, Japan
       email: mufgwhistleblow@nishimura.com
     - MUFG Audit Committee
       JP-Tower, 2-7-2, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan
       email: mufg-group-helpline_kansaiinkai_PF@mufg.jp

- Information of the whistleblower or complainant, and persons involved, will be treated as confidential; it cannot be accessed by unrelated persons and, if necessary, shall be disclosed subject to laws or permission from the whistleblower or complainant and only to the person(s) involved.

- All investigation processes are carried out without delay and with fair consideration. Krungsri will collect information from whistleblowers or complainants, coordinate with the functions involved, track progress, and report the results of the investigation to the whistleblower or the complainant in case the identity of the whistleblower or the complainant is known, including reporting the results of operations to the executives and committees involved, as the case may be. Any clues or complaints related to senior management will be reported to the President and Chief Executive Officer. In cases involving the President and Chief Executive Officer, the Chairman of the Board of Directors shall receive the report.

- Krungsri strictly prohibits any retribution, persecution, or harrassment against whistleblowers or persons involved in the examining process. Any acts of retribution will result in a severe disciplinary punishment, including termination of employment.

- Providing false whistleblowing or complaints, falsifying, distorting, or destroying evidence, suppressing the investigation of relevant facts and obstruction of investigation by the competent authority is considered a violation of the Bank's discipline and may be considered an illegal act.

- In 2021, Krungsri received whistleblowing on matters that may be considered an act of fraud or a violation of the law and regulations, The Spirit and The Letter (S&L), policies, and procedures including the directive on Good Corporate Governance Principles and business ethics through the above-mentioned whistleblowing channels, for a total of 19 issues (information from December 21, 2020, to December 31, 2021), which can be summarized as follows:

  1. **Conducted an investigation and completed 19 issues,** divided into:
     - Non-compliance with laws, policies, procedures, and business ethics: 11 issues
     - Others, e.g., Improper performance of duties, inappropriate behavior, and unfair management or unfair compensation: a total of eight issues

  2. **No complaints still pending**

REPORT ON THE PERFORMANCE OF THE COMMITTEES REPORTING TO THE BOARD OF DIRECTORS (DIRECTOR LEVEL) IN THE PAST YEAR

AUDIT COMMITTEE

The Audit Committee performed duties within the scope and responsibilities specified in the Charter of the Audit Committee as assigned by the Board of Directors. In 2021, there were 13 meetings in total, including meetings with the management, senior executives from relevant groups, and internal auditor, as well as a meeting with the auditor specifically without the management. The meeting attendance of the individual Audit Committee members appears in the topic, 'Meetings of the Directors'.

In addition, the Audit Committee reported the results of each meeting to the Board of Directors for acknowledgement, which covers the following matters:

1. Financial reports
2. Internal control system and internal audit
3. Related-party transactions or transactions that may create conflicts of interest
4. Good governance
5. Risk management
6. Compliance with regulatory requirements
7. External auditor
8. Others

OTHER COMMITTEES REPORTING TO THE BOARD OF DIRECTORS (DIRECTOR LEVEL)

The Nomination and Remuneration Committee and the Risk and Compliance Committee have performed duties as assigned by the Board of Directors as stipulated in the committee charters. In 2021, each sub-committee held a meeting and reported its operations to the Board of Directors each time; the meeting attendance of each committee member appears in the topic, 'Meetings of the Directors'.

Details of the report on the performance of the committees reporting to the Board of Directors (Director level) in the past year are shown in Attachments 6, 8, and 9.

REMUNERATION OF DIRECTORS AND EXECUTIVES

(as per definitions determined by the SEC)

- **Remuneration of Directors:** The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee, or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

- **Remuneration of executives:** Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

- **Remuneration in 2021:** Remuneration paid by the Bank in 2021 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 14 directors amounts to 58,716,000.00 Baht. Details of the remuneration paid to each director are as follows:

Unit: Baht

List of the 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 Director	3,744,000.00	1,668,000.00	2,328,000.00	-	-	-	7,740,000.00
2. Mr. Noriaki Goto [1/] - Vice Chairman - Member of the Nomination and Remuneration Committee	1,372,700.00	662,500.00	694,300.00	-	371,000.00	-	3,100,500.00
3. Mr. Takanori Sazaki [2/] - Vice Chairman - Member of the Nomination and Remuneration Committee	1,735,300.00	837,500.00	877,700.00	-	469,000.00	-	3,919,500.00
4. Mr. Toru Matsuda [3/] - Member of the Risk and Compliance Committee	818,133.33	393,333.33	409,066.67	-	-	275,333.33	1,895,866.67
5. Mr. Hisashi Kanamori [4/] - Member of the Risk and Compliance Committee	1,677,866.67	806,666.67	838,933.33	-	-	564,666.67	3,888,133.33
6. Ms. Junko Kawano - Director	2,496,000.00	1,200,000.00	1,248,000.00	-	-	-	4,944,000.00
7. 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							
8. Mr. Virat Phairatphiboon - 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	840,000.00	876,000.00	7,500,000.00

Unit: Baht

List of the 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				
9. 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
10. 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
11. Ms. Tongurai Limpiti - Member of the Audit 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
Executive Directors *							
12. Mr. Seiichiro Akita	-	-	-	-	-	-	-
13. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
14. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remarks: * Executive directors are not entitled to remuneration paid to directors.
1/ End of employment contract/ project effective on 10 June 2021
2/ Appointed as Vice Chairman/ Member of the Nomination and Remuneration Committee (effective on 10 June 2021)
3/ End of employment contract/ project effective on 29 April 2021
4/ Appointed as Director/ Member of the Risk and Compliance Committee (effective on 29 April 2021) but still could not travel to Thailand

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2021 are as follows:

(3.1) Remuneration in the form of salary and bonus paid to the executives as defined by the Capital Market Supervisory Board, i.e., President and Chief Executive Officer, executives at Executive Vice President level and above who report directly to the President and Chief Executive Officer, Chief Financial Officer, and any persons assigned to act on behalf of the aforesaid positions totaling 15 persons, amounts to 185,344,864.57 Baht.

(3.2) Remuneration in the form of salary and bonus paid to the executives as defined by the Bank of Thailand, i.e., executives at Executive Vice President level and above, totaling 103 persons, amounts to 781,067,550.62 Baht.

Remarks: - 16 executives newly joined/appointed during the year
- 8 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 2021, the Bank's provident fund contribution for executives under item (3.1) was 9,495,973.20 Baht in total while the provident fund contribution for executives under item (3.2) was 36,819,793.84 baht in total. In addition, Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.

PERSONNEL

Number of Employees

As of December 31, 2021, Krungsri had a total number of 14,093 employees, which could be classified by gender as male at 4,298 persons and female at 9,795 persons; and classified by education level as less than bachelor's degree at 165 persons, bachelor's degree at 10,187 persons, and master's degree and higher at 3,741 persons. Also, they could be classified by functional groups as follows:

	No. of employees (person)
Executives (Executive Vice President and above)	**94**
Commercial Banking	**0**
Corporate and Investment Banking Group	252
SME Banking Group	726
Financial Institutions and Securities Services Division	108
Commercial Credit Products Division	22
Commercial Marketing Division	15
JPC/MNC Banking	**175**
Retail and Consumer Banking	**1**
Krungsri Auto Group	1,649
Krungsri Consumer Group	0
Distribution Group	6,367
Retail Products and Marketing Group	265
High Net Worth Division	23
Mass Retail Division	54
Retail and Consumer Banking Strategy Division	7
Information and Digital	**2**
Information Technology Group	580
Digital Innovation and Data Group	190
IT Security Division	40
IT and Digital Delivery Management Division	110
IT and Digital Strategy Management Division	54
Office of the President and Chief Executive Officer	**0**
Operations Group	**1,342**
Internal Audit Group	**188**
Global Markets Group	**113**
Risk Management Group	**453**
Corporate Strategy and Planning Group	**355**
Finance Group	**167**
Credit Underwriting Group	**250**
Human Resources Group	**207**
Legal Group	**24**
Transaction Banking Group	**167**
Compliance Group	**77**
Corporate Secretariat Department	**16**

Change in the Number of Employees

In 2021, the number of Krungsri's employees decreased by approximately 4.05 percent compared to the previous year. There has been no significant matter related to labor disputes during the past three years.

Employee Remuneration

The total remuneration of 14,093 employees in 2021 was 13,121,622,924.24 million baht, consisting of salary, bonus, economic assistance, and provident fund contribution.

Krungsri has stipulated remuneration and fringe benefit policies as follows:

- Krungsri provides fair and competitive remuneration compared with that of other banks and leading companies based on Krungsri's criteria and the remuneration survey results from the country's leading consulting firms for human resources services.
- Krungsri provides fringe benefits in line with employees' needs such as annual leave, life and health insurance, provident fund, and employee scholarships.

Human Resources Development

Krungsri fully recognizes that our human capital is an invaluable asset and a key factor that propels Krungsri toward attainment of our short- and long-term goals. In light of this, we focus on promoting people excellence to enhance individual performance and support the organization to effectively leverage and ride the digital wave. We prepare our personnel to address the changes of the 'new normal' era and encourage innovative changes to enhance productivity including employee productivity and competitiveness to achieve sustainable business growth. In addition, we have attached importance to upskilling and reskilling, and provided our personnel opportunities for personal development and career advancement amid business challenges and technological revolution.

In 2021, Krungsri designed six learning programs for Krungsri executives and staff members as follows:

1. **Achieving Everyday Success:** To develop fundamental skills to support employees in delivering results smoothly and achieving success in everyday working life. The program covers content about Krungsri Core Values and leadership competencies.

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

3. **Getting Ready for the Future:** To upskill or reskill as well as to prepare employees for their professional development and career advancement through developing mindsets, broadening knowledge, and enhancing necessary skills. Also, the program focuses on creating well-rounded employees who can demonstrate creativity in their work to innovate for the organization and increase productivity at the individual, team, and organizational levels to maximize value and strengthen business competitiveness for the organization to achieve sustainable business growth. The program includes the Data Analytics Bootcamp 2021 and Personalized Data Development Track under the Krungsri School of Data to enhance skills in data analytics and thus improve decision-making and increase business value for the organization, and the Productivity Improvement Series to enhance productivity, etc.

4. **Winning Business Challenges:** To broaden knowledge as necessary for learners to keep pace with and win business challenges.

5. **Growing Expertise:** To enhance specific expertise and professionalism as well as service excellence of specific groups of employees in order to support Krungsri toward becoming a customer-centric organization that delivers the best customer experience.

6. **Leading to the NEXT Level:** To prepare talents and successors to grow further to the next career level and lead the organization toward sustainable growth. The program includes 'TRANSCEND and TRANSITION' leadership programs. Focus is also given to succession planning for critical positions and formulation of individual development plans.

Krungsri also offers an opportunity for our people to develop and grow in their career amid business challenges and technological revolution. We encourage all our executives and staff to enhance their competencies through various modern learning channels with a variety of learning formats that can effectively cater to different learning styles and needs as well as digital learning solutions to offer limitless learning opportunities anytime, anywhere. In 2021, Krungsri employees received an average of 58.2 hours per person in training.

In addition to creating people excellence, Krungsri has designed learning programs that reinforce good corporate citizenship, and foster ethical behaviors and responsibility to stakeholders, society, and the environment, including courses on the Personal Data Protection Act, anti-money laundering & combating financing of terrorism (AML/CFT), the Good Corporate Governance Principles, ESG for banks, occupational health, safety, and the environment, etc. Moreover, the Wellness Booster Series (Healthy Mind, Healthy Fit, and Healthy Money) has been specifically developed to ensure the physical, psychological, and mental fitness of our employees to help them effectively cope with the COVID-19 situation.

In 2021, Krungsri continued our Krungsri Tech Academy: Internship Trainee Development Program with a number of leading academic institutions to develop necessary future skills for seniors (fourth-year students) through various learning platforms including online learning and on-the-job training, with Krungsri staff being their mentors and advisors throughout the program.

Amid the COVID-19 crisis in 2021, Krungsri continued to attach importance to the use of technology in human resource learning and development. Online classes were held via webinars, and digital learning programs as well as learning programs through an internal social media platform (Krungsri JAM) were offered. Also, the iJoin feature for training attendance tracking has been developed and is available on the KARE mobile application. Moreover, the Krungsri Talent Management System has been implemented to facilitate the most efficient and comprehensive development of executives and staff, including talents and successors.

AUDITOR'S FEE

1. Audit fees*

The Bank and its affiliates paid audit fees as the following:

- To the Bank's auditors of 29,747,100 baht.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 3,000 and LAK 188,761,983.

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 19,045,000 baht, and in the future, an additional sum of 30,000 baht will be paid for services previously agreed upon but not yet fully provided.

Remark: * Audit fees do not include other actual expenses, such as transportation and per diem payments.

SUMMARY OF MAJOR RELATED PARTY TRANSACTIONS WITH INDIVIDUALS OR RELATED BUSINESS ENTITIES

As of December 3, 2021

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
1	AGC Technology Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	67.10	-	-	-	-	-	-	-	C
2	Aiya (Thailand) Company Limited	-	-	-	-	-	-	8.40	-	-	-	-	-	-	-	C
3	Altech Asia Pacific Co., Ltd.	-	-	-	-	-	-	27.60	-	0.10	-	-	-	3.70	17.00	C
4	Asahi Kokusai Techneion (Thailand) Co., Ltd.	-	-	-	-	-	-	6.50	-	-	-	-	-	-	-	C
5	BBTV Equity Co., Ltd.	-	-	-	-	63.10	15.10	1,784.60	-	-	-	-	65.90	-	7.40	B
6	Banco MUFG Brasil S.A.	-	-	-	-	-	-	-	1.60	-	-	-	-	-	-	C
7	Bangkok Broadcasting & T.V. Co., Ltd.	-	-	-	-	-	-	5,833.20	-	-	-	0.10	1.50	-	30.70	B
8	Bangkok MUFG Limited	-	-	-	-	-	-	232.80	-	-	-	-	0.10	-	-	C
9	Bangkok Mitsubishi HC Capital Co., Ltd.	-	-	2,747.80	133.40	-	-	28.30	-	16.30	-	-	-	8,817.30	-	C
10	BBTV Asset Management Co., Ltd.	-	-	-	-	-	-	333.20	-	-	-	-	-	-	-	B
11	BBTV New Media Co., Ltd.	-	-	-	-	-	-	51.00	-	-	-	-	-	-	-	B
12	BBTV Productions Co., Ltd.	-	-	-	-	-	-	39.70	-	-	-	-	-	-	-	A
13	BBTV Satelvision Co., Ltd.	-	-	-	-	-	-	195.70	-	-	-	-	-	-	-	A
14	Belle Assets Company Limited	-	-	-	-	-	-	16.60	-	-	-	-	-	-	-	B
15	Belle Development Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	B
16	Ben Decs Company Limited	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	A
17	BOT Lease (Thailand) Company Limited	-	-	995.60	52.70	-	-	142.00	-	11.00	-	-	-	3,121.70	-	C
18	B-Quik Company Limited	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	C
19	MUFG Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	1,212.20	-	-	-	-	0.70	-	-	C
20	MUFG Participation (Thailand) Co., Ltd.	-	-	-	-	-	-	323.00	-	-	-	-	0.20	-	-	C
21	C.K.R. Company Ltd.	-	-	-	-	-	-	109.30	-	-	-	-	-	-	-	B
22	Chiyoda (Thailand) Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
23	CKS Holding Co., Ltd.	-	-	-	-	-	-	253.20	-	-	-	-	-	-	-	B
24	Conwood Co., Ltd.	-	-	-	-	-	-	18.10	-	-	-	5.10	-	-	0.70	B
25	Cyber Venture Company Limited	-	-	-	-	-	-	74.80	-	-	-	-	-	-	-	A
26	Daiki Engineering Thai Co., Ltd.	-	-	-	-	-	-	0.90	-	-	-	-	-	-	-	C
27	Dherakupt International Law Office Ltd.	-	-	-	-	-	-	24.20	-	-	-	-	-	-	-	B
28	Eastern Star Real Estate Public Company Limited	-	-	390.20	-	-	-	189.50	-	-	-	0.20	0.70	-	59.00	B
29	Eastern Star Resort Co., Ltd.	-	-	-	-	-	-	5.30	-	-	-	-	-	-	-	B

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
30	Easy Buy Public Company Limited	-	-	5,164.30	60.80	-	-	23.80	-	-	-	-	1.10	3,400.00	-	C
31	Exclusive Senior Care International Co., Ltd.	-	-	-	-	-	-	148.00	-	-	-	-	-	-	-	A
32	Federal Air Services Co., Ltd.	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	A
33	Federal Aviation Co., Ltd.	-	-	-	-	-	-	1.70	-	-	-	-	0.30	-	3.30	A
34	Federal Travel International Co., Ltd.	-	-	-	-	-	-	12.50	-	-	-	-	0.10	-	47.30	A
35	Fujichemi Co., Ltd.	-	-	-	0.20	-	-	0.30	-	-	-	-	-	35.60	-	C
36	GL Assets Co., Ltd.	-	-	-	-	-	-	1,688.40	-	-	-	-	-	-	-	B
37	Grand Canal Land Public Company Limited	-	-	-	-	-	-	33.90	-	-	-	-	-	-	-	B
38	Grand Fortune Limited	-	-	-	-	-	-	14.80	-	-	-	-	-	-	-	B
39	Grand Larn Luang Co., Ltd.	-	-	-	-	-	-	4.30	-	-	-	-	-	-	-	A
40	Great Fortune Equity Company Limited	-	-	-	-	-	-	37.20	-	-	-	-	0.10	-	1.10	B
41	Horkos (Thailand) Co., Ltd.	-	-	-	-	-	-	23.10	-	-	-	-	-	-	-	C
42	Insee Digital Co., Ltd.	-	-	-	-	-	-	74.60	-	-	-	-	-	-	-	B
43	Insee Eco Cycle Co., Ltd.	-	-	-	-	-	-	123.50	-	-	-	-	-	-	-	B
44	Insee Super Block Co., Ltd.	-	-	-	-	-	-	20.60	-	-	-	2.90	-	-	2.40	B
45	Iriso Electronics (Thailand) Ltd.	-	-	-	-	-	-	46.00	-	-	-	-	-	-	-	C
46	ISID South East Asia (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
47	ITBC Business Consultant Group Co., Ltd.	-	-	-	-	-	-	0.40	-	-	-	-	-	-	-	A
48	Iwatani Gas And Machinery (Thailand) Ltd.	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	C
49	Japan Electrical Testing Laboratory (Thailand) Co., Ltd.	-	-	-	-	-	-	6.40	-	-	-	-	-	-	-	C
50	JBCC (Thailand) Co., Ltd.	-	-	-	-	-	-	9.00	-	-	-	-	-	-	-	C
51	JCI (Thailand) Company Limited	-	-	-	-	-	-	10.70	-	-	-	-	-	-	-	C
52	K R & Associates Co., Ltd.	-	-	-	-	-	-	8.20	-	-	-	-	-	-	-	B
53	K R O Co., Ltd.	-	-	-	-	-	-	29.50	-	-	-	-	-	-	3.00	C
54	K. Group Co., Ltd.	-	-	-	-	-	-	78.40	-	-	-	-	-	-	-	B
55	K.S. Fortune Co., Ltd.	-	-	-	-	-	-	0.40	-	-	-	-	-	-	-	A
56	Kawata (Thailand) Co., Ltd.	-	-	-	-	-	-	23.90	-	-	-	-	-	-	-	C
57	Khao Kheow Country Club Co., Ltd.	-	-	-	-	-	-	5.50	-	-	-	-	-	-	0.50	B
58	Kinokuniya Book Stores (Thailand) Co., Ltd.	-	-	-	0.20	-	-	46.20	-	-	-	-	0.10	31.00	-	C
59	Kose (Thailand) Co., Ltd.	-	-	-	-	-	-	3.70	-	-	-	-	-	-	-	C
60	Kumon (Thailand) Co., Ltd.	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	C
61	Kyudenko (Thailand) Co., Ltd.	-	-	-	-	-	-	1.10	-	-	-	-	-	-	-	C

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
62	Lanna Resources Public Company Limited	-	-	-	-	-	-	10.50	-	-	-	-	-	-	-	B
63	Mahakij Holding Co., Ltd.	-	-	-	-	-	-	387.10	-	-	-	-	-	-	-	A
64	Management Solutions Company Limited	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	A
65	Marubeni Software And Technology (Thailand) Co., Ltd.	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	C
66	Maruha Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	C
67	Media Now Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	B
68	Media Studio Company Limited	-	-	-	-	-	-	1,071.00	-	-	-	-	1.60	-	2.00	B
69	Meiji (Thailand) Co., Ltd.	-	-	-	-	-	-	102.30	-	-	-	-	-	-	-	C
70	Meiko Trans (Thailand) Co., Ltd.	-	-	-	-	-	-	60.00	-	-	-	-	-	-	1.70	C
71	MUFG Securities Asia Limited	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C
72	MUFG SECURITIES EMEA PLC LONDON	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C
73	Mitsubishi UFJ Trust and Banking Corporation	-	-	-	-	-	-	-	1,455.90	-	-	-	4.00	-	-	C
74	MUFG BANK (EUROPE) N.V. BRASSEL BRANCH	-	-	-	-	-	-	-	2.50	-	-	-	-	-	-	C
75	MUFG BANK (EUROPE) N.V. PRAGUE BRANCH	-	-	-	-	-	-	-	0.10	-	-	-	-	-	-	C
76	Thai MHC Co., Ltd.	-	-	-	-	-	-	33.20	-	-	-	-	-	-	-	C
77	Nadex (Thailand) Co., Ltd.	-	-	-	-	-	-	32.80	-	-	-	-	-	-	-	C
78	Nichidai Asia Co., Ltd.	-	-	-	-	-	-	27.70	-	-	-	-	-	-	-	C
79	Nissan Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	10.70	-	-	-	-	-	-	-	C
80	Omori (Thailand) Co., Ltd.	-	-	-	-	-	-	7.90	-	-	-	-	-	-	-	C
81	OTC Daihen Bangkok Co., Ltd.	-	-	-	-	-	-	25.70	-	-	-	-	-	-	-	C
82	PCL Planner Co., Ltd.	-	-	-	-	-	-	1.20	-	-	-	-	-	-	1.00	B
83	Phokeethra Resort & Spa Co., Ltd.	-	-	-	-	-	-	1.10	-	-	-	-	-	-	-	A
84	Ploenchit Capital Ltd.	-	-	-	-	-	-	5.10	-	-	-	-	-	-	2.60	B
85	Pola Cosmetics (Thailand) Co., Ltd.	-	-	-	-	-	-	14.20	-	-	-	-	-	-	-	C
86	PPNS Associate Company Limited	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	A
87	Ratanaraks Co., Ltd.	-	-	-	-	-	-	678.90	-	-	-	-	-	-	-	B
88	Rubycon International (Thailand) Co., Ltd.	-	-	-	-	-	-	115.30	-	-	-	-	-	-	-	C
89	Ryokosha (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
90	Ryosho Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	17.00	-	-	-	-	-	-	-	C
91	Sankyo International Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	C
92	Sato Auto-Id (Thailand) Co., Ltd.	-	-	-	-	-	-	91.10	-	-	-	-	-	-	4.50	C
93	Sato Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	17.20	-	-	-	-	-	-	-	C

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
94	Sekisui Plant (Thailand) Company Limited	-	-	-	-	-	-	1.40	-	-	-	-	-	-	-	C
95	Shinko Microelectronics (Thailand) Co., Ltd.	-	-	-	-	-	-	9.90	-	-	-	-	-	-	-	C
96	Siam City Cement Public Company Limited	-	-	-	-	-	-	679.70	-	-	-	0.10	0.10	14.80	30.10	B
97	Siam City Cement Trading Company Limited	-	-	-	-	-	-	47.40	-	-	-	0.10	-	-	-	B
98	Siam City Concrete Co., Ltd.	-	-	-	-	-	-	201.70	-	-	-	-	0.10	-	11.50	B
99	Siam City Power Co., Ltd.	-	-	-	-	-	-	38.40	-	-	-	-	-	-	-	B
100	Siam Marubeni International Co., Ltd.	-	-	-	-	-	-	5.60	-	-	-	-	-	-	-	C
101	Siam Purimongkol Co., Ltd.	-	27.80	-	-	-	-	0.90	-	-	-	-	-	-	0.40	A
102	Sterling Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	B
103	Stronghold Assets Co., Ltd.	-	-	-	-	-	-	162.80	-	-	-	-	-	-	-	B
104	Sunrise Equity Co., Ltd.	-	-	-	-	-	-	31.60	-	-	-	-	-	-	-	B
105	Super Assets Co., Ltd.	-	-	-	-	-	-	245.00	-	-	-	-	-	-	8.10	A
106	Suzuyo (Thailand) Ltd.	-	-	-	-	-	-	66.60	-	-	-	-	-	-	1.10	C
107	Tak Thai Trading Ltd.	-	-	-	-	-	-	16.50	-	-	-	-	-	-	-	C
108	Thai Agro Energy Public Company Limited	-	-	1,381.90	-	-	-	9.20	-	-	-	0.10	-	-	-	B
109	Thai Nakorn Patana Company Limited	-	-	-	-	-	-	100.40	-	-	-	-	-	-	-	A
110	Thai Takenaka International Ltd.	-	-	-	-	-	-	1,106.10	-	-	-	-	0.10	-	-	C
111	Thai Yazaki Network Service Company Limited	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	C
112	The Bangkok Lighters Co., Ltd.	-	-	-	-	-	-	362.10	-	-	-	-	-	-	-	A
113	MUFG Bank (China), Ltd.	137.30	-	-	-	-	-	-	1.80	-	-	-	-	-	-	C
114	MUFG Bank (Malaysia) Berhad	6.50	-	-	0.20	-	0.30	-	109.90	1.60	-	-	-	196.20	-	C
115	MUFG Bank (Europe) N.V.	-	-	-	-	-	-	-	152.90	-	-	-	-	-	-	C
116	The Great Luck Equity Company Limited	-	-	-	-	-	-	1,249.20	-	-	-	-	-	-	-	B
117	The Thai Nishimatsu Construction Co., Ltd.	-	-	-	-	-	-	116.40	-	-	-	-	-	-	-	C
118	The Thai Tapioca Flour Produce Co., Ltd.	-	-	-	-	-	-	56.70	-	-	-	-	-	-	-	A
119	TNP Health Care Co., Ltd.	-	-	-	-	-	-	3.10	-	-	-	-	-	-	-	A
120	Tonson Property Co., Ltd.	-	-	0.20	-	-	-	1.10	-	-	-	-	-	-	-	B
121	Towa Denki (Thai) Co., Ltd.	-	-	-	-	-	-	34.70	-	-	-	-	-	-	-	C
122	Toyota Auto Body Thailand Company Limited	-	-	-	-	-	-	1,288.00	-	-	-	-	0.10	-	-	C
123	Toyota Body Service Co., Ltd.	-	-	-	-	-	-	70.60	-	-	-	-	-	-	-	C
124	Trancy Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	191.70	-	-	-	-	-	-	-	C
125	TSK Engineering (Thailand) Co., Ltd.	-	-	-	0.10	-	-	466.10	-	-	-	-	0.10	8.00	-	C

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
126	Tun Rungrueng Co., Ltd.	-	-	-	-	-	-	324.90	-	-	-	-	-	-	-	B
127	TV Digital Hr Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	B
128	V&V Bangkok Co., Ltd.	-	-	-	-	-	-	1.70	-	-	-	-	-	-	-	A
129	V-Cube (Thailand) Co., Ltd.	-	-	-	-	-	-	1.40	-	-	-	-	-	-	-	C
130	Yushin Precision Equipment (Thailand) Co., Ltd.	-	-	-	-	-	-	17.80	-	-	-	-	-	-	-	C
131	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	C
132	MUFG Union Bank, N.A. New York	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
133	MUFG Bank Turkey Anonim Sirketi	-	-	-	-	-	-	-	0.40	-	-	-	-	-	-	C
134	Federal Holdings Co., Ltd.	-	-	0.30	-	-	-	3.30	-	-	-	-	0.20	-	-	A
135	ALPS Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
136	U-Machine (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
137	MUFG Bank (Europe) N.V. Poland Branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
138	Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
139	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	-	-	-	-	-	-	-	0.20	-	-	-	-	-	-	C
140	Sanaru (Thailand) Co., Ltd.	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	C
141	Hoshisaki (Thailand) Co., Ltd.	-	-	-	-	-	-	22.30	-	-	-	-	-	-	-	C
142	T N P Land Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	A
143	Ryoyo Service (Thailand) Co., Ltd.	-	-	-	-	-	-	6.40	-	-	-	-	-	-	-	C
144	Kikuchi (Thailand) Co., Ltd.	-	-	-	-	-	-	0.90	-	-	-	-	-	-	-	C
145	Mu Research And Consulting (Thailand) Co., Ltd.	-	-	-	-	-	-	15.30	-	-	-	-	-	-	-	C
146	Jeol Asia (Thailand) Co., Ltd.	-	-	-	-	-	-	7.30	-	-	-	-	-	-	-	C
147	D-Net Solution Co., Ltd.	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	A
148	Tharasin Thasai Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	A
149	Rayong Isuzu Sales Co., Ltd.	-	-	-	-	-	-	0.10	-	-	-	-	-	-	-	A
150	National Digital ID Co., Ltd.	-	11.50	-	-	-	1.90	-	-	-	-	-	-	-	-	A
151	Genghis Holdings Co., Ltd.	-	-	-	-	-	-	1.60	-	-	-	-	-	-	-	B
152	MUFG Bank (Europe) N.V. Spain Branch	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C
153	Daiso Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	0.50	-	-	-	-	-	-	-	C
154	Siam Toyo Denki Co., Ltd.	-	-	-	-	-	-	15.20	-	-	-	-	-	-	-	C
155	Shoei Asia Co., Ltd.	-	-	-	-	-	-	2.60	-	-	-	-	-	-	-	C
156	Konica Minolta Solutions & Services (Thailand) Co., Ltd.	-	-	-	-	-	-	5.10	-	-	-	-	-	-	-	C

No.	Related Companies	Interbank and Money market items (Assets)	Investment	Loans and accrued interest receivables	Derivatives (Assets)	Premises and equipment, net	Total Other Assets	Deposits	Interbank and Money market items (Liabilities)	Derivatives (Liabilities)	Debt issued and Borrowings	Provisions	Total Other Liabilities	Derivatives (Notional amount)	Contingent liabilities	Relationship
157	Bangna Auto Sale Co., Ltd.	-	-	6.30	-	-	-	-	-	-	-	-	-	-	-	A
158	Takeda Printing (Thailand) Co., Ltd.	-	-	-	-	-	-	14.70	-	-	-	-	-	-	-	C
159	MSEK Power Co., Ltd.	-	-	-	-	-	-	28.10	-	-	-	-	-	-	-	C
160	MHC Nishimatsu Property (Thailand) Co., Ltd.	-	-	-	-	-	-	7.60	-	-	-	-	-	-	-	C
161	Iwai Plant Tech (Thailand) Co., Ltd.	-	-	-	-	-	-	4.10	-	-	-	-	-	-	-	C
162	Chonburi Isuzu Sale Co., Ltd.	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	A
163	Bangkok Commercial Asset Management Public Company Limited	-	1,004.30	3,281.60	-	-	5.70	210.70	-	-	-	-	-	-	-	A
164	Morgan Stanley And Co.Head Office (London)	-	-	-	0.80	-	-	-	-	-	-	-	-	601.80	-	C
165	PT.BANK DANAMON INDONESIA, TBK	1.00	-	-	-	-	-	-	0.30	-	-	-	-	-	-	C
166	Mitsubishi HC Capital (Thailand) Co., Ltd.	-	-	1,508.40	-	-	-	102.50	-	-	-	0.10	-	-	-	C
167	Hitachi Channel Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1.30	-	10.50	C
168	SY Solutions Bangkok Co., Ltd.	-	-	-	-	-	-	2.10	-	-	-	-	-	-	-	C
169	A&D Instruments (Thailand) Limited	-	-	-	-	-	-	3.10	-	-	-	-	-	-	-	C
170	MHC Management (Thailand) Co., Ltd.	-	-	-	-	-	-	0.70	-	-	-	-	-	-	-	C
171	LAO Nishimatsu Construction Co., Ltd.	-	-	-	-	-	-	60.50	-	-	-	-	-	-	-	C
172	Smart Factory & Services Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	2.30	-	-	-	-	-	-	-	C
173	Hitachi Channel Solutions Holding (Thailand) Ltd.	-	-	-	-	-	-	9.80	-	-	-	-	-	-	-	C
174	NOE Asia Pacific Co., Ltd.	-	-	-	-	-	-	3.60	-	-	-	-	-	-	-	C
175	HR Pro Security and Services Co., Ltd.	-	-	-	-	-	-	15.20	-	-	-	-	-	-	-	B
176	IIJ Global Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	3.90	-	-	-	-	-	-	-	C
177	S S & J J	-	-	-	-	-	-	9.80	-	-	-	-	-	-	-	C
178	BCI (Thailand) Co., Ltd.	-	24.20	-	-	-	-	-	-	-	-	-	-	-	-	A
179	Hattha Kaksekar Financial Trust	-	-	-	-	-	-	-	-	-	233.90	-	1.60	-	-	A
180	Trust Committee of Hattha Kaksekar	-	-	-	-	-	-	-	-	-	24.40	-	0.20	-	-	A
		144.80	**1,067.80**	**15,476.60**	**248.40**	**63.20**	**23.00**	**23,639.40**	**1,725.80**	**29.00**	**258.30**	**8.70**	**80.30**	**16,230.10**	**245.90**	

Relationship
A = Director and/or Executive officer of the Bank and/or subsidiaries is appointed as director of the entity and/or hold shares totally equal or greater than 20%.
B = Bangkok Broadcasting & T.V. Co., Ltd. and/or its related persons hold shares totally equal or greater than 20%.
C = BTMU group and/or its related persons hold shares totally equal or greater than 20%.
D = The Bank and/or its related persons hold shares totally equal or greater than 20%.
Remark: www.krungsri.com > Investors > Annual Report > Form 56-1

3 FINANCIAL STATEMENTS



REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the "Bank and subsidiaries") and the Bank's financial statements of Bank of Ayudhya Public Company Limited (the "Bank"), which comprise the consolidated and Bank's statements of financial position as at December 31, 2021, 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, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs") and Bank of Thailand's regulations.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the 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.

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.
 	
The Bank and subsidiaries have applied the Thai Financial Reporting Standard No. 9 - Financial Instruments ("TFRS 9") and related Bank of Thailand (the "BOT")'s regulations. This standard requires the Bank and subsidiaries to recognize impairment loss based on expected credit loss.
 	
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.
	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:
	
	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.
	
	We collectively and individually assessed loans to customers regarding the appropriateness of allowance for expected credit loss and the recognition at the reporting date as follows:
	
	• 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 regulations.
	  • Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios in the collective assessment method.

Key Audit Matters	Audit Responses

Allowance for expected credit loss (continued)
 	
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 and related the BOT's regulations for the allowance for expected credit loss, detail of allowance for expected credit loss were disclosed in Notes 4.7, 7.9 and 7.40 to the financial statements, respectively.
	• 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 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 regulations, 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 23, 2022

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
ASSETS					
CASH		29,370,777	30,333,319	27,577,248	29,215,418
INTERBANK AND MONEY MARKET ITEMS, NET	7.3	346,816,011	523,384,552	336,834,880	516,193,943
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	7.4	735,901	786,336	98,188	736,462
DERIVATIVES ASSETS	7.5	24,993,090	30,445,120	25,073,637	30,653,617
INVESTMENTS, NET	7.6	182,710,312	162,100,028	179,767,795	155,539,927
INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES, NET	7.7	14,457,378	14,365,116	62,965,806	61,432,683
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	7.8	1,816,869,472	1,765,622,639	1,641,530,695	1,609,829,809
PROPERTIES FOR SALE, NET	7.10	3,273,214	3,365,637	2,790,791	2,663,681
PREMISES AND EQUIPMENT, NET	7.11	30,821,335	31,196,615	28,147,201	28,659,612
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	7.12	17,021,650	17,031,374	3,827,429	3,993,017
DEFERRED TAX ASSETS	7.13	4,510,329	4,890,090	279,160	587,276
OTHER ASSETS, NET	7.14	27,529,161	25,852,963	22,285,756	21,225,920
TOTAL ASSETS		2,499,108,630	2,609,373,789	2,331,178,586	2,460,731,365

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
LIABILITIES AND EQUITY					
DEPOSITS	7.15	1,779,138,526	1,834,505,186	1,760,331,274	1,819,222,893
INTERBANK AND MONEY MARKET ITEMS	7.16	202,149,529	243,569,647	186,988,210	224,973,577
LIABILITY PAYABLE ON DEMAND		4,041,826	5,607,230	4,041,362	5,606,355
DERIVATIVES LIABILITIES	7.5	21,671,872	32,941,510	21,729,182	33,118,201
DEBT ISSUED AND BORROWINGS	7.17	118,977,170	146,118,868	90,182,193	125,951,206
PROVISIONS	7.18	12,014,547	13,378,497	9,753,437	10,864,530
DEFERRED TAX LIABILITIES	7.13	1,125,626	686,388	-	-
OTHER LIABILITIES	7.19	41,752,882	43,387,499	24,135,702	26,825,390
TOTAL LIABILITIES		2,180,871,978	2,320,194,825	2,097,161,360	2,246,562,152
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		4,299,561	4,271,362	5,121,683	5,208,509
RETAINED EARNINGS					
Appropriated					
Legal reserve		7,574,144	7,279,800	7,574,144	7,279,800
Unappropriated		179,205,803	149,556,653	94,885,032	75,244,537
TOTAL BANK'S EQUITY		317,515,875	287,544,182	234,017,226	214,169,213
NON-CONTROLLING INTEREST		720,777	1,634,782	-	-
TOTAL EQUITY		318,236,652	289,178,964	234,017,226	214,169,213
TOTAL LIABILITIES AND EQUITY		2,499,108,630	2,609,373,789	2,331,178,586	2,460,731,365

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2021	2020	2021	2020
INTEREST INCOME	7.31	99,803,755	108,062,348	68,850,088	76,274,911
INTEREST EXPENSES	7.32	21,823,669	26,758,210	18,606,575	23,940,142
INTEREST INCOME, NET		77,980,086	81,304,138	50,243,513	52,334,769
FEES AND SERVICE INCOME		24,053,016	24,811,854	12,201,227	13,534,487
FEES AND SERVICE EXPENSES		7,201,753	7,247,669	4,962,119	5,110,675
FEES AND SERVICE INCOME, NET	7.33	16,851,263	17,564,185	7,239,108	8,423,812
GAINS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	7.34	4,095,788	4,112,021	4,391,525	4,499,352
GAINS (LOSSES) ON INVESTMENTS, NET	7.35	10,925,241	108,747	11,096,898	(611,253)
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		1,930,465	1,523,281	-	-
DIVIDEND INCOME		366,328	272,950	6,270,425	971,689
BAD DEBTS RECOVERIES		6,586,684	6,752,472	2,459,874	2,231,482
OTHER OPERATING INCOME		4,170,541	2,349,127	2,255,287	2,002,330
TOTAL OPERATING INCOME		122,906,396	113,986,921	83,956,630	69,852,181
OTHER OPERATING EXPENSES					
Employee's expenses		26,717,401	25,296,702	18,655,235	18,163,665
Directors' remuneration		64,604	64,639	58,716	58,492
Premises and equipment expenses		7,194,404	7,549,879	5,907,916	6,162,431
Taxes and duties		2,216,677	2,534,958	1,449,740	1,694,937
Others		12,761,187	13,018,826	7,617,022	8,425,191
Total other operating expenses		48,954,273	48,465,004	33,688,629	34,504,716
EXPECTED CREDIT LOSS	7.36	31,604,341	36,643,685	21,221,407	25,352,193
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		42,347,782	28,878,232	29,046,594	9,995,272
INCOME TAX EXPENSES	7.37	8,293,292	5,537,981	4,613,080	1,835,054
NET PROFIT		34,054,490	23,340,251	24,433,514	8,160,218

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2021	**2020**	**2021**	**2020**
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain (loss) on investments in debt instruments at fair value through other comprehensive income		(718,832)	303,190	(718,832)	303,190
Gain (loss) on cash flow hedges		50,703	(161,013)	50,703	(161,013)
Gain (loss) arising from translating the financial statements of foreign operation		1,167,030	(91,607)	-	-
Share of other comprehensive income of associate and joint ventures		5,437	(5,773)	-	-
Income tax relating to components of other comprehensive income	7.38	(102,153)	(8,250)	133,626	(28,436)
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on investments designated at fair value through other comprehensive income		1,000,767	86,586	864,537	(93,056)
Actuarial gain (loss) on defind benefit plans		1,234,956	(560,724)	1,040,273	(575,904)
Share of other comprehensive income of associate and joint ventures		(1,507)	(1,434)	-	-
Income tax relating to components of other comprehensive income	7.38	(447,145)	94,292	(380,962)	133,792
Total other comprehensive income, net		2,189,256	(344,733)	989,345	(421,427)
TOTAL COMPREHENSIVE INCOME		36,243,746	22,995,518	25,422,859	7,738,791
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		33,794,188	23,039,785	24,433,514	8,160,218
Non-controlling interest		260,302	300,466	-	-
		34,054,490	23,340,251	24,433,514	8,160,218
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		35,988,558	22,686,391	25,422,859	7,738,791
Non-controlling interest		255,188	309,127	-	-
		36,243,746	22,995,518	25,422,859	7,738,791
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	4.59	3.13	3.32	1.11
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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

		CONSOLIDATED FINANCIAL STATEMENTS													
		Owners of the Bank												Non-	Total
				Other reserves							Retained Earnings		Total		
	Notes	Issued and Paid-up Share Capital	Premium on Share Capital	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	Deficit from Change in Ownership Interest in a Subsidiary	Appropriated Legal Reserve	Unappropriated	Bank's Equity	Controlling Interest	
Balance as of January 1, 2020		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 asset 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
Balance as of January 1, 2021		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
Change in asset revaluation surplus		-	-	(243,952)	-	-	-	-	-	-	-	243,952	-	-	-
Fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	-	456,352	456,352	8,300	464,652
Dividend payment	7.23.2	-	-	-	-	-	-	-	-	-	-	(5,516,821)	(5,516,821)	(712,022)	(6,228,843)
Increase in legal reserve		-	-	-	-	-	-	-	-	-	294,344	(294,344)	-	-	-
Total comprehensive income		-	-	-	232,100	915,538	56,275	5,437	-	-	-	34,779,208	35,988,558	255,188	36,243,746
Effect of change in functional currency		-	-	-	-	14,529	-	-	-	-	-	(19,197)	(4,668)	-	(4,668)
Change in shareholding in subsidiary company	7.7	-	-	-	-	-	-	-	-	(951,728)	-	-	(951,728)	(465,471)	(1,417,199)
Balance as of December 31, 2021		73,557,618	52,878,749	10,053,866	643,628	(155,578)	(72,536)	(336)	(5,217,755)	(951,728)	7,574,144	179,205,803	317,515,875	720,777	318,236,652

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

		THE BANK'S FINANCIAL STATEMENTS								
				Other reserves				Retained Earnings		Total
	Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedging Reserve	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2020		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 asset 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
Balance as of January 1, 2021		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
Change in asset revaluation surplus		-	-	(243,952)	-	-	-	-	243,952	-
Fair value through other comprehensive income		-	-	-	-	-	-	-	(58,025)	(58,025)
Dividend payment	7.23.2	-	-	-	-	-	-	-	(5,516,821)	(5,516,821)
Increase in legal reserve		-	-	-	-	-	-	294,344	(294,344)	-
Total comprehensive income		-	-	-	116,563	40,563	-	-	25,265,733	25,422,859
Balance as of December 31, 2021		73,557,618	52,878,749	10,053,866	373,820	(88,248)	(5,217,755)	7,574,144	94,885,032	234,017,226

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	**2020**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	42,347,782	28,878,232	29,046,594	9,995,272
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	4,761,064	5,048,950	3,917,071	4,303,883
Expected credit loss	31,604,341	36,643,685	21,221,407	25,352,193
(Gain) loss on translation in foreign currencies	1,772,698	(1,861,624)	1,772,698	(1,861,624)
Unrealized loss from revaluation of derivatives	3,381,013	3,774,390	3,389,581	3,788,435
Share of profit from investment using equity method	(1,930,465)	(1,523,281)	-	-
(Gain) loss on investments	(10,925,241)	(108,747)	(11,096,898)	611,253
Increase in discount on investments	558,215	453,500	558,215	453,500
Gain on sales of properties for sale	(1,476,540)	(1,030,962)	(1,317,486)	(909,730)
Loss on sales of premises and equipment	209,009	89,791	109,802	97,872
Loss on impairment of properties for sale (reversal)	(58,567)	303,455	(115,584)	206,747
Reversal of impairment of other assets	(19,479)	(50,041)	(14,941)	(57,038)
Increase (decrease) in other reserves	(806,921)	1,056,673	272,186	313,621
Interest income, net	(77,980,086)	(81,304,138)	(50,243,513)	(52,334,769)
Interest received	98,144,442	103,431,303	67,227,012	71,908,325
Interest paid	(22,994,644)	(29,760,357)	(19,912,602)	(27,054,082)
Dividend income	(366,328)	(272,950)	(6,270,425)	(971,689)
Dividends received	366,328	272,973	364,647	271,496
Increase (decrease) in other accrued expenses	271,076	(2,236,620)	251,977	(1,572,956)
Income tax paid	(8,037,612)	(6,373,368)	(4,358,836)	(3,057,028)
Income from operations before changes in operating assets and liabilities	58,820,085	55,430,864	34,800,905	29,483,681
(Increase) decrease in operating assets				
Interbank and money market items	180,429,574	(186,202,686)	181,149,010	(185,960,621)
Financial assets measured at fair value through profit or loss	50,435	1,884,771	626,763	1,931,673
Loans to customers	(100,232,050)	(66,474,423)	(68,701,620)	(39,325,799)
Properties for sale	24,300,754	22,672,548	22,469,165	20,462,123
Other assets	(200,775)	(447,835)	(175,935)	699,817

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2021

Unit : Thousand Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	**2020**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	(62,033,789)	265,723,732	(65,558,748)	258,546,056
Interbank and money market items	(51,625,708)	(13,079,004)	(48,190,956)	(30,772,532)
Liability payable on demand	(1,643,145)	1,860,435	(1,642,734)	1,859,635
Other liabilities	(1,460,207)	2,253,707	(2,196,278)	2,571,207
Net cash from operating activities	46,405,174	83,622,109	52,579,572	59,495,240
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	81,951,737	115,464,655	77,141,964	115,412,115
Cash paid for purchases of investments in securities	(102,114,526)	(162,224,477)	(101,705,879)	(156,538,876)
Proceeds from sales of investments in joint venture	12,696,670	-	12,696,670	-
Cash paid for investment in subsidiaries and joint venture	(1,545,027)	(983,991)	(3,331,427)	(2,196,591)
Dividend received from subsidiaries	-	-	5,905,779	700,215
Proceeds from sales of premises and equipment	218,815	297,847	121,202	125,249
Cash paid for purchases of premises and equipment	(1,823,585)	(2,601,111)	(1,448,224)	(1,346,296)
Cash paid for purchases of intangible assets	(1,184,593)	(1,898,796)	(897,101)	(1,615,383)
Net cash from investing activities	(11,800,509)	(51,945,873)	(11,517,016)	(45,459,567)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	27,455,784	12,220,988	10,003,333	7,184,384
Repayment of debts issued and borrowings	(54,834,278)	(40,952,958)	(46,009,142)	(20,282,285)
Payment for lease liabilities	(1,578,659)	(1,632,282)	(1,256,556)	(1,278,945)
Dividend payment	(5,516,821)	(3,310,093)	(5,516,821)	(3,310,093)
Net cash from financing activities	(34,473,974)	(33,674,345)	(42,779,186)	(17,686,939)
Total	130,691	(1,998,109)	(1,716,630)	(3,651,266)
Effect arising from translating the financial statements of foreign operations	896,030	(41,622)	-	-
Effect of exchange rate change on cash	78,460	82,084	78,460	82,084
Net increase (decrease) in cash and cash equivalents	1,105,181	(1,957,647)	(1,638,170)	(3,569,182)
Cash and cash equivalents as at January 1,	37,612,722	39,570,369	29,215,418	32,784,600
Cash and cash equivalents as at December 31,	38,717,903	37,612,722	27,577,248	29,215,418

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

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021 and 2020, the Bank has 23 subsidiaries, associate and joint ventures, respectively as follows:

1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, and is located at 550, Krungsri Ploenchit Tower, 14th Floor, Ploenchit Road, 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 non-performing assets and other assets transferred from financial institutions.

1.10 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004, and is located at 898, Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.

1.11 Krungsri Nimble Company Limited was incorporated in Thailand on February 1, 2007, and is located at 1222, Bank of Ayudhya Public Company Limited, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring and information technology services.

1.12 Krungsri 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 196, Unit 12, Kamphengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.

1.16 Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd., which is owned by Krungsri Leasing Services Company Limited of 99.99% the Bank's subsidiary, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 7, 2020, and is located at 197, Unit 12, Kamphengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is non-deposit taking microfinance.

1.17 Hattha Bank Plc. was incorporated in Cambodia in November 1996, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is banking business.

1.18 Hattha Services Company Limited which is 49% owned by Hattha Bank Plc., the Bank's subsidiary. However, the Bank has power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%. The company was incorporated in Cambodia 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 ("TIDLOR") was incorporated in Thailand on October 24, 2006, and is located at 428 Ari Hills Building 9th-15th Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. The associate's main business is hire-purchase loan for all types of vehicles, non-life insurance broker and life insurance broker.

In 2021, TIDLOR made an Initial Public Offering ("IPO") and the Bank offered its shares jointly with TIDLOR. As a result, the Bank's shareholding in TIDLOR decreased to 30%. TIDLOR's status is changed from a joint venture to an associate.

1.20 Lotus's Money Services Limited (formerly 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 Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited), which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumphini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is as a life insurance broker.

1.22 Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited), which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, 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 Keyland Arnaiz Building, 849 Antonio Arnaiz Avenue, Legazpi Village, 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.

The Bank and its subsidiaries have adopted Accounting Treatment Guidance on "The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy" in the preparation of the financial statements for the years ended December 31, 2021. This Accounting Treatment Guidance is intended to be temporary that provides assistance to the debtors during January 1, 2020 to December 31, 2021 or until there are any changes from the BOT, which require the compliance with such changes.

Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective in 2021

The revised Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16") added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards No. 7 "Financial Instruments: Disclosures" and Thai Financial Reporting Standards No. 9 "Financial Instruments", which have been announced in the Royal Gazette on June 28, 2021 and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendment to such Thai Financial Reporting Standards are relevant to the Phase 2 of the interest rate benchmark reform amendments which provided practical expedients for the modification of the contractual cash flows of financial assets or financial liabilities resulted from the interest rate benchmark reform, including temporary exceptions from specific hedge accounting requirements, and additional disclosure requirements of TFRS 7.

In addition, the Federation of Accounting Professions has issued the Notification regarding the amendments to Thai Financial Reporting Standards which have been announced in the Royal Gazette on December 22, 2021, as follow:

- Thai Financial Reporting Standards No. 1 "First-time Adoption of Thai Financial Reporting Standards", to be effective for the financial statements for the period beginning on or after January 1, 2022 onwards.

- Accounting Treatment Guidance no.37/2564 on "Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19", which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until any changes announced from the Bank of Thailand. The entities who elect to apply these temporary relief measures should disclose such fact including the guidelines of credit risk management and its impact on the measurement of expected credit losses in the financial statements.

The management of the Bank and its subsidiaries will adopt such TFRSs in the preparation of the Bank and subsidiaries' financial statements when it becomes effective. The management of the Bank and its subsidiaries are 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:

Subsidiaries	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at December 31, 2021	2020
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Services Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	86.86	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
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	99.99
Hattha Bank Plc.	Commercial bank	Cambodia	100.00	100.00
Hattha Services Company Limited [4]	Lease real estate	Cambodia	100.00	100.00

(1) Indirectly holding via Ayudhya Capital Services Company Limited of 100%.
(2) Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.
(3) Indirectly holding via Krungsri Leasing Services Company Limited of 99.99%.
(4) The Bank held indirectly ordinary shares of Hattha Services Company Limited via Hattha Bank Plc. of 49%. However, the Bank has the power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

In 2021, the Bank and its subsidiaries have adopted the revised financial reporting standards and the Conceptual Framework for Financial Reporting issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2021. 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, the amendment for definition of business, the amendment for definition of materiality and accounting requirements for interest rate reform.

The Rent Concessions related to COVID-19

The Bank and its subsidiaries elected to adopt the amendments to TFRS 16 Leases relating to COVID-19 related Rent Concessions. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. Any reduction in lease payments affects only payments originally due on or before June 30, 2022 and there is no substantive change to other terms and conditions of the lease.

The temporary exceptions from applying specific hedge accounting requirements

The Bank and its subsidiaries have adopted the temporary exceptions from applying specific hedge accounting requirements from Phase 1 amendments of TFRS 9 Financial Instruments when there are still uncertainties from the interest rate benchmark reform for the hedge accounting relationships under the interest rate benchmark reform as follows:

- To determine whether a forecast transaction (or a component thereof) is highly probable for cash flow hedges, it is assumed that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.
- To determine whether the hedged future cash flows are expected to occur for reclassifying the amount accumulated in the cash flow hedge reserve, it is assumed that the interest rate benchmark on which the hedged cash flows (contractually or non-contractually specified) are based is not altered as a result of interest rate benchmark reform.
- To assess the economic relationship between the hedged item and the hedging instrument, it is assumed that the interest rate benchmark on which the hedged cash flows and/or the hedged risk (contractually or noncontractually specified) are based, or the interest rate benchmark on which the cash flows of the hedging instrument are based, is not altered as a result of interest rate benchmark reform.

The Bank and its subsidiaries' management have adopted such aforementioned practical expedient in the preparation of the financial statements for the year ended December 31, 2021.

The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated October 31, 2018.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Financial Assets

Classification and measurement

All financial assets are 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 amortized cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For the purpose of solely payments of principal and interest ("SPPI") test, principal is the fair value of the financial 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 amortized cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortized cost.

Such debt instruments include debt securities and loans to customers are presented as "Investments, net", and "Loans to customers and accrued interest receivables, net" in the statement of financial position, respectively.

Subsequent to initial recognition, these debt instruments are measured at amortized cost using the effective interest method. Gains and/or losses are recognised in profit or loss upon derecognition, reclassification or impairment, and through the amortization 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 fund 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 holding or having the investment in unit trust of fixed income fund to enhance the liquidity of the money market dated March 25, 2020.

1.3 Debt instruments at FVTPL

Debt instruments measured at FVTPL are financial assets that do not meet the criteria for amortized cost or FVOCI which are presented as Financial assets measured at FVTPL in the statement of financial position.

After initial recognition, debt instruments at FVTPL are measured at fair value. Any gains or losses from changes in fair value of the financial assets are 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 amortized over the remaining term of the modified financial asset.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Bank and its subsidiaries have a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

The Bank and its subsidiaries enter into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; 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.

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 amortized cost or at FVOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is 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, net

Investments, net consist of:

1) Debt instruments at amortized cost
2) Debt instruments at fair value through other comprehensive income
3) Equity instruments designated at fair value through other comprehensive income

Investments in debt instruments and equity instruments have been initially recognized on the settlement date and trade date, respectively.

4.6 Investments in subsidiaries, associate and joint ventures, net

In the consolidated financial statements, investments in associates and joint ventures are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries, associates and joint ventures are accounted for by the cost method less impairment loss.

4.7 Allowance for expected credit loss

The Bank and its subsidiaries recognise a loss allowance for expected credit loss ("ECL") on financial assets measured at amortized cost or measured at fair value through other comprehensive income. No impairment loss is 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.

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 amortized cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank and its subsidiaries consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes 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 amortized 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.

4.8 Troubled debt restructuring

A trouble debt restructuring (“TDR”) is a modification of loan of Stage 3 Borrowers (Impaired Loan or Non-performing Loan) who are in financial distress and unable to meet their original contractual repayment terms. For Stage 1 and Stage 2 borrowers, modification of loan would be considered as Pre-emptive action taken with an aim to prevent borrower from turning NPL. TDR can be initiated by the client, the Bank or a third party including government sponsored programmes. TDR may include the reduction of principal and accrued interest and other forms such as modifications of terms, asset transfers, equity securities transfers, and etc or any other criteria as specified by the Bank of Thailand. TDR loan that has been modified, and not derecognised, on terms that are not consistent with those readily available in the market

or the conditions specified by BOT are considered credit impaired if there is a detrimental impact on cash flows. TDR loan may be subjected to modification gain or loss calculation. The amount of modification gain or loss arises from the difference between the gross carrying amount before modification and the present value of the expected future cash flow discounted by the original effective interest rate. The modification gain or loss is recognized in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in gross carrying value of the asset.

4.9 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

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

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 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.

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 amortized cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are 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 amortized cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Interest expense and EIR amortization as well as foreign exchange gains or losses on financial liabilities measured at amortized cost are 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

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 amortized cost of the financial asset before adjusting for any allowance for expected credit loss).

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets purchased or originated credit-impaired, the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income.

Fee and service income other than those that are an integral part of EIR, is 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.

4.15 Recognition of expenses

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.

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 financial instruments measured at fair value through profit or loss, net in the statements of profit or loss and other comprehensive income.

4.21.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank’s financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.22 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

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. The Bank controls 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 maintains sufficient capital for both normal and stressed business conditions.

2) Organization and Structure

The BOD has delegated 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 effective market risk management.

3) Market Risk Management Framework

The Bank has continuously conducted the forward-looking risk management and closely monitor to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT.

The Bank classified the market risk exposures into two main portfolios based on the nature and purpose of a transaction, namely trading book and banking book

- **A trading book** consists of positions in financial instruments held either for trading or hedging other elements of the trading book.
- **A banking book** consists of positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

Market Risk Factors and Risk Management

The Bank's transactions are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income and/or shareholders' equity.

Interest Rate Risk

Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and off-balance sheet items, and from the mismatch of their repricing rates and frequency.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk (VaR) tool is employed for the trading book position to estimate the Bank's potential maximum loss.

Foreign Exchange Risk

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from products and services provided to the Bank's customers.

In addition, the Bank enters into forward foreign exchange contracts as part of the risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's 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 change of equity price.

For Trading Book, the Bank monitors the level of risk under the specified risk limits using the VaR Method to manage the equity price risk.

Measurements of Market Risk in Trading Book

Market risk exposures in trading book

Financial business group: Value-at-Risk (VaR)

Financial business group: VaR (Trading book) as at December 31, 2021 and 2020

Unit: Million Baht

	VaR*	
	2021	**2020**
Overall	**426**	**322**
Interest rate risk	96	80
Foreign currency risk	383	314
Equity risk	0	0

* Confident level 99% Holding period 10 Days

The Bank: Sensitivity analysis

Bank's sensitivity analysis (Trading book) as at December 31, 2021 and 2020

Unit: Million Baht

	Estimated profit (loss) Impact	
	2021	**2020**
Interest Rate		
1. Interest rate parallel increase 100 bps	159	11
2. Non-parallel: unchanged for tenor less than or equal to1 year ; increase 50 bps for tenor over 1 year	20	(36)
Foreign Exchange		
3. USD/THB exchange rate increase 1%	13	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, 2021 and 2020

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	
	2021	2020	2021	2020
THB	(2,584)	(787)	(2,634)	(922)
USD	(256)	(556)	(118)	(461)
Other foreign currencies	(516)	(401)	(514)	(394)
Total impact	(3,356)	(1,744)	(3,266)	(1,777)
% of net interest income over the next 12 months	(4.08%)	(2.21%)	(6.28%)	(3.46%)

* 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	
	2021	2020	2021	2020
THB	(13,610)	(8,637)	(13,100)	(8,097)
USD	(607)	(430)	(76)	(20)
Other foreign currencies	(118)	(35)	(16)	18
Total impact	(14,335)	(9,102)	(13,192)	(8,099)
% of Total capital fund	(3.98%)	(2.71%)	(4.52%)	(2.93%)

* The changes in increase interest rates of 100 bps.

Structure of assets and liabilities based on next repricing as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021						
	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	266,818	7,527	4,251	994	-	67,226	346,816
Investments, net	42,306	25,321	99,711	4,694	-	10,678	182,710
Loans to customers	907,869	281,716	523,737	49,921	47,448	79,685	1,890,376
Financial liabilities							
Deposits	1,423,705	280,380	25,662	68	-	49,324	1,779,139
Interbank and money market items	131,325	49,832	16,398	1,012	-	3,583	202,150
Debt issued and borrowings	8,922	59,142	47,945	2,932	-	36	118,977

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

	THE BANK'S FINANCIAL STATEMENTS 2021						
	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	266,693	7,496	4,251	-	-	58,395	336,835
Investments, net	42,306	25,321	99,711	4,694	-	7,736	179,768
Loans to customers	909,630	247,743	454,635	45,097	38,709	3,807	1,699,621
Financial liabilities							
Deposits	1,421,203	267,185	21,821	-	-	50,122	1,760,331
Interbank and money market items	128,627	41,740	13,021	9	-	3,591	186,988
Debt issued and borrowings	2,900	54,355	32,926	-	-	1	90,182

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

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. The Bank places great importance on effective liquidity risk management and controls by establishing liquidity risk management policy and emergency contingency plan. Additionally, the Bank maintains liquid assets to comply with the Bank of Thailand's regulations and emphasizes on management of excess liquidity at an acceptable level and an adequate amount for both the Bank's and 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.

The Bank employs liquidity risk measurement tools from maturity mismatches of cash flows from assets, liabilities and off-balance sheet such as cash flow/liquidity projection and liquidity gap analysis according to the remaining contractual maturity 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.

The Bank analyses funding concentration to ensure that funding sources are well-diversified by customer type, deposit type, and maturity. To manage and control liquidity risk 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.

Financial assets and financial liabilities based on remaining contractual maturity as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021						
	At call	**Within 1 Year**	**Over 1 Year but within 5 years**	**Over 5 Years**	**No maturity**	**Non-Performing Loans**	**Total**
Financial Assets							
Cash	29,371	-	-	-	-	-	29,371
Interbank and money market items, net	78,175	253,184	10,863	4,517	77	-	346,816
Financial assets measured at FVTPL	-	25	7	600	104	-	736
Derivatives assets	-	11,919	8,429	4,645	-	-	24,993
Investments, net	-	62,132	105,193	7,113	8,272	-	182,710
Loans to customers	93,737	604,219	796,941	348,031	-	47,448	1,890,376
Total	201,283	931,479	921,433	364,906	8,453	47,448	2,475,002
Financial Liabilites							
Deposits	1,076,624	639,037	63,414	64	-	-	1,779,139
Interbank and money market items	15,582	162,815	22,754	998	1	-	202,150
Liability payable on demand	4,042	-	-	-	-	-	4,042
Derivatives liabilities	-	9,715	6,767	5,190	-	-	21,672
Debt issued and borrowings	-	33,663	23,625	61,689	-	-	118,977
Total	1,096,248	845,230	116,560	67,941	1	-	2,125,980
Net liquidity gap	**(894,965)**	**86,249**	**804,873**	**296,965**	**7,452**	**47,448**	**349,022**

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

THE BANK'S FINANCIAL STATEMENTS

2021

	At call	Within 1 Year	Over 1 Year but within 5 years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	27,577	-	-	-	-	-	27,577
Interbank and money market items, net	72,760	253,134	10,864	-	77	-	336,835
Financial assets measured at FVTPL	-	(1)	(1)	100	-	-	98
Derivatives assets	-	11,921	8,506	4,647	-	-	25,074
Investments, net	-	62,133	105,193	4,690	7,752	-	179,768
Loans to customers	92,843	520,194	705,699	342,176	-	38,709	1,699,621
Total	193,180	847,381	830,261	351,613	7,829	38,709	2,268,973
Financial Liabilites							
Deposits	1,080,218	620,540	59,573	-	-	-	1,760,331
Interbank and money market items	16,177	152,768	18,034	9	-	-	186,988
Liability payable on demand	4,041	-	-	-	-	-	4,041
Derivatives liabilities	-	9,714	6,825	5,190	-	-	21,729
Debt issued and borrowings	-	22,932	6,439	60,811	-	-	90,182
Total	1,100,436	805,954	90,871	66,010	-	-	2,063,271
Net liquidity gap	**(907,256)**	**41,427**	**739,390**	**285,603**	**7,829**	**38,709**	**205,702**

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**

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, 2021
Date of disclosure	Within 4 months after the period end date as indicated in the BOT's notification (within April 2022)
Location of disclosure	https://www.krungsri.com/en/investor-relations/financial-information/disclosure/liquidity-coverage-ratio

5.3 Credit risk

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

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The Bank's strategy for managing credit risk is developed according to risk appetite of the Bank. To identify clear goals for practitioners, the Bank establishes policies and operational plans for reference in accordance with the Bank's strategy - credit policies, credit risk management policies, and credit rating policies etc. credit risk is managed under the Bank's strategy based on international standards and conforming to the Bank of Thailand's rules and regulations.

The Bank has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks.

Commercial credit risk management

The commercial credit risk is managed through the Bank's internal credit risk management framework that is enhanced continuously to meet international standards. The internal credit rating are developed and used to assign risk rating for customers at origination or acquisition, are reassessed annually, and are adjusted to changes in credit quality over the life of the exposure through the Bank's credit review process. In assessing the risk rating of a loan or lending-related commitment, the Bank considers factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and location of the customer.

The Bank acknowledges that each customer is different, and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements, also accounting for other quantitative and qualitative factors to reflect business capacity and potential for growth.

The credit risk exposure of commercial credit portfolio can be shown as follows:

Credit risk exposure by credit rating as at December 31, 2021 and 2020

Unit: Million Baht

Risk rating	CONSOLIDATED FINANCIAL STATEMENTS 2021 ECL staging			2020 ECL staging		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Investment grade	604,480	1,207	-	568,365	402	-
Medium risk	272,104	48,383	1,975	251,408	50,510	1
High risk	-	-	14,411	-	22	14,855
Gross carrying amount	876,584	49,590	16,386	819,773	50,934	14,856
Expected credit loss	7,657	8,832	8,939	9,885	5,529	7,896

Related collaterals as at December 31, 2021 and 2020

Unit: Million Baht

Credit-impaired asset (stage 3)	CONSOLIDATED FINANCIAL STATEMENTS 2021 GCA	ECL	Collateral value*	2020 GCA	ECL	Collateral value*
Large corporate	6,295	2,832	2,798	5,275	1,992	3,219
Small & meduim enterprise	10,091	6,107	5,498	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, 2021 and 2020

Unit: Million Baht

Portfolio	CONSOLIDATED FINANCIAL STATEMENTS 2021 ECL staging			2020 ECL staging		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Business banking	26,277	12,187	4,228	29,520	10,006	3,718
Mortgage	245,547	23,817	14,080	254,658	17,490	11,913
Personal	8,015	5,614	879	10,423	5,608	1,076
Auto business	365,371	49,459	6,714	372,494	47,438	7,945
Krungsri consumer	115,916	3,389	5,923	110,198	11,798	6,471
Others*	68,955	1,170	1,128	54,633	272	806
Gross carrying amount	830,081	95,636	32,952	831,926	92,612	31,929
Expected credit loss	28,925	13,546	16,461	23,097	12,686	17,315

* Foreign subsidiaries, Securities, Insurance brokers etc.

Related collaterals as at December 31, 2021 and 2020

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
Credit-impaired asset (stage 3)	GCA	ECL	Collateral value*	GCA	ECL	Collateral value*
Business banking	4,228	1,600	2,583	3,718	1,544	2,038
Mortgage	14,080	5,922	8,470	11,913	4,873	7,336
Personal	879	846	-	1,076	1,040	-
Auto business	6,714	4,087	-	7,945	4,935	-
Krungsri consumer	5,923	3,651	-	6,471	4,121	-
Others**	1,128	355	30	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

The Bank rigorously monitors and reviews customer and portfolio risk in the following ways:

Reserve adequacy

The adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Specific reserves are allocated to portfolios as required, with regular stress tests conducted to ensure that reserves are adequate.

Credit risk audit

An independent central unit under the Internal Audit Group of the Bank is responsible for examining and reviewing all credit risk management operations, with scope and plans approved by the Audit Committee 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

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

Stress testing

The Bank and its subsidiaries conduct stress tests based on the Bank's stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board of Directors. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. The Bank has strategies and action plans in place to prevent any adverse effects.

Financial business group management

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

Non-performing loan management

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

5.4 Capital funds

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

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at December 31, 2021 and 2020, 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	
	2021	**2020**
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,574	7,280
Cumulative profit after appropriation	178,396	141,486
Other reserves		
Other comprehensive income	10,431	9,500
Other items from owner changes	(6,170)	(5,218)
Deduction items from Common Equity Tier 1 capital	(38,504)	(28,807)
Total Common Equity Tier 1 capital	278,164	250,678
Additional Tier 1 capital		
Non-Controlling interest	1,452	4,293
Total Tier 1 capital	279,616	254,971
Tier 2 capital		
Subordinated debentures	60,811	60,811
General provision	19,183	18,957
Non-Controlling interest	273	967
Total Tier 2 capital	80,267	80,735
Total capital fund	359,883	335,706

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*	Basel III Consolidated Supervision	
		2021	2020
Total Common Equity Tier 1 capital / Total risk weighted assets	8.00	15.52	14.26
Total Tier 1 capital / Total risk weighted assets	9.50	15.60	14.51
Total capital / Total risk weighted assets	12.00	20.08	19.10
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)		359,883	335,706
Total capital after deducting capital add-on / Total risk weighted assets		20.08	19.10

* 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 also requires the conservation buffer at more than 2.50%, and requires Domestic Systemically Important Banks (D-SIBs) to maintain an additional Common Equity Tier 1 ratio at 1.00%.

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%.

Unit: Million Baht

	Basel III The Bank	
	2021	2020
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,574	7,280
Cumulative profit after appropriation	88,407	73,569
Other reserves		
Other comprehensive income	10,404	10,537
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(14,131)	(14,422)
Total Common Equity Tier 1 capital	213,473	198,183
Additional Tier 1 capital	-	-
Total Tier 1 capital	213,473	198,183
Tier 2 capital		
Subordinated debentures	60,811	60,811
General provision	17,510	17,264
Total Tier 2 capital	78,321	78,075
Total capital fund	291,794	276,258

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*	Basel III The Bank	
		2021	2020
Total Common Equity Tier 1 capital / Total risk weighted assets	8.00	13.56	12.85
Total Tier 1 capital / Total risk weighted assets	9.50	13.56	12.85
Total capital / Total risk weighted assets	12.00	18.53	17.92
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)		291,794	276,258
Total capital after deducting capital add-on / Total risk weighted assets		18.53	17.92

* 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 also requires the conservation buffer at more than 2.50%, and requires Domestic Systemically Important Banks (D-SIBs) to maintain an additional Common Equity Tier 1 ratio at 1.00%.

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%.

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 29, 2021
Information as at	June 30, 2021

The disclosure as at December 31, 2021 will be provided on or before April 30, 2022 on the above Bank's website as indicated in the BOT's notification.

5.5 The interest rate benchmark reform Phase 1

The Bank and its subsidiaries is exposed to the interest rate benchmarks within its cash flow hedge relationships under the interest rate benchmark reform, which are USD LIBOR, JPY LIBOR, and THBFIX (collectively 'IBORs'). The exposures arise on derivatives and non-derivative financial liabilities, which are Interbank and money market items (Liability) and Debt issued and borrowings, as listed in Note 7.5.

However, the Bank and its subsidiaries have not yet amended the contracts of derivatives and non-derivative financial liabilities designated in hedge accounting relationships under the interest rate benchmark reform and have adopted the temporary exceptions from applying specific hedge accounting requirements from Phase 1 amendments of TFRS 9 Financial Instruments until when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the hedged item or the hedging instrument, or when the hedging relationship that the hedged item is part of is discontinued. The Bank and its subsidiaries expect this uncertainty will continue until the contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced, the basis for the cash flows of the alternative benchmark rate is determined including any fixed spread. In the future, the contract amendments of derivatives and non-derivative financial liabilities designated in hedge accounting relationships under the interest rate benchmark reform may cause risks to the ineffectiveness recognised in profit or loss.

The Bank and its subsidiaries have closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by IBOR regulators, including the Financial Conduct Authority (FCA), the US Commodity Futures Trading Commission, and the Bank of Thailand, regarding the transition from IBOR. In response to the transition, the Bank has established "Benchmark Transition Project (BTPJ)" to manage the transition comprised of negotiation and contract amendments, risk management and valuation models, accounting and tax, treasury, and system enhancements. The project is under the governance of Project Steering Committee.

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 properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of non-financial assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank and its subsidiaries provide a provision for contingent liabilities for loan commitment and financial guarantee according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

6.8 Significant judgement on classification of joint arrangement

Lotus's Money Services Limited (formerly 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 Lotus' s Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited) and Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited), they are companies that Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited) wholly holds 100% of ordinary shares. Accordingly, Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited) and Lotus's General Insurance Broker Limited (formerly 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 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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Increase in revaluation surplus on investments	282	390	146	210
Amortization of premises appraisal surplus transferred to retained earning	(249)	(323)	(249)	(323)
Properties for sale debt repayment	22,674	21,693	21,164	19,910
Properties and premises transferred to be properties for sale	120	118	120	118

7.1.2 Changes in liabilities arising from financing activity for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Beginning balance	149,221	176,410	129,145	139,593
Effect from first time adoption of TFRS 16	-	2,364	-	2,707
Financing cash flows	(28,957)	(30,364)	(37,262)	(14,377)
Addition in the year	1,286	1,757	963	1,264
Other non-cash items	229	(946)	161	(42)
Ending balance	121,779	149,221	93,007	129,145

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, 2021 and 2020 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021					
	Financial instruments measured at fair value through profit or loss	**Financial instruments measured at fair value through other comprehensive income**	**Investment in equity securities designated at fair value through other comprehensive income**	**Financial instruments measured at amortized cost**	**Accrual basis for derivatives asset and derivatives liabilities**	**Total**
Financial assets						
Cash	-	-	-	29,371	-	29,371
Interbank and money market items, net	-	-	-	346,816	-	346,816
Financial assets measured at fair value through profit or loss	736	-	-	-	-	736
Derivative assets	24,622	-	-	-	371	24,993
Investments, net	-	170,294	10,187	2,229	-	182,710
Loans to customers and accrued interest receivables, net	-	-	-	1,816,869	-	1,816,869
Others	2	248	-	2,534	-	2,784
Total	25,360	170,542	10,187	2,197,819	371	2,404,279
Financial liabilities						
Deposits	-	-	-	1,779,139	-	1,779,139
Interbank and money market items	-	-	-	202,150	-	202,150
Liability payable on demand	-	-	-	4,042	-	4,042
Derivative liabilities	21,487	-	-	-	185	21,672
Debt issued and borrowings	-	-	-	118,977	-	118,977
Provisions	-	-	-	2,556	-	2,556
Others	-	-	-	2,217	-	2,217
Total	21,487	-	-	2,109,081	185	2,130,753

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2020					
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives 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 2021					
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives asset and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	27,577	-	27,577
Interbank and money market items, net	-	-	-	336,835	-	336,835
Financial assets measured at fair value through profit or loss	98	-	-	-	-	98
Derivative assets	24,703	-	-	-	371	25,074
Investments, net	-	169,787	7,752	2,229	-	179,768
Loans to customers and accrued interest receivables, net	-	-	-	1,641,531	-	1,641,531
Others	-	247	-	1,873	-	2,120
Total	24,801	170,034	7,752	2,010,045	371	2,213,003
Financial liabilities						
Deposits	-	-	-	1,760,331	-	1,760,331
Interbank and money market items	-	-	-	186,988	-	186,988
Liability payable on demand	-	-	-	4,041	-	4,041
Derivative liabilities	21,544	-	-	-	185	21,729
Debt issued and borrowings	-	-	-	90,182	-	90,182
Provisions	-	-	-	1,994	-	1,994
Others	-	-	-	1,608	-	1,608
Total	21,544	-	-	2,045,144	185	2,066,873

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2020					
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives 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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Domestic items				
Bank of Thailand and Financial Institution Development Fund	213,066	395,096	213,066	395,096
Commercial banks	25,905	34,665	24,233	32,999
Specialized financial institutions	29,924	22,210	29,924	22,210
Other financial institutions	19,756	16,604	19,753	16,601
Total	288,651	468,575	286,976	466,906
Add Accrued and undue interest receivables	53	46	53	46
Less Allowance for expected credit loss	(486)	(426)	(486)	(426)
Total domestic items	288,218	468,195	286,543	466,526
Foreign items				
US Dollar	23,775	18,000	16,208	13,510
Yen	28,855	30,153	28,855	30,153
Euro	2,137	2,986	2,137	2,986
Other currencies	3,859	4,097	3,120	3,063
Total	58,626	55,236	50,320	49,712
Add Accrued and undue interest receivables	3	3	-	-
Less Allowance for expected credit loss	(31)	(49)	(28)	(44)
Total foreign items	58,598	55,190	50,292	49,668
Total domestic and foreign items	346,816	523,385	336,835	516,194

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, 2021 and 2020 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Trading financial assets				
Government and state enterprise securities	98	736	98	736
Domestic marketable equity securities	105	28	-	-
Total	203	764	98	736
Other				
Investments	533	22	-	-
Total	736	786	98	736

7.5 Derivatives

7.5.1 Derivatives - Trading

Fair value and the notional amount classified by type of risk as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
Risk type	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	15,871	13,175	1,139,420	17,741	16,722	1,129,242
Interest rate	8,057	7,196	601,012	12,678	12,188	605,859
Equity derivatives	2	2	105	2	-	27
Total	23,930	20,373	1,740,537	30,421	28,910	1,735,128

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
Risk type	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	15,871	13,175	1,139,420	17,734	16,722	1,128,635
Interest rate	8,140	7,256	607,123	12,896	12,365	611,458
Total	24,011	20,431	1,746,543	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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
Risk type	**Fair value**		**Notional**	**Fair value**		**Notional**
	Assets	**Liabilities**	**Amount**	**Assets**	**Liabilities**	**Amount**
Exchange rate	692	1,113	16,188	-	1,567	16,188
Interest rate	-	1	5,848	-	-	-
Total	692	1,114	22,036	-	1,567	16,188

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
Risk type	**Fair value**		**Notional**	**Fair value**		**Notional**
	Assets	**Liabilities**	**Amount**	**Assets**	**Liabilities**	**Amount**
Exchange rate	692	1,113	16,188	-	1,567	16,188
Total	692	1,113	16,188	-	1,567	16,188

The tables below summarise the derivatives designated as hedging instruments in qualifying cash flow hedge relationships and directly impact by IBOR reform as at December 31, 2021 and 2020.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	December 31, 2021				For the year ended December 31, 2021		
Cash flow hedges	**Notional amount directly impact by IBOR reform**	**Notional amount of the hedging instrument**	**Carrying amount of the hedging instrument**	**Line items in the statement of financial position where the hedging instrument is located**	**Changes in fair value used for calculating hedge ineffectiveness**	**Ineffectiveness 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	5,518	1,112	Derivative liabilities	(136)	(1)	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross Currency Interest Rate Swap	7,352	10,360	693	Derivative assets	1,272	(81)	Gain (loss) on financial instrument measured at FVTPL
Interest rate risk - Interest Rate Swaps	3,175	3,175	-	Derivative liabilities	-	-	Gain (loss) on financial instrument measured at FVTPL

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2021				For the year ended December 31, 2021		
	Notional amount directly impact by IBOR reform	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness 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	5,518	1,112	Derivative liabilities	(136)	(1)	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross Currency Interest Rate Swap	7,352	10,360	693	Derivative assets	1,272	(81)	Gain (loss) on financial instrument measured at FVTPL

Cash flow hedges for foreign exchange and interest rate risk, notional amount of Baht 3,008 million will be mature before it is affected by the IBOR reform.

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2020			For the year ended December 31, 2020		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness 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, 2021 and 2020 were as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021					
Cash flow hedges	**Line item in the statement of financial position including the hedged item**	**Carrying amount of hedged items**	**Carrying amount of hedged items that directly impact from IBOR reform**	**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)	5,518	5,518 Reference rate is JPY LIBOR	(136)	(10)	(117)
Foreign exchange and Interest rate risk						
- Debt issued and borrowings	Interbank and money market items (Liabilities)/Debt issued and borrowings	10,360	7,352 Reference rate is USD LIBOR	1,256	1,185	41
Interest rate swap						
- Debt issued and borrowings	Interbank and money market items (Liabilities)	3,175	3,175 Reference rate is USD LIBOR	-	-	-

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021					
Cash flow hedges	**Line item in the statement of financial position including the hedged item**	**Carrying amount of hedged items**	**Carrying amount of hedged items that directly impact from IBOR reform**	**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)	5,518	5,518 Reference rate is JPY LIBOR	(136)	(10)	(117)
Foreign exchange and Interest rate risk						
- Debt issued and borrowings	Interbank and money market items (Liabilities)/Debt issued and borrowings	10,360	7,352 Reference rate is USD LIBOR	1,256	1,185	41

Cash flow hedges for foreign exchange and interest rate risk, notional amount of Baht 3,008 million will be mature before it is affected by the IBOR reform.

Unit: Million Baht

Cash flow hedges	Line item in the statement of financial position including the hedged item	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2020			
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 years ended December 31, 2021 and 2020.

Unit: Million Baht

Cash flow hedges	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 amortized to profit or loss	Line items affected in profit or loss because of the reclassification
	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2021					
Foreign exchange risk	(10)	(126)	(1)	-	9	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross Currency Interest rate swap	1,185	14	(81)	1,048	27	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

Cash flow hedges	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 amortized to profit or loss	Line items affected in profit or loss because of the reclassification
	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2020					
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, 2021 and 2020.

Unit: Million Baht

Cash flow hedges	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS Cash flow hedge reserve
Balance as at January 1, 2021	**129**
Effective portion of changes in fair value of cross currency interest rate swaps	(1,175)
Cost of hedging reserve	76
Amount recycled from reserves to profit or loss	1,048
Income tax related to amount transferred	10
Balance as at December 31, 2021	**88**

Unit: Million Baht

Cash flow hedges	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS Cash flow hedge reserve
Balance as at January 1, 2020	**-**
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, 2021 and 2020 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
	Readjustment based on an accrual basis		Notional Amount	Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	371	185	140,506	24	2,465	143,219
Total	371	185	140,506	24	2,465	143,219

Unit: Million Baht

Risk type	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
	Readjustment based on an accrual basis		Notional Amount	Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	371	185	140,506	24	2,464	140,816
Total	371	185	140,506	24	2,464	140,816

7.6 Investments, net

Investments, net as at December 31, 2021 and 2020 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2021		2020	
	Amortized Cost / Fair Value	Dividend	Amortized Cost / Fair Value	Dividend
Investment in Debt securities measured at amortized cost				
Private enterprise debt securities	2,229		6,462	
Less Allowance for expected credit loss	-		(1)	
Total	2,229		6,461	
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	154,696		129,704	
Private enterprise debt securities	15,598		19,088	
Total	170,294		148,792	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	7,402	313	5,087	227
Domestic non-marketable equity securities	987	34	834	28
Foreign non-marketable equity securities	1,798	1	926	1
Total	10,187	348	6,847	256
Total investments, net	182,710		162,100	

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2021		2020	
	Amortized Cost / Fair Value	Dividend	Amortized Cost / Fair Value	Dividend
Investment in Debt securities measured at amortized cost				
Private enterprise debt securities	2,229		6,462	
Less Allowance for expected credit loss	-		(1)	
Total	2,229		6,461	
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	154,696		129,704	
Private enterprise debt securities	15,091		13,937	
Total	169,787		143,641	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	7,402	313	5,087	227
Domestic non-marketable equity securities	348	34	349	28
Foreign non-marketable equity securities	2	-	2	-
Total	7,752	347	5,438	255
Total investments, net	179,768		155,540	

Unit: Million Baht

Investment in equity securities derecognition	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS For the year ended December 31, 2021			
	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	367	14	(90)	Sale
Domestic non-marketable equity securities	18	3	17	Sale
Total	385	17	(73)	

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, 2021 and 2020, investments in unit trust of fixed income funds in the consolidated financial statements of Baht 507 million and Baht 5,151 million, respectively, 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 holding or having the investment in unit trust of fixed income funds to enhance the liquidity of the money market dated March 25, 2020.

7.7 Investments in subsidiaries, associate and joint ventures, net

Investments in subsidiaries, associate and joint ventures, net as at December 31, 2021 and 2020 consist of the following:

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	CONSOLIDATED FINANCIAL STATEMENTS 2021 Investment (Cost)	Investment (Equity Method)	Dividend
Associate							
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, general insurance broker and life assurance broker	Common stock	8,580	30.00	2,520	9,207	-
Joint ventures							
SB Finance Company, Inc.	Personal loans	Common stock	1,245	50.00	1,112	1,210	-
Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited) [1]	Credit cards and personal loans	Common stock	2,080	50.00	1,040	3,690	-
Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited) [2]	Life assurance broker	Common stock	12	50.00	-	107	-
Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited) [2]	General insurance broker	Common stock	107	50.00	-	243	-
Investments in associate and joint ventures, net					4,672	14,457	-

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	CONSOLIDATED FINANCIAL STATEMENTS 2020 Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	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	-

[1] Indirect holding via Ayudhya Capital Services Company Limited
[2] Indirect holding via Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited)

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	THE BANK'S FINANCIAL STATEMENTS 2021 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	3,577
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	86.86	1,622	2,329
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	2,500	100.00	2,500	-
Hattha Bank Plc.	Commercial Bank	Common stock	4,535	100.00	9,712	-
Total investments in subsidiaries					66,516	5,906
Associate						
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, general insurance broker and life assurance broker	Common stock	8,580	30.00	2,520	-
Joint venture						
SB Finance Company, Inc.	Personal loans	Common stock	1,245	50.00	1,112	-
Investments in subsidiaries, associate and joint venture					70,148	5,906
Less Allowance for impairment					(7,182)	-
Investments in subsidiaries, associate and joint venture, net					62,966	5,906

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	-
Total investments in subsidiaries					63,313	700
Joint ventures						
Ngern Tid Lor Public Company Limited (formerly Ngern Tid Lor Company Limited)	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 ventures					68,115	700
Less Allowance for impairment					(6,682)	-
Investments in subsidiaries and joint ventures, net					61,433	700

Business acquisition of SB Finance Company Inc.

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.

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.

In 2021, the Bank has adjusted the fair value of assets and liabilities based on the Final Purchase Price Allocation Report. Therefore, the Bank made an adjustment to goodwill, included in the book value of investment, which had been previously recognized on the acquisition date in the consolidated statement of financial position as at December 31, 2021 as follows:

Unit: Million Baht

	Fair value as previously reported	Increase (decrease)	Fair value as final reported
Purchase price	984	(36)	948
Less Net assets	268	(120)	148
	716	84	800
Less Intangible assets			153
Goodwill			647

The filing for an Initial Public Offering (IPO) of Ngern Tid Lor Public Company Limited

On April 12, 2021, Ngern Tid Lor Public Company Limited ("TIDLOR"), the Bank's joint venture, made an Initial Public Offering ("IPO") for a total of 907,428,600 ordinary shares, which consisted of

(1) The offering of 210,816,700 newly-issued ordinary shares by TIDLOR,
(2) 284,144,300 ordinary shares offered by the Bank, and
(3) 412,467,600 ordinary shares offered by an other shareholder

In addition, there was the over-allotment of 136,114,200 ordinary shares, or equivalent to 15% of the total number of shares in the offering. With regards to such over-allotment, the Over-allotment Agent had borrowed 74,244,100 over-allotment shares from the Bank and 61,870,100 over-allotment shares from an other shareholder, in order to deliver such number of shares to the subscribers to whom the shares were allocated in the IPO.

Accordingly, the Over-allotment Agent had to procure the same number of shares within 30 days from the date on which TIDLOR's shares commenced trading on the Stock Exchange of Thailand ("SET") for the purpose of returning them to the share lenders.

In this regard, the Over-allotment Agent did not purchase any shares on SET. On June 8, 2021, the Over-allotment Agent exercised the over-allotment option to purchase 74,244,100 ordinary shares from the Bank, in its capacity of option grantor, at the price of Baht 36.50 per share, which is the same as the subscription price in the IPO pursuant to the Underwriting Agreement. As a result, the Bank's shareholding in TIDLOR decreased to 30%. TIDLOR's status is changed from a joint venture to an associate.

The shares of TIDLOR have been traded on the Stock Exchange of Thailand (SET) since May 10, 2021.

The Bank had recognized gain on sales of TIDLOR of Baht 10,727 million, and Baht 11,398 million in the consolidated financial statements and the Bank's financial statements, respectively. Consequently, the Bank had net gain on sales of TIDLOR after related expenses and income tax expenses amounted to Baht 8,186 million, and Baht 8,722 million in the consolidated financial statements and the Bank's financial statements, respectively.

Change in non-controlling interest in a subsidiary

On May 27, 2021, the Board of Directors' Meeting No. 5/2021 approved the Bank to enter to share acquisition of Krungsri Asset Management Company Limited (subsidiary) from non-controlling interest. On June 25, 2021, the acquisition is made at the price of Baht 3,941 per share, totaling 359,604 shares. As at December 31, 2021, the ownership interest in Krungsri Asset Management Company Limited were as follows:

	Ownership interests (%)
The portion of ownership as at December 31, 2020	76.59
Result from share acquisition from non-controlling interest	10.27
Total portion of ownership as at December 31, 2021	**86.86**

	Unit: Million Baht
Share acquisition from non-controlling interest on June 25, 2021	
Consideration transferred	1,417
Decreasing in non-controlling interest due to share acquisition	(465)
Deficit from change in ownership interest in a subsidiary	**952**

The summarized financial information of associate and joint ventures

Net profit and total comprehensive income of associate and joint ventures for the years ended December 31, 2021 and 2020 are as follow:

Unit: Million Baht

	2021		**2020**	
	Net profit	**Total comprehensive income**	**Net profit**	**Total comprehensive income**
Associate	2,169	2,161	-	-
Joint ventures	2,351	2,364	3,160	3,145

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, 2021

Unit: Million Baht

	2021	2020
Cash flows from operating activities		
Income before income tax	68	71
Adjustments to reconcile income to cash provided (paid) from operating activities		
Depreciation and amortization	4	7
Gain on sales of properties for sale	(108)	(92)
Loss on impairment of properties for sale	80	70
Loss from written-off equipment	-	1
Loss on impairment of other assets	-	10
Provision for contingent liabilities (reversal)	(9)	2
Employment benefits expenses	2	2
Interest income, net	(91)	(103)
Interest received	83	103
Income tax paid	(38)	(7)
Income (loss) from operations before changes in operating assets and liabilities	(9)	64
Decrease in operating assets		
Loans to customers	-	30
Properties for sale	236	337
Other assets	31	111
Decrease in operating liabilities		
Other liabilities	(63)	(71)
Net cash from operating activities	195	471
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	(4)	(7)
Net cash from financing activities	(4)	(7)
Net increase in cash and cash equivalents	191	464
Cash and cash equivalents as at January 1,	2,513	2,049
Cash and cash equivalents as at December 31,	2,704	2,513

7.8 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2021 and 2020 are as follows:

(1) Classified by products

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	**2020**	**2021**	**2020**
Overdrafts	60,007	60,770	59,968	60,726
Loan against contract	994,097	963,252	908,367	897,927
Trade bill	335,667	303,113	354,026	322,895
Hire-purchase receivables	412,962	424,508	371,902	376,593
Lease contract receivables	9,161	6,534	1,719	2,520
Credit card receivables	73,301	72,069	-	-
Others	5,181	2,689	3,639	1,548
Total Loans to customers	1,890,376	1,832,935	1,699,621	1,662,209
Add Accrued and undue interest receivables	10,853	9,095	8,553	6,830
Loans to customers and accrued interest receivables	1,901,229	1,842,030	1,708,174	1,669,039
Less Allowance for expected credit loss	(84,360)	(76,407)	(66,643)	(59,209)
Loans to customers and accrued interest receivable, net	1,816,869	1,765,623	1,641,531	1,609,830

(2) Classified by residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	**2020**	**2021**	**2020**
Domestic	1,815,745	1,774,889	1,681,474	1,644,433
Foreign	74,631	58,046	18,147	17,776
Total	1,890,376	1,832,935	1,699,621	1,662,209

(3) Classified by type of classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,706,665	36,582	1,651,700	32,982*
Stage 2 Under-performing	145,226	22,378	143,545	18,214
Stage 3 Non-performing	49,338	25,400	46,785	25,211
Total	1,901,229	84,360	1,842,030	76,407

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2021		2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,532,803	26,722	1,505,603	26,356*
Stage 2 Under-performing	135,233	20,070	126,444	14,285
Stage 3 Non-performing	40,138	19,851	36,992	18,568
Total	1,708,174	66,643	1,669,039	59,209

* The Bank and its subsidiaries managed 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 released the excess reserve on the first day and booking management overlay in preparation for the economic condition under COVID-19.

As at December 31, 2021 and 2020, the Bank entered into agreements to sell non-performing loans (NPLs) to the third party and a related company as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2021	2020
Book value	1,660	1,797
Net book value	1,097	872

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, 2021 and 2020, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items in accordance with BOT's Notification as follows:

Unit: Million Baht

	2021		
	The Bank	**AMC**	**The Bank and AMC**
Non-performing loans	38,709	377	39,086
Percentage of total loans	1.97	100.00	1.99

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, 2021 and 2020, the Bank and its subsidiaries' non-performing loans which included interbank and money market items in accordance with BOT's Notification are Baht 47,448 million and Baht 45,672 million, respectively.

(4) Modified loans to customers and trouble debt restructuring

For the years ended December 31, 2021 and 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	
	2021	**2020**	**2021**	**2020**
Loans to customers modified during the year*				
Amortized cost before modification	3,054	21,405	2,946	18,061
Net modification loss	53	197	53	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	177	1,972	146	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 2021			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	139,427	332,611	33,992	506,030
Less Unearned interest income				(83,907)
Present value of the minimum lease payments				422,123
Add Accrued and undue interest receivables				94
Less Allowance for expected credit loss				(25,702)
Total lease receivables, net				396,515

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

	THE BANK'S FINANCIAL STATEMENTS 2021			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	116,005	300,643	31,519	448,167
Less Unearned interest income				(74,546)
Present value of the minimum lease payments				373,621
Add Accrued and undue interest receivables				74
Less Allowance for expected credit loss				(21,450)
Total lease receivables, net				352,245

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

7.9 Allowance for expected credit loss

Allowance for expected credit loss as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021			
	Allowance for expected credit loss			
Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2021	32,982	18,214	25,211	76,407
Transfer between stage	9,503	(16,464)	6,961	-
Net remeasurement of loss allowance	(12,707)	23,817	10,578	21,688
New financial assets originated or purchased	9,807	317	745	10,869
Financial assets that have been derecognized	(3,003)	(3,506)	(18,095)	(24,604)
Balance as at December 31, 2021	36,582	22,378	25,400	84,360

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2020			
	Allowance for expected credit loss			
Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 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 derecognized	(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

	THE BANK'S FINANCIAL STATEMENTS 2021			
	Allowance for expected credit loss			
Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2021	26,356	14,285	18,568	59,209
Transfer between stage	6,302	(9,710)	3,408	-
Net remeasurement of loss allowance	(12,207)	17,809	9,271	14,873
New financial assets originated or purchased	7,805	312	733	8,850
Financial assets that have been derecognized	(1,534)	(2,626)	(12,129)	(16,289)
Balance as at December 31, 2021	26,722	20,070	19,851	66,643

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2020			
	Allowance for expected credit loss			
Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 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 derecognized	(2,841)	(3,855)	(15,414)	(22,110)
Balance as at December 31, 2020	26,356	14,285	18,568	59,209

The Bank and its subsidiaries recorded allowance for expected credit loss* in the financial statements as follows:

Unit: Million Baht

	2021	2020
Consolidated financial statements	87,411	79,981
The Bank and Krungsri Ayudhya AMC Limited	69,395	62,261
The Bank's financial statements	69,133	61,997

* Such allowance for expected credit loss consists of allowance for expected credit loss for loans to customers and accrued interest receivables, interbank and money market items and loan commitments and financial guarantee contracts.

As at December 31, 2021 and 2020, 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 2021			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Expected Credit Loss**
Companies subject to be delisted by SET	2	2	-	-
Total	2	2	-	-

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	-	-

7.10 Properties for sale, net

Properties for sale, net as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
Type of Properties for Sale	**Balance as at January 1, 2021**	**Acquisition**	**Disposition**	**Balance as at December 31, 2021**
1. Assets acquired from debt repayment				
1.1 Immovable	3,378	464	(289)	3,553
1.2 Movable	1,348	22,209	(22,687)	870
Total	4,726	22,673	(22,976)	4,423
2. Others	341	117	(96)	362
Total properties for sale	5,067	22,790	(23,072)	4,785
Less Provision for impairment	(1,701)	(5,306)	5,495	(1,512)
Total properties for sale	3,366	17,484	(17,577)	3,273

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	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2021	Acquisition	Disposition	Balance as at December 31, 2021
1. Assets acquired from debt repayment				
1.1 Immovable	2,419	458	(75)	2,802
1.2 Movable	1,203	20,706	(21,142)	767
Total	3,622	21,164	(21,217)	3,569
2. Others	340	116	(95)	361
Total properties for sale	3,962	21,280	(21,312)	3,930
Less Provision for impairment	(1,298)	(4,384)	4,543	(1,139)
Total properties for sale	2,664	16,896	(16,769)	2,791

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

Immovable assets for sale classified by external and internal appraisers as at December 31, 2021 and 2020 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,200	1,394	1,199	1,339
Appraised by internal appraisers	2,353	1,984	1,603	1,080
Total	3,553	3,378	2,802	2,419

7.11 Premises and equipment, net

Premises and equipment, net as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2021	Increase	Decrease	Other	Balance as at December 31, 2021
Land					
Cost	5,171	2	(34)	100	5,239
Appraisal increase (Year 2019)	9,346	-	(56)	-	9,290
Appraisal decrease (Year 2019)	(20)	-	-	-	(20)
Premises					
Cost	12,995	868	(553)	50	13,360
Appraisal increase (Year 2019)	15,890	-	(105)	-	15,785
Appraisal decrease (Year 2019)	(55)	-	-	-	(55)
Equipment	15,010	956	(952)	58	15,072
Leasehold improvement	3,541	98	(117)	8	3,530
Total	61,878	1,924	(1,817)	216	62,201
Less Accumulated depreciation					
Land	(3)	(3)	4	(1)	(3)
Premises					
- Cost	(6,059)	(1,351)	505	(14)	(6,919)
- Appraisal increase (Year 2019)	(12,364)	(237)	93	-	(12,508)
Equipment	(11,027)	(1,433)	700	(46)	(11,806)
Leasehold improvement	(2,309)	(269)	88	(2)	(2,492)
Total	(31,762)	(3,293)	1,390	(63)	(33,728)
Construction in progress/under installation	1,081	1,316	(50)	1	2,348
Premises and equipment, net	31,197				30,821

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

	2021	2020
Depreciation for the years	3,293	3,560

As at December 31, 2021 and 2020, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 12,433 million and Baht 10,515 million, respectively.

As at December 31, 2021 and 2020, the Bank and its subsidiaries had premises and equipment which are under right-of-use asset, with the original costs amounting to Baht 4,653 million and Baht 4,236 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2021	**Increase**	**Decrease**	**Balance as at December 31, 2021**
Land				
Cost	4,283	2	(35)	4,250
Appraisal increase (Year 2019)	9,346	-	(56)	9,290
Appraisal decrease (Year 2019)	(20)	-	-	(20)
Premises				
Cost	12,417	618	(531)	12,504
Appraisal increase (Year 2019)	15,890	-	(105)	15,785
Appraisal decrease (Year 2019)	(55)	-	-	(55)
Equipment	11,836	695	(661)	11,870
Leasehold improvement	2,600	60	(100)	2,560
Total	56,297	1,375	(1,488)	56,184
Less Accumulated depreciation				
Land	(2)	(2)	3	(1)
Premises				
- Cost	(5,953)	(1,151)	489	(6,615)
- Appraisal increase (Year 2019)	(12,364)	(237)	93	(12,508)
Equipment	(8,800)	(1,255)	594	(9,461)
Leasehold improvement	(1,575)	(197)	77	(1,695)
Total	(28,694)	(2,842)	1,256	(30,280)
Construction in progress/under installation	1,057	1,236	(50)	2,243
Premises and equipment, net	28,660			28,147

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 (Year 2019)	(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

	2021	2020
Depreciation for the years	2,842	3,133

As at December 31, 2021 and 2020, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 10,030 million and Baht 8,365 million, respectively.

As at December 31, 2021 and 2020, the Bank had premises and equipment which are under right-of-use asset, with the original costs amounting to Baht 3,576 million and Baht 3,426 million, respectively.

7.12 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2021	Increase	Decrease	Other	Balance as at December 31, 2021
Cost					
Goodwill	12,346	-	-	270	12,616
Software	12,492	773	(320)	17	12,962
Other intangible assets	5,698	2	(21)	16	5,695
Total	30,536	775	(341)	303	31,273
Accumulated amortization					
Software	(8,307)	(1,279)	21	(10)	(9,575)
Other intangible assets	(5,178)	(149)	20	(7)	(5,314)
Total	(13,485)	(1,428)	41	(17)	(14,889)
Software under installation	-	702	(54)	10	658
Allowance for impairment	(20)	-	-	-	(20)
Goodwill and other intangible assets, net	17,031				17,022

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

	2021	2020
Amortization for the year	1,428	1,447

As at December 31, 2021 and 2020, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 6,495 million and Baht 5,225 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2021	Increase	Decrease	Balance as at December 31, 2021
Cost				
Goodwill	1,054	-	-	1,054
Software	10,334	671	(272)	10,733
Other intangible assets	19	-	(1)	18
Total	11,407	671	(273)	11,805
Accumulated amortization				
Software	(6,915)	(1,035)	6	(7,944)
Other intangible assets	(14)	-	1	(13)
Total	(6,929)	(1,035)	7	(7,957)
Software under installation	-	525	-	525
Allowance for impairment	(485)	(61)	-	(546)
Goodwill and other intangible assets, net	3,993			3,827

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

	2021	2020
Amortization for the year	1,035	1,089

As at December 31, 2021 and 2020, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 5,543 million and Baht 4,434 million, respectively.

7.13 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Deferred tax assets	4,510	4,890	279	587
Deferred tax liabilities	(1,126)	(686)	-	-
Net	3,384	4,204	279	587

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, 2021	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Others	Balance at December 31, 2021
Deferred tax assets					
Impairment of assets	362	(48)	(1)	1	314
Loans to customers and accrued interest receivables, net	5,288	(202)	-	27	5,113
Provisions	2,386	(1)	(247)	1	2,139
Others	1,012	78	(193)	(10)	887
Total	9,048	(173)	(441)	19	8,453
Deferred tax liabilities					
Asset appraisal surplus	2,575	(61)	-	-	2,514
Investments	259	-	63	-	322
Others	2,010	171	45	7	2,233
Total	4,844	110	108	7	5,069
Deferred tax assets, net	4,204	(283)	(549)	12	3,384

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	Others	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

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2021	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2021
Deferred tax assets				
Impairment of assets	317	(33)	-	284
Loans to customers and accrued interest receivables, net	956	(14)	-	942
Provisions	2,032	(13)	(208)	1,811
Others	537	50	(12)	575
Total	3,842	(10)	(220)	3,612
Deferred tax liabilities				
Asset appraisal surplus	2,575	(61)	-	2,514
Investments	229	-	27	256
Others	451	112	-	563
Total	3,255	51	27	3,333
Deferred tax assets, net	587	(61)	(247)	279

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

7.14 Other assets, net

Other assets, net as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Accrued income	1,968	2,450	856	1,270
Prepayment	1,550	1,122	1,059	742
Other receivables	9,687	9,326	6,818	6,696
Margin call to counterparty	10,051	8,906	10,051	8,906
Others	4,273	4,049	3,502	3,612
Total	27,529	25,853	22,286	21,226

7.15 Deposits

Deposits as at December 31, 2021 and 2020 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Current deposit	49,339	41,711	50,122	42,889
Savings deposit	1,081,394	866,295	1,084,206	868,227
Time deposit				
- Less than 6 months	333,951	404,168	334,363	403,738
- 6 months and less than 1 year	11,358	64,812	8,838	61,386
- 1 year and over	303,097	457,519	282,802	442,983
Total	1,779,139	1,834,505	1,760,331	1,819,223

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,640,175	2,509	1,642,684	1,691,430	2,280	1,693,710
US Dollar	63,541	30,861	94,402	67,238	23,414	90,652
Other currencies	14,396	27,657	42,053	24,175	25,968	50,143
Total	1,718,112	61,027	1,779,139	1,782,843	51,662	1,834,505

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,652,026	2,109	1,654,135	1,699,541	1,967	1,701,508
US Dollar	63,541	2,735	66,276	67,238	2,282	69,520
Other currencies	14,395	25,525	39,920	24,175	24,020	48,195
Total	1,729,962	30,369	1,760,331	1,790,954	28,269	1,819,223

7.16 Interbank and money market items (Liability)

Interbank and money market items (liability) as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Domestic items				
Bank of Thailand and Financial Institution Development Fund	18,142	10,933	18,142	10,933
Commercial banks	40,161	41,921	33,665	37,418
Specialized financial institutions	15,156	24,896	14,156	14,828
Other financial institutions	11,057	17,643	19,799	22,431
Total domestic items	84,516	95,393	85,762	85,610
Foreign items				
US Dollar	110,303	141,406	99,170	137,604
Other currencies	7,331	6,771	2,056	1,760
Total foreign items	117,634	148,177	101,226	139,364
Total domestic and foreign items	202,150	243,570	186,988	224,974

7.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS					
				2021			2020		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.00 - 3.90	2027-2031	60,811	-	60,811	60,811	-	60,811
	USD	6.90 - 11.51	2022-2030	-	1,495	1,495	-	352	352
Senior debentures	THB	0.71 - 2.37	2022-2025	48,708	-	48,708	77,865	-	77,865
	USD	1.18	2026	-	2,339	2,339	-	2,103	2,103
	KHR	8.50	2021	-	-	-	-	713	713
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00 - 8.31	2022-2028	31	1,008	1,039	37	919	956
	USD	0.00 - 7.27	2022-2027	-	4,584	4,584	-	3,318	3,318
				109,551	9,426	118,977	138,714	7,405	146,119

Unit: Million Baht

	Currency	Interest rate	Maturity	THE BANK'S FINANCIAL STATEMENTS					
				2021			2020		
				Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
Subordinated debentures	THB	3.00 - 3.90	2027-2031	60,811	-	60,811	60,811	-	60,811
Senior debentures	THB	1.44 - 2.37	2022-2023	27,000	-	27,000	63,000	-	63,000
	USD	1.18	2026	-	2,339	2,339	-	2,102	2,102
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00	2023-2028	31	-	31	37	-	37
				87,843	2,339	90,182	123,849	2,102	125,951

Additional information on debts issued and borrowings is as follows:

1. On August 11, 2016, the Bank issued subordinated debentures No. 1/2016 in the 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.

   On September 6, 2021, the Bank obtained the approval from the BOT to early redeem subordinated debentures. Therefore, the Bank exercised the right to redeem the subordinated debentures on November 11, 2021.

2. On May 24, 2017, the Bank issued subordinated debentures No. 1/2017 in the 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.

5. On November 5, 2021, the Bank issued subordinated debentures No. 1/2021 in the amount of Baht 10,000 million for a 10-year tenor at the fixed interest rate of 3.0% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.

7.18 Provisions

Provisions for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2020	Effect from TFRS 9 adoption	Increase (Decrease)	Balance at December 31, 2020	Increase (Decrease)	Balance at December 31, 2021
Allowance for expected credit loss for loan commitments and financial guarantee contracts	545	2,670	(90)	3,125	(568)	2,557
Provision for post-employment benefits obligation	8,200	-	967	9,167	(850)	8,317
Others	972	-	114	1,086	55	1,141
Total	9,717	2,670	991	13,378	(1,363)	12,015

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2020	Effect from TFRS 9 adoption	Increase (Decrease)	Balance at December 31, 2020	Increase (Decrease)	Balance at December 31, 2021
Allowance for expected credit loss for loan commitments and financial guarantee contracts	545	1,845	(49)	2,341	(347)	1,994
Provision for post-employment benefits obligation	6,889	-	864	7,753	(778)	6,975
Others	731	-	40	771	13	784
Total	8,165	1,845	855	10,865	(1,112)	9,753

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Opening defined benefits obligation	9,167	8,200	7,753	6,889
Current service cost	688	657	541	515
Interest cost	123	134	101	112
Actuarial (gains) losses				
- Experience	(304)	209	(301)	222
- Demographic assumptions	7	95	-	71
- Financial assumptions	(938)	258	(739)	283
Benefit paid	(426)	(366)	(389)	(336)
Transfer in (out) employee from subsidiaries	-	(1)	9	10
Past service cost curtailments	-	(19)	-	(13)
Closing defined benefit obligation	8,317	9,167	6,975	7,753

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Included in retained earnings:				
As at 1 January	1,841	1,279	1,550	974
Recognized during the years	(1,235)	562	(1,041)	576
As at 31 December	606	1,841	509	1,550

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Current service cost	688	657	541	515
Interest on obligation	123	134	101	112
	811	791	642	627

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2021 and 2020 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2021	2020
Financial assumptions		
Discount rate	0.52% - 3.52%	0.51% - 2.98%
Salary increase rate	5.7%	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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Discount rate - 1% increase	(742)	(868)	(591)	(697)
Discount rate - 1% decrease	849	991	672	788
Salary increase rate - 1% increase	1,053	1,230	881	1,036
Salary increase rate - 1% decrease	(945)	(1,099)	(796)	(931)

7.19 Other liabilities

Other liabilities as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Accrued expenses	11,190	12,221	8,039	9,372
Tax payable	4,651	4,710	2,232	2,064
Deposit	4,120	3,203	825	854
Unearned income from customer loyalty program	3,057	3,118	-	-
Other payables	12,515	12,540	7,221	7,165
Margin call from counterparty	1,477	4,507	1,477	4,507
Others	4,743	3,088	4,342	2,863
Total	41,753	43,387	24,136	26,825

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, 2021 and 2020, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 151 million and Baht 137 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, 2021 and 2020, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities payable on demand amounting to Baht 1 million and Baht 1,388 million, respectively and other liabilities amounting to Baht 1,330 million and Baht 1,226 million, respectively.

The bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as of December 31, 2021 and 2020 in the amount of Baht 153 million and Baht 141 million, respectively.

7.21 Offsetting of financial assets and financial liabilities

(1) Offsetting of financial assets and financial liabilities as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2021					
	Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount
				Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:						
Reverse repurchase agreements	218,800	-	218,800	-	218,800	-
Derivatives assets	18,881	-	18,881	10,299	1,175	7,407
Total	237,681	-	237,681	10,299	219,975	7,407
Financial liabilities:						
Repurchase agreements	33,200	-	33,200	-	33,200	-
Derivatives liabilities	20,389	-	20,389	10,299	8,312	1,778
Total	53,589	-	53,589	10,299	41,512	1,778

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS 2020					
	Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount
				Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:						
Reverse repurchase agreements	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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021				
	Net amount presented in the statement of financial position	**Item in the statement of position**	**Notes**	**Carrying amount in the statement of financial position**	**Carrying amount of financial instruments not in scope of offsetting**
Financial assets:					
Reverse repurchase agreements	218,800	Interbank and money market items, net (Asset)	7.3	346,816	128,016
Derivatives assets	18,881	Derivatives assets	7.5	24,993	6,112
Total	237,681			371,809	134,128
Financial liabilities:					
Repurchase agreements	33,200	Interbank and money market items (Liability)	7.16	202,150	168,950
Derivatives liabilities	20,389	Derivatives liabilities	7.5	21,672	1,283
Total	53,589			223,822	170,233

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2020				
	Net amount presented in the statement of financial position	**Item in the statement of position**	**Notes**	**Carrying amount in the statement of financial position**	**Carrying amount of financial instruments not in scope of offsetting**
Financial assets:					
Reverse repurchase agreements	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 (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 2021				
	Net amount presented in the statement of financial position	Item in the statement of position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	218,800	Interbank and money market items, net (Asset)	7.3	336,835	118,035
Derivatives assets	18,881	Derivatives assets	7.5	25,074	6,193
Total	237,681			361,909	124,228
Financial liabilities:					
Repurchase agreements	33,200	Interbank and money market items (Liability)	7.16	186,988	153,788
Derivatives liabilities	20,389	Derivatives liabilities	7.5	21,729	1,340
Total	53,589			208,717	155,128

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2020				
	Net amount presented in the statement of financial position	Item in the statement of position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	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 (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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
	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	-	29,371	29,371	-	30,333	30,333
Interbank and money market items, net	-	346,816	346,816	-	523,385	523,385
Financial assets measured at fair value through profit or loss	736	-	736	786	-	786
Derivatives assets	24,622	371	24,993	30,421	24	30,445
Investments, net	180,481	2,229	182,710	155,639	6,461	162,100
Loans to customers and accrued interest receivables, net	-	1,816,869	1,816,869	-	1,765,623	1,765,623
Total	205,839	2,195,656	2,401,495	186,846	2,325,826	2,512,672
Financial liabilities:						
Deposits	-	1,779,139	1,779,139	-	1,834,505	1,834,505
Interbank and money market items	-	202,150	202,150	-	243,570	243,570
Liability payable on demand	-	4,042	4,042	-	5,607	5,607
Derivatives liabilities	21,487	185	21,672	30,477	2,465	32,942
Debt issued and borrowings	-	118,977	118,977	-	146,119	146,119
Total	21,487	2,104,493	2,125,980	30,477	2,232,266	2,262,743

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
	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	-	27,577	27,577	-	29,215	29,215
Interbank and money market items, net	-	336,835	336,835	-	516,194	516,194
Financial assets measured at fair value through profit or loss	98	-	98	736	-	736
Derivatives assets	24,703	371	25,074	30,630	24	30,654
Investments, net	177,539	2,229	179,768	149,079	6,461	155,540
Loans to customers and accrued interest receivables, net	-	1,641,531	1,641,531	-	1,609,830	1,609,830
Total	202,340	2,008,543	2,210,883	180,445	2,161,724	2,342,169
Financial liabilities:						
Deposits	-	1,760,331	1,760,331	-	1,819,223	1,819,223
Interbank and money market items	-	186,988	186,988	-	224,974	224,974
Liability payable on demand	-	4,041	4,041	-	5,606	5,606
Derivatives liabilities	21,544	185	21,729	30,654	2,464	33,118
Debt issued and borrowings	-	90,182	90,182	-	125,951	125,951
Total	21,544	2,041,727	2,063,271	30,654	2,178,218	2,208,872

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2021				2020			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	105	98	533	736	28	736	22	786
Derivatives assets	-	24,622	-	24,622	-	30,421	-	30,421
Investments in debt securities measured at fair value through other comprehensive income	-	170,294	-	170,294	-	148,792	-	148,792
Investments in equity securities designated at fair value through other comprehensive income	7,402	-	2,785	10,187	5,087	-	1,760	6,847
Derivative liabilities	-	21,487	-	21,487	-	30,477	-	30,477

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2021				2020			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	-	98	-	98	-	736	-	736
Derivatives assets	-	24,703	-	24,703	-	30,630	-	30,630
Investments in debt securities measured at fair value through other comprehensive income	-	169,787	-	169,787	-	143,641	-	143,641
Investments in equity securities designated at fair value through other comprehensive income	7,402	-	350	7,752	5,087	-	351	5,438
Derivative liabilities	-	21,544	-	21,544	-	30,654	-	30,654

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, 2021 and 2020.

Valuation technique for financial assets and liabilities measured at fair value of the Bank and its subsidiaries 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 at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS									
	2021					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	-	-	29,371	29,371	29,371	-	-	30,333	30,333	30,333
Interbank and money market items, net	-	-	346,816	346,816	346,816	-	-	523,385	523,385	523,385
Derivatives assets - dynamic hedge	375	-	-	375	371	24	-	-	24	24
Investments in debt securities measured at amortized cost	-	2,229	-	2,229	2,229	-	6,467	-	6,467	6,461
Loans to customers and accrued interest receivables, net	-	-	1,816,869	1,816,869	1,816,869	-	-	1,765,623	1,765,623	1,765,623
Total	375	2,229	2,193,056	2,195,660	2,195,656	24	6,467	2,319,341	2,325,832	2,325,826
Financial liabilities:										
Deposits	1,779,874	-	-	1,779,874	1,779,139	1,836,140	-	-	1,836,140	1,834,505
Interbank and money market items	-	-	202,150	202,150	202,150	-	-	243,570	243,570	243,570
Liability payable on demand	-	-	4,042	4,042	4,042	-	-	5,607	5,607	5,607
Derivatives liabilities - dynamic hedge	185	-	-	185	185	2,666	-	-	2,666	2,465
Debt issued and borrowings	110,390	6,752	2,371	119,513	118,977	140,642	5,197	2,141	147,980	146,119
Total	1,890,449	6,752	208,563	2,105,764	2,104,493	1,979,448	5,197	251,318	2,235,963	2,232,266

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2021					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	-	-	27,577	27,577	27,577	-	-	29,215	29,215	29,215
Interbank and money market items, net	-	-	336,835	336,835	336,835	-	-	516,194	516,194	516,194
Derivatives assets - dynamic hedge	375	-	-	375	371	24	-	-	24	24
Investments in debt securities measured at amortized cost	-	2,229	-	2,229	2,229	-	6,467	-	6,467	6,461
Loans to customers and accrued interest receivables, net	-	-	1,641,531	1,641,531	1,641,531	-	-	1,609,830	1,609,830	1,609,830
Total	375	2,229	2,005,943	2,008,547	2,008,543	24	6,467	2,155,239	2,161,730	2,161,724
Financial liabilities:										
Deposits	1,761,069	-	-	1,761,069	1,760,331	1,820,860	-	-	1,820,860	1,819,223
Interbank and money market items	-	-	186,988	186,988	186,988	-	-	224,974	224,974	224,974
Liability payable on demand	-	-	4,041	4,041	4,041	-	-	5,606	5,606	5,606
Derivatives liabilities - dynamic hedge	185	-	-	185	185	2,489	-	-	2,489	2,464
Debt issued and borrowings	88,634	-	2,371	91,005	90,182	125,688	-	2,141	127,829	125,951
Total	1,849,888	-	193,400	2,043,288	2,041,727	1,949,037	-	232,721	2,181,758	2,178,218

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Investments in debt securities measured at amortized cost

The carrying amount of investments in debt securities measured at amortized cost presented in the statement of financial position is the approximated fair value, except for investment in 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.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated long-term senior securities and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

7.23 Share capital

7.23.1 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.23.2 Dividend payment

The Board of Directors' Meeting No. 8/2021 held on August 25, 2021, approved the interim dividend payment for the six-month period ended June 30, 2021 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 22, 2021.

The Annual General Meeting of Shareholders No. 109 held on April 29, 2021, approved the dividend payment for the year ended December 31, 2020 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.35 per share totaling Baht 2,575 million with payment date on May 27, 2021.

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, 2021 and 2020, government and state enterprise securities with book value of Baht 26,493 million and Baht 20,130 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

As at December 31, 2021 and 2020, the Bank and its subsidiaries had claim on security amounting to Baht 7,179 million and Baht 16,859 million, respectively.

As at December 31, 2021 and 2020, time deposit placement at other bank of a subsidiary with book value of Baht 994 million and Baht 885 million, respectively, are used as collateral for borrowing.

7.25 Contingencies

Contingencies as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Avals to bills	879	1,200	879	1,200
Guarantees of loans	2,796	2,455	2,796	2,455
Liability under unmatured import bills	2,780	1,401	2,780	1,401
Letters of credit	5,926	5,005	5,926	5,005
Other contingencies				
- Unused overdraft limit	5,046	5,276	5,036	5,276
- Unused credit line	46,465	48,261	48,388	49,203
- Other guarantees	50,735	52,219	50,735	52,219
- Others	7,439	17,123	7,439	17,123
Total	122,066	132,940	123,979	133,882

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2024 with local companies As at December 31, 2021 and 2020, the Bank and its subsidiaries have commitments to pay in the amounts of Baht 1,796 million and Baht 2,375 million, respectively.

As at December 31, 2021 and 2020, the Bank and its subsidiaries have commitments to pay regarding the information technology services in the amount of Baht 1,741 million and Baht 2,100 million, respectively.

As at December 31, 2021 and 2020, the Bank and its subsidiary have commitment payment in the amount of Baht 2,501 million and Baht 2,216 million as a result of entering to the construction agreement of the office building, respectively.

7.26 Related party transactions

The Bank has business transactions with subsidiaries, associate, joint ventures and related companies. These transactions are with companies that have shareholding and/or joint shareholders and/or directors with the Bank and with related persons. Such loans to related parties have the policy of setting up the allowance for expected credit loss which complies with the BOT regulations same as loans to other debtors.

According to the BOT's Notification Sor.Nor.Sor. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, the Bank is required to disclose the policy of Inter-Group Transactions in the Financial Business Group and the Risk Management for policy of Inter-Group Transactions in the Financial Business Group as follows:

1. The policy of Inter-Group Transactions in the Financial Business Group

   The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The Risk Management policy of Inter-Group Transactions in the Financial Business Group

   The Bank manages risk for all inter-group transactions based on the Credit Risk Management policy for the Financial Business Policy which covers the key credit risk management processes, that are credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the BOT's requirements.

Related party transactions are as follows:

7.26.1 Assets, liabilities and contingencies with key management personnel* and the companies in which key management personnel and/or the Bank owned and 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, 2021 and 2020 are as follows:

* 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 or equivalent positions and higher in the Finance and Accounting Functions.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021													
	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	32,780	-	-	2,586	-	2,324	-	94,118	4,539	-	-	285	322,892	4,607
Less Allowance for expected credit loss	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	32,776	-	-	2,586	-	2,324	-	94,118	4,539	-	-	285	322,892	4,607
Associate														
Ngern Tid Lor Public Company Limited	-	295	12,124	-	1	6	3,963	-	-	-	1	32	500	6
Less Allowance for expected credit loss	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	295	12,121	-	1	6	3,963	-	-	-	1	32	500	6
Joint ventures														
SB Finance Company, Inc.	-	-	-	-	-	334	-	-	-	-	-	-	-	-
Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited)	-	-	3,777	-	-	132	515	-	-	-	-	6	-	-
Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited)	-	-	-	-	-	1	234	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited)	-	-	-	-	-	5	562	-	-	-	-	3	-	-
Total	-	-	3,777	-	-	472	1,311	-	-	-	-	9	-	-
Less Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	3,776	-	-	472	1,311	-	-	-	-	9	-	-
Related companies having joint major shareholders or directors	145	1,068	15,477	248	63	23	23,639	1,726	29	258	9	80	16,230	246
Less Allowance for expected credit loss	-	-	(61)	-	-	-	-	-	-	-	-	-	-	-
Total	145	1,068	15,416	248	63	23	23,639	1,726	29	258	9	80	16,230	246
Individual and related parties	-	-	350	-	11	9	2,232	-	-	-	-	916	-	-
Less Allowance for expected credit loss	-	-	(6)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	344	-	11	9	2,232	-	-	-	-	916	-	-
Total	32,921	1,363	31,657	2,834	75	2,834	31,145	95,844	4,568	258	10	1,322	339,622	4,859

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2020													
	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	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

	THE BANK'S FINANCIAL STATEMENTS 2021													
	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	32,780	-	-	2,586	-	2,324	-	94,118	4,539	-	-	285	322,892	4,607
Less Allowance for expected credit loss	(4)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	32,776	-	-	2,586	-	2,324	-	94,118	4,539	-	-	285	322,892	4,607
Subsidiaries														
Ayudhya Development Leasing Company Limited	-	-	4,582	-	-	1	3	-	-	-	20	2	-	1
Ayudhya Capital Auto Lease Public Company Limited	-	-	915	-	-	222	2,750	-	-	-	-	275	-	-
Ayudhya Capital Services Company Limited	-	-	10,893	-	-	57	2,252	-	-	-	-	26	-	3
General Card Services Limited	-	-	9,787	-	-	40	490	-	-	-	-	4	-	-
Krungsriayudhya Card Company Limited	-	-	11,751	-	-	330	928	-	-	-	-	16	-	1
Siam Realty and Services Security Company Limited	-	-	270	-	676	2	116	-	-	-	-	737	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	1	631	-	-	-	-	8	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	100	-	4,957	-	-	-	4	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	5	2,704	-	-	-	-	19	-	33
Krungsri Securities Public Company Limited	-	-	-	-	-	4	2	3,785	-	-	-	3	-	-
Krungsri Nimble Company Limited	-	-	-	-	-	6	229	-	-	-	-	39	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	-	769	-	-	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	-	533	-	-	-	-	-	-	-
Krungsri Leasing Services Company Limited	-	-	3,518	-	-	-	338	-	-	-	16	-	-	-
Hattha Bank Plc.	836	-	-	83	-	1	-	3	1	-	1	-	6,111	-
Krungsri Finnovate Company Limited	-	-	-	-	-	6	444	-	-	-	-	-	-	-
Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	836	-	41,716	83	676	775	12,189	8,745	1	-	37	1,133	6,111	38
Less Allowance for expected credit loss	(1)	-	(61)	-	-	-	-	-	-	-	-	-	-	-
Total	835	-	41,655	83	676	775	12,189	8,745	1	-	37	1,133	6,111	38

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

	2021													
	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Associate														
Ngern Tid Lor Public Company Limited	-	295	12,122	-	1	3	3,963	-	-	-	1	32	500	6
Less Allowance for expected credit loss	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	295	12,119	-	1	3	3,963	-	-	-	1	32	500	6
Joint ventures														
SB Finance Company, Inc.	-	-	-	-	-	330	-	-	-	-	-	-	-	-
Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited)	-	-	3,777	-	-	16	515	-	-	-	-	5	-	-
Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited)	-	-	-	-	-	-	234	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited)	-	-	-	-	-	-	562	-	-	-	-	-	-	-
Total	-	-	3,777	-	-	346	1,311	-	-	-	-	5	-	-
Less Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	3,776	-	-	346	1,311	-	-	-	-	5	-	-
Related companies having joint major shareholders or directors	145	1,068	15,477	248	-	6	23,639	270	29	-	9	9	16,230	246
Less Allowance for expected credit loss	-	-	(61)	-	-	-	-	-	-	-	-	-	-	-
Total	145	1,068	15,416	248	-	6	23,639	270	29	-	9	9	16,230	246
Individual and related parties	-	-	285	-	-	9	2,069	-	-	-	-	608	-	-
Less Allowance for expected credit loss	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	281	-	-	9	2,069	-	-	-	-	608	-	-
Total	33,756	1,363	73,247	2,917	677	3,463	43,171	103,133	4,569	-	47	2,072	345,733	4,897

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2020

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	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, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
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

As at December 31, 2021 and 2020, the Bank charges interest rates on loan to related parties at 1.00% - 24.10% p.a. and 1.00% - 25.00% p.a., respectively.

7.26.2 The Bank has investments in subsidiaries, associate and joint ventures as disclosed in Note 7.7 and has investments in related companies as at December 31, 2020 are as follows (December 31, 2021: nil):

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

7.26.3 Income and expenses between the Bank and its subsidiaries, associate, joint ventures and related companies for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2021				2020			
	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.	1	2,268	328	327	5	(3,755)	1,777	375
Total	1	2,268	328	327	5	(3,755)	1,777	375
Associate								
Ngern Tid Lor Public Company Limited	233	58	5	1	-	-	-	-
Total	233	58	5	1	-	-	-	-
Joint ventures								
Ngern Tid Lor Public Company Limited	129	34	2	5	494	163	8	4
SB Finance Company, Inc.	-	4	-	-	-	-	-	-
Lotus's Money Services Limited (formerly Tesco Lotus Money services Limited)	87	544	1	(11)	159	556	-	(11)
Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited)	-	7	-	-	-	7	1	-
Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited)	-	36	1	-	-	37	2	-
Total	216	625	4	(6)	653	763	11	(7)
Related companies having joint major shareholders or directors	290	20	61	266	235	87	59	263
Individual and related parties	14	4	21	28	17	4	20	45
Total	754	2,975	419	616	910	(2,901)	1,867	676

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2021				2020			
	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.	1	2,268	328	327	5	(3,755)	1,777	375
Total	1	2,268	328	327	5	(3,755)	1,777	375
Subsidiaries								
Ayudhya Development Leasing Company Limited	146	20	-	(7)	201	19	-	(7)
Ayudhya Capital Auto Lease Public Company Limited	22	1,463	4	879	96	1,589	6	833
Ayudhya Capital Services Company Limited	337	287	2	(79)	571	301	1	(66)
General Card Services Limited	136	24	1	(8)	201	33	1	(6)
Krungsriayudhya Card Company Limited	54	95	1	143	53	103	1	146
Siam Realty and Services Security Company Limited	4	7	11	541	6	7	12	516
Total Services Solutions Public Company Limited	-	2	1	46	-	2	7	43
Krungsri Asset Management Company Limited	-	1,165	8	8	-	955	(89)	9
Krungsri Ayudhya AMC Limited	-	7	3	(4)	-	5	2	(4)
Krungsri Securities Public Company Limited	-	22	8	(1)	-	14	13	2
Krungsri Nimble Company Limited	-	18	-	9	-	30	-	19
Krungsri Life Assurance Broker Limited	-	2	1	-	-	2	2	-
Krungsri General Insurance Broker Limited	-	1	1	-	-	1	1	-
Krungsri Leasing Services Company Limited	253	-	5	-	339	1	3	-
Hattha Bank Plc.	19	(63)	-	-	43	216	-	-
Krungsri Finnovate Company Limited	-	20	-	-	-	21	-	-
Total	971	3,070	46	1,527	1,510	3,299	(40)	1,485
Associate								
Ngern Tid Lor Public Company Limited	233	32	5	1	-	-	-	-
Total	233	32	5	1	-	-	-	-
Joint ventures								
Ngern Tid Lor Public Company Limited	129	18	2	5	494	46	8	4
Lotus's Money Services Limited (formerly Tesco Lotus Money Services Limited)	87	17	1	(11)	159	30	-	(11)
Lotus's Life Assurance Broker Limited (formerly Tesco Life Assurance Broker Limited)	-	3	-	-	-	2	1	-
Lotus's General Insurance Broker Limited (formerly Tesco General Insurance Broker Limited)	-	15	1	-	-	17	2	-
Total	216	53	4	(6)	653	95	11	(7)
Related companies having joint major shareholders or directors	290	(12)	41	188	235	75	59	181
Individual and related parties	14	4	21	28	17	4	20	45
Total	1,725	5,415	445	2,065	2,420	(282)	1,827	2,079

7.26.4 For the year ended December 31, 2021, the Bank entered into an agreement to sell non-performing loans (NPLs) to a related company with a net book value at the transfer date of Baht 939 million.

7.26.5 For the years ended December 31, 2021 and 2020, 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	
	2021	2020	2021	2020
Short-term employee benefits	1,727	2,107	992	1,336
Post-employment benefits	69	69	46	46
Other long-term benefits	1	2	1	1
Total	1,797	2,178	1,039	1,383

7.26.6 For the years ended December 31, 2021 and 2020, related party transactions among subsidiaries included collection services and other services of Baht 875 million and Baht 848 million, respectively, and office and vehicle rental and facilities service of Baht 51 million and Baht 36 million, respectively.

7.26.7 For the years ended December 31, 2021 and 2020, a subsidiary had related party transactions with the Bank to provide the information technology services of Baht 177 million and Baht 157 million, respectively.

7.26.8 For the years ended December 31, 2021 and 2020, related party transactions among subsidiaries from other services were Baht 1,755 million and Baht 1,745 million, respectively.

7.26.9 For the year ended December 31, 2021, the expected credit loss of loans granted and loan commitments and financial guarantee contracts to subsidiaries of Baht 40 million and the expected credit loss of loans granted and loan commitments and financial guarantee contracts to associate and joint ventures are reversed of Baht 5 million.

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.

7.26.10 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and MUFG Bank, Ltd. (MUFG) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service to BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and MUFG will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If MUFG agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility.

On November 30, 2021, the Bank has entered into the Uncommitted Term Loan Credit Facility Agreement with MUFG under Uncommitted Non-Revolving Facility.

7.27 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, during the years ended December 31, 2021 and 2020, the subsidiary had sold assets to managements in the amount of Baht 3 million and Baht 2 million with the book value of Baht 2 million and Baht 2 million, respectively.

7.28 Lease liabilities

Lease liabilities as at December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Within one year	1,136	1,040	1,135	1,104
One year to five years	1,163	1,464	1,226	1,546
Over five years	503	598	463	544
Total	2,802	3,102	2,824	3,194

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, 2021 and 2020, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank and subsidiaries' total revenue.

Operating segment by businesses for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
			2021		
	Retail	**Commercial**	**Others**	**Elimination**	**Total**
Interest income, net	55,505	22,367	1	107	77,980
Other operating income	28,901	7,518	12,936	(4,429)	44,926
Total operating income	84,406	29,885	12,937	(4,322)	122,906
Operating expenses	34,479	11,020	7,852	(4,397)	48,954
Expected credit loss	27,611	4,035	(2)	(40)	31,604
Profit before tax	22,316	14,830	5,087	115	42,348
Taxation	4,150	2,907	1,237	-	8,294
Net profit	18,166	11,923	3,850	115	34,054

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				
	Retail	**Commercial**	**Others**	**Elimination**	**Total**
Total assets					
As at December 31, 2021	1,007,902	1,601,947	25,664	(136,404)	2,499,109
As at December 31, 2020	998,231	1,725,514	21,584	(135,955)	2,609,374

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	2,425,082	80,444	(6,417)	2,499,109
Interbank and money market items, net (Assets)	336,162	10,654	-	346,816
Financial assets measured at fair value through profit or loss	736	-	-	736
Investments, net*	197,140	28	-	197,168
Loans to customers and accrued interest receivable, net	1,755,726	61,143	-	1,816,869
Deposits	1,746,378	32,761	-	1,779,139
Interbank and money market items (Liabilities)	180,303	21,847	-	202,150
Debt issued and borrowings	111,891	7,086	-	118,977

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

*Includes investments in subsidiaries associate and joint ventures, net

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS 2021			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	2,328,206	4,708	(1,735)	2,331,179
Interbank and money market items, net (Assets)	335,429	1,406	-	336,835
Financial assets measured at fair value through profit or loss	98	-	-	98
Investments, net*	242,734	-	-	242,734
Loans to customers and accrued interest receivable, net	1,639,287	2,244	-	1,641,531
Deposits	1,758,586	1,745	-	1,760,331
Interbank and money market items (Liabilities)	185,900	1,088	-	186,988
Debt issued and borrowings	90,182	-	-	90,182

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

*Includes investments in subsidiaries associate and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS 2021			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	92,506	7,574	(276)	99,804
Interest expenses	18,989	3,111	(276)	21,824
Net interest income	73,517	4,463	-	77,980
Fees and service income, net	16,626	225	-	16,851
Other operating income	45,220	7	(17,152)	28,075
Other operating expenses	63,755	2,351	(17,152)	48,954
Profit from operating before expected credit loss and income tax	71,608	2,344	-	73,952

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

	THE BANK'S FINANCIAL STATEMENTS 2021			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	68,701	149	-	68,850
Interest expenses	18,543	63	-	18,606
Net interest income	50,158	86	-	50,244
Fees and service income, net	7,228	11	-	7,239
Other operating income	43,600	25	(17,151)	26,474
Other operating expenses	50,802	38	(17,151)	33,689
Profit from operating before expected credit loss and income tax	50,184	84	-	50,268

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

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Interbank and money market items	2,583	2,720	2,585	2,702
Investment and trading transactions	25	61	24	60
Investment in debt securities	1,390	1,561	1,390	1,561
Loans to customers	63,248	69,158	38,605	44,431
Hire purchase and finance lease	32,530	34,526	26,218	27,485
Other	28	36	28	36
Total interest income	99,804	108,062	68,850	76,275

7.32 Interest expenses

Interest expenses for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Deposits	11,846	15,521	10,215	14,286
Interbank and money market items	1,750	2,603	932	1,823
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,277	4,011	4,277	4,011
Debt issued and borrowings				
- Subordinated debenture	2,290	2,271	2,236	2,244
- Other	1,572	2,251	887	1,505
Other	89	101	59	71
Total interest expenses	21,824	26,758	18,606	23,940

On April 8, 2020, the BOT announced to temporarily reduce the rate of contributions to Financial Institution Development Fund (FIDF) from 0.46% per year to 0.23% per year which is effective for the years 2020-2021.

On November 1, 2021, the BOT announced to extend the temporary reduction of the rate of contributions to FIDF at 0.23% per year to the end of 2022.

7.33 Fees and service income, net

Fees and service income, net for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Fees and service income				
- Acceptances, aval and guarantees	474	500	474	501
- Other	23,579	24,312	11,727	13,034
Total fees and service income	24,053	24,812	12,201	13,535
Fees and service expenses	7,202	7,248	4,962	5,111
Total fees and service income, net	16,851	17,564	7,239	8,424

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 years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	3,697	4,051	3,944	4,388
- Derivative of interest rates	424	67	473	108
- Debt securities	(72)	38	(72)	38
- Equity securities	-	(15)	-	(6)
Total	4,049	4,141	4,345	4,528
Gains on financial instruments designated at FVTPL				
- Net change in fair value of other	-	5	-	5
Gains (losses) on hedge accounting	47	(34)	47	(34)
Total	4,096	4,112	4,392	4,499

7.35 Gains (losses) on investments, net

Gains (losses) on investments, net for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Gains on derecognition of investments				
- Debt securities measured at FVOCI	198	109	199	109
- Investments in joint venture	10,727	-	11,398	-
	10,925	109	11,597	109
Losses on impairments				
- Investments in subsidiaries	-	-	(500)	(720)
Total	10,925	109	11,097	(611)

7.36 Expected credit loss

Expected credit loss for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	2020	2021	2020
Interbank and money market items	35	259	39	254
Investment in debt securities measured at fair value through other comprehensive income	6	7	6	7
Investment in debt securities measured at amortized cost (reversal)	-	(2)	-	(2)
Loans to customers and accrued interest receivable	32,132	36,470	21,523	25,143
Loan commitments and financial guarantees (reversal)	(569)	(90)	(347)	(50)
Total	31,604	36,644	21,221	25,352

7.37 Income tax expenses

Income tax expenses for the years ended December 31, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2021	**2020**	**2021**	**2020**
Current tax for the years	8,010	6,516	4,552	2,784
Deferred tax	283	(978)	61	(949)
Total income tax expenses	8,293	5,538	4,613	1,835

Reconciliation of effective income tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2021		**2020**		**2021**		**2020**	
	(in million Baht)	**Rate (%)**	**(in million Baht)**	**Rate (%)**	**(in million Baht)**	**Rate (%)**	**(in million Baht)**	**Rate (%)**
Profit before tax	42,348		28,878		29,047		9,995	
Income tax at the domestic tax rate	8,470	20.00	5,776	20.00	5,809	20.00	1,999	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	1,260	2.98	563	1.95	114	0.39	186	1.86
Less Tax effect of income and expense that are exempt for tax purposes	(1,437)	(3.40)	(801)	(2.78)	(1,310)	(4.51)	(350)	(3.51)
Income tax expenses as per statements of profit or loss and other comprehensive income	8,293	19.58	5,538	19.17	4,613	15.88	1,835	18.35

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, 2021 and 2020 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2021			2020		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on investment in debt instruments at fair value through other comprehensive income	(719)	144	(575)	303	(61)	242
Gains (losses) on cash flow hedges	51	(10)	41	(161)	32	(129)
Gains (losses) arising from translating the financial statements of a foreign operation	1,167	(236)	931	(91)	20	(71)
Share of other comprehensive income of associate and joint venture	5	-	5	(6)	-	(6)
Item that will not be reclassified subsequently to profit or loss						
Gains (losses) on investments designated at fair value through other comprehensive income	1,001	(200)	801	86	(17)	69
Actuarial gains (losses) on defined benefit plans	1,235	(247)	988	(561)	112	(449)
Share of other comprehensive income of associate and joint venture	(2)	-	(2)	(1)	-	(1)
Total other comprehensive income, net	2,738	(549)	2,189	(431)	86	(345)

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2021			2020		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on investment in debt instruments at fair value through other comprehensive income	(719)	144	(575)	303	(61)	242
Gains (losses) on cash flow hedges	51	(10)	41	(161)	32	(129)
Item that will not be reclassified subsequently to profit or loss						
Gains (losses) on investments designated at fair value through other comprehensive income	864	(173)	691	(93)	19	(74)
Actuarial gains (losses) on defined benefit plans	1,040	(208)	832	(576)	115	(461)
Total other comprehensive income, net	1,236	(247)	989	(527)	105	(422)

7.39 The agreements related to the transactions of the purchase and receipt the transfer of charter capital in SHBank Finance Company Limited

On August 25, 2021, the Board of Directors' Meeting No. 8/2021 approved to propose to the Extraordinary General Meeting of Shareholders to consider and approve the acquisition of business through the purchase and receipt the transfer of 100% of charter capital* in SHBank Finance Company Limited ("SHB Finance"), which operates consumer finance business in Vietnam, from Saigon-Hanoi Commercial Joint Stock Bank ("SHB Bank") ("Transaction"), which requires the approval from Bank of Thailand ("BOT"), State Bank of Vietnam ("SBV") and Japanese Financial Services Agency ("JFSA"), with total consideration up to approximately VND 3,590.3 billion (or equivalent to Baht 5,184.4 million). The transaction will be divided into 2 phases.

1. The purchase and receipt the transfer of the 50% of charter capital in SHB Finance ("The First transaction"), with the consideration up to approximately VND 1,573.4 billion (or equivalent to Baht 2,272.0 million) which is based on the estimated minimum equity book value of VND 1,168.9 billion (or equivalent to Baht 1,687.8 million) and may decrease if the actual equity book value as of the closing date is less than the estimated equity book value.

2. The purchase and receipt the transfer of the 50% of charter capital remaining ("The Second transaction"), which will be entered in the next 3 years after the completion of The First transaction, with the consideration up to approximately VND 2,016.9 billion (or equivalent to Baht 2,912.4 million) which will depend on the equity book value as of the closing date and may be adjusted with amount of capital injection or capital decrease occurred during period of 3 years from the closing date of The First transaction to the closing date of The Second transaction.

   On August 25, 2021, the Bank and SHB Bank have entered into Capital Transfer Agreement and Joint venture Agreement.

   On October 29, 2021, the Extraordinary General Meeting of Shareholders No. 1/2021 approved the acquisition of business through the purchase and receipt the transfer of 100% of charter capital* in SHB Finance, as proposed by the Board of Directors.

   * Since SHB Finance is registered as a limited liability company in Vietnam, which does not have any shares as limited company or public company in Thailand. In this regard, this transaction will be the purchase and receipt the transfer of the charter capital.

7.40 COVID-19

As the situation COVID- 19 Pandemic continues to make a widespread impact to all businesses including large corporation, small and medium enterprise, and retail consumer, Bank of Thailand with collaboration with Federal of Accounting Profession issueed the guideline on accounting treatments for enterprises that support the relief measures to customers who were affected from COVID- 19 in order to promote the timely support to customers and general economy. The guideline is effective for 2 years during 2020-2021, significant details of guidelines are as follows:

- The relief support given to Non- NPL customers. Enterprises can classify customer to performing stage immediately if enterprises already analyst and assess that customers are able to comply with the new terms and conditions. The restructuring of this type is deemed pre- emptive and not considered as Trouble Debt Restrccture.
- The relief support given to NPL customers. Enterprises can classify customers to performing stage if customers can comply with the new terms and conditions for consecutively 3 months or 3 payments, whichever period is longer.

During 2020-2021, the Bank and its subsidiaries extensively gave the assistance to businesses and customers who get impact from COVID-19 and economic situation, with detail as follow:

The Bank and its subsidiaries' extensive assistance measures covered comprehensive debt restructuring, debt moratorium extension, soft loans, and the asset warehousing program comprise:

1) Personal loan customers
   - Change from a revolving loan limit to one with installment payment
   - Installment amount reduction
   - Debt consolidation in accordance with debt restructuring by the debt consolidation approach

2) Mortgage or mortgage refinancing customers
   - A grace period for principal and interest payment
   - A grace period for principal repayment with partial interest payment
   - Installment amount reduction
   - Debt consolidation in accordance with debt restructuring by the debt consolidation approach

3) Commercial Banking customers
   The Bank provides assistance measures through "Special Loan" and "Asset Warehousing" in accordance with impacts on a case-by-case basis.

4) Krungsri Auto
   4.1) Auto Hire Purchase
   - Car: Installment amount reduction with extension of installment payment period; and suspension of installment payment for customers severely impact
   - Motorcycle: Installment amount reduction with extension of installment payment period

   4.2) Auto Financing
   - Car: Installment amount reduction with extension of installment payment period; and suspension of installment payment for customers severely impact
   - Motorcycle: Installment amount reduction with extension of installment payment period

5) Krungsri Consumer's credit card and personal loan customers
   - Measure 1: For all customers – Reduction of minimum monthly payment rates
     - For credit card products, the minimum monthly payment rate for all customers will be automatically reduced from 10% to 5% for all billing cycles until December 31, 2021, without the need to notify their intent.
     - For personal loan products, the minimum monthly payment rate for all customers will be automatically reduced from 5% to 3% for all billing cycles until December 31, 2021, without the need to notify their intent.

   - Measure 2: For customers with a normal account status, a special reduction of interest rates and an extension of installment payment period for up to 99 months for customers in the affected business groups are provided. Customers must register for this measure from May 20, 2021 – December 31, 2021 and will be considered for approval on a case-by-case basis.
     - For credit card products: a special reduction of interest rate and an extension of the installment payment period for up to 48 months are provided.
     - For personal loan products:
       - For customers with less than Baht 30,000 of outstanding balance, a special reduction of interest rate and a reduction of minimum monthly payment rate to 3% are provided.
       - For customers with a minimum outstanding balance of Baht 30,000, a special reduction of interest rate and an installment period extension for up to 99 months are provided.

   - Measure 3: For both credit card and personal loan customers with outstanding balance, a monthly installment amount reduction and an installment period extension for up to 99 months (debt restructuring) with a special reduction of interest rate are provided. Customers must register and will be considered for approval on a case-by-case basis.

On July 16, 2021, the Bank issued a new relief measure to help SME customers of all sizes by allowing a suspension of debt repayment for both the principals and the interests for two months commencing from July 2021 onwards. The measure is applicable for the directly affected SMEs that closed their business operations in the maximum controlled areas in the 10 announced provinces as well as the SMEs outside the controlled areas that had to close their businesses due to the government's measures.

On August 20, 2021, the Bank of Thailand announced additional customer assistance measures in adjusting its special rehabilitation loan scheme to support liquidity for both existing and new SME borrowers by expanding their credit lines.

1. Measure to maintain and provide new liquidity to SMEs and retail debtors for retaining their businesses and satisfying their basic needs

1.1 Revision to regulations for special loan for SMEs

1.1.1 Increase credit limit

- New SME borrowers: increase maximum credit line from Baht 20 million to Baht 50 million per borrower totaling all loans from any financial institutions
- Existing SME borrowers: allow a creditor to grant additional credit line of up to 30% of the existing credit line, but no more than Baht 150 million. If 30% of the existing credit line is below Baht 50 million, borrowers would be allotted a maximum credit line of Baht 50 million each.

1.1.2 Increase individual credit guarantee rate and lower guarantee fees

1.2 Temporarily relax regulations for retail debtors for credit card loans, supervised personal loans, and digital personal loans (until December 31, 2022)

1.2.1 Increase credit limit up to double of monthly income for credit card and personal loans for those whose monthly income is below Baht 30,000. Debtors can apply for personal loans from lenders without restriction on the number of lenders.

1.2.2 Maintain the minimum debt repayment for credit card loans at 5%

1.2.3 Increase credit limit for digital personal loans from Baht 20,000 to Baht 40,000 and extend the maturity period from not more than six months to not more than 12 months.

2. Measures to enhance existing debt restructuring facilities to be more sustainable

To support financial institutions that provide assistance to debtors via the targeted, long-term debt restructuring program, the measures need to be customized for each debtor.

2.1 Relax regulations for asset classification and provisioning criteria. The degree of relaxation would depend on the degree of support provided to debtors.
2.2 Extend the reduction of the Financial Institutions Development Fund (FIDF) fee at 0.23% to December 31, 2022.

On November 22, 2021, the Bank of Thailand introduced additional long-term debt restructuring measures through refinance and debt consolidation, with key details as follows:

1) Financial institutions are not allowed to fine from prepayment fees for personal loans and nano finance under supervision on a temporary basis, until December 31, 2023.
2) Revise the guideline for debt consolidation of mortgage and other retail loans by extending the scope of this measure to cover debt consolidation across financial institutions and/or other financial service providers, rather than at the same lenders as previously.
   - In case a financial institution has existing mortgage loans mortgage loan, the interest rate charged on such mortgage loan must not exceed the mortgage rate under the original contract.
   - In case of receiving a refinanced mortgage loan from other financial institution, the mortgage rate can be set in alignment with the debtor's risk profile.
   - For other consolidated retail loans, the interest rate must not exceed the mortgage rate (after teaser rate) plus 2% per annum.

The Bank of Thailand has also relaxed its regulations on debt classification, reserve requirements, and capital maintenance to reduce costs for financial institutions that help customers for debt consolidation scheme by December 31, 2023.

As of December 31, 2021, the loans outstanding under the relief measure program accounted for approximately Baht 170.21 billion, of which 17% is granted to Corporate segment, 45% is granted to SME and Business Banking segment, and 38% is granted to Retail Segment. For SMEs, additional credit lines of Baht 28.02 billion were offered to 8,127 SME customers to support their liquidity requirement under the Bank of Thailand's soft loan and special rehabilitation loan programs and the Government Savings Bank's soft loan program.

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.

7.41 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 23, 2022.

ATTACHMENT 1: DETAILS OF DIRECTORS, EXECUTIVES, PERSONS WITH MANAGERIAL AUTHORITY, THE PERSON TAKING THE HIGHEST RESPONSIBILITY IN FINANCE AND ACCOUNTING, PERSON HAVING ACCOUNTING CONTROL, AND CORPORATE SECRETARY

(INFORMATION AS OF DECEMBER 31, 2021)

BOARD OF DIRECTORS

1.



Mr. Karun Kittisataporn

Chairman

Independent Director

2.

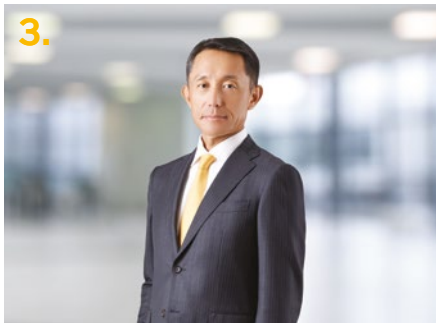


Mr. Takanori Sazaki

Vice Chairman

Nomination and Remuneration Committee Member

3.



Mr. Seiichiro Akita

Executive Director

Chairman of the Executive Committee

4.



Mr. Hisashi Kanamori

Director

Risk and Compliance Committee Member

5.



Miss Junko Kawano

Director

6.



Miss Potjanee Thanavaranit

Independent Director

Chairman of the Audit Committee

7.



Mr. Virat Phairatphiboon

Independent Director

Chairman of the Risk and Compliance Committee

Audit Committee Member

Nomination and Remuneration Committee Member

8.



Dr. Jamlong Atikul

Independent Director

Chairman of the Nomination and Remuneration Committee

Audit Committee Member

9.



Mrs. Tongurai Limpiti

Independent Director

Audit Committee Member

Risk and Compliance Committee Member

10.



Miss Nopporn Tirawattanagool

Director

Nomination and Remuneration Committee Member

Risk and Compliance Committee Member

11.



Mr. Pornsanong Tuchinda

Executive Director

Executive Committee Member

12.



Miss Duangdao Wongpanitkrit

Executive Director

Executive Committee Member

1

Mr. Karun Kittisataporn

- Chairman
- Independent Director

Age: 74 years

Nationality: Thai

Years of directorship: 13 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
- Regulatory Technology: RegTech, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 2, Topic: Data-driven Cybersecurity and Intelligence Threats Assessment, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of Chairman Program (RCP), Year 2021
- Ethical Leadership Program (ELP), Year 2021
- Risk Management Program for Corporate Leaders (RCL), Year 2019
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- Board Nomination and Compensation Program (BNCP), Year 2018
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017
- Director Briefing 'Sleeping Giants of Succession', Year 2017
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Monitoring the Internal Audit Function (MIA), Year 2013
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Financial Institutions Governance Program (FGP), Year 2011
- Financial Statements for Directors (FSD), Year 2009
- Audit Committee Program (ACP), Year 2009
- Role of the Compensation Committee (RCC), Year 2008
- Director Certification Program (DCP), Year 2006

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jul 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 September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

2 Mr. Takanori Sazaki

- Vice Chairman
- Non-Executive Director
- Nomination and Remuneration Committee Member

Age: 57 years

Nationality: Japanese

Years of directorship: 6 months

Education and training:

- Master of Business Administration of Finance, The Wharton Business School of University of Pennsylvania
- Bachelor of Law, University of Tokyo

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jun 10, 2021 – Present	Vice Chairman
Jun 10, 2021 – Present	Non-Executive Director
Jun 10, 2021 – Present	Nomination and Remuneration Committee Member

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (Three organizations):**

Aug 27, 2021 – Present	Commissioner, PT Bank Danamon Indonesia, Tbk (Listed in Indonesia Exchange)
Jul 20, 2021 – Present	Chairman (Authorized Signatory), MUFG Bank, Ltd. (China)
May 14, 2021 – Present	Regional Executive for Asia Pacific, Mitsubishi UFJ Financial Group (Listed in Japan Exchange) & MUFG Bank, Ltd. (Singapore)

Work experiences (in the last five years):

Apr 2021 – May 14, 2021	Handover period for Regional Executive for Asia Pacific, Mitsubishi UFJ Financial Group & MUFG Bank, Ltd. (Singapore)
Jun 2018 – Apr 2021	Managing Executive Officer & Regional Executive for EMEA, Mitsubishi UFJ Financial Group & MUFG Bank, Ltd. (London, United Kingdom)
Aug 2019 – Apr 2021	Head of Japanese Corporate Banking Division for EMEA, Mitsubishi UFJ Financial Group & MUFG Bank, Ltd. (London, United Kingdom)
Jul 2016 – Jun 2018	Executive Officer & General Manager, Global Corporate Banking Division & Syndication & Product Planning Division (Special Assignment), Mitsubishi UFJ Financial Group & MUFG Bank, Ltd. (Tokyo, Japan)

% Shareholding as of the latest record date on September 8, 2021 (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: 55 years

Nationality: Japanese

Years of directorship: 2 years 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 September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

4 Mr. Hisashi Kanamori

- Non-Executive Director
- Risk and Compliance Committee Member

Age: 57 years

Nationality: Japanese

Years of directorship: 8 months

Education and training:

- Bachelor of Economics, Keio University, Japan

Training and seminar held by Thai Institute of Directors Association (IOD):

- National Director Conference 2021: Leadership Behind Closed Door, 'DISRUPTIVE INNOVATION', Year 2021

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Apr 29, 2021 – Present	Non-Executive Director
Apr 29, 2021 – Present	Risk and Compliance Committee Member

- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (Three organizations):**

Apr 2019 – Present	Non-executive director, Mitsubishi UFJ Trust International Limited
Apr 2019 – Present	Director and Managing Executive Officer, Chief Executive, Global Markets Business Unit, Chief Operating Officer-International, Mitsubishi UFJ Trust and Banking Corporation
Apr 2019 – Present	Deputy Group Head of Global Markets Business Group, and Group Deputy Chief Operating Officer-International, Mitsubishi UFJ Financial Group
Apr 2018 – Present	Managing Executive Officer, Mitsubishi UFJ Financial Group

Work experiences (in the last five years):

Apr 2018 – Apr 2019	Director and Managing Executive Officer, Chief Risk Officer, Chief Compliance Officer, Chief Legal Officer, and Chief Data Officer, Mitsubishi UFJ Trust and Banking Corporation
Jun 2015 – Apr 2018	Executive Officer & General Manager, London Branch, Mitsubishi UFJ Trust and Banking Corporation
Jun 2015 – Apr 2018	Executive Officer, Mitsubishi UFJ Financial Group

% Shareholding as of the latest record date on September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

5 Miss Junko Kawano

- Non-Executive Director

Age: 52 years

Nationality: Japanese

Years of directorship: 3 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	Non-Executive 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)

% Shareholding as of the latest record date on September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

6

Miss Potjanee Thanavaranit

- Independent Director
- Chairman of the Audit Committee

Age: 75 years

Nationality: Thai

Years of directorship: 11 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
- Regulatory Technology: RegTech, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 2, Topic: Data-driven Cybersecurity and Intelligence Threats Assessment, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Risk Management Program for Corporate Leaders (RCL), Year 2021
- Board Nomination & Compensation Program (BNCP), Year 2021
- Director Leadership Certification Program (DLCP), Year 2021
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- Audit Committee Forum 'New Auditor's Report: What is it for you?', Year 2016
- Driving Company Success with IT Governance (ITG), Year 2016
- Director Certification Program Update (DCPU), Year 2014
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Financial Institutions Governance Program (FGP), Year 2011
- Audit Committee Program (ACP), Year 2010
- Role of the Compensation Committee (RCC), Year 2007
- Role of the Chairman Program (RCP), Year 2006
- Director Certification Program (DCP), Year 2002

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):**

Nov 26, 2021 – Present	Chairman of the Audit Committee, Thai Beverage PCL (Listed in Singapore Exchange)
Nov 26, 2021 – Present	Chairman of the Sustainability and Risk Management Committee, Thai Beverage PCL (Listed in Singapore Exchange)
Nov 26, 2021 – Present	Nomination Committee, Thai Beverage PCL (Listed in Singapore Exchange)

Miss Potjanee Thanavaranit
(Cont')

Nov 26, 2021 – Present	Lead Independent Director, Thai Beverage PCL (Listed in Singapore Exchange)
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)
Mar 18, 2021 – Present	Audit Committee Member, Mae Fah Luang University Council
Feb 27, 2018 – Present	Honorary Members, Mae Fah Luang University Council
Mar 20, 2020 – Present	Chairperson of the Committee on Audit and Evaluation, Office of the National Anti-Corruption Commission
Jun 26, 2017 – Present	Vice Chairman, Thai Institute of Directors Association
May 29, 2017 – Present	Director, Thai Institute 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

% Shareholding as of the latest record date on September 8, 2021 (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: 73 years

Nationality: Thai

Years of directorship: 23 years

Education and training:

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on 'CyberSecurity Awareness Training for Senior Executive', Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on 'Future Customer Experience in Financial and Banking Services', Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program Update (DCPU), Year 2014
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2004
- Director Certification Program (DCP), Year 2002

Current positions:

- **Positions in Bank of Ayudhya PCL:**

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 September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

8 Dr. Jamlong Atikul

- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Audit Committee Member

Age: 73 years

Nationality: Thai

Years of directorship: 3 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
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of the Chairman Program (RCP), Year 2011
- Director Accreditation Program (DAP), Year 2006
- Director Certification Program (DCP), Year 2006

Current positions:

- **Positions in Bank of Ayudhya PCL:**

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 September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

9 Mrs. Tongurai Limpiti

- Independent Director
- Audit Committee Member
- Risk and Compliance Committee Member

Age: 65 years

Nationality: Thai

Years of directorship: 2 years

Education and training:

- MBA., University of Wisconsin, Madison, USA
- Bachelor of Accountancy, Chulalongkorn University
- The National Defence Course class 52, the National Defence College of Thailand (NDC)
- Capital Market Academy Programs class 12, Capital Market Academy (CMA)
- Advanced Management Program (AMP) Harvard Business School, USA
- ESG and Sustainable Banking Development, including response to the Covid-19 situation, Year 2020
- Cyber Resilience Leadership: 'Tone from the Top', Bank of Thailand, Year 2020
- IT Security Awareness, Virtual Training, Year 2020
- Regulatory Technology: RegTech, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Board Nomination and Compensation Program (BNCP), Year 2021
- National Director Conference 2021: Leadership Behind Closed Door, Year 2021
- Ethical Leadership Program (ELP), Year 2021
- IT Governance and Cyber Resilience Program (ITG), Year 2020
- Role of the Chairman Program (RCP), Year 2020
- Advance Audit Committee Program (AACP), Year 2019
- Chartered Director Class, Board that Make a Difference, Year 2015
- Director Certification Program Update (DCPU), Year 2015
- Director Certification Program (DCP), Year 2001

Current positions:

- **Positions in Bank of Ayudhya PCL:**

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):**

Apr 28, 2021 – Present	Chairman of the Investment Committee, Thai President Foods PCL
2019 – Present	Independent Director, Thai President Foods PCL
2019 – Present	Corporate Governance and Risk Management Committee Member, Thai President Foods PCL
2016 – Present	Chairman, Bangkok Commercial Asset Management PCL

Mrs. Tongurai Limpiti
(Cont')

- **Positions in non-listed companies/organizations (six organizations):**

Feb 1, 2022 – Present	Independent Director, Betagro PCL
Feb 1, 2022 – Present	Chairman of the Risk Management Committee, Betagro PCL
Feb 1, 2022 – Present	Audit Committee Member, Betagro PCL
Feb 1, 2022 – Present	Nomination and Remuneration Committee Member, Betagro PCL
2018 – Present	Advisor, Chulalongkorn Cancer Immunotherapy Fund
2017 – Present	Member, Civil System Development for Promotion of Good Public Management
2017 – Present	Advisor, Thai Investors Association
2017 – Present	Member, Financial Policy and Asset Committee, Srinakarinwirot University
2016 – Present	Advisor, Electronic Transactions Development Agency

Work experiences (in the last five years):

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

% Shareholding as of the latest record date on September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

10 Miss Nopporn Tirawattanagool
- Non-Executive Director
- Nomination and Remuneration Committee Member
- Risk and Compliance Committee Member

Age: 67 years

Nationality: Thai

Years of directorship: 11 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
- Regulatory Technology: RegTech, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 1, Topic: Capital Market Threat Landscape, Year 2021
- Cyber Armor: Capital Market Board Awareness No. 2, Topic: Data-driven Cybersecurity and Intelligence Threats Assessment, Year 2021
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Economic Outlook 2021, Central Pattana PCL

Training and seminar held by Thai Institute of Directors Association (IOD):

- National Director Conference 2021 'Leadership Behind Closed Door', Year 2021
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- National Director Conference 2017 'Steering Governance in a Changing World', Year 2017
- Risk Management Program for Corporate Leaders (RCL), Year 2015
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2010
- Audit Committee Program (ACP), Year 2010
- Role of the Compensation Committee (RCC), Year 2009
- Director Accreditation Program (DAP), Year 2003

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Apr 28, 2010 – Present	Nomination and Remuneration Committee Member
Apr 8, 2010 – Present	Non-Executive Director

- **Positions in other listed company (Four companies):**

Apr 20, 2016 – Present	Director, Grand Canal Land PCL
May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
Oct 17, 2014 – Present	Director, Srivichaivejvivat PCL
Jul 22, 2014 – Present	Member of Nomination and Compensation Committee, Siam City Cement PCL
Apr 2012 – Present	Director, Siam City Cement PCL
May 14, 2021 – Present	Corporate Governance Committee Member, Allianz Ayudhya Capital PCL
May 14, 2013 – Present	Nomination and Remuneration Committee Member, Allianz Ayudhya Capital PCL
Apr 22, 2013 – Present	Director, Allianz Ayudhya Capital PCL

- **Positions in non-listed companies/organizations (Twenty three organizations):**

Dec 19, 2019 – Present	Director and Secretary, Krungsri Foundation
Apr 19, 2017 – Present	Director (Authorized Signatory), BBTV Asset Management Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory), Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), GL 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 September 8, 2021 (including spouse and minor children): None

Family relationship with directors and executives: None

11 Mr. Pornsanong Tuchinda

- Non-Executive Director

Age: 60 years

Nationality: Thai

Years of directorship: 6 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
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2008
- Audit Committee Program (ACP), Year 2006
- Director Accreditation Program (DAP), Year 2004

Current positions:

- **Positions in Bank of Ayudhya PCL:**

  Jan 1, 2022 – Present Non-Executive Director
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations:** None

Work experiences (in the last five years):

Oct 1, 2015 – Dec 31, 2021	Director (Authorized Signatory), Bank of Ayudhya PCL
Jan 5, 2015 – Dec 31, 2021	Head of Commercial Banking, Bank of Ayudhya PCL
Feb 24, 2010 – Dec 31, 2021	Executive Committee Member, Bank of Ayudhya PCL
Jan 13, 2010 – Dec 31, 2021	Senior Executive Vice President, Bank of Ayudhya PCL
Sep 1, 2020 – Jun 30, 2021	Acting Head of Corporate and Investment Banking Group, Bank of Ayudhya PCL
Jan 1 – Aug 31, 2020 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 September 8, 2021 (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
- Acting Head of Financial Governance Risk and Compliance Division

Age: 52 years

Nationality: Thai

Years of directorship: 5 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
- Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021
- Seminar on Cyber Resilience Leadership: Herd Immunity 2021

Trainings and seminars held by Thai Institute of Directors Association (IOD)::

- National Director Conference 2021: 'MAKE SUSTAINABILITY PERFORM', WHAT WORKS AND WHAT DOESN'T..., Year 2021
- National Director Conference 2021: Leadership Behind Closed Door, Year 2021
- Ethical Leadership Program (ELP), Year 2020
- Boards that Make a Difference (BMD), Year 2019
- IT Governance and Cyber Resilience Program (ITG), Year 2018
- National Director Conference 2018 'Rising Above Disruptions: A Call for Action', Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2018
- Strategic Board Master Class (SBM), Year 2018
- Boards Matters and Trends (BMT), Year 2017
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Risk Management Committee Program (RMP), Year 2013
- Director Certification Program (DCP), Year 2013
- Financial Institutions Governance Program (FGP), Year 2011

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jan 1, 2022 – Present	Acting Head of Financial Governance Risk and Compliance Division
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.

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.

- **Others (in the last seven years):** None
- **Positions receiving remuneration in for-profit companies/ organizations:** None

% Shareholding as of the latest record date on September 8, 2021 (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

(As defined by the Capital Market Supervisory Board)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Yoshiyuki Horio Age 50 years - Head of JPC/MNC Banking (Jun 26, 2020) - First Executive Vice President (Jun 11, 2020) - Executive Committee Member (Jun 26, 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 26, 2020 – Present	Executive Committee Member	
		Jun 11, 2020 – Present	First Executive Vice President	
		Other Companies / Organization		
		Mar 2018 - Jun 10, 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.
2. Mr. Phonganant Thanattrai [1/] Age 57 years - Head of Retail and Consumer Banking (Jan 1, 2021) - First Executive Vice President (Apr 1, 2012) - Executive Committee Member (Jan 1, 2021) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Role of the Chairman Program (RCP), Year 2021 • Board Nomination & Compensation Program (BNCP), Year 2020 • Director Certification Program (DCP), Year 2020 • Corporate Governance for Capital Market Intermediaries (CGI – English), Year 2015	Jan 1, 2021 – Present	Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Executive Committee Member	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jan 1, – Sep 30, 2021	Acting Head of Retail Banking and Distribution Group	
		Sep 16, 2019 – Apr 30, 2021	Acting Head of High Net-Worth Division	
		Jan 1, 2017 – Dec 31, 2020	Head of Retail Banking and Distribution Group	
		Jan 7, 2015 – Sep 15, 2019	Acting Head of Provincial Branch Business Division	
		Jul 1, 2015 – Apr 30, 2017	Acting Head of Metropolitan Branch Business Division	
		Other Companies / Organization		
		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
3. Mr. Sayam Prasitsirigul [1/] Age 52 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-	- MBA. (Finance), The Peter F.Drucker Center, The Claremont Graduate School, California, USA - Bachelor of Electrical Engineering, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021	Jan 1, 2021 – Present	Chief Information and Digital Officer	Bank of Ayudhya PCL
		Jan 1, 2021 – Present	Executive Committee Member	
		Jul 1, 2011 – Present	First Executive Vice President	
		Jun 1 – Aug 31, 2021	Acting Head of Information Technology Group	
		Sep 1 – Dec 31, 2020	Deputy Chief Information and Operations Officer	
		Sep 1 – Dec 31, 2020	Acting Head of Digital Banking and Innovation	
		Jan 1, 2017 – Aug 31, 2020	Head of SME Banking Group	
		Jan 1, 2018 – Oct 31, 2019	Acting Head of SME Credit Analysis Division	
		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.
4. Mr. Chandrashekar Subramanian Krishoolndmangalam [1/] Age 59 years - Chief Risk Officer (Jan 3, 2007) - Senior Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jan 3, 2007)	- 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		
		Jan 20, 2021 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor PCL
		May 29, 2015 – Present	Director	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
4. Mr. Chandrashekar Subramanian Krishoolndmangalam [1/] (Cont') **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-		Oct 20, 2020 – Present	Director (Authorized Signatory)	SB Finance Company, Inc.
		Sep 12, 2016 – Present	Director	Hattha Bank Plc.
		Apr 17, 2019 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Mar 26, 2015 – Present	Director (Authorized Signatory)	
		Apr 21, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		May 2008 – Present	Director (Authorized Signatory)	
		Apr 2008 – Apr 21, 2020	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		May 7, 2014 – Jul 21, 2019	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
5. Miss Puntipa Hannoraseth [1/] Age 53 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 - Seminar of Chief Audit Executive (CAE) Forum 2021 'Internal Audit Soaring Through Turbulent Times', Year 2021 - Seminar of The Institute of Internal Auditors of Thailand's Annual Conference 2021 'Innovative IA: Recalibration for the COVID Environment', Year 2021 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010 • Company Secretary Program (CSP), Year 2009 • Audit Committee Program (ACP), Year 2009	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. Mr. Pairote Cheunkrut [1/] Age 56 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 - Bangkok FinTech Fair 2021 'Shaping Digital Finance in the New Decade', Year 2021 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP), Year 2013 • Director Certification Program (DCP), Year 2008 • Financial Statements for Directors (FSD), Year 2008	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		
		Mar 30, 2021 – Present	Director	Hattha Bank Plc.
		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	
		Aug 19, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 10, 2008 – Present	Director (Authorized Signatory)	
		Apr 3, 2014 – Apr 1, 2020	Director	Krungsri Leasing Services Co., Ltd.
7. Mr. Vasin Udomratchatavanich [1/] Age 49 years - Chief Human Resources Officer (Jun 1, 2019) - First Executive Vice President (Sep 1, 2020) - Executive Committee Member (Jun 1, 2019) - Secretary to the Nomination and Remuneration Committee (Apr 25, 2019) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Ph.D. in Technology Management, Stevens Institute of Technology - Master of Engineering, Stevens Institute of Technology - Bachelor of Engineering, Kasetsart University - Bangkok Sustainable Banking Forum 2019 'An Industry Wake-up Call', Year 2019 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2021 • Director Accreditation Program (DAP), Year 2020	Sep 1, 2020 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Jun 1, 2019 – Present	Chief Human Resources Officer	
		Jun 1, 2019 – Present	Executive Committee Member	
		Apr 25, 2019 – Present	Secretary to the Nomination and Remuneration Committee	
		Apr 1, 2014 – Aug 31, 2020	Executive Vice President	
		Apr 25 – May 31, 2019	Acting Head of Human Resources Group	
		May 1, 2016 – May 31, 2019	Head of Organization Development Division	
		Other Companies/ Organizations		
		Jun 15, 2020 – Present	Director	Ngern Tid Lor PCL
		Jul 22, 2019 – Present	Director	Krungsri Nimble Co., Ltd.

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. Kenichi Nishii [1/] Age 50 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
9. Mr. Saengchart Wanichwatphibun Age 53 years - Chief Compliance Officer (Oct 1, 2021) - First Executive Vice President (Jul 1, 2021) - Executive Committee Member (Jan 1, 2022) - 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	Jan 1, 2022 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Oct 1, 2021 – Present	Chief Compliance Officer	
		Jul 1, 2021 – Present	First Executive Vice President	
		May 26, 2020 – Present	Data Protection Officer-Compliance	
		2015 – Present	Risk and Compliance Committee Secretary	
		Jul 1, 2021 – Sep 30, 2021	Chief Compliance Officer*	
		Aug 16, 2007 – Jun 30, 2021	Executive Vice President	
		Jul 1, 2015 – Jun 30, 2021	Chief Compliance Officer	

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. Saengchart Wanichwatphibun (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • IT Governance and Cyber Resilience Program (CGI), Year 2021 • Advance Audit Committee Program (AACP), Year 2014 • Anti-Corruption for Executive Program (ACEP), Year 2013 • Director Accreditation Program (DAP), Year 2010			
10. Mr. Wirote Chuenratanakul [1/] Age 54 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 andseminar, Thai Institute of Directors Association (IOD) • IT Governance and Cyber Resilience Program (ITG), Year 2021 • Director Certification Program (DCP), Year 2020 • Successful Formulation & Execution of Strategy (SFE), Year 2015	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	
		Other Companies/ Organizations		
		Aug 31, 2019 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
11. Mr. Yoshio Ueyama Age 49 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 ofCountry Credit Team, Department No. 3, International Credit Division	MUFG Bank, Ltd. (Singapore)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
12. Mrs. Yingluk Kongkasai Age 59 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	
13. Mr. Thitivorn Chothayaphorn Age 52 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	

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 20 Krungsri's executives acting as persons with managerial authority under BoT's definition and holding the directorships in subsidiaries and/or any other companies, as follows:

1.	Mr. Rottapron Ekabutr	Director (Authorized Signatory), National Digital ID Co., Ltd.
2.	Mr. Teeraphong Mahatham	Director (Authorized Signatory), Ratana Inter-trading Co., Ltd.
3.	Miss Jiraporn Popairoj (Retired from Krungsri, effective January 1, 2022)	Director (Authorized Signatory), Krungsri Asset Management Co., Ltd.
4.	Miss Pisara Pattanasiri	Director, Krungsri Ayudhya AMC Ltd. Chairman (Authorized Signatory), Siam Realty and Services Security Co., Ltd.
5.	Miss Yaowaluck Charnyapornpong	Director (Authorized Signatory), D-Net Solution Co., Ltd.
6.	Miss Saisunee Hanprathueangsil	Director, Affiniti Marketing Pty Ltd. Director, Affinity Group (Singapore) Pty Ltd. Director, Affinity Group (Thailand) Ltd. Director, Krungsri Finnovate Director (Authorized Signatory), Krungsri Nimble Co., Ltd.
7.	Miss Montira Arayangkoon	Director, Ayudhya Capital Services Co., Ltd.
8.	Miss Kanokwan Supanuntarerk	Director (Authorized Signatory), Krungsri Asset Management Co., Ltd.
9.	Miss Chayathip Phanmanee	Director, Krungsri Leasing Services Co., Ltd. Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL
10.	Mr. Somwang Toraktrakul	Director (Authorized Signatory), Phaksabai Co., Ltd. Director (Authorized Signatory), Krungsriayudhya Card Co., Ltd.
11.	Mrs. Kittiya Srisanit (Retired from Krungsri, effective January 1, 2022)	Director, SB Finance Company, Inc. Director (Authorized Signatory), Krungsri Leasing Services Co., Ltd. Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL
12.	Mr. Congsin Congcar	Director (Authorized Signatory), Krungsri Capital Services Co., Ltd. Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL
13.	Mr. Chaiwat Jullamon	Director (Authorized Signatory), Krungsri Nimble Co., Ltd. Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.

14. Mr. Thongchai Vajapattana	Director, Ben Decs Co., Ltd.
15. Mr. Tetsu Nakagawa	Director, Ayudhya Capital Auto Lease PCL Director, Krungsri Asset Management Co., Ltd. Director (Authorized Signatory), Krungsri Capital Services Co., Ltd. Director, Krungsriayudhya Card Co., Ltd. Director (Authorized Signatory), Total Services Solutions PCL
16. Mr. Venkata Sita Ramaraju Buddharaju	Director (Authorized Signatory), Krungsri Asset Management Co., Ltd.
17. Mr. Somprawin Manprasert	Director, The Erawan Group PCL
18. Mr. Nuttawit Boonyawat	Director, Eastern Star Real Estate PCL Director (Authorized Signatory), Grand Larn Luang Co., Ltd. Director, K.S. Fortune Co., Ltd. Director, Krungsri Ayudhya AMC Ltd. Director, Eastern Star Resort Co., Ltd. Director (Authorized Signatory), Home Sukhumvit Co., Ltd.
19. Miss Nayanee Peaugkham	Director (Authorized Signatory), Krungsri Capital Services Co., Ltd. Director (Authorized Signatory), Krungsriayudhya Card Co., Ltd. Director (Authorized Signatory), Total Services Solutions PCL
20. Mrs. Akanit Mattison	Director, Krungsri Capital Services Co., Ltd. Director, Ayudhya Capital Auto Lease PCL

2/ Including spouse and minor children.

NEWLY APPOINTED EXECUTIVES EFFECTIVE AFTER DECEMBER 31, 2021 IN THE TOTAL OF 2 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. Prakob Phiencharoen** 1/ Age 52 years - Head of Corporate and Investment Banking Group (Jul 1, 2021) - First Executive Vice President (Jul 1, 2021) - Executive Committee Member (Jan 1, 2022) - Acting Head of Investment Banking Division (Sep 1, 2020) **% Shareholding** 2/ -None- **Family Relationship with Directors and Executives** -None-	- Master of Business Administration, University of Florida, USA - Master of Art Program in Economic Law, Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2021 • Successful Formulation & Execution of Strategy (SFE), Year 2020	Jan 1, 2022 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Jul 1, 2021 – Present	Head of Corporate and Investment Banking Group	
		Jul 1, 2021 – Present	First Executive Vice President	
		Sep 1, 2020 – Present	Acting Head of Investment Banking Division, Commercial Banking Group	
		Sep 1, 2020 – Jun 30, 2021	Executive Vice President Head of Global Corporate Division	
		Mar 1, – Aug 31, 2020	Executive Vice President Head of Global Corporate Division 1 and Acting Head of Global Corporate Division 2 Corporate Banking Group, Commercial Banking	
		Mar 1, 2019 – Feb 29, 2020	Executive Vice President Head of Global Corporate Division 1, Corporate Banking Group, Commercial Banking	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. **Mr. Prakob Phiencharoen** [1/] (Cont')		Jan 1, 2018 – Feb 28 2019	Executive Vice President Head of Corporate Banking Division 4 Corporate Banking Group, Commercial Banking	
		May 15 – Dec 31, 2017	Executive Vice President Head of Corporate Banking Division 4 Corporate Banking and Investment Banking Group, Commercial Banking	
		Other Companies/ Organizations		
		Jan 1, 2021 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
2. **Miss Duangkamol Limpuangthip** Age 54 years - Head of SME Banking Group (Sep 1, 2020) - First Executive President (Sep 1, 2020) - Executive Committee Member (Jan 1, 2022) **% Shareholding** [2/] -None- **Family Relationship with Directors and Executives** -None-	- Master Degree (Finance and International Business) University of Wisconsin, USA - Bachelor Degree Commerce and Accountancy, Chulalongkorn University - Thailand National Defense Program 2021 Orientation, Year 2021	Jan 1, 2022 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Sep 1, 2020 – Present	Head of SME Banking Group	
		Sep 1, 2020 – Present	First Executive Vice President	
		Jul 1, 2015 – Aug 31, 2020	Executive Vice President, Head of Metropolitan SME Business Division	

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 52 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/] - Significant TFRS and Mergers & Acquisitions [3/] - Changes in Digital Taxes in 2021 for accountant [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	
		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 50 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 52 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 - Innovation for Society, Year 2021 - Company Secretary's Roles in Enhancing CG Regarding Anti-Corruption, Year 2021 - Company Secretary Forum: Empowering Board Evaluation Through the Company Secretary Lens, Year 2021	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
	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Ethical Leadership Program (ELP), Year 2021 • Corporate Governance for Executives (CGE), Year 2014 • Director Certification Program (DCP), Year 2012 • Board Reporting Program (BRP), Year 2009 • Company Secretary Program (CSP), Year 2002			

Remark: 1/ Including spouse and minor child.

Roles and Responsibilities of the Corporate Secretary

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

DIRECTORS, EXECUTIVES AND PERSONS WITH MANAGERIAL AUTHORITY WHO HOLD THE OFFICES IN THE SUBSIDIARIES, JOINT VENTURES AND RELATED COMPANIES

List of Companies / List of Names	Krungsri	Subsidiaries												Joint Ventures			Related Companies										
		1	2	3	4	5	6-7	8	9	10-11	12-14	15	16-18	1	2-4	5	1	2	3	4	5	6	7	8	9	10	11-35
1. Mr. Karun Kittisataporn	A1, A4																										
2. Mr. Takanori Sazaki	A2																A3	A1	C								
3. Mr. Seiichiro Akita	B																										
4. Mr. Hisashi Kanamori	A3																			A3	A3,C	C					
5. Miss Junko Kawano	A3																						C				
6. Miss Potjanee Thanavaranit	A4																										
7. Mr. Virat Phairatphiboon	A4																										
8. Dr. Jamlong Atikul	A4																							A1	A1		
9. Mrs. Tongurai Limpiti	A4																									A1	
10. Miss Nopporn Tirawattanagool	A3																							A3			A3
11. Mr. Pornsanong Tuchinda*	A3, C																										
12. Miss Duangdao Wongpanitkrit	A3, C	A3		A3					A3																		
13. Mr. Yoshiyuki Horio	C																										
14. Mr. Phonganant Thanattrai	C							A3		A1				A3													
15. Mr. Sayam Prasitsirigul	C			A3					A3																		
16. Mr. Chandrashekar Subramanian Krishoolndmangalam	C	A3	A1		A1									A1		A3											
17. Miss Puntipa Hannoraseth	C																										
18. Mr. Pairote Cheunkrut	C	A3		A1		A1			A1																		
19. Mr. Vasin Udomratchatavanich	C			A3										A3													
20. Mr. Kenichi Nishii	C																										
21. Mr. Saengchart Wanichwatphibun	C																										
22. Mr. Wirote Chuenratanakul	C											A3															
23. Mr. Yoshio Ueyama	C																										
24. Mrs. Yingluk Kongkasai	C																										
25. Mr. Thitivorn Chothayaphorn	C																										

Remark : * Retired from Executive Position, effective January 1, 2022

A1 = Chairman
A2 = Vice Chairman
A3 = Director / Commissioner
A4 = Independent Director
B = President and Chief Executive Officer / Managing Director / President
C = Executive

Subsidiaries

1. Hattha Bank Plc.
2. Krungsri Ayudhya AMC Ltd.
3. Krungsri Nimble Co., Ltd.
4. Ayudhya Development Leasing Co., Ltd.
5. Ayudhya Capital Auto Lease PCL
6. General Card Services Ltd.
7. Ayudhya Capital Services Co., Ltd.
8. Krungsriayudhya Card Co., Ltd.
9. Krungsri Finnovate Co., Ltd.
10. Krungsri Securities PCL
11. Krungsri Asset Management Co., Ltd.
12. Krungsri Leasing Services Co., Ltd.
13. Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
14. Siam Realty and Services Security Co., Ltd.
15. Total Services Solutions PCL
16. Krungsri Life Assurance Broker Ltd.
17. Krungsri General Insurance Broker Ltd.
18. Hattha Services Co., Ltd.

Joint Ventures

1. Ngern Tid Lor PCL
2. Lotus's Money Services Ltd.
3. Lotus's Life Assurance Broker Ltd.
4. Lotus's General Insurance Broker Ltd.
5. SB Finance Company, Inc.

Related Companies

1. PT Bank Danamon Indonesia, Tbk.
2. MUFG Bank (China), Ltd.
3. Mitsubishi UFJ Financial Group & MUFG Bank., Ltd. (Singapore)
4. Mitsubishi UFJ Trust International Limited
5. Mitsubishi UFJ Trust and Banking Corporation
6. Mitsubishi UFJ Financial Group
7. Mitsubishi UFJ Research and Consulting Co., Ltd.
8. Allianz Ayudhya Capital PCL
9. Regional Container Lines PCL
10. Bangkok Commercial Asset Management PCL
11. Grand Canal Land PCL
12. Srivichaivejvivat PCL
13. Siam City Cement PCL
14. BBTV Asset Management Co., Ltd.
15. CKS Holdings Co., Ltd.
16. Super Assets Co., Ltd.
17. C.K.R Co., Ltd.
18. The Bangkok Lighters Co., Ltd.
19. The Thai Tapioca Flour Produce Co., Ltd.
20. Cyber Venture Co., Ltd.
21. Khao Kheow Country Club Co., Ltd.
22. Siam Purimongkol Co., Ltd.
23. Grand Fortune Co., Ltd.
24. Bangkok Broadcasting & TV Co., Ltd.
25. BBTV Satelvision Co., Ltd.
26. GL Asset Co., Ltd.
27. Mahakij Holdings Co., Ltd.
28. BBTV Productions Co., Ltd.
29. BBTV Alliance Ltd.
30. BBTV Bond Street Building Ltd.
31. ITBC Business Consultant Group Co., Ltd.
32. Exclusive Senior Care International Co., Ltd.
33. BBTV International Holdings Co., Ltd.
34. Sunrise Equity Co., Ltd.
35. BBTV Equity Co., Ltd.

ATTACHMENT 2: DETAILS OF SUBSIDIARIES' DIRECTORS

Currently, Krungsri has 18 subsidiaries. 17 out of 18 generate revenues not exceeding 10 percent of the total revenue shown in the Consolidated Profit & Loss Statements of the latest fiscal year, thereby no list of directors of those companies shall be disclosed. However, one company. Ayudhya Capital Services Co., Ltd. generates revenues of more than 10 percent of the total revenue shown in the Consolidated Profit & Loss Statements of the latest fiscal year. Its list of directors and their positions in other subsidiaries are as follows:

Directors \ Subsidiaries	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1. Miss Nayanee Peaugkham						X		X							/			
2. Miss Pathatai Kulachan						/												
3. Mr. Tetsu Nakagawa					/			/			/				/			
4. Miss Montira Arayangkoon																		
5. Mr. Congsin Congcar																		
6. Mrs. Akanit Mattison					/													

Remarks: X = Chairman / = Director

Subsidiaries

1 = Hattha Bank Plc.
(Formerly Hattha Kaksekar Limited)
2 = Krungsri Ayudhya AMC Ltd.
3 = Krungsri Nimble Co., Ltd.
4 = Ayudhya Development Leasing Co., Ltd.
5 = Ayudhya Capital Auto Lease PCL
6 = General Card Services Ltd.
7 = Ayudhya Capital Services Co., Ltd.
8 = Krungsriayudhya Card Co., Ltd.
9 = Krungsri Finnovate Co., Ltd.
10 = Krungsri Securities PCL
11 = Krungsri Asset Management Co., Ltd.
12 = Krungsri Leasing Services Co., Ltd.
13 = Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.
14 = Siam Realty and Services Security Co., Ltd.
15 = Total Services Solutions PCL
16 = Krungsri Life Assurance Broker Ltd.
17 = Krungsri General Insurance Broker Ltd.
18 = Hattha Services Co., Ltd.

ATTACHMENT 3: HEAD OF INTERNAL AUDIT GROUP

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraseth, First Executive Vice President and Head of Internal Audit Group.

Academic degrees and certificates

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (First Class Honors), Thammasat University
- Certified Public Accountant
- Certified Internal Auditor, and
- Advanced Audit Committee Program Certificate

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
- The Institute of Internal Auditors of Thailand

Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

HEAD OF COMPLIANCE GROUP

At present, the Bank's Compliance Group is under the supervision of Mr. Saengchart Wanichwatphibun, Chief Compliance Officer, First Executive Vice President, Compliance Group.

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

- Jan 2022 – Present: Executive Committee member, Bank of Ayudhya PCL
- July 2021 – Present: Chief Compliance Officer, First Executive Vice President and Data Protection Officer – Compliance, Bank of Ayudhya PCL
- Jan 2021 – Present: Chairman of Compliance Club under the Thai Bankers' Association
- May 2020 – Jun 2021: Chief Compliance Officer, Executive Vice President and Data Protection Officer - Compliance, Bank of Ayudhya PCL
- Jan 2020 – Present: Chairman of Compliance Committee, Bank of Ayudhya PCL
- Jan 2020 – Present: Partnership Strategy Committee Member, Sustainability Committee Member, Bank of Ayudhya PCL
- Aug 2015 – May 2020: Chief Compliance Officer, Executive Vice President, Bank of Ayudhya PCL
- 2015 – Present: Risk and Compliance Committee Secretary, Fraud Management Committee Member, Data Governance Committee Member, Bank of Ayudhya PCL
- 2007 – 2019: Compliance Committee Member and Secretary, Bank of Ayudhya PCL
- 2007 – Present: Risk Management Committee Member, Bank of Ayudhya PCL
- May 2013 – Jul 2014: Director, Krungsri Asset Management Co., Ltd.
- Nov 2008 – Aug 2015: Director, Siam Realty and Services Co., Ltd.
- Feb 2006 – Jul 2007: Head of Compliance, BNP Paribas
- Sep 2005 – Jan 2006: Assistant Vice President (Compliance), GE Money Retail Bank
- Sep 1996 – Aug 2005: Senior Analyst, Bank of Thailand
- Jan 1995 – Aug 1996: Credit Officer, The Sakura Bank

Trainings

- 2021: Advanced Audit Committee Program (AACP) by Thai Institute of Directors Association (IOD)
- 2021: Training Course for Head of Compliance (refresher course) by Thai Bankers' Association (TBA)
- 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)

ATTACHMENT 4:

Details of Appraised Value of Assets

-None-

ATTACHMENT 5:

Corporate Governance Policies and Guidelines (Full version)

It can be viewed on the Bank's website, https://www.krungsri.com in the 'About Us' section, 'Corporate Governance' subsection and select 'Good Corporate Governance Principles' or scan QR code to download full version of the report.

Code of Business Conducts (Full version)

It can be viewed on the Bank's website, https://www.krungsri.com in the 'About Us' section 'Company Overview' subsection and select 'The Spirit and The Letter' or scan QR code to download full version of the report.

ATTACHMENT 6:
REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bank of Ayudhya Public Company Limited comprises four independent directors, who have sufficient knowledge and experience to reliably review the financial statements and the Chairman of the Audit Committee does not serve as the Chairman of the Board of Directors and any other sub-committees. The members of the Audit Committee are:

1.	Ms. 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 2021, the Audit Committee held a total of 13 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. 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 2021, 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 2021, there were no significant risks or errors reported.

  For internal audit activities, the Audit Committee considered the independence and adequacy of internal audit resources and endorsed the revision of the Charter and the Internal Audit Policy of the Internal Audit Group before submission to the Board of Directors. It also approved staff development and training plan, annual audit plans, and revised audit plans, monitored the progress of the Internal Audit Group's medium-term business plan on a quarterly basis and auditing activities on a monthly basis, and regularly provided recommendations to the Internal Audit Group. To cultivate corporate culture and uplift compliance procedures, the Audit Committee encourages and supports the Bank and the companies in the financial business group to advance risk management and internal controls, of which assessment is fairly conducted by the Internal Audit Group.

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 has considered, selected, and nominated the external auditor for the Bank and acknowledged the nomination of the external auditors of the companies in the Financial Business Group. In this regard, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited was appointed as our independent auditor for 2021 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 annually reviewed to ensure the update. The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2021, the overall assessment result is at the score of 3.98 out of 4.00.

The Audit Committee had performed its duties as specified in its Charter with prudence, independence, and transparency, and adhered to the principles of integrity and provided constructive comments and recommendations without any limitation in obtaining information, resources or cooperation from the Bank for equitable sharing of benefits among stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statements of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Audit Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has regularly monitored important changes so that it is well prepared to face potential risks that may arise in the future.



Ms. Potjanee Thanavaranit
Chairman of the Audit Committee

ATTACHMENT 7:
REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries and all financial information appearing in the Annual Registration Statement/Annual Report 2021 (Form 56-1 One Report). These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, independent directors, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in the Form 56-1 One Report.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2021.



Mr. Seiichiro Akita
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

ATTACHMENT 8:
REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is appointed by the Board of Directors, and is currently composed of four Bank's directors, two of which are independent directors, namely Mr. Jamlong Atikul and Mr. Virat Phairatphiboon, and the other two are non-executive directors, namely Mr. Takanori Sazaki and Ms. Nopporn Tirawattanagool. Mr. Jamlong Atikul serves as Chairman of the NRC. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee (the NRC Charter) which stipulates that the NRC shall consist of at least three directors who are the Bank's independent directors or non-executive directors whereby the Chairman must be an independent director.

In 2021, the Nomination and Remuneration Committee held a total of 17 meetings. Also, one meeting was held with the Risk and Compliance Committee 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 companies in which the Bank holds more than 50% of shares. Results of all deliberations were proposed to the Board of Directors' consideration with certain matters being further proposed to the shareholders' meeting as stipulated by the articles of association and laws.

Significant undertakings in 2021 could be summarized as follows:

- Reviewing the NRC Charter in line with the Bank of Thailand's Notification Re: Corporate Governance of Financial Institutions as well as Krungsri's good corporate governance principles and policy for governing group companies.
- 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.
- Ensuring that board assessment be conducted to review annual performance and enhancing board assessment efficiency according to the good corporate governance principles by having entire board self-evaluation, individual evaluation, cross-evaluation, and board committee self-evaluation of which the format has been changed to online forms to efficiently utilize modern technology in the 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 companies in Krungsri financial business group (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 presence 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 according to the duties and responsibilities, the Bank's operating results and individual performance, industry benchmark, and business environment based on Krungsri internal total remuneration management guidelines and pay structure.

- Considering reorganization proposals at Functional Group level and above and substantial or major changes in the Bank's organization structure to achieve the organization's right size and right shape that promotes efficient business operation and productivity as well as supports Krungsri business strategies and directions.
- Consider and make decision on the result of whistleblowing cases against executives at Senior Vice President level and report the result of whistleblowing cases involving executives at Senior Vice President level and above to the Board of Directors.

The Nomination and Remuneration Committee has constantly provided advice and recommendations 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 welfare and benefit enhancement, etc.

The Nomination and Remuneration Committee has carried out duties and responsibilities as set forth in the NRC Charter with prudence and transparency taking into consideration the relevant regulations, rules and laws and the good corporate governance principles for the utmost benefits of the Bank and shareholders. The Nomination and Remuneration Committee has capitalized on full capabilities and given best efforts to support Krungsri to achieve sustainable human resource management and people excellence to efficiently respond to the new normal of business.



Mr. Jamlong Atikul

Chairman of the Nomination
and Remuneration Committee

ATTACHMENT 9:
REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of four directors as follows:

1.	Mr. Virat	Phairatphiboon	(Independent Director)	Chairman
2.	Mrs. Tongurai	Limpiti	(Independent Director)	Member
3.	Ms. Nopporn	Tirawattanagool	(Non-executive Director)	Member
4.	Mr. Hisashi	Kanamori	(Non-executive Director)	Member

Mr. Virat Phairatphiboon was appointed as the Chairman of the Risk and Compliance Committee since October 24, 2018. On April 29, 2021, a committee member was changed, whereby Mr. Hisashi Kanomori was appointed as a Risk and Compliance Committee member from April 29, 2021, 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 2021, 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 2021, can be summarized as follows:

1. **The Policy Aspect**
   The Committee conducted a review and made recommendations to 55 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 a meeting 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 2021 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.

   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



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