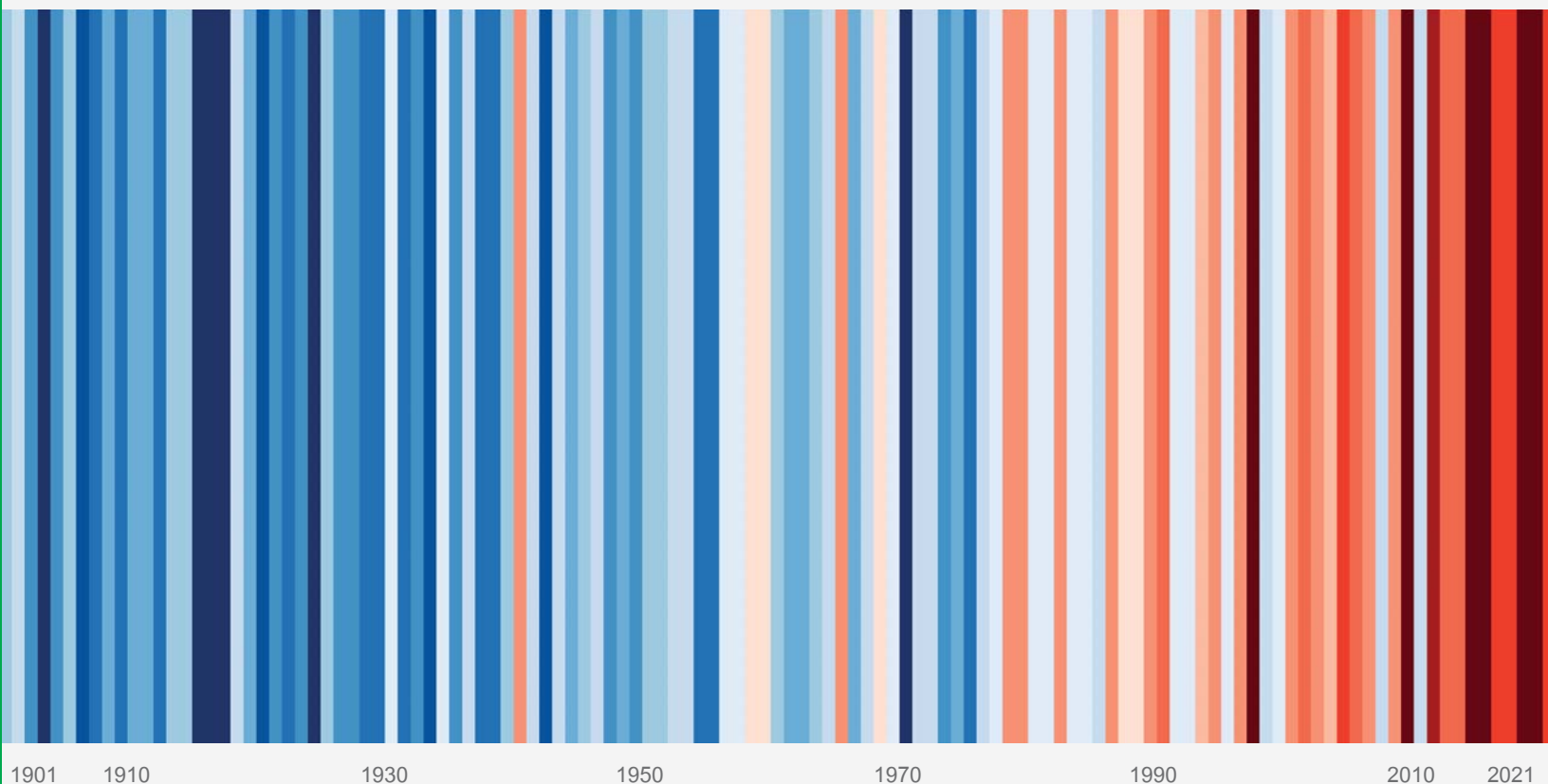




Annual Registration Statement
and Annual Report 2021
(Form 56-1 One Report)

Bank of Sustainability

STRIVE TOWARDS NET ZERO SOCIETY



Average Temperature Change in Thailand since 1901 - 2021

Warming Stripes Image by Professor Ed Hawkins (University of Reading)

<https://showyourstripes.info/s/asia/thailand>

ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



ธนาคารกสิกรไทย

开泰银行 KASIKORNBANK



หลักทรัพย์จัดการกองทุนกสิกรไทย

开泰基金管理 KASIKORN ASSET MANAGEMENT



ศูนย์วิจัยกสิกรไทย

开泰研究中心 KASIKORN RESEARCH CENTER



หลักทรัพย์กสิกรไทย

开泰证券 KASIKORN SECURITIES



ลีสซิ่งกสิกรไทย

开泰租赁 KASIKORN LEASING



แฟคเตอรี แอนด์ อีควิปเมนต์ กสิกรไทย

开泰设备融资 KASIKORN FACTORY AND EQUIPMENT



กสิกร เทคโนโลยี กรุ๊ป เซครเทรียต

开泰技术集团管理 KASIKORN TECHNOLOGY GROUP SECRETARIAT



กสิกร แล็บส์

开泰研发 KASIKORN LABS



กสิกร ซอฟต์

开泰软件 KASIKORN SOFT



กสิกร อินฟรา

开泰信息基础设施 KASIKORN INFRA



กสิกร เซิร์ฟ

开泰服务 KASIKORN SERVE



กสิกร เอกซ์

开泰爱科思有限公司 KASIKORN X





Bank of Sustainability

KBank operates our business in line with the principles of a Bank of Sustainability, under good corporate governance, appropriate risk management and effective cost management, accounting for the balance of economic, social, and environmental dimensions.

Guided by our strategy of achieving growth and creating sustainable long-term returns, sustainable development practices are tangibly ingrained in all of our operations as part of our Green DNA, ensuring maximum benefits for all stakeholders.





KASIKORNTHAI

CUSTOMER CENTRICITY

Multi-
Corporate
Business

Large
Corporate
Business

Medium
Business

Small and
Micro
Business

High
Net Worth
Individual

Affluent

Middle
Income

Mass



Vision

KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and sustainable value for all stakeholders by harmoniously combining technology and talent.

Purpose

To Empower Every Customer's Life and Business

Core Values

Customer
at Heart

Agility

Collaboration

Innovativeness

Integrity



Financial Highlights (Consolidated Financial Statements)

As of or for the years ended December 31,	2021	2020	2019	2018	2017
COMMON SHARE INFORMATION					
Per share (Baht)					
• basic earnings ⁽¹⁾	15.77	12.42	16.18	16.07	14.35
• book value	194.64	179.00	169.79	157.23	145.67
• dividends	3.25	2.50	5.00	4.00	4.00
Share price (Baht) ⁽²⁾					
• high	150.50	153.50	202.00	242.00	235.00
• low	102.00	70.75	131.00	182.50	182.00
• closing	142.00	113.00	151.00	185.00	232.00
Common shares outstanding					
• average basic (Million shares)	2,369.33	2,373.32	2,393.26	2,393.26	2,393.26
• end of year (Million shares)	2,369.33	2,369.33	2,393.26	2,393.26	2,393.26
Market capitalization (Million Baht)	336,445	267,734	361,382	442,753	555,236
VALUE MEASURES					
Price to earnings ratio (PER)	9.00	9.10	9.33	11.51	16.17
Price to book value ratio (PBV)	0.73	0.63	0.89	1.18	1.59
Dividend yield (based on closing share price)	2.29%	2.21%	3.31%	2.16%	1.72%
Dividend payout ratio ⁽³⁾	23.91%	23.73%	34.43%	29.40%	32.80%
Number of employees ⁽³⁾	19,153	19,862	20,443	20,681	20,839
Number of domestic branches ⁽³⁾	839	860	886	958	1,026
OPERATING RESULTS (Million Baht)					
Interest income - net	119,390	109,022	102,688	98,538	94,161
Non-interest income	43,959	45,869	57,803	56,945	62,695
Fees and service income - net	35,316	33,004	36,740	38,117	41,306
Net premiums earned - net	(1,619)	(436)	(164)	3,537	5,935
Other income	10,262	13,301	21,227	15,291	15,454
Total operating income - net	163,349	154,891	160,491	155,483	156,856
Total other operating expenses	71,044	69,996	72,729	68,348	66,372
Operating profit before expected credit loss / provision expense ⁽⁴⁾ and income tax expense	92,305	84,895	87,762	87,135	90,484
Expected credit loss / Impairment loss on loans and debt securities	40,332	43,548	34,012	32,532	41,810
Net profit ⁽⁵⁾	38,053	29,487	38,727	38,459	34,338
FINANCIAL POSITION STATEMENT INFORMATION (Million Baht)					
Loans ⁽⁶⁾	2,421,813	2,244,821	2,001,956	1,914,072	1,802,783
Allowance for expected credit loss / Allowance for doubtful accounts and revaluation allowance for debt restructuring	144,772	134,393	124,879	119,485	103,435
Non-performing loans, gross (NPL gross)	104,036	101,007	84,038	74,400	69,674
Total assets	4,103,399	3,658,798	3,293,889	3,155,091	2,900,841
Deposits	2,598,630	2,344,999	2,072,049	1,995,001	1,878,672
Total liabilities	3,566,724	3,167,512	2,840,174	2,737,269	2,513,019
Total equity less other equity instruments ⁽⁵⁾	461,165	424,121	406,358	376,298	348,625
Risk weighted assets - KASIKORNBANK FINANCIAL CONGLOMERATE	2,630,858	2,404,276	2,210,881	2,081,697	1,949,783

Note:

- Financial statements as at December 31, 2020 onward, the Bank and its subsidiaries have adopted TFRS related to financial instruments (included TFRS 9) which some items are not comparable with the financial statements and key financial ratios of previous period.

⁽¹⁾ Basic earnings = Net profit (attributable to equity holders of the Bank) deduct distribution from other equity instruments after income tax divided by weighted average number of common shares.

⁽²⁾ Local board / High - low share prices during the year

⁽³⁾ Bank only

⁽⁴⁾ Provision expense = Impairment loss on loans and debt securities

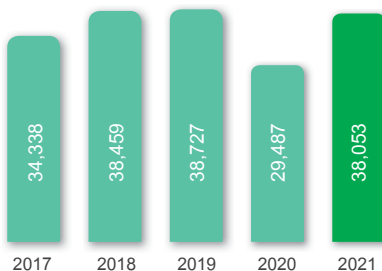
⁽⁵⁾ Excluding non-controlling interests

⁽⁶⁾ Loans = Loans to customers



Net Profit

(Million Baht)



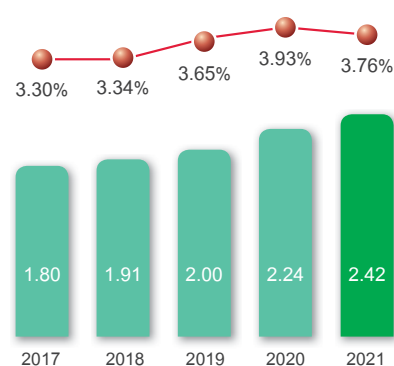
NPL Gross to Total Loans

(Trillion Baht)



NPL Gross to Total Loans

Loans



Total Assets

(Trillion Baht)



Total Assets

Loans



Total Liabilities

(Trillion Baht)



Total Liabilities

Deposits



As of or for the years ended December 31,	2021	2020	2019	2018	2017
PERFORMANCE INDICATORS					
Return on average assets (ROA)	0.98%	0.85%	1.20%	1.27%	1.20%
Return on average equity (ROE) ⁽⁷⁾	8.44%	7.10%	9.90%	10.61%	10.24%
Net interest margin (NIM)	3.21%	3.27%	3.31%	3.39%	3.44%
Cost to income ratio	43.49%	45.19%	45.32%	43.96%	42.31%
ASSET QUALITY RATIOS / FINANCIAL POLICY RATIOS					
Loans to deposits ratio	93.20%	95.73%	96.62%	95.94%	95.96%
NPL gross to total loans ⁽⁸⁾	3.76%	3.93%	3.65%	3.34%	3.30%
Total allowance for expected credit loss / allowance to NPL gross (Coverage ratio) ⁽⁹⁾	159.08%	149.19%	148.60%	160.60%	148.45%
Expected credit loss / Provision expense to average loans (Credit cost) ⁽¹⁰⁾	1.73%	2.05%	1.74%	1.75%	2.39%
Capital adequacy ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	18.77%	18.80%	19.62%	18.32%	17.96%
Tier 1 capital ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	16.49%	16.13%	16.19%	15.90%	15.66%

Note:

- Financial statements as at December 31, 2020 onward, the Bank and its subsidiaries have adopted TFRS related to financial instruments (included TFRS 9) which some items are not comparable with the financial statements and key financial ratios of previous period.

⁽⁷⁾ Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct distribution from other equity instruments after income tax divided by average equity of equity excluded other equity instruments

⁽⁸⁾ Loans used in calculation are loans to customers and loans to financial institutions.

⁽⁹⁾ Allowance = Allowance for doubtful accounts and revaluation allowance for debt restructuring

⁽¹⁰⁾ Provision expense = Impairment loss on loans and debt securities



KASIKORNBANK

Bank of Sustainability



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for six consecutive years (2016 - 2021)



Sustainability Award, Gold Class of the banking industry (2022)



FTSE4 Good Emerging Index
Selected as a member of the FTSE4Good Emerging Index for six consecutive years (2016 - 2021)



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations



Bloomberg Gender-Equality Index (GEI)
The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for four consecutive years (2019 - 2022)



Carbon Disclosure Project (CDP)
KBank assigned A- (Leadership Level) (2019, 2021)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for four consecutive years (2018 - 2021)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for six consecutive years (2016 - 2021)



Highly Commended in Sustainability Awards for three years (2018 - 2019, 2021)



Thailand Sustainability Investment (THSI)
Included in THSI for six years (2015, 2017 - 2021)

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Statement of the Board of Directors

KASIKORNBANK (KBank) firmly believes that our commitment to conducting business, according to the principles of a Bank of Sustainability, with adherence to good corporate governance and appropriate risk management to achieve a balance in terms of the economy, society, and environment, has been deeply ingrained in our vigorous spirit and organizational culture. With those principles including our focus on environmental and social responsibility, KBank has achieved our goal of sustainable advancement over the past 70 years, and our efforts have been crucial in propelling the overall growth of the Thai economy.

In 2021, apart from persistent challenges arising from the COVID-19 pandemic, the global community is confronted with risks related to climate change. The Board of Directors is fully aware of the urgency of this matter and granted approval to KBank's Net Zero Commitment, in accordance with our actions to preserve the environment and to reduce the impact of climate change, with the aim of passing on a sustainable world to future generations. This is also in response to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

All members of the Board of Directors have played an important role in supervising KBank's business with responsibility, cautiousness, integrity, and also protecting the benefits for the Bank and shareholders. The Board has ensured transparent and lawful operations, and has approved the business strategies, goals, and policies of KASIKORNBANK FINANCIAL CONGLOMERATE that covered sustainable development policy and risk management under the environmental, social, and governance (ESG) principles, with prudent attention to impacts of climate-related risk. The awareness of which has become part of the organizational culture and is accounted for business risks and opportunities. This is to ensure effective business undertakings, allowing us to achieve our established targets and create sustainable returns, balancing our operations in all dimensions, while maximizing benefits to our shareholders and all stakeholders, thus contributing to the prosperity of KBank for the years to come.

On behalf of the Board of Directors, I would like to express our appreciation for your continued confidence and trust in our business.

(Ms. Kobkarn Wattanavrangkul)

Chairperson of the Board





Statement of Chief Executive Officer

In 2021, the overall Thai economy was on a recovery path. However, the rebound was uneven across all sectors. The course of the COVID-19 outbreak remained highly uncertain as multiple COVID variants continued to affect people's lives and economic activities.

The Board of Directors approved our business strategies, goals, and policies with the aim of guiding our business, according to the principles of a Bank of Sustainability under good corporate governance principles, as well as appropriate risk and cost management. KBank operates business by empowering every customer's life and business under our work pillars that aim to create sustainable business value in alignment with environmental, social, and governance (ESG) principles. We prioritize offering total solutions, with attentive and inclusive services anytime, anywhere, responsive to the needs of customers and society as a trustworthy service provider. Our endeavors are achieved through collaboration and synergy with other companies within the KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms, our business partners, as well as KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG). In this technology-driven business world, we aim to bolster our competitive capabilities and cyber security, while also maintaining our customer data privacy to enhance customer service and security in step with evolving technologies amid ever-changing consumer behaviors in the boundless business context of the new era.

At KBank, we operate our business in line with the strategy of achieving business growth and customer responsiveness. To this end, KBank strives to dominate digital payment across all platforms with the aim of embedding in customers' ecosystems, reimagining commercial and consumer lending, democratizing investment and insurance targeting previously inaccessible groups, penetrating regional markets to access customers in AEC+3 countries, and strengthening the harmonized sales and service experience, while also improving value-based productivity. KBank attaches great importance to respect for human rights, financial inclusion and financial literacy. KBank's human resource management is also consistent with our business strategy to allow the organization to enhance capabilities, build long-term competitiveness, and create meaningful and sustainable value for all stakeholders, together with a purposeful organization for society.

Additionally, KBank joins in a move to preserve the environment and to reduce the impact of climate change. With this in mind, the Board of Directors has approved KBank's Net Zero Commitment to become Net Zero in our own operations (Scopes 1 and 2), and allocating at least Baht 100 - 200 billion in sustainable financing and investment by 2030. We are committed to achieving Net Zero in our financed portfolio in line with Thailand's aspirations, pioneering environmentally friendly products and services, while also supporting customers and society in the transition towards a Net Zero economy. Along with this, we aim to create new business opportunities. As the Chief Executive Officer and Chief Environmental Officer, I have worked with KBank executives and staff members in drawing up plans and steering KBank's environmental operations to ensure that KBank can operate our business in line with the set target, and that such operations can be measured in a concrete manner.

Last year, KBank and subsidiaries reported increased net profit, attributable to our lower expected credit loss, being set aside under a prudent approach in line with the prevailing circumstances. At the same time, we focused on proactive and continuous assistance to our customers via various relief measures, while closely assessing the situation to prepare for uncertain economic circumstances. Our capital position remains strong and adequate for continuously operating business under both normal and stressed situations amid the COVID-19 pandemic.

With all of our operations, KBank has gained widespread acceptance both at home and abroad, and has been selected for inclusion in many major sustainability indices. These achievements reflect our vital spirit and corporate culture in fully embracing our role as a Bank of Sustainability in both Thailand and the global arena.

On behalf of all our executives and employees, I would like to express our appreciation for your continued trust and confidence in our business.

(Ms. Kattiya Indaravijaya)

Chief Executive Officer



Part

1

Business Operations and Performance

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1. Structure and Business Operations of KASIKORNBANK FINANCIAL CONGLOMERATE

1.1 Policy and Overall Business

Corporate Profile

KASIKORNBANK (KBank), one of Thailand's leading financial institutions, conducts business according to the principles of a Bank of Sustainability, under good corporate governance, as well as appropriate risk and cost management. In order to empower every customer's life and business, we prioritize offering total solutions, with attentive and inclusive anytime, anywhere, responsive to the needs of customers and society. Our operations have grown, balance in all dimensions, to create sustainable returns over the long term, and maximum benefits to all stakeholders.

Presently, KBank engages in commercial banking business, securities business and related businesses, as permitted under the Financial Institution Business Act, Securities and Exchange Act and other related notifications. KBank offers financial products and services via branches and digital banking channels. KBank's wholly-owned subsidiaries boast expertise in business operations and provision of various financial services, such as fund management, economic and financial research, securities brokerage, and financial advisory, as well as auto hire-purchase and leasing, with the aim of meeting the needs of all customer segments through providing the most satisfying service experience. Our subsidiaries include KASIKORN ASSET MANAGEMENT COMPANY LIMITED, KASIKORN RESEARCH CENTER COMPANY LIMITED, KASIKORN SECURITIES PUBLIC COMPANY LIMITED, KASIKORN LEASING COMPANY LIMITED, and KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED.

Meanwhile, KBank has established KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) to facilitate its technology business strategy and meet the prevailing needs of customers that change significantly through technological advancements. In so doing, KBTG is tasked with conducting studies on and developing new information technologies to enhance the efficiency of KBank's IT management and maintain the status as a leading digital banking service provider. KBTG comprises

six subsidiaries, i.e. KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED, KASIKORN LABS COMPANY LIMITED, KASIKORN SOFT COMPANY LIMITED, KASIKORN INFRA COMPANY LIMITED (formerly KASIKORN PRO COMPANY LIMITED), KASIKORN SERVE COMPANY LIMITED, and KASIKORN X COMPANY LIMITED.

On the international front, KBank has service networks and strategic partners across the AEC+3, including locally incorporated institutions, which offer full-fledged financial services namely KASIKORNTHAI BANK LIMITED in Lao PDR and KASIKORNBANK (CHINA) COMPANY LIMITED in the People's Republic of China.

Additionally, KBank has relocated its Head Office from the Rat Burana Building to the former Head Office at the Phahon Yothin Building, with the aim of providing greater convenience for customers and various agencies doing business with KBank. The relocation of KBank's Head Office has received approval from the Bank of Thailand, and KBank registered for the amendment with the Ministry of Commerce, on May 24, 2021.

Overview of Operating Environment

Global and Thai Economy in 2021 and Outlook for 2022

In 2021, the global economy resumed growth after undergoing a severe contraction in 2020 due to the COVID-19 pandemic. However, the ability to maintain an economic recovery, which has been uneven across all countries, remains dependent on each country's efforts to control the spread of the novel COVID-19, and progress in accelerating the pace of vaccinations for its citizens.

Regarding the global economic outlook for 2022, the International Monetary Fund (IMF) has assumed a more cautious stance as it downwardly revised its forecast for global economic growth to 4.4 percent (as of January 25, 2022), as a result of the Omicron variant of COVID-19 which has affected economic activity during the first quarter of the year. The IMF also revised down its projection for the economies of the US and China for 2022 to 4.0 percent and 4.8 percent, compared to growth of 5.6 percent and 8.1 percent in 2021, respectively.



Inflation remains an issue that warrants close attention in 2022 as it will tend to remain high, though it may start to ease somewhat in the second half of the year. Apart from the high inflation rate, other important risk factors include COVID-19, supply shortages and the Fed's monetary policy stance. Amid signs of a US economic recovery, the Fed is likely to enter the cycle of a tightening monetary policy after an end of its quantitative easing (QE) measures. The US Fed Funds Rate may gradually rise from its current range of 0.00 - 0.25 percent, while the US balance sheet could see a reduction over the remainder of 2022 to counter inflationary pressures. At the same time, other major central banks may be considering the right time to tighten their monetary policy that would best suit the economic context and inflation level of their respective countries.

Overall, the Thai economy for 2021 grew 1.6 percent after seeing a contraction of 6.2 percent in 2020. This was in line with the global economic trend. The improvement could be attributed mainly to brighter exports while manufacturing sector, investment and private consumption saw divergent growth. Meanwhile, tourism and service sector including transportation remained pressured by the COVID-19 outbreak. Under these circumstances, the government implemented relief measures with the aim of aiding vulnerable groups, sustaining households' purchasing power, supporting business and SME operators while also maintaining stability of the Thai financial market and system. At the same time, financial institutions issued assistance measures for customers, especially through debt restructuring and provision of new loans to ease liquidity crunch faced by both business and retail customers.

Looking domestically, the Thai economy in 2022 will likely maintain a more stable recovery than it had in 2021. However, close attention should still be paid to risk factors that could potentially upset the overall economy - particularly the ongoing COVID-19 outbreak, which is a key variable dictating the pace of Thailand's reopening to foreign tourists - as well as the continual recovery and distribution of domestic economic activity. In addition, the accelerating inflation rate and rising living costs may affect consumer sentiment and household spending amid lackluster income and purchasing power. Regarding Thai monetary policy for 2022, the Monetary Policy Committee (MPC) is expected to keep its policy rate at 0.50 percent for the better part of 2022 in support of Thailand's economic recovery.

Banking Industry

Commercial banks' overall performance in 2021 recorded an increase in net profit, compared to 2020. The increase could be attributed to a decrease in expected credit loss, as well as rising non-interest income which was derived from gain on investments - an extraordinary item - and net fees and service income, especially fees from fund management, brokerage, wealth management and bancassurance. However, net interest income only edged up slightly due to impact from reduction of interest rates and the ceiling of certain types of retail lending rates, while the loans that saw marked growth in 2021 were generally business loans which offered low yields. Under these circumstances, net interest margin (NIM) declined. Meanwhile, NPLs to total loans of commercial banks dropped due to proactive asset quality management and acceleration of customers' debt restructuring.

As of December 31, 2021, loans to customers and accrued interest receivables - net at 18 domestically registered commercial banks totaled Baht 13.512 trillion, rising 5.71 percent compared to the end of 2020. Meanwhile, deposits equaled Baht 15.223 trillion, an increase of 4.04 percent compared to the end of 2020. KBank ranked second in loans to customers and accrued interest receivables - net in the commercial banking system, with a market share of 15.52 percent, and ranked third in deposits and assets, with market shares of 16.15 percent and 15.16 percent, respectively.

Looking ahead into 2022, commercial banks are expected to operate business with caution in a highly uncertain economic environment amid the protracted COVID-19 outbreak which will continue to influence the recovery of economic activity. Overall, however, a brighter economic outlook than what was seen in the previous year would be a boon to the profitability of the banking system that is likely to gradually improve. Nonetheless, upcoming challenges will include asset quality management and preparation of strategies to cope with heightened market competition amid the changing financial landscape and the race to win opportunities that come with new forms of financial services so as to compensate for income affected by the ongoing COVID-19 crisis.



Market Shares in Assets, Deposits, and Net Loans within the Commercial Banking System

(Unit : Million Baht)

Bank	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
Bangkok Bank	3,753,832	16.55	2,665,646	16.62	2,025,671	14.17
Krung Thai Bank	3,462,922	15.27	2,619,066	16.33	2,401,462	16.80
KASIKORNBANK	3,437,504	15.16	2,590,807	16.15	2,219,173	15.52
Siam Commercial Bank	3,300,014	14.55	2,469,201	15.39	2,160,070	15.11
Bank of Ayudhya	2,331,179	10.28	1,760,331	10.97	1,641,531	11.48
TMB Thanachart Bank	1,754,689	7.74	1,343,728	8.38	1,324,479	9.26
United Overseas Bank	725,455	3.20	520,846	3.25	476,263	3.33
Kiatnakin Bank	418,905	1.85	288,904	1.80	300,967	2.11
CIMB Thai	394,879	1.74	182,779	1.14	202,709	1.42
ICBC (Thai)	253,732	1.12	158,931	0.99	107,455	0.75
Land and Houses Bank	251,531	1.11	192,513	1.20	170,144	1.19
TISCO Bank	228,615	1.01	167,925	1.05	188,215	1.32
Standard Chartered Bank (Thai)	168,051	0.74	71,809	0.45	39,948	0.28
Thai Credit Retail Bank	115,580	0.51	88,736	0.55	95,513	0.67
Sumitomo Mitsui Trust Bank (Thai)	98,514	0.43	21,838	0.14	62,384	0.44
Bank of China (Thai)	70,952	0.31	44,605	0.28	47,856	0.33
ANZ Bank (Thai)	45,521	0.20	16,598	0.10	22,058	0.15
Mega International	29,519	0.13	19,194	0.12	26,177	0.18
Domestically-registered commercial banks	20,841,394	91.89	15,223,457	94.89	13,512,075	94.51
Foreign bank branches	1,840,005	8.11	819,367	5.11	784,377	5.49
All commercial banks	22,681,399	100.00	16,042,824	100.00	14,296,452	100.00

Source: C.B. 1.1 and C.B. 1.2 (Bank-only Financial Statements)



Significant Regulations and Rules related to Business Operations*

Significant regulations and rules that may have affected KBank's and K Companies' business operations included:

Rules for Acceptance of the Transfer of Collateral Property for Debt Repayment

Notification of the Director-General of the Revenue Department (No. 34) Re: Rules, Methods and Conditions for Debts under Measures to Promote Acceptance of the Transfer of Collateral Property for Debt Repayment under the Royal Decree issued under the Revenue Code Governing Exemption from Revenue Taxes (No. 721) B.E. 2564 (2021) published in the Government Gazette on October 6, 2021, effective July 14, 2021, can be summarized as follows:

1. Debtors of a financial institution are entitled to exemption from income tax on income obtained from a financial institution through the debt forgiveness by a financial institution under the following conditions:

- Debtors, property owners and financial institutions are required to jointly prepare a certificate of intent to participate in the measures to promote acceptance of the transfer of collateral property for debt repayment.
- Debtors are required to give notice and submit the certificate of intent to the Director-General of the Revenue Department via the Area Revenue Office where the debtor's place of domicile or business establishment is located or via the Director of the Large Business Tax Administration Division.
- Documents must be submitted within the final day of a tax year or the last day of the accounting year in which the debt is forgiven.

2. Debtors of a financial institution or property owners are entitled to exemption from income tax, value-added tax, specific business tax and stamp duty on income obtained from the transfer of collateral property, sales of goods and execution of instruments undertaken with a financial institution under the following conditions:

- Debtors or owners of property are required to give notice and submit the confirmation form to participate in the measures for acceptance of the transfer of collateral property for debt repayment, issued by the Bank of Thailand to the land officer who is responsible for processing the registration of rights and juristic acts upon the registration.
- Debtors, property owners and financial institutions are required to jointly prepare a certificate of intent to participate in the measures for acceptance of the transfer of collateral property for debt repayment.

- Debtors or property owners are required to give notice and submit the certificate of intent to the Director-General of the Revenue Department via the Area Revenue Office where the debtor's place of domicile or business establishment is located or via the Director of the Large Business Tax Administration Office.
- Documents must be submitted within the final day of a tax year or the last day of the accounting year in which the collateral property is transferred.

3. Financial institutions are entitled to exemption from income tax, value-added tax, specific business tax and stamp duty on income obtained from the transfer of collateral property, sales of goods and execution of instruments undertaken with debtors or property owners under the following conditions.

- Financial institutions are required to give notice and submit the confirmation form to participate in the measures for acceptance of the transfer of collateral property for debt repayment, issued by the Bank of Thailand to the land officer who is responsible for processing the registration of rights and juristic acts upon the registration.
- Financial institutions are required to prepare a letter of certification for the transfer back of collateral property under the measures for acceptance of the transfer of collateral property for debt repayment.
- Financial institutions are required to give notice and submit the letter of certification to the Director-General of the Revenue Department via the Area Revenue Office where the debtor's place of domicile or business establishment is located or via the Director of Large Business Tax Administration Office.
- Documents must be submitted within the last day of the accounting year in which the collateral property is transferred.

KBank has taken actions as required by the Notification.

Long-term Debt Relief Measures for Retail Borrowers via Refinancing and Debt Consolidation

The Bank of Thailand issued circular No. BOT. ForNorSor2. Wor. 1079/2564 (2021) Re: Guidelines for Providing Assistance to Debtors Affected by the COVID-19 Pandemic (Long-term Debt Relief Measures via Refinancing and Debt Consolidation), dated November 16, 2021, which aims to assist debtors with good repayment history or affected by the COVID-19 transmission via sustainable debt restructuring and reduced interest burdens. Practical guidelines to support refinancing and debt consolidation of mortgage loan with other retail loans can be summarized as follows:

* Additional details on Significant Regulations and Rules related to Business Operations for 2021 can be obtained from Management Discussion and Analysis for the first, second and third quarter of 2021.



1. Prepayment fee is waived for redemption of personal loan under supervision or nano finance under supervision until December 31, 2023.

2. Debt consolidation scope has been extended to include debt pooled among financial institutions and/or business operators. Previously, only debt within the same financial institution was allowed to be consolidated.

3. Interest rate charged for other retail loans eligible for consolidation must not be more than 2 percent per annum above the home loan interest rate.

4. The amount of debt to be consolidated must not exceed the collateral appraisal value.

KBank is now designing products and improving processes in line with the Bank of Thailand's policy guidelines.

Policy Guidelines on Risk Culture of Financial Institutions

The Bank of Thailand issued Policy Guidelines Re: Risk Culture of Financial Institutions dated November 11, 2021, to encourage financial institutions in promoting a strong risk culture as an integral part of an organizational culture covering four key areas, namely tone from the top, accountability, effective communication and challenges, and incentives and HR practices. Actions taken should account for the structure, size and complexity of business operations in order to allow financial institutions to operate with enhanced immunity and stay ahead of risks in the ever-changing financial environment.

KBank has revised our consolidated risk management policy to be in conformity with the Bank of Thailand's policy guidelines.

Guidelines for Fair Lending Management

The Bank of Thailand issued circular No. BOT. ForKhorNgor.Wor. 951/2564 (2021) Re: Guidelines for Fair Lending Management, dated October 4, 2021, which compiles major principles and guidelines for fair lending practices in accordance with rules and laws used by the Bank of Thailand for supervision of service providers. These guidelines shall be applied by service providers in taking care of borrowers and guarantors while supervising a person or juristic person who acts on their behalf in matters such as debt collection or litigation. Focus is on retail customers and SME operators so that assistance will be provided to those facing debt problems more efficiently and in a timely manner. The guidelines cover the end-to-end lending process which includes:

1. Development and offering of loan products: Pricing terms must be consistent with risk, while an appropriate lending format must be established with complete details given to customers to ensure that they receive sufficient data for their decision-making.

2. Credit risk management: Collateral appraisal must be appropriately conducted, while borrowers and guarantors must be clearly informed of their rights and scope of their legal obligation. Moreover, establishment of conditions that would incur excessive burdens to borrowers is prohibited. These include demands for additional collateral or guarantee or insurance for risk coverage.

3. Debt collection and collection fee: Debt collection behavior must be appropriately controlled and collection fee must be notified and charged per the established rate, accounting for fairness for customers and consistency with debt collection practical guidelines under the Bank of Thailand's policy as well as related requirements and laws.

4. Assistance for borrowers facing debt repayment problems via debt restructuring and debt mediation: Borrowers should be given appropriate options which must not incur excessive burdens to them. They should be encouraged to enter into preventive debt restructuring and debt mediation.

5. Litigation process: Litigation must be appropriately overseen to ensure fairness. Customers must be informed of the litigation process if they contact the Bank for more information.

6. Sale and transfer of debt to other creditors: Borrowers must be completely informed of the sale and transfer of debt to service providers. Service providers who purchase a debt should take into account the repayment format used by the previous service provider, wherein borrowers must have equal or superior rights while repayment terms must be consistent with their debt servicing ability and notify the transfer of creditor to borrowers.

KBank is now taking necessary actions in conformity with the guidelines established by the Bank of Thailand.

Policy Guideline: Know Your Merchant (KYM)

The Bank of Thailand issued circular No. BOT.ForNorChor. (02) Wor. 948/2564 (2021) Re: Submission of Policy Guideline: Know Your Merchant (KYM), dated October 4, 2021, effective January 1, 2022, which will be used as minimum standard of practical guidelines for establishment of merchant onboarding process and ongoing monitoring to ensure service security in the payment systems. Guiding principles include:

1. Put in place merchant onboarding and verification processes including ongoing monitoring to ensure that risk management is appropriate for the merchant's risk level. For risk assessment and classification, merchant categorization must be undertaken in three levels: (1) general merchants (2) high-risk merchants and (3) merchants with prohibited characteristics.

2. Implement policies, practical guidelines and measures for risk management, internal control process, monitoring and audit as well as review of related risks which must be sufficient and appropriate for the merchant's risk level, from the start of the merchant onboarding process until the end of the relationship.

3. Establish practical guidelines for merchant onboarding and ongoing monitoring in three levels, namely minimum guidelines for general customers, minimum plus additional guidelines for high-risk merchants and no service to merchants with prohibited characteristics.

KBank has established risk management policy and process that are in line with the Bank of Thailand's policy guidelines.



Criteria for Remitting Contribution to Financial Institutions Development Fund (FIDF)

The Bank of Thailand issued Notification No. SorKorSor1. 4/2564 (2021) Re: The Setting of Contribution Rate, Criteria and Procedures for Remitting Contribution and Surcharge to the Account for Amortization of the Principle to Fiscalize to the Financial Institutions Development Fund's Losses (No. 3), dated October 20, 2021, effective January 1, 2022. The period for reduced contribution rate will be temporarily extended for another year until December 2022. Financial institutions shall temporarily remit contributions to the Bank of Thailand at the rate of 0.23 percent per annum (from the rate of 0.46 percent per annum) of average deposit balance of protected accounts and funds received from the general public for the January - December period of 2022. Such extension will help lower financial institutions' costs, which could then be passed on to help relieve the impact of the pandemic business and general public. The contribution rate of 0.46 percent per annum shall be applied during the January - June period of 2023 onwards.

KBank has undertaken relevant operations to be consistent with the criteria determined by the Bank of Thailand.

1.2 Business Operations

Income Structure of KBank and Its Subsidiaries

Income Structure of KBank and its subsidiaries for the years ended December 31, are as follows:

(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Interest income						
Interbank and money market items	2,078	1.27	3,118	2.01	6,390	3.98
Deposits	(830)	(0.51)	179	0.12	1,249	0.78
Loans (without repurchase agreements)	1,214	0.74	736	0.48	506	0.32
Repurchase agreements	1,694	1.04	2,203	1.42	4,635	2.89
Investments	22,675	13.88	21,711	14.02	21,539	13.42
Trading investments	148	0.09	156	0.10	395	0.25
Available-for-sale investments	-	-	-	-	4,707	2.93
Held-to-maturity investments	-	-	-	-	16,437	10.24
Investment in debt instruments measured at fair value through other comprehensive income	3,954	2.42	4,040	2.61	-	-
Investment in debt instruments measured at amortized cost	18,608	11.39	17,492	11.29	-	-
Others	(35)	(0.02)	23	0.01	-	-
Loans	104,579	64.02	96,834	62.52	96,376	60.05
Hire purchase and financial leases	6,073	3.72	5,913	3.82	5,859	3.65
Others	9	0.01	16	0.01	14	0.01
Total interest income	135,414	82.90	127,592	82.38	130,178	81.11
Total interest expenses	16,024	9.81	18,570	11.99	27,490	17.13
Total interest income - net	119,390	73.09	109,022	70.39	102,688	63.98



(Unit : Million Baht)

	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Non-interest income						
Fees and service income	48,628	29.77	45,699	29.50	50,580	31.52
Fees and service expenses	13,312	8.15	12,695	8.20	13,840	8.63
Fees and service income - net	35,316	21.62	33,004	21.30	36,740	22.89
Gain on trading and foreign exchange transactions	-	-	-	-	8,362	5.21
Gain on financial instrument measured at fair value through profit or loss	5,539	3.39	8,119	5.24	-	-
Gain on investments	817	0.50	1,308	0.84	8,412	5.24
Share of (loss) profit from investments using equity method	(694)	(0.43)	(193)	(0.12)	44	0.03
Dividend income	3,310	2.03	2,384	1.54	2,817	1.76
Net premiums earned	69,360	42.46	72,129	46.57	80,489	50.15
Other operating income	1,290	0.79	1,683	1.09	1,592	0.99
Less Underwriting expenses	70,979	43.45	72,565	46.85	80,653	50.25
Total non-interest income	43,959	26.91	45,869	29.61	57,803	36.02
Total operating income - net	163,349	100.00	154,891	100.00	160,491	100.00

Business Directions of KASIKORNBANK and the Wholly-owned Subsidiaries of KASIKORNBANK in 2021 and Outlook for the Next Five Years

KASIKORNBANK has established business directions and strategic plans, according to the principles of a Bank of Sustainability, accounting for the balance of three dimensions - environment, society and governance - under good corporate governance, appropriate risk and cost management. In order to empower every customer's life and business, we prioritize offering total solutions, with attentive and inclusive anytime, anywhere, responsive to the needs of customers and society as a trustworthy service provider under the single brand of KASIKORNBANK. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms and our business partners.

In alignment with the K-Strategy that aims to foster a sustainable bank, KBank focuses on development of competitive capabilities in a technology-driven business world that goes beyond banking and innovation. In parallel, we have built upon our traditional banking business in order to improve



KBank signed a bancassurance agreement with Muang Thai Life Assurance PCL (MTL) to offer and/or distribute MTL life insurance products, while strengthening their collaboration in enhancing products and distribution channels with the aim of becoming the leader in the Thai life insurance market and bolstering business capabilities.



customer responsiveness and strengthen our service experience in sync with the ever-evolving technology, consumer behavior and environment. Our strategic imperatives are as follows:

- **Dominate Digital Payment across all platforms with the aim of embedding in customers' ecosystems:** Focus is on development of payment innovations both domestically and internationally to comprehensively meet the needs of business and retail customers with enhanced security and reliability. We also leverage data analytics to gain insights for the appropriate delivery of products and services.
- **Reimagine Commercial and Consumer Lending:** We have conducted data analytics based on financial transaction data of our customers and suppliers within business chains in order to acquire customers with sound debt servicing ability who are interested in borrowing and offer products that meet their needs through appropriate channels. For instance, we have introduced digital lending with the aim of expanding low-income retail customers while also considering risk-based pricing to ensure cost effectiveness and enhanced risk management efficiency.
- **Democratize Investment and Insurance targeting previously inaccessible groups:** To serve our business and high net worth individual clients, our Relationship Managers (RMs) are always on hand to provide advisory services guided by our customer centricity strategy along with collaboration within KASIKORNBANK FINANCIAL CONGLOMERATE and our business partners. For low-income retail customers, KBank has developed investment platforms to facilitate them in making informed decisions from the perspective of cost-effectiveness.
- **Penetrate Regional Market to access customers in other AEC+3 countries through three strategic plays:** They are
 - (1) Aggressive Play in order to expand our loan products to corporate customers through regional connectivity, especially Thai-Chinese clients in the People's Republic of China and local large corporate (LLC) customers within the AEC region;
 - (2) Mass Acquisition Play that aims to expand our customer base via collaboration with our partners in the People's Republic of China and development of digital channels for financial transactions in the AEC region, focusing mainly on the Socialist Republic of Vietnam;
 - (3) Disruptive Play through development of technological infrastructure to accommodate our venture into the digital lending space, especially by processing customers' data based on their transactions with our partners, and transactional banking services provided



KBank held Regional Business Town Hall: THE METAMORPHOSIS - an online event to communicate its direction as the Bank transforms to further expand its reach in the regional market. Three key visions, Limitless Opportunity, Seamless Opportunity, and Borderless Growth, aim to strengthen its capabilities through Banking as a Service in order to upgrade local financial institutions under the ESG Bank concept.



KBTG partnered with LINE BK and DTAC in launching the Jai Dee Mee Wong Ngern Hai Yeum (Jai Dee Credit Line) campaign to provide DTAC clients digital personal loans via mobile phone anywhere, anytime for enhanced customer convenience.

by KBank. A risk engine has also been developed, allowing us to adopt the lending-as-a-service model in both the People's Republic of China and the Socialist Republic of Vietnam.

- **Strengthen Harmonized Sales and Service Experience:** By seamlessly integrating all service channels of KBank into those of our partners, customers can conduct transactions anytime, anywhere with our sales and service formats that are suited to each customer's demands.

Meanwhile, we focus on enhancement of end to end work efficiency in order to improve value-based productivity by optimizing human resources, data, financial and technological capabilities with the aim of elevating our long-term competitiveness through the eight transformation journeys as follows:



1. Ecosystem Partnership & Harmonized Channel: Orchestrating ecosystems with partners and providing excellent experiences throughout customer journeys

2. Intelligent Lending: Leveraging customer data to offer a personalized lending experience and achieve fair, risk-adjusted returns

3. Proactive Risk & Compliance Management: Proactively identifying potential risks and establishing loss prevention and detection

4. Regional Payment and Settlement

5. Data Analytics: Expanding data analytics capability to enhance business opportunities and operational efficiency

6. Cyber Security

7. Performing Talent and Agile Organization: Developing employee potential in the drive towards an agile organization

8. Modern World-Class Technology Capability: Adopting modern world-class technology to make KBank the top regional financial service provider

KBank has established concrete and continual practical guidelines to drive organizational success. We prioritize purposeful and practical leadership and K-Culture which directs employees' attitudes and behaviors towards a shared goal. We adhere to our Core Values, i.e., Customer at Heart, Agility, Collaboration, Innovativeness and Integrity, while also creating a strong brand that meets the expectations and needs of all stakeholders, namely customers, the general public, investors, organizations, mass media and our employees.

KBank's business strategy prioritizes the needs of all customer segments. Our endeavors for each business are as follows:

(1) **Retail Business** - Focusing on Customer Centricity: KBank has employed data analytics in developing products and services that can meet each individual customer's needs. We have placed emphasis on the seamless integration of physical branches and

digital channels for the best customer experience. Along with this, we have created a business ecosystem through collaboration with our partners in various businesses to develop multiple products that accommodate every aspect of their lives while also bolstering their competitive capabilities over the long term for sustainable growth. We aim to increasingly extend loans to retail customers via channels of KBank and partners, and promote saving and investment to the general public. Moreover, our focus has been on improvement of private banking service quality to be on par with international standards in three major areas, i.e., advice, products and excellent services, in order to meet the needs of our high net worth individual clients across all dimensions of wealth, ranging from planning to growth, preservation and transfer.

(2) **SME Business** - Becoming a Total Solution Provider for our SME customers: We have prudently expanded our customer base with emphasis given to asset quality management to ensure the sustainable business growth of both our customers and KBank. To this end, focus is on solid teamwork among our Relationship Managers (RMs), who are well-versed in KBank products, and branch officers who have in-depth understanding of our customers' businesses and their needs. Along with this, we have deployed innovative digital technologies and data analytics to support our customers' business operations in all aspects through financial and knowledge-based assistance and business networking.

(3) **Corporate Business** - Meeting all of our corporate customers' business needs: Emphasis has been on funding support and advisory services on fund mobilization among our corporate business customers to ensure their cost effectiveness under appropriate risk management. Along with this, we have provided staunch support for their transactions via all formats of electronic channels, while focusing on the offering of products and services responsive to all parties, including customers, suppliers, business owners and employees throughout the business ecosystem, for increased competitiveness and effective business management in a comprehensive manner. These efforts are aimed at maintaining our status as customers' Main Operating Bank.

To maintain our status as a leading financial institution and to cope with economic volatility in a timely manner, KBank emphasizes good corporate governance and strict compliance with related rules and regulations. We have established efficient capital management while formulating proactive and integrated risk management principles and policies and a risk-aware culture Bank-wide. These operations have been undertaken in order to accommodate policy guidelines and measures of the Bank of Thailand and other regulatory agencies, ensuring that we can strictly comply with the standards while also driving the Bank towards sustainable growth.







The K-Strategy

KASIKORNBANK Vision, Purpose and Culture

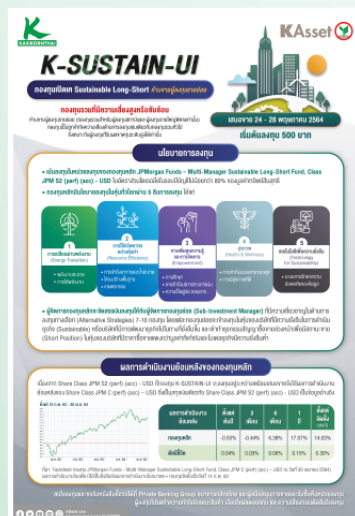
Vision	BANK of SUSTAINABILITY			
	“KASIKORNBANK aims to be the most innovative, proactive, and customer centric financial institution, delivering world class financial services and sustainable value for all stakeholders by harmoniously combining technology and talent”			
Purpose	To Empower Every Customer's Life and Business			
Customer Promise	Total Solution	Attentive & Inclusive	Any Time & Any Where	Trustworthy
K-Culture	A PIONEER FOR THE BETTER, A STEP AHEAD FOREVER			
	Customer at Heart / Collaboration / Agility / Innovativeness / Integrity			
Leadership	PURPOSEFUL and PRACTICAL LEADERSHIP			

K-Strategy aims to be sustainable and the most customer-empowerment bank

Purpose	To Empower Every Customer's Life and Business			
Sustainable Development	Sustainability			
	ESG	Beyond Banking & Innovation	Strong Brand	
Growth Strategy				
	Dominate Digital Payment	Reimagine Commercial & Consumer Lending	Democratize Investment & Insurance	Penetrate Regional Market
	Strengthen Harmonized Sales and Service Experience			
	Improve Value-Based Productivity			
Key Capabilities	8 TRANSFORMATION JOURNEYS			
	1. Ecosystem Partnership & Harmonized Channel	2. Intelligent Lending	3. Proactive Risk & Compliance Management	4. Regional Payment & Settlement
	5. Data Analytics	6. Cyber Security	7. Performing Talent and Agile Organization	8. Modern World Class Technology Capability



KBank organized a seminar on THE WISDOM The Symbol of Your Vision: 2021 Economic Outlook & Investment Forum, pointing out issues warranting close watch, especially global economic developments and ASEAN economies with increasing influence in the global trade arena.



K-SUSTAIN-UI focuses on profit-generating stocks, which are positively or negatively affected by the transition to sustainable business operations.

Customer Segments and Services

KBank and K Companies continued to prioritize the Customer Centricity strategy. We monitored the impacts of the COVID-19 pandemic on customers, which varied according to their business and income level, including changes in consumer behavior and demand that have served as catalysts for technological development, in both the financial and non-financial realms. In 2021, we thus focused on providing assistance, either directly or indirectly, to all groups of our customers reeling from the viral transmission so that they could sustain their lives and businesses

amid uncertainty. Moreover, we provided attentive and inclusive services that respond to the demands of both customers and society anywhere, anytime, as a trustworthy service provider and the main operating bank of customers.

Retail Business

KBank prioritizes the use of data and data analytics to gain customer insights, allowing us to offer products and services that meet their needs. Major initiatives were as follows:

High Net Worth Individual: We prioritize the leveraging of our investment expertise to give happiness to our customers who can live a worry-free life and enjoy Perfect Wealth - our service philosophy. KBank developed the KPB YouTube Channel in order to promptly deliver information to our customers amid restrictions from the COVID-19 outbreak. New services were designed specifically for our clients, namely, KPB What's Next featuring short videos that provide an update on investment situation together with appropriate advice on a weekly basis, and KPB Game Changer that gives customers briefings on the new economy and S-Curve industries, or the future industries that come with new investment opportunities. Meanwhile, our private bankers are on hand to offer advisory services to sophisticated customers, with our focus on leveraging KBank's investment expertise in driving our customers to achieve the perfect wealth.

In 2021, KBank continued to adhere to the key "3S" investment strategy for KBank Private Banking (KPB) service. We prioritized the offering of investment formats suited to the customer's target and the prevailing circumstance in the midst of challenges stemming from uncertainty in the investment market both at home and abroad. The "3S" strategy comprises:

1. Sustainability: Focus has been on businesses with responsibility for environment so as to generate long-term sustainable returns. One notable initiative was the launch of K Sustainable Long-Short Fund Not for Retail Investors (K-SUSTAIN-UI) that invests in businesses focusing on sustainability trends. Along with this, we continued to promote existing sustainability-themed funds, namely K Positive Change Equity Fund (K-CHANGE), K Global High Impact Thematic Equity Fund (K-HIT), and K Climate Transition (K-CLIMATE). Emphasizing sustainability for investment portfolios, KBank worked with KASIKORN ASSET MANAGEMENT CO., LTD. and Lombard Odier in developing K All Roads Fund Not for Retail Investors (K-ALLROAD-UI) which can generate returns in any circumstances and is a core fund under the K-Alpha portfolio - a recommended portfolio that can create consistent returns over the long term.

2. Sharing: We emphasize asset management for public charities in order to generate positive impacts on society. In 2021, KBank provided support to more than 100 foundations and public



charities, allowing them to undertake activities, organizational and funds management with enhanced efficiency.

3. S-Curve: Focus has been on new investment formats to ensure attractive returns for our clients. In 2021, KBank recommended that customers invest in structured notes, which proved to be an appropriate alternative investment vehicle amid sideways movement in the stock market. In addition, our clients were advised to embrace non-capital market solution and multiple mutual funds to increase opportunity to gain returns from assets with low volatility.

Affluent: KBank introduced Whole Life Insurance 80/4 that provides long-term coverage with short-term premium payment for customers with savings potential who wish to establish financial security for their family. The insurance policy offers cash benefit of one percent of the sum insured from the fourth year until the contract maturity.

Middle Income and Mass: We launched new products and services as follows:

- “Pay when sick IPD+OPD” life and health insurance plan: This insurance product with lower premiums than other insurance plans provides coverage for both Inpatient Department Treatment (IPD) and Outpatient Department Treatment (OPD) patients, with daily compensation for work absence due to illness, including COVID-19. Customers can sign up for this product online by themselves.
- KBank x PEANUTS Debit Card: The launch of this debit card featuring cute cartoon characters aims to expand our debit cardholder base while also encouraging existing debit cardholders to replace their present cards. Upon application, cardholders receive a PEANUTS-themed debit card, a savings account passbook and a K PLUS themed deposit featuring the PEANUTS gang. Cardholders can redeem their K Points earned from their application and spending for Snoopy Limited Edition premiums via K+ market. Moreover, new customers who open K-eSavings x PEANUTS are entitled to a deposit rate of up to 1.50 percent per annum.
- K PAY LATER personal loan: The personal loan offers customers credit lines of Baht 2,000 - 20,000 for making bill payment, with repayment period up to five months and interest rate of not more than 25 percent per year. Application can be made via K PLUS with approval granted within just three minutes. Upon approval, customers can scan QR code to pay for goods and services via K PLUS.
- New services on K+ market via K PLUS: They included electric EV bike rental service to ease expense burdens of food delivery riders and bolster income for those affected by the COVID-19 crisis. The initiative, jointly



KBank teamed with H SEM Motor Co., Ltd., Chulalongkorn University, and foodpanda (Thailand) Co., Ltd., in helping to reduce the expense burdens of delivery riders reeling from the COVID-19 crisis. A promotion was launched enabling users to rent an EV bike via the K+ market app, allowing them to earn a living, while also promoting the use of clean-fuel vehicles that are eco-friendly to combat pollution.



Products of life and health insurance provide admission to all hospitals, covering both inpatient department and outpatient department.



KBank debuted KBank x PEANUTS Debit Card - a cute card collection to delight fans of Snoopy and his gang. It is the first Thai debit card that allows cardholders to collect points.



KBank launched the Let's Unite to Fight COVID-19 campaign, inviting the public to make cash donations via QR e-Donation on K PLUS, which is easy, convenient, and safe as it maintains social distancing. The general public was encouraged to share their sympathy in support of medical personnel at hospitals and foundations providing assistance to COVID-19 patients.



KBank is determined to empower SME businesses to brave the COVID-19 crisis and thus offers FlowAccount - a user-friendly online accounting program to help SMEs efficiently manage their accounts and enhance business efficiency.

launched with H SEM Motor Co., Ltd., Property and Innovation Management (PMCU), Chulalongkorn University and foodpanda (Thailand) Co., Ltd., aims to promote the use of electric motorcycles as part of our effort to encourage the public to embrace clean fuel energy to combat air pollution. Moreover, KBank teamed with Central Department Store to offer a wide selection of Central products at K+ market on K PLUS with payment allowed via KBank deposit or K Points and The 1 points.

- Promotion of YouTrip Multi-Currency Card: We focused on promoting the use of this digital wallet while waiting for tourism to improve as soon as the COVID-19 pandemic wanes. To this end, KBank launched a promotional

campaign with pricing strategy through the offering of competitive foreign exchange rates to attract customers to exchange currencies for online purchase of goods and services, as well as a waiver of all types of fees, including application and annual fees, and withdrawal fees at ATMs abroad.

- Promotion of e-Donation: KBank continued to promote the "e-Donation on K PLUS - Happy Giving" program wherein KBank contributed Baht 9 for donations of not less than Baht 99, and those donating at least Baht 99 per occasion via K PLUS were entitled to 50 K Points.

SME Business

Aspiring to be a Total Solution Provider for our SME customers, KBank is determined to support clients beyond banking solutions in order to bolster their competitiveness. Major initiatives were as follows:

- Development of K Biz - a new and modern look for the online banking website: We have developed K Biz to provide one-stop service for SME clients in their financial management with enhanced security standards - on par with those of K PLUS. This online banking website provides bulk funds transfer, cheque management, statement inquiry and international funds transfer. Funds transfer transaction limit can be set at Baht 5 million per day, while own account funds transfer linked to K Biz can be made via K Biz up to Baht 30 million a day.
- Xpress loan for business customers via K PLUS: The loan can be applied for with no collateral, personal guarantee or commercial registration required. Applicants can get approval within just 15 minutes and loan limit up to Baht 1 million with loan repayment period of not more than 60 months and fixed interest rate of not more than 25 percent per year.
- Expansion of payment service on K PLUS shop: The service is designed for both physical and online stores to accept e-payment and QR API, which accommodates payment in various forms, including Thai QR Payment, QR code of credit cards, Alipay and WeChat pay e-wallets for Chinese customers as well as mPOS (Mobile Point of Sale) under PCI SPoC - a world-class security standard for card payment. In addition, the service can accommodate QR payment made with K Points and installment payment for goods and services under K PAY LATER. The "Use QR to Fight COVID - No Need to Carry Cash or Card" marketing campaign was continually implemented for targeted merchants.



- Development of K-Merchant: We promoted and increased the number of Android Electronic Data Capture (Android EDC) machines to ensure their adequate availability and thus accommodate rising transactions after lockdown measures were eased in the final quarter of 2021, especially at gas stations and coffee shops under PTT Public Company Limited.

Meanwhile, KBank has prepared to classify the risk level of merchants in alignment with the Bank of Thailand's policy guideline on Know Your Merchant (KYM), effective January 1, 2022. This clearly defined policy guideline will allow commercial banks to efficiently conduct risk monitoring and thus avoid potential losses in a timely manner.

- Development of Blue CONNECT service: KBank has teamed with PTT Oil and Retail Public Company Limited to develop a payment channel via Blue CONNECT which allows customers to sign up for K PAY LATER to make payment for fuel purchase at PTT service stations via Blue CONNECT. The credit line will then be extended to other stores under PTT Public Company Limited.

Corporate Business

KBank prioritized the offering of products and services that comprehensively meet the needs of customers in terms of their business operations, suppliers, owners and employees. We aimed to enhance their competitive capability and business management efficiency while also maintaining our status as their Main Operating Bank. Meanwhile, we continued aiding pandemic-stricken clients in accordance with the Bank of Thailand's guidelines and other assistance measures initiated by KBank to help them maintain their liquidity.

In 2021, KBank launched new online services, namely (1) e-Withholding Tax (e-WHT Solution) which submits tax data and payment via KBank when payment is made to recipients both at home and abroad, thus helping to streamline relevant processes and slash costs for customers; (2) Payment Link - the initiative that allows merchants to generate their own payment link to send to customers for payment via credit card, debit card and/or Thai QR PromptPay, through which merchants receive immediate notice of payment confirmation; and (3) Development of KBank Fleet Card Online Self-Service that facilitates customers' representative in conducting transactions by themselves, including change to conditions for use of card, card suspension and issuance of a new card, etc. via KBank's online system, with no need to submit an application form or support documents.



KBank has joined with Central Department Store in offering a seamless online shopping experience, which can shop products from Central at K+ market on K PLUS with convenient and secure payments.



KBank continued its special relief program to assist business and retail customers in weathering the COVID-19 crisis, focusing on liquidity enhancement, job retention, and expense burden reduction.

KBank focused on encouraging customers to use services and conduct transactions via electronic channels to provide them more convenience and uninterrupted service amid the COVID-19 control and prevention measures while also helping them cut costs and transaction times. Notable services include payment via K-Cash Connect Plus and issuance of letter of guarantee via K CONNECT-LG, together with continuous technological development to accommodate rising transaction volume.



KBank worked with Forth Smart Service PCL (FSMART) in expanding KBank Service for making deposits, funds transfer, cash withdrawal, and identity verification at Boonterm kiosks via K PLUS, allowing customers greater convenience in conducting transactions 24 hours a day.

Service Channels

In 2021, KBank focused on providing seamless online and offline services of both KBank and our business partners to ensure a positive customer experience anywhere, anytime. We have orchestrated ecosystems with partners while also developing our core service channels for enhanced efficiency in accessing customers to deliver them excellent services with the greatest cost effectiveness.

1. Branch Network: Key initiatives for branch network management in 2021 included:

Domestic branch network: KBank focused on all service channels which provide value proposition through multiple services in harmony with customers' daily needs for a seamless customer experience anytime, anywhere. Along with this, we expanded service channels while also branching out into other provinces. We continued to focus on consolidating branches to reduce redundancy, especially those with relatively low traffic - totaling 21 branches - to ensure that the available number is appropriate for broader service coverage. Along with this, we adjusted branch models to align with customers' needs in each area. In 2021, our services were available at 15 hybrid branches which offered self-service electronic machines, five K PARK locations, as well as two mini-branches which share the space of our business partners. Moreover, we supported the application of technology for development of services and internal processes within branches for enhanced efficiency and appropriate cost management along with a harmonized sales and service experience in line with consumers' increased use of digital channels.

Moreover, KBank Service locations were added via new banking agents, including electrical appliance stores under Thaweeyont Marketing Co., Ltd., cosmetic retail shops under Central and Matsumoto Kiyoshi Co., Ltd., Tops Supermarket under Central Food Retail Co., Ltd., and Tesco Lotus under Ek-Chai Distribution System Co., Ltd. We also expanded the scope of services via our banking agents for broader coverage of transactions, including cash deposit and withdrawal, bill payment and identity verification, along with an increase in service points for cash withdrawal from K PLUS via Boonterm kiosk. In parallel, we focused on continually promoting awareness of KBank Service among customers.

Meanwhile, KBank's foreign exchange booth service was gradually resumed at airport terminals and other areas where the number of foreign tourists increased significantly - totaling 19 locations. Moreover, eight automated currency exchange machines are now available after the improvement in the COVID-19 situation at home and the government's measures to reopen the country to international tourists during the fourth quarter of 2021. At the same time, KBank promoted the use of YouTrip Multi-Currency Card - a digital wallet that accepts multiple currencies for travelers. We launched a marketing campaign to encourage customers to exchange their foreign currencies for purchase of goods and services online while travel abroad is discouraged. In addition, KBank is now developing a new channel for currency exchange, including other services to be aligned with spending behavior and comprehensively meet the needs of foreign travelers.

International Branch Network: KBank has set our sights on becoming the Regional Digital Bank by focusing on insights into market characteristics of each country. We have thus established a three-pronged strategic plan aimed at expanding our regional presence as follows:

1. Provision of corporate lending to local customers
2. Joint investment with local partners to create a digital banking platform accessible to mass market customers
3. Use of the Banking as a Service (BaaS) model to provide solutions and technological platforms for partner companies. To this end, KBank set a long-term plan of creating an online platform for small-sized local banks which lack expertise in developing their own systems.

Currently, KBank has an overseas branch network of 17 branches in eight countries, namely the People's Republic of China, Lao People's Democratic Republic, Kingdom of Cambodia, Socialist Republic of Vietnam, the Republic of Indonesia, the Republic of the Union of Myanmar, Japan and the Cayman Islands (United Kingdom Overseas Territory). Meanwhile, we have fostered partnerships with other financial institutions within and outside the AEC+3 region, totaling 82 partnerships across 16 countries.



Moreover, we have focused on expanding our electronic service channels abroad. Notable initiatives in two countries are as follows:

- QR KBank, an e-wallet application available in Lao People's Democratic Republic: This service is the first such service to be made available by a Thai commercial bank under the "Convenience for Both Sellers and Buyers with Top-up, Payment, Funds Transfer and Withdrawal" concept. In 2021, KBank added a feature for international funds transfer between Lao People's Democratic Republic and Thailand via QR KBank. We have also conducted field studies on local consumers' behaviors in order to expand the service for nationwide coverage to ensure that customers can access financial services with greater convenience and affordability. Currently, there are more than 130,000 QR KBank users in the country, with a total of 1.88 million transactions worth over LAK 630 billion.

KBank has also launched withdrawal and funds transfer service via ATM in the country. A total of 30 ATM terminals have been installed to provide services to holders of ATM cards issued by members of the Lao National Payment Network (LAPNeT). At present, KBank is the only Thai bank that is a member of this network. Moreover, the ATM service accommodates cash withdrawal via QR KBank application.

- Payday Loan via Wing Mobile application in Kingdom of Cambodia: KBank has provided Salary Advance - a payday loan product via our partner to promote greater access to loan products among Cambodians while also cutting their burden of high-interest informal loans. In the initial phase, the service is available for customers in Phnom Penh and Kandal Province. It is expected to attain nationwide coverage within two years. There are now more than 4,000 users, with loan extended of over USD 950,000 or equivalent to Baht 30 million approximately.

Branches and Financial Service Network

Domestic	Number of Locations		International	Number of Locations	
	2021	2020		2021	2020
Branch Network ⁽¹⁾	839	860	Branches of Locally Incorporated Institutions	6	6
Foreign Exchange Booth	67	75	KASIKORNTHAI BANK LIMITED (Lao PDR)	2	2
THE WISDOM	95	95	KASIKORNBANK (CHINA) CO., LTD.	4	4
SME Business Center ⁽²⁾	156	167	Branches	4	3
International Trade Service Center	58	58	Representative Offices	7	7
Cheque Direct Service	21	21			

Note:

⁽¹⁾ Excluding six branches, classified as other branch platforms per the Bank of Thailand's conditions.

⁽²⁾ More than one SME Business Center may be located in a single branch.

Name and Location of Service Network in Domestic



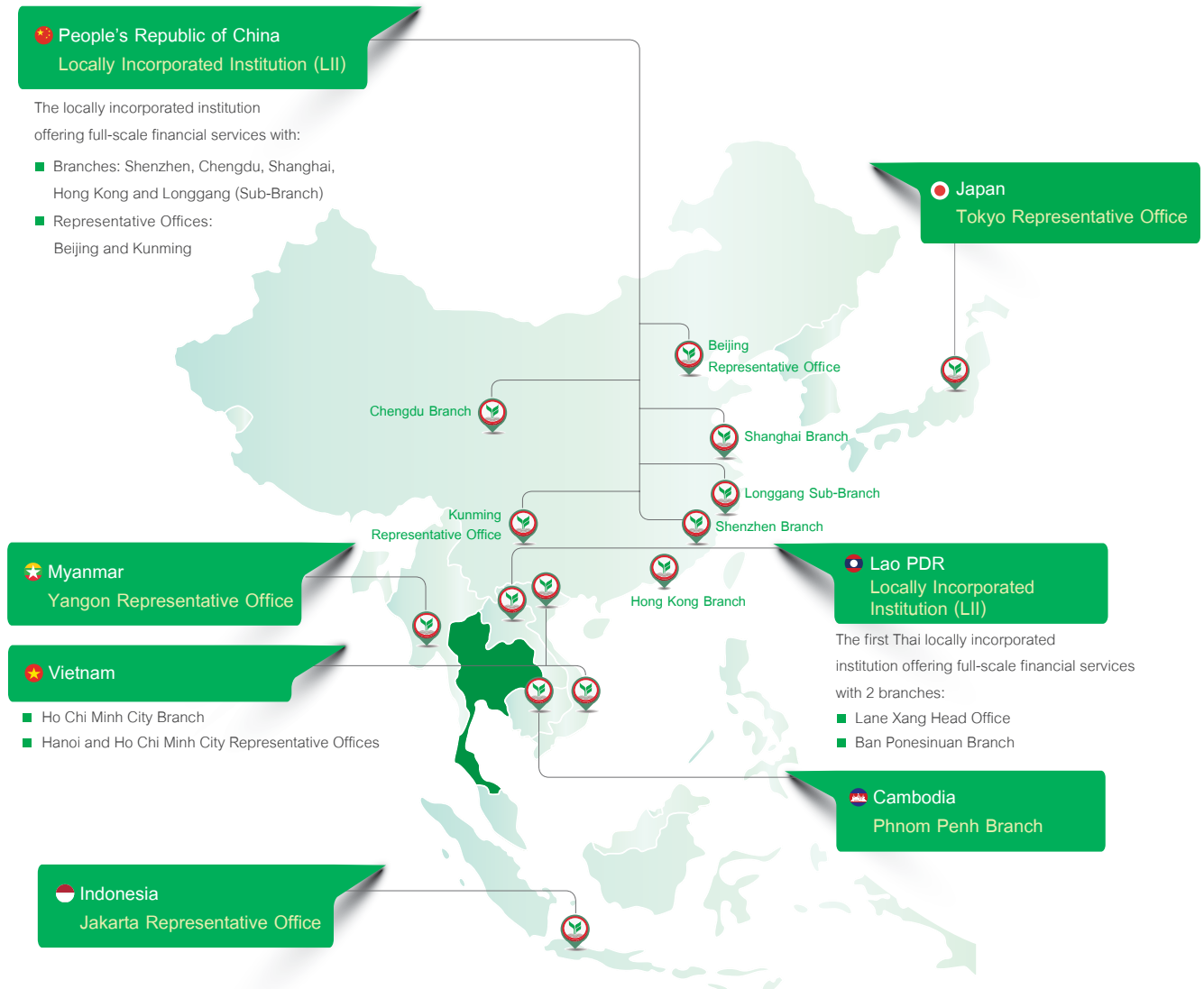
Name and Location of Service Network can be found at:

- KASIKORNBANK website, "Contact Us", and click on the "Branches and Service Channels" or
- QR Code scanning



Service Network in Overseas

Locally Incorporated Institution, Branch, Sub-Branch and Representative Office



Name and Location of Service Network in Overseas



Name and Location of Service Network can be found at:

- KASIKORNBANK website, "Contact Us", and click on the "Channels in Overseas" or
- QR Code scanning



2. Electronic Network:

• **K-ATMs and K-CDMs:** Location of machines has been a major focus with sufficient service points to ensure broader coverage and meet customers' needs. Along with this, we prioritized machine efficiency enhancement for improved access to KBank services. To this end, we added a menu option for loan application on K-ATM while customers can sign up for loan immediately via QR code which will be displayed automatically when they have insufficient balance in their account for withdrawal. Meanwhile, we introduced a special button for withdrawal transactions, specifically designed for the visually impaired to provide them greater convenience. Our self-service machines also offer prompts in multiple languages for our foreign clients. Emphasis has been placed on round-the-clock financial services and security systems for self-service transactions.

Electronic Banking Services

Electronic Banking Services	Number of Units	
	2021	2020
Self-Service Channel (K-ATM and K-CDM)	10,911	10,981
K-ATM (Automated Teller Machines)	8,960	8,389
K-CDM (Cash Deposit Machines)	1,951	2,592
K-PUM (Passbook Update Machines)	979	1,004
Automated Currency Exchange Machines	8	9

• **Digital Banking Services:** To maintain our leadership in digital banking services - now the most-often used platform in Thailand – and expand our presence in the market, we have continually developed our banking platform for enhanced efficiency. Focus was on increased linkage of platforms, including those of our business partners across all ecosystems, and innovation development in order to accommodate changing lifestyles. Major initiatives included:

- 1) **K PLUS:** We focused on making K PLUS an open banking platform that can connect with KBank business partners to ensure complete linkage within a digital lifestyle ecosystem through the introduction of new services that correspond to every aspect of life and deliver a positive customer experience anywhere, anytime. Major initiatives were as follows:
 - **Self-service loan application:** This includes Xpress Loan, Xpress Cash and K-Credit Card. Customers receive quick notification of loan approval.
 - **K PAY LATER:** This service, which features credit line for bill payment, allows customers to make installment payment, apply for the service or spend via K PLUS with no documents required.
 - **Scan QR code to pay with K Points:** This service targets stores that support Standard Thai QR, allowing customers to scan QR code to make payment with K Points combined with account debit with merchants on K PLUS shop.



KBank developed three highly sought-after online personal loan services, including Xpress Loan, Xpress Cash, and K-Credit Card, for which customers can sign upon K PLUS in alignment with their lifestyle needs in the COVID-19 era. Application can be made easily, with approval results sent quickly.



KBank introduced features of the K Point program, which enable customers to Get-Redeem-Transfer points on K PLUS, meeting all lifestyle needs with the best perceived value.



KBank and Rabbit LINE Pay unveiled the LINE POINTS Credit Card to capitalize on the new normal spending trend and tap into the new generation preferring to use a credit card in their daily lives.



KBank launched the Shop Dee Mee Kuen campaign to encourage Thai people to dine, travel and shop as part of its effort to help stimulate the economy, while making Thais smile with happiness when shopping with K-Debit Card or scanning QR code via K PLUS.

- **Development of feature for international funds transfer:** This feature supports the Japanese Yen (JPY) and the Chinese Yuan (CNY) in line with our plan for service enhancement to accommodate the currencies of other AEC+3 countries.
- **Development of PromptPay-PayNow:** This service allows K PLUS users to make real-time funds transfer from Thailand to the Republic of Singapore via a registered mobile phone number (PayNow ID).
- **K PLUS Lobby:** Customers who have no KBank account can explore and try out features on K PLUS, or browse through products on offer at special prices on K+ market.
- **Change mobile number:** Customers can set up a new phone number by themselves without the need to cancel and reapply for the service.

- 2) **K-Cyber:** We focused on maintaining the integrity of the K-Cyber system with a highly stable internet connection, and information security management system under international standards in order to give our customers more confidence when conducting financial transactions via all digital banking channels.
- 3) **K-Payment Gateway:** This service channel has been continually enhanced with the aim of fully meeting the needs of online stores of all business types, regardless of their manner of connectivity, including mobile phones, tablets and computers, in conformity with the Payment Card Industry Data Security Standard (PCI-DSS), along with increased efficiency to accommodate the surging volume of online payment transactions via multiple platforms, including payment via debit card and credit card, Thai QR Payment, the Alipay and WeChat Pay e-Wallets and Pay with K PLUS.
- 4) **KBank Live (Facebook, Twitter, Instagram, YouTube, and LINE):** We have developed communication channels to ensure greater customer convenience by adding a notification feature for incoming and outgoing funds, with details of transactions displayed on LINE. Customers can also search for and inquire about products/services, promotions and financial knowledge as well as news, such as the Let's Unite to Fight COVID-19 program, the You Order, We Pay campaign, personal loan offers, public relations of the FinVest and Blue CONNECT applications, as well as introduction of international funds transfer and investments.
- 5) **Other Platforms:** We have developed financial platforms for KBank partners as channels for offering new products and services, and for conducting various transactions. Such platforms can be adopted by many different businesses. Notable platforms are:
 - **KBank Open API:** This service aids KBank partners in linking to KBank's system in order to use our financial features to facilitate their customers in conducting financial transactions with them. This platform accommodates multiple services, including QR payment, online payment, inward remittance, information sharing and slip verification.
 - **National Digital ID (NDID) Service:** This service features digital-based identity verification for customers applying for services of the public and private sectors. It is currently under the Bank of Thailand's regulatory sandbox.
 - **RP (Relying Party) Proxy:** This platform connects to the National Digital ID (NDID) platform for identity verification. It is also under the Bank of Thailand's regulatory sandbox.



- **Face API:** This service platform featuring facial recognition aims to aid KBank partners in conducting transactions, including identity verification for service application and building entry/exit.
- **K-Contact Center:** KBank has elevated our services to ensure total solutions as a Customer Fulfillment Center and deliver a beyond-expectation customer experience and thus be the most top-of-mind bank. We aim to become a Customer Engagement Center amid limitations from COVID-19 prevention and control measures, in response to the changing consumer behaviors in the digital age and a cashless society. Major operations are as follows:

- 1) **Chatbot development:** We expanded the scope of providing information about KBank products and services for broader coverage, greater accuracy and enhanced efficiency.
- 2) **Launch of Internet Voice Call via K PLUS:** Equipped with high-security system for identity verification via K PLUS, this new contact channel provides customers more convenience and speed in using our services with reduced expense burdens through reduction of service fees for customers residing abroad.
- 3) **Development of Knowledge Management Smart Agent Portal:** This effort is aimed at bolstering K-Contact Center capabilities for enhanced service efficiency.
- 4) **Development of Case and Incident Management:** We prioritized clear and swift solutions to complaints of both online and offline customers to help alleviate any potential impacts upon them, while also curbing panic and negative rumors in order to maintain the public image of the banking industry and financial system stability.

Operations of Support Groups

Human Resource Management

KBank appropriately implemented the People Strategy, accounting for COVID-19 control measures and in alignment with our K-Strategy. Key initiatives were as follows:

1. **Ensure Suitable Great Leaders and Culture:** We have established qualifications for purposeful and practical leadership in line with KBank's expected behavioral guidelines which comprise self-awareness, result orientation, team building and integration. This is to ensure that actions will be taken with self-awareness, accounting for teamwork, customers and the organization throughout the work process. KBank organized activities to promote leadership development on a continual basis, starting with the recruitment process. New interview selection

KBank organized an online learning course, entitled Design Thinking from Learning to Doing to promote design thinking skills among our employees for enhanced work efficiency. Relevant knowledge was shared by other KBank employees with practical experience in this area.

and probation criteria have been established in conformity with the organization's expected behavioral guidelines regarding leadership values. We also held an executive seminar on purposeful and practical leadership for First Vice Presidents and other executives at higher positions wherein the participants learned from experiences of exemplary world-class leadership which could be further applied to their work in alignment with our expected behavioral guidelines. In addition, learning courses titled "Hi Leaders in Action Season 2: Make Meetings Meaningful" were held via the Tips Trick program - a forum to share the valuable experience of KBank Presidents.

2. **Enable Growth Strategy:** KBank conducted organizational restructuring and selected personnel to support KBank's business development. We focused on enhancement of employee skills, experience and abilities to cope with changes, and accounted for various opinions, especially of those engaged with business expansion within the region, data and analytics, and strategy formulation. Moreover, employees' capabilities have been enhanced to be aligned with an agile way of work amid rapid technological changes. The performance evaluation has also been revised to accommodate this new work format.



KBank held an examination for graduate scholarships at both local and international institutes with the aim of seeking a new generation of high-caliber employees to help drive its strategies of empowering every customer's life and business and reaching out to the AEC region.



As a morale boost amid the COVID-19 crisis, KBank arranged for Moderna vaccination as an alternative booster dose against the COVID-19 for employees.

KBank has established guidelines for an agile way of work which comprise four steps, accounting for employee engagement and the Code of Conduct to ensure a systematic and fair work environment. They are, i.e.,

- 1) Agile mindset/Skill set: Employees have been encouraged to work with flexibility, dare to be creative and innovative, and stay ahead of changes. To this end, we arranged learning courses on the agile way of work presented by experts from the Agile Center of Excellence.
- 2) Common Way of Work: Focus has been on practical teamwork which is aligned with new work formats amid the COVID-19 pandemic.
- 3) Agile WoW: Our employees have been urged to embrace an agile way of work in order to maximize flexibility and speed of cross-departmental work. We also organized the Way of Work Award (WoW Award) activities to recognize outperforming employees and boost morale among colleagues.
- 4) Community of Practices: We have encouraged employees who have no experience in an agile way of work to learn from practices and from others, thus creating a community of practices where colleagues come together to share best practices with each other.

To elevate capabilities of employees engaged with the regional business, KBank developed the Employee Value Proposition KBank (Best Place to Work, Learn and Lead) program to support our drive in penetrating the regional market in alignment with our strategy of becoming the regional leader. Moreover, we highlighted the World of Borderless Growth concept to communicate to the new generation on borderless growth opportunities, as we aspire to be an organization that serves as the foundation of the Thai society and the AEC region, alike.

3. Employee Engagement and Relations:

- Guidelines for Human Resource Management during the COVID-19 Pandemic: KBank provided assistance and morale support to all employees, both those working in close contact with customers and our back office staff. We offered each employee Baht 10,000 as a morale boost amid the COVID-19 crisis, while also arranging alternative booster dose against the COVID-19 and providing our staff members assistance in RT-PCR test and hospital admission. Moreover, an annual health checkup was organized for employees with the option of using the service at a hospital arranged by KBank or another hospital as they wished.



- **Employee Relations and Benefits:** KBank arranged meetings of the KASIKORNBANK Labour Union, KASIKORNBANK Officer Labour Union and KBank executives. We also held a group meeting of the Employee Committee on a regular basis under the COVID-19 prevention measures. These meetings allowed for consultations and problem-solving discussions between employees and KBank to strengthen our relationship.

IT Management

In 2021, KASIKORNBANK BUSINESS-TECHNOLOGY GROUP (KBTG) prioritized the study and development of new financial technology in response to the transition to a cashless society using the new era's technological infrastructure, and the search for innovations in line with KBank's strategic direction. These endeavors were undertaken with efficient work processes under international standards and the latest cyber security control system. An effective management regime has also been put in place to cope with short-, medium- and long-term impacts during the transition, to achieve KBank's strategy of maintaining our competitiveness and becoming the trusted regional leader in the technological realm. Major initiatives can be summarized as follows:

1. Development of products and services: to be consistent with the ever-evolving consumer behavior and technological innovation.

- **Developed Coral platform:** Developed by KASIKORN X Co., Ltd., Coral is a Non-fungible Token (NFT) marketplace platform that comes with outstanding features, namely artists' authentication system, and NFT trading using fiat currencies without the need to convert them to cryptocurrencies, while also unlocking a new user experience of the multiverse that merges the online and offline worlds. In the initial stage, KBTG has teamed with two partners, i.e., Siam Piwat Co., Ltd. that offers art, culture and lifestyle innovations, and GMM Grammy Public Company Limited which offers music NFTs of popular artists via this platform.
- **Developed THG Hycar service:** KBTG teamed with Thonburi Healthcare Group Public Company Limited (THG) in developing THG Hycar - a COVID-free shuttle car service that can be booked via THG's official LINE account.
- **Developed InsurTech service - an AI-based vehicle inspection:** The first of its kind in Thailand, this digital platform, which is a co-innovation of KBTG and Muang Thai Insurance Public Company Limited, is used for pre-insurance car inspection. InsurTech combines the development of image processing and artificial intelligence (AI) technology into an AI as a Service model for car damage detection model creation.



KBTG joined with KASIKORN X in debuting Coral - an NFT marketplace platform to support Thai and other Asian artists in making their artwork available for sale globally. It also teamed with Siam Piwat Co., Ltd. in hosting an NFT Innovation Digital Wall at Siam Paragon and ICONSIAM, unlocking a new experience for audiences to closely admire NFT artwork and collectibles.



KBTG teamed with Thonburi Healthcare Group Plc (THG) in creating THG HyCar to offer commuters a COVID-free shuttle car service in alignment with the new normal era of stringent cleanliness and hygiene standards. Reservations can be made easily via LINE @THGInfo.



KBTG teamed with Muang Thai Insurance PCL (MTI) in developing InsurTech - an AI-based platform for self-service pre-insurance vehicle inspection to ensure greater efficiency - the first of its kind in Thailand.



KBank opened the Ho Chi Minh City Branch - its first branch in Vietnam - as the Bank sets its sights on becoming the Bank of AEC+3 within the ASEAN region, with the aim of linking trade and investment networks through digital banking platforms in line with its Regional Digital Banking strategy.

- **Developed and improved K PLUS application:** Focus was on enhancement of K PLUS service capabilities. Notable initiatives included:

(1) Added the “Quick Banking” menu option to allow users to adjust their menus on the first page by themselves, as well as the “Special for You” menu option to offer select promotions that better meet individual users’ needs.

(2) Added features that can effectively respond to clients’ demands. They include:

- QR code scanning to pay with K Points: This feature can be used with any bank that accepts QR code payment. Exclusively at K PLUS shop, customers can use K Points together with the money in their account to make payment.
- K PAY LATER: This loan product allows customers to scan QR code to make bill payment, while installment payment can be made for up to five months.
- Account statement inquiry can be made for up to 12 months.

(3) Chinese Yuan (CNY) has been added to the outward remittance service, allowing customers to make funds transfer in CNY to DBS Bank Limited in Singapore.

2. Business expansion within the region: In alignment with KBank’s strategies, we have focused on developing products and services as follows:

- Upgraded services in the Socialist Republic of Vietnam: Our representative office in Ho Chi Minh City was upgraded to the status of an international branch - the first KBank branch in Vietnam. We have prioritized internet banking, digital lending and funds transfer services with other financial institutions, both private and public.
- Launched an internet banking service in Kingdom of Cambodia
- Introduced an e-Visa service in the Federal Republic of Germany, Republic of Austria, Republic of Finland, Kingdom of the Netherlands, Kingdom of Belgium and Switzerland.



Business Assets

Main Fixed Assets for Business Operations

Premises and equipment

As of December 31, the Bank and its subsidiaries' premises and equipment which are not used for mortgage and pledge, consist of the following:

(Unit : Million Baht)

TYPE	2021	2020	2019
Land	22,850	22,849	22,541
Building	37,795	36,492	33,180
Equipment	39,592	41,520	38,611
Others	186	60	259
Total	100,423	100,921	94,591
Less Accumulated depreciation	45,391	42,873	41,558
Impairment allowance	161	418	335
Premises and equipment - net	54,871	57,630	52,698

Long-Term Agreement

1. Lease Agreement

The Bank and its subsidiaries have lease agreement and recognise a right-of-use asset and a lease liability. Lease liabilities as of December 31, consisted of:

(Unit : Million Baht)

Period	2021	2020
Within 1 year	1,250	1,242
Later than 1 year but not later than 5 years	1,245	1,333
Later than 5 years	96	69
Total undiscounted lease liabilities	2,591	2,644
Lease liabilities include in the statement of financial position	2,550	2,561

The Bank and its subsidiaries were committed to pay future rentals as of December 31, 2019 and 2018, which are summarised as follows:

(Unit : Million Baht)

Period	2019	2018
Within 1 year	2	2
Later than 1 year but not later than 5 years	1,386	1,116
Later than 5 years	1,911	2,666
Total	3,299	3,784

2. Service Agreement

The Bank and its subsidiaries entered into an Information Technology Service, under which the service agreement will be provided until August 31, 2024. As of December 31, 2021, 2020 and 2019, the Bank and its subsidiaries were committed to pay total service fees of Baht 1,798 million, Baht 2,875 million and Baht 2,801 million, respectively.



1.3 The Shareholder Structure of KASIKORNBANK

KASIKORNBANK's Investments in Subsidiaries and Associated Companies

Subsidiaries and Associated Companies

The definitions of subsidiaries and associated companies are in alignment with those specified in the Thai Financial Reporting Standards, which KBank discloses in the Notes to the Financial Statements.

Investment Policy

Our investment policy can be summarized as:

Strategic Investments

KBank invests in companies for strategic benefits. KBank and such companies collaborate in the review of business strategies and synergies through the sharing of various resources, equipment, tools and channels to efficiently meet the needs of customers, with minimal operational redundancies.

Outsourcing Investments

KBank invests in companies that support our operations. These are companies providing services in place of KBank units that are not our core business and would be relatively inflexible under KBank's operation. Our executives are appointed as directors of these companies to oversee their management and operating policies. These directors are assigned to maintain control over such firms' operations, which helps to ensure that their undertakings are in accordance with standardized service quality and maximized efficiency, and are thus of benefit to KBank.

In 2021, KBank expanded its investment in the following companies which are part of KASIKORNBANK FINANCIAL CONGLOMERATE:

1. KUBIX DIGITAL ASSET CO., LTD. (KUBIX): Wholly-owned by KBank through KASIKORN X CO., LTD. with a registered capital of Baht 70 million, the company operates as an initial coin offering (ICO) portal.
2. KASIKORN VISION FINANCIAL PTE. LTD.: Located in Republic of Singapore, it is a wholly-owned subsidiary of KBank with registered capital of USD 100,000 and operates a holding business.



Investments of KASIKORNBANK in Other Companies

As of December 31, 2021

The following is a list of companies in which KASIKORNBANK made investments, in the form of shareholding of 10 percent or more of the total number of shares issued.

No.	Name of Company	Location of Corporate Headquarters	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Total Number of Paid-up Shares ⁽¹⁾	Total Number of Shares Held ⁽¹⁾	Proportion of Total Shares Held (%)	Type of Share
1	KASIKORN ASSET MANAGEMENT CO., LTD. Tel.: 02-6733888 Fax: 02-6733988	Bangkok	Fund Management	135.77	135.77	27,154,274	27,154,274	100.00	Common Share
2	KASIKORN RESEARCH CENTER CO., LTD. Tel.: 02-2731144 Fax: 02-2701218	Bangkok	Service	10.00	10.00	100,000	100,000	100.00	Common Share
3	KASIKORN SECURITIES PCL Tel.: 02-7960000 Fax: 02-7960009	Bangkok	Securities Business	501.00	500.01	100,001,877	99,996,096	99.99	Common Share
4	KASIKORN LEASING CO., LTD. Tel.: 02-6969999 Fax: 02-6969966	Bangkok	Auto Hire Purchase & Leasing	900.00	900.00	90,000,000	90,000,000	100.00	Common Share
5	KASIKORN FACTORY & EQUIPMENT CO., LTD. Tel.: 02-2902900 Fax: 02-2903000	Bangkok	Equipment Leasing	160.00	160.00	1,600,000	1,600,000	100.00	Common Share
6	KASIKORN GLOBAL PAYMENT COMPANY LIMITED Tel.: 02-0088820	Bangkok	Service	200.00	120.00	2,000,000	2,000,000	100.00	Common Share
7	KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. Tel.: 02-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
8	KASIKORN LABS CO., LTD. Tel.: 02-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
9	KASIKORN SOFT CO., LTD. Tel.: 02-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
10	KASIKORN INFRA CO.,LTD. Tel.: 02-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
11	KASIKORN SERVE CO., LTD. Tel.: 02-4705555	Nonthaburi	Service	10.00	10.00	100,000	100,000	100.00	Common Share
12	KASIKORN X CO., LTD. Tel.: 02-4705555	Nonthaburi	Service	150.00	150.00	1,500,000	1,500,000	100.00	Common Share
13	KASIKORN VISION CO., LTD. Tel.: 02-5628918	Bangkok	Investment in Other Companies	8,000.00	8,000.00	800,000,000	800,000,000	100.00	Common Share
14	KASIKORN VISION FINANCIAL PTE. LTD.	Singapore	Investment in Other Companies	3.37	3.37	100,000	100,000	100.00	Common Share
15	Muangthai Group Holding Co., Ltd. Tel.: 02-2764859 Fax: 02-2764859	Bangkok	Investment in Other Companies	458.66	458.66	45,865,949	23,391,635	51.00	Common Share
16	KASIKORNTHAI BANK LIMITED Tel.: (856) (21) 410 888 Fax: (856) (21) 410 889	Lao PDR	Banking	1,607.98	1,607.98	42,000,000	37,800,000	90.00	Common Share
17	KASIKORNBANK (CHINA) CO., LTD. ⁽²⁾ Tel.: (86) (755) 8229 1298 Fax: (86) (755) 8828 6897	China	Banking	14,765.73	14,765.73	-	-	100.00	Common Share
18	K-SME Venture Capital Co., Ltd. Tel.: 02-4702044	Bangkok	Venture Capital	50.00	50.00	5,000,000	5,000,000	100.00	Common Share

Note:

⁽¹⁾ Total number of paid-up shares and total number of shares held include common shares and preferred shares.

⁽²⁾ KASIKORNBANK (CHINA) CO., LTD. does not specify the amount of shares.



No.	Name of Company	Location of Corporate Headquarters	Type of Business	Registered Capital (Million Baht)	Paid-up Capital (Million Baht)	Total Number of Paid-up Shares ⁽¹⁾	Total Number of Shares Held ⁽¹⁾	Proportion of Total Shares Held (%)	Type of Share
19	BEACON VENTURE CAPITAL COMPANY LIMITED Tel.: 02-0177110-1	Nonthaburi	Venture Capital	3,735.00	3,735.00	373,500,000	373,500,000	100.00	Common Share
20	Phethai Asset Management Co., Ltd. Tel.: 02-5626401-25 Fax: 02-2733171	Bangkok	Asset Management	1,400.00	1,400.00	140,000,000	140,000,000	100.00	Common Share
21	PROGRESS PLUS CO., LTD. Tel.: 02-2252020 Fax: 02-2252021	Bangkok	Service	6.00	6.00	60,000	60,000	100.00	Common Share
22	PROGRESS APPRAISAL CO., LTD. Tel.: 02-2706900 Fax: 02-2785035	Bangkok	Service	5.00	5.00	5,000	5,000	100.00	Common Share
23	PROGRESS GUNPAI SECURITY GUARD CO., LTD. Tel.: 02-2733900 Fax: 02-9806265	Bangkok	Service	20.00	20.00	200,000	200,000	100.00	Common Share
24	PROGRESS MANAGEMENT CO., LTD. Tel.: 02-2751880 Fax: 02-2751889-91	Bangkok	Service	20.00	6.00	60,000	60,000	100.00	Common Share
25	PROGRESS FACILITIES MANAGEMENT CO., LTD. Tel.: 02-2733288-91 Fax: 02-2733292	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
26	PROGRESS SERVICE SECURITY GUARD CO., LTD. Tel.: 02-2733293-4 Fax: 02-2733292	Bangkok	Service	2.00	2.00	20,000	20,000	100.00	Common Share
27	PROGRESS STORAGE CO., LTD. Tel.: 02-2733833 Fax: 02-2714784	Bangkok	Service	3.00	3.00	30,000	30,000	100.00	Common Share
28	PROGRESS H R CO., LTD. Tel.: 02-2701070-8 Fax: 02-2701068-9	Bangkok	Service	1.00	1.00	10,000	10,000	100.00	Common Share
29	PROGRESS SERVICE SUPPORT CO., LTD. Tel.: 02-4705420 Fax: 02-8888882	Nonthaburi	Service	4.00	4.00	40,000	40,000	100.00	Common Share
30	PROGRESS COLLECTION CO., LTD. Tel.: 02-4705284 Fax: 02-4705288	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
31	PROGRESS TRAINING CO., LTD. Tel.: 02-4706273 Fax: 02-4703198	Bangkok	Service	1.70	1.70	17,000	17,000	100.00	Common Share
32	Processing Center Co., Ltd. Tel.: 02-0290290 Fax: 02-0290292	Bangkok	Service	50.00	50.00	500,000	150,000	30.00	Common Share
33	National ITMX Co., Ltd. Tel.: 02-5587555	Nonthaburi	Service	50.00	50.00	500,000	133,666	26.73	Common Share
34	BCI (THAILAND) CO., LTD. Tel.: 02-0290200	Nonthaburi	Service	530.00	530.00	53,000,000	11,750,000	22.17	Common Share
35	THAI PAYMENT NETWORK COMPANY LIMITED Tel.: 02-0179900 Fax: 02-0179928	Bangkok	Payment Switching Network	786.00	786.00	7,860,000	2,620,000	33.33	Common Share
36	Muangthai Holding Co., Ltd. Tel.: 02-6932729, 02-2902214	Bangkok	Investment in Other Companies	456.00	456.00	45,600,000	4,560,000	10.00	Common Share
37	SUPERNAP (Thailand) Company Limited Tel.: 033-125100 Fax: 033-125100	Chon Buri	Service	2,000.00	2,000.00	200,000,000	20,000,000	10.00	Common Share
38	Unitas Co., Ltd. Tel.: 02-2626000, 02-2490491 Fax: 02-2626354	Bangkok	Land Rental	11.05	5.53	110,532	11,053	10.00	Common Share
39	Zin Suaph Co., Ltd. Tel.: 02-2212841 Fax: 02-2215895	Bangkok	Service	6.00	3.00	6,000	600	10.00	Common Share
40	Heng Leasing and Capital Public Company Limited Tel.: 02-1539587 Fax: 053-350490	Chiang Mai	Loan, Hire Purchase, Leasing	3,810.00	3,810.00	3,810,000,000	381,000,000	10.00	Common Share

Note:

⁽¹⁾ Total number of paid-up shares and total number of shares held include common shares and preferred shares.⁽²⁾ KASIKORNBANK (CHINA) CO., LTD. does not specify the amount of shares.



Shareholder Structure

List of the First 10 Major KASIKORNBANK Shareholders*

The Bank has set the record date on September 9, 2021 to determine the shareholders who have the right to entitled receive dividend payment on September 23, 2021.

Rank	Name	Number of Common Shares	Percentage of Common Shares
1	THAI NVDR CO., LTD.	433,435,423	18.294
2	STATE STREET EUROPE LIMITED	173,157,647	7.308
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	106,986,273	4.515
4	SOCIAL SECURITY OFFICE	99,045,000	4.180
5	THE BANK OF NEW YORK MELLON	75,711,456	3.195
6	STATE STREET BANK AND TRUST COMPANY	35,659,437	1.505
7	HSBC BANK PLC-PRUDENTIAL ASSURANCE COMPANY LIMITED	27,958,700	1.180
8	BNY MELLON NOMINEES LIMITED	24,846,299	1.049
9	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	24,582,885	1.038
10	SE ASIA (TYPE B) NOMINEES LLC	22,035,720	0.930
	OTHERS	1,345,908,753	56.806
	Total paid-up capital	2,369,327,593	100.000
	THAI SHAREHOLDERS	1,506,890,365	63.600
	FOREIGN SHAREHOLDERS	862,437,228	36.400

Note: * The Top 10 shareholders are ranked by Thailand Securities Depository Co., Ltd.

KASIKORNBANK's common shares at September 9, 2021

Registered capital: 3,024,682,097 shares, at Baht 10 per share, totaling Baht 30,246,820,970

Paid-up capital: 2,369,327,593 shares, at Baht 10 per share, totaling Baht 23,693,275,930



Changes in KASIKORNBANK Shares Held by Directors and Executives in 2021

As of December 31, 2021

No.	Name	Position	KBank Shares Held as of December 31, 2020	KBank Shares Held as of December 31, 2021	Increase/ (Decrease) in KBank Shares Held in 2021	Percentage of Shares Held (%)
1	Ms. Kobkarn Wattanavrangkul	Chairperson of the Board	1,200	1,200	0	0.000
	Spouse and minor children		-	-	-	-
2	Ms. Sujitpan Lamsam	Vice Chairperson	3,000,000	3,000,000*	(800,000)* 800,000	0.127
	Spouse and minor children		-	-	-	-
3	Ms. Kattiya Indaravijaya	Chief Executive Officer	-	-	-	-
	Spouse and minor children		-	-	-	-
4	Mr. Pipit Aneaknithi	President	-	-	-	-
	Spouse and minor children		-	-	-	-
5	Mr. Patchara Samalapa	President	-	-	-	-
	Spouse and minor children		-	-	-	-
6	Mr. Krit Jitjang	President	920	920	0	0.000
	Spouse and minor children		-	-	-	-
7	Dr. Pipatpong Poshyanonda	President	35	35	0	0.000
	Spouse and minor children		-	-	-	-
8	Sqn.Ldr. Nalinee Paiboon, M.D.	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
9	Mr. Saravoot Yoovidhya	Independent Director	975,800	975,800	0	0.041
	Spouse and minor children		-	-	-	-
10	Dr. Piyasvasti Amranand	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
11	Mr. Kalin Sarasin	Independent Director	1,200	1,200	0	0.000
	Spouse and minor children		260	260	0	0.000
12	Mr. Wiboon Khusakul	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
13	Ms. Suphajee Suthumpun	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
14	Mr. Sara Lamsam	Director	721,240	721,240	0	0.030
	Spouse and minor children		-	-	-	-
15	Mr. Chanin Donavanik	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-



No.	Name	Position	KBank Shares Held as of December 31, 2020	KBank Shares Held as of December 31, 2021	Increase/ (Decrease) in KBank Shares Held in 2021	Percentage of Shares Held (%)
16	Ms. Jannisa Kuvichkul Chakrabandhu Na Ayudhya	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
17	Ms. Chonchanum Soonthornsaratoon	Director and Legal Adviser	-	-	-	-
	Spouse and minor children		-	-	-	-
18	Mr. Suroj Lamsam	Director	N/A	-	N/A	-
	Spouse and minor children		N/A	-	N/A	-
19	Dr. Adit Laixuthai	Senior Executive Vice President	284	284	0	0.000
	Spouse and minor children		-	-	-	-
20	Mr. Thiti Tantikulanan	Capital Markets Business Division Head	-	-	-	-
	Spouse and minor children		-	-	-	-
21	Mr. Jirawat Supornpaibul	Private Banking Group Head	-	-	-	-
	Spouse and minor children		-	-	-	-
22	Mr. Chongrak Rattanapian	Senior Executive Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
23	Mr. Silawat Santivisat	Senior Executive Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
24	Ms. Wasana Surakit	First Senior Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
25	Ms. Natcha Argasreog	First Senior Vice President	220	220	0	0.000
	Spouse and minor children		-	-	-	-
26	Ms. Khajarin Maintaka	Financial Planning Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-
27	Ms. Prapasra Uttamavetin	Financial Planning Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-

Remarks:

* There were sale and purchase transactions of KBank shares in 2021.

N/A: Mr. Suroj Lamsam was appointed as Director on April 9, 2021. Hence, number of shares held as of December 31, 2020 are not applicable for comparison.



1.4 Registered and Paid-up Capital

Registered and Paid-up Capital

As of December 2021, KBank's registered capital stood at Baht 10 per share, represented in 3,024,682,097 shares, totaling Baht 30,246,820,970 and paid-up capital stood at Baht 10 per share, represented in 2,369,327,593 shares, totaling Baht 23,693,275,930.

KBank's Obligation in Future Share Issuance

KBank has an obligation to issue 50,000,000 new ordinary shares to cover the exercising of warrant holders (KBANK employees, except for directors) in purchasing KBANK ordinary shares.

1.5 Other Securities Issuance

Name	Type	Amount (Unit: Million)	Currency	Tenor (Year)	Interest Rate per Annum	Interest Payment Period
Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No. 1/2016 due 2027	Unsecured	7,500	Baht	10.5	3.50%	Quarterly
Floating Rate Notes due 2021	Unsecured	10	USD	5.5	LIBOR3M +1.00%	Quarterly
Senior Unsecured Notes due 2022	Unsecured	400	USD	5.5	2.375%	Semi-annually
Senior Unsecured Notes due 2023	Unsecured	400	USD	5.5	3.256%	Semi-annually
Floating Rate Notes due 2023 (Sustainability Bond)	Unsecured	100	USD	5	LIBOR3M +0.95%	Quarterly
Floating Rate Notes due 2023	Unsecured	15	USD	5	LIBOR3M +0.95%	Quarterly
Tier II Subordinated Notes due 2031	Unsecured	800	USD	12	3.343%	Semi-annually
Additional Tier I Subordinated Notes	Unsecured	500	USD	Perpetual	5.275%	Semi-annually
Additional Tier I Subordinated Notes	Unsecured	350	USD	Perpetual	4%	Semi-annually
Euro Denominated Short-Term Debentures of KASIKORNBANK PCL Series 5 Due January 7, 2022	Unsecured	80	EUR	0.54	-0.28%	Pay once upon maturity



Name	Type	Amount (Unit: Million)	Currency	Tenor (Year)	Interest Rate per Annum	Interest Payment Period
Euro Denominated Short-Term Sustainability Debentures of KASIKORNBANK PCL Due February 25, 2022	Unsecured	155	EUR	0.50	-0.26%	Pay once upon maturity
Euro Denominated Short-Term Debentures of KASIKORNBANK PCL Series 6 Due March 31, 2022	Unsecured	130	EUR	0.50	-0.26%	Pay once upon maturity

1.6 Dividend Policy

The Bank's Dividend Policy

In determining dividend payments, the Bank will take into consideration its operating results as well as long-term returns to shareholders. Dividend payments will be in accordance with Article 32 of the Bank's Articles of Association, stating that no dividend shall be paid out of any money, other than profits. In the event that the Bank has an accumulated loss, no dividend shall be paid.

Dividend shall be paid equally, according to the number of shares. Payment of dividend shall be subject to shareholders approval. The Board of Directors may pay to the shareholders the interim dividend from time to time, if there is sufficient profit for such payments, and shall report the same to the shareholders at the next shareholders meeting. Dividend payments must also be in compliance with statutory and regulatory requirements.

The Dividend Policies of Subsidiaries

The Bank has not fixed a dividend payout ratio for subsidiaries.

Dividend payments of subsidiaries to the Bank must be in accordance with each company's regulations on dividend payments that must be approved by a resolution of their General Meeting of Shareholders. The Board of Directors may pay to the shareholders the interim dividend from time to time if there is sufficient profit for such payments. If there is an operating loss, dividend payments are barred until such losses are recovered. In addition, at least one-twentieth (1/20) of net profit after accumulated loss must be set aside as reserves until the reserves reach one-tenth (1/10) of a company's authorized share capital. Dividend payments must also be in compliance with statutory and regulatory requirements.

KBank's Dividend Payout in the past Five Years

	2021	2020	2019	2018	2017
Net Profit Ratio per Share (Baht)	15.77	12.42	16.18	16.07	14.35
Dividend Ratio per Share (Baht)	3.25	2.50	5.00	4.00	4.00
Dividend Payout Ratio to Net Profit (%)*	23.91	23.73	34.43	29.40	32.80

Note: * Bank only





2. Risk Management*

2.1 Overall Risk Management

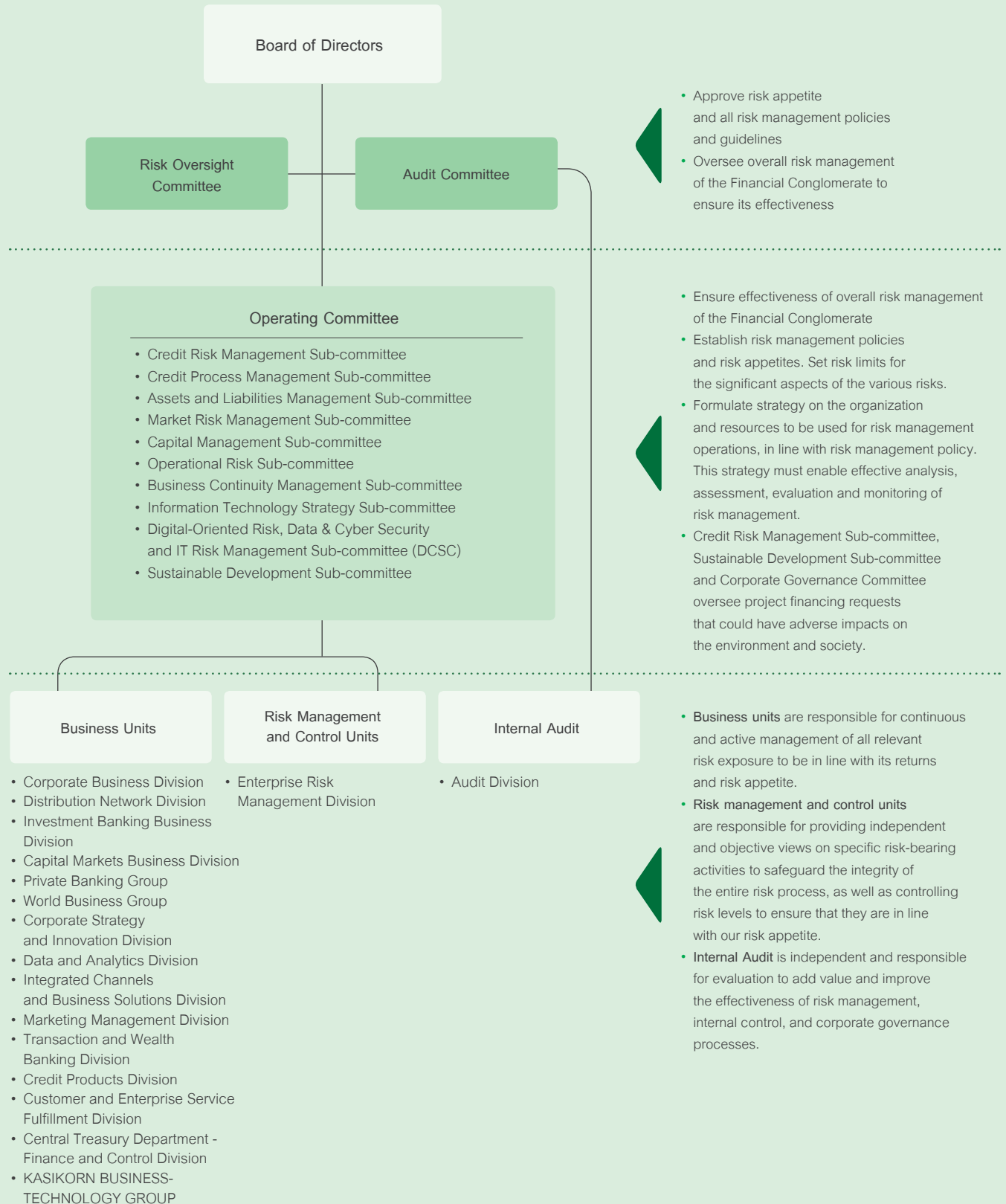
Risk Management is an integral part of our organizational culture. We have established risk management policy and risk appetite, and risk management has been taken into account when formulating our strategies and business undertakings to support business growth. This is to ensure sustainable profitability and maximize stakeholders' returns. KBank's risk management strategy has been established in line with international guidelines and principles, and applied throughout the Conglomerate. We engage in a consolidated risk management framework that emphasizes management of risks, e.g., credit, market, liquidity, operational, digital and strategic risks. KBank's risk management structure clearly determines duties and responsibilities of relevant units, including an independent risk management unit, while risk-adjusted performance measurement has been applied with each business unit.

KBank's risk, capital and liquidity management is under the supervision of the Board of Directors, which is responsible for ensuring the appropriate level of capital and liquidity to accommodate our present and future business operation. Meanwhile, KBank ensures that policies, processes and systems for controlling, monitoring and reporting risks, capital and liquidity are in place whereas segregation of duties and reporting lines are clearly defined in conformity with the good internal control principle. We also emphasize thorough, accurate and regular disclosures on risk, capital and liquidity management to the public.

* Details of risk management and other related information, in accordance with the Bank of Thailand Pillar 3 requirement and disclosure principles, are shown in "the Basel III Pillar 3 Disclosure" section on KBank's website. Moreover, details on Responsible Lending and Investment in accordance with Environmental, Social and Governance (ESG) criteria can be found in Sustainability Report 2021.



Risk Management Structure





Key Developments to Strengthen Risk Management

KBank places great emphasis on effective and timely risk management. Risk management policies, tools and processes have been developed and are reviewed regularly to guard against rising risk trends in line with market volatility, and to ensure that they are appropriate for changes in regulatory requirements, including domestic and global economic policies. Relevant actions taken were as follows:

- **Develop management guidelines and processes for managing environmental, social and governance (ESG) risk as well as climate-related risk in line with responsible lending principles:** Impact of KBank's credit support has been assessed across all dimensions while climate-related risks, opportunities and impacts have been analyzed and assessed under various assumptions. The results have been used in the formulation of strategic plans, ESG credit policy and portfolio management plans. Focus has been on minimizing negative impacts while maximizing positive effects on the environment, society and economy in conformity with KBank's goals so that the target can be achieved.
- **Establishment of proactive risk management amid the COVID-19 pandemic:** KBank implemented preventive and monitoring measures for coping with COVID-19, which allowed continuity in our services and mission critical activities (MCA) with safety. We prioritized hygiene and employee morale support along with adherence to public health measures and guidelines for distancing, mask wearing, hand washing and testing (D-M-H-T). Meanwhile, we have employed technology to support employees in working from home while dividing them to work from split sites and floors in order to minimize the risk of cluster infections. In addition, we have formulated strategies for management of COVID-19 risk and implementation of assistance measures for all stakeholders, including customers, employees, suppliers, shareholders, society and community.
- **Enhance impairment provisioning process under TFRS9 standard:** Credit risk models, asset classification criteria, provisions, and economic factors determination have been enhanced in accordance with TFRS9 standards. Credit risk management process has been enhanced to be consistent with asset classification and provisioning under TFRS9. Along with this, we have initiated a dynamic provisioning plan to cope with potential impacts of asset quality deterioration in this time of economic uncertainty from the new wave of the COVID-19 pandemic.
- **Improve stress testing processes and models** to ensure that our business growth is within the risk appetite with enhanced efficiency in risk and capital management as well as assessment of capital adequacy and liquidity position. KBank focuses on improvement of forward-looking and preventive portfolio management in the midst of a highly volatile economic environment, in conformity with the Bank of Thailand's regulations and directions. We have also developed a susceptible-exposed-infectious-recovered (SEIR) model accounting for government policies including vaccination and lockdown measures in order to predict infection incidents, as well as economic impacts via Google Mobility Index that is correlated to private consumption in order to identify pandemic-hit customer segments. So doing allows us to ensure enhanced efficiency in analysis, monitoring and management of customer risk profiles.
- **Active Credit Portfolio Management (ACPM) appropriate for each customer segment to manage impacts of COVID-19:** We have employed customer transaction data for risk analysis and assessment. Customers have been classified by impacts and their debt servicing ability, which has allowed us to provide them with appropriate relief measures. This includes restructuring for business customers and debt relief measures for retail customers to ease the impacts of the COVID-19 pandemic, ensuring that KBank can maintain sustainable growth within risk appetite under normal and stress scenarios.
- **Active Credit Portfolio Management (ACPM) via analysis of economic value (EV) of new loan:** We have assessed risk-adjusted performance of credit portfolio while vintage analysis has been conducted to measure new customers' asset quality. This will serve as a dynamic strategic planning mechanism to ensure the Bank's appropriate risk-adjusted return within a risk appetite level.



- **Continuous upgrade of information security management to meet global standards:** KBank's information security management system has been awarded ISO 27001:2013 certification for the eighth consecutive year. We were also awarded PCI DSS V3.2.1 for our credit card data security system, which covers Payment Gateway on Cloud available for card accepting merchants, and PCI PIN Security V3.0 for the security system for card use at ATMs.
- **Strengthening of customers' data protection and privacy management:** A working group has taken steps to ensure preparedness in compliance with the Personal Data Protection Act (PDPA) which will come into force in June 2022. The actions include policy revision, and process and technology updates covering control measures and relevant infrastructure to support consent management and customers' exercising of rights. Moreover, we have continually communicated to employees to ensure that they recognize the importance of compliance with the PDPA while the progress reports have been reviewed and presented to KBank's executives on a regular basis.
- **Implementation of measures for controlling advanced threats** including advanced threat prevention, e.g., enhancement of capability of various cyber security solutions to prevent zero-day attacks, proactive threat detection, e.g., increase visibility to detect external threats, and timely and effective threat response in order to stay ahead of fast-changing cyber threats that are always becoming more diverse and sophisticated.
- **Reinforcing a cyber hygiene culture** that involves the Board of Directors, management, employees, customers, business partners and suppliers, through dissemination of knowledge in various media such as a cyber awareness campaign for customers, e-Learning, security newsletter, cyber news alert, and infographics. Moreover, a phishing drill exercise was conducted to raise employees' awareness of the phishing threat.
- **Establishment of End-to-End Product Management Framework (PMF)** to ensure that all key products and services are managed efficiently, aligned with customers' needs and controlled with acceptable risk level.



KBank unveiled the SATI campaign to equip consumers with relevant knowledge and tips so as to avoid online loan scams.

- **Establish operational guidelines and appropriate control for risk management and positive customer experience among risk-related units** to be more integrated and efficient by setting up the Risk and Customer Working Group (RCWG) which consists of key members from related parties. The enhancement is to ensure that the Bank can provide various products and services to align with customers' needs and prepare for business growth in the digital world more efficiently, while key risks and compliance issues are defined and managed securely and appropriately.



- **Enhancement of Business Partner and Third-Party Risk Management** which covers risk assessment, selection process, contract preparation, risk monitoring and termination of service with business partners and third party to ensure that risk management of service provision, system interface, or data access by third party is managed appropriately in line with related regulations.
- **Continual enhancement of fraud management and intelligent system** to ensure enhanced security for customers' transactions and increased efficiency in fraud detection in various forms for a broader coverage.
- **Put in place market conduct management** accounting for customers' demand, financial status and understanding to ensure that customers receive fair service and treatment with complete and accurate information about products and services for positive customer experience.
- **LIBOR discontinuation preparation:** To ensure KBank's readiness for LIBOR cessation, KBank has continually handled all related aspects, including legal issues and contracts, communication, as well as risk management and system. KBank executed more transactions referencing THOR (Thai Overnight Repurchase Rate-Thailand's new benchmark rate) to replace THBFIX (Thai Baht Interest Rate Fixing) transactions. Meanwhile, our preparation also focuses on transactions referencing existing interest rates to ensure a smooth transition in Thailand's financial markets.

2.2 Emerging Risks

KBank is prepared for numerous challenges over the next five years. Aside from impacts on economic and business trends, they could affect the commercial banking business, directly and indirectly. In detail:

Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
Climate-related Risk	Climate-related risk consists of two types of risk, namely physical risk such as floods, drought, etc. and transition risk that arises from changes in policies and regulatory requirements, technologies and markets, such as implementation of carbon tax measures, and changing consumer behavior on account of increased environmental concerns.	Physical risk arising from climate change-induced disasters - whether of short- or long-term consequence - is set to emerge with greater frequency and intensity. This phenomenon may have a direct impact on the business sector throughout supply chains and be catastrophic to properties of customers and KBank, alike. Aside from business disruption, we may have to bear hefty costs for prevention and rectification of any adverse impacts.	<p>KBank is aware of risk and always recognizes the importance of the impacts of our business operations on the environment and society. As they could have adverse effects on our image and lead to KBank's financial loss, we have therefore established operational guidelines as follows:</p> <ul style="list-style-type: none"> • Integrate climate-related risk into Bank-wide risk management processes • Put in place governance structure, policies and management related to climate change • Assess risks, opportunities and impacts via climate-related scenario analysis in accordance with the guidelines of the Task Force on Climate-related Financial Disclosures (TCFD)



Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
Climate-related Risk (Continued)		<p>Meanwhile, the transition to a zero carbon society has led to changes in laws, regulations, policies and various practical guidelines for management of climate-related risk.</p> <p>This has caused the business sector to face increased costs through investment in additional equipment, compensation expense, research and development, opportunity cost stemming from delay in the start of commercial operations, project termination and asset impairment. Indirectly, we may also feel impacts should the businesses of our customers or sponsors suffer a tarnished reputation.</p> <p>Unless the business sector adjusts itself appropriately and in a timely manner, its competitiveness and debt servicing ability may inevitably be impacted. This may have repercussions for KBank's asset quality and eventually its financial standing.</p>	<ul style="list-style-type: none"> Assess the impacts of lending in support of various businesses at the portfolio level in the dimensions of economy, society and environment Conduct study on guidelines for setting the target of greenhouse gas emissions (GHG) reductions of industries that emit significant quantities of GHG for the formulation of sector strategy Promote collaborative action with our customers in the transition to a zero carbon society <p>All of these endeavors aim to mitigate climate-related risk, which will allow us to achieve our GHG reduction targets in alignment with Thailand's aspirations.</p>
Cyber Risk	<p>KBank endeavors to become a digital banking trailblazer. We aim to continually develop new formats of products and services via digital channels such as digital business, e-payment and digital assets. Along with this, we focus on system interface with our business partners and deployment of new technologies to meet customers' needs amid digitalization, wherein consumers are increasingly reliant upon digital technology.</p>	<p>Cyberattacks have direct impacts on KBank at multiple levels. To be more specific:</p> <ol style="list-style-type: none"> KBank's services could be disrupted if the Bank's computer systems are targeted; KBank's data could be accessed and released without authorization. <p>Aside from causing financial harm to KBank, cyberattacks could jeopardize customers' confidence towards KBank's services as well as its reputation. We may also be subject to penalties imposed by authorities if rules and regulations are violated.</p>	<p>KBank has implemented measures for cyber risk management that encompass work system and customers' data privacy via effective risk identification under the four processes, i.e., threat prevention, proactive threat detection, timely and effective threat response and the establishment of a cyber hygiene culture to ensure awareness of cyber threats at all levels - from the Board of Directors to executives, employees, customers, business partners and suppliers.</p> <p>To prevent and manage cyber threats Bank-wide, we have employed relevant tools while also bolstering our technological capabilities for controlling advanced threats and preventing zero-day attacks.</p>



Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
Cyber Risk (Continued)	Cyber threats are potentially disastrous. They may come in various forms coinciding with the evolution of more rapid and sophisticated technologies, such as cyberattacks on cloud computing or cyberattacks that target a large group of consumers, who are tricked into divulging confidential or personal information that may be used for fraudulent purposes. These include phishing and social engineering crimes, which may bring harm to individuals and organizations.	Meanwhile, customers could incur financial loss if they are attacked by cybercriminals.	Furthermore, KBank has enhanced our IT security management on a continual basis to meet global standards and in line with regulatory requirements, namely ISO 27001 certification, Payment Card Industry Data Security Standard (PCI DSS), Payment Card Industry PIN Security Requirements (PCI PIN Security) and the Personal Data Protection Act (PDPA).
Post-pandemic Risk	<p>Post-pandemic risk including the potential for newly emerging infectious diseases is deemed a key risk that KBank and other organizations around the globe must continually monitor and be prepared for. Focus must be on potential new outbreaks and resulting changes in society and business. The major challenge lies in the fact that the scope of any new outbreak's impact cannot be immediately determined due to uncertainty regarding its mutations, severity, and duration. In many cases, existing vaccines cannot provide a swift or complete resolution.</p> <p>Another challenge exists in change in people's ways of life towards the new normal. This affects customers' behavior demands, and employees' work format as well as process improvement and control.</p>	<p>The risk of new pandemics is likely to emerge in the foreseeable future. It could even escalate to the extent that there are wide-ranging effects on economic and social systems as well as KBank's operations. In detail:</p> <ul style="list-style-type: none"> • Customer Service: KBank will have to adjust the approach of our business operation and service to ensure safe and continual services for our customers in alignment with the need for digital services and products. We must also implement relief measures to assist pandemic-hit customers. • Adjustment of our work process and control: This must comprehensively cover our products and services via multiple channels as well as employees' work performance, taking into account their safety at work and support of their morale, and compliance with the government's guidelines. 	<p>KBank has established proactive measures for pandemic risk management. This ensures that we can continually operate our business and provide services to our customers, suppliers and other stakeholders without disruption. Our comprehensive business continuity plan covers pandemic prevention, monitoring and response to ensure greater flexibility and readiness for adjustment to rapidly changing circumstances. We have employed technology to support customer service, the offering of KBank products and our employees in working from home while dividing essential staff members to work from split sites and split floors under efficient work process control to ensure safety in their work at KBank's premises.</p> <p>Moreover, KBank has formulated a dynamic provisioning plan to cope with impacts from deterioration in asset quality in times of crisis. This effort has allowed KBank to provide relief measures to ease the adverse impacts on every stakeholder, namely customers, suppliers, shareholders, society and communities.</p> <p>Furthermore, we have improved stress testing processes and models for enhancement of our forward-looking and preventive portfolio management. So doing helps KBank to operate our business continually and sustainably.</p>



Emerging Risks	Description of Risks	Potential Business Impact of Risks	Mitigating Actions
Financial Landscape Risk	<p>Development of digital technology has created unprecedented opportunity for non-financial business operators as they can provide various financial transactions similar to those offered by financial institutions. This development has not only given rise to a new dimension of financial innovations which transcends the traditional services we had been accustomed to, but has also reshaped the financial landscape. This is a prelude to decentralized finance (DeFi), which has inevitably had a direct impact on the role of financial institutions.</p> <p>Moreover, the development of digital currencies - which will emerge as a medium for the exchange of values in place of physical fiat money - by both the private sector and central banks may bring about a major revamp of the global financial structure. This evolution will affect investment at the individual level, the maintenance of national economic equilibrium and financial stability. All of this may likely increase systemic risk in various forms, thus eventually affecting KBank's business operations.</p>	<p>Development of technology that connects every mechanism within the economic and financial system comes with both opportunities and risks for KBank. As an organization with ample advantages in terms of funding, business size and a broad customer base - including the public, private sector and retail customers, KBank has thus stood out among peers thanks to our readiness in technology development in step with the latest trends.</p> <p>On the downside, however, development of financial transaction-related technology via digital channels poses a major challenge for KBank. With the presence of non-banking service providers in the market, our role as a financial intermediary has been diminishing in a highly competitive market amid lower funding costs. This will prove to be a major challenge that KBank must confront. Along with this, we have to adopt an effective risk management approach and remain competitive in the market, while new players joining the fray may be required to comply with different rules and regulations governing each business.</p> <p>Moreover, the role of digital currencies and development of Retail Central Bank Digital Currency (Retail CBDC) including Stablecoin, going forward may affect KBank's business and transaction formats. This is particularly true for deposit mobilization - in terms of both pricing and volume. This new challenge may cause us to be exposed to greater risk, especially regarding management of volatility in money and capital markets as well as maintenance of our liquidity.</p>	<p>KBank is aware of the changing business context, ever-evolving consumer behavior and proliferation of new technologies. We therefore prioritize enhancement of our capabilities to ensure improved customer responsiveness and maintain our competitiveness, especially amid the presence of new players from various industries in the market. We have conducted research on decentralized finance (DeFi) via blockchain - a system that does not require financial intermediaries to ensure our readiness for development of services beyond the traditional banking realm so as to maintain our leadership as a digital banking service provider.</p> <p>Meanwhile, KBank has participated in the testing process for the use of Retail Central Bank Digital Currency (Retail CBDC), developed by the Bank of Thailand. The test, which is scheduled to take place in 2022, aims to promote understanding of Retail CBDC which can be applied to other KBank services and further developed for innovative use cases for the benefit of our customers.</p> <p>Moreover, KBank has expanded our investment in various digital asset-related businesses and blockchain technologies. For instance, we established a subsidiary to provide an initial coin offering (ICO) portal service in the primary market via blockchain. Moreover, KBank has invested in a consultant firm that offers digital asset advisory services. We have also developed a marketplace platform to support the creation and sales of non-fungible token (NFT) while forging a partnership with the Stock Exchange of Thailand in establishing Thai Digital Assets Exchange (TDX), which envisages being a central platform that connects investment to other asset classes. KBank continues to prioritize proactive integrated risk management and efficient capital management throughout our journey towards service enhancement in a changing competitive environment.</p>



2.3 Shareholder Risk Management

Investments in KBank common shares may incur shareholder risk, as the returns on investment, which vary with KBank share prices, share liquidity and investment overall, may not meet shareholders' expectation. Meanwhile, KBank dividend payments are also dependent upon KBank operating results. Therefore, shareholders may have returns that are higher or lower than their expectations.

Key risks and risk management guidelines employed by KBank are identified. However, risks other than those specified therein may be incurred; shareholders are urged to study all risk factors and cautiously deliberate upon any investment before making a decision given that KBank may not be able to prevent all risks that could arise, including the fluctuation of numerous factors that have the potential to affect KBank performance and dividend payments, e.g., domestic and international economic conditions, pandemic, political situations, capital movements, changes in government policies, and other unpredictable incidents. Furthermore, KBank's dispersed ownership structure, with its high incidence of foreign shareholding, could induce fluctuations in KBank share prices, particularly when there is incidental market concern towards the economic, pandemic, and political environment that could affect capital movements.

2.4 Risk Management

KBank has placed an emphasis on comprehensive risk management such as credit risk, market risk, liquidity risk, operational risk, digital risk and strategic risk, all of which are covered and properly managed.

Credit Risk Management

Credit risk refers to risk whereby a counterparty or borrower may default on contractual obligations or agreements, or have an intention not to abide by an agreement, resulting in losses to KBank. KBank thus places significance on credit risk management compatible with international standards and regulatory requirements, environmental impacts and climate change that may be caused by KBank business operations, to ensure sustainable growth and reasonable returns to stakeholders.

In 2021, KBank focused on customer service and credit risk management for every customer segment to ensure that risk levels are under acceptable risk appetite. Customers' businesses were challenged by the protracted COVID-19 pandemic and an uneven global economic and trade recovery. Meanwhile, digital disruption prompted KBank to focus more on stringent customer screening criteria while prioritizing sustainable assistance measures - particularly for small and micro businesses as well as retail customers - while also seeking to acquire customers with stronger financial status and sound debt servicing ability. Moreover, KBank has policy to integrate climate-related risk - which may affect customers' business operations through physical risk and transition risk, - as one of the factors for credit underwriting process and use it as one of the components in assessing impacts on the Bank's credit portfolio.

KBank also focused on portfolio management to maintain credit concentration within the established limits. Loan growth targets have been established in alignment with prevailing economic conditions, taking into account customer segments, product domains and industries, to maximize returns under a risk appetite. KBank has emphasized customers' early warning sign detection and behavior monitoring to ensure efficient monitoring, recovery and collection processes. Moreover, KBank has managed to appropriately set aside provision to cover expected credit loss, which is in line with our prudent business operations amid ongoing economic uncertainties and the protracted COVID-19 pandemic.

Credit Risk Management Policy

To achieve sustainable growth, our credit strategy focuses on a balance between portfolio value creation and protection within our risk appetite. Credit policy and related credit procedures must comply with this strategy and must be in line with laws, regulations, the Bank of Thailand's fair lending management guidelines, the government's policy adjustment and the plan that focuses on United Nations Sustainable Development Goals (SDGs), including how to cope with climate change impacts that may have on business operations in terms of risk and business opportunity.

KBank reviewed credit risk management policy, accounting for impacts on the environment and society, including the



launch of new products and services and operations in atypical circumstances such as management to mitigate impacts of COVID-19 on our customers, to ensure that all our customers, especially SMEs, can continue to operate their businesses with our suitable credit quality management. We have improved standards and guidelines for credit extension that are now more conducive to KBank's sustainable growth. Such revisions were monitored for their impacts on portfolios and updated for reference in KBank's database available to relevant users, covering criteria for credit granting, credit management process, and credit risk management tools.

Credit Risk Management Process

The COVID-19 pandemic has wide-ranging, devastating impacts. Given the high uncertainty, KBank has closely and continually monitored our customers and provided relief measures for affected customers along with assessment of business recovery trends under the prevailing circumstances to ensure effective risk management and prioritize assistance for our clients. We implemented appropriate aid measures for each customer segment in alignment with the government's guidelines. Noteworthy efforts in terms of assistance granted to customers included suspension of principal and interest payment, credit lines offered for liquidity enhancement, debt restructuring, soft loan facility and an asset warehousing program. Aside from close monitoring of borrowers under the relief measures, KBank focused on expansion of loans to customers with stronger financial status and sound debt servicing ability.

Moreover, customers' business operations may be affected by climate-related risk, including physical risk and transition risk regarding government policy, market and technology changes. KBank thus developed risk management processes accounting for these risks so as to minimize negative impacts or maximizing positive effects, as part of our efforts to assist our customers during the transition to a zero-carbon society.

A comprehensive credit risk management process, from portfolio management to recovery and collection, has been established. The process has been enhanced continuously and appropriately in line with international guidelines and practices so as to enhance business capability amid impacts from the COVID-19 pandemic while also contributing to collective actions in expeditiously addressing the climate change issues.

Portfolio Management

KBank emphasized active portfolio management in order to proactively respond to prevailing circumstances, particularly volatility of economic factors that could affect our customers and our portfolio quality. Via Active Credit Portfolio Management (ACPM) and stress testing, KBank can manage, identify and prioritize assistance for customers so as to implement measures to aid each customer segment in a timely manner. Meanwhile, KBank has also focused on portfolio management so as to control credit concentration within the established limits. Close monitoring of customer risk profile across all customer groups was undertaken and establish the loan growth target in alignment with prevailing economic conditions, taking into account customer segments, product domains and industry outlooks, to maximize returns under risk appetite.

Moreover, KBank has assessed the impact of our credit support to various businesses. We also conducted analysis and assessment of risks, opportunities and climate-related impacts under various assumptions which have been used for planning and formulating portfolio management strategies. Lending targets and frameworks have been established based on business types while accounting for financed emissions in accordance with portfolio adjustment to support the transition to a zero-carbon society and create long-term sustainable returns to all stakeholders.

KBank adopted credit risk management mechanisms as follows:

- Set up Credit Risk Management Sub-committee and Credit Process Management Sub-Committee**
 The committees managed a balance between credit risks, and process efficiency, accounting for Environmental, Social and Governance (ESG) risk, to ensure effective risk management and consistency in credit processes, thus allowing KBank to deliver a good customer experience and to be in conformity with the responsible lending guidelines and the principles of a Bank of Sustainability.
- Revise customer screening criteria on a regular basis to reflect customer risk profile.** Credit policy has been tailored for each customer segment. Industry pre-screening criteria, which can be used as a guideline for customer selection, have been established to classify customers based on sector risk levels.



- **Establish risk management mechanism in response to risk events which may affect our customers.** Early warning sign monitoring will trigger actions of responsible departments to assess impacts on affected customers and KBank by conducting in-depth analysis and stress testing. Thus, KBank shall be able to proactively prevent and solve any problems which may arise in a timely manner prior to deterioration of customers' debt servicing capability and overall credit quality of KBank.
- **Establish monitoring process for customers' credit line utilization and customer status via early warning signs.** Guidance has been provided for Relationship Managers (RMs) to contact customers at an early stage when early warning signs are detected.
- **Manage credit concentration risk** in terms of borrower group concentration, sectoral concentration and country concentration. Credit exposures are maintained within predetermined limits, which are in line with the Bank of Thailand's guidelines.

Credit Underwriting and Approval

KBank has formulated lending policy to ensure uniformity of good credit underwriting practices and comply with the Bank of Thailand's guidelines. Guidelines for preferable and discouraged practices are also defined to ensure quality of credit extension.

KBank's credit risk management is based on current, transparent and qualified data. The credit approval processes and systems are designed to align with customers' characteristics. Medium and large business customers with sophisticated financial needs are served by Relationship Managers (RMs) with thorough understanding of customers' business and financial profiles. RMs are responsible for analyzing and proposing suitable credit products, services and limits to match customers' needs, presenting credit proposal to credit underwriters according to the defined approval authorities, and continual monitoring customer status.

For retail customers whose main products comprise home loans, credit cards and other types of financing, including loans for small and micro businesses, KBank deploys credit scoring as a credit approval tool, focusing on verification of income and liability information accuracy and consistency of each customer. KBank has also focused efforts on credit approval process improvement, while ensuring risk levels under acceptable risk appetite.

Aside from the above practices, KBank realizes the importance of responsibility towards society and the environment in our credit underwriting. We do not support credit applicants or business types that are on the Exclusion List. Guidelines and policies for environmental and social impacts have been established for project finance requests at home and abroad, including project monitoring throughout the credit term. Moreover, commercial loan extension to SME and corporate customers must be undertaken via policy lending process with ESG assessment. In addition, KBank has developed sector-specific guidelines for assessment of environmental and social impacts.

Post-Credit Approval Operations

To achieve standardized and efficient credit operations, KBank has centralized credit operations covering legal and contract-related arrangement, preparation of collateral agreements, credit limit setup, credit disbursement, credit-related document storage and credit data support. KBank also set up processes to monitor compliance with contractual conditions.

Impairment Losses of Financial Assets

KBank has set aside allowance for impairment losses of financial assets by estimations of cash shortfalls based on the Thai Financial Reporting Standards, taking into account probability of default, the time value of money, consideration of all reasonable and supportable information, and macroeconomic forward-looking information.



Debt Quality Monitoring

KBank has developed risk indicators to monitor and control asset quality, as well as credit-utilization behavior, as early warning signals to prevent deterioration in credit quality. Credit bureau data is used to support credit limit renewals and credit quality monitoring, thus achieving greater efficiency.

Regarding debt collection from large business customers, KBank assesses customers' credit status closely, using established indicators to ensure timely management prior to delinquency. KBank has also set up guidelines, such as those for credit review and limit suspensions, specific to each customer segment, according to segment risk characteristics. Regarding small and micro business as well as retail customers, KBank issued assistance measures for them while also establishing collection strategies to better respond to the varied risk levels of different customer groups. KBank managed customers in such a way as to prevent them from becoming NPLs, with a focus on swift and efficient management of recovery and collection.

Credit Policy and Process Review

KBank has conducted a review of credit policy and process including credit proposal presentation, credit underwriting, contract preparation, credit review and asset quality monitoring and review, to ensure credit policy and process consistency and efficiency in alignment with regulatory requirements. KBank also utilized information from the review to support our credit management standard development.

Market Risk Management

Market risk may arise from changes in interest rate, foreign exchange, equity and commodity prices, as well as credit spreads. These changes affect KBank's and K Companies' present and future income, capital, the value of financial assets and liabilities as well as off-balance sheet items. KBank engages in a consolidated risk management framework through development of essential infrastructures and processes for timely and appropriate management of the market risk of financial products. In addition, we have established product management process for both existing and new products based on the business plan, covering transaction objectives and processes, market risk-related factors, risk analysis and potential impacts as well as risk assessment and control guidelines.

In 2021, the global economy faced significant headwinds amid the COVID-19 pandemic that had differing impacts on each country. The resulting divergence in each nation's economic conditions triggered volatility, especially among core economies which greatly influence the overall global economy. Several countries faced surging inflation, especially amid soaring energy prices in line with the global economic recovery. Many central banks thus signaled the sooner-than-expected implementation of tightening monetary policy. Meanwhile, debt defaults of large Chinese property firms fuelled anxiety among investors, leading to capital and money market volatility.

Meanwhile, the Thai economy had to contend with volatility triggered by both domestic and international factors as earlier mentioned. Domestically, the severe and prolonged COVID-19 outbreak prompted the Baht to nosedive to Baht 33.99 per USD - the lowest level since 2018, reflecting economic stability issues. At the same time, the implementation of fiscal policy in the form of public welfare so as to aid pandemic-stricken people and businesses and bolster the general public's purchasing power could pressure the country's fiscal stability over the long term. Under these circumstances, Thai government bond yields saw volatile movements during the given period.

For the 2022 outlook, the global economy once more faces uncertainty, triggered by transmission of the new COVID-19 variant amid soaring inflation and possible hikes in the US policy rate. Close attention should be paid to the US-China rift which could affect the Thai economy, either directly or indirectly, in the midst of gradual normalization of Thai economic activity and the society.

Market Risk in Trading Book Activities

KBank's trading activities are exposed to risks of interest rate, foreign exchange, equity and credit spreads. Moreover, KBank has chosen not to retain any position when dealing with commodity prices by managing market risk through a back-to-back policy. Our equity risk stems from equity underwriting and non-directional trading business, which we undertake only for serving customers' needs. KBank has processes in place to measure and control risks within the established limits, under the supervision and control of the Enterprise Risk Management Division.



Market Risk in Banking Book Activities

KBank is mainly exposed to interest rate, equity price and foreign exchange risks in banking book transactions, i.e.:

Interest Rate Risk in Banking Book Activities

Interest rate risk refers to risk incurred from changes in interest rates of assets and liabilities, as well as off-balance sheet transactions that are susceptible to interest rate fluctuations. These may, therefore, have an adverse impact on net interest income and economic value of KBank.

KBank manages its financial position to increase net interest income and economic value, based on adequacy of liquidity position. Therefore, KBank has established an interest rate risk management framework to ensure that our position is within the pre-specified risk limits, and that the impact of interest rate changes on net interest income or economic value of KBank is under control.

Moreover, KBank continued to closely monitor movements of interest rates and customers' behaviors to ensure the maximum efficiency in financial position and risk management.

KBank continually monitors interest rate risk in banking book activities by assessing interest rate risk gap to evaluate net interest income sensitivity over the next 12 months, based on an assumption of a 1.00-percent change in interest rates on all types of assets and liabilities at their re-pricing periods. The results of that risk assessment are shown below:

Net Interest Income Sensitivity to Interest Rate Change

(Unit : Million Baht)

For the Year Ending	Dec. 31, 2021
	+100 bps
THB	(2,263)
USD	(40)
CNY	(281)
Other Foreign Currencies	(162)
Total Effect of Interest Rate Change	(2,746)
% of Expected Net Interest Income (NII) in the next 1 year	(2.83)

Equity Risk in Banking Book Activities

KBank is exposed to equity risk from investment in equities, either directly or indirectly via funds. We have complied with regulations and procedures of relevant government agencies under the established risk framework. However, KBank has no policy to increase investments on equity that are not related to our financial business operations. Data analyses and close assessments of relevant events have been employed in order to manage equity investment to ensure maximum benefit of KBank.



Foreign Exchange Risk in Banking Book Activities

KBank is exposed to foreign exchange risk incurred from our overseas operations, investment and any activities related to banking book which incur foreign exchange exposure. KBank has chosen not to retain foreign currency position stemming from such activities, except where there is market limitation of risk hedging, or for the purpose of appropriate cost management in risk hedging during certain periods. KBank has a 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 Assets and Liabilities Management Sub-committee, with the goal of obtaining the most effective cost management under the risk limits approved by the Risk Oversight Committee and the Board of Directors.

Liquidity Risk Management

Liquidity risk is defined as the risk caused by a failure to obtain sufficient funds at appropriate costs to meet obligations when they come due, and/or an inability to convert assets into cash.

Liquidity in the banking system during 2021 was ample because deposits saw stronger growth than net loans. Meanwhile, liquidity management at given periods may vary from bank to bank, depending on its liquidity position and management guidelines. KBank has been fully equipped with tools for appropriate liquidity management both in terms of foreign currencies and Thai Baht to protect ourselves against any potential liquidity shortage. Aside from efficient monitoring of liquidity risk in light of situations that may incur risk indirectly, we have also adopted a Business Continuity Plan to guard against disruptions to essential operations and systems, allowing us to fulfill our obligations in the event of an emergency.

KBank has conducted liquidity risk assessment and analysis on a regular basis to ensure sufficient liquidity for our business operations through liquidity gap analyses, covering both normal and crisis situations, under three scenarios, i.e., liquidity crises that are either bank-specific, market-wide, or a combination of both circumstances.

KBank has also developed tools to assess and analyze liquidity risk that meet international standards including Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). Moreover, the Financial Conglomerate has developed tools for liquidity risk assessment and analysis on a continual basis in line with international standards. This allows us to devise an effective plan for overall liquidity management, including foreign currencies, along with review and revision of liquidity risk management processes and adjustment of our funding structure in response to changing market conditions and liquidity in the banking system. We determine appropriate strategies to maintain a suitable level of foreign currency liquid assets, consistent with growth in foreign currency deposits, and to guard against any heightened liquidity risk stemming from volatility in the global economy and fast changing financial markets, taking into account business growth potential.

Closely monitored factors that could affect our liquidity and interest rate risks include:

- Global and Thai economic outlook over the short and medium terms, including impacts from the US-China trade war and the COVID-19 pandemic
- Key policy rate trend of the Bank of Thailand and major central banks
- Direct and indirect foreign capital movements triggered by internal and external risks
- Intensified competition among financial institutions in savings and investment products that may affect overall liquidity in the banking system
- Increasing demand for loans which could generate pressure on liquidity in the system

Operational Risk Management

Operational risk refers to the risk of direct or indirect losses to a bank's revenue or capital resulting from incorrect or inadequate processes, personnel, operating and/or IT systems, or external events. KBank has thus placed importance on operational risk management through the development of policies and operational risk frameworks to enhance our operational risk management as a unified standard, prompting enhancements that allow us to assess risk and proactively seek preventive measures.



In 2021, KBank focused on strengthening operational risk management in various key areas to assure that customers will continually receive fair service and treatment and align with customer requirement under prudent and efficient risk management process. Key focus areas cover the establishment of proactive risk management amid the COVID-19 pandemic to ensure business continuity, the enhancement of product management throughout product cycle, the development of business partner and the third party risk management, improvement of system interface or access to data of customers or KBank, strengthening risk-related functions to be more integrated and efficient, and enhancement of market conduct management to ensure that customers receive fair service and treatment through efficient and practical process and management.

KBank has put in place Bank-wide climate-related risk consideration process, namely the identification, assessment and mitigation of climate-related impacts on KBank, to ensure business continuity and the protection of the lives and property of our customers, employees and other stakeholders. Risk consideration process has been undertaken as part of the overall risk management procedure every year or more than once a year to keep abreast of the latest trends, ensuring that we can cope with climate-related risks in a timely manner. In detail:

1. Risk identification: To identify the risk event and/or major climate-related threats, both physical and transition risk, based on the megatrends and related rules and regulations.
2. Risk assessment: To assess the overall risks in three levels, i.e., high, medium and low, by assessing risk impact, likelihood and effectiveness of control.
- 3 Risk management: KBank has in place risk management in order to prevent, monitor and response with risks. Regarding high-level risk, additional analysis will be conducted for prevention and rectification or further establishment of risk management measures. Moreover, KBank has prepared a business continuity plan (BCP) and IT disaster recovery plan (IT DRP) to cope with climate-related risk incidents that may affect our work and business operations.

Digital Risk Management

Digital risk refers to risk that may arise from financial service via digital channels, data management, cyber threats and the use of IT to support business operations. It may come from internal or external factors, possibly having adverse impacts on, or causing financial or non-financial losses to, KBank and our customers, either directly or indirectly.

Guided by the strategy of being at the forefront as a digital banking service provider in Thailand, we prioritize customer confidence and service security. Recognizing the importance of digital risk management, we have put in place measures for managing relevant risks under an operational risk management framework, and established additional IT risk management policies and framework to ensure standardized management that allows us to stay ahead of, and be able to efficiently and effectively cope with, sophisticated risk situations for enhanced efficiency in work processes, control and systematic risk management in line with related international standards such as ISO 27001 and ISO 31000, in accordance with the Bank of Thailand's policies and best practices.

In 2021, KBank conducted risk assessment and revised a plan for development of digital risk control system to be consistent with cyber threats and past performance. Significant risks include risk incurred from operations and IT that accommodate innovative financial services and products or new channels to respond to customers' needs, heightened risk in linkage with business partners, adoption of innovative technology to services, various types of cyber threats which have more severe impacts, as well as change in rules and regulations which become ever more stringent.

Overall, risk management focuses on risk controls for prevention, detection, response, recovery and creation of a cyber hygiene culture. The risk controls covers four areas including governance, policies, processes and technology, and people and culture. Key process can be summarized as follows.

- **Governance:** The Risk Oversight Committee is responsible for supervising risk management in alignment with risk management policy and strategy within the risk appetite.



- **Policies:** We have reviewed and revised relevant policies to be consistent with our organizational structure, our business vision, regulatory requirements, as well as capability to efficiently cope with present and future threats.
- **Processes and technology:** We have been given priority to continuous improvement of our information security management in both financial transactions and services, while also bolstering the capability to protect ourselves from advanced threats. Along with this, we have implemented data leakage preventive measures to protect our customer data.
- **People and culture:** KBank has bolstered personnel capabilities in line with our business directions, new risks and threats. We have emphasized the creation of a cyber hygiene culture and confidence of KBank's cyber security among four personnel groups, i.e., the Board of Directors and senior management, employees, customers, business partners and suppliers of KBank, via communications in different formats to keep them abreast of cyber risks as well as provision of knowledge related to best practices. In addition, the phishing drill exercises have been conducted to test how employees respond to phishing emails and fraudulent websites to ensure that they can identify phishing threats and can properly cope with them for efficient prevention.

Strategic Risk Management

Strategic risk refers to risks that arise from formulation and implementation of strategic and business plans that are unsuited to and inconsistent with internal factors and the external environment, which may affect earnings, capital fund or KBank's stability. KBank thus places emphasis on the integration of strategic risk management into the organization's strategy formulation and implementation process. The process begins with systematic data collection and analysis for use in review and determination of appropriate Bank-wide strategies, which are then translated into those for business and support units, and objectives and key results (OKRs). It also involves efficient resource allocation, organization-wide communication of strategic plans, establishment of clear operational plans and monitoring processes, as well as identification of problems and solutions.

For 2021, the key factor that significantly affected strategic risk was uncertainty stemming from the prolonged COVID-19 pandemic that became more severe than what was seen in 2020, thus causing economic activity across multiple. Meanwhile, the Bank has been exposed to operational risk incurred from compliance with government policies, including new rules and regulations and standards concerning the supervision of financial institutions, in order to extend assistance to pandemic-hit businesses and retail customers amid volatilities in global capital flows, caused by divergent recoveries across many countries, especially core economies.

KBank prioritizes strategic risk management in times of uncertainty. Our strategic risk management can be divided into two parts, as follows:

- **Strategic Risk Management for Strategic Content:** Key Risk Indicators (KRIs) for Strategic Content have been set up to enable us to review and adjust Bank-wide strategies as well as business units' strategic plans appropriately and in a timely manner amid changes in external and internal environments which affect business operations, including anticipation of upcoming changes for better preparedness regardless of circumstances.
- **Strategic Risk Management for Strategy Execution** is conducted by:
 - Preparing monthly financial performance reports and semiannual Balanced Scorecard (BSC) reports; we also arrange meetings regarding our strategies to address and manage specific issues, in order to achieve unified solutions.
 - Preparing and reporting performance of the business and support units and objectives and key results on a quarterly basis as a gauge for our practical guidelines, thus aligning with the established strategic plans.
 - Establishing KRIs for strategy execution which cover KBank infrastructure and resources.



3. Steering Business towards Sustainability

KBank operates its business in line with the principles of being a Bank of Sustainability, which covers three aspects, namely economy, society and environment, under good corporate governance and appropriate risk management. In 2021, KBank's key sustainable development operations are, as follows:

3.1 Adjustment of Sustainable Development Framework and Policy

In 2021, the Corporate Governance Committee presented the sustainable development policy for the Board of Directors' consideration and approval. The policy was updated, with emphasis placed on climate change management. In response to the Sustainable Goals of the United Nations and the Paris Agreement, KBank included 12 issues instead of the previous 10 issues in its sustainable development policy as part of a concerted effort to mitigate the impact of climate change.

3.2 Net Zero Commitment

The Board of Directors approved KBank's Net Zero commitment, as follows:



* Scope 1: Direct emissions from the activities of an organization including stationary combustion, fleet vehicles (organization-owned), chemical treatment of wastewater, as well as fugitive and process emissions.

Scope 2: Energy-indirect emissions, including an organization's purchased energy such as electricity, heat and steam.



Sustainable Development Framework and Policy

Goal

Commitment

Sustainable Development Policy

KBank places emphasis on the Sustainable Development Goals (SDGs) of the United Nations (UN) by giving priority to our Material Topics in order to create sustainable value to all stakeholders.



ECONOMIC ASPECT

Being an accountable bank to create sustainable profitability



We are committed to strong ESG principles to be a responsible and accountable bank.

1. Business operations defined by good corporate governance practices
2. Adherence to customer centricity by initiating financial innovations to meet every aspect of customers' needs
3. Efficient risk management focusing on environmental, social, and governance (ESG) issues
4. Market conduct and customer data security and privacy

SOCIAL ASPECT

Being a responsible corporate citizen to create a sustainable society



We are committed to developing strong relationships with employees and society to better livelihoods and increase prosperity.

1. Financial inclusion and financial literacy
2. "Best Place to Work, Learn and Lead" by embedding Green DNA and creating future-ready workforce
3. Respect for human rights and diversity
4. Development of youth potential as well as pursuit of environmental, public and social activities

ENVIRONMENTAL ASPECT

Ensuring environmental stewardship towards a Net Zero society

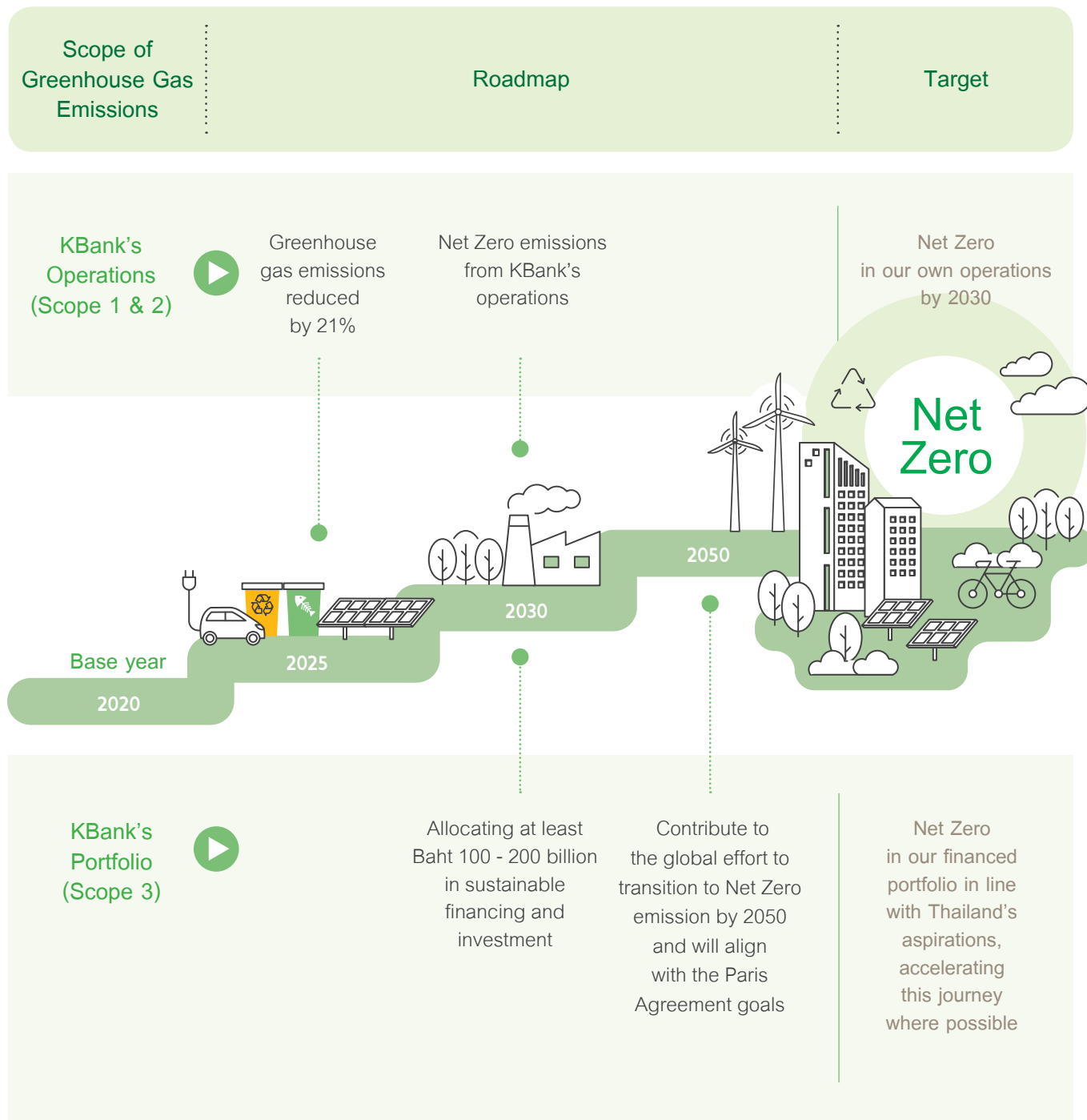


We are committed to preserving the environment and reducing the impact of climate change.

1. Net Zero bank in our own operations by 2030
2. Decarbonized financed portfolio emissions in line with Thailand's ambition, and at the earliest for key material sectors by 2050 where possible
3. Leader of innovative "Green Finance" agenda in Thailand
4. Beyond finance solutions to support decarbonization in Thailand



A Path to Net Zero Emissions





3.3 Adjustment to Sustainable Development Structure

In our sustainable development structure, KBank's Board of Directors has assigned the Corporate Governance Committee to supervise sustainable development operations; the Committee holds a meeting every quarter to determine operational guidelines, monitor and submit reports to the Board of Directors. We established the Sustainable Development Sub-committee, chaired by the Chief Executive Officer, to be responsible for driving ESG operations under the sustainable development policy framework. Its mission is to establish a sustainable development framework and action plan as well as oversee, monitor and assess sustainable development performance to be in conformity with sustainable development principles, requirements and both national and international standards. The Sub-committee holds a meeting on a quarterly basis to formulate guidelines for reviewing and monitoring sustainable development performance before reporting to the Corporate Governance Committee and the Board of Directors.

3.4 Adjustment to the K-Strategy

The Bank has adjusted its K-Strategy by using the principles of a Bank of Sustainability as a vision for business operations in order to achieve the target of empowering every customer's life and business. One of the strategic directions that the Bank attaches importance to is ESG operations, with the aim of creating sustainability for all stakeholders. Additional details are on page 12 - 15 of the Sustainability Report 2021.

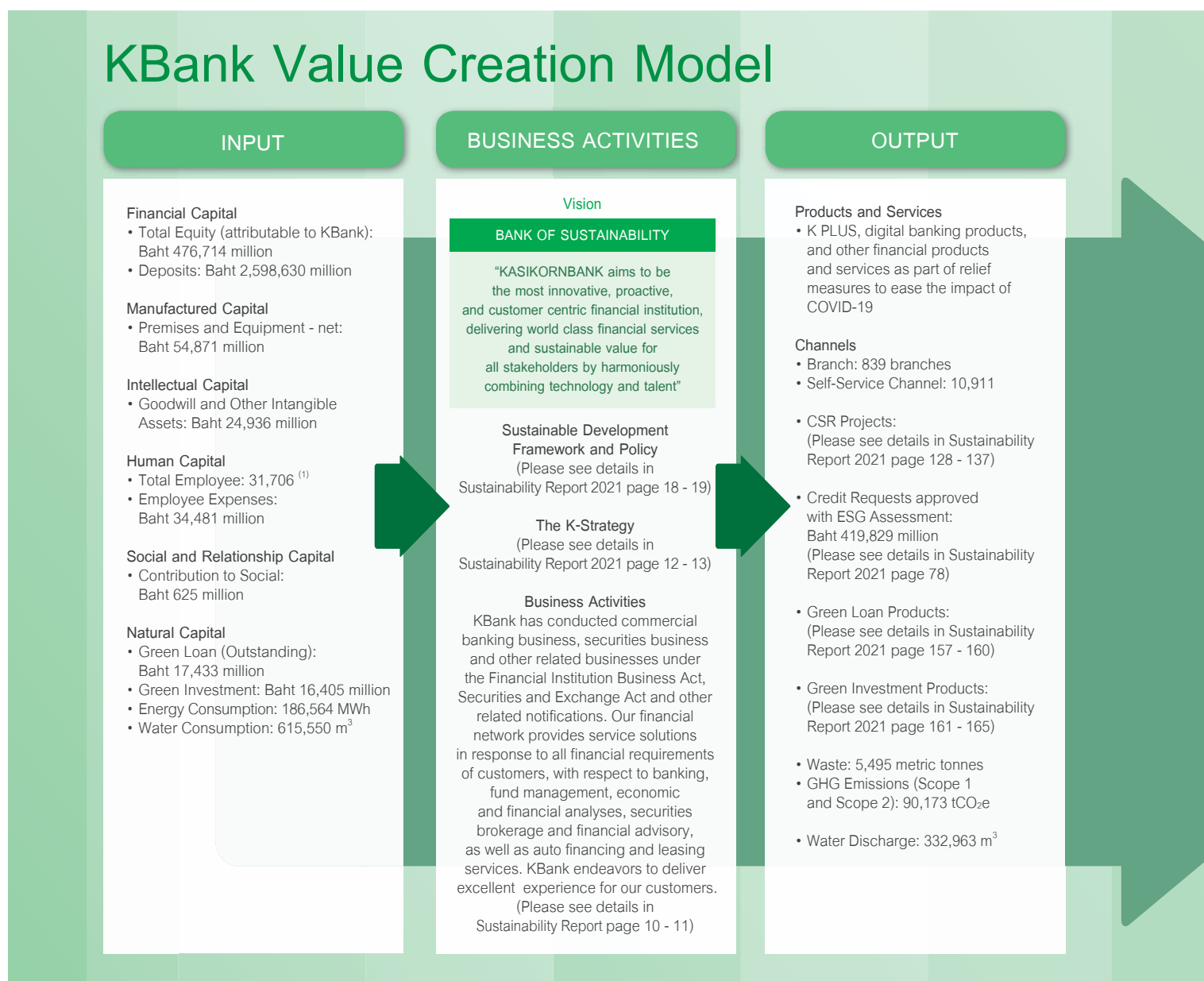
Internal and External Stakeholders





3.5 Management of Impacts on Stakeholders within Value Chain

KBank has disclosed data on management and value creation from six types of capital, i.e., financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital. Key issues that influence assessment of impacts on KBank's ability to create value over the short, medium and long-term are identified. Analyses will shed light on financially material topics in order to manage existing capital in alignment with the operational framework and the policy of sustainable development and K-Strategy to ensure that KBank can achieve the highest performance efficiency in alignment with our vision and business directions.



Notes:

- (1) Number of employees includes employees of KBank, the wholly-owned subsidiaries of KBank and support service providers of KBank.
- (2) Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments
- (3) Loans market share is based on C.B.1.1 and C.B.1.2 (Bank-only Financial Statements).
- (4) Annual performance
- (5) Transaction includes only cash deposit, cash withdrawal, payment and transfer.



At the same time, KBank recognizes the importance of bringing about sustainable value for all stakeholders. In so doing, KBank assessed the positive and negative impacts of business activities on stakeholders, both internal and external. We also conducted surveys on the opinions of stakeholders who had an influence on KBank's business through questionnaires, in-person discussions or discussions via related organizations. By such means, we can identify stakeholders within the business value chain, including the Board of Directors, employees, customers, suppliers/business partners, creditors, supervisory agencies, communities and society.

Additionally, KBank upgraded the disclosure of ESG information in line with guidelines of the Office of the Securities and Exchange Commission, the Bank of Thailand, while also managing any impact that may affect stakeholders within the business value chain - from upstream to downstream, as well as in conformity with international guidelines and practices.

OUTCOME

KBank

Financial Capital

- Total Operating Income - net: Baht 163,349 million
- Cost to Income Ratio: 43.49%
- Return on Average Equity (ROE): 8.44% ⁽²⁾

Manufactured Capital

- Market Share (Loans): 15.52% ⁽³⁾

Intellectual Capital

- New platforms e.g. Dofin Wallet, SMART OPD Application, Blue CONNECT, etc.

Human Capital

- Employee Engagement Score: 77%
- Turnover Rate: 6.77%
- Absentee Rate: 0.67%
- HCROI: 4.21

Social and Relationship Capital

- Overall Evaluation of KBank: NPS at 63
- NPS in Mobile Banking Channel at 83
- Employee Volunteer Hours: 210,937 hours
- PR Value: Baht 40.14 million

Natural Capital

- New Revenue Stream of Green Finance
- New Business Opportunities of Green Finance
- Mitigation to Climate Risks
- Reduction of GHG Emissions: 7.79% ⁽⁴⁾

Stakeholders

Financial Capital

- Dividend (Baht per share): 3.25

Manufactured Capital

- Transactions: 5.4 billion ⁽⁵⁾
- Approved Projects (ESG Assessment): 34 projects
- Customers: 19.5 million

Intellectual Capital

- People and customers have a better understanding on financial literacy.

Human Capital

- Middle Female Management who Advance to Top Management: 76.35%
- Internal Fill Rate: 78.76%
- Employees have higher competency and skill developments.

Social and Relationship Capital

- People Benefit from Social Service Activities: 714,965 people

Natural Capital

- Reduction on Environmental Footprint of Green Products and Green Process
- Reduction on GHG Emission
- Increasing Source of Renewable Energy



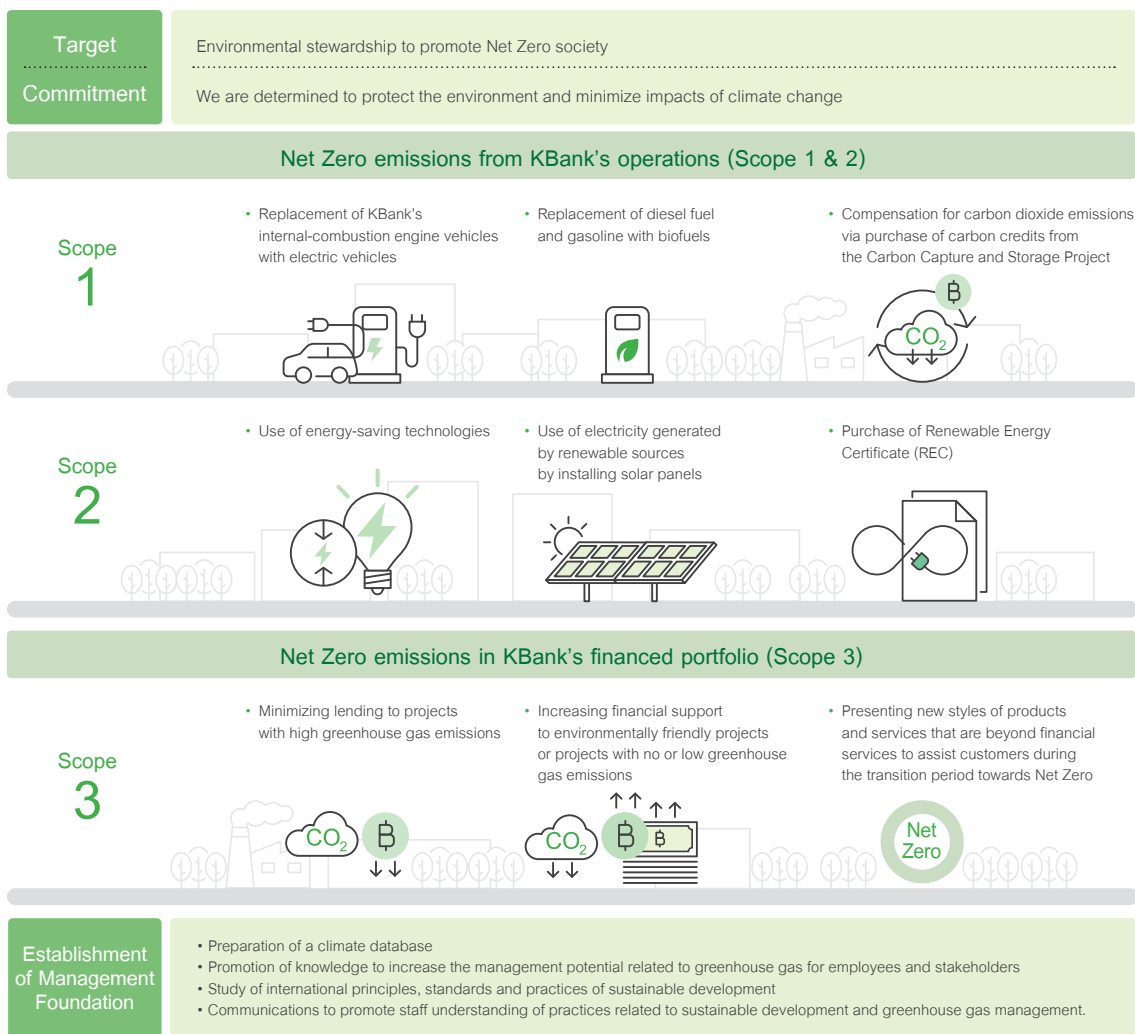
3.6 Adjustment to Long-Term Sustainable Development Target

The Bank has established the Board of Directors KPIs, based on a balanced scorecard, turned strategy into action, and determined indices to achieve successful results in four areas, namely financial, customers, internal process and sustainable learning and development. Such endeavors are to ensure that the Bank's business operations are in conformity with the ESG principles, while moving in the same direction throughout the organization. KPIs are used to measure the performances of KBank's employees at all levels, including the Chief Executive Officer, Presidents and Division Heads. The relevant officers have been tasked to ensure that their performances met the set targets. More details are on page 20 - 25 of the Sustainability Report 2021.

3.7 Net Zero Strategy

Following the announcement of KBank's Net Zero commitment, a strategy has been put in place to achieve the Net Zero target in accordance with the Paris Agreement and Thailand's target. Details are, as follows:

Net Zero Strategy





Moreover, the Bank has carried out other operations in collaboration with its partners and customers. Adjustments have been made to brace for climate change, as follows:

1. Promoting the K PLUS mobile banking application as an option in using innovation to help alleviate climate change problems. By using K PLUS, customers can help reduce fuel consumption as they can conduct financial transactions anywhere, with no need to visit a KBank branch. Additionally, K PLUS can reduce the use of paper, and this in turn helps cut the consumption of energy and water. Consequently, forests and land use, and waste disposal, can be managed in a sustainable manner, thus helping promote the reduction of greenhouse gas emissions.
2. Joining Thailand's taxonomy working team. Under this team, KBank has been designated to work on the definition of "green finance" in collaboration with the Bank of Thailand and Thai Bankers' Association.
3. Collaborate with business partners such as Thailand Carbon Neutral Network (TCNN) and Carbon Markets Club in providing knowledge and advice on how to mitigate the impact of climate change.

3.8 Outputs from Sustainable Development Operations in 2021

1. Outputs of environmental operations:
 - Green Loans totaled Baht 17,433 million.
 - Investment in sustainability bonds and green bonds totaled Baht 16,405 million.
 - Reduction of GHG emissions from KBank operations (Scopes 1 and 2) by 7.79 percent.
2. Outputs of social contributions:
 - Loans to provide financial access for SMEs totaled Baht 15,106 million.
 - Employee engagement: 77 percent.
 - The proportion of female executives in middle management positions who were promoted to top management positions amounted to 76.35 percent.
 - Occupational support for people with disabilities nationwide: 197 persons and budgetary support of over Baht 22.50 million.
 - Assistance programs to provide employees morale support such as a cash handout of Baht 10,000 per employee, procurement of alternative vaccines, setting up of the K-Care U Center to take care of employees who became ill with or were infected by COVID-19.
 - Employee training: 712,474 hours.
 - Donations for social causes: Baht 625.20 million.
- Provision of financial literacy for the underprivileged: 15,473 persons.
 - Human rights risk assessment: 100 percent of all KBank's activities and joint ventures.
3. Outputs of economic operations:
 - Net Promoter Score (NPS) at 63, the highest of Thailand's financial business conglomerate.
 - Number of K PLUS users: 17.1 million persons, 19 percent growth compared to that of 2020.
 - Project finance and commercial credit approved in 2021, based on ESG risk assessment, for medium and larger-sized enterprises: Baht 419.83 billion, comprising
 - Project finance: Baht 12.87 billion.
 - Loans for medium and larger-sized enterprises: Baht 406.96 billion.
 - The "SATI" project, which was introduced to inform customers of various threats of cyber scams such as phishing, online and call center frauds.

Details on sustainable development operations are in Sustainability Report 2021.



4. Management Discussion and Analysis

4.1 Executive Summary of Management Discussion and Analysis

For the Year Ending December 31, 2021

Overall, the Thai economy for 2021 grew 1.6 percent after seeing a contraction of 6.2 percent in 2020. However, the rebound was fragile and uneven across all sectors. Domestically, the economy remained pressured by the intensified COVID-19 outbreak, the course of which was highly uncertain amid the new COVID-19 variant. The outbreak therefore continued to affect people's lives and economic activity. The prolonged pandemic even further hampered the recovery of businesses within the supply chains of the tourism and service sector as well as retail business. It also severely depressed employment and worsened the fragility of household income. This had repercussions for our customers' financial standing, which inevitably affected KBank's operating performance.

Amid the myriad challenges and heightened economic risk, KBank has operated its business in line with the principles of a Bank of Sustainability, accounting for the balance of three dimensions - environment, society and governance - along with appropriate risk management and effective cost management in order to empower every customer's life and business. We prioritize the offering of total solutions, with attentive and inclusive services anytime, anywhere, in adherence with the Customer Centricity strategy and the resolve to deliver an excellent customer experience. We have focused on providing assistance to all groups of our customers facing the impacts of the COVID-19 crisis, in line with the Bank of Thailand's sustainable debt relief guidelines in order to support our customers in emerging from this crisis.

In parallel, we continued to bolster our capabilities and cyber security in our service through the development of digital technology, both financial and non-financial, to be in step with changing consumer behavior while also offering new business opportunities across all parties within our ecosystem under a new boundless business context, accounting for proactive integrated risk management, as well as a risk-aware culture Bank-wide, so as to secure our status as a leading financial institution that is always prepared for potential economic volatility, under both normal and stress situations.

KBank and its subsidiaries reported net profit for 2021 of Baht 38,053 million, an increase of Baht 8,566 million or 29.05 percent from the previous year. The increase could be attributed to KBank and its subsidiaries setting aside expected credit loss amounting to Baht 40,332 million, a decrease of Baht 3,216 million, or 7.38 percent over-year. Our expected credit loss was set aside under a prudent approach in line with the prevailing circumstances, which was also sufficient for accommodating KBank and its subsidiaries in proactively and continuously assisting our customers via various relief measures. Therefore, our coverage ratio as of December 31, 2021, stood at 159.08 percent, compared to 149.19 percent at the end of 2020.

Operating profit before expected credit loss and income tax expense for 2021 totaled Baht 92,305 million, an increase of Baht 7,410 million or 8.73 percent compared to the same period of 2020. The increase could be attributed to net interest income that increased by Baht 10,368 million or 9.51 percent, in line with loan growth which was derived from new loan extension under KBank's strategy of granting loans to customers with potential, the offering of loans for liquidity enhancement under assistance measures to support customers in resuming normal business operations, as well as loans provided to certain customers under the Bank's relief measures including suspension of principal and interest payment. KBank thus focused on accrued interest management. Our net interest margin (NIM) therefore stood at 3.21 percent.

Non-interest income decreased by Baht 1,910 million or 4.17 percent, due mainly to decrease in revenue from sales of securities and net premiums earned - net, although fees and service income - net increased by Baht 2,312 million or 7.01 percent, due mainly to fees from fund management and brokerage fees. Other operating expenses increased by Baht 1,048 million or 1.50 percent due to employee expenses, while premises and equipment expenses and marketing expenses decreased. Cost to income ratio stood at 43.49 percent.



With regard to our capital position as of the end of 2021, capital adequacy ratio (CAR) of KASIKORNBANK FINANCIAL CONGLOMERATE according to the Basel III Accord was 18.77 percent, with a Tier 1 capital ratio of 16.49 percent and Common Equity Tier-1 Ratio of 15.46 percent, both of which were greater than the Bank of Thailand's requirement, reflecting our robust capital position which is adequate for continuously operating business under both normal and stressed situations. Through its efficient capital management, KBank can conduct business with optimal capital structure and effective capital management.

The operating performance of the subsidiaries of KBank was also satisfactory in terms of quantity and quality due to the concerted efforts of all units involved. KASIKORN SECURITIES PCL has worked with KBank in developing an online securities trading account opening system as well as technologies for customers' portfolio monitoring and management in alignment with investor behavior in the digital era, driving the company to garner a greater market share. KASIKORN ASSET MANAGEMENT CO., LTD. remained at the top of the mutual fund business. KASIKORN LEASING CO., LTD. could maintain its lending business volume amid a contraction in the domestic automotive industry while also keeping its healthy asset quality intact. Meanwhile, KASIKORN FACTORY & EQUIPMENT CO., LTD. could maintain its loan outstanding. In addition, Muang Thai Life Assurance PCL prioritized collaboration with KBank in developing life and health insurance products. In terms of market share, the company's total premiums in bancassurance business ranked second in the life insurance industry.

The 2021 operating performance of KBank and K Companies thus met our business targets as expected in line with the economic conditions. Our operations have gained wide acceptance and recognition at home and abroad, as reflected in the numerous awards we received. All the above endeavors and performance of KBank and K Companies have thus far been undertaken with prudence and in step with the ever-changing environment, together with awareness of the economic uncertainty that persists due to the unresolved COVID-19 crisis. These efforts will allow us to devise plans to cope with any potential impacts upon our business while also giving our customers support in an efficient and timely manner.

4.2 Operating Performance

The Thai economy in 2021 remained beset by the COVID-19 outbreak. Amid the major challenge of a fragile and uneven economic recovery, collaborative action from the government and financial institutions was needed in order to support the halting revival, especially for the service and tourism sector as well as income of certain labor groups which have yet to emerge from the doldrums.

KBank and its subsidiaries reported net profit for 2021 of Baht 38,053 million, an increase of Baht 8,566 million or 29.05 percent from the previous year. The increase could be attributed to KBank and its subsidiaries setting aside expected credit loss amounting to Baht 40,332 million, a decrease of Baht 3,216 million, or 7.38 percent over-year. Coverage ratio as of December 31, 2021 stood at 159.08 percent, compared to 149.19 percent at the end of 2020, reflecting our prudent approach in setting aside expected credit loss in line with the prevailing circumstances. Moreover, KBank and its subsidiaries proactively worked to assist our customers via various relief measures while also closely assessing the situation in order to cope with uncertain economic circumstances, triggered by the spread of the Omicron variant of COVID-19 at the end of 2021.

Operating profit before expected credit loss and income tax expense for 2021 totaled Baht 92,305 million, an increase of Baht 7,410 million or 8.73 percent compared to the same period of 2020. The increase could be attributed to net interest income that increased by Baht 10,368 million or 9.51 percent, in line with loan growth which was derived from new loan extension under KBank's strategy of granting loans to customers with potential, the offering of loans for liquidity enhancement under assistance measures to support customers to resume normal business operations as well as loans provided to certain customers under the Bank's relief measures including suspension of principal and interest payment. KBank thus focused on accrued interest management. Net interest margin (NIM) therefore stood at 3.21 percent. Meanwhile, non-interest income decreased by Baht 1,910 million or 4.17 percent, due mainly to a decrease in revenue from sales of securities and net premiums earned - net whereas fees and service income - net increased by Baht 2,312 million or 7.01 percent, due mainly to fees from fund management and brokerage fees. Other operating expenses increased by Baht 1,048 million or 1.50 percent due to employee expenses, while premises and equipment expenses and marketing expenses decreased. Cost to income ratio stood at 43.49 percent.



Operating Performance for 2021

(Unit : Million Baht)

	2021	2020	Change	
			Increase (Decrease)	Percent
Net Interest Income	119,390	109,022	10,368	9.51
Non-Interest Income	43,959	45,869	(1,910)	(4.17)
Total Operating Income - net	163,349	154,891	8,458	5.46
Total Other Operating Expenses	71,044	69,996	1,048	1.50
Expected Credit Loss	40,332	43,548	(3,216)	(7.38)
Net Profit (attributable to equity holders of KBank)	38,053	29,487	8,566	29.05
Basic Earnings per Share (Baht) ⁽¹⁾	15.77	12.42	3.35	26.97

Note:

⁽¹⁾ Basic Earnings per Share = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by common shares outstanding.

Major financial ratios that reflected operating performance of KBank and our subsidiaries in 2021 and 2020 are as follows:

(Unit : Percent)

Financial Ratio	2021	2020	Increase (Decrease)
Return on Assets (ROA)	0.98	0.85	0.13
Return on Equity (ROE) ⁽²⁾	8.44	7.10	1.34
Net Interest Margin (NIM)	3.21	3.27	(0.06)
Cost to Income Ratio	43.49	45.19	(1.70)

Note:

⁽²⁾ Return on average equity (ROE) = Net profit (attributable to equity holders of the Bank) deduct dividend from other equity instruments after income tax divided by average equity of equity excluded other equity instruments.

(Unit : Percent)

Financial Ratio	2021	2020	Increase (Decrease)
Significant increase in credit risk loans ⁽³⁾ to total loans ⁽⁴⁾	7.27	7.80	(0.53)
Significant increase in credit risk loans and non-performing loans ⁽⁵⁾ to total loans ⁽⁴⁾	11.09	11.81	(0.72)
NPLs gross ⁽⁶⁾ to total loans ⁽⁷⁾	3.76	3.93	(0.17)
Total allowance for expected credit loss ⁽⁸⁾ to NPL gross (Coverage ratio)	159.08	149.19	9.89
Loans ⁽⁹⁾ to Deposits Ratio	93.20	95.73	(2.53)
Capital Adequacy Ratio ⁽¹⁰⁾	18.77	18.80	(0.03)
Tier 1 Capital Ratio ⁽¹⁰⁾	16.49	16.13	0.36

Note:

⁽³⁾ Significant increase in credit risk loans used in calculation are loans to customers and loans to financial institutions which credit risk has increased significantly.

⁽⁴⁾ Loans used in calculation are loans to customers and loans to financial institutions and accrued interest receivables and undue interest receivables.

⁽⁵⁾ Credit impaired loans used in calculation are loans to customers and loans to financial institutions which credit risk has impaired.

⁽⁶⁾ NPL gross used in calculation are loans to customers and loans to financial institutions of non-performing loans excluded loans for credit balance and life insurance business.

⁽⁷⁾ Loans used in calculation are loans to customers and loans to financial institutions.

⁽⁸⁾ Included allowance for expected credit loss of loan commitment and financial guarantee, deposit to financial institutions, investments and other financial assets.

⁽⁹⁾ Loans = Loans to customers

⁽¹⁰⁾ KASIKORNBANK FINANCIAL CONGLOMERATE's Capital Adequacy Ratio (CAR)



Net Interest Income

KBank's consolidated net interest income for 2021 was Baht 119,390 million, increasing Baht 10,368 million or 9.51 percent over-year, due mainly to interest income from loan which increased Baht 7,745 million, or 8.00 percent. The increase was in line with loan growth which was derived mainly from new loan extension under KBank's strategy of granting loans to customers with potential, the offering of loans for liquidity enhancement under assistance measures to support customers to resume normal business operations as well as loans provided to certain customers under the Bank's relief measures including suspension of principal and interest payment. KBank thus focused on accrued interest management. In addition, interest income from investment increased Baht 964 million, or 4.44 percent in line with average investment volume. Meanwhile, interest income from interbank and money market items decreased Baht 1,040 million, or 33.33 percent due to declining average interest rates and average transaction volume. Meanwhile, interest expenses dropped Baht 2,546 million, or 13.71 percent due mainly to reduction of deposit interest rates.

Our NIM for 2021 equaled 3.21 percent, lower than 3.27 percent in the previous year.

(Unit : Million Baht)

	2021	2020	Change	
			Increase (Decrease)	Percent
Interest Income				
Interbank and Money Market Items	2,078	3,118	(1,040)	(33.33)
Deposits	(830)	179	(1,009)	(564.45)
Loans (without Repurchase Agreements)	1,214	736	478	65.03
Repurchase Agreements	1,694	2,203	(509)	(23.11)
Investments	22,675	21,711	964	4.44
Trading Investments	148	156	(8)	(5.21)
Investment in Debt Instruments measured at Fair Value through Other Comprehensive Income	3,954	4,040	(86)	(2.12)
Investment in Debt Instruments measured at Amortized Cost	18,608	17,492	1,116	6.37
Others	(35)	23	(58)	(252.06)
Loans	104,579	96,834	7,745	8.00
Hire Purchase and Finance leases	6,073	5,913	160	2.71
Others	9	16	(7)	(45.12)
Total Interest Income	135,414	127,592	7,822	6.13
Total Interest Expenses	16,024	18,570	(2,546)	(13.71)
Total Interest Income - net	119,390	109,022	10,368	9.51
Yield on Earning Assets (percent)	3.64	3.83		(0.19)
Cost of Fund (percent)	0.59	0.78		(0.19)
Net Interest Margin (NIM) (percent)	3.21	3.27		(0.06)

Non-Interest Income

For 2021, KBank's consolidated non-interest income totaled Baht 43,959 million, decreasing Baht 1,910 million, or 4.17 percent over-year. The decrease was attributable mainly to decreases in revenue from sale of securities and net premiums earned - net in line with the life insurance business condition. Meanwhile, fees and service income - net rose, which was derived largely from increased fees from fund management and brokerage fees in line with market condition.



(Unit : Million Baht)

	2021	2020	Change	
			Increase (Decrease)	Percent
Non-Interest Income				
Fees and Service Income	48,628	45,699	2,929	6.41
Fees and Service Expenses	13,312	12,695	617	4.86
Fees and Service Income - net	35,316	33,004	2,312	7.01
Gain (Loss) on Financial Instrument measured at Fair Value through Profit or Loss	5,539	8,119	(2,580)	(31.78)
Gain (Loss) on Investments	817	1,308	(491)	(37.54)
Share of Profit (Loss) from Investments using Equity Method	(694)	(193)	(501)	(259.12)
Dividend Income	3,310	2,384	926	38.81
Net Premiums Earned	69,360	72,129	(2,769)	(3.84)
Other Operating Income	1,290	1,683	(393)	(23.36)
Less Underwriting Expenses	70,979	72,565	(1,586)	(2.19)
Total Non-Interest Income	43,959	45,869	(1,910)	(4.17)

Other Operating Expenses

KBank's consolidated other operating expenses for 2021 was Baht 71,044 million, increasing Baht 1,048 million, or 1.50 percent over-year. The increase could be attributed mainly to rising employee expenses and expenses under the Bank's relief measures for customers. Meanwhile, premises and equipment expenses, debt management expenses and marketing expenses decreased due to our efficient expense management during an economic slowdown. Our cost to income ratio of 2021 was thus equal to 43.49 percent, decreasing from 45.19 percent in the previous year.

(Unit : Million Baht)

	2021	2020	Change	
			Increase (Decrease)	Percent
Employee Expenses	34,481	32,143	2,338	7.27
Directors' Remuneration	146	160	(14)	(8.53)
Premises and Equipment Expenses	11,345	12,165	(820)	(6.74)
Taxes and Duties	5,443	5,088	355	6.98
Others	19,629	20,440	(811)	(3.97)
Total Other Operating Expenses	71,044	69,996	1,048	1.50
Cost to Income Ratio (percent)	43.49	45.19		(1.70)



Classified Loans and Expected Credit Loss

Classified Loans

KBank classified loans into three levels per TFRS 9. The classified loans in stage 2 include the loans with significantly increasing credit risk since initial recognition but without credit impaired. As of December 31, 2021, KBank and its subsidiaries had a total of Baht 2,776,890 million in loans to customers and financial institutions. Loans to customers (excluding financial institutions) including accrued interest receivables and undue interest receivables including allowance for expected credit loss consist of:

Loans and Accrued Interest Receivables and Allowance for Expected Credit Loss

(Unit : Million Baht)

	Dec. 31, 2021		Dec. 31, 2020	
	Loans and accrued interest receivables ⁽¹⁾	Allowance for expected credit loss	Loans and accrued interest receivables ⁽¹⁾	Allowance for expected credit loss
Stage 1 Performing	2,130,347	47,459	1,951,216	42,954
Stage 2 Under-performing	201,878	51,060	201,382	49,439
Stage 3 Non-performing	106,187	46,253	103,495	42,000
Total	2,438,412	144,772	2,256,093	134,393

Note:

⁽¹⁾ Including loan to customers and accrued interest and undue interest receivables

Under-performing loans to total loans were equal to 7.27 percent and under-performing loans to non-performing loans were equal to 11.09 percent, improving from 7.80 percent and 11.81 percent, respectively, as of December 31, 2020.

Modified Loans

KBank and its subsidiaries engaged in modification contracts which were classified as NPL and non-NPL that incurred losses, but not included customers under the Bank of Thailand's relief measures. In 2021, there were loans before modification amounting to Baht 4,337 million and incurred losses amounting to Baht 506 million.



Expected Credit Loss

KBank and its subsidiaries set aside expected credit loss of Baht 40,332 million in 2021, an over-year decrease of Baht 3,216 million, or 7.38 percent. KBank and its subsidiaries maintained the policy of setting aside expected credit loss under a prudent approach with close assessment of uncertain economic circumstances. We also proactively worked to assist our customers via various relief measures. As a result, our expected credit loss to average loans for 2021 stood at 1.73 percent, less than the figure of 2.05 percent in the previous year. Meanwhile, our expected credit loss to non-performing loan as of December 31, 2021 increased to 159.08 percent, compared to 149.19 percent as of the end of 2020.

Expected Credit Loss

(Unit : Million Baht)

	2021	2020	Change	
			Increase (Decrease)	Percent
Expected Credit Loss	40,332	43,548	(3,216)	(7.38)
Expected Credit Loss to Average Loan (percent)	1.73	2.05		(0.32)

Allowance for Expected Credit Loss

As of December 31, 2021, our consolidated allowance for expected credit loss totaled Baht 144,772 million.

Non-Performing Loans and Properties Foreclosed

Non-Performing Loans

As of December 31, 2021, KBank's consolidated NPLs stood at Baht 104,036 million, or 3.76 percent of the total outstanding credit, including that of financial institutions. KBank's NPLs totaled Baht 101,200 million, or 3.81 percent of the total outstanding credit, including that of financial institutions. The NPLs data is shown in the table below:

Non-Performing Loans

(Unit : Million Baht)

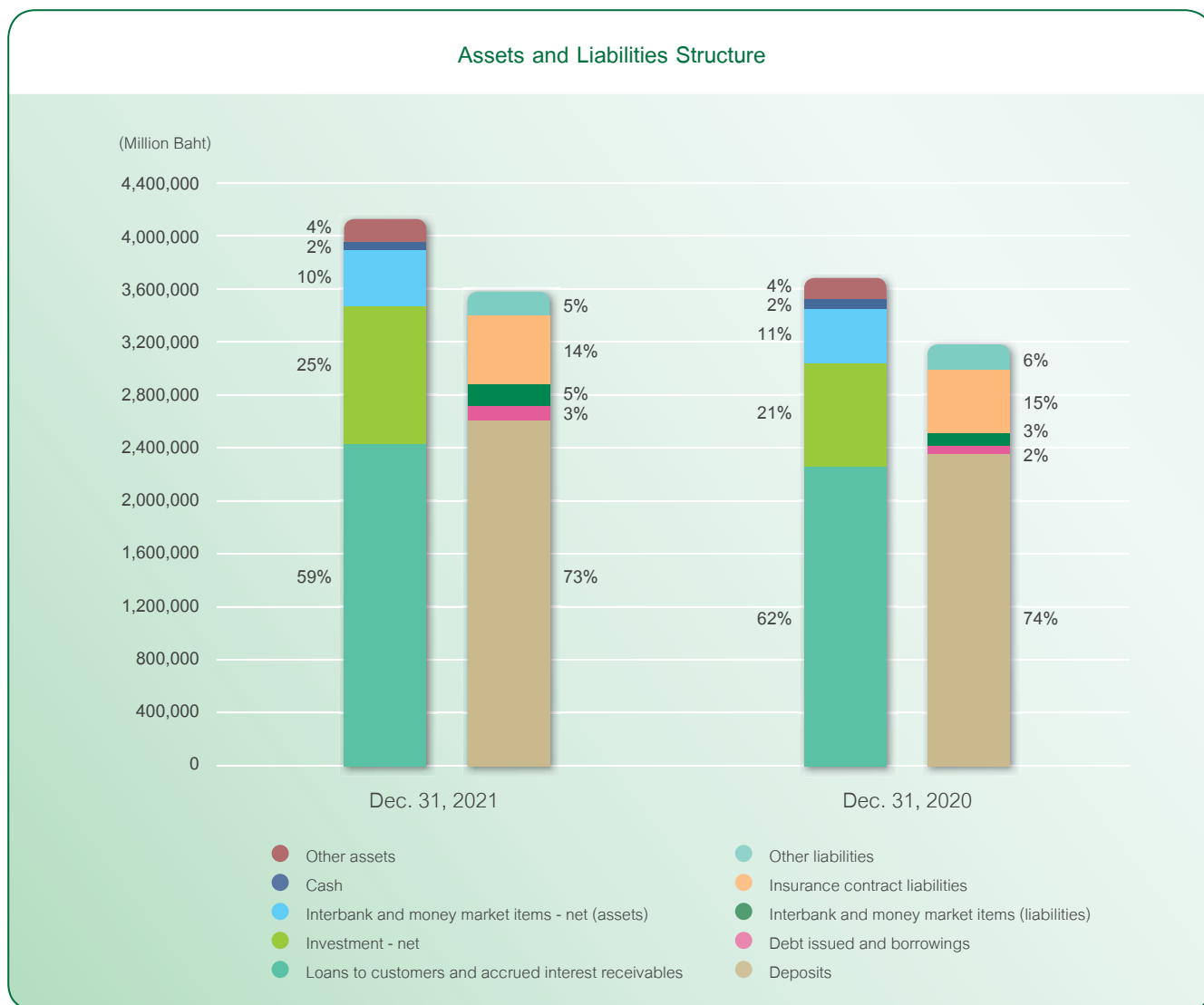
For the Year Ending	Dec. 31, 2021	Dec. 31, 2020
Consolidated NPLs	104,036	101,007
Percent of total outstanding credit, including that of financial institutions	3.76	3.93
KBank NPLs	101,200	98,221
Percent of total outstanding credit, including that of financial institutions	3.81	3.94

Properties Foreclosed

As of December 31, 2021, our financial conglomerate's properties foreclosed had a net value of Baht 42,314 million, thus being 1.03 percent of total assets.



4.3 Financial Position



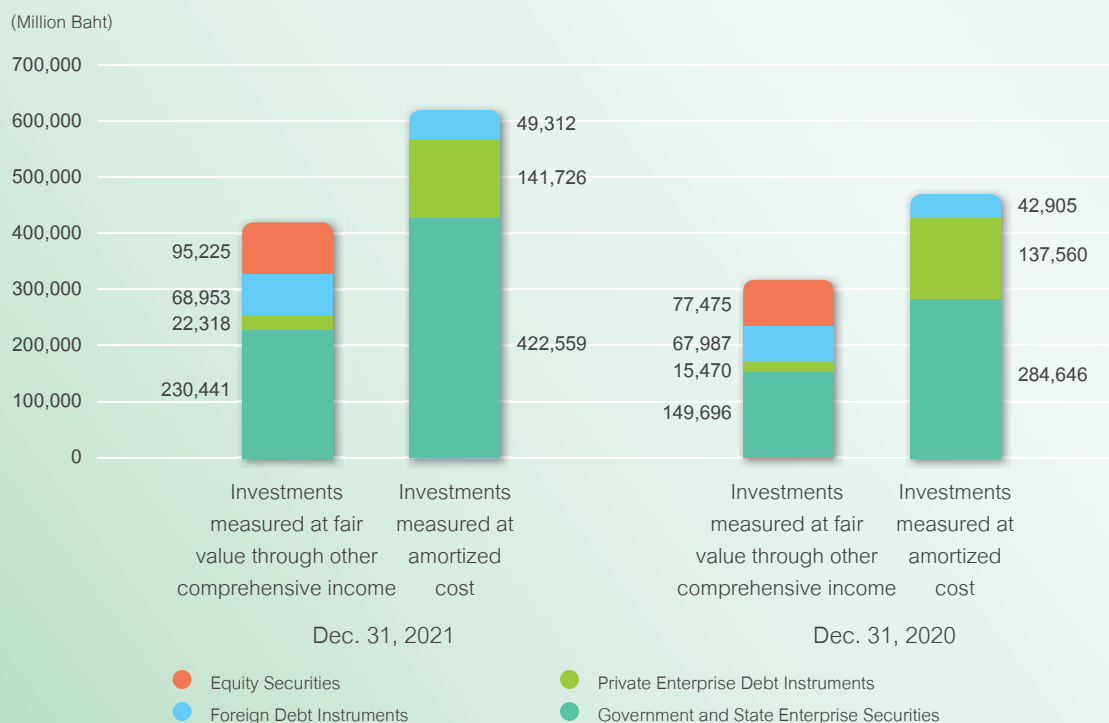
Assets

At the end of 2021, KBank's consolidated assets totaled Baht 4,103,399 million, increasing Baht 444,601 million or 12.15 percent from the end of 2020. The rise was due mainly to increase in net investment and loan to customers. Key details are as follows:

- Net investment totaled Baht 1,030,534 at the end of 2021, increasing Baht 254,795 million or 32.85 percent from the end of 2020, due mainly to rising investment in government bonds.
- Loans to customers totaled Baht 2,421,813 million at the end of 2021, increasing Baht 176,992 million or 7.88 percent from the end of 2020, due mainly to rising commercial loans and housing loans. This was derived from loans granted to customers with potential, the offering of loans for liquidity enhancement under relief measures to support customers to resume normal business operations with close monitoring of asset quality so as to provide them ongoing assistance. Moreover, certain customers remained under the Bank's relief measures including suspension of principal and interest payment. KBank thus focused on accrued interest management.



Investments in Securities



Liabilities and Equity

Our consolidated liabilities at the end of 2021 amounted to Baht 3,566,724 million, which rose Baht 399,212 million or 12.60 percent from the end of 2020. The increase was mainly attributable to increased deposits, interbank and money market items (liabilities) and debt issued and borrowings. Significant changes in our consolidated liabilities included:

- Deposits at the end of 2021 equaled Baht 2,598,630 million, increasing Baht 253,631 million or 10.82 percent from the end of 2020, due mainly to increase in savings deposits.
- Interbank and money market items (liabilities) at the end of 2021 were Baht 186,449 million, an increase of Baht 98,652 million or 112.36 percent from the end of 2020, due to the Bank's liquidity management.
- Debt issued and borrowings at the end of 2021 equaled Baht 103,886 million, increasing Baht 34,496 million or 49.71 percent from the end of 2020, due largely to the Bank's issuance of short-term debentures and subordinated financial instruments that qualify as Tier 1 capital and subsidiaries' issuance of subordinated debentures.

Equity (attributable to KBank) at the end of 2021 amounted to Baht 476,714 million, increasing Baht 37,044 million or 8.43 percent from the end of 2020, derived mainly from KBank's net operating profit in 2021 which totaled Baht 38,053 million and the Bank's dividend payment in accordance with the Bank of Thailand's policy. Key details are as follows:

- In April 2021, KBank approved dividend payment from our net profit for 2020 of Baht 5,923 million in accordance with the Bank of Thailand's regulation on dividend payment at the rate not exceeding the dividend payout ratio of 2019 and not more than 50 percent of net profit of 2020.
- In September 2021, KBank approved interim dividend payment for 2021 which equaled Baht 1,185 million in accordance with the Bank of Thailand's regulation on interim dividend payment at the rate not exceeding the dividend payout ratio of 2020 and not more than 50 percent of net profit during the first half of 2021.

For 2021, KBank will make dividend payment in accordance with the Bank of Thailand's regulation which allows commercial banks to pay dividend at the rate not exceeding 50 percent of their 2021 net profits.



Relationship between Sources and Uses of Funds

As of December 31, 2021, the funding structure as shown in the consolidated financial statement comprised Baht 3,566,724 million in liabilities and Baht 476,714 million in equity (attributable to KBank), resulting in a debt-to-equity ratio of 7.48. The main source of funds on the liabilities side was deposits, which equaled Baht 2,598,630 million, or 63.33 percent of the total source of funds, as of December 31, 2021. Other sources of funds included interbank and money market items as well as debt issued and borrowings, which accounted for 4.54 percent and 2.53 percent of the total source of funds, respectively.

KBank and Subsidiaries' Major Sources and Uses of Funds

(Unit : Million Baht)

Period	Deposits				Loans and accrued interest receivables ⁽¹⁾			
	Dec. 31, 2021	Percent	Dec. 31, 2020	Percent	Dec. 31, 2021	Percent	Dec. 31, 2020	Percent
≤ 1 Year	2,581,587	99.34	2,322,875	99.06	980,901	40.23	952,391	42.21
> 1 - 5 Years	17,043	0.66	22,124	0.94	529,714	21.72	498,520	22.10
> 5 Years	-	-	-	-	927,797	38.05	805,182	35.69
Total	2,598,630	100.00	2,344,999	100.00	2,438,412	100.00	2,256,093	100.00

Note:

⁽¹⁾ Including loan to customers and accrued interest and undue interest receivables

Deposits with maturities within one year were larger than loans with remaining maturities within 1 year. This is considered normal for commercial banks in Thailand. Most deposits remain with KBank longer than their stated contractual term, thereby helping to support funding for KBank's lending.

As of December 31, 2021, KBank and subsidiaries' major use of funds was loans to customers which amounted to Baht 2,421,813 million, resulting in loan-to-deposit ratio of 93.20 percent. As for the remaining liquidity, KBank invested in various selections of liquid assets, such as interbank and money market items, financial assets measured at fair value through profit or loss, and investments in securities.

Change in Cash Flows

As of December 31, 2021, the Bank and its subsidiaries' cash were Baht 59,972 million, decreasing by Baht 1,990 million from the end of previous year. Net cash provided by and used in activities can be summarised as follows:

- Net cash provided by operating activities were Baht 241,747 million which was mainly from Baht 86,683 million of operating profit before changes in operating assets and liabilities and changes in significant operating assets and liabilities consisting of deposits that increased Baht 251,175 million and interbank and money market items (liabilities) that increased Baht 92,056 million. Meanwhile, loans to customers increased Baht 218,360 million while other assets decreased Baht 15,582 million.
- Net cash used in investing activities were Baht 251,224 million which was mainly from Baht 371,529 million of purchase of investments measured at fair value through other comprehensive income and Baht 184,492 million of purchase of investments measured at amortised cost, while there were Baht 276,129 million of proceeds from disposal of investments measured at fair value through other comprehensive income and Baht 36,638 million of proceeds from redemption of investments measured at amortised cost.
- Net cash used in financing activities were Baht 7,482 million which was mainly from Baht 14,500 million of repayment of long-term debts issued and borrowings, Baht 7,108 million of dividend paid to shareholders, Baht 1,515 million cash payment for lease liabilities, Baht 858 million of cash payment for distribution of other equity instruments and Baht 467 million of dividend paid to non-controlling interests, while there was Baht 31,930 million of proceeds from long-term debts issued and borrowings.



Contingent Liabilities and Commitments

Contingent liabilities and commitments of the Bank and its subsidiaries consisted of:

(Unit : Million Baht)

	Dec. 31, 2021	Dec. 31, 2020
Avals to bills and guarantees of loans	29,263	13,987
Liability under unmatured import bills	42,952	39,602
Letters of credit	36,469	34,392
Other contingencies	741,818	722,711
Total	850,502	810,692

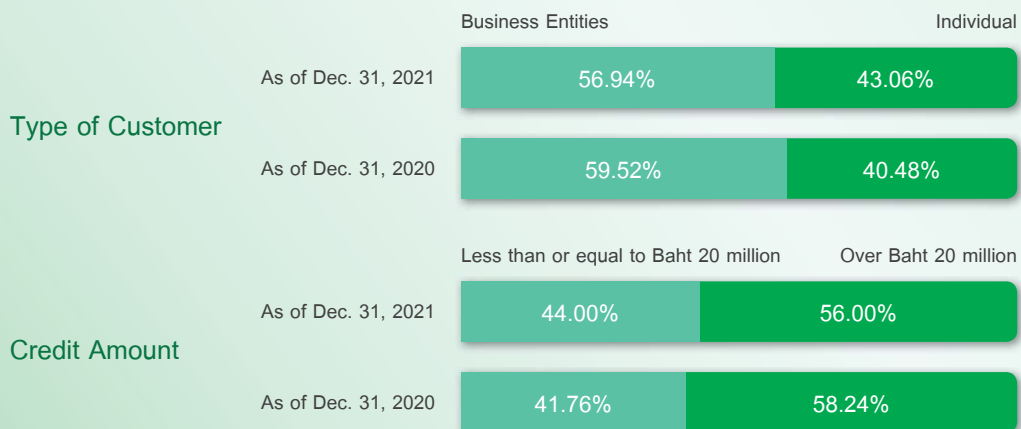
4.4 Loans and Deposits

Loans

As of December 31, 2021, financial conglomerate's outstanding loans stood at Baht 2,421,813 million, increasing by Baht 176,992 million, or 7.88 percent, compared to Baht 2,244,821 million as of December 31, 2020.

As of December 31, 2021, the majority, 56.94 percent of KBank's outstanding loans were made to juristic persons or registered businesses. Loan accounts exceeding Baht 20 million accounted for 56.00 percent of the total.

Loan Portfolio by Type of Customer and Credit Amount





Loans Classified by Business

(Unit : Million Baht)

	Dec. 31, 2021		Dec. 31, 2020	
	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾
Loans	1,609,411	711,243	1,546,768	637,910

Notes:

⁽¹⁾ "Corporate Business" refers to registered companies, certain private individual business customers, government agencies, state enterprises, as well as financial institutions, etc. KBank provides a variety of financial products and services to them, e.g., long-term and working capital loans, letter of guarantee, trade finance solutions, syndicated loans, cash management solutions and value chain solutions.

⁽²⁾ "Retail Business" refers to private individual customers using KBank products and services, e.g., deposit accounts, debit cards, credit cards, personal loans, housing loans, financial advisory services, investment products and other transactional services.

KBank expanded relief measures for all groups of debtors reeling from the COVID-19 outbreak, under the Bank of Thailand's guidelines. KBank has provided full cooperation with the government in accommodating and supporting the sustainable debt relief program for corporate, SME and retail clients so as to sustain the economic rehabilitation amid restrictions stemming from the uncertain environment throughout 2021, taking into account guidelines for loan growth management in line with the country's overall economy.

As of the end of 2021, our corporate business loans (Corporate and SME customers) had increased by Baht 62,643 million or 4.05 percent from the end of 2020. The increase came mainly from loans for consumer goods, transportation and construction industry. Loans granted were largely under the relief measures for liquidity enhancement amid the COVID-19 outbreak. Meanwhile, KBank expanded the new customer base, especially among small business customers. To this end, we added a digital channel for self-service loan application. KBank focused on using customer data, both financial and non-financial, based on various data sources, such as data from our business partners for conducting data analytics and customers' behavioral assessment for credit underwriting. This allowed us to offer credit products suited to customers' needs under risk-based pricing aligned with each client's risk appetite.

Our retail loans at the end of 2021 grew by Baht 73,333 million or 11.50 percent compared to the end of 2020. The increase stemmed mainly from growth in personal loan in response to KBank's policy, especially the addition of a channel for self-service loan application with loan disbursement through account credit via K PLUS available 24 hours a day. Along with this, we highlighted the outstanding features of Xpress Cash, which allows customers to make cash withdrawal and purchase goods with an option for installment payment. Moreover, we added a new service for converting the remaining credit line of a credit card to cash to be deposited in an account, and monthly installment payment at special rates or Smart CASH via K PLUS, as well as an added channel for self-service credit card application. Another notable development included growth in home loan which could be attributed to the offering of loans that catered to the demands of all customer groups, including those of new home loan, home loan refinance and Home to Cash.

Deposits

Deposits Classified by Type of Deposit Account

(Unit : Million Baht)

	Percent of Total Deposits	Deposits		Change	
		Dec. 31, 2021	Dec. 31, 2020	Increase (Decrease)	Percent
Total Deposits	100.00	2,598,630	2,344,999	253,631	10.82
Current accounts	6.21	161,303	133,802	27,501	20.55
Savings accounts	75.45	1,960,581	1,748,237	212,344	12.15
Fixed-term deposit accounts	18.34	476,746	462,960	13,786	2.98



Overall, competition in the deposit market in 2021 remained limited in a continuation from the previous year. Commercial banks' liquidity was sufficient to accommodate loan growth. Meanwhile, the policy rate stayed low at 0.50 percent per annum. This allowed KBank to efficiently manage deposit cost and liquidity to be in line with demand for loan while maintaining our competitiveness in the market, along with a balanced distribution of deposits in each customer segment in alignment with the strategies of a Bank of Sustainability and Customer Centricity, while strengthening customer relationships and our status as Customers' Main Bank.

In 2021, KBank introduced the Deposit x PEANUTS program with the aim of expanding the new customer base. Under this PEANUTS-themed deposit program, we offered K-eSavings and KBank x PEANUTS Taweessup Special Fixed Deposit Account wherein customers with deposit amounts in accordance with the established conditions were granted K Points which could be redeemed for PEANUTS copyrighted products via K+ market. Moreover, KBank focused on promoting the digital deposit service via MAKE by KBank application that offered a deposit rate of up to 1.5 percent per annum. Along with this, we launched a campaign to promote the opening of deposit accounts and the use of funds transfer in response to the lifestyles of customers who use online financial services every day. Meanwhile, we continued to introduce special fixed-term deposit products offering competitive interest rates as an option for customers and a fund mobilizing tool for the Bank's liquidity management that is suited to the prevailing circumstances.

At the same time, KBank introduced mutual funds with various investment policies and risk levels, taking into account volatilities in the money and capital markets, and customers' need for tax deduction benefits. To provide customers greater investment options with opportunities to gain better returns, we launched K Global Dynamic Bond Fund (K-GDBOND) that focuses on all types of global debt instruments and recommended K Positive Change Equity RMF (KCHANGERMF), which invests in stocks with positive impacts in four areas, namely environment, healthcare, education and social equality; K Global Income Fund-SSF (K-GINCOME-SSF) that offers opportunities to gain returns regardless of any market circumstances; K Target Retirement 2035 RMF (K2035RMF) and K Target Retirement 2040RMF (K2040RMF) which automatically adjusts portfolios from high-risk assets to low-risk assets as retirement approaches, and K STAR Equity Fund-SSF (K-STAR-SSF) which focuses on Thai stocks with high growth prospects.

4.5 Treasury Operations

During 2021, average overnight interbank lending rates stood at 0.44 percent per annum, lower than the average rate of 0.65 percent per annum in 2020, in line with the resolutions from the Monetary Policy Committee (MPC) meetings, wherein the key policy rate was kept unchanged at 0.50 percent per annum for the entirety of 2021.

KBank's guideline for investment portfolio is to prioritize the maintenance of liquidity in order to accommodate any future change in business conditions. In addition, investment strategy was established in line with the changes in economic conditions, as well as the movements of money and capital markets both at home and abroad. During the year, KBank thus increased its proportion of holdings in Thai government bonds in a manner consistent with policy rate projections, in order to increase yields from our liquid asset portfolio within an appropriate risk appetite.

Treasury Operations Income

(Unit : Million Baht)

Income Structure of Treasury Operations (Banking Book)	Percent of Total Income	2021	2020	Change	
				Increase (Decrease)	Percent
Interest Income ⁽¹⁾					
Interbank and money market items ⁽²⁾	27.38	1,873	2,940	(1,067)	(36.29)
Investments	72.62	4,967	4,669	298	6.38
Total	100.00	6,840	7,609	(769)	(10.11)

Note:

⁽¹⁾ Managerial figures

⁽²⁾ Including loans



Total interest income in 2021 stood at Baht 6,840 million, decreasing Baht 769 million or 10.11 percent from the previous year, mainly due to the fact that the policy rate stayed low at 0.50 percent per annum throughout the year.

Liquid Asset Ratio

KBank maintains average fortnightly current deposits at not less than 1.00 percent of total deposits and certain types of borrowings in accordance with the Bank of Thailand's regulations. As of December 31, 2021, our deposits at the Bank of Thailand and cash at cash center averaged Baht 31,780 million.

4.6 Operating Performance of K Companies and Muang Thai Life Assurance PCL

Operating Performance of K Companies ⁽¹⁾ and Muang Thai Life Assurance PCL

(Unit : Million Baht)

	Performance Measurement	2021	2020	2019
KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset)	Assets under Management	1,575,362	1,477,369	1,431,243
	Market Share (Percent)	18.00	17.84	18.50
KASIKORN SECURITIES PCL (KSecurities)	Trading Volume	1,517,385	1,119,047	683,035
	Market Share (Percent)	3.70	3.75	3.04
KASIKORN LEASING CO., LTD. (KLeasing)	Outstanding Loans	121,166	114,895	114,769
KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E)	Outstanding Loans	25,149	25,106	22,875
Muang Thai Life Assurance PCL (MTL)	Net Premiums Earned	66,139 ⁽²⁾	75,327	83,840
	Market Share (Percent)	12.13 ⁽²⁾	12.55	13.72

Note:

⁽¹⁾ KResearch is not included, since this company does not engage in financial business.

⁽²⁾ Data of January - November 2021

During 2021, K Companies and Muang Thai Life Assurance PCL (MTL) attained satisfactory qualitative and quantitative operating performance. This achievement was attributable to the close cooperation between KBank and K Companies, as well as MTL.

- **KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset):** KAsset maintained the number-one position in the mutual fund business as gauged by assets under management in this category, with a market share of 21.83 percent in 2021. Total market share of assets under management (AUM) was 18.00 percent. This excellent performance was due in part to its synergy with KBank in developing products to match consumers' needs. To maintain customer confidence during the COVID-19 resurgence, KAsset introduced a wide variety of mutual funds to provide greater investment options that completely meet customers' needs. Notable funds included K Asia Technology Equity Fund (K-ATECH) which invests in technology-related businesses in Asia Pacific; K Global Dynamic Bond Fund (K-GDBOND) focusing on various types of global fixed-income instruments with flexible investment strategies in line with market conditions in order to consistently provide positive returns; and K US Equity Passive Fund (K-US500X) and K Asia Equity Passive Fund (K-ASIA) targeting investors seeking returns close to the S&P 500 Index and MSCI All Country Asia ex Japan.



Meanwhile, KAsset worked with KBank in enhancing sales channel efficiency in compliance with the regulations of the Office of the Securities and Exchange Commission (SEC). Focus was on competency of fund distributors and development of services via digital channels that are easily accessible to customers in order to support sales. The company also prioritized the provision of information and recommendations on investments via its website, online media, K PLUS and K-My Funds applications. Another notable initiative was after-sale service that customers can process by themselves for enhanced customer convenience and responsiveness.

- **KASIKORN SECURITIES PCL (KSecurities):** The company emphasizes delivery of excellent products and services. To this end, the company developed tools for efficiently tracking and managing customer portfolios. In addition, KSecurities teamed with KBank in developing an online securities account opening system to expand the new customer base. Focus was also on provision of investment-related knowledge via online channels in sync with investor behavior in the digital era, allowing them to access data anywhere, anytime. Through these endeavors, KSecurities recorded securities trading volume of more than Baht 1.5 trillion, with a market share of 3.70 percent.

- **KASIKORN LEASING CO., LTD. (KLeasing):** In 2021, the automotive industry was hit by the COVID-19 pandemic and auto parts shortages. Therefore, overall new car sales saw a contraction compared to the previous year. Nonetheless, the company's Auto Loan (New Car) still enjoyed growth, with market share rising to 5.3 percent. Meanwhile, KLeasing focused on high-yield loans, especially Car to Cash and Auto Loan (Used Car) which saw satisfactory growth due to demand for loan from customers seeking to use car while efficiently managing their expenses amid the uncertain economic environment. The company continually issued assistance measures for pandemic-stricken customers in line with the Bank of Thailand's guidelines, especially sustainable debt relief programs. As a result, KLeasing's total outstanding loan increased markedly, by 5.46 percent over-year.

- **KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E):** The company focused on providing customers its equipment leasing service. In 2021, KF&E's outstanding equipment leasing was on par with that of the previous year as the company prioritized the forging of alliances with

machinery dealers while extending equipment leasing service to new industries, including robotics and digital technologies, software, healthcare, and green energy such as EV bikes. Moreover, KF&E worked with KBank in implementing a broad range of assistance measures for customers affected by COVID-19 with the aim of easing their installment payment burdens.

- **Muang Thai Life Assurance PCL (MTL):** The company prioritized collaboration with KBank in developing multiple life and health insurance products focusing on personalization so as to provide increased coverage options to meet the needs of each individual customer. In 2021, market share of the company's total premiums in bancassurance business ranked second in the life insurance industry.

MTL insurance products that were jointly developed with KBank included life and health insurance plans like "Elite Health", "Delight Health" and "Worry-Free Insurance" which cover inpatient department (IPD) medical expenses. In 2021, customers were offered greater options for outpatient department (OPD) medical coverage that is available as a single policy or a rider added to a life insurance policy. Other notable products were "Pay when Sick" - an affordable life insurance and health insurance program (IPD+OPD) which is designed for freelancers, the self-employed and SME operators; a unit-linked life insurance for both single premium payment (UN-SP) and renewal premium payment (UN-RP); the "OnePlus 10/1" life insurance policy offered on K PLUS, and free COVID-19 life insurance offered to customers who signed up for the service to notify outstanding credit card amount via KBank Live on the LINE application.

To overcome travel restrictions amid the COVID-19 outbreak and ensure sustainable growth of bancassurance business, MTL worked with KBank in developing tools in the form of a "Sales Story" to provide advisory service in order to support the offering of products by the sales team. Moreover, a digital face-to-face sales process was developed in strict adherence to market conduct guidelines, while Unit Linked Portfolio Review was initiated to equip our unit-linked life insurance customers with useful information and knowledge on investment. Along with this, the company added a channel for notification of policy renewal and premium payment via K PLUS while also introducing the MTL Click application - a self-service application that allows customers to conduct policy-related transactions by themselves.



4.7 Capital Requirements

Placing great emphasis on capital as a significant funding source for business operations that also reflects the financial strength and credibility of a financial institution, KBank has adopted capital management framework in line with international sound practice. KBank's Capital Management Sub-committee is responsible for planning and overseeing capital adequacy, while the Risk Oversight Committee supervises capital management of the Conglomerate for enhanced efficiency. Moreover, KBank has forward-looking capital planning for assessment of capital adequacy based on economic outlook, our business plans and regulatory changes while also regularly undertaking stress tests to ensure that we have adequate capital for operations under normal and crisis situations.

As of the end of 2021, KASIKORNBANK FINANCIAL CONGLOMERATE, under the Basel III capital requirements, had capital funds of Baht 493,930 million, consisting of Baht 406,642 million in Common Equity Tier-1 capital, Baht 433,959 million in Tier-1 capital and Baht 59,971 million in Tier-2 capital. The capital adequacy ratio was 18.77 percent, which is above the Bank of Thailand's minimum requirement and buffer requirement of 12.00 percent.

Overview of Capital Requirements

After the global financial crisis, the Basel Committee on Banking Supervision (BCBS) undertook a great effort to revise capital supervision framework (Basel III) to reinforce the stability of the global banking system. The framework is intended to increase financial institutions' ability to absorb losses that may be incurred. Financial institutions are required to maintain higher capital quality and quantity. The Bank of Thailand has adopted the reforms in Thailand. The capital requirements are summarized as follows:

Capital requirements comprise two parts:

1. Minimum Capital Requirement: Total capital ratio must be maintained at not less than 8.5 percent, comprising Common Equity Tier-1 ratio (CET1 ratio) and Tier-1 ratio at not less than 4.5 percent and 6.0 percent of total risk weighted asset, respectively.
2. Capital Buffer: The Bank of Thailand requires that conservation buffer be maintained, with CET1 ratio of more than 2.5 percent of total risk weighted asset in addition to minimum capital ratio. Domestic Systematically Important Banks (DSIBs) are required to maintain the additional CET1 of 1.0 percent of total risk weighted assets. The financial conglomerate's capital levels are above regulatory requirements.



Capital Adequacy Ratio ⁽¹⁾

• KASIKORNBANK FINANCIAL CONGLOMERATE ⁽²⁾

(Unit : Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirements ⁽³⁾	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Tier-1 Capital Ratio	9.50	16.49	16.53	15.86	15.80	16.13
Common Equity Tier-1 Ratio	8.00	15.46	15.49	15.25	15.17	15.48
Tier-2 Capital Ratio	-	2.28	2.29	2.33	2.64	2.67
Capital Adequacy Ratio	12.00	18.77	18.82	18.19	18.44	18.80

• The Bank

(Unit : Percent)

Capital Adequacy Ratio	Basel III					
	Minimum Requirements including Buffer Requirements ⁽³⁾	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021	Dec. 31, 2020
Tier-1 Capital Ratio	9.50	15.42	15.37	14.68	14.65	14.94
Common Equity Tier-1 Ratio	8.00	14.32	14.28	14.03	13.99	14.26
Tier-2 Capital Ratio	-	2.41	2.42	2.45	2.77	2.80
Capital Adequacy Ratio	12.00	17.83	17.79	17.13	17.42	17.74

Note:

⁽¹⁾ Excluding net profit of each period, which under the Bank of Thailand's regulations, net profit in the first half-year period is to be counted as capital after approval by the Board of Directors per KBank's regulations. Net profit in the second half-year period is counted as capital after approval of the General Meeting of Shareholders. However, whenever a net loss occurs, the capital must be immediately reduced at the end of period.

⁽²⁾ KASIKORNBANK FINANCIAL CONGLOMERATE means the company under the Notification of the Bank of Thailand Re: Consolidated Supervision, consisting of KASIKORNBANK, K Companies and subsidiaries operating in support of KBank, Phetai Asset Management Co., Ltd. and other subsidiaries within the permitted scope from the Bank of Thailand's to be in a financial conglomerate.

⁽³⁾ Bank of Thailand required the Bank to maintain two capital buffers as follows:

- Conservation buffer: Bank of Thailand required KBank to maintain an additional Common Equity Tier 1 at more than 2.50 percent.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): Bank of Thailand required KBank, as a D-SIB to maintain an additional Common Equity Tier 1 at 1.00 percent.

Performance Measurements using Risk-Adjusted Return on Capital (RAROC) and Economic Profit (EP)

During 2021, we continued to implement Value-Based Management (VBM), which is a management practice comprising two main components, Corporate Value Creation and Corporate Governance. The VBM has been applied to business undertaking with the aim of achieving the highest value creation in accordance with our business strategies and goals. In achieving this objective, the Risk-Adjusted Return on Capital (RAROC) and Economic Profit (EP) - showing net profit after adjusting cost of capital - have been adopted as key measurements.



KBank has in place proactive risk management via risk-adjusted return analysis in all credit processes, starting from new credit extension, to assess the ability of portfolios to create value per the established business target. Analysis of asset quality and risk-adjusted return of new credit is conducted to help business units adjust their strategies appropriately for changing economic circumstances, focusing on customer groups or products that create appropriate risk-adjusted return within our risk appetite.

Moreover, we have monitored and measured performance that is consistent with and linked to various management aspects to ensure efficient resource management, performance assessment and value-based profit analysis under the “Customer Centricity” strategy so as to strengthen our competitive advantage in the dimensions of customer segments and product domains, paying attention to the linkages between them so as to attain the highest efficiency in capital usage.

4.8 Credit Ratings

In 2021, the Bank's credit ratings given by Moody's Investors Service, and Fitch Ratings remained unchanged from the end of 2020. However, in the fourth quarter of 2021, Standard & Poor's raised the outlook on the long-term ratings of KBank, to negative from watch negative, as the Bank was able to maintain adequate capital and strong liquidity to buffer against uncertainty stemming from the COVID-19 outbreak.

Details are shown in the following table.

KASIKORNBANK's Credit Ratings

Credit Ratings Agency	Dec. 31, 2021	Dec. 31, 2020
Moody's Investors Service ⁽¹⁾		
<u>Foreign Currency</u>		
Outlook	Stable	Stable
Long-term - Senior Unsecured Notes	Baa1	Baa1
- Deposit	Baa1	Baa1
- Counterparty Risk	A3	A3
- Subordinated Debt	Baa3	Baa3
Short-term - Debt/Deposit	P-2	P-2
- Counterparty Risk	P-2	P-2
Baseline Credit Assessment	baa1	baa1
<u>Domestic Currency</u>		
Outlook	Stable	Stable
Long-term - Deposit	Baa1	Baa1
- Counterparty Risk	A3	A3
Short-term - Debt/Deposit	P-2	P-2
- Counterparty Risk	P-2	P-2
Standard & Poor's ⁽¹⁾		
<u>Global Scale Ratings</u>		
Outlook	Negative	Watch Negative
Long-term Counterparty Credit Rating	BBB+	BBB+
Long-term Certificate of Deposit	BBB+	BBB+
Short-term Counterparty Credit Rating	A-2	A-2
Short-term Certificate of Deposit	A-2	A-2
Senior Unsecured Notes (Foreign Currency)	BBB+	BBB+

Note:

⁽¹⁾ The base levels for investment grade on long-term credit ratings for Moody's Investors Service, Standard & Poor's, and Fitch Ratings are Baa3, BBB- and BBB-, respectively. For short-term credit ratings, the base levels for investment grade as viewed by these three agencies are P-3, A-3, and F3, respectively.



Credit Ratings Agency	Dec. 31, 2021	Dec. 31, 2020
Fitch Ratings ⁽¹⁾		
<u>International Credit Ratings (Foreign Currency)</u>		
Outlook	Stable	Stable
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F3	F3
Senior Unsecured Notes	BBB	BBB
Viability	bbb	bbb
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Support	2	2
Support Rating Floor	BBB-	BBB-
<u>National Credit Ratings</u>		
Outlook	Stable	Stable
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)
Subordinated Debt (Basel III-compliant Tier 2 securities)	AA-(tha)	AA-(tha)

Note:

⁽¹⁾ The base levels for investment grade on long-term credit ratings for Moody's Investors Service, Standard & Poor's, and Fitch Ratings are Baa3, BBB- and BBB-, respectively. For short-term credit ratings, the base levels for investment grade as viewed by these three agencies are P-3, A-3, and F3, respectively.

4.9 Impacts of COVID-19 Pandemic

The overall Thai economy in 2021 remained pressured by the COVID-19 pandemic. The viral transmission affected economic activity both at home and abroad. As Thai people's lives were beset by this crisis, KBank implemented relief measures to assist our customers under a prudent integrated risk management approach. We have proactively monitored customer risk in order to implement appropriate assistance measures for mitigating the pandemic's impacts. We have continually adopted a prudent approach in setting aside expected credit loss to ensure that our provisions are sufficiently proactive to cope with potential damages and uncertainties, accounting for the prevailing economic circumstances.

Meanwhile, KBank is aware of the risks and impacts of COVID-19 on our customers' and employees' lives and safety, continuity of our business operation and service provision, and the business undertakings of our customers, suppliers and other stakeholders. We have established proactive risk management, which comprehensively covers continual prevention, monitoring and response. This has prompted us to manage the situation in an effective and timely manner. We have thus far seen no significant impact on our business operation or our employees' quality of life and well-being.

In 2021, KBank had robust capital position for coping with potential risks while also managing liquidity at an appropriate level, which was sufficient for providing loans and supporting economic activity on a continual basis.

Details on the impacts of COVID-19 can be found in Form 56-1 One Report, Management Discussion and Analysis, Notes to Financial Statements and the Sustainability Report 2021.



5. General Information and Other Important Information

5.1 General Information

General Head Office and Contact Channels

Issuing Company	: KASIKORNBANK PUBLIC COMPANY LIMITED aka “KBank”
Type of Business	: KASIKORNBANK PUBLIC COMPANY LIMITED conducts commercial banking business, securities business, and other related business under the Financial Institution Business Act, Securities and Exchange Act and other related regulations.
Head Office	: 400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Phaya Thai District, Bangkok 10400, Thailand
Company Registration Number	: 0107536000315
Telephone	: 02-2220000 Press 1
Fax	: 02-4701144
K-Contact Center (Personal)	: 02-8888888 Press 1 Thai Press 2 English Press 877 Japanese Press 878 Mandarin Press 879 Burmese
K-BIZ Contact Center (Business)	: 02-8888822 Press 1 Thai Press 2 English Press 3 Mandarin Press 4 Japanese
SWIFT	: KASITHBK
E-mail	: info@kasikornbank.com
Website	: www.kasikornbank.com



KBank Live
K-Contact Center 02-8888888



Names Offices, Telephone and Fax Numbers of Referenced Entities

Registrar

- Ordinary Shares : The Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng Sub-District,
Dindaeng District, Bangkok 10400, Thailand
Tel.: 02-0099000 Fax: 02-0099991
SET Contact Center: 02-0099999
E-mail: SETContactCenter@set.or.th
Website: www.set.or.th/tsd
- Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No.1/2016 due 2027 : Registrar and Account Administration Unit
Securities Services Department
KASIKORNBANK PCL, Rat Burana Building, 19th Floor,
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District, Bangkok 10140, Thailand
Tel.: 02-4701994 and 02-4705978 Fax: 02-2732279
- Euro Denominated Short-Term Debentures of KASIKORNBANK PCL Series 5 Due January 7, 2022
- Euro Denominated Short-Term Sustainability Debentures of KASIKORNBANK PCL Due February 25, 2022
- Euro Denominated Short-Term Debentures of KASIKORNBANK PCL Series 6 Due March 31, 2022
- Floating Rate Notes due 2021 : The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building - Polaris, 2-4 rue Eugène Ruppert,
L-2453, Luxembourg
- Senior Unsecured Notes due 2022
- Senior Unsecured Notes due 2023
- Floating Rate Notes due 2023 (Sustainability Bond)
- Floating Rate Notes due 2023
- Tier II Subordinated Notes due 2031
- Additional Tier I Subordinated Notes
- Additional Tier I Subordinated Notes

Auditors

- : Ms. Sureerat Thongarunsang CPA No. 4409
Mr. Chanchai Sakulkoedsin CPA No. 6827
Mr. Charoen Phosamritlert CPA No. 4068
KPMG Phoomchai Audit Limited
Empire Tower, 48th-50th Floor,
1 South Sathorn Road, Yannawa Sub-District,
Sathorn District, Bangkok 10120, Thailand
Tel.: 02-6772000 Fax: 02-6772222

Legal Adviser

- : Ms. Chonchanum Soonthornsaratoon
22 Soi Soonthornsaratoon (On Nut 21/1), Sukhumvit 77,
On Nut Sub-District, Suan Luang District,
Bangkok 10250, Thailand
Tel.: 02-7306969-76 Fax: 02-7306967



5.2 Factors Affecting Investment Decisions

Legal Disputes

The Bank and its subsidiaries is not a litigant or a concerning party in the following particular cases;

1. Cases that may cause any negative impact to assets of the Bank and its subsidiaries (cases which have litigation sum greater than 5 percent of the Bank's or its subsidiaries' shareholder equity as the case may be as of the latest fiscal year-end);
2. Cases that may have a material adverse effect on business operation; but unable to estimate the exact amount;
3. Cases that are not caused by the ordinary course of business.

In part of the Bank, there are 234 pending cases in the ordinary course of the Bank's business, with the total litigation sum of approximately Baht 1,598 million. In those cases, there are 33 cases for which the Court of First Instance has awarded judgment in favor of the Bank but are still pending in higher courts, having an aggregate litigation sum of approximately Baht 121 million. The Bank views that, given the present status of the Bank, such total litigation sum of all the aforementioned lawsuits would have no material impact on the Bank's business operations.

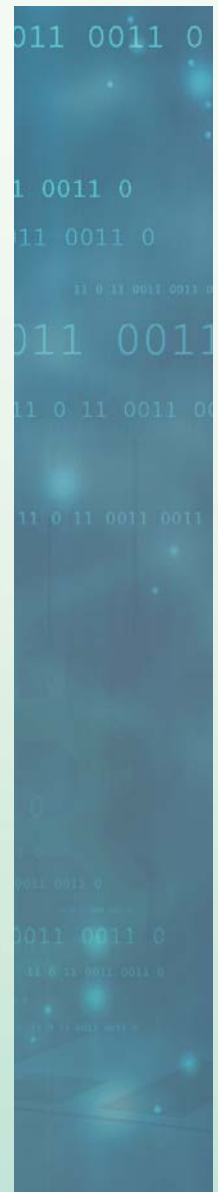


Part

2

Corporate Governance

- 093 6. Corporate Governance Policy
- 096 7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others
- 114 8. Report on Important Operational Results of Corporate Governance
- 140 9. Internal Control and Related Party Transactions





6. Corporate Governance Policy

KASIKORNBANK operates our business with responsibility, transparency and fairness, while also placing great importance on good corporate governance, believing it to be essential to sustain the Bank's business and enhance stakeholders' confidence. The Statement of Corporate Governance Principles has been devised and approved by the Board of Directors. Compliance with the Corporate Governance Policy has also been reviewed on a regular basis. The Bank has encouraged companies within KASIKORNBANK FINANCIAL CONGLOMERATE to establish their Statement of Corporate Governance Principles, as well.

The Bank's Statement of Corporate Governance Principles is in line with the Bank's Vision, Purpose, Core Values, and Statement of Business Conduct. The content covers the structure, composition, roles, duties, and responsibilities of the Board of Directors, Independent Directors Committee and all Board Committees, as well as matters of risk management, internal control system, Code of Conduct, supervision for the use of inside information, and issues that are likely to involve conflicts of interest and relations with shareholders, including the importance of rights of all shareholders and equitable treatments of shareholders. Details of the Statement of Corporate Governance Principles can be found on the Bank's website, www.kasikornbank.com, under the "Investor Relations" section, "Corporate Governance" subsection on "Statement of Corporate Governance Principles".

Moreover, the Statement of Corporate Governance Principles and related guidelines are in accordance with Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission, Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD), ASEAN Corporate Governance Scorecard, and Dow Jones Sustainability Indices (DJSI).

The Bank encourages everyone in the organization to adhere to and comply with the Statement of Corporate Governance Principles by organizing activities to continuously promote corporate governance standard and development. Emphasis is placed on the maintenance and development of corporate governance, and the promotion of corporate governance as an organizational culture.

In 2021, the Bank assessed operating results in accordance with the Corporate Governance Policy. The Bank also reviewed and revised the Corporate Governance Policy, which was subsequently proposed for the Board of Directors' consideration so as to ensure that it was updated in conformity with regulatory requirements and best practices. In addition, a number of activities were undertaken to promote good corporate governance principles. They included arrangement of seminars, communications and training courses for directors, executives and employees of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE on various topics, including the Statement of Corporate Governance Principles, the Code of Conduct, and the Anti-Corruption Policy, as well as risk management and fraud prevention, internal control, and compliance with rules and regulatory requirements.



6.1 Overview of Corporate Governance Policies and Guidelines

6.1.1 Policies and Guidelines regarding the Board of Directors

The Bank has established important policies and guidelines regarding the Board of Directors to ensure transparency and fairness in our business operations. Such policies and guidelines cover the nomination and remuneration for directors and executives, independence of the Board of Directors from the management, professional development for directors, performance assessment of the Board of Directors and supervision of subsidiary and associated companies.

6.1.2 Policies and Guidelines regarding Shareholders and Stakeholders

The Bank has established important policies and guidelines regarding shareholders and stakeholders to ensure appropriate treatment of shareholders and stakeholders. Such policies and guidelines cover rights of shareholders, equitable treatment of shareholders, responsibility to stakeholders, supervision for the use of inside information, conflicts of interest prevention, anti-corruption, and receiving information, complaints or whistle-blowing.

6.2 Business Ethics

The Board of Directors has promoted the establishment of a Statement of Business Conduct and a Code of Conduct in compliance with the Bank's Vision and Core Values, which designated the basic principles concerning the execution of duties and compliance with professional standards by directors and employees. They perform their duties with integrity, in compliance with the law and the Bank's rules and regulations, based on a business approach that is transparent, honest, and fair, for the development of the organization towards attaining international standards. Details of the Statement of Business Conduct and the Code of Conduct can be found on the Bank's website, www.kasikornbank.com, under the "Investors Relations" section, "Corporate Governance" subsection on "Statement of Business Conduct" and "Code of Conduct".

The Bank has identified important regulations and practical guidelines that are in accordance with the Code of Conduct, which are detailed and disseminated to employees, and encouraged companies within KASIKORNBANK FINANCIAL CONGLOMERATE to establish and review a Code of Conduct and operational procedures in accordance with the nature of their businesses and requirements of governing authorities.

In 2021, the Bank revised the means of acknowledgment of compliance with the Code via an e-Learning system, and required employees to take a test before their acknowledgment of compliance with the Code. We also communicated various topics on the Code of Conduct via electronic channels throughout the year to ensure compliance among our executives and employees; training courses on the Code and the Anti-Corruption Policy were arranged via the e-Learning system to promote their understanding so that they perform their duties with responsibility and in a correct and proper manner. An assessment on understanding of the Code was also conducted with executives and employees of P Companies to ensure that they understand the Code of Conduct and to promote sustainable business operations.

6.3 Significant Changes and Developments in Corporate Governance Policies, Guidelines and Systems in 2021

6.3.1 Significant Changes and Developments

In 2021, the Bank reviewed corporate governance policy, practical guidelines and systems for enhanced efficiency, and an upgrade in corporate governance standards in line with Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission and best practices. Important actions were taken, as follows:



- Revising Core Values by adding integrity as a part of our Core Values.
- Revising authorities, duties and responsibilities of the Board of Directors, the Audit Committee and the Human Resources and Remuneration Committee to cover sustainable development undertakings.
- Revising director nomination policy and procedure in compliance with the assessment criteria of ASEAN CG Scorecard.
- A target regarding the number of female directors was set at not less than 30 percent of the total number of directors, with the aim of increasing the role of women and their engagement in the economic system in accordance with the Notification of the SEC Office SorPor. (Wor) 29/2564 (2021), dated August 5, 2021, Re: Encouraging Companies Listed on the Stock Exchange of Thailand to promote the Efficiency of the Board of Directors by Recognizing Opportunities for Women, and in line with the ASEAN CG Scorecard.
- The quorum for a meeting of the Board of Directors shall be at least two-thirds of the total number of directors in line with the assessment criteria of Corporate Governance Report of Thai Listed Companies and ASEAN CG Scorecard.
- Revising Human Rights Policy in compliance with the assessment criteria of the Dow Jones Sustainability Indices (DJSI).
- Revising Anti-Corruption Policy in compliance with the assessment criteria according to anti-corruption measures of the Thai Private Sector Collective Action Against Corruption.
- Organizing the seminar entitled "A Pioneer for the Better" for the Board of Directors. The seminar featured Roles of the Board of Directors on Sustainability and ESG, Holistic Views on Sustainability and ESG, and KBank's 3-year Strategic Outlook. Aside from offering a venue for them to provide recommendations related to the Bank's plans and strategies for 2022, the seminar was intended to foster relations between the Board of Directors and Management.
- Establishing operational guidelines on personal data protection for the Board of Directors and related persons, and for the General Meeting of Shareholders in compliance with the Personal Data Protection Act B.E. 2562 (2019).

6.3.2 Application of the Principles in Corporate Governance Code for Listed Companies 2017 of the Office of the Securities and Exchange Commission in Business Operations

The Board of Directors considered applying the principles outlined in Corporate Governance Code for Listed Companies developed by the Office of the Securities and Exchange Commission into business operations. As the governing body of the company, all directors considered the Code thoroughly and understood the benefits and importance of adopting the CG Code for the company's sustainable value creation. The performance results in accordance with each guideline in the CG Code were assessed to ensure conformance with the guidelines that are suitable to business operations. For particular principles that are not applied in the Bank's operations, the Board of Directors has considered and recorded them as a board resolution.

6.3.3 Compliance with other Good Corporate Governance Principles

The Bank recognizes the importance of and adheres to the good corporate governance principles, in conformance with the international standards which have been applied to the Bank's business operations based on transparency and suitability. In 2021, in comparison with the Corporate Governance Code of Office of the Securities and Exchange Commission and the Thai Institute of Directors Association, there are certain practices of the Bank different from such principles, as follows:

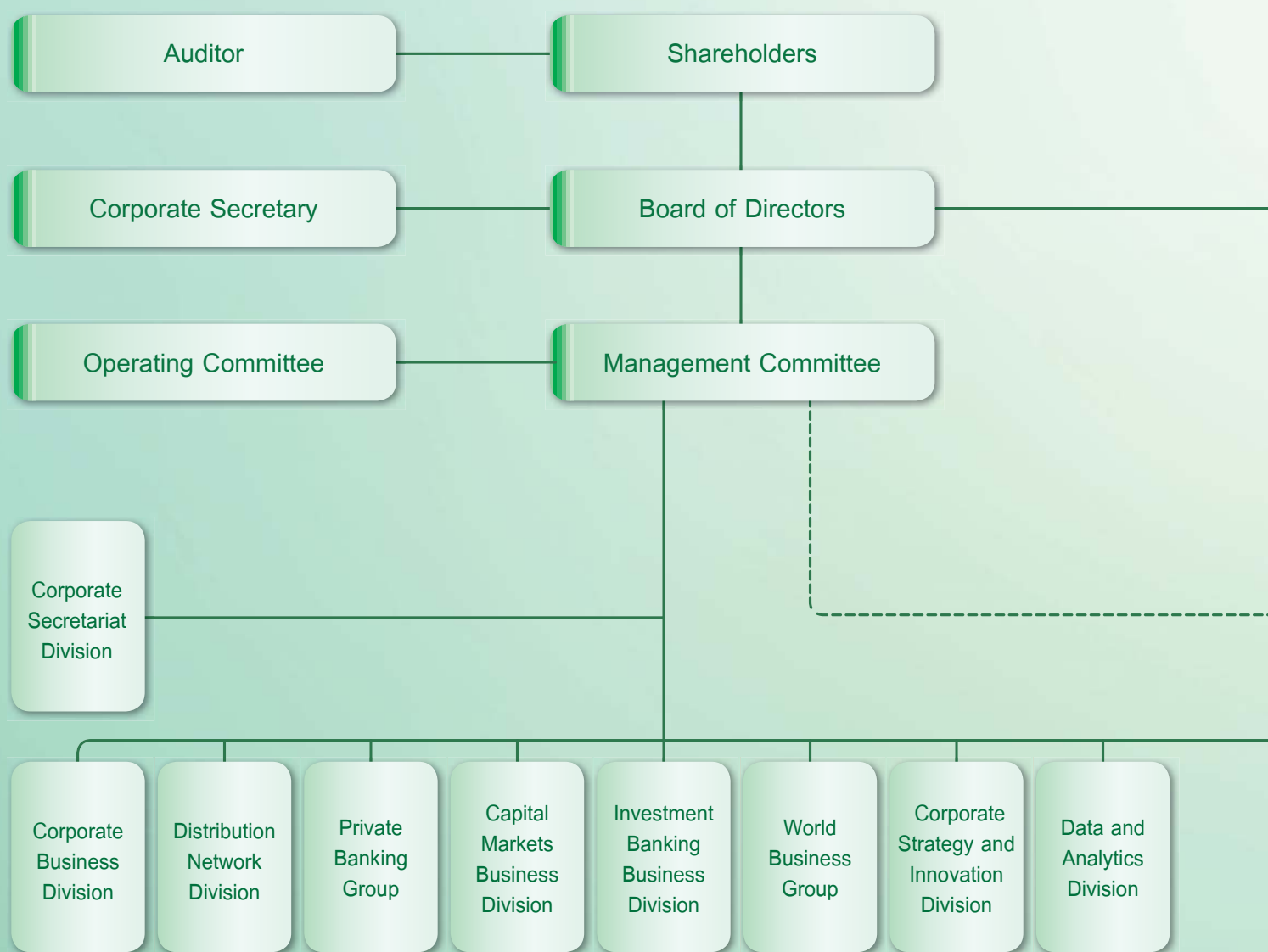
- The Board of Directors should comprise at least 5 but no more than 12 directors.
As of December 31, 2021, the Bank's Board of Directors was composed of 18 members - a number suitable for the Bank's business nature and the Board's diverse experiences and expertise can ensure complete oversight of the Bank's operation.
- The election of directors should be based on cumulative voting.

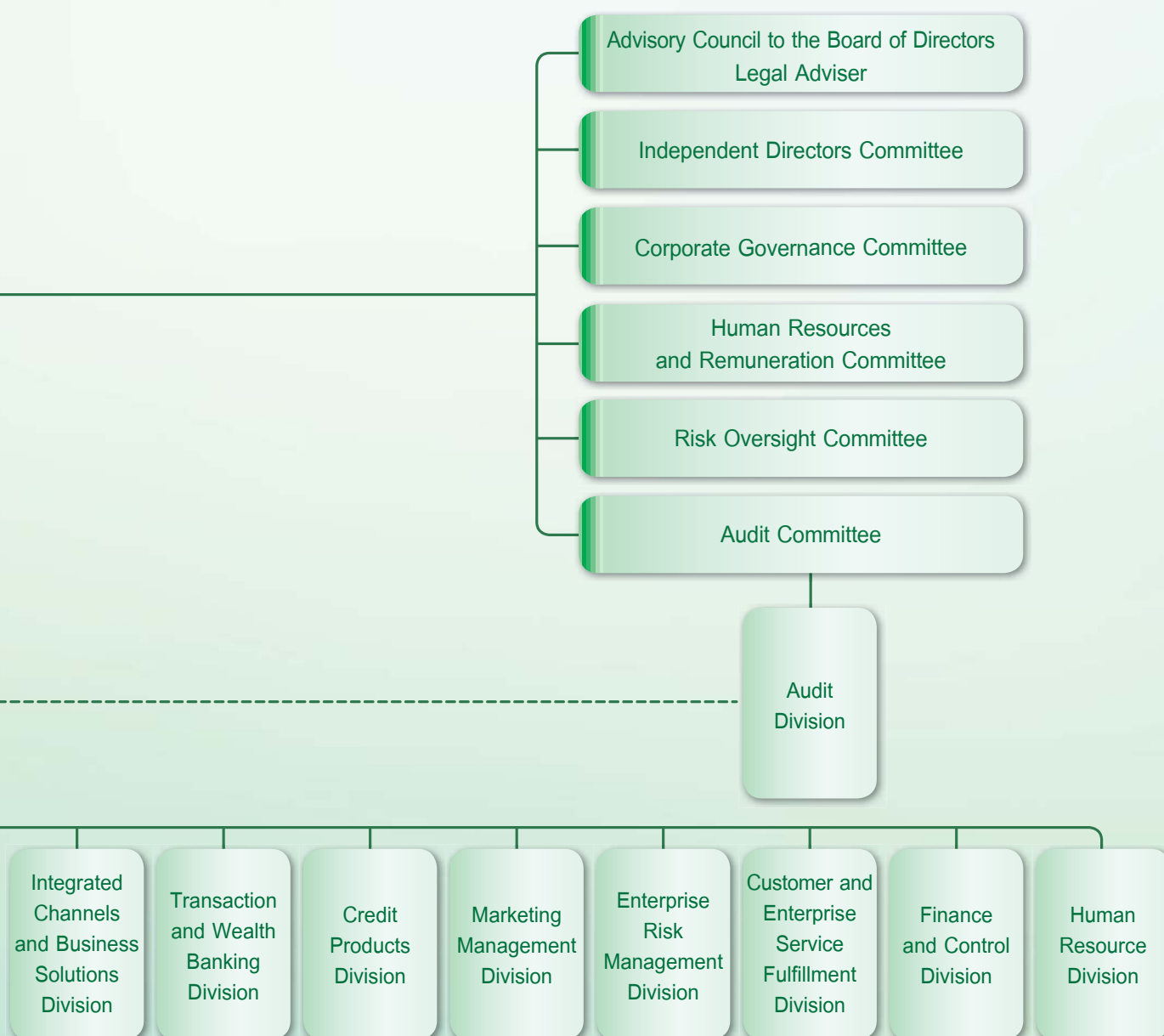
The Bank's Articles of Association stipulates that the voting is based on the principle of one share equals one vote and a resolution requires majority votes at the meeting. The number of votes a shareholder shall correspond to the number of shares he or she owns. Shareholders can cast their votes to elect directors individually. The nominated directors receiving the most "for" votes are elected to the board until all board seats are filled up. The Bank has established guidelines to protect shareholders' rights, such as allowing shareholders to propose a person for election as a director prior to the scheduled General Meeting of Shareholders.



7. Corporate Governance Structure and Important Information Concerning the Board of Directors, Board Committees, Executives, Employees and Others

7.1 Organization Chart of KASIKORNBANK PCL









Honorary Chairman
Mr. Banyong Lamsam



Board of Directors



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1. Ms. Kobkarn Wattanavrangkul
2. Ms. Sujitpan Lamsam
3. Ms. Kattiya Indaravijaya
4. Mr. Pipit Aneaknithi
5. Mr. Patchara Samalapa
6. Mr. Krit Jitjang
7. Dr. Pipatpong Poshyanonda
8. Sqn.Ldr. Nalineee Paiboon, M.D.
9. Mr. Saravoot Yoovidhya

Chairperson of the Board
 Vice Chairperson
 Chief Executive Officer
 President
 President
 President
 President
 Independent Director
 Independent Director



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- | | |
|---|----------------------------|
| 10. Dr. Piyasvasti Amranand | Independent Director |
| 11. Mr. Kalin Sarasin | Independent Director |
| 12. Mr. Wiboon Khusakul | Independent Director |
| 13. Ms. Suphajee Suthumpun | Independent Director |
| 14. Mr. Sara Lamsam | Director |
| 15. Mr. Chanin Donavanik | Independent Director |
| 16. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya | Independent Director |
| 17. Ms. Chonchanum Soonthornsaratoon | Director and Legal Adviser |
| 18. Mr. Suroj Lamsam | Director |

Dr. Adit Laixuthai
Corporate Secretary
Secretary to the Board of Directors and
Secretary to the Independent Directors Committee

Ms. Prayoonsri Katanyutanon
Ms. Nuchsrn Polwit
Mr. Pornpipat Klinpongsiri
Assistant Secretaries to the Board of Directors



7.2 Details of the Board of Directors

7.2.1 Composition of the Board of Directors

The Bank's Board of Directors comprises not less than 7 and not more than 18 directors. The directors shall not exceed the age limit of 72 years old. Independent directors comprise not less than one-third of all directors, but no less than three directors, and shall hold their positions for no more than nine consecutive years.

Moreover, the Board of Directors comprises persons of a wide range of knowledge, competence, skills and experience that are commensurate with the Bank's business and risk exposures, in alignment with our strategies and sustainable development operations. Members of the Board of Directors must consist of, at least, one director who has knowledge or experience in information technology, one director who has adequate knowledge and experience to review the reliability of financial statements, one director who has knowledge, competence and understanding of risks related to the financial institution business, one director who has experience in financial institution business, and females should constitute at least 30 percent of all Board members.

To ensure an appropriate level of balance of power in accordance with the principles of good corporate governance, the Chairperson and Chief Executive Officer of the Bank shall not be the same person, nor perform the same duties.

As of December 31, 2021, the Board of Directors consisted of 18 members that are commensurate with the Bank's nature of business and risk exposures, beneficial to our long-term business, and in alignment with our directions and strategies, as well as sustainable development, as follows:

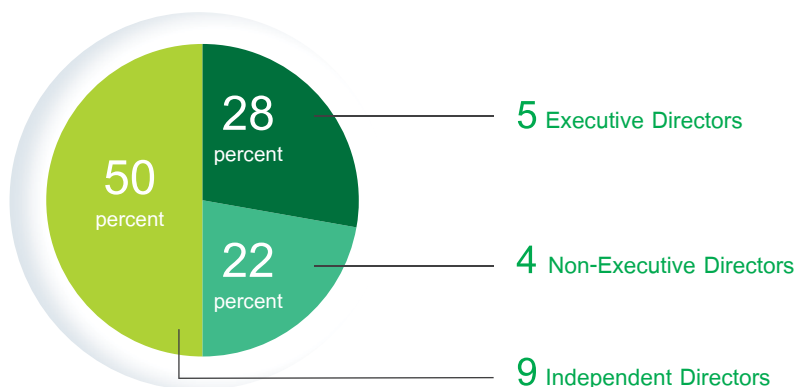
As of December 31, 2021, the Board of Directors consisted of **18** members



11 Male Members,
accounting for **61**
percent of all Board
members



7 Female Members,
accounting for **39**
percent of all Board
members



Aged
between

41 - 50 years **2** directors

51 - 60 years **10** directors

61 - 70 years **6** directors



7.2.2 Details of the Board of Directors

Board of Directors

Mr. Banyong Lamsam is Honorary Chairman of the Bank and Mr. Banthoon Lamsam is Chairman Emeritus.

As of December 31, 2021, the Bank's Board of Directors had 18 members, as follows:

Name	Position	Director Type
1. Ms. Kobkarn Wattanavrangkul	Chairperson of the Board / Lead Independent Director	Independent Director
2. Ms. Sujitpan Lamsam	Vice Chairperson / Member of the Risk Oversight Committee	Non-Executive Director
3. Ms. Kattiya Indaravijaya	Chief Executive Officer / Member of the Risk Oversight Committee	Executive Director
4. Mr. Pipit Aneaknithi	President / Member of the Risk Oversight Committee	Executive Director
5. Mr. Patchara Samalapa	President	Executive Director
6. Mr. Krit Jitjang	President / Member of the Risk Oversight Committee	Executive Director
7. Dr. Pipatpong Poshyanonda	President	Executive Director
8. Sqn.Ldr. Naline Paiboon, M.D.	Director / Chairperson of the Corporate Governance Committee	Independent Director
9. Mr. Saravoot Yoovidhya	Director / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
10. Dr. Piyasvasti Amranand	Director / Chairman of the Risk Oversight Committee	Independent Director
11. Mr. Kalin Sarasin	Director / Chairman of the Audit Committee / Member of the Human Resources and Remuneration Committee	Independent Director
12. Mr. Wiboon Khusakul	Director / Member of the Corporate Governance Committee / Member of the Human Resources and Remuneration Committee	Independent Director
13. Ms. Suphajee Suthumpun	Director / Chairperson of the Human Resources and Remuneration Committee / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
14. Mr. Sara Lamsam	Director / Member of the Corporate Governance Committee	Non-Executive Director
15. Mr. Chanin Donavanik	Director / Member of the Corporate Governance Committee	Independent Director
16. Ms. Jainnisa Kuvichkul Chakrabandhu Na Ayudhya	Director / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
17. Ms. Chonchanum Soonthornsaratoon	Director and Legal Adviser / Member of the Corporate Governance Committee / Member of the Human Resources and Remuneration Committee	Non-Executive Director
18. Mr. Suroj Lamsam	Director / Member of the Human Resources and Remuneration Committee	Non-Executive Director



The primary authorized directors with signatory authority on behalf of the Bank are Ms. Kattiya Indaravijaya, Mr. Pipit Aneaknithi, Mr. Patchara Samalapa, Mr. Krit Jitjang, Mr. Pipatpong Poshyanonda: two out of these five directors shall co-sign with the Company's seal affixed.

7.2.3 Roles and Duties of the Board of Directors

The Board of Directors is accountable to the Bank's shareholders. Each director represents all shareholders and takes part in supervisory and regulatory functions in the Bank's operations, in an independent and impartial manner, for the benefit of all shareholders and other stakeholders.

The Board has duties and responsibilities designated in the Board of Directors Charter as follows:

1. Supervising and managing the Bank so that it is in accordance with the law and the Bank's objectives, the Articles of Association and the resolutions of shareholders meetings.
2. Approving the Vision, Purpose, Core Values, and Statement of Business Conduct.
3. Reviewing and discussing the management's proposed strategic options and approving major decisions with respect to KASIKORNBANK FINANCIAL CONGLOMERATE direction and policies, including sustainable development undertakings. The Board also reviews and approves the Annual Business Plan, Capital Expenditure Budget, and performance goals proposed by the management.
4. Monitoring the Bank's performance and progress towards achieving set objectives, including sustainable development undertakings, as well as compliance with the laws, regulations and related policies.
5. Supervising and reviewing the balance between the Bank's short-term and long-term objectives.
6. Ensuring that the Bank shall vest authority in the Chief Executive Officer or the President to initiate, commit and approve payments for expenditures approved in the Capital Expenditure Budget and other budgets approved by the Board for the purpose of the special projects. The Board shall also review and approve any credit proposal beyond the established limits of the delegated lending authority.
7. Reviewing and approving human resources policies, management development plans, and remuneration policies. The Board shall seek and nominate successors to the Chief Executive Officer and the President, appraise their performance and ensure that effective performance assessments are undertaken for Bank executives.

8. Ensuring the existence of an effective internal control system and appropriate risk management framework.

9. Ensuring an effective audit system executed by both internal and external auditors.

10. Approving quarterly, semi-annual and annual financial reports; ensuring that reports are prepared under generally accepted accounting standards.

11. Formulating or approving sound risk governance framework and overseeing the instillation of risk-based organizational culture.

12. Ensuring capital adequacy, including an appropriate capital assessment process, for present and future business.

13. Ensuring that the Bank has a proper system in place to communicate effectively with all stakeholders and the public.

The following activities require approval of the Board of Directors:

1. Issues related to the Bank policies.
2. Issues likely to cause significant changes in the Bank's business.
3. Issues involving regulatory compliance of the Board of Directors.
4. Issues involving the Bank's established regulations.
5. Issues considered by the Management Committee as appropriate for approval by the Board of Directors on a case-by-case basis, or under the criteria designated by the Board of Directors, such as credit underwriting, etc.

Authorities, Duties and Responsibilities of the Chairperson of the Board

1. Summoning the meetings of the Board of Directors and supervising the delivery of meeting notices and related documents so as to ensure that the Board of Directors acquire adequate and timely information;
2. Presiding over the Board of Directors meeting;
3. Promoting Corporate Governance standards of the Board of Directors;
4. Presiding over the Shareholders meeting and conducting the meeting in compliance with the Bank's Articles of Association and following the sequence of the agenda;
5. Supervising efficient communications between the directors and shareholders;
6. Performing the duty specified by law as the duty to be performed by the Chairperson.

Empowerment by the Board of Directors

The directors may approve the empowerment of executive authority to the Bank's Chief Executive Officer or Presidents



to act legally on behalf of the Bank in conducting transactions up to the specified limit. Such executives may delegate this authority to a Bank employee to act on behalf of the Bank within the limits of each employee's responsibility. For transactions over the specified limit, the Board shall review and approve the limit of such transactions on a case-by-case basis.

Roles and Duties of the Chief Executive Officer and the President

The Chief Executive Officer and the President shall have the responsibility of managing and conducting the Bank's business as designated by the Board of Directors, manage the Bank's business and drive the sustainable development undertakings according to set policies, strategies and plans, and under the authorization delegated by the Board of Directors as well as the Bank's delegated operating authority.

Advisory Council to the Board of Directors

The Board of Directors appointed several qualified persons to act as Advisory Council to the Board of the Directors as of December 31, 2021, including:

1. Mr. Sukri Kaocharern
2. Mr. Somchai Bulsook
3. Ms. Elizabeth Sam
4. Mr. Hiroshi Ota
5. Professor Dr. Yongyuth Yuthavong
6. Professor Dr. Pairash Thajchayapong
7. Professor Khunying Suchada Kiranandana
8. Ms. Puntip Surathin
9. Dr. Abhijai Chandrasen

Roles and Mission of the Advisory Council to the Board of Directors

Roles and responsibilities of the Advisory Council to the Board of Directors are to make recommendations to the Board of Directors in matters assigned by the Board of Directors.

Independent Directors Committee

The Board of Directors approved the appointment of the Independent Directors Committee on January 31, 2013. The Committee comprises all of the Bank's independent directors. Members shall have a term of office per their term as members of the Board of Directors but no more than nine consecutive years. As of December 31, 2021, the Committee had 9 independent directors, as follows:

1. Ms. Kobkarn Wattanavrangkul
Lead Independent Director
2. Sqn.Ldr. Naline Paiboon, M.D.
Member
3. Mr. Saravoot Yoovidhya
Member
4. Dr. Piyasvasti Amranand
Member
5. Mr. Kalin Sarasin
Member
6. Mr. Wiboon Khusakul
Member
7. Ms. Suphatee Suthumpun
Member
8. Mr. Chanin Donavanik
Member
9. Ms. Jainnisa Kuvichkul Chakrabandhu Na Ayudhya
Member

The Independent Directors Committee holds meetings at least once a quarter. In 2021, the Committee held a total of 12 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Independent Directors Committee

The Independent Directors Committee has duties and responsibilities mandated in the Independent Directors Committee Charter approved by the Board of Directors, as follows:

1. Expressing an opinion or providing notes or queries in the Board of Directors Meeting with independence and freedom from involvement in any interest, to ensure that any decision is for the Bank's benefit and does not affect the rights of shareholders, especially minor shareholders and other stakeholders.

In case independent directors have a different opinion or other remarks, independent directors shall request that their views be recorded in the meeting minutes. In case the independent directors cannot attend the meeting and disagree with any agenda, a letter of notification shall be submitted to the Chairperson of the Board within 3 days from the date of the meeting.

2. Providing advice or commenting on important matters under the Board of Directors' authority including major investment projects, credit policy, information technology, credit underwriting and approval, and lending transactions authorized by the Bank.

3. Recommending agenda items wherein matters are crucial and in need of the Board of Directors' consideration, which have not yet been added to the Board of Directors Meeting agenda.

4. Performing other duties assigned by the Board of Directors.



Authorities, Duties and Responsibilities of the Lead Independent Director

1. Acting as Chairperson of the Independent Directors Committee Meeting.
2. Acting as Chairperson of the Non-Executive Directors Meeting held once a year.
3. Acting as the leader who integrates diverse opinions and notes made by the Independent Directors Committee for submission to the Board of Directors.
4. Coordinating communications between shareholders and the Independent Directors Committee.
5. Being responsible for specific operations needing to be conducted by the independent directors.

7.3 Details of Board Committees

7.3.1 Board Committees

The Board of Directors has appointed directors who have suitable knowledge and skills to act as members of Board Committees, with the specific duty to study and pre-screen matters that need prudent attention prior to submission to the Board of Directors. Board Committees include the Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Oversight Committee. The Board has also established a Management Committee to manage and operate the Bank's business as defined by the Board.

7.3.2 Lists of Board Committees and their Authorities, Duties and Responsibilities

Audit Committee

The Board of Directors approved the appointment of the Audit Committee in 1998, with the Committee having at least 3 independent members and each member having a term of office in accordance with directorship term at the Bank. Each member is fully qualified in accordance with the qualifications prescribed by the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Bank of Thailand. As of December 31, 2021, the Committee had 4 independent directors as follows:

1. Mr. Kalin Sarasin
Chairman

2. Mr. Saravoot Yoovidhya
Member
3. Ms. Suphajee Suthumpun
Member
4. Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya
Member

Ms. Suphajee Suthumpun has adequate expertise and experience to audit the credibility of the financial statements.

The Audit Committee holds at least 6 meetings per year and reviews operations regularly per its charter. In 2021, the Committee held a total of 12 meetings and reported all meeting minutes to the Board of Directors.

Authorities of the Audit Committee

The Audit Committee shall have authority to obtain independent professional opinions or advice for the matters related to its duties and responsibilities, as necessary, at the Bank's expense.

The Audit Committee shall also have authority to access to any information it requires and to request a meeting with management, employees or external parties, as appropriate.

Duties and Responsibilities of the Audit Committee

The Audit Committee has duties and responsibilities mandated in the Audit Committee Charter and approved by the Board of Directors, as follows:

1. Reviewing financial reports on a quarterly, semi-annual, and annual basis, including taxation risk management with the management and the external auditor of the Bank in order to ensure that the financial reports are accurate, sufficient and reliable, and in compliance with financial reporting standards and regulatory requirements.
2. Reviewing the effectiveness and appropriateness of risk management processes with the Risk Management Unit, in consultation with internal and external auditors.
3. Approving credit review plan and overseeing the effectiveness and independence of credit review function.
4. Reviewing the Bank's operations to see that they are in compliance with Securities and Exchange Acts, SET regulations and standards or laws and regulations pertaining to commercial banking business.
5. Reviewing reports of the internal auditors on the effectiveness and efficiency of risk management, internal control system and governance, including sustainable development undertakings; discussing with the internal auditors about audit



findings; and reviewing the implementation per recommendations of the internal auditors, external auditor, and regulators.

6. Reviewing the effectiveness of the internal audit function by reviewing and approving Internal Audit Charter, annual audit plan and significant changes of the approved plan; considering its independence and sufficiency of necessary resources; and concurring in the appointment, transfer, dismissal as well as evaluating performance of the Internal Audit Head.

7. Considering the qualifications, independence, performance and proposed audit fee of the external auditor and recommending the appointment and termination of the external auditor, including audit fee arrangement to the Board of Directors; and holding at least one meeting a year with the external auditor without the presence of management.

8. Considering the Bank's policy and procedures in relation to non-audit services provided by the audit firm of the external auditor and giving consent to the engagement of such service to ensure that it will not impair the independence of the external auditor.

9. Evaluating the connected transactions, or transactions with possible conflicts of interest in relation to compliance with the laws and regulatory requirements, in order to ensure transparency of those transactions.

10. Considering the disclosure of information on connected transactions, conflicts of interest or certain Bank operations that can produce significant effects to ensure transparency and appropriateness.

11. Ensuring that preliminary investigation is carried out after receiving the external auditor's report on suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor within 30 days from the date they are notified by the external auditor.

12. Overseeing and receiving complaint or information submitted directly by stakeholders for attention of the Board of Directors and the whistle-blowing through Internal Audit channel.

13. Reviewing the effectiveness of the internal control system and reviewing the validity of self-assessment results in compliance with the anti-corruption policy.

14. Reporting to the Board of Directors when there is information about the material weaknesses of internal control and overseeing immediate remediation of internal control weaknesses.

15. Submitting minutes of each Audit Committee Meeting to the Board of Directors, and preparing the annual Audit Committee Report, signed by the Audit Committee Chairman, summarizing the year's activities and giving information or data specified by

the Stock Exchange of Thailand for disclosure in the annual report of the Bank.

16. Reviewing the Audit Committee Charter at least once a year to appropriately cover its duties and responsibilities and proposing any necessary amendments to the Board of Directors for consideration.

17. Annually conducting its performance assessment relatively to the Audit Committee's purpose, duties and responsibilities and reporting the performance assessment to the Board of Directors.

18. Performing other duties per regulatory requirements or assignment from the Board of Directors, as agreed by the Audit Committee.

Corporate Governance Committee

The Board of Directors approved the appointment of the Corporate Governance Committee in 2002, with the Committee having not less than 3 members and each member having a term of office in accordance with directorship term at the Bank. As of December 31, 2021, the Committee had 5 members, comprising 3 independent directors and 2 non-executive directors, as follows:

1. Sqn.Ldr. Nalinee Paiboon, M.D.
Chairperson
2. Mr. Wiboon Khusakul
Member
3. Mr. Sara Lamsam
Member
4. Mr. Chanin Donovanik
Member
5. Ms. Chonchanum Soonthornsaratoon
Member

The Corporate Governance Committee holds at least 4 meetings each year. In 2021, the Committee held 4 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Corporate Governance Committee

The Corporate Governance Committee has duties and responsibilities mandated in the Corporate Governance Committee Charter and approved by the Board of Directors, as follows:

1. Establishing the principles and best practices for effective corporate governance appropriate to the Bank.
2. Developing and disseminating the principles and best practices of good corporate governance.



3. Formulating the Statement of Business Conduct and the Code of Conduct of the Bank's employees, and disseminating these codes as practical guidelines to all concerned.

4. Developing and formulating plans for review of corporate governance compliance.

5. Reviewing announcements concerning good corporate governance to summarize and present in the Bank's reports.

6. Recommending the Code of Best Practices for the Board of Directors or proposing guidelines for the Board of Directors Charter and all other Board Committee Charters.

7. Recommending the Statement of Business Conduct and Code of Conduct of the management and Bank personnel.

8. Reviewing corporate governance guidelines and corporate governance practice to ensure consistency and compatibility with the Bank's business.

9. Reviewing and proposing public announcements related to corporate governance issues.

10. Supervising the Bank's sustainable development undertakings.

11. Reviewing and reporting to the Board of Directors matters related to corporate governance and sustainable development of the Bank, giving opinions on practical guidelines and recommending amendments as deemed appropriate.

12. Ensuring effective practice of corporate governance principles and sustainable development in the Bank.

13. Overseeing the good corporate governance of KASIKORNBANK FINANCIAL CONGLOMERATE.

Human Resources and Remuneration Committee

The Board of Directors approved the appointment of the Human Resources and Remuneration Committee in 2002, with each member having a term of office in accordance with directorship term at the Bank. The Committee comprises at least 3 independent or non-executive directors. As of December 31, 2021, the Committee had 5 members, comprising 3 independent directors and 2 non-executive directors, as follows:

1. Ms. Suphajee Suthumpun
Chairperson
2. Mr. Kalin Sarasin
Member
3. Mr. Wiboon Khusakul
Member
4. Ms. Chonchanum Soonthornsaratoon
Member

5. Mr. Suroj Lamsam
Member

The Human Resources and Remuneration Committee holds at least 3 meetings each year. In 2021, the Committee held 11 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee has duties and responsibilities mandated by the Human Resources and Remuneration Committee Charter and approved by the Board of Directors, as follows:

1. Reviewing and making recommendations on the proposals of the Chief Executive Officer and/or the President relating to human resources policies for the Board of Directors' approval, to ensure that proposals are aligned with the Bank's business strategies.

2. Ensuring a succession plan for senior management in important positions and occasionally reviewing a list of candidates entitled to consideration.

3. Reviewing the remuneration strategy and proposing improvements for the Board's endorsement, in order to retain highly qualified personnel, as well as recommending performance evaluation for the review of salaries and benefits to senior management, based on the bank objectives and business plan, which also covers the Sustainable Development Target.

4. Overseeing that there is an effective system in place in evaluating performance for the review of salaries and benefits of the Chief Executive Officer and Presidents, based on the bank's objectives and business plan, which also covers the Sustainable Development Target.

5. Establishing terms and conditions of employment contracts of the Chief Executive Officer and the President, including their remuneration, as well as seeking and recommending qualified successors to the Board for the positions of Chief Executive Officer and President, when considered necessary.

6. Reviewing the composition, size, diversity, and remuneration of the Board of Directors on a regular basis, nominating qualified candidates having suitable skills, knowledge, competency, and experience, in alignment with our business directions and strategies, plus sustainable development operations. Making recommendations on the selection of candidates with proper qualifications for the position of director prior to submission to the General Meeting of Shareholders for approval.



7. Overseeing the formulation of policy, criteria and procedure for the nomination and payment of remunerations and benefits to directors and senior management of companies within the Financial Conglomerate.

8. Discussing with the Risk Oversight Committee about a remuneration policy that reflects major risks of financial institutions.

Risk Oversight Committee

The Board of Directors approved the establishment of the Risk Oversight Committee on September 27, 2018. Each member who is a Bank director has a term of office in accordance with directorship term at the Bank. For member who is an executive, his/her term of office is subject to the Board of Directors' resolution. The Committee must comprise at least 3 members. As of December 31, 2021, the Committee had 9 members, comprising 4 independent directors, 1 non-executive director, 3 executive directors and 1 executive, namely:

1. Dr. Piyasvasti Amranand
Chairman
2. Ms. Sujitpan Lamsam
Member
3. Mr. Saravoot Yoovidhya
Member
4. Ms. Suphatee Suthumpun
Member
5. Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya
Member
6. Ms. Kattiya Indaravijaya
Member
7. Mr. Pipit Aneaknithi
Member
8. Mr. Ruangroj Poonpol
Member
9. Mr. Krit Jitjang
Member

The Risk Oversight Committee meets at least once each quarter. In 2021, the Committee held 4 meetings and reported all meeting minutes to the Board of Directors.

Authorities, Duties and Responsibilities of the Risk Oversight Committee

The Risk Oversight Committee has duties and responsibilities as mandated in the Risk Oversight Committee Charter and approved by the Board of Directors, as follows:

1. Providing advice for the Bank's Board of Directors related to the risk governance framework of the Financial Conglomerate.
2. Ensuring that the high-ranking executives and head of risk management function adhere to the risk management policies and strategies, as well as risk appetites.
3. Ensuring that the strategies for capital and liquidity management are consistent with the approved risk appetites.
4. Reviewing and examining the adequacy and effectiveness of the overall risk management policies and strategies, including the risk appetites as well as compliance with laws and regulations at least once a year or upon significant changes. Conducting consultation and exchange of opinions with the Audit Committee to assess whether the overall risk management policies and strategies cover all risk types and emerging risks, and to ensure that the overall policies and strategies of risk management and compliance with laws and regulations have been implemented efficiently and effectively.
5. Reporting to the Bank's Board of Directors on risk positions, risk management efficiency, risk culture assessments and significant matters, as well as corrective actions to address any risk policies or risk strategies compliance issues.
6. Participating in the evaluation of the head of risk management and compliance function performance.
7. Performing other duties as determined by the authorities or the Bank's Board of Directors.

Management Committee

The Board of Directors Meeting, and the 88th General Meeting of Shareholders, on April 4, 2000, approved the appointment of the Management Committee. The Committee consists of the Chief Executive Officer, Presidents, officials and persons that the Board of Directors deems appropriate. As of December 31, 2021, the Committee comprised 7 members, namely:

1. Ms. Kattiya Indaravijaya
Chairperson
2. Mr. Pipit Aneaknithi
Member
3. Mr. Patchara Samalapa
Member
4. Mr. Ruangroj Poonpol
Member
5. Mr. Krit Jitjang
Member
6. Dr. Pipatpong Poshyanonda
Member



7. Mr. Thiti Tantikulanan
Member

The Management Committee shall hold at least one meeting a month, except when there is compelling reason or when there is no required meeting agenda or other justifiable reason. In 2021, the Management Committee held 12 meetings and reported all meeting minutes to the Board of Directors every month.

Authorities, Duties and Responsibilities of the Management Committee

The Management Committee has duties and responsibilities as mandated in the Management Committee Charter and approved by the Board of Directors, as follows:

1. Managing and conducting the Bank's business as designated by the Board of Directors, or under specific assignment by the Board of Directors.

2. Managing the Bank's business according to set policies and plans, and under the authorization delegated by the Board of Directors as well as the Bank's delegated operating authority, to ensure that the Bank's business management can achieve the set target.

3. Considering and approving the roles and duties of the Operating Committee and change in constituents of the Operating Committee.

4. The Management Committee Chairperson, or person assigned by the Chairperson, shall report business activities undertaken by the Management Committee to the Board of Directors for acknowledgment. However, policy-related issues of the Bank, or issues likely to cause significant changes in the Bank's business, or certain issues requiring action by the Board of Directors of the Bank in compliance with laws, or the Bank's rules and regulations, or issues the Management Committee considers appropriate for approval by the Board of Directors on a case-by-case basis, or under the criteria designated by the Board of Directors. Such activities require prior approval by the Board of Directors.

2. Mr. Pipit Aneaknithi
President
3. Mr. Patchara Samalapa
President
4. Mr. Krit Jitjang
President
5. Dr. Pipatpong Poshyanonda
President
6. Dr. Adit Laixuthai
Senior Executive Vice President
7. Mr. Thiti Tantikulanan
Capital Markets Business Division Head
8. Mr. Jirawat Supornpaibul
Private Banking Group Head
9. Mr. Chongrak Rattanapiat
Senior Executive Vice President
10. Mr. Silawat Santiviset
Senior Executive Vice President
11. Ms. Wasana Surakit
First Senior Vice President
12. Ms. Natcha Argasreog
First Senior Vice President
13. Ms. Khajarin Maintaka
Financial Planning Co-Department Head
14. Ms. Prapasra Uttamavetin
Financial Planning Co-Department Head

7.4 Details of Executives

7.4.1 Names and Positions of Executives

As of December 31, 2021, the Bank's executives, under definition of the Securities and Exchange Commission, were:

1. Ms. Kattiya Indaravijaya
Chief Executive Officer

7.4.2 Policy of Remuneration to Executives

The Human Resources and Remuneration Committee shall propose remuneration of executives to the Board of Directors for consideration and approval in accordance with the Bank policies. Remuneration for executives, including that for the Chief Executive Officer and Presidents are tied directly to short-and-long term performance of the Bank, which reflects our status as being a sustainable bank, and performance result of each executive, relative to four key performance indicators, as specified in the Balance Scorecard, regarding finance, customers, development of operational process and risk management, and human capital development, plus indicators for being a sustainable bank on the economy, society and the environment. Such indicators include ROA, ROE, net interest margin, non-interest income growth, cost to income ratio, loan growth, customer satisfaction, growth in environmental project financing, reduction of GHG emissions, and feedback from employee engagement survey, plus operating results against our peers in all dimensions, e.g., total



shareholder return, ranking in most preferred platform digital banking service, enhanced competitiveness and sustainable business operations over the long run. Such indicators will ensure sustainable success of the Bank under transparent regulations and scopes of responsibility, that reflect related risks, as well as the competitiveness of the Bank vis-à-vis other leading financial institutions and companies in Thailand.

Details of Remuneration to Executives can be found on the Bank's website, www.kasikornbank.com, under the "Investor Relations" section, "Corporate Governance" subsection, "Disclosure and Transparency" category on "Remuneration to Directors and Executives".

7.4.3 Remuneration to Executives

Details of remuneration to executives are shown, as follows:

1. Remuneration

In 2021, executives in the position of First Senior Vice President or equivalent and higher, totaling 96 persons (inclusive of six executives, who resigned during the year), received remuneration including salaries, living expenses, special contributions, and bonuses from the Bank, totaling Baht 1,016,006,004, while executives in the position of Senior Executive Vice President or equivalent and higher, totaling 11 persons (inclusive of one executive, who resigned during the year),

received remuneration including salaries, living expenses, special contributions, and bonuses from the Bank, totaling Baht 267,925,013.

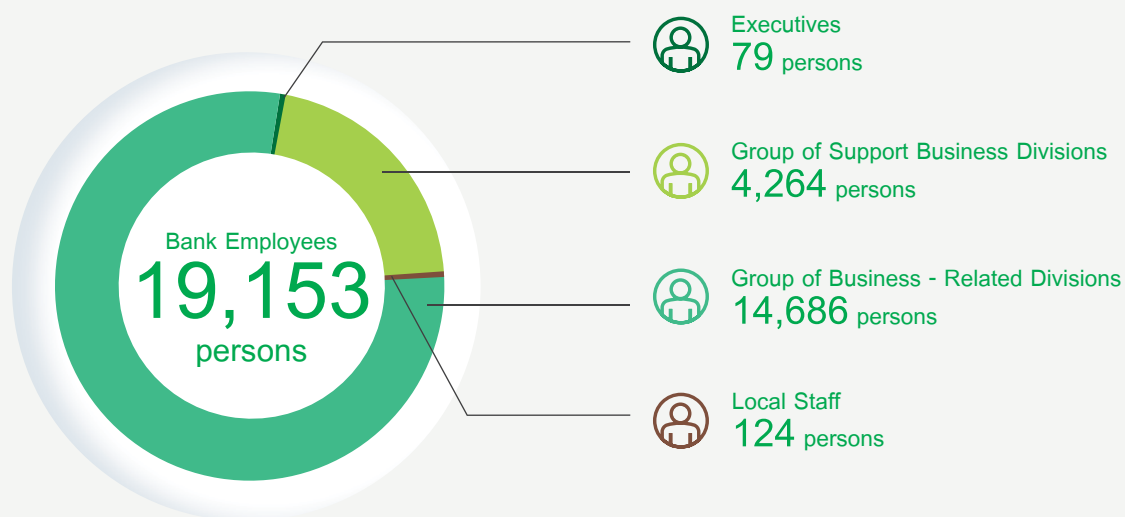
2. Other Remuneration

In 2021, executives in the position of First Senior Vice President or equivalent and higher, totaling 96 persons (inclusive of six executives, who resigned during the year), received the Bank's contributions to their provident funds, totaling Baht 31,374,500, while executives in the position of Senior Executive Vice President or equivalent and higher, totaling 11 persons (inclusive of one executive, who resigned during the year), received the Bank's contributions to their provident funds, totaling Baht 7,555,339. In addition, the Bank's executives received benefits and other welfares under the Bank's regulations, similar to other employees, such as healthcare and medical checkup expenses, and loan welfares.

The ratio of compensation for executives in the position of Senior Executive Vice President or equivalent and higher to employees was 1.21 percent.

7.5 Details of Employees

As of December 31, 2021, the Bank employees totaled 19,153 persons, classified below per the Bank's organizational structure:





In 2021, the Bank's employee expenses, e.g., salaries, wages, overtime pay, cost of living, special contributions, bonuses, and the Bank's contribution to provident funds, totaled Baht 24,331 million.

Moreover, the Bank set up provident funds for employees pursuant to the Provident Fund Act, B.E. 2530 (1987). The Funds titled "KBank Provident Fund" has been registered. Employees are entitled to receive their savings and the Bank's contribution once leaving employment, except where employees are terminated without compensation and thus would receive their savings only.

In 2021, employees' and KBank's contributions to KBank Provident Fund included as follows:

Employees' Contribution to KBank Provident Fund reached Baht **754** million



KBank's Contribution to KBank Provident Fund reached Baht **747** million



KBank Provident Fund totaled Baht **1,501** million

In 2021, KBank employees are members of KBank Provident Fund included as follows:



KBank employees total of **19,153** persons



Employees are members of the KBank Provident Fund of **18,149** persons, amounting to **94.76** percent



Employees are not members of the KBank Provident Fund of **1,004** persons, amounting to **5.24** percent

7.6 Other Important Details

7.6.1 Corporate Secretary, Chief Financial Officer, Internal Audit Head and Compliance Head

Corporate Secretary

The Board of Directors resolved to appoint Dr. Adit Laixuthai, Senior Executive Vice President, as Corporate Secretary and Secretary to the Board of Directors. The Office of Corporate Secretary, Corporate Secretariat Division, is a unit supporting the secretarial function of the Bank. The Corporate Secretary shall have basic knowledge in business, accounting, laws and regulations governing commercial banking business, or attended training courses concerning corporate secretarial practices; have knowledge and understanding about corporate governance principles and best practices; be independent and straightforward in the discharge of duties and provision of both recommendations and comments; and have experience in the secretarial function to the Board of Directors or other qualifications that contribute to effectiveness in the discharge of corporate secretarial functions.



Details of qualifications and experience, and main duties and responsibilities of Corporate Secretary can be found on the Bank's website, www.kasikornbank.com, under the "Investor Relations" section, "Corporate Governance" subsection on "Roles and Responsibilities of the Board". Details of qualifications of Corporate Secretary are disclosed in Attachment 1.

In 2021, the Corporate Secretary attended the Independent Director Forum 1/2021 seminar, entitled "It's Time for Board Meeting Reformation", organized by the Thai Institution of Directors Association, and the "Sustainable Thailand 2021" seminar, organized by the Government Pension Fund in collaboration with the Ministry of Finance, United Nations, Bank of Thailand, Office of the Securities and Exchange Commission, Stock Exchange of Thailand and KBank.

Chief Financial Officer, Internal Audit Head and Compliance Head

The Bank assigned

- Mr. Chongrak Rattanapian,
Senior Executive Vice President, as Chief Financial Officer
- Mr. Surasak Dudsdeemaytha,
Executive Vice President, as Internal Audit Head
- Mr. Phaisarn Vorasetsiri,
First Senior Vice President, as Compliance Head

Details of qualifications of the Chief Financial Officer are disclosed in Attachment 1, and details of qualifications of Internal Audit Head and Compliance Head are disclosed in Attachment 3.

7.6.2 Chief Investor Relations Officer

The Bank has assigned Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President, as Chief Investor Relations Officer.

Details of qualifications of Chief Investor Relations Officer are disclosed in Attachment 1.

7.6.3 Appointment of External Auditor and Consideration of Audit Fees

The Audit Committee considers the qualifications and performance of external auditors for recommendation to the Board of Directors for their annual appointment, and the proposed audit fees for further consideration and approval by the General Meeting of Shareholders. The name list of external auditors to be proposed as the Bank's auditors must also be endorsed by the Bank of Thailand.

In 2021, the remuneration for external auditors included:

1. Audit Fees:

The Bank and subsidiary companies have paid audit fees to:

- Auditors of the Bank, totaling Baht 14,578,000 in the past accounting year.
- The respective audit company including individuals or business entities related to the auditors and the respective audit company, totaling Baht 21,209,500 in the past accounting year.

2. Non-audit Fees:

The Bank has established criteria and approval process for engaging external auditors in non-audit services to ensure that the services do not impair its independence under the Audit Committee's oversight, based on the necessity and appropriateness of using the service, and reasonableness of non-audit services.

The Bank and subsidiary companies paid non-regular audit fees, i.e., special purpose audit engagement, legal and tax service, and engagements to perform agreed-upon procedures to the respective audit companies or their independent contracted auditors, including individuals or business entities related to the auditors and their respective audit companies, totaling Baht 12,921,700 over the past accounting year, together with future payment of Baht 6,780,000, due on incomplete work in the past accounting year.



8. Report on Important Operational Results of Corporate Governance

8.1 Summary of Board of Directors' Performance in the Past Year

In 2021, the Board of Directors reviewed Vision, Purpose and Core Values to ensure that all matters are up-to-date and comply with the Bank's long-term business directions, approved strategic directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE, reviewed the annual business plan and budget, and reviewed the adequacy of internal control system and appropriate risk management framework. The Board of Directors also supervised, reviewed and monitored management in effectively carrying out actions that were in line with the designated policies, corporate strategy and business plans and were in accordance with the rules and regulatory requirements of related government agencies and the resolutions of shareholders meeting. The management were assigned to report the Bank's operational results to the Board of Directors meetings on a monthly basis.

8.1.1 Nomination, Development and Performance Assessment of the Board of Directors

Nomination of Directors and Management

The Board of Directors has assigned the Human Resources and Remuneration Committee to select and seek candidates, who have knowledge, ability and diverse working experience that is suitable for the nature of business, risk exposures, beneficial to the Bank's long-term operations, plus in alignment with the Bank's business operations and sustainable development strategies, for the position of director and committee member.

The Bank has established a nomination process, which places emphasis on the persons having appropriate qualifications without any characteristics prohibiting them from holding a directorship in a financial institution per the criteria of the relevant regulatory agencies and the Bank's Articles of Association, and other necessary qualifications. The Bank has also considered various elements of the Board of Directors, including a wide range of qualifications or expertise in various disciplines, taking into consideration its composition, size and diversity policy of the Board, namely skills, knowledge, competency, experience, independence, without any discrimination against gender, age, race, and nationality, based on the board skill matrix. Regarding the nomination of persons to the position of independent director, they must possess qualifications as prescribed by the Bank. Required knowledge and expertise of the Board of Directors include banking and financial services, strategic acumen, accounting, marketing and branding, sustainability development, risk management, human resources, law, international business, as well as information and digital technology.

The Human Resources and Remuneration Committee shall nominate persons to the position of director, based on the proposed nomination of qualified candidates by shareholders or selection from the director pool database or the database of directors and executives of securities issuing companies (Whitelist). The Human Resources and Remuneration Committee, however, may propose the Board to set up an ad hoc committee comprising the Bank's directors or external personnel to handle the director nomination procedure. In case of nomination and election of directors to replace those retiring by rotation, the Human Resources and Remuneration Committee shall consider the devotion of their time, relations with the management, self-development, performances of the directors, such as their meeting attendance, contributions at meetings, and how they perform their duties with responsibility and integrity throughout their term of office, etc. All the proposed candidates for directors must receive concurrence from the Bank of Thailand prior to being proposed to the General Meeting of Shareholders or the Board of Directors' Meeting for consideration, as the case may be.

The Bank allows shareholders to propose a person for election as a director at the Annual General Meeting of Shareholders and disclose such criteria on the Bank's website. Shareholders, who are eligible to propose a person for election as a director,



must hold minimum KBank shares in an amount of 0.05 percent of the total shares with voting rights, either by one shareholder or several shareholders combined. The Human Resources and Remuneration Committee shall consider qualifications of the proposed persons and provide recommendations to the Board of Directors for consideration before proposing them to be elected at the Annual General Meeting of Shareholders.

The Human Resources and Remuneration Committee reviewed the criteria and process of director nomination on an annual basis. In 2021, the Human Resources and Remuneration Committee reviewed and endorsed the revision of director nomination policy and procedure, as approved by the Board of Directors Meeting No. 11/2021 held on October 28, 2021, so that such criteria and process were appropriate, timely and consistent with the best practices, by adding a channel for director nomination from the database of directors and executives of securities issuing companies (Whitelist) of the Office of the Securities and Exchange Commission. Emphasis was also placed on required knowledge and expertise of the Board of Directors, and target for director nomination to ensure the diversity of the Board of Directors. Members of the Board of Directors must consist of, at least, one director who has knowledge or experience in information technology, one director who has adequate knowledge and experience to review the reliability of financial statements, one director who has knowledge, competence and understanding of risks related to the financial institution business, one director who has experience in the financial institution business, and females should constitute at least 30 percent of all Board members. Details of the Bank's Director Nomination Policy can be found on the Bank's website, www.kasikornbank.com, under "Investor Relations" section, "Corporate Governance" subsection, "Disclosure and Transparency" category on "Director Nomination Policy".

In 2021, the Human Resources and Remuneration Committee, therefore, proceeded to seek and select qualified persons in accordance with the director nomination criteria and process established by the Bank, from the director pool, the database of directors and executives of securities issuing companies (Whitelist) and proposed candidates by shareholders, although there were no shareholders proposing a candidate for the directorship election. The qualified persons were eventually selected in line with the Bank's key strategies that aim to provide complete service solutions anytime, anywhere in order to meet the needs of customers and society. The qualified persons must possess experience, which is beneficial to the

Bank and consistent with the diversity policy for the component of the Board of Directors. The Human Resources and Remuneration Committee considered that Mr. Suroj Lamsam is an executive, who has knowledge and working experience in a diverse range of business, such as trade and information technology, and he received concurrence from the Bank of Thailand. In addition, as the General Meeting of Shareholders approved the election of Mr. Suroj Lamsam as the Bank's non-executive director. The number of female directors, which account for 38.89 percent of all Board members, remains unchanged.

Regarding the election of directors to replace those retiring by rotation, the Human Resources and Remuneration Committee, exclusive of the nominated directors, considered the devotion of their time, relations with the management, self-development, their performances over the previous year such as their meeting attendance, contributions at meetings, and how they perform their duties with responsibility and integrity during their term of office, etc. As a result, Ms. Kobkarn Wattanavrangkul, Ms. Sujitpan Lamsam, Mr. Pipit Aneaknithi, Dr. Pipatpong Poshyanonda and Mr. Wiboon Khusakul were re-elected as the Bank's directors via the abovementioned process. As for Dr. Abhijai Chandrasen, a director who was due to retire by rotation, he expressed his intent not to be nominated for re-election as a director for another term, in order to comply with the Board of Directors Charter, governing the age limit of directors.

For the nomination of Chief Executive Officer and Presidents, the Human Resources and Remuneration Committee shall consider from both potential internal and external candidates, who have appropriate qualifications. The consideration is based on skills, knowledge, expertise, leadership and experience that are necessary and beneficial to business operations of the Bank such as experience in the financial industry, or any other professions considered beneficial for organizational management, for at least 5 years. Otherwise, there shall be evidence of outcomes and reputation in organizational management, either in the public or private sector, or within an organization or institution in Thailand or overseas, having "fit and proper" qualifications, without any characteristics prohibiting them from holding a directorship in a financial institution as specified in regulations of the relevant regulatory agencies and the Bank's Articles of Association. Additionally, they must have appropriate performance and outstanding vision in order to help the organization achieve success and meet the sustainability goals. The Human Resources and Remuneration Committee shall propose the nominated Chief Executive Office and Presidents to the Board of Directors for consideration.



Moreover, the Human Resources and Remuneration Committee is responsible for nominating, selecting and reviewing qualified candidates, based on their qualifications, knowledge, competency and experience that are deemed necessary for executive positions. In cooperation with the Chief Executive Officer, the Human Resources and Remuneration Committee is also tasked with considering such criteria to be proposed to the Board of Directors for endorsement before submitting to the Bank of Thailand for concurrence for appointments to the Bank's management at the level of First Senior Vice President and above, or an equivalent position under a different name. For the appointment of executives ranked below First Senior Vice President, Division Heads and the Human Resource Management Department shall prepare a list of qualified candidates to be nominated before submission for further consideration and approval by the Chief Executive Officer.

Qualifications of Independent Directors

The Board of Directors has established the definition of "Independent Director" in conformity with the requirements of the Bank of Thailand and Notification of the Capital Market Supervisory Board and Corporate Governance Principles, in order to maintain investor confidence and balance in good governance. The Independent Directors are independent from the management and major shareholders. The qualifications set by the Bank for "Independent Director" have been defined more stringent than the criteria set by the Capital Market Supervisory Board and in accordance with the Bank of Thailand's criteria. They are as follows:

1. Holding not more than 0.5 percent of the Bank's shares with voting rights, or that of any subsidiary company, associated company, major shareholder or controlling person of the Bank, which shall be inclusive of the shares held by any related person of such an independent director;
2. Neither being nor having been a non-independent director, an executive director, a manager, an employee, a staff member, an adviser who receives a regular salary, or a controlling person of the Bank, company in KASIKORNBANK FINANCIAL CONGLOMERATE, subsidiary company, associated company, subsidiary company at the same level, major shareholder or controlling person of the Bank unless the foregoing status has ended for more than 2 years;
3. Not being a person related by blood or registration under law, such as father, mother, spouse, sibling, and child, including the spouse of a child, of other director, any executive, major

shareholder, controlling person or person to be nominated as a director, an executive or a controlling person of the Bank or subsidiary company;

4. Neither holding nor having held a business relationship with the Bank, subsidiary company, associated company, major shareholder or controlling person in a manner which may interfere with his/her independent judgment, and neither being nor having been a substantial shareholder or a controlling person of any person having a business relationship with the Bank, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years.

The aforementioned "business relationship" includes any normal business transaction, rental or lease of immovable property, transaction related to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantees, providing assets as collateral, including any other similar actions, which result in the Bank or counterparty being liable to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Bank or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board concerning regulations in respect of an entering into connected transaction mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during the course of 1 year prior to the date on which such a business relationship with the person commences;

5. Neither being nor having been an auditor of the Bank, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of an audit firm which employs auditors of the Bank, subsidiary company, associated company, major shareholder or controlling person unless the foregoing relationship has ended for more than 2 years;

6. Neither being nor having been any professional adviser including legal adviser or financial adviser who receives an annual service fee exceeding Baht 2 million from the Bank, subsidiary company, associated company, major shareholder or controlling person, and not being a substantial shareholder, controlling person, or partner of the professional adviser, unless the foregoing relationship has ended for more than 2 years;

7. Not being a director who has been appointed as a representative of the Bank's director, major shareholder, or shareholder related to the major shareholder;



8. Not undertaking any business the nature of which is the same as that of the Bank or subsidiary company and which, in any material respect, is competitive with business of the Bank or subsidiary company, or not being a substantial partner in the partnership, a director who is involved in management, an employee, a staff member, an adviser who receives a regular salary, or a shareholder holding more than 1 percent of total shares with voting rights of a company undertaking any business the nature of which is the same as that of the Bank or subsidiary company and which, in any material respect, is competitive with business of the Bank or subsidiary company;

9. Not having any characteristics that prohibit the expression of independent opinion towards the Bank's business undertakings.

The previous directorial records as an independent director to be brought up for consideration shall comply with the above criteria, except under exemption in accordance with the Notification of the Capital Market Supervisory Board.

Since 2021, no independent director has had a business relationship with, or has acted as a professional adviser for the Bank, a subsidiary company, an associated company, a major shareholder, or a controlling person.

Appointment and Removal of Directors

1. The Bank's shareholders meeting shall appoint not less than 7 and not more than 18 directors; not fewer than half of all directors shall reside in the Kingdom of Thailand and not fewer than three-fourths of all directors shall be of Thai nationality. A director may or may not be a shareholder. Directors shall be elected by the meeting of shareholders in accordance with the following rules and procedures:

- 1) Directors shall be elected individually.
- 2) Each shareholder shall have one vote per share held.
- 3) Each shareholder shall use all of his/her votes in the election of directors.
- 4) Persons receiving the highest number of approving votes among all candidates are to be elected in respective order, not exceeding the number of positions to be filled at that meeting.
- 5) In the event of a tied vote on the last in the order of director positions to be filled, the Chairperson of the meeting shall have the deciding vote.

2. At each General Meeting of Shareholders, one-third of the directors - or the number nearest to one-third if the number is not a multiple of three - must retire from office. The directors who have been in office the longest shall retire first. If there is

disagreement as to who should retire, it shall be decided by drawing lots. Retiring directors may be re-elected.

3. Any director who passes away, or tenders his/her resignation prior to completion of his/her term, or is resolved to be removed by a meeting, or is ordered by the Court to resign, or whose qualifications fall short of the criteria and prerequisites specified, shall be removed from office.

4. If a vacancy in the Board of Directors occurs for reasons other than the expiration of the director's term of office, the remaining Board members shall elect a person with the proper qualifications, and no prohibited characteristics, as a replacement director at the next meeting of the Board of Directors, unless the remaining term of office of said director is less than 2 months. Such a resolution by the Board of Directors shall require not less than three-fourths of the remaining directors' votes for approval. The replacement director shall hold office only for the remaining term of the director whom he or she is replacing.

Term of Office

The term of office for directors has been established clearly in the Articles of Association, Board of Directors Charter and the Corporate Governance Policy of the Bank. At each General Meeting of Shareholders, one-third of the directors - or the number nearest to one-third if the number is not a multiple of three - must retire from office. The directors who have been in office the longest retire first. If there is any disagreement as to who shall retire, it shall be decided by drawing lots. Retiring directors may be re-elected. The directors shall not exceed the age limit of 72 years old, and independent directors shall have a term of office in accordance with directorship term at the Bank but no more than 9 consecutive years.

The term of office of directors of the Board Committees, i.e., Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, and Risk Oversight Committee shall be in accordance with directorship term at the Bank.

Directorship of Directors, Chief Executive Officer, Presidents and Executives in Other Companies

The Board of Directors established guidelines that the Bank's directors, Chief Executive Officer, Presidents and executives may hold a directorship in no more than 5 listed companies. They shall not hold the position of chairman, executive director, or director with signatory authority in more than 3 other business groups, in conformity with the criteria of the Bank of Thailand



and the Stock Exchange of Thailand. The reporting system for holding the position of director in other companies has been setup. The Bank can check whether its directors hold the directorship position in other companies or not from the Enlite system. The Bank's directors are required to confirm information of being a director in other companies with the Office of Corporate Secretary for the record on monthly basis. For high-ranking executives, they are required to directly report such information via the system at the end of every month. Details on directorships of Directors, Chief Executive Officer, Presidents and executives in other companies are disclosed in Attachment 2: Details on Directorship of Directors and Executives in Subsidiaries, Associated Companies, Joint Venture and Related Companies.

At present, no executive director holds a directorship in other listed companies. Neither director nor executive of the Bank holds a directorship in more than 4 listed companies. None is in the position of chairman, executive director or director with signatory authority in excess of 3 other business groups.

Professional Development for Directors

The Bank has organized orientations for new directors, to provide them with information on their roles and responsibilities, as well as information related to the Bank, for instance, strategic direction for the Bank business, good corporate governance practices, sustainable development, human resources, information technology, risk management of KASIKORNBANK FINANCIAL CONGLOMERATE, plus clarifications on legal obligations, regulations related to the directorship of listed companies, regulations related to the Board and Board Committee's charters, the Bank's core policies, and the manual for directors of financial institutions and securities companies, the Statement of Business Conduct and Code of Conduct as an overall process to promote understanding among directors about their roles and the Bank's business operations.

In addition, to enhance the operational efficiency of the Board of Directors, the Bank has a policy in place to encourage directors to attend seminars or training courses, related to the discharge of their duties, or other seminars that will help enhance their competency to perform their tasks in accordance with the set plan and budget. The Board of Directors is also equipped with knowledge related to KBank's business, good corporate governance, sustainable development, risk management, etc., in the forms of documents and presentations at the Board of Directors' Meetings on a regular basis. Additionally, executives and staff performing duties related to corporate secretary,



KBank held KASIKORNBANK Directors Workshop:

A Pioneer for the Better, with guest speakers from the Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.

compliance, internal control, accounting and finance, investor relations and corporate governance, are encouraged to attend various seminars and training courses.

An orientation session was arranged for one new director in 2021, namely Mr. Suroj Lamsam, to acknowledge his roles, duties and responsibilities as a director of a listed company and business operations of the Bank.

All board members attended training programs, regarding the discharge of their duties. In 2021, the Bank organized the "KASIKORNBANK Directors Workshop: A Pioneer for the Better", during September 10 - 11, 2021, under the "Board Governance and Roles: Roles of Board of Directors on Sustainability and ESG, Holistic Views on Sustainability and ESG, and Objectives of 3-year Strategic Outlook", which was conducted by speakers from the Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd. Moreover, all board members were advised to recognize the importance of business ethics and business directions related to the Bank's operations through a number of sessions, such as a special briefing on "The Evergrande Crisis: A Dilemma for China?", held on October 20, 2021, and a demonstration on digital asset investment, organized on October 29, 2021. A series of training sessions was regularly organized via the Bank's electronic system, such as knowledge on corporate governance, sustainable development, laws and regulations related to directors, namely anti-corruption, personal data protection, and a case study on the discharge of duties by directors. To enhance the knowledge required for the discharge of duties, directors attended or gave a talk at seminars and training programs, as follows:



Board Members	Seminars/Training Programs
1. Ms. Kobkarn Wattanavrangkul	<ul style="list-style-type: none"> • “Director Leadership Certification Program, Class 0/2021”, Thai Institute of Directors Association • Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
2. Ms. Sujitpan Lamsam	<ul style="list-style-type: none"> • Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
3. Ms. Kattiya Indaravijaya	<ul style="list-style-type: none"> • Seminar on “Visions, Challenges and Next Steps for Female Directors”, The Office of the Securities and Exchange Commission • Seminar on “Sustainable Thailand 2021” The Government Pension Fund in collaboration with the Ministry of Finance, United Nations, Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand and KBank. • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
4. Mr. Pipit Aneaknithi	<ul style="list-style-type: none"> • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
5. Mr. Patchara Samalapa	<ul style="list-style-type: none"> • Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
6. Mr. Krit Jitjang	<ul style="list-style-type: none"> • Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission • Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand • Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.



Board Members	Seminars/Training Programs
7. Dr. Pipatpong Poshyanonda	<ul style="list-style-type: none"> Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
8. Sqn.Ldr. Naline Paiboon, M.D.	<ul style="list-style-type: none"> Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
9. Mr. Saravoot Yoovidhya	<ul style="list-style-type: none"> “Introduction to Blockchain for Financial Services”, INSEAD “Blockchain, Cryptoassets and Decentralized Finance”, INSEAD Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
10. Dr. Piyasvasti Amranand	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
11. Mr. Kalin Sarasin	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
12. Mr. Wiboon Khusakul	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “Do’s & Don’ts of Multicultural Communication”, The Ministry of Foreign Affairs Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.



Board Members	Seminars/Training Programs
13. Ms. Suphajee Suthumpun	<ul style="list-style-type: none"> Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
14. Mr. Sara Lamsam	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
15. Mr. Chanin Donavanik	<ul style="list-style-type: none"> Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
16. Ms. Jainnisa Kivinichkul Chakrabandhu Na Ayudhya	<ul style="list-style-type: none"> “Director Leadership Certification Program, Class 0/2021”, Thai Institute of Directors Association Seminar on “Women on Boards - Why now and How to?”, Thai Institute of Directors Association and Accenture PLC Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
17. Ms. Chonchanum Soonthornsaratoon	<ul style="list-style-type: none"> “Risk Management Program for Corporate Leaders (RCL), Class 22/2021”, Thai Institute of Directors Association “Board Nomination and Compensation Program, Class 12/2021”, Thai Institute of Directors Association Seminar on “National Director Conference 2021: Leadership Behind Closed Door”, Thai Institute of Directors Association Seminar on “Cyber Armor: Capital Market Board Awareness”, The Office of the Securities and Exchange Commission Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.
18. Mr. Suroj Lamsam	<ul style="list-style-type: none"> Seminar on “Cyber Resilience Leadership: Herd Immunity”, The Office of the Securities and Exchange Commission, Office of Insurance Commission and Bank of Thailand Seminar on “KASIKORNBANK Directors Workshop: A Pioneer for the Better”, Thai Institute of Directors Association, McKinsey & Company (Thailand) Co., Ltd., and Deloitte Consulting Co., Ltd.



Professional Development for Executives and Succession Plan

The Human Resources and Remuneration Committee is tasked with considering executive development and succession plans for the positions of Chief Executive Officer, Presidents, and other senior executives, when necessary, in compliance with the Bank's business strategies, taking into account different factors, e.g. the qualification, knowledge, competencies, experiences required for each position, potentiality, and performance of the executives with suitable qualifications for each position, such as performance results under key indicators, strategic planning, risk management and control, and leadership. The performance of potential executives is evaluated in order to formulate individual development plans; and rotation of responsibilities is undertaken to ensure that they will gain greater understanding and hands-on experience, preparing them for organization-level management. Criteria and a list of persons qualified for these positions are reviewed regularly and reported to the Board of Directors.

In addition, the Bank attaches importance to the development of all executives and employees so that they are well-equipped to perform their tasks. Emphasis is placed on setting short- and long-term development plans for individual employees, including the development of their leadership knowledge and skills, future skills, management skills to cope with changes and new operational models. The format is in accordance with the leadership development program at various levels. It has been conducted via additional channels, namely virtual classroom, KBank's learning platform and training sessions jointly held with external institutions for executives and employees of KBank and its wholly-owned subsidiaries. Details are in the Sustainability Report 2021.

Performance Assessment of the Board of Directors

The Bank has established an annual performance assessment plan for the Bank's Board of Directors, which is conducted in 2 ways: the overall performance assessment of the Board and the performance assessment of an individual director. The Board of Directors has set the criteria on performance efficiency assessment of the Board. The Corporate Governance Committee reviews the performance assessment form in compliance with good corporate governance practices. The Board of Directors will use the assessment results and various recommendations in order to enhance their efficiency, and to consider the appropriate composition of the Board. The Corporate Secretary will submit the performance assessment form to all members of

the Board of Directors. The summarized assessment results and recommendations are then proposed to the Board of Directors.

The self-assessment process is also applied to the Independent Directors Committee and all Board Committees. The Independent Directors Committee and all Board Committees conduct self-assessment every year, based on the assessment criteria with respect to the efficiency of Independent Directors Committee and Board Committees. The Secretaries to the Independent Directors Committee and Board Committees forward the performance assessment form to every Committee member. The summarized assessment results and recommendations are submitted to the Board of Directors. Moreover, in 2020, the Bank hired an external consulting firm that has experience and expertise in corporate governance to establish guidelines and provide recommendations on a performance assessment of the Board of Directors every 3 years, to ensure that the performance of the Board of Directors is more efficient and effective in line with international standards and good corporate governance principles. The scope included an assessment process, methodology and the performance assessment forms of the Board of Directors, Independent Directors Committee, Board Committees, Chief Executive Officer and President, as well as performance assessments of the Board of Directors, Independent Directors Committee and Board Committees.

In 2021, the Bank conducted performance assessment of the Board of Directors, Independent Directors Committee and Board Committees, as follows:

- The overall performance assessment of the Board, covering structure and characteristics of the Board, roles and responsibilities of the Board, board meetings, discharge of duties of the Board, relationship with the Bank's management, self-development of directors and executive development, and corporate sustainability management and responsibility towards environmental and social, and governance issues.
- The performance assessment of an individual director evaluating their own performance and other directors' performance (cross assessment) consisting of board meetings, responsibilities of the Board, and skills and the Board of Directors engagement.
- The performance assessment of Independent Directors Committee and all Board Committees, covering the discharge of duties as prescribed by the Charters of each committee, meeting processes and performance efficiency.

The performance assessments of the Board of Directors, as a whole and as individuals, Independent Directors Committee and all Board Committees are based on the rating scales of one



point to five points or from strongly disagree or no action on such matter to strongly agree or excellent. A benchmark has been set at the scale of four to compare an average performance of the Board of Directors, Independent Directors Committee and all Board Committees. Their performance assessment results for 2021 found that the average performance results of the Board of Directors, as a whole and as individuals, Independent Directors Committee and all Board Committees were above the set targets.

Performance Assessment of Senior Executives

The Chief Executive Officer and the Presidents undergo an annual assessment in order to compare their actual performances with the Bank's targets and the annual business plan. In 2021, the Bank assessed the performances of the Chief Executive Office and Presidents in February and August, based on the established key performance indicators, plans and strategies, risk management and control, and leadership, etc. The Board of Directors, excluding Executive Directors, approved the performance assessment criteria, which is in alignment with the Bank's long-term business operations and strategies and communicated it to the Chief Executive Officer and the Presidents in advance. The Human Resources and Remuneration Committee is responsible for submitting the assessment results to the Board of Directors for consideration. The assessment of the Chief Executive Officer and the Presidents are specified as part of their performance assessment in the Board of Directors' Charter. The Chairperson of the Human Resources and Remuneration Committee then informs the assessment results, together with their opinion, to the Chief Executive Officer and the Presidents for acknowledgment prior to approving the annual remuneration.

Performance Assessment of executives at the level of First Senior Vice President and above is based on the established criteria. The Chief Executive Officer and Presidents shall consider the assessment results, which are then proposed for the Human Resources and Remuneration Committee's endorsement prior to presenting them for the Board of Directors' approval.

8.1.2 Board of Directors Meetings and Remuneration to Directors

Board of Directors Meetings

The Board of Directors holds a meeting every month, and is informed of the meeting dates and agenda items for the following year in advance in December. The meetings are normally scheduled for the last Thursday of the month (except for March

and December). Additional meetings may be held as deemed appropriate. The Corporate Secretary arranges for notices of board meetings, agenda, and related documents containing complete information to be delivered to each director at least 7 days in advance, except in urgent cases, to allow sufficient time for the directors to study the matters at hand. Each director may ask for additional information or access to necessary information from the Corporate Secretary and is free to propose agenda items. The agenda for board meetings shall be categorized clearly and include agenda items designed to monitor the operating results of the Bank on a regular basis. The designation of the agenda must undergo the consideration of the Chairperson of the Board and Chief Executive Officer. All directors are expected to attend every meeting, or no less than 75 percent of the Board of Directors meetings held each year, except in extenuating circumstances. The Board assigns the management to report the Bank's business operations to the Board of Directors for acknowledgment every month. If any director has a conflict of interest either directly or indirectly in the agenda to be considered, that director shall recuse himself/herself from participation in that agenda item. Moreover, the Board of Directors requires that at least two-thirds of all board members must be present when voting at the Board of Directors' Meeting.

During the meeting, the Chairperson will allocate sufficient time for discussion and allow directors to freely express their opinions, including corporate governance issues. Pertinent executives of the Bank shall be invited to attend the meeting to provide related information and to directly acknowledge related policies to ensure efficient implementation. As for directors unable to attend the meeting in person, the Bank has provided a telecommunication system, according to the criteria and methods as specified by the laws, and presentation systems via WebEx and MS Teams applications. Each agenda item and its resolution are recorded in writing, and the minutes of the meeting which have been affirmed by the Board together with related documents are systematically filed for examination and reference by the Board, or others concerned. Directors may request independent professional advice, as appropriate, at the Bank's expense.

Moreover, the Board has established that non-executive directors shall conduct at least one meeting annually without the participation of the management, to offer them the opportunity to discuss problems related to the business of the Bank or any other concerns, and evaluate the performance of the Chief Executive Officer and Presidents. The outcome of such meetings shall be informed to the Chief Executive Officer and the Presidents.

In 2021, the Board of Directors held a total of 13 meetings, including in-person and electronic meetings. One non-executive directors meeting was held in August.



Meeting Attendance of Individual Directors in 2021

(Unit: Number of Meetings)

Board Members	Board of Directors (Total 13 meetings)	Non-Executive Directors (Total 1 meeting)	Independent Directors Committee (Total 12 meetings)	Audit Committee (Total 12 meetings)	Corporate Governance Committee (Total 4 meetings)	Human Resources and Remuneration Committee (Total 11 meetings)	Risk Oversight Committee (Total 4 meetings)	The General Meeting of Shareholders	The Extraordinary General Meeting of Shareholders
Ms. Kobkarn Wattanavrangkul	13/13	1/1	12/12					1/1	1/1
Ms. Sujitpan Lamsam	12/13*	1/1					4/4	0/1	1/1
Ms. Kattiya Indaravijaya	13/13						4/4	1/1	1/1
Mr. Pipit Aneaknithi	12/13*						4/4	1/1	1/1
Mr. Patchara Samalapa	12/13							1/1	1/1
Mr. Krit Jitjang	13/13						4/4	1/1	1/1
Dr. Pipatpong Poshyanonda	13/13							1/1	1/1
Dr. Abhijai Chandrasen ⁽¹⁾	3/3					3/3		1/1	
Sqn.Ldr. Naline Paiboon, M.D.	13/13	1/1	12/12		4/4			1/1	1/1
Mr. Saravoot Yoovidhya	13/13	1/1	12/12	12/12			4/4	1/1	1/1
Dr. Piyasvasti Amranand	13/13	1/1	12/12				4/4	1/1	1/1
Mr. Kalin Sarasin	13/13	1/1	12/12	12/12		11/11		1/1	1/1
Mr. Wiboon Khusakul ⁽²⁾	13/13	1/1	12/12		4/4	8/8		1/1	1/1
Ms. Suphatee Suthumpun	12/13	1/1	12/12	12/12		11/11	4/4	1/1	1/1
Mr. Sara Lamsam	12/13*	1/1			4/4			1/1	1/1
Mr. Chanin Donavanik	12/13	1/1	12/12		4/4			1/1	1/1
Ms. Jannisa Kuvichkul Chakrabandhu Na Ayudhya	13/13	1/1	12/12	12/12			4/4	1/1	1/1
Ms. Chonchanum Soonthornsaratoon ⁽³⁾	13/13	1/1			4/4	8/8		1/1	1/1
Mr. Suroj Lamsam ⁽⁴⁾	9/10*	1/1				8/8			1/1

Remarks:

⁽¹⁾ Dr. Abhijai Chandrasen expressed his intent not to be nominated for re-election in compliance with the Board of Directors Charter, effective on April 9, 2021.

⁽²⁾ Mr. Wiboon Khusakul was appointed a member of the Human Resources and Remuneration Committee on April 9, 2021.

⁽³⁾ Ms. Chonchanum Soonthornsaratoon was appointed a Legal Adviser and a member of the Human Resources and Remuneration Committee on April 9, 2021.

⁽⁴⁾ Mr. Suroj Lamsam was appointed a director and a member of the Human Resources and Remuneration Committee on April 9, 2021.

* Directors who were not in attendance at one Board of Directors' Meeting because they were connected persons and had an interest or were involved in the meeting agenda.

Number of members on the Board, Independent Directors Committee and Board Committees (As of December 31, 2021):

The Board of Directors	18 members
Independent Directors Committee	9 members
Audit Committee	4 members
Corporate Governance Committee	5 members
Human Resources and Remuneration Committee	5 members
Risk Oversight Committee	9 members
(8 Board members inclusive)	

Remuneration to Directors

The Bank has established a set of well-defined and transparent remuneration policies for directors. The Human Resources and Remuneration Committee is responsible for reviewing these policies, taking into consideration the appropriateness of remuneration with respect to the scope of responsibilities of each director and related risks, long-term strategies and targets to ensure that the Bank's remuneration is comparable to that of other commercial banks.



Details of Remuneration to Directors can be found on the Bank's website, www.kasikornbank.com, under "Investor Relations" section, "Corporate Governance" subsection, "Disclosure and Transparency" category on "Remuneration to Directors and Executives".

The General Meeting of Shareholders No. 109, on April 9, 2021, approved remuneration for directors, Independent Directors, Board Committees members and Director's bonuses for 2021, to remain at the same rate as that of 2020 and remuneration of a new Legal Adviser to be adjusted from Baht 330,000 to Baht 300,000 a month, which shall remain effective until a General Meeting of Shareholders determines otherwise. A director who is also a member of other Board Committees shall receive additional remuneration in accordance with the increased responsibilities, except that the executive directors and executives receive no remuneration for their membership in a Board Committee as follows:

(Unit : Baht)

1. Remuneration for directors for the Board of Directors Meeting
 - Chairperson of the Board 250,000 per person/month
 - Vice Chairperson 200,000 per person/month
 - Director 150,000 per person/month
2. Remuneration for Independent Directors
 - Lead Independent Director 100,000 per person/month
 - Member 70,000 per person/month

3. Remuneration for Board Committees:

- 3.1 The Audit Committee
 - Chairman 90,000 per person/month
 - Member 60,000 per person/month
- 3.2 The Corporate Governance Committee
 - Chairperson 50,000 per person/month
 - Member 36,000 per person/month
- 3.3 The Human Resources and Remuneration Committee
 - Chairperson 50,000 per person/month
 - Member 36,000 per person/month
- 3.4 The Risk Oversight Committee
 - Chairman 50,000 per person/month
 - Member 36,000 per person/month
4. Remuneration for the Legal Adviser 300,000 per person/month
5. Bonus for directors at the rate of 0.5 percent of dividend payments

Details of remuneration to directors are shown as follows:

1. Remuneration

In 2021, directors received remuneration as directors, Independent Directors and members of the Audit Committee, Corporate Governance Committee, Human Resources and Remuneration Committee, Risk Oversight Committee, and as Legal Adviser, together with a bonus at the rate of 0.5 percent of the dividend payments, totaling Baht 91,357,913.89.

2. Other Remuneration

None

Remuneration for Directors in 2021

Mr. Banthoon Lamsam ⁽¹⁾	Received a bonus of Baht 740,414.87.
Ms. Kobkarn Wattanavrangkul	Received remuneration as Chairperson of the Board, totaling Baht 3,000,000; and as Lead Independent Director, amounting to Baht 1,200,000, and a bonus of Baht 3,528,134.49.
Ms. Sujitpan Lamsam	Received remuneration as Vice Chairperson, totaling Baht 2,400,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,784,928.64.
Ms. Kattiya Indaravijaya	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 1,856,619.11.
Mr. Predee Daochai ⁽²⁾	Received a bonus of Baht 873,715.32.
Mr. Pipit Aneaknithi	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 1,856,619.11.
Mr. Patchara Samalapa	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 1,856,619.11.



Mr. Krit Jitjang	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 810,026.53.
Dr. Pipatpong Poshyanonda	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 810,026.53.
Dr. Abhijai Chandrasen ⁽³⁾	Received remuneration as a director and Legal Adviser, totaling Baht 1,440,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 108,000, and a bonus of Baht 1,704,739.12.
Sqn.Ldr. Naline Paiboon, M.D.	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; and as Chairperson of the Corporate Governance Committee, amounting to Baht 600,000, and a bonus of Baht 1,856,619.11.
Mr. Saravoot Yoovidhya	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; as a member of the Audit Committee, totaling to Baht 720,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.
Dr. Piyasvasti Amranand	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; and as Chairman of the Risk Oversight Committee, amounting to Baht 600,000, and a bonus of Baht 1,856,619.11.
Mr. Kalin Sarasin	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; as Chairman of the Audit Committee, totaling Baht 1,080,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.
Ms. Puntip Surathin ⁽⁴⁾	Received a bonus of Baht 370,207.44.
Mr. Wiboon Khusakul ⁽⁵⁾	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; as a member of the Corporate Governance Committee, totaling Baht 432,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 324,000, and a bonus of Baht 1,856,619.11.
Ms. Suphajee Suthumpun	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; as Chairperson of the Human Resources and Remuneration Committee, totaling Baht 600,000; as a member of the Audit Committee, totaling Baht 720,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.
Mr. Sara Lamsam	Received remuneration as a director, totaling Baht 1,800,000; and as a member of the Corporate Governance Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.
Mr. Chanin Donavanik	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; and as a member of the Corporate Governance Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.



Ms. Jainnisa Kuvichkul Chakrabandhu Na Ayudhya	Received remuneration as a director, totaling Baht 1,800,000; as Independent Director, totaling Baht 840,000; as a member of the Audit Committee, totaling Baht 720,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 1,856,619.11.
Ms. Chonchanum Soonthornsaratoon ⁽⁶⁾	Received remuneration as a director and Legal Adviser, totaling Baht 4,500,000; as a member of the Corporate Governance Committee, totaling Baht 432,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 324,000, and a bonus of Baht 1,486,411.67.
Mr. Suroj Lamsam ⁽⁷⁾	Received remuneration as a director, totaling Baht 1,350,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 324,000, and a bonus of Baht 151,879.96.

Remarks:

⁽¹⁾ Mr. Banthoon Lamsam received a bonus from dividend payment for the 2H2020 operating results, prorated by his term of office.

⁽²⁾ Mr. Predee Daochai received a bonus from dividend payment for the 2H2020 operating results, prorated by his term of office.

⁽³⁾ Dr. Abhijai Chandrasen expressed his intent not to be nominated for re-election in compliance with the Board of Directors Charter, effective on April 9, 2021.

⁽⁴⁾ Ms. Puntip Surathin received a bonus from dividend payment for the 2H2020 operating results, prorated by her term of office.

⁽⁵⁾ Mr. Wiboon Khusakul was appointed a member of the Human Resources and Remuneration Committee on April 9, 2021.

⁽⁶⁾ Ms. Chonchanum Soonthornsaratoon was appointed a Legal Adviser and a member of the Human Resources and Remuneration Committee on April 9, 2021.

⁽⁷⁾ Mr. Suroj Lamsam was appointed a director and a member of the Human Resources and Remuneration Committee on April 9, 2021.

8.1.3 Risk Management

The Risk Oversight Committee is responsible for overseeing the overall risk management of the KASIKORNBANK FINANCIAL CONGLOMERATE, reviewing and examining the adequacy and effectiveness of policies, strategies and risk appetites. The Bank has outlined the risk management process, key steps of which include risk identification, assessment, monitoring and control, and reporting. Moreover, the Bank emphasizes early warning indicators, monitoring of key risk exposures and concentration. Details of risk management are disclosed in "Risk Management" section.

8.1.4 Supervision of Subsidiary and Associated Companies

Nomination of directors or executives for subsidiary and associated companies is under the responsibility of each of the Bank units that oversees respective subsidiary and associated companies. Such nomination of Bank executives of the First Senior Vice President level and higher must be submitted to Chief Executive Officer, approved by the Human Resources and Remuneration Committee and reported to the Board of Directors for acknowledgment. As for Bank executives of lower levels, their nomination must be approved by the Chief Executive Officer or President. After approval, the respective companies will be notified for other related proceedings, such as submittal to their board of directors for approval and filing for registration at the Ministry of Commerce. Companies' directors are assigned for drawing up business strategies and policies, supervising the management's operations to attain maximum benefits for the companies, and monitoring the companies' administration to ensure efficient implementation of the companies' strategies and policies, in line with the established goals and plans. In addition, companies' directors must ensure compliance with corporate governance principles and regulations of the Bank, as well as regulatory requirements of the Bank of Thailand, the Securities and Exchange Commission and other related agencies. Before casting any votes on important issues, companies' directors must obtain approval from the companies' board of directors. Besides, the companies have been required by the Bank to set up the regulation in respect of connected transactions corresponding to the Bank, compile and record data to be incorporated in the financial statements on a timely basis.

For investment in other significant businesses, with the right to vote at not less than 20 percent, but not more than 50 percent, the Bank has arranged the shareholders' agreement to ensure clarity in management and decision-making on important matters. Additionally, the units responsible for supervising the investment have steadily monitored operations of the companies.



The Bank has audited and reviewed operations of its subsidiaries in accordance with the established plans every year to ensure that their management and operations are consistent with their objectives, aligned with and in support of the Bank's businesses, while also having appropriate, stringent and sufficient internal controls in compliance with the relevant laws and regulatory requirements. Moreover, they are required to report financial information to the Bank for the preparation and disclosure of consolidated financial statements. In 2021, the result of audits showed that there were no significant operational issues that affected businesses of these subsidiaries and the Bank.

8.1.5 Ensuring Compliance with Corporate Governance Policies and Guidelines

Conflicts of Interest Prevention

Concerning intra-group transactions among KASIKORNBANK FINANCIAL CONGLOMERATE and conflicts of interest prevention, KASIKORNBANK operates as a financial conglomerate under the Financial Institution Business Act as approved by the Bank of Thailand. To encourage actions in compliance with standards of good governance and to meet targets related to its implementation, the Bank has initiated guidelines to control and supervise intra-group transactions, as well as preventing transactions that may involve conflicts of interest or connected or related transactions. This is one of the key components of Corporate Governance Policy that the Board of Directors and the Bank's employees must strictly comply with to earn the trust of all stakeholders. Key criteria include:

- The Board of Directors has resolved to approve the policy of Intra-Group Transactions among KASIKORNBANK FINANCIAL CONGLOMERATE and the risk management policy of Intra-Group Transactions among KASIKORNBANK FINANCIAL CONGLOMERATE as operational guideline for the Bank and its subsidiaries in order to formulate systematic and precise intra-business transaction framework, under appropriate risk management and there should be review to ensure compliance with the laws, regulatory requirements and Consolidated Supervision Criteria of the Bank of Thailand for financial business groups.
- All types of business transactions within the financial conglomerate are based upon the Statement of Corporate Governance Principles. Attention is duly paid to the transaction conditions, all risks involved, internal control, reporting procedures and information disclosure,

according to the Bank of Thailand's relevant policies. All intra-business transactions comply with the procedures and are under the terms and conditions applied to the normal course of business. The quantitative amount of intra-business transactions, both individually and cumulatively, comply with the Conflicts of Interest Prevention Policy.

- The Board of Directors has resolved to approve the Conflicts of Interest Prevention Policy, as well as guidelines to consider appropriateness in the conduct of transactions that shall be under scrutiny of the Audit Committee and ensure compliance with the criteria of the Office of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand, and the Bank of Thailand.
- The Board of Directors has established a principle for conducting connected transactions between the Bank's directors, executives, or related persons of the Bank or its subsidiaries. Such a transaction can be conducted if the transaction is under terms and conditions similar to those applied to general customers in the normal course of business of the Bank and its subsidiaries. Directors, executives, or employees with related interest in a transaction with the Bank or its subsidiaries must not participate in consideration or approval of such a transaction. The price of the transaction must be set appropriately, fairly, on an arm's length basis and in accordance with general commercial terms as applied to general customers.
- In conducting transactions between the Bank and its subsidiaries or transactions between the Bank's subsidiaries, the Bank requires that all transactions be under terms and conditions similar to those applied to other persons in the normal course of business at a similar level of risk. Those transactions must be approved by the Bank's and its subsidiaries' Board of Directors, and comply with policies and regulations enforced by the Bank and any competent agencies, as the case may be.
- Connected transactions must be submitted to the Audit Committee for consideration, in case of such connected transactions being within the scope of consideration according to the Statement of Corporate Governance Principles and the criteria stipulated by the Office of the Securities and Exchange Commission.
- Directors, officers in the position of First Senior Vice President and higher, and those in the position of Department Head or equivalent in the Financial Accounting Management Department or Financial Planning Department under the Finance and Control Division and their related persons



are required to disclose their shareholding information in business, their directorship or their authority to manage or control majority votes in the shareholders meeting, including the right to control the election and removal of directors or the assignment of any other person to be the nominee of their shareholding or management, or the authority to control businesses. The disclosure must be made in the Bank's database and information must be updated regularly so that related departments can use it to monitor credit extensions and investments in conformity with the relevant regulations. The Office of Corporate Secretary shall report information on the benefits of such persons to the Board of Directors when a transaction between the Bank and the person related to the Bank's directors and such persons is brought into consideration.

- Directors and executives shall file the reports on their interests and related persons' interests to the Corporate Secretary for further submittal to the Chairperson of the Board and Chairman of the Audit Committee. Such reports shall be submitted each time of the change, to comply with the Securities and Exchange Act. In 2021, there were no changes in vested transactions of directors and executives. Directors and executives appointed in 2021 have already submitted their reports to the Chairperson of the Board and Chairman of the Audit Committee for acknowledgment.
- The Bank has disclosed details of every related or connected transaction that may involve conflicts of interest according to the Office of the Securities and Exchange Commission and Capital Market Supervisory Board's criteria, in the Annual Registration Statement and Annual Report (Form 56-1 One Report) and other reports, as the case may be. This also includes disclosures of information on connected transactions to the Stock Exchange of Thailand according to the Stock Exchange of Thailand's regulations and to the Office of the Securities and Exchange Commission, as well as disclosure of related transactions of the Bank according to the recognized accounting standards and the rules of the Bank of Thailand. Disclosures of related transactions are shown in the Notes to the Financial Statements, under "Related Party Transactions". The Bank used general commercial conditions to consider connected transactions, in accordance with defined procedures necessary to support the Bank's business operations, and in a manner consistent with the Bank's strategies in the best interests of shareholders.

- Last year, the Internal Audit Department conducted an audit on credit granting controls, transactions similar to credit granting or debt guarantees for directors/persons with management authority of the Bank or their related persons, as well as the supervision of transactions with major shareholders or businesses with related interest, including the Bank's transactions with important counterparties. The audit result showed that the Bank's credit granting and transactions with its counterparties were in compliance with the regulatory requirements while their terms and conditions were similar to those applied to other persons in the normal course of business at a similar level of risk, the price of the transaction was also set appropriately, fairly, on an arm's length basis and in accordance with general commercial terms as applied to general customers.

Additionally, at every Board of Directors Meeting, the Corporate Secretary reviews the meeting agenda and documents before submitting to the Board of Directors for consideration. For agenda on credit approval or any transaction of the Bank or its subsidiaries which must be approved by the Board of Directors, directors with related interest in transactions with the Bank or its subsidiaries shall not receive the meeting documents. Neither shall they be allowed to participate in the Board of Directors Meeting for considering or approving respective transactions.

Supervision for the use of inside information

The Bank has established policies and procedures to supervise the use of inside information. In essence:

- All operational units must set up a process, manage their workplace, and maintain inside information to prevent disclosure to others. Inside information can be used and sent only by persons who need to know or use that information for their operations.
- Directors and employees are prohibited from buying, selling, transferring or obtaining the transfer of securities and stock futures that may take advantage of outsiders by using inside information that may have a significant impact on the securities price or value and has not been disclosed to the public or the Stock Exchange of Thailand. Though they may have become aware of such information in their capacity, either as directors or employees of the Bank, such actions are prohibited, whether to favor themselves or others.



- The Bank has regulated that directors, officers in the position of Senior Executive Vice President or equivalent and higher, and staff in the position of Department Head or equivalent and higher in the Financial Accounting Management Department or Financial Planning Department under the Financial and Control Division, must report their changes in ownership of securities issued by the Bank and stock futures with underlying the Bank stock, including those under ownership of their spouse or cohabiting couples, minor children and related companies to the Office of the Securities and Exchange Commission. In addition, there must be a copy of their ownership report of securities submitted to the Corporate Secretary, and such reports in 2021 were submitted to the Board of Directors Meeting.
- Concerning the supervision of securities and stock futures trading and prevention of the use of inside information, the Bank has stipulated a silent period for securities and stock futures trading by directors and related staff, including their spouses or cohabiting couples, and minor children, prohibiting them from trading of those securities starting one month prior to the Bank's disclosure of financial statements or quarterly performance, or prohibiting them from trading of securities during approval of transactions, which may affect the Bank security price, until the second day after the information has been disclosed. Internal regulations on the prevention of the use of inside information are disseminated at the beginning of each year and quarterly to directors and related staff through various operating channels of the Bank. Moreover, the Bank has defined a watch list and restricted list to prohibit related staff from trading on securities, while also monitoring such actions on a regular basis. In 2021, there were no directors and related employees who purchased or sold securities issued by the Bank and stock futures through the use of inside information.

Anti-Corruption

KASIKORNBANK is committed to conducting business with transparency, integrity and compliance with regulatory requirements as well as good corporate governance practices. The Bank acts against corruption in all its forms and it undertook the following tasks:

1. The Bank, KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset), and KASIKORN SECURITIES PCL (KSecurities) have co-signed a declaration of the "Thai Private Sector Collective Action Against Corruption" project jointly initiated by the Thai Institute of Directors Association (IOD), the Thai Chamber of



KBank issued public relations materials on our Anti-Corruption Policy to promote awareness of anti-corruption of all forms among our staff members.

Commerce, the Joint Foreign Chambers of Commerce in Thailand, the Thai Listed Companies Association, the Thai Bankers' Association, the Federation of Thai Capital Market Organizations and the Federation of Thai Industries. The Bank, KAsset and KSecurities have been recognized as certified companies of Thailand's Private Sector Collective Action Coalition Against Corruption by the Thai Private Sector Collective Action Against Corruption Council or CAC, since 2013, and already received the renewed certification.

2. The Bank has established anti-corruption regulations on all fronts, with abstention from bribery and inappropriate incentives, as directed in the Code of Conduct, which is strictly observed by directors and employees. In addition, the Board of Directors approved the No Gift Policy and the Anti-Corruption Policy, which includes the issues of bribes and inducements, gifts and benefits, charitable contributions and financial sponsorships, as well as political contribution and activities. The policy is reviewed annually. In 2021, the Board of Directors approved revision of the Anti-Corruption Policy in compliance with the assessment form per anti-corruption measures of the Thai Private Sector Collective Action Against Corruption. Additionally, no donations were made to any organization, unit, project or activity related to politics.

3. The Bank recognizes the importance of communications on the Anti-Corruption Policy for appropriate practices and actions within the organization as well as outside parties. In 2021,



training courses have been organized for executives and employees to equip them with knowledge on Anti-Corruption Policy. Moreover, communications on the Anti-Corruption Policy have been made with all directors, executives and employees via the Bank's internal media including a Corporate Governance Journal, electronic network system and its website, and tests have been conducted to measure the related knowledge of relevant employees via electronic system. With our strong commitment towards anti-corruption of all forms, as well as ensuring transparency in our business operations and good governance practices, communications on a No Gift Policy have been made with all employees of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE.

4. The Bank has conducted the risk assessment, monitoring and evaluation of anti-corruption practices include the following:

- Defining operational risk strategies and policy, as well as operational risk assessment and control, to ensure efficient prevention and mitigation of operational risks and mishandlings that may affect the Bank's financial position and reputation. The Bank has also conducted the risk assessment, analysis, monitoring and control, and compiled the overall risk position to remain within an appropriate risk appetite. Presently, the Bank is now equipped with a risk analysis on internal and external frauds, covering key product categories, as well as a risk analysis on corruption. Such risks are reviewed by the relevant departments on a regular basis. The results of risk management and positions of the enhanced controls and capacities in various aspects on operational risk management are reported to the Risk Oversight Committee and Operational Risk Management Sub-committee on a monthly basis. Strategies, policies and key operational risk management plans are presented for the Board of Directors' approval on a regular basis, as well. Moreover, all responsible employees have been trained on operational risk management, while responsible employees have been assigned to attend operational risk management courses organized by government agencies and outside organizations on a regular basis.
- Formulating fraud management plans, strategies, policies, guidelines and processes, managing and detecting suspected fraud cases with a likelihood of being fraudulent, as well as examining and collecting data or evidence, and coordinating work in order to mitigate losses.
- Overseeing the Bank's business operations to be in compliance with the Bank's policies and regulations, as well as regulatory requirements. It is the Bank's policy to ensure full regulatory compliance of the KASIKORNBANK FINANCIAL CONGLOMERATE. The Compliance Risk Management Policy, approved by the Board of Directors, stipulates the duties and responsibilities related to compliance of the Board of Directors, the Risk Oversight Committee, executives, departments or units, and employees. Employee communications have been conducted to instill awareness of their duties and responsibilities in studying and understanding related laws and requirements, as well as Bank regulations, and in strict compliance with such regulations.
- Auditing relies upon risk-based approach. Fraud and unethical conduct are among the concerned risks assessed and audited. In addition, recommendations on relevant internal control are proposed.
- Reviewing the Anti-Corruption Policy in consistence with the best practices and international standards, organized training and provided knowledge for directors, executives and employees. The Bank also communicates with them regularly via the annual corporate governance activities, including mapping out concrete guidelines for monitoring and evaluation.



KBank issued public relations materials to promote our No Gift Policy, refraining from accepting gifts regardless of festival or occasion, in order to promote good corporate governance which is the foundation of being a Bank of Sustainability.



5. The Bank has encouraged and communicated with suppliers on business operations with no involvement with corruption on a regular basis. Our operations in 2021 included:

- Communication of supplier manual on the Code of Conduct related to business ethics, human rights and labor, anti-corruption, safety and occupational health, and environment for their acknowledgment and compliance. The Bank also encourages suppliers to participate the anti-corruption network.
- Communication of the No Gift Policy for all occasions and festive seasons.
- Communication of the Bank's procurement procedures and policies, as well as sustainable business operations under good corporate governance, procurement with responsibility and operations in accordance with the ESG principles. Additionally, suppliers are encouraged to comply with Anti-Corruption Policy and practices.
- Communication of the Code of Conduct and Anti-Corruption Policy to ensure an understanding, acknowledgment and strict compliance with the established guidelines.
- Provision of various channels to receive information, complaints and whistle-blowing.

Receiving Information, Complaints or Whistle-blowing

The Bank provides various communication channels for stakeholders, namely K-Contact Center, K-BIZ Contact Center, and branches, etc. A hotline is available as a center to receive and manage complaints. In addition, the Bank has established a written whistle-blowing policy, which provides a channel to whistle-blow improper conduct. Aside from encouraging companies within KASIKORNBANK FINANCIAL CONGLOMERATE to put whistle-blowing channels in place, the Bank has also communicated such policy to stakeholders of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE via various channels so that they can whistle-blow inappropriate or improper conduct, including non-compliance with laws, regulations, Code of Conduct, the Bank's policies and procedures or internal control weaknesses that may result in losses. Whistle-blowers can directly notify the Board of Directors of any improper conduct in alignment with the specified criteria shown under the "Investor Relations" section on the Bank's website or the Internal Audit Department as an independent unit in written documents or electronic mails. The Bank has a procedure and measure to protect the rights of information providers, protection of confidential information - only authorized persons can have

access to such information, and the Audit Committee is assigned to issue instructions and report to the Board of Directors on confidential information. Fair measures have been established for stakeholders to whom losses are incurred due to violation of their legal rights.

In 2021, a total of 7 cases of information or suspicious conducts were reported to the Internal Audit Department. An investigation showed that there were 5 cases related to non-compliance with the Bank's policies and procedures. The Bank took actions on each matter in an appropriate manner in accordance with the established procedures.

8.2 Performance Result Report of the Audit Committee during the Past Year

Performance results of the Audit Committee are shown in Attachment 6. Details of the meetings and meeting attendance of the Audit Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration of Directors.

8.3 Performance Result Reports of Other Board Committees

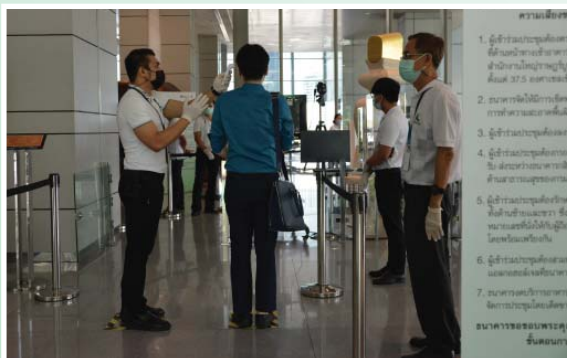
Performance results of the Corporate Governance Committee, Human Resources and Remuneration Committee and Risk Oversight Committee are shown in Attachment 6. Details of the meetings and meeting attendance of the Corporate Governance Committee members, Human Resources and Remuneration Committee members and Risk Oversight Committee members can be found under 8.1.2 on Board of Directors Meetings and Remuneration to Directors.

8.4 Rights of Shareholders

In recognizing the importance and rights of all shareholders, and having specified relations with shareholders in the Statement of Corporate Governance Principles, the Bank makes every effort to ensure the basic equal legitimate rights of shareholders, including the right to participate in shareholders meeting, the right to appoint a proxy to participate in and vote at shareholders meeting, the right to vote for the appointment or removal of individual directors, the right to vote on the annual appointment of independent auditor and the fixing of annual audit fees, and the



General Meeting of Shareholders of KASIKORNBANK PCL No. 109
on April 9, 2021 at KASIKORNBANK Head Office



KBank held the General Meeting of Shareholders in accordance with the public health standards of the Department of Disease Control of Thailand to stringently prevent risks from COVID-19 and ensure the safety of our shareholders.

right to vote on other various businesses of the Bank. Shareholders' rights also include eligibility to receive dividend payments, the right to give opinions and enquire into business matters of the Bank during shareholders meeting, and the right to receive sufficient information in a timely manner. Moreover, the Bank emphasizes the disclosure of accurate, complete, timely and transparent information to shareholders. The following measures were undertaken to promote the rights of shareholders:

1. All shareholders including institutional shareholders were encouraged to attend the 2021 General Meeting of Shareholders, held on April 9, 2021. This year, the Bank implemented strict preventive measures for the General Meeting of Shareholders under the COVID-19 pandemic in compliance with disease control standards of the Department of Disease Control, Ministry of Public Health, for risk mitigation and safety of all shareholders, as follows:

1.1 Procedures prior to the meeting date:

- The meeting notice and related documents, both Thai and English, were disseminated on website more than 30 days prior to the meeting date, with clear, complete and adequate information on the date, time, and venue of the meeting, a map of the meeting site, and the meeting agenda. In addition, proxy forms and a complete set of supporting documents for the meeting agenda, together with the Bank's Articles of Association related to the meeting, were sent to shareholders for their consideration more than 14 days prior to the meeting date. Along with the meeting notice, shareholders were sent sufficient information to allow them to vote on every agenda item, each of which was identified clearly as items for acknowledgment, for approval, or for consideration, together with sufficient and clear comments by the Board of Directors to help shareholders in their voting decisions. The meeting notice was published in a daily newspaper for 3 consecutive days, at least 3 days before the meeting date. The Bank also sent a notice to shareholders prior to the 2020 General Meeting of Shareholders regarding our preventive measures against COVID-19 via the Stock Exchange of Thailand's website.
- Shareholders were given the opportunity to submit questions concerning meeting agenda items in advance before the shareholders meeting date. These criteria were disclosed on the Bank's website and via the information dissemination system of the Stock Exchange of Thailand at the same time as in the meeting notice.
- The Bank gave detailed information as to which documents were necessary for shareholders or proxies to present on the meeting date in order to confirm the right to attend the meeting, including a proxy form per the Ministry of Commerce designation. Also included was a list of independent directors, the Chairman of the Board and Chief Executive Officer, or any other persons whom the shareholders might wish to appoint as proxy, and to determine the voting directions.

1.2 Procedures on the meeting date:

- The meeting was held at the Bank Head Office. For convenient access of shareholders, shuttle vans were available between Head Office and Phahon Yothin Building.



- The Bank arranged for shareholder registration to begin more than 2 hours prior to the meeting schedule. Preparation of the venue and an appropriate number of greeters were also arranged to assist shareholders.
- The number and proportion of shareholders participating in the meeting in person and through proxies, the voting and vote counting methods were clearly explained. Both voting and vote counting were carried out in a transparent manner. The Bank used a barcode system for shareholder registration, vote counting and presentation of voting results, allowing for a rapid and efficient meeting process.
- The Bank arranged for an independent legal advisory firm to supervise meeting transparency, in compliance with related laws and the Bank's Articles of Association, and examination of the accuracy of vote counts. Shareholder representatives were selected to witness the vote counting.
- The meeting proceeded according to the announced agenda; no additional agenda item was included without prior notice to the shareholders.
- All shareholders were offered an equal opportunity to give suggestions and ask questions within an appropriate timeframe, and directors in charge of topics clarified and provided complete information to shareholders. There were 17 directors in attendance, as well as senior executives and auditors.

- Ballots were used to vote on every agenda item. For each agenda item, the Bank collected only the ballots of shareholders opposing or abstaining. To comply with the best practices for shareholders meetings, the Bank requested shareholders and proxies present at the meeting to return the ballots after the meeting was adjourned, and kept them as evidence and for future reference.
- The Bank provided English simultaneous interpretation for foreign shareholders and recorded the meeting on video for further reference.
- Shareholders who entered the meeting room after it had commenced were allowed to vote for agenda items that were still under consideration, pending for voting.

The Bank established stringent measures for the 2021 General Meeting of Shareholders in line with public health standards of the Department of Disease Control, Ministry of Public Health, for risk mitigation and safety of shareholders. Shareholders were encouraged to appoint Independent Directors, or Chairperson of the Board or the Chief Executive Office as their proxies. For shareholders who intended to participate in the Meeting in-person, the Bank requested all of them to strictly follow the disease control procedures, such as undergoing body temperature scanning through thermoscan cameras at screening points located in front of the buildings before boarding the vans between Phahon Yothin Building and Head Office and filling out self-examination forms before entering the building and boarding the vans. In addition, participants must be seated as arranged by the Bank, with safe social distancing, by alternating rows and leaving two seats free on both sides. They were also required to wear a face mask at all times while attending the Meeting and cleaning their hands with alcohol gel provided by the Bank at several points. Additionally, no food and beverages exposed to open air will be served. Neither there be gifts provided.

1.3 Procedures after the meeting date:

- For shareholders' timely acknowledgment and examination of voting results, the Bank disclosed the resolution of each agenda item on our website and via the information dissemination system of the Stock Exchange of Thailand on the shareholders meeting date.



KBank held the Extraordinary General Meeting of Shareholders No. 1/2021 on August 26, 2021 via electronic media.



- Comprehensive meeting minutes were recorded. They included significant details for each agenda item, e.g., attendance of directors and executives, proportion of directors attending the meeting, meeting resolutions, voting results (divided into approve, disapprove, abstain, voided ballot, or not entitled to vote), questions, explanations and opinions expressed at the meeting. The minutes of the shareholders meeting were sent to regulatory agencies within 14 days from the meeting date, as well as being made available on the Bank's website.

Additionally, the Bank held the Extraordinary General Meeting of Shareholders No. 1/2021 on August 26, 2021, via electronic media pursuant to the Emergency Decree on Electronic Media Conference B.E. 2563 (2020) and other related laws and regulations, with the aim of allowing shareholders to consider approving the distribution of life insurance products of Muang Thai Life Insurance PCL in accordance with the Bancassurance Agreement. The Meeting was held via electronic media to prevent risks and ensure the safety of shareholders amid the COVID-19 pandemic.

2. The Bank discloses important information for shareholders on our website and via the information dissemination system of the Stock Exchange of Thailand, and has published the quarterly Shareholder Newsletter to provide information and news on website, such as the overall economy, investment in money and capital markets, and other information that may be beneficial to shareholders.

8.5 Equitable Treatment of Shareholders

Recognizing the importance of equitable treatment of shareholders, the Board of Directors has established a Corporate Governance Policy based on shareholders' rights and the equal and fair treatment of all shareholders, and undertook the following tasks:

1. Provision of information prior to the General Meeting of Shareholders:
 - Shareholders were informed that 1 share equaled 1 vote; approval of a resolution was based on the majority of votes, except for certain resolutions which required the approval of no less than two-thirds of all votes of those attending the meeting, or three-fourths of all votes of those attending the meeting and having the right to vote. This practice is in line with the Bank's Articles of Association and related laws.

2. Protection of shareholders' rights:

- Under the specified criteria of the Board and relevant regulatory agencies, the Bank provided shareholders with the opportunity to propose matters for inclusion as agenda items, as well as the opportunity to propose qualified candidates having no prohibited characteristics for election as directors at the General Meeting of Shareholders, during September 1 - November 30, 2020. Guidelines on the proposing procedure and shareholders' rights were provided to shareholders through the information dissemination system of the Stock Exchange of Thailand and disclosed on the Bank's website. Shareholders proposed no items to be included in the agenda, nor did they propose any candidates for election as directors.
- The Bank arranged for the shareholders meeting to be conducted in a transparent and efficient manner, in line with the Bank's Articles of Association and related laws. The consideration of items and voting was conducted in accordance with the announced agenda. This included consideration of the election of directors individually and director remuneration, together with consideration of the annual appointment of independent auditor, fixing of the audit fees, and other agenda items as specified in the meeting notice.

8.6 Responsibility to Stakeholders

The Bank has placed emphasis on the rights of all stakeholders, and clearly defined the policies and operational guidelines towards different stakeholders in the Statement of Business Conduct and Code of Conduct for all employees, as well as the human rights and anti-corruption policies. Contact channels have been in place for all stakeholders.

Actions towards Stakeholders

Shareholders:

The Bank is determined to achieve good operating performance, sustainable growth, and competitiveness, with due consideration given to both current and future risk factors, in order to maximize shareholders value over the long term. The Bank discloses all information in a fair and transparent manner, and makes every effort to protect the Bank's assets and uphold its reputation.



The Board of Directors:

The Board of Directors has acknowledged and fully complied with the authority, duties and responsibilities of directors, as well as the rights of stakeholders, and undertakes measures to ensure that these legitimate rights are provided, and that all stakeholders are treated equally and fairly.

Regulatory Agencies:

The Bank conducts businesses, with integrity, fairness, transparency and accountability, makes business decisions and operates businesses in compliance with the relevant laws and regulations, as well as the Statement of Business Conduct and Code of Conduct.

Employees:

Employees are valuable assets of the Bank. The Bank continues to seek capable and experienced personnel in line with growth and demands of the organization. Compensation should be tied with short-and-long term performance, based on balanced scorecard, comparable to that of other leading companies. The Bank also ensures that compensation and performance evaluation criteria are appropriate with the current economic conditions and competition, and these are communicated to employees. Necessary training programs are continuously provided to enhance employees' capabilities. Good business culture and favorable atmosphere are promoted in the workplace, together with fair and equal treatment, and respect for the honor, dignity, and individual rights of all employees. The Bank recognizes the need for safety, occupational health and proper welfare for employees, and provides benefits such as provident funds, scholarships for employees and their children, annual medical check-ups, as well as safety procedures such as fire drills and the installation of disaster prevention systems, etc.

Customers:

The Bank aims to promote customer satisfaction by offering diverse, complete, and high-quality financial products and services, in response to the needs of customers. The Bank gives due attention to and holds itself accountable to customers. The Board approved a Market Conduct Policy to ensure fair and transparent treatments to customers. The Board also approved a Customer Data Privacy Policy that gives high priority to the protection of their confidential information. Customers are provided with explanations of the risks related to the use of various financial services. Nevertheless, the Bank monitors and measures customer satisfaction, and listens to customers' opinions for the development and improvement of products and services on a regular basis.

Counterparties:

The Bank respects compliance with contracted terms and conditions in trade, in fair and acceptable competition, and refrains from all mala fide practices. For supplier selection, the Bank has put in place a fair and equitable selection process. The Bank shall not enter into business matching with unlawful businesses, and suppliers should have the Corporate Social Responsibility policy, avoid causing any environmental pollution and comply with the Bank's Supplier Code of Conduct. The Bank places emphasis on counterparties' transparent business operations, respect for human rights, fair treatment of labor and compliance with the standards related to safety, occupational health and environment. The Bank continuously organizes training to our suppliers, including monitoring, examining and assessing them.

Competitors:

The Bank observes fairness in competition and does not practice any mala fide methods that are deleterious to competitors. The Bank also supports free business operations and fair competition to ensure that its business operations are efficient and sustainable.

Creditors:

The Bank abides by lending terms and conditions, including conditions related to guarantee, capital and liquidity management to ensure that the Bank has the stability, strength and is equipped to settle debts to creditors within the established timeframe. In compliance with related laws, accurate and appropriate explanations have been given to creditors on all of the possible risks involved with non-deposit financial services. In case the Bank is unable to comply with any established conditions, advance notification will be made to related creditors in order to jointly resolve the problems.

Communities, Environment and Society:

The Bank's social contributions are based on the corporate citizenship strategy for 2019 - 2023, with the objective of achieving its target in creating positive changes to society by applying the ESG principles in every operational process. Additionally, the Bank carries out CSR activities in line with its net-zero target. CSR activities are based on the implementation of the Bank's sustainability policy (SD in Action). An assessment of their operational results are in conformity with the global Business for Societal Impact (B4SI) standard, formerly known as the London Benchmarking Group (LBG) so that the results of CSR activities can be assessed in a concrete manner, especially, the impact of the Bank's CSR activities on stakeholders in society. These can



be seen from budget support, volunteer activities, donations and transfer of knowledge and expertise via various forms of activities in collaboration with our strategic partners, customers and the KASIKORNTHAI FOUNDATION throughout the year. Despite the COVID-19 pandemic that inhibited the Bank to organize CSR activities in many venues last year, the Bank changed the format for holding such activities to online channels so as to ensure the continuity and efficiency of related operations. Notable projects include the Make Every Day the Day of Doing Good Deeds (Employee Volunteer Hours) project, the Nan Cultivation of Wisdom project, the AFTERKLASS project, the project to add value to organic waste via biosynthesis process and the Nan Sandbox project. The Bank also implemented various projects in support of efficient resource utilization, for example electricity and lighting system improvements, wastewater recycling, carbon neutral program, E85 and E20 adoption, solar rooftop and staff training sessions on environmental issues through the Bank's sustainability development courses. Officers were sent to attend training sessions or seminars, including a greenhouse gas emission management program and the seminar on Thailand Carbon Neutral Network: Climate Action Partnership towards Carbon Neutrality, organized by Thailand Greenhouse Gas Management Organization (Public Organization). International specialists were also invited to conduct training sessions, such as carbon neutral, net zero and initiatives to increase carbon sink, greenhouse gas protocol, and internal carbon pricing, for the Bank's employees. The Bank has also joined the Thailand Voluntary Emission Reduction Program (T-VER) and received Carbon Neutral Certification from Thailand Greenhouse Gas Management Organization (Public Organization).

Details of implementations and operational results in accordance with the Global Reporting Initiative (GRI Standards) are included in Sustainability Report 2021.

The Bank also specified other procedural guidelines, as follows:

Fairness:

The Bank demonstrates fairness to all parties having business relationships with the Bank, and does its best to avoid any bias or events that would lead to conflicts of interest.

Ethics:

The Bank adheres to its Statement of Business Conduct and pursues every business endeavor with integrity.

Professionalism:

The Bank maintains professional standards, aiming high for superb quality integrated with modern and sophisticated technology.

Responsiveness:

The Bank has the readiness to respond to the needs of its customers and society, as well as changes in the economy and technology, both at present and in the future.

Discipline and Compliance: The Bank is committed to discipline in the operation of its business and ensures that all business decisions and actions comply with all applicable laws and regulations and to observe the Bank's ethical standards and the Code of Conduct.

Protection of Intellectual Property Right and Copyright:

The Bank has included the violation of intellectual property in the Code of Conduct. Employees have the duty to protect data and must not violate intellectual property of the Bank through any method. The Bank has the policy of not supporting operations that violate intellectual property or copyrights of other entities, such as establishing a policy to ensure IT stability and safety; only copyrighted software is used in the Bank's information systems. Employees are prohibited from installing unauthorized software copies on the Bank's computer systems, and their software use is examined.

Human Rights Protection:

The Bank is committed to operating businesses in compliance with the laws and major international standards, such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), principles of humanity and rights in accordance with International Labor Organization (ILO), International Bill of Human Rights and Principles of the United Nations Global Compact (UNGC). The Bank established the Human Rights Policy related to employees, customers, suppliers and business partners, and incorporated respect of human rights in the Code of Conduct, with regard to support and respect of human rights by refraining from human rights violations. The Bank also provides related knowledge for employees for use in their operations, while arranging channels to receive information and complaints on human rights violations. The policy is reviewed annually, and in 2021 the policy was reviewed and revised to comply with international standards.



8.7 Disclosure and Transparency

Information Disclosure

The Bank has authorized the Chief Executive Officer, Presidents, Chief Financial Officer, or executive who is responsible for Chief Investor Relations Officer function to consider and make decisions on the contents of significant information for public disclosure. Any one of these persons may disclose information by him/herself, or assign relevant parties to handle this task. Corporate Secretary who is responsible for Chief Investor Relations Officer function has the authority to hold press conferences or to disseminate significant information related to the Bank, and to answer questions raised by shareholders, investors, and securities analysts. The unit responsible for corporate communications activities was assigned to coordinate with information owners in disseminating significant information related to the Bank. The Bank has a well-defined KASIKORNBANK Disclosure Policy, approved by the Board of Directors, to ensure that disclosures of the Bank's financial and non-financial information to shareholders, investors, analysts, regulatory agencies, and the general public are accurate, complete, timely, equal, transparent, consistent, and in accordance with all applicable laws, regulatory requirements, and regulations.

In 2021, the Bank adequately disclosed important financial information in its financial statements and notes to the financial statements. The disclosures were in line with regulations of the Bank of Thailand, the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, and Financial Reporting Standards. Such information was also disseminated via the SET Community Portal and the Bank's website. The financial statements were reviewed/audited by independent certified public accountants. The Board of Directors also disclosed its report of the responsibilities for financial reports in the annual registration statement and annual report (Form 56-1 One Report). Moreover, the Bank has published unreviewed/unaudited quarterly financial statements, reviewed/audited quarterly financial statements that were reviewed/audited by independent certified public accountants and Basel III Pillar 3 Disclosure, as well as other non-financial information such as the Management Discussion and Analysis (MD&A) and information on the Bank's corporate governance and sustainable development for the benefit of shareholders, investors and analysts. In addition, the Bank has periodically evaluated the effectiveness of its disclosure procedures. Over the 5 year-period (2017 - 2021), the Bank received 1 fine from the Office of the Securities and Exchange Commission in 2019 due to the violation of section 114

of SEC Act. The fine amount was not significant, and the Bank has already improved its operations.

The Bank has disseminated its information through various channels and mass media on a regular basis so that shareholders and stakeholders can receive information thoroughly. Information outlets include, for example, the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission, the Ministry of Commerce, newspapers, magazines and journals, television, the Bank IR/PR news, the Bank website (www.kasikornbank.com), company visits, press conferences, and notice and meeting documents sent by mail to shareholders. In addition, the Bank provided information to shareholders and investors in various forms, e.g., Investor Presentation, Monthly Economic Information, quarterly Shareholder Newsletter and K-IR News which can be accessed via the Bank's website. In compliance with the Statement of Corporate Governance Principles, the Bank enforces a 7-day silent period before the quarterly operating results are reported to the Stock Exchange of Thailand. During this period, no information related to the Bank's performance is revealed to outsiders via all channels, such as one-on-one meetings, conference calls, video conference calls, group analyst meetings and replies to questions related to the Bank's operating results.

Investor Relations

The Bank established the Investor Relations Unit under the Office of Corporate Secretary, as part of the Corporate Secretariat Division, to be responsible for investor relations management, preparation of annual investor relations plan in line with the sustainable development guidelines and systemic disclosure of the Bank's information per regulatory requirements, for the benefits of shareholders, investors, analysts and credit rating agencies, both local and international. These included acknowledgment of opinion, recommendations and anticipations of shareholders, investors and securities analysts, in order to submit them to executives and the Board of Directors of the Bank (Two-way Communications), which will lead to the setting of consistent long-term targets. The Unit is also responsible for managing and supervising shareholders' rights and benefits, in accordance with all applicable laws, as well as creating, maintaining and promoting cordial relationships with the Bank's shareholders. This will in turn enhance the Bank's image and credibility, thus creating higher value to shareholders in a sustainable manner over time. The Bank also conducts investor relations satisfaction survey on an annual basis. The survey results are analyzed to optimize the efficiency and effectiveness of the investor relations policies, functions and activities in accordance with international standards. In this



regard, shareholders can contact ordinary shares registrar at the Thailand Securities Depository Company Limited. The Bank business operations place emphasis on actions in accordance with the Good Corporate Governance Principles and the Bank has devised an Investor Relations Code of Conduct to ensure that our investor relations function is accurate, complete, and transparent in compliance with the laws, regulatory requirements, and the Bank's regulations. Regarding the outbreak of COVID-19 in the previous year, changes were made to the channels to participate in the Investor Relations activities, wherein the Bank's executives and the Investor Relations Unit met with various groups and provided information through various channels, such as phone calls and virtual conferencing via MS Teams and Zoom on various occasions, as follows:

Online Virtual Meeting	No. of Events	No. of Companies	No. of Persons
1. One-on-One Meeting	43	43	86
2. Group Meeting	12	142	175
3. Analyst and Fund Manager Meeting	8	474	710
4. Investor Conference	22	254	344
5. Non-deal Roadshow	3	29	44
Total	88	942	1,359

There were 12 events, out of the above, wherein a total of 324 persons from 206 companies met with the Bank's Chief Executive Officer or Presidents. Some companies met with the Bank on more than one occasion through more than one meeting format.

Moreover, the Investor Relations Unit has improved its operations towards a digital format by reducing the use of paper and delivering documents via digital channels. If printing of documents or reports is mandatory, environmentally-friendly paper, printing ink and printing processes are chosen so as to reduce greenhouse gas emissions, preserve the environment, and achieve the Bank's net-zero target.



KBank held a virtual Non-deal Roadshow to meet with our investors online. The meeting was attended by fund managers, investors, and analysts worldwide.

Investors and shareholders may contact the Bank at:

Corporate Secretary who is responsible for
Chief Investor Relations Officer function:
Tel.: 02-4702673 to 4

Investor Relations Unit, Office of Corporate Secretary:

- Individual Investors and Shareholders
E-mail : Shareholder_IR@kasikornbank.com
Tel. : 02-4706116
- Institutional Investors and Shareholders
E-mail : IR@kasikornbank.com
Tel. : 02-4706900 to 1 and 02-4702660 to 1

Address:

KASIKORNBANK PUBLIC COMPANY LIMITED
Investor Relations Unit, Office of Corporate Secretary,
Rat Burana Building, 33rd Floor,
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District,
Bangkok 10140, Thailand
Website: www.kasikornbank.com

Ordinary shares registrar:

- The Thailand Securities Depository Company Limited
Tel.: 02-0099999



9. Internal Control and Related Party Transactions

9.1 Internal Control and Auditing Systems

The Board of Directors and the Bank's management have placed particular emphasis on an efficient internal control system and promotion of an appropriate business culture, recognizing the importance of risk management and the internal control system in every business undertaking of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE. Internal Control Policy, in compliance with Internal Control - Integrated Framework recently revised by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), was introduced requiring all units to comply with the policy for all business operations and employees' practices to ensure that the goals and objectives of the Bank and companies within KASIKORNBANK FINANCIAL CONGLOMERATE will be met and the operations will be effective and efficient to achieve long-term profitability including maintaining reliable financial and managerial reporting. Such a system can also help to ensure compliance with laws and regulations as well as policies, plans, and internal rules and procedures, and prevent the risk of unexpected losses or damage to assets and reputation of the KASIKORNBANK FINANCIAL CONGLOMERATE.

The Bank demonstrates a commitment to integrity and ethical values to create awareness on the importance of risk management and internal control system. To create an appropriate control environment, executives and employees at all levels have the roles, duties and responsibilities for internal control. In order to achieve so, the Bank has established written policies and operational procedures. The Bank still places emphasis on Asset Quality Management that may be affected by the economic conditions, as well as focusing on sale and service processes that strictly comply with Market Conduct Policy and Procedure. Moreover, the Bank continues to attach importance to personal data protection. Integrated data management processes have therefore been in place, covering consent requisition, data collection, access, usage and disclosure, to ensure that data is appropriately protected and consistent with the best practice guidelines and criteria. The Bank has also upgraded our cybersecurity on a regular basis.

The Bank shall ensure the adequacy of staff. Also, training and orientation programs are provided for skill enhancement, accurate practices, and efficient and effective performance are established in a consistence with the business structure and competition in current environment. An operational manual with information on rules and regulations, a professional Code of Conduct, and penalties against disciplinary actions and gross offenses have also been provided to ensure common understanding as well as capabilities that will lead to efficient, transparent and fair operations for the benefit of customers, suppliers and other stakeholders. In addition, in order to strengthen the supervision aspect and to promote a control culture that is consistent at all levels of the organization, the Bank organized a course entitled "Governance, Risk Management and Compliance", which has been incorporated into the executive training course, and e-Learning on "Internal Control" is developed for all staff.

The Bank identifies and analyzes risks to the achievement of its objectives across the Bank, companies within KASIKORNBANK FINANCIAL CONGLOMERATE, departments and functions. Risk Management unit and a clear risk management policy are set up.

Control activities are an integral part of day-to-day operations. Appropriate segregation of duties is embedded to create a proper "check-and-balance" system for operating staff, supervisors, and performance assessment. Any possible conflict of interest is identified and subject to careful monitoring, in accordance with regulatory requirements and the Bank's regulations.

Information systems have continuously been upgraded to provide accurate, up-to-date, and adequate information for timely decision-making by the management and the Board of Directors. Information systems include the financial data, as well as operational and compliance data, to monitor the effectiveness of the internal control system for prompt corrective action against significant deficiencies. The Bank also provides varied and effective communication channels to ensure that all executives and employees understand and adhere to the policies



and procedures affecting their duties and responsibilities and to receive useful information for business undertaking or recommendations from external stakeholders such as customers, counterparties and regulators.

The Bank establishes monitoring activities, both ongoing monitoring and separate evaluations, to ascertain whether the internal control is present and functioning as designed that contributes to the mitigation of risks at different periods. The internal control deficiencies will be communicated to responsible persons and serious matters will be reported to the Board of Directors, Audit Committee and/or executives in a timely manner.

Recognizing the importance of its roles and responsibilities towards Corporate Governance, the Board oversees that the Bank is equipped with appropriate and effective systems of risk management, internal control, internal auditing and governance. The Audit Committee, comprising independent directors, has been assigned to review the effectiveness and appropriateness of such processes, and to consider important audit results of the Internal Audit Department, the Bank of Thailand and other regulatory agencies, as well as acknowledging risk reports including emerging risk and new threats in Thailand and other countries, and action against those risks. The Bank's management is responsible for managing tasks and activities, and monitoring the operations of employees at all levels with regard to risk management, including the effectiveness of internal control system, and compliance with laws, regulations and related policies. The Board is of the view that the Bank has maintained an effective internal control system at an adequate and appropriate level of protection.

Internal auditing is conducted by the Internal Audit Department which is independent in its tasks and reports directly to the Audit Committee. The audit is risk-based and aimed at assessing the adequacy and effectiveness of the risk management and internal control system, the efficiency of resource management, the accuracy and reliability of information, and compliance with regulatory requirements, the Bank's operational procedures, and the Statement of Business Conduct. A flexible audit plan is regularly reviewed and revised so as to appropriately respond to emerging risks, such as cyber risks. The Internal Audit Department has constantly applied the principles of continuous audit, data audit and integrated audit and data analytics in its operations. The efficiency of data analytics has been enhanced through the development of automated data analytics rules. In addition, preparations have been made to audit new technologies, such as blockchain,

biometrics and AI/ML by developing audit guidelines for those particular technologies. Internal auditors have been encouraged to acquire new knowledge and skills in areas of technology and financial innovation to brace for the digital banking age, as well as matters related to sustainability development so that they can provide related recommendations in line with the Bank's strategic directions. Moreover, the Internal Audit Department provides consulting services to the audited units, in accordance with the nature and scope of tasks as agreed upon by both parties, with the objective of increasing the value and improving the operations of the KASIKORNBANK FINANCIAL CONGLOMERATE. In 2021, the Internal Audit Department conducted a survey on an understanding of risk culture with the management and employees, as well as an assessment on an understanding about the Code of Conduct with executives and employees of P Companies to ensure that they understand the Principles and Guidelines of Code of Conduct. An examination was also made to sustainability-related matters. The Internal Audit Department acts in conformance with the International Standards for the Professional Practice of Internal Auditing. The Department constantly evaluates and improves the quality of its work as measured against the generally accepted international auditing standards. In addition, there is an external assessment by independent auditors every 5 years.

The Internal Audit Department, which is an independent unit, has also been assigned as another whistle-blowing reporting channel. This ensures that the Bank has a transparent and fair whistle-blowing process and complies with good corporate governance standards. The Audit Committee resolved to appoint Mr. Surasak Dudsdeemaytha as Internal Audit Head, in view of his suitable knowledge, qualifications and experience to perform this function.

The Compliance Department is tasked with ensuring that our operations are in compliance with the regulatory requirements and regulations of KBank. It is also required to devise policies and procedures in alignment with the regulatory requirements, communicate regulatory requirements to the relevant employees, provide consultation concerning the regulatory requirements, monitor and review regulatory compliance, and report it to high-level executives, the Risk Oversight Committee or the Board of Directors. Mr. Phaisarn Vorasetsiri is the Compliance Head.



9.2 Related Party Transactions

SIGNIFICANT RELATED PARTY TRANSACTIONS

- Deposits, loans and contingencies made to directors, key executive officers, and close members of their families, which are fairly charged at market price as with other normal business or the price as stipulated in the agreement as of 31 December 2021 and 2020, are summarized, as follows:

(Unit : Million Baht)

	2021	2020
Deposits	34,084	21,366
Loans	265	271
Contingencies	1	1

- Additional transactions occurring between the Bank, its subsidiaries, associated companies and joint venture, which are charged at market price as with other normal business or the price as stipulated in the agreement as of 31 December 2021 and 2020 are, as follows:

- Loans, deposits and contingencies between the Bank, its subsidiaries, associated companies and joint venture are summarized as follows:

(Unit : Million Baht)

	2021			2020			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Subsidiaries								
KASIKORN ASSET MANAGEMENT CO., LTD.	-	4,074	-	-	4,801	-	100	Mr. Patchara Samalapa Mr. Vasin Vanichvoranun Mr. Suradech Kietthanakorn Ms. Nisanat Ouvuthipong
KASIKORN RESEARCH CENTER CO., LTD.	-	147	-	-	137	-	100	Mr. Krit Jitjang Dr. Adit Laixuthai
KASIKORN SECURITIES PCL	-	20,353	-	-	20,293	-	99.99	Mr. Pipit Aneaknithi Mr. Thiti Tantikulanan Mr. Phaisarn Vorasetsiri
KASIKORN LEASING CO., LTD.	109,756	2,874	-	103,331	2,408	-	100	Dr. Pipatpong Poshyanonda Ms. Chalarat Phinitbenchaphol Dr. Ketchayong Skowratananont Dr. Wichai Narongwanich Mr. Panya Kongkapaisai
KASIKORN FACTORY & EQUIPMENT CO., LTD.	21,956	167	37	22,009	75	619	100	Dr. Pipatpong Poshyanonda Ms. Chalarat Phinitbenchaphol Dr. Ketchayong Skowratananont Mr. Pongpichet Nananukool Ms. Monta Voraprasit



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD.	-	134	-	-	88	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit Ms. Hataiporn Chiemprasert
KASIKORN LABS CO., LTD.	-	65	68	-	41	51	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN SOFT CO., LTD.	-	796	2,237	-	555	1,866	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN INFRA CO., LTD. (Formerly: KASIKORN PRO CO., LTD.)	-	148	-	-	73	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN SERVE CO., LTD.	-	16	-	-	99	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN X CO., LTD.	-	20	-	-	3	-	100	Mr. Krit Jitjang Mr. Chongrak Rattanapian Ms. Wasana Surakit
Muang Thai Group Holding Co., Ltd.	-	3,148	-	-	1,416	-	51	Ms. Sujitpan Lamsam Mr. Pipit Aneaknithi Mr. Sara Lamsam Mr. Dithichai Limpodom Mr. Akaranant Thitasirivit Ms. Supaneewan Chuttrakul
KASIKORNTAI BANK Limited	-	156	-	-	97	-	100	Mr. Photjanart Sangpruaksa Dr. Karin Boonlertvanich Ms. Sunan Siriaksorn Dr. Anuwat Sriudom
KASIKORNBANK (CHINA) COMPANY LIMITED	-	25	353	-	51	312	100	Mr. Pipit Aneaknithi Mr. Pattarapong Kanhasuwan Mr. Worawit Kiatthawee-anand Ms. Jariporn Kijcharoenpaisan Ms. Hataiporn Chiemprasert Ms. Khajarin Maintaka
K-SME Venture Capital Co., Ltd.	-	166	-	-	77	-	100	Mr. Surat Leelataviwat Mr. Thawee Teerasoontornwong Mr. Worawit Kiatthawee-anand
BEACON VENTURE CAPITAL COMPANY LIMITED	-	164	-	-	94	-	100	Mr. Pipit Aneaknithi Mr. Krit Jitjang Mr. Chongrak Rattanapian Mr. Chat Luangarpa Dr. Karin Boonlertvanich Mr. Thanapong Na Ranong



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
KASIKORN VISION COMPANY LIMITED	-	3,199	-	-	2,613	-	100	Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa Mr. Photjanart Sangpruaksa Dr. Karin Boonlertvanich Ms. Jariporn Kijcharoenpaisan
KASIKORN VISION FINANCIAL COMPANY PTE. LTD.**	-	-	-	-	-	-	100	Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	-	163	-	-	143	-	100	-
Phethai Asset Management Co., Ltd.	-	48	-	-	13	-	100	Mr. Atipat Asawachinda
PROGRESS PLUS CO., LTD.	-	28	-	-	29	-	100	Dr. Ketchayong Skowratananont Ms. Wasana Surakit Mr. Pornchai Yongnoppakul
PROGRESS APPRAISAL CO., LTD.	-	190	-	-	201	-	100	Dr. Ketchayong Skowratananont Mr. Chidchod Loyprasert
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	4	271	-	4	377	-	100	Mr. Prachya Kerdkaewfah
PROGRESS MANAGEMENT CO., LTD.	-	34	-	-	22	-	100	Mr. Surat Leelataviwat Ms. Sawakon Makasawat
PROGRESS FACILITIES MANAGEMENT CO., LTD.	-	56	-	-	66	-	100	Dr. Ketchayong Skowratananont Mr. Pornchai Yongnoppakul
PROGRESS SERVICE SECURITY GUARD CO., LTD.	-	112	-	-	111	-	100	Dr. Ketchayong Skowratananont Mr. Pornchai Yongnoppakul
PROGRESS STORAGE CO., LTD.	-	46	-	-	37	-	100	Dr. Ketchayong Skowratananont Mr. Chidchod Loyprasert
PROGRESS H R CO., LTD.	-	134	-	-	101	-	100	Ms. Sansana Sukhanunth Mr. Kittipong Koomman Ms. Hataipom Chiemprasert
PROGRESS SERVICE SUPPORT CO., LTD.	-	194	-	-	209	-	100	Ms. Supaneewan Chutrakul
PROGRESS COLLECTION CO., LTD.	-	56	-	-	66	-	100	Mr. Surat Leelataviwat Ms. Sawakon Makasawat
PROGRESS TRAINING CO., LTD.	-	29	-	-	22	-	100	Ms. Sansana Sukhanunth Ms. Hataipom Chiemprasert
KHAO KLA Venture Capital Management Co., Ltd.	-	27	-	-	26	-	100	Mr. Surat Leelataviwat
Muang Thai Life Assurance PCL	-	13,715	943	-	5,263	275	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam Mr. Surat Leelataviwat Mr. Pipavat Bhadravik Ms. Supaneewan Chutrakul



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Muang Thai Broker Co., Ltd.	1	26	3	-	14	1	50.99	-
MT Insure Broker Co., Ltd.	-	1	-	-	1	-	38.25	-
FUCHSIA VENTURE CAPITAL COMPANY LIMITED	-	33	-	-	25	-	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam
AI GEN COMPANY LIMITED	-	84	-	-	120	-	51	-
BEACON INTERFACE COMPANY LIMITED	-	9	-	-	4	-	100	-
PROGRESS MULTI INSURANCE BROKER CO., LTD.	-	114	-	-	199	-	100	Dr. Ketchayong Skowratananont
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED	-	-	-	-	-	-	100	Mr. Chongrak Rattanapian Mr. Pattarapong Kanhasuwan Ms. Jariporn Kijcharoenpaisan
KUBIX DIGITAL ASSET CO., LTD. *	-	22	-	-	-	-	100	Mr. Silawat Santivisat Mr. Panop Anusinha Mr. Porvarate Chetphongphan Dr. Karin Boonlertvanich
Associated companies and joint venture								
Processing Center Co., Ltd.	-	166	-	-	103	-	30	Ms. Siriporn Wongtriphop Mr. Amorn Suvachittanont
National ITMX Co., Ltd.	-	1,548	-	-	936	-	26.73	Dr. Pipatpong Poshyanonda
BCI (THAILAND) CO., LTD.	-	53	-	-	94	-	22.17	Mr. Silawat Santivisat
Thai Payment Network Co., Ltd.	-	252	-	-	-	-	33.33	Mr. Pattarapong Kanhasuwan
Sovannaphum Life Assurance PLC	-	-	-	-	-	-	18.74	Mr. Sara Lamsam
KASIKORN LINE CO., LTD.	9,001	470	-	2,957	822	-	50	Mr. Patchara Samalapa Ms. Supaneewan Chutrakul Ms. Natcha Argasreog

* In March 2021, the Bank established a new subsidiary company under the name KUBIX DIGITAL ASSET COMPANY LIMITED of which 100% of shares are held by KASIKORN X COMPANY LIMITED. The Company has Baht 70 million of authorised share capital which partially paid up Baht 42 million.

** In October 2021, the Bank established a new subsidiary company under the name KASIKORN VISION FINANCIAL COMPANY PTE. LTD. in Republic of Singapore, of which 100% of shares are held by the Bank. The company has USD 100,000 of authorised share capital. In December 2021, KASIKORN VISION FINANCIAL COMPANY PTE. LTD. paid up share capital of USD 100,000, fully paid up authorised share capital.



- 2.2 Certain subsidiaries have entered into 1-2 years building lease and service agreements with the Bank. As of 31 December 2021 and 2020, the remaining tenures amounting to Baht 6 million and Baht 57 million, respectively.
- 2.3 The Bank has entered into a 1 year Information Technology service agreement with Kasikorn Business-Technology Group and BEACON INTERFACE COMPANY LIMITED. As of 31 December 2021 and 2020, the Bank has commitment to pay total service fees amounting to Baht 2,277 million and Baht 1,913 million, respectively.
- 2.4 The Bank has entered into the 10-year term Bancassurance Agreement with Muang Thai Life Assurance PCL ("MTL"), which will come into effect from January 1, 2022. The Bank will derive the Exclusivity fee of Baht 12,700 million for distribution of life insurance products of MTL in an exclusive manner via distribution channels of the Bank and its subsidiaries and also derive other performance bonus as stipulated in the agreement.
- 2.5 The Bank has entered into 1-5 years service agreements with associated company and other related entities. As of 31 December 2021 and 2020, the Bank has commitment to pay total service fees amounting to Baht 159 million and Baht 121 million, respectively.
- 2.6 Revenue and expenses between the Bank and related persons or entities for the years ended 31 December 2021 and 2020 are summarized, as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Subsidiaries</u>				
Revenue:				
Interest income	-	-	3,464	3,334
Dividend income	-	-	5,015	4,810
Fees income	-	-	5,029	4,191
Other income	-	-	5,823	5,826
Expenses:				
Interest expenses	-	-	118	131
Fees expenses	-	-	1,068	420
Other expenses	-	-	6,063	6,454
<u>Associated companies and joint venture</u>				
Revenue:				
Interest income	105	3	105	3
Dividend income	104	61	104	61
Fees income	1	12	1	12
Other income	101	63	101	63
Expenses:				
Interest expenses	4	5	4	5
Fees expenses	3	2	3	2
Other expenses	587	326	587	326
<u>Related persons and other related entities</u>				
Revenue:				
Interest income	358	394	358	394
Expenses:				
Interest expenses	287	342	286	342
Other expenses	408	370	408	370



3. Loans, deposits and contingencies between the Bank and other business entities where the directors, key executive officers and close members of their families have managing authority and/or hold 10% or more of their paid-up capital, in which market price as charged as with other normal business as of 31 December 2021 and 2020, are summarized as follows:

(Unit : Million Baht)

	2021			2020			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
159 CAPITALS COMPANY LIMITED**	-	1	-	-	-	-	75	Director's related persons
THE RED BULL CO., LTD.	-	10	-	-	7	-	100	Mr. Saravoot Yoovidhya and related persons
KRATINGDAENG EXCELLENCE CENTER COMPANY LIMITED	-	17	-	-	17	-	95	Indirect holding through related entity
GREEN NATURAL PRODUCTS COMPANY LIMITED**	-	3	-	-	-	-	84.85	Indirect holding through related entity
GIFFARINE SKYLINE UNITY CO., LTD.	-	506	-	-	243	-	80	Indirect holding through related entity
							-	Sqn.Ldr. Nalinee Paiboon, M.D.
GOODSERVE CO., LTD.	-	1	-	-	4	-	12	Director's related persons
KANABANA CO., LTD.	-	2	-	-	4	-	80	Mr. Saravoot Yoovidhya and related persons
CAR CONVENIE COMPANY LIMITED**	-	4	-	-	-	-	90.60	Indirect holding through related entity
CAVALLINO SERVICES CO., LTD.	-	12	-	-	8	-	21	Director's related persons
CAVALLINO MOTORS COMPANY LIMITED	-	259	40	-	216	21	21	Director's related persons
KTD PROPERTY DEVELOPMENT LTD.	-	71	-	-	36	-	100	Mr. Saravoot Yoovidhya and related persons
THE RED BULL BEVERAGE CO., LTD.	-	562	-	-	138	-	99.97	Mr. Saravoot Yoovidhya and related persons
SPONSOR BEVERAGE CO., LTD.	-	-	-	-	1	-	16.67	Mr. Saravoot Yoovidhya
KAERAI GOLF COMPANY LIMITED	-	2	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
JARNDEN CO., LTD.**	-	1	-	-	-	-	45	Key executive officer's related persons
JTB (THAILAND) CO., LTD.	-	15	-	-	37	-	24	Mr. Chanin Donavanik
							23.95	Director's related persons
CHALERMSUK RUAMPATANA CO., LTD.	-	2	-	-	3	-	35	Director's related persons
CHANA PORN CO., LTD.**	-	1	-	-	-	-	94	Indirect holding through related entity
							-	Director's related persons
SAWAFUJI ELECTRIC (THAILAND) COMPANY LIMITED**	-	6	-	-	-	-	26	Indirect holding through related entity
SIMPORT COMPANY LIMITED**	-	23	-	-	-	-	100	Indirect holding through related entity
CHL EV CO., LTD.**	-	2	-	-	-	-	30	Indirect holding through related entity
							-	Mr. Suroj Lamsam
CENTRAL GOLF CO., LTD.	-	8	-	-	66	-	100	Mr. Saravoot Yoovidhya and related persons
CIRCURE HERBAL MED CO., LTD.	-	9	-	-	11	-	71.40	Mr. Saravoot Yoovidhya and related persons
DATA MINING CO., LTD.**	-	3	-	-	-	-	100	Indirect holding through related entity
							-	Mr. Suroj Lamsam
DURBELL CO., LTD.	-	1,225	-	-	698	-	98	Mr. Saravoot Yoovidhya and related persons
THE PENINSULA TRAVEL SERVICE CO., LTD.	3	8	-	2	4	3	12	Indirect holding through related entity
TALADNOI CHAOPHRAYA VIEW PROPERTIES CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
TOSHIBA THAILAND CO., LTD.	-	4	-	-	4	-	10.72	Chairperson of the Board's related persons
MUANG THAI ASSET CO., LTD.	-	4	-	-	8	-	14.61	Indirect holding through related entity
							10.59	Director's related persons
THAJEEN GOLF CO., LTD.	-	5	-	-	27	-	100	Mr. Saravoot Yoovidhya and related persons
TC-BANGKOK CONDO CO., LTD.	-	13	-	-	11	-	100	Mr. Saravoot Yoovidhya and related persons



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
T.C. SATHORN CONDO CO., LTD.	-	11	-	-	9	-	100	Mr. Saravoot Yoovidhya and related persons
T.G. VENDING AND SHOWCASE INDUSTRIES CO., LTD.	-	24	-	-	20	-	93.75	Mr. Saravoot Yoovidhya and related persons
T.C. CONDO AND DEPARTMENT STORE CO., LTD.	-	4	-	-	4	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PINKLAO PROPERTIES CO., LTD.	-	8	-	-	16	-	90	Mr. Saravoot Yoovidhya and related persons
T.C. SAMUTPRAKAN CONDO CO., LTD.	-	-	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PHARMA-CHEM. CO., LTD.	1	180	-	-	120	-	16.67	Director's related persons
T.C. PHARMACEUTICAL INDUSTRIES CO., LTD.	-	13,130	2	-	6,287	3	98	Mr. Saravoot Yoovidhya and related persons
T.C. ROMGLAO CONDO CO., LTD.	-	6	-	-	43	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. SUKHUMWIT CONDO 101 AND CONSULTANT CO., LTD.	-	74	-	-	23	-	14	Mr. Saravoot Yoovidhya
TC-TRADING & LEASING CO., LTD.	-	14	-	-	7	-	100	Mr. Saravoot Yoovidhya and related persons
TCP INCUBATOR COMPANY LIMITED	-	4	-	-	4	-	100	Indirect holding through related entity
TC-MYCIN CO., LTD.	-	3	-	-	3	-	14	Mr. Saravoot Yoovidhya
TC-MYCIN INDUSTRIES CO., LTD.	-	17	-	-	15	-	14	Mr. Saravoot Yoovidhya
THAI GATEWAY COMPANY LIMITED**	-	2	1	-	-	-	100	Indirect holding through related entity
THAI CHALERM COMPANY LIMITED	-	1	-	-	3	-	99.99	Mr. Suroj Lamsam
THAI DIGITAL ID CO., LTD.	-	4	-	-	3	-	100	Indirect holding through related entity
THAI REPRESENTATION COMPANYANT CO., LTD.**	-	1	1	-	-	-	31.71	Indirect holding through related entity
THANACHOT APARTMENT COMPANY LIMITED	-	1	-	-	1	-	16.15	Mr. Tipakorn Saiphatana
THANTHIYA TECHNOLOGY CO., LTD.**	-	1	-	-	-	-	30	Indirect holding through related entity
NAKHONCHAI SRI GOLF CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
TOMATO JUICE PRODUCT (THAILAND) CO., LTD.	-	17	-	-	12	-	99.80	Mr. Saravoot Yoovidhya and related persons
NETONE NETWORK SOLUTION CO., LTD.**	-	9	4	-	-	-	100	Indirect holding through related entity
BANGKOK ARCHITECTURAL RESEARCH CO., LTD.	-	5	-	-	6	-	99.97	Key executive officer's related persons
BANGBON FOOD PRODUCTION CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
BANGPAKONG FRUIT CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
BANGPAKONG FOOD PRODUCTION CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
B.GRIMM BIP POWER 1 LIMITED	-	305	213	-	359	213	26	Indirect holding through related entity
B.GRIMM BIP POWER 2 LIMITED	-	404	230	-	243	235	26	Indirect holding through related entity
BP-CASTROL (THAILAND) COMPANY LIMITED**	-	283	-	-	-	-	40	Indirect holding through related entity
BURAPHA GOLF PCL.	-	111	3	-	63	3	66.24	Mr. Saravoot Yoovidhya and related persons
PIYASIRI COMPANY LIMITED	-	2	-	-	1	-	26.99	Indirect holding through related entity
PAED RIU FRUIT COMPANY LIMITED	-	2	-	-	4	-	19.33	Director's related persons
PAED RIU FOOD PRODUCTION COMPANY LIMITED	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
PROFESSIONAL COMPUTER COMPANY LIMITED**	-	54	126	-	-	-	100	Indirect holding through related entity
THAI FRUIT PRODUCT CO., LTD.	-	2	-	-	12	-	100	Mr. Saravoot Yoovidhya and related persons
PITAK LAND CO., LTD.	-	4	-	-	3	-	30.53	Mr. Saravoot Yoovidhya
P LANDSCAPE CO., LTD.	26	86	-	30	72	-	98	Director's related persons
PHETKASEM GREEN HOLDING COMPANY LIMITED**	-	3	-	-	-	-	99.98	Indirect holding through related entity
FOSEGO (THAILAND) COMPANY LIMITED**	-	7	-	-	-	-	26	Indirect holding through related entity
PATR SAMPHAN COMPANY LIMITED**	-	1	-	-	-	-	13.50	Indirect holding through related entity
MAHACHAI FOOD PRODUCTION COMPANY LIMITED	-	1	-	-	-	-	100	Mr. Saravoot Yoovidhya and related persons
MUANG THAI REAL ESTATE PUBLIC COMPANY LIMITED	-	10	-	-	8	-	79.97	Indirect holding through related entity
MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	-	423	-	-	416	-	20	Indirect holding through related entity
MOBILE INNOVATION CO., LTD.**	-	6	-	-	-	-	27.39	Director's related persons
YUPONG CO., LTD.	-	13	-	-	21	-	38.26	Indirect holding through related entity
YUPAYONG CO., LTD.	-	2	-	-	2	-	47.93	Mr. Sara Lamsam and related persons
YOU TECHNOLOGIES GROUP (THAILAND) COMPANY LIMITED	-	8	-	-	4	-	12	Indirect holding through related entity
RUAM SAMPHANT COMPANY LIMITED**	-	3	-	-	-	-	51	Mr. Sara Lamsam
MUANG THAI MANAGEMENT SECURITY GUARD COMPANY LIMITED	-	24	-	-	25	-	30	Indirect holding through related entity
M&A GUARD SERVICE CO., LTD.	-	8	-	-	4	-	20	Director's related persons
ASM SECURITY MANAGEMENT COMPANY LIMITED**	-	5	-	-	-	-	-	Indirect holding through related entity
LOXBIT PUBLIC COMPANY LIMITED**	74	6	36	-	-	-	100	Indirect holding through related entity
LOXBIT PA PUBLIC COMPANY LIMITED**	-	2	-	-	-	-	100	Indirect holding through related entity
LOXLEY PUBLIC COMPANY LIMITED**	327	112	639	-	-	-	25.82	Indirect holding through related entity
LOXLEY JOINT & HOLD CO., LTD.**	-	12	-	-	-	-	-	Mr. Suroj Lamsam
LOXLEY SIMULATION TECHNOLOGY COMPANY LIMITED**	-	5	-	-	-	-	100	Indirect holding through related entity
LOXLEY SYSTEM INTEGRATOR COMPANY LIMITED**	-	89	149	-	-	-	100	Indirect holding through related entity
LOXLEY TRADING CO., LTD.**	-	85	-	-	-	-	94.98	Indirect holding through related entity
LOXLEY BUSINESS INNOVATION COMPANY LIMITED**	-	22	-	-	-	-	100	Indirect holding through related entity
LOXLEY PROPERTY DEVELOPMENT CO., LTD.**	-	5	-	-	-	-	92.95	Indirect holding through related entity
LOXLEY POWER SYSTEMS COMPANY LIMITED**	-	70	280	-	-	-	-	Mr. Suroj Lamsam
	-			-	-	-	100	Indirect holding through related entity



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
LOXLEY WIRELESS PUBLIC COMPANY LIMITED**	-	5	-	-	-	-	85.33	Indirect holding through related entity
LOXLEY EVOLUTION TECHNOLOGY COMPANY LIMITED **	-	14	-	-	-	-	100	Indirect holding through related entity
LOXLEY ENGINEERING COMPANY LIMITED**	-	2	-	-	-	-	100	Indirect holding through related entity
VONTARN CO., LTD. **	-	3	-	-	-	-	42.08 15.83 -	Mr. Suroj Lamsam Indirect holding through related entity Director's related persons
WABI SABI STUDIO CO., LTD.	-	12	-	-	10	-	99.98	Director's related persons
VESCO PHARMACEUTICAL CO., LTD.	-	42	1	-	5	1	25.32	Director's related persons
SALAYA GOLF CO., LTD.	-	2	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
STORMBREAKER VENTURE COMPANY LIMITED	-	4	-	-	5	-	60 30	Indirect holding through related entity Mr. Saravoot Yoovidhya
STILLWATER STUDIO LTD.	11	17	1	8	1	-	40	Key executive officer's related persons
SATHIRA PHATTANA CO., LTD.**	-	2	-	-	-	-	12.50	Indirect holding through related entity
SOMTHAKHOY COMPANY LIMITED	-	1	-	-	1	-	99.97	Mr. Saravoot Yoovidhya and related persons
SAMUTSONGKRAM SUPERMARKET AND FOOD CENTER CO., LTD.	-	13	-	-	12	-	100	Mr. Saravoot Yoovidhya and related persons
SAMUTSAKORN FRUIT COMPANY LIMITED	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
SAMUI DARLAND LTD.	-	1	-	-	1	-	25.50	Director's related persons
SIAM BEVERAGE AND FOOD COMPANY LIMITED	-	6	-	-	5	-	99.67	Indirect holding through related entity
SIAM WINERY COMPANY LIMITED	-	468	6	-	310	30	100	Indirect holding through related entity
SIAM WINERY TRADING PLUS COMPANY LIMITED	-	106	2	-	122	2	74.66	Indirect holding through related entity
SIAM WINERY COMMERCIAL COMPANY LIMITED	2	147	-	1	188	-	98.85	Indirect holding through related entity
SIAM WINERY HOLDING COMPANY LIMITED	-	1	-	-	5	-	31.98	Director's related persons
SIAM AIRNET COMPANY LIMITED	-	6	3	-	6	4	98.57	Indirect holding through related entity
SIAMSAMUT WARIN COMPANY LIMITED**	-	15	-	-	-	-	60	Indirect holding through related entity
BAN SANG OPENING ZOO CO., LTD.	-	5	-	-	13	-	99.97	Mr. Saravoot Yoovidhya and related persons
PUNYARIDDHI LAW OFFICE COMPANY LIMITED	-	3	-	-	3	-	99.99	Ms. Chonchanum Soonthornsaratoon
SURUDEE CO., LTD.**	-	41	-	-	-	-	27.50 25 -	Mr. Suroj Lamsam Indirect holding through related entity Director's related persons
SUWINTHAWONG GOLF CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
NHONGPLATAPHIEN GOLF COMPANY LIMITED	-	17	-	-	4	-	100	Mr. Saravoot Yoovidhya and related persons
NONGPHO GOLF COMPANY LIMITED	-	17	-	-	17	-	100	Mr. Saravoot Yoovidhya and related persons
HAADKAEOW GOLDEN SAND CO., LTD.	-	5	1	-	4	1	11.24	Director's related persons
ALUMET CO., LTD.	397	6	310	519	2	31	48 28	Indirect holding through related entity Director's related persons
ARRUTHAI COMPANY LIMITED**	-	4	-	-	-	-	99.98	Indirect holding through related entity



	2021			2020			Percentage of shares held (%)	Director/ Key executive officer/ Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
INTER SAUCE PRODUCT CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
INSPIRATION SIAM COMPANY LIMITED**	-	90	-	-	-	-	99.99	Indirect holding through related entity
EXIMNET COMPANY LIMITED**	-	9	-	-	-	-	18.33	Indirect holding through related entity
H.R. SERVICES COMPANY LIMITED.	-	2	-	-	1	-	99.93	Indirect holding through related entity
NS BLUESCOPE LYSAGHT (THAILAND) CO., LTD.**	1	227	-	-	-	-	20	Indirect holding through related entity
AC RESORT CO., LTD.*	-	-	-	-	4	-	-	-
M&A CONSULTANTS RECRUITMENT CO., LTD.	-	1	-	-	1	-	55	Director's related persons
M O CAP COMPANY LIMITED**	-	70	-	-	-	-	24.64	Indirect holding through related entity
STR PROPERTY DEVELOPMENT CO., LTD.	-	5	-	-	3	-	100	Director's related persons
ERB ASIA Company Limited**	-	1	-	-	-	-	15.24	Key executive officer's related persons
L SOLAR 3 COMPANY LIMITED**	-	2	-	-	-	-	74	Indirect holding through related entity
L FOOD SOLUTIONS COMPANY LIMITED**	-	8	-	-	-	-	100	Indirect holding through related entity
L ELEVATOR & ENGINEERING COMPANY LIMITED**	-	9	-	-	-	-	99.99	Indirect holding through related entity
L HARD WARE AND SERVICES CO., LTD.**	-	19	-	-	-	-	100	Indirect holding through related entity
LB EV COMPANY LIMITED**	-	10	-	-	-	-	51	Indirect holding through related entity
HEALTHVEN COMPANY LIMITED	-	1	-	-	1	-	99.99	Mr. Suroj Lamsam
HAPPY GIFT COMPANY LIMITED **	-	1	-	-	-	-	80	Indirect holding through related entity
HI-GEAR CO., LTD.**	-	43	-	-	-	-	100	Indirect holding through related entity

* 2021 the entity was not related to the Bank.

** 2020 the entity was not related to the Bank.

In accordance with the SEC's directive number TorJor. 79/2561, titled "Rules, Conditions and Procedures for Disclosure of Financial and Non-financial Information of Securities Issuers (No.15)", requires to disclose the related party transactions in the past 3 years, were as follows:

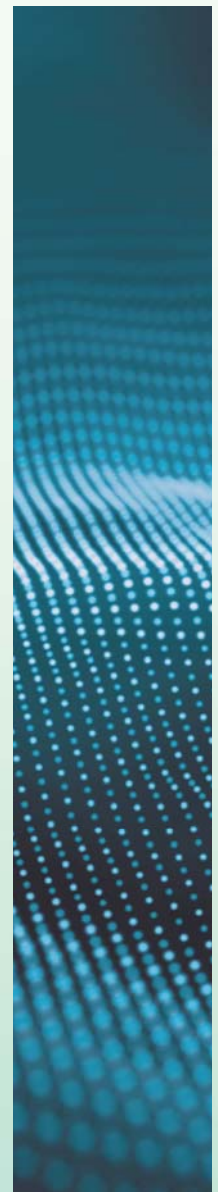
Location of disclosure Through the website under the investor relations section Date of disclosure
["https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx"](https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx)



Part 3

Financial Statements

(Financial Statements for the Past 3 Years)





Financial Statements

Summary of Independent Auditor's Report for the Past 3 Years

An auditor is KPMG Phoomchai Audit Limited who has audited the financial statements for the year 2021, 2020 and 2019.

Summary of Independent Auditor's Report 2021

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2021.

Summary of Independent Auditor's Report 2020

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2020.

Summary of Independent Auditor's Report 2019

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2019.

For the financial statements and the notes to the financial statements for the year ending 31 December 2021, details can be found on the Attachment 9 Financial Statements and Notes to the Financial Statements, page 206 - 342.



Summary Statements of Financial Position, Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Consolidated		
	As of 31 December		
	2021	2020	2019
ASSETS			
Cash	59,971,933	61,962,028	61,384,882
Interbank and money market items - net	420,493,772	417,419,545	385,940,044
Financial assets measured at fair value through profit or loss	63,499,563	46,666,317	-
Derivative assets	38,057,114	59,986,346	41,779,104
Investments - net	1,030,533,667	775,738,968	774,640,434
Investments in subsidiaries, associates and joint ventures - net	3,838,740	2,051,175	2,059,168
Loans to customers and accrued interest receivables - net	2,293,639,598	2,121,700,105	1,879,907,006
Properties foreclosed - net	42,313,680	28,034,547	24,988,217
Premises and equipment - net	54,870,969	57,629,924	52,697,530
Goodwill and other intangible assets - net	24,936,336	23,834,166	23,477,175
Deferred tax assets	11,130,020	10,255,761	8,434,941
Collateral per credit support annex	14,589,143	9,956,135	-
Other assets - net	45,523,985	43,562,742	38,580,488
Total Assets	4,103,398,520	3,658,797,759	3,293,888,989



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Consolidated		
	As of 31 December		
	2021	2020	2019
LIABILITIES AND EQUITY			
Deposits	2,598,629,803	2,344,998,490	2,072,048,888
Interbank and money market items	186,449,469	87,797,449	81,628,362
Liabilities payable on demand	25,349,542	26,443,268	21,678,948
Financial liabilities measured at fair value through profit or loss	1,613,857	286,816	-
Derivative liabilities	37,927,060	46,826,209	30,244,242
Debts issued and borrowings	103,885,868	69,389,789	81,824,302
Provisions	43,053,019	40,382,546	29,292,247
Deferred tax liabilities	1,576,205	1,694,649	1,512,456
Insurance contract liabilities	498,789,728	472,015,127	446,094,859
Customer balance from security business	20,712,299	18,697,903	-
Other liabilities	48,736,650	58,979,464	75,849,966
Total Liabilities	3,566,723,500	3,167,511,710	2,840,174,270
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821	30,246,821	
3,048,614,697 common shares, Baht 10 par value			30,486,147
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	23,693,276	-
2,393,260,193 common shares, Baht 10 par value	-	-	23,932,602
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	15,549,174	-
Other reserves	23,554,842	20,219,325	22,236,724
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	392,763,308	359,054,745	339,035,179
Total Equity attributable to equity holders of the Bank	476,713,710	439,669,630	406,357,615
Non-controlling interests	59,961,310	51,616,419	47,357,104
Total Equity	536,675,020	491,286,049	453,714,719
Total Liabilities and Equity	4,103,398,520	3,658,797,759	3,293,888,989



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	As of 31 December		
	2021	2020	2019
ASSETS			
Cash	59,920,148	61,920,050	61,350,977
Interbank and money market items - net	416,758,217	421,151,618	382,401,383
Financial assets measured at fair value through profit or loss	35,758,359	24,741,742	-
Derivative assets	36,385,317	55,591,660	38,108,237
Investments - net	482,158,069	268,329,632	270,321,656
Investments in subsidiaries, associates and joint ventures - net	41,937,622	36,062,557	30,519,624
Loans to customers and accrued interest receivables - net	2,219,172,926	2,066,637,672	1,828,588,142
Properties foreclosed - net	42,291,283	28,011,870	24,900,232
Premises and equipment - net	43,696,083	46,191,969	42,394,517
Goodwill and other intangible assets - net	18,084,928	17,429,868	17,304,093
Deferred tax assets	8,795,553	7,081,985	6,505,708
Collateral per credit support annex	14,890,143	10,800,135	-
Other assets - net	17,655,312	17,456,373	21,660,876
Total Assets	3,437,503,960	3,061,407,131	2,724,055,445



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	As of 31 December		
	2021	2020	2019
LIABILITIES AND EQUITY			
Deposits	2,590,806,959	2,340,470,350	2,065,668,929
Interbank and money market items	200,949,040	109,510,714	90,337,364
Liabilities payable on demand	25,349,542	26,443,268	21,678,948
Derivative liabilities	36,361,614	47,144,356	31,548,047
Debts issued and borrowings	90,397,985	68,771,154	81,666,443
Provisions	40,695,840	38,031,210	27,235,020
Other liabilities	33,940,185	39,859,877	42,960,783
Total Liabilities	3,018,501,165	2,670,230,929	2,361,095,534
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821	30,246,821	
3,048,614,697 common shares, Baht 10 par value			30,486,147
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	23,693,276	-
2,393,260,193 common shares, Baht 10 par value	-	-	23,932,602
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	15,549,174	-
Other reserves	18,877,268	17,350,747	18,657,265
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	339,729,967	313,429,895	299,216,934
Total Equity attributable to equity holders of the Bank	419,002,795	391,176,202	362,959,911
Total Liabilities and Equity	3,437,503,960	3,061,407,131	2,724,055,445



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2021	2020	2019
Interest income	135,414,597	127,591,781	130,177,756
Interest expenses	16,024,111	18,569,976	27,489,916
Interest income - net	119,390,486	109,021,805	102,687,840
Fees and service income	48,627,900	45,698,898	50,579,982
Fees and service expenses	13,311,515	12,694,548	13,839,796
Fees and service income - net	35,316,385	33,004,350	36,740,186
Gain on financial instrument measured at fair value through profit or loss	5,539,225	8,119,419	-
Gain on trading and foreign exchange transactions	-	-	8,361,986
Gain on investments	817,188	1,308,312	8,412,377
Share of (loss) profit from investments using equity method	(694,344)	(193,346)	44,079
Dividend income	3,309,622	2,384,312	2,816,764
Net premiums earned	69,359,913	72,128,657	80,489,512
Other operating income	1,289,344	1,682,381	1,591,716
Total operating income	234,327,819	227,455,890	241,144,460
Underwriting expenses	70,978,874	72,564,619	80,653,349
Total operating income - net	163,348,945	154,891,271	160,491,111
Other operating expenses			
Employee expenses	34,480,637	32,143,480	33,261,168
Directors' remuneration	146,356	160,006	158,743
Premises and equipment expenses	11,345,266	12,165,157	12,909,579
Taxes and duties	5,443,210	5,088,132	5,031,256
Others	19,628,397	20,439,836	21,368,500
Total other operating expenses	71,043,866	69,996,611	72,729,246
Expected credit loss	40,332,238	43,547,841	-
Impairment loss on loans and debt securities	-	-	34,011,648
Operating profit before income tax expense	51,972,841	41,346,819	53,750,217
Income tax expense	9,728,519	7,656,326	10,309,253
Net profit	42,244,322	33,690,493	43,440,964



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Consolidated		
	For the year ended 31 December		
	2021	2020	2019
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
(Loss) Gain on investments in debt instruments measured at fair value through other comprehensive income	(2,802,074)	641,282	-
Gain on remeasurement of available-for-sale investments	-	-	2,600,266
Gain (Loss) on cash flow hedges	364,049	(4,657,662)	-
Gain (Loss) arising from translating the financial statements of a foreign operation	1,736,224	(477,546)	(198,573)
Income taxes relating to components of other comprehensive income	218,552	872,158	(502,173)
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	9,848	1,016,412	4,503,461
Gain (Loss) on investments in equity instruments designated at fair value through other comprehensive income	9,788,583	(4,585,536)	-
Actuarial gain (loss) on defined benefit plans	1,336,236	(192,875)	(2,979,080)
Income taxes relating to components of other comprehensive income	(2,302,534)	778,770	(326,508)
Total other comprehensive income - net	8,348,884	(6,604,997)	3,097,393
Total comprehensive income	50,593,206	27,085,496	46,538,357
Net profit attributable to :			
Equity holders of the Bank	38,052,722	29,487,117	38,726,742
Non-controlling interests	4,191,600	4,203,376	4,714,222
Total comprehensive income attributable to :			
Equity holders of the Bank	42,688,718	26,382,910	39,647,221
Non-controlling interests	7,904,488	702,586	6,891,136
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	15.77	12.42	16.18
Weighted average number of common shares (Thousand shares)	2,369,328	2,373,316	2,393,260



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2021	2020	2019
Interest income	110,368,852	104,426,672	107,766,846
Interest expenses	15,283,649	18,152,230	27,196,930
Interest income - net	95,085,203	86,274,442	80,569,916
Fees and service income	42,439,762	41,712,345	47,090,218
Fees and service expenses	12,200,743	12,073,161	13,581,783
Fees and service income - net	30,239,019	29,639,184	33,508,435
Gain on financial instrument measured at fair value through profit or loss	2,892,793	7,072,278	-
Gain on trading and foreign exchange transactions	-	-	8,620,243
Gain on investments	775,773	1,178,699	6,660,873
Dividend income	6,105,074	5,277,453	5,706,898
Other operating income	2,838,069	3,108,401	3,044,293
Total operating income	137,935,931	132,550,457	138,110,658
Other operating expenses			
Employee expenses	24,331,484	22,923,404	24,395,262
Directors' remuneration	91,358	108,079	101,628
Premises and equipment expenses	11,992,177	12,453,092	12,969,360
Taxes and duties	4,783,372	4,410,450	4,412,611
Others	18,557,982	20,547,291	21,210,678
Total other operating expenses	59,756,373	60,442,316	63,089,539
Expected credit loss	38,534,778	42,430,991	-
Impairment loss on loans and debt securities	-	-	33,437,174
Operating profit before income tax expense	39,644,780	29,677,150	41,583,945
Income tax expense	6,751,392	4,712,226	7,138,292
Net profit	32,893,388	24,964,924	34,445,653



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2021	2020	2019
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
(Loss) Gain on investments in debt instruments measured at fair value through other comprehensive income	(2,605,884)	630,562	-
Loss on remeasurement of available-for-sale investments	-	-	(1,753,305)
Gain (Loss) on cash flow hedges	960,762	(1,031,459)	-
Gain (Loss) arising from translating the financial statements of a foreign operation	1,723,546	(545,479)	(16,260)
Income taxes relating to components of other comprehensive income	22,849	189,275	351,718
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	-	4,503,461
Gain (Loss) on investments in equity instruments designated at fair value through other comprehensive income	2,100,395	(424,624)	-
Actuarial gain (loss) on defined benefit plans	1,136,504	(201,384)	(2,784,279)
Income taxes relating to components of other comprehensive income	(647,380)	125,201	(343,836)
Total other comprehensive income - net	2,690,792	(1,257,908)	(42,501)
Total comprehensive income	35,584,180	23,707,016	34,403,152
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	13.59	10.52	14.39
Weighted average number of common shares (Thousand shares)	2,369,328	2,373,316	2,393,260



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	51,972,841	41,346,819	53,750,217
Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities			
Depreciation and amortisation	7,328,530	8,736,206	7,558,646
Expected credit loss	44,529,711	47,999,498	-
Bad debt and doubtful accounts	-	-	33,693,567
Loss on debt restructuring	-	-	3,454,177
Interest income from amortisation of revaluation allowance for debt restructuring	(449,282)	(961,830)	(1,461,412)
Gain on foreign exchange translation of long-term borrowings	-	-	(29,168)
Loss on revaluation of financial assets measured at fair value through profit or loss	3,397,555	5,343,390	-
Gain on revaluation of trading investments	-	-	(18,518)
Gain on disposal of investments	(817,026)	(1,308,312)	(8,412,377)
Loss on impairment of properties foreclosed	1,222,028	1,125,161	1,145,719
(Reversal of loss) Loss on impairment of premises and equipment	(57,449)	215,823	81,218
Loss on impairment of other assets	272,938	432,750	147,663
Provision for other assets	(230,548)	417,621	252,918
Gain on disposal of premises and equipment	(17,772)	(19,148)	(12,434)
Loss on write off of premises and equipment	27,393	24,468	9,866
Loss on write off of other assets	3,696	72	46,335
Reversal of loss on revaluation of premises	-	(4,245)	(39,748)
Share of loss (profit) from investments using equity method	694,344	193,346	(44,079)
	107,876,959	103,541,619	90,122,590
Interest income - net	(119,390,486)	(109,021,805)	(102,687,840)
Dividend income	(3,309,622)	(2,384,312)	(2,816,764)
Proceeds from interest	125,866,147	116,043,076	127,421,756
Interest paid	(15,037,976)	(21,297,620)	(26,536,168)
Proceeds from dividends	3,413,688	2,425,317	2,880,840
Income tax paid	(12,735,812)	(10,536,978)	(11,590,939)
Operating profit before changes in operating assets and liabilities	86,682,898	78,769,297	76,793,475



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2021	2020	2019
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	8,795,204	(31,462,964)	70,082,444
Financial assets measured at fair value through profit or loss	(20,078,583)	13,716,889	-
Investments held for trading	-	-	2,913,148
Loans to customers	(218,361,822)	(282,430,231)	(123,618,491)
Properties foreclosed	6,294,211	3,984,785	3,651,381
Other assets	15,582,403	(34,376,733)	(17,956,383)
Increase (Decrease) in operating liabilities			
Deposits	251,175,049	272,254,625	78,005,771
Interbank and money market items (liabilities)	92,055,927	4,807,529	(44,756,951)
Liabilities payable on demand	(1,093,944)	4,764,525	(3,809,451)
Financial liabilities measured at fair value through profit or loss	1,327,041	286,816	-
Short-term debts issued and borrowings	13,334,872	460,776	37,168
Other accrued expenses	3,436,386	(2,099,214)	765,205
Provisions	(610,367)	9,526,923	1,823,531
Other liabilities	3,207,523	47,533,280	58,283,379
Net cash provided by operating activities	241,746,798	85,736,303	102,214,226
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	276,129,282	360,951,901	-
Proceeds from redemption of investments measured at amortised cost	36,638,346	25,567,639	-
Proceeds from disposal of available-for-sale investments	-	-	335,211,340
Proceeds from redemption of held-to-maturity debt instruments	-	-	64,125,877
Proceeds from disposal of general investments	-	-	84,650
Proceeds from disposal of investments in associate	78	240	190
Purchase of investments measured at fair value through other comprehensive income	(371,528,740)	(367,437,899)	-
Purchase of investments measured at amortised cost	(184,492,499)	(79,251,074)	-
Purchase of available-for-sale investments	-	-	(393,390,086)
Purchase of held-to-maturity debt instruments	-	-	(109,657,086)
Purchase of general investments	-	-	(570,351)
Purchase of investments in associate and joint venture	(2,578,291)	(250,814)	(1,186,957)
Proceeds from disposal of premises and equipment	34,618	64,155	32,354
Proceeds from disposal of intangible assets	-	-	104,111
Purchase of premises and equipment	(920,674)	(6,403,502)	(3,426,002)
Purchase of leasehold	(3,314)	(16,115)	(50,536)
Purchase of intangible assets	(4,503,185)	(3,814,503)	(2,740,371)
Net cash used in investing activities	(251,224,379)	(70,589,972)	(111,462,867)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>Consolidated</i>		
	For the year ended 31 December		
	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	31,929,703	190,124	25,441,885
Repayment of long-term debts issued and borrowings	(14,499,950)	(14,596,172)	(10,922,330)
Proceeds from acquisition of non-controlling interests	-	-	175,000
Dividend paid to shareholders	(7,107,983)	(10,661,974)	(9,573,041)
Dividend paid to non-controlling interests	(466,749)	(463,249)	(1,221,466)
Proceeds from issuance of other equity instruments	-	15,579,650	-
Cash payment for expenses related to issuance of other equity instruments	-	(38,095)	-
Cash payment for distribution of other equity instruments	(857,762)	-	-
Cash payment for treasury shares	-	(3,207,966)	-
Cash payment for lease liabilities	(1,515,599)	(1,368,474)	-
Net cash provided by (used in) financing activities	7,481,660	(14,566,156)	3,900,048
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	5,826	(3,029)	(6,123)
Net (decrease) increase in cash	(1,990,095)	577,146	(5,354,716)
Cash at the beginning of the year	61,962,028	61,384,882	66,739,598
Cash at the end of the year	59,971,933	61,962,028	61,384,882



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	39,644,780	29,677,150	41,583,945
Adjustments to reconcile profit from operating before income tax expense to cash			
receipts (payments) from operating activities			
Depreciation and amortisation	6,305,805	7,639,214	6,656,414
Expected credit loss	42,527,323	46,771,362	-
Bad debt and doubtful accounts	-	-	33,003,193
Loss on debt restructuring	-	-	3,448,991
Interest income from amortisation of revaluation allowance			
for debt restructuring	(449,282)	(960,582)	(1,457,035)
Gain on foreign exchange translation of long-term borrowings	-	-	(29,168)
Loss on revaluation of financial assets measured at fair value through			
profit or loss	4,220,078	4,796,589	-
Gain on revaluation of trading investments	-	-	(9,056)
Reversal of loss on impairment of investments	-	(80,000)	(60,000)
Gain on disposal of investments	(775,773)	(1,098,699)	(6,600,874)
Loss on impairment of properties foreclosed	1,215,149	1,141,314	1,130,534
(Reversal of loss) Loss on impairment of premises and equipment	(57,449)	215,823	81,218
Loss on impairment of other assets	272,938	432,750	147,663
Provision for other assets	(230,548)	417,618	252,918
(Gain) Loss on disposal of premises and equipment	(12,772)	(9,109)	3,302
Loss on write off of premises and equipment	23,910	7,891	8,575
Loss on write off of other assets	3,696	72	43,104
Reversal of loss on revaluation of premises	-	-	(39,748)
	92,687,855	88,951,393	78,163,976
Interest income - net	(95,085,203)	(86,274,442)	(80,569,916)
Dividend income	(6,105,074)	(5,277,453)	(5,706,898)
Proceeds from interest	102,071,797	93,240,128	106,570,592
Interest paid	(14,651,804)	(21,059,273)	(26,361,248)
Proceeds from dividends	6,105,730	5,225,071	5,709,445
Income tax paid	(9,056,943)	(6,657,205)	(7,609,540)
Operating profit before changes in operating assets and liabilities	75,966,358	68,148,219	70,196,411



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2021	2020	2019
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	12,404,901	(39,584,854)	46,867,465
Financial assets measured at fair value through profit or loss	(15,232,792)	9,740,327	-
Investments held for trading	-	-	3,523,515
Loans to customers	(201,883,011)	(278,725,246)	(114,334,525)
Properties foreclosed	5,535,008	3,281,022	3,165,080
Other assets	12,834,046	(25,851,137)	(13,558,188)
Increase (Decrease) in operating liabilities			
Deposits	250,117,751	274,708,647	74,355,701
Interbank and money market items (liabilities)	90,715,012	19,309,610	(45,052,160)
Liabilities payable on demand	(1,093,944)	4,764,525	(3,809,451)
Short-term debts issued and borrowings	13,831,602	-	-
Other accrued expenses	2,899,901	(2,010,689)	623,807
Provisions	(816,425)	9,269,611	1,616,207
Other liabilities	(18,439,792)	14,191,308	15,251,631
Net cash provided by operating activities	226,838,615	57,241,343	38,845,493
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	174,990,815	253,619,245	-
Proceeds from redemption of investments measured at amortised cost	17,460,947	10,482,722	-
Proceeds from disposal of available-for-sale investments	-	-	225,172,980
Proceeds from redemption of held-to-maturity debt instruments	-	-	45,648,959
Proceeds from disposal of general investments	-	-	84,650
Proceeds from capital decrease in subsidiary	-	80,000	60,000
Purchase of investments measured at fair value through other comprehensive income	(270,241,968)	(252,796,370)	-
Purchase of investments measured at amortised cost	(137,368,964)	(40,120,084)	-
Purchase of available-for-sale investments	-	-	(259,204,232)
Purchase of held-to-maturity debt instruments	-	-	(54,963,389)
Purchase of general investments	-	-	(124,722)
Purchase of investments in subsidiaries	(3,702,235)	(4,863,698)	(999,773)
Purchase of investments in associate and joint venture	(291,455)	(814)	(160,962)
Proceeds from disposal of premises and equipment	11,038	26,002	9,703
Proceeds from disposal of intangible assets	-	-	104,111
Purchase of premises and equipment	(654,595)	(5,744,980)	(2,524,856)
Purchase of leasehold	(2,260)	(12,863)	(50,536)
Purchase of intangible assets	(3,795,459)	(3,318,384)	(2,192,364)
Net cash used in by investing activities	(223,594,136)	(42,649,224)	(49,140,431)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	<i>The Bank</i>		
	For the year ended 31 December		
	2021	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	18,563,725	190,124	25,441,885
Repayment of long-term debts issued and borrowings	(14,499,950)	(14,596,172)	(10,922,330)
Dividend paid to shareholders	(7,107,983)	(10,661,974)	(9,573,041)
Proceeds from issuance of other equity instruments	-	15,579,650	-
Cash payment for expenses related to issuance of other equity instruments	-	(38,095)	-
Cash payment for distribution of other equity instruments	(857,762)	-	-
Cash payment for treasury shares	-	(3,207,966)	-
Cash payment for lease liabilities	(1,351,596)	(1,288,746)	-
Net cash (used in) provided by financing activities	(5,253,566)	(14,023,179)	4,946,514
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	9,185	133	(3,096)
Net (decrease) increase in cash	(1,999,902)	569,073	(5,351,520)
Cash at the beginning of the year	61,920,050	61,350,977	66,702,497
Cash at the end of the year	59,920,148	61,920,050	61,350,977



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Attachment 1 Details on Board of Directors, Executives, Controlling Persons, Corporate Secretary and Chief Financial Officer

Board of Directors, Executives, Controlling Persons, Corporate Secretary and Chief Financial Officer

As of December 31, 2021

1. Ms. Kobkarn Wattanavrangkul

Chairperson of the Board

Lead Independent Director

Age 61

Date of Appointment

April 4, 2018

Education

- Bachelor's Degree (Architecture), Rhode Island School of Design, USA
- Honorary Doctorate Degree in Arts (Management), Sripatum University
- Honorary Doctorate Degree in Philosophy (Human Resource Development), Ramkhamhaeng University
- Honorary Doctorate Degree in Arts (Tourism Management), University of the Thai Chamber of Commerce

Training Program

- Director Leadership Certification Program (DLCP) Class 0/2021, Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP) Class 4/2018, Thai Institute of Directors Association
- Role of the Chairman Program (RCP) Class 11/2005, Thai Institute of Directors Association
- Director Certification Program (DCP) Class 1/2000, Thai Institute of Directors Association
- The Joint State - Private Sector Course Class 19, National Defence College
- Capital Market Academy Leader Program Class 5/2008, Capital Market Academy
- The Executive Creative Economy Training Program (EXCET 1), Office of Knowledge Management and Development (Public Organization)
- Top Executive Program in Commerce and Trade (TEPCoT 4), Commerce Academy

- The Executive Program of Energy Literacy for a Sustainable Future Class 2, Thailand Energy Academy
- Executive Development Program Class 2, Office of the Royal Development Projects Board
- Top Executive Program in Industrial Development and Investment Class 1, Institute of Business and Industrial Development
- Top Executive Program on China Business Insights and Network (TEPCIAN 1), University of the Thai Chamber of Commerce

Experience over Past 5 Years

2020 - Present	Chairperson of the Board, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Present	Lead Independent Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Mar. 2021	Advisor, The Thai Chamber of Commerce
2018 - 2020	Chairperson of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2020	Chairperson of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2020	Vice Chairperson, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2019	Chairman of the Board, Pinkanakorn Development Agency (Public Organization)
2018 - 2019	Member of Special Advisory Committee for the Prime Minister
2018	Director and Member of the Audit Committee, Minor International Public Company Limited
2014 - 2017	Minister of Tourism and Sports

Positions in Other Listed Companies None



Positions in Non-listed Companies

2020 - Present	Director, Thai Electric Industries Company Limited
2020 - Present	Director, Nikornkij & Sons Company Limited
2020 - Present	Director, Superlite N.K.S. Holding Company Limited
2020 - Present	Chairperson, Toshiba Thailand Company Limited
2018 - Present	Director, Superlite Real Estate Company Limited
2018 - Present	Director, Toshiba Thailand Company Limited
2018 - Present	Director, Thai Toshiba Lighting Company Limited
2018 - Present	Director, Thai Toshiba Electric Industries Company Limited
2018 - Present	Advisor, Bangkadi Industrial Park Company Limited

Other Affiliations

- Chairperson, KASIKORNTHAI FOUNDATION
- President, Dr. Korn-Thanpuying Niramol Suriyasat Foundation
- Chairperson, Bangkok Art and Culture Centre Foundation
- Honorary President, Thai-Japanese Association
- Vice Chairman, The Thai Chamber of Commerce
- Member of the Board of Trustees,
Sirindhorn International Institute of Technology
- Member of the Board,
Chulalongkorn School of Integrated Innovation
- Member of the National Economic Reform Committee
- Member of the Council, The Thai Red Cross Society
- Member of the Committee,
Foundation for a Clean and Transparent Thailand
- Member of the Board, The Paralympic Committee of Thailand
- Governor, Rugby School Thailand
- Member of the Board,
The Thai Rice Foundation under Royal Patronage
- Member of the Public Sector Development Sub-committee on
Driving Public Sector for the Future
- Advisor to the President, The Federation of Business
and Professional Woman's Associations of Thailand
under the Royal Patronage of Her Majesty the Queen

Family Relationship None

2. Ms. Sujitpan Lamsam

Vice Chairperson

Member of the Risk Oversight Committee

Age 63

Date of Appointment

April 30, 1998

Education

- Master's Degree (Management),
Massachusetts Institute of Technology, USA
- Master's Degree (Honors) (Economics),
Cambridge University, UK
- Bachelor's Degree (Honors) (Economics),
Cambridge University, UK

Training Program

- Director Accreditation Program (DAP) Class 21/2004,
Thai Institute of Directors Association
- Stanford Executive Program,
Stanford Graduate School of Business, Stanford University

Experience over Past 5 Years

2018 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - Present	Vice Chairperson, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2018	Chairperson of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2008 - 2019	Chairman of the Executive Committee, Muang Thai Insurance Public Company Limited
2004 - 2016	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies

2019 - Present	Vice Chairman, Muang Thai Insurance Public Company Limited
2008 - Present	Chairman of the Investment Committee and Member of the Risk Management Committee, Muang Thai Insurance Public Company Limited
2008 - Present	Director, Muang Thai Insurance Public Company Limited



Positions in Non-listed Companies

2017 - Present	Director, Fuchsia Venture Capital Company Limited
2009 - Present	Chairman of the Executive Committee, Muang Thai Life Assurance Public Company Limited
2009 - Present	Director, Muang Thai Holding Company Limited
2009 - Present	Director, Muang Thai Asset Company Limited
2007 - Present	Director, Muang Thai Group Holding Company Limited
2005 - Present	Member of the Risk Management Committee, Muang Thai Life Assurance Public Company Limited
1999 - Present	Director, Muang Thai Life Assurance Public Company Limited

Other Affiliations

- Advisory Board Member,
MIT Golub Center for Finance and Policy

Family Relationship

- Aunt of Mr. Sara Lamsam and Mr. Suroj Lamsam

3. Ms. Kattiya Indaravijaya

Director

Chief Executive Officer

Member of the Risk Oversight Committee

(Authorized Signature)

Age 56

Date of Appointment

January 1, 2016

Education

- Master's Degree
(Business Administration - Finance and Investment),
The University of Texas at Austin, USA
- Bachelor's Degree (Business Administration - Marketing),
Chulalongkorn University

Training Program

- Director Certification Program (DCP - Diploma) Class 52/2016,
Thai Institute of Directors Association
- Director Certification Program (DCP) Class 224/2016,
Thai Institute of Directors Association
- The National Defence Course Class 60, National Defence College
- Capital Market Academy Leader Program Class 22/2016,
Capital Market Academy

- Stanford Executive Program, Stanford Graduate School of Business,
Stanford University
- Essential IT for Non-IT Executives,
MIT Sloan School of Management
- Design Thinking: Empathizing to Understand the Problem,
Rochester Institute of Technology
- Stanford Business Leadership Series:
Module 5 - Leading with Purpose,
Stanford Graduate School of Business, Stanford University
- Situational Leadership, Slingshot Group
- The Extraordinary Coach, Slingshot Group
- Storytelling for Leaders, Slingshot Group

Experience over Past 5 Years

2020 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	Chief Executive Officer, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - 2020	Director, BEACON VENTURE CAPITAL COMPANY LIMITED
2016 - 2020	Chairperson, KASIKORN RESEARCH CENTER COMPANY LIMITED
2016 - 2020	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2020	Chairperson, KASIKORN ASSET MANAGEMENT COMPANY LIMITED
2013 - 2019	Director, Muang Thai Group Holding Company Limited
2010 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies None

Other Affiliations

- Member of the Board, Marketing Association of Thailand
- Member of the Board, The Thai Bankers' Association
- Member of the Board, Professor Sangvian Indaravijaya Foundation
- Member of the Board and Treasurer, Suanluang Rama IX Foundation
- Thai Host Committee, Global Summit of Women

Family Relationship None



4. Mr. Pipit Aneaknithi

Director

President

Member of the Risk Oversight Committee
(Authorized Signature)

Age 54

Date of Appointment

January 1, 2017

Education

- Master's Degree (Business Administration),
Fachhochschule Pforzheim, Germany
- Master's Degree (Business Administration),
University of Brighton, UK
- Bachelor's Degree (Pharmacy), Chiang Mai University

Training Program

- Role of the Chairman Program (RCP) Class 41/2017,
Thai Institute of Directors Association
- Director Certification Program (DCP) Class 231/2016,
Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class 120/2015,
Thai Institute of Directors Association
- The National Defence Course Class 61, National Defence College
- Executive Program, Singularity University, USA
- Executive Leadership Program, Cambridge University, UK
- Senior Executive Program, Harvard Business School, USA
- Senior Executive Program, Tsinghua University, China
- Senior Executive Program,
China European International Business School, China

Experience over Past 5 Years

2018 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - 2020	Chairman, KASIKORN LEASING COMPANY LIMITED
2017 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2016	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

2020 - Present	Chairman, KASIKORN SECURITIES PUBLIC COMPANY LIMITED
2019 - Present	Director, BEACON VENTURE CAPITAL COMPANY LIMITED

2017 - Present	Director, Muang Thai Group Holding Company Limited
2017 - Present	Chairman, KASIKORNBANK (CHINA) COMPANY LIMITED

Other Affiliations None

Family Relationship None

5. Mr. Patchara Samalapa

Director

President

(Authorized Signature)

Age 51

Date of Appointment

April 4, 2018

Education

- Master's Degree (Business Administration),
Massachusetts Institute of Technology, USA
- Bachelor's Degree (Industrial Management),
Carnegie Mellon University, USA

Training Program

- Director Certification Program (DCP) Class 253/2018,
Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 13/2011,
Capital Market Academy
- Advanced Management Program (AMP 196),
Harvard Business School

Experience over Past 5 Years

2018 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2019	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - 2018	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2018	Director, KASIKORN SECURITIES PUBLIC COMPANY LIMITED
2015 - 2018	Director, K-SME Venture Capital Company Limited
2013 - 2019	Director, Muang Thai Life Assurance Public Company Limited
2012 - 2016	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None



Positions in Non-listed Companies

2020 - Present	Chairman, KASIKORN ASSET MANAGEMENT COMPANY LIMITED
2018 - Present	Chairman, KASIKORN LINE COMPANY LIMITED
2013 - Present	Director, Thai Eastern Property Company Limited

Other Affiliations None

Family Relationship None

6. Mr. Krit Jitjang

Director

President

Member of the Risk Oversight Committee
(Authorized Signature)

Age 50

Date of Appointment

September 24, 2020

Education

- Master's Degree (Business Administration),
Sloan School of Management,
Massachusetts Institute of Technology, USA
- Bachelor's Degree
(Business Administration - Banking and Finance),
Chulalongkorn University

Training Program

- Director Certification Program (DCP) Class 140/2010,
Thai Institute of Directors Association
- Leading in a Disruptive World,
SEAC at Stanford Center for Professional Development
- Executive Coaching Certification Program 2016,
Berkeley Executive Coaching Institute
- Advanced Human Resource Executive Program,
University of Michigan's Ross School of Business

Experience over Past 5 Years

2020 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2020	Director, KASIKORN SECURITIES PUBLIC COMPANY LIMITED
2018 - 2020	Secretary to the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

2018	Member and Secretary to the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2020	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2018	Director, KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED
2015 - 2018	Director, KASIKORN LABS COMPANY LIMITED
2015 - 2018	Director, KASIKORN SOFT COMPANY LIMITED
2015 - 2018	Director, KASIKORN PRO COMPANY LIMITED
2015 - 2018	Director, KASIKORN SERVE COMPANY LIMITED
2014 - Feb. 2021	Chairman, PROGRESS MANAGEMENT COMPANY LIMITED
2014 - Feb. 2021	Chairman, PROGRESS COLLECTION COMPANY LIMITED
2014 - 2018	Secretary to the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS SERVICE SECURITY GUARD COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS PLUS COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS APPRAISAL COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS FACILITIES MANAGEMENT COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS STORAGE COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS H R COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS SERVICE SUPPORT COMPANY LIMITED
2013 - 2018	Chairman, PROGRESS TRAINING COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

Feb. 2020 - Present	Director, BEACON VENTURE CAPITAL COMPANY LIMITED
2020 - Present	Chairman, KASIKORN RESEARCH COMPANY LIMITED
2020 - Present	Director, National Credit Bureau Company Limited
2017 - Present	Director, KASIKORN X COMPANY LIMITED

Other Affiliations None

Family Relationship None



7. Dr. Pipatpong Poshyanonda

Director

President

(Authorized Signature)

Age 54

Date of Appointment

September 24, 2020

Education

- Ph.D. (Engineering Management),
University of Missouri-Rolla, USA
- Master's Degree (Computer Science),
University of Southwestern Louisiana, USA
- Bachelor's Degree (Computer Engineering),
Chulalongkorn University

Training Program

- Director Certification Program (DCP) Class 231/2016,
Thai Institute of Directors Association

Experience over Past 5 Years

2020 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS PLUS COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS APPRAISAL COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS FACILITIES MANAGEMENT COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS SERVICE SECURITY GUARD COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS STORAGE COMPANY LIMITED
2018 - Feb. 2021	Chairman, PROGRESS SERVICE SUPPORT COMPANY LIMITED
2017 - 2020	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2018	Director, PROGRESS PLUS COMPANY LIMITED
2013 - 2018	Director, PROGRESS APPRAISAL COMPANY LIMITED
2013 - 2018	Director, PROGRESS STORAGE COMPANY LIMITED
2013 - 2018	Director, PROGRESS SERVICE SUPPORT COMPANY LIMITED
2010 - 2017	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

2020 - Present	Chairman, KASIKORN LEASING COMPANY LIMITED
2020 - Present	Chairman, KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED
2020 - Present	Director, National ITMX Company Limited
2017 - Present	Director, PP Posh Company Limited
2015 - Present	Director, PNP 2015 Company Limited

Other Affiliations None

Family Relationship None

8. Sqn.Ldr. Nalinee Paiboon, M.D.

Independent Director

Chairperson of the Corporate Governance Committee

Age 63

Date of Appointment

August 22, 2012

Education

- Bachelor's Degree (Doctor of Medicine), Chulalongkorn University
- Diplomate Thai Board of Obstetrics and Gynaecology,
Bhumibol Adulyadej Hospital
- Honorary Doctorate Degree in Philosophy
(Technology Management), Phranakorn Rajabhat University
- Honorary Doctorate Degree in Philosophy (General Management),
Ramkhamhaeng University

Training Program

- Director Accreditation Program (DAP) Class 100/2013,
Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 29/2019,
Capital Market Academy
- TLCA Exclusive Development Program Class 14/2014,
Capital Market Academy
- Top Executive in Industrial Development and Investment Class 4,
Institute of Business and Industrial Development
- Top Executive Program in Commerce and Trade (TEPCoT 11),
Commerce Academy
- Joint Government-Private Sector Administration of Society's Peace
and Order Course Class 6, Royal Thai Police
- Top Executive Program for Creative and Amazing Thai Services
(ToPCATS 1), University of the Thai Chamber of Commerce
- The Programme for Senior Executives on Justice Administration
Class 25, Judicial Training Institute



Experience over Past 5 Years

2017 - Present	Chairperson of the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2020	Member of the Cosmetic Committee, Ministry of Public Health
2013 - 2017	Member of the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

Jun. 2021 - Present	Director, Skyline Unity Company Limited
2020 - Present	Director, NWN Biotech Company Limited
2013 - Present	Managing Director, Giffarine Beauty and Health Medical Clinic Company Limited
2012 - Present	Director, Happy Gift Company Limited
2001 - Present	President and Managing Director, Giffarine Skyline Unity Company Limited
2001 - Present	President, Giffarine Skyline Laboratory and Health Care Company Limited
1997 - Present	President, Skyline Health Care Company Limited
1995 - Present	President, Skyline Laboratory Company Limited

Other Affiliations None

Family Relationship None

9. Mr. Saravoot Yoovidhya

Independent Director

Member of the Audit Committee

Member of the Risk Oversight Committee

Age 51

Date of Appointment

October 2, 2012

Education

- Master's Degree (Industrial Engineering), Oregon State University, USA
- Bachelor's Degree (Computer Engineering), King Mongkut's Institute of Technology Ladkrabang

Training Program

- Board Nomination and Compensation Program (BNCP) Class 10/2020, Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) Class 20/2015, Thai Institute of Directors Association

- Director Accreditation Program (DAP) Class 100/2013, Thai Institute of Directors Association
- Introduction to Blockchain for Financial Service, INSEAD
- Blockchain, Cryptoassets, and Decentralized Finance, INSEAD

Experience over Past 5 Years

2020 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Member of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2017	Director, Phutthathum Insurance Public Company Limited
2011 - 2017	Chairman, Durbell Company Limited
2010 - 2016	Director, Super Lookthung Beverage Company Limited
1996 - 2019	Director, Wonderland Adventure Park Company Limited
1996 - 2017	Managing Director, T.G. Vending and Showcase Industries Company Limited

Positions in Other Listed Companies None

Positions in Non-listed Companies

Dec. 2021 - Present	Director, Bottle Cleaner Company Limited
Dec. 2021 - Present	Director, Sponsor Beverage Company Limited
Dec. 2021 - Present	Director, T.C. Sukumvit Condo 101 and Consultant Company Limited
Dec. 2021 - Present	Director, TC-Mycin Industries Company Limited
Jun. 2021 - Present	Director, Mayflower Education Partners Company Limited
2020 - Present	Director, TC-Mycin Company Limited
2019 - Present	Director, Healthven Company Limited
2019 - Present	Director, TCP Incubator Company Limited
2019 - Present	Director, Crown TCP Beverage Cans Company Limited
2018 - Present	Director, StormBreaker Venture Company Limited
2017 - Present	Director, Pitak Land Company Limited
2017 - Present	Director, Kanabana Company Limited
2017 - Present	Chief Executive Officer, T.G. Vending and Showcase Industries Company Limited
2017 - Present	Chief Executive Officer, Durbell Company Limited
2015 - Present	Chief Executive Officer, T.C. Pharmaceutical Industries Company Limited
2015 - Present	Chief Executive Officer, The Red Bull Beverage Company Limited



2015 - Present Director,
The Red Bull Excellence Center
Company Limited

2014 - Present Director,
STR Property Development Company Limited

2011 - Present Director, KTD Property Development Limited

2007 - Present Director,
Prachinburi Glass Industry Company Limited

1999 - Present Director, Burapha Golf Public Company Limited

1996 - Present Director, The Red Bull Company Limited

1995 - Present Director,
Ban Sang Opening Zoo Company Limited

1995 - Present Director,
T.C. Pinklao Properties Company Limited

1995 - Present Director,
Red Bull Vitamin Drink (Thailand)
Company Limited

1994 - Present Director,
Samutsongkram Supermarket and Food Center
Company Limited

1994 - Present Director, Thai Krajeab Company Limited

1994 - Present Director, Circure Herbal Med Company Limited

1994 - Present Director,
Tomato Juice Product (Thailand)
Company Limited

1994 - Present Director, Bangbon Fruit Company Limited

1994 - Present Director,
Bangbon Food Production Company Limited

1994 - Present Director, Bangpakong Fruit Company Limited

1994 - Present Director,
Bangpakong Food Production Company Limited

1994 - Present Director, Paed Riu Fruit Company Limited

1994 - Present Director,
Paed Riu Food Production Company Limited

1994 - Present Director, Thai Fruit Product Company Limited

1994 - Present Director,
Mahachai Food Production Company Limited

1994 - Present Director, Somthakhoy Company Limited

1994 - Present Director, Samutsakorn Fruit Company Limited

1994 - Present Director,
Nongchok Food Production Company Limited

1994 - Present Director, Inter Sauce Product Company Limited

1994 - Present Director, Hi-Gear Company Limited

1994 - Present Director, Kaerai Golf Company Limited

1994 - Present Director, Central Golf Company Limited

1994 - Present Director, Thajeen Golf Company Limited

1994 - Present Director, Nakhonchaisri Golf Company Limited

1994 - Present Director, Salaya Golf Company Limited

1994 - Present Director, Suwinthawong Golf Company Limited

1994 - Present Director,
Nhongplataphien Golf Company Limited

1994 - Present Director, Nongpho Golf Company Limited

1994 - Present Director,
Taladnoi Chaophraya View Properties
Company Limited

1994 - Present Director,
T.C. Condo and Department Store
Company Limited

1994 - Present Director,
T C - Bangkok Condo Company Limited

1994 - Present Director,
TC-Trading & Leasing Company Limited

1994 - Present Director, T.C. Paknam Condo Company Limited

1994 - Present Director,
T.C.Romglaio Condo Company Limited

1994 - Present Director,
T.C. Samutprakan Condo Company Limited

1994 - Present Director, T C Sathon Condo Company Limited

Other Affiliations

- Chairman of the Education Development Strategy Committee,
The Thai Chamber of Commerce
- Vice Chairman, The Thai Chamber of Commerce
- Advisor to the University Council,
University of the Thai Chamber of Commerce

Family Relationship None

10. Dr. Piyasvasti Amranand

Independent Director

Chairman of the Risk Oversight Committee

Age 68

Date of Appointment

April 3, 2013

Education

- Ph.D. (Economics),
London School of Economics and Political Science,
University of London, UK
- Master's Degree (Economics),
London School of Economics and Political Science,
University of London, UK
- Bachelor's Degree (First Class Honors) (Mathematics),
University of Oxford, UK

Training Program

- Director Accreditation Program (DAP) Class 35/2005,
Thai Institute of Directors Association



Experience over Past 5 Years

2020 - Present	Chairman of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2020	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2020	Chairman of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2020	Director, Energy for Environment Development Company Limited
2014 - 2018	Chairman, PTT Public Company Limited
2014 - 2018	Director and Chairman of the Audit Committee, Pruksa Real Estate Public Company Limited

Positions in Other Listed Companies

2020 - Present	Director of Rehabilitation Planner and Chairman of the Rehabilitation Plan Administrator, Thai Airways International Public Company Limited
2018 - Present	Chairman, PTT Global Chemical Public Company Limited
2016 - Present	Director and Chairman of the Audit Committee, Pruksa Holding Public Company Limited

Positions in Non-listed Companies

2018 - Present	Director, Kiroro Resort Holdings Company Limited
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Other Affiliations

- Chairman, Energy for Environment Foundation
- Member of the National Energy Reform Committee

Family Relationship None

11. Mr. Kalin Sarasin

Independent Director

Chairman of the Audit Committee

Member of the Human Resources and Remuneration Committee

Age 60

Date of Appointment

April 3, 2013

Education

- Master's Degree (Business Administration),
University of Notre Dame, USA
- Bachelor's Degree (Industrial Engineering),
Lehigh University, USA

Training Program

- Director Accreditation Program (DAP) Class 105/2013,
Thai Institute of Directors Association
- The National Defence Course Class 57, National Defence College

- Capital Market Academy Leader Program Class 17/2013,
Capital Market Academy

- Advanced Management Program (AMP 171),
Harvard Business School

Experience over Past 5 Years

2020 - Present	Chairman of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - 2021	Member of the Eastern Economic Corridor Policy Committee
2019 - 2021	Member of the Committee, Anti-Corruption Organization of Thailand Foundation
2017 - Mar. 2021	Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand
2015 - 2017	Member of the National Reform Steering Assembly
2015 - 2017	Vice Chairman, The Thai Chamber of Commerce and Board of Trade of Thailand
2014 - 2018	Chairman, Tourism Authority of Thailand
2014 - 2017	Member of the National Innovation Board, National Innovation Agency
2014 - 2017	Director, O Nature Group Company Limited
2014 - 2017	Member of the University Council, University of the Thai Chamber of Commerce
2013 - 2021	Director, SCG International Corporation Company Limited
1995 - 2018	Director, Pan Rayong Glass Packaging Company Limited

Positions in Other Listed Companies

Mar. 2021 - Present	Director and Member of the Audit Committee, Thai President Foods Public Company Limited
2013 - Present	Director-Government Liaison and Public Affairs, The Siam Cement Public Company Limited

Positions in Non-listed Companies

Mar. 2021 - Present	Director, Thai Digital Platform Social Enterprise Company Limited
2020 - Present	Director, BeerCo Limited, Singapore
2019 - Present	Director, Toppan (Thailand) Company Limited
2019 - Present	Chairman, Suvarnabhumi Airport Hotel Company Limited



2017 - Present Director,
Toyota Motor Thailand Company Limited

2004 - Present Director, Sarasin Company Limited

2004 - Present Director, Seatran Port Company Limited

Other Affiliations

- Senior Chairman,
The Thai Chamber of Commerce and Board of Trade of Thailand
- Chairman, Pol. Gen. Pow Sarasin Foundation
- Chairman of the Organ Donation Promoting Committee,
The Thai Red Cross Organ Donation Center
- Chairman of the BCG Model Implementation Sub-committee
on Tourism and Creative Economy
- Chairman of the University Council,
University of the Thai Chamber of Commerce
- President, Thai-Japanese Association
- Executive Director of National Blood Center,
The Thai Red Cross Society
- Executive Director of the Plasma Fractionation Center,
National Blood Center, The Thai Red Cross Society
- Specialist Member of the National Geo-Informatics Board
- Member of the National Intellectual Property Policy Committee
- Member of the National Science and Technology Development
Agency Governing Board
- Specialist on Business Administration of the National Digital
Economy and Society Committee
- Member of the National Strategy Committee
- Member of the National Economic Reform Committee
- Member of the Board of Investment
- Member of the National 5G Committee
- Member of the Board, Centre for the Administration of Economic
Situations due to the Outbreak of the Communicable Disease
Coronavirus 2019 (COVID-19)
- Member of the Advisory Board on the Private Business Sector
within the Centre for the Administration of the Situation due to
the Outbreak of the Communicable Disease Coronavirus 2019
(COVID-19)
- Member of the Council and Chairman of the Audit Committee,
The Thai Red Cross Society
- Director, Police General Hospital Foundation
under the Royal Patronage of Her Majesty the Queen
- Member of the State Enterprise Director Nomination Sub-committee
- Specialist, Industrial Sector,
National Research Council of Thailand
- Member of the Tourism & MICE Promotion Working Group (D3)
and Head of Private Sector Team of the SMEs & Productivity
Promotion Working Group (D2) under the Public-Private
Collaborative Committee

Family Relationship None

12. Mr. Wiboon Khusakul

Independent Director

Member of the Corporate Governance Committee

Member of the Human Resources and Remuneration Committee

Age 67

Date of Appointment

April 2, 2015

Education

- Master's Degree (International Public Policy),
Johns Hopkins University, USA
- Master's Degree (Political Science - International Relations),
Thammasat University
- Bachelor's Degree (Political Science - International Relations),
Chulalongkorn University

Training Program

- Director Certification Program (DCP) Class 211/2015,
Thai Institute of Directors Association
- Civil Service Executive Program,
Office of the Civil Service Commission

Experience over Past 5 Years

Apr. 2021 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Member of the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - 2019	Director and Member of the Audit Committee, Thai Smile Airways Company Limited

Positions in Other Listed Companies

2015 - Present	Director, City Sports and Recreation Public Company Limited
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Positions in Non-listed Companies

2015 - Present	Advisor, Charoen Pokphand Group Company Limited
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Other Affiliations

- Chairman of the National Public Relations Sub-committee
on Foreign Affairs, The Government Public Relations Department
- Member of the Committee for Preparation of National Strategies
on Building Competitiveness
- Member of the Board, Yonok Foundation
- Member of the International Advisory Committee,
Fudan University, Shanghai

Family Relationship None



13. Ms. Suphajee Suthumpun

Independent Director

Chairperson of the Human Resources and Remuneration Committee

Member of the Audit Committee

Member of the Risk Oversight Committee

Age 57

Date of Appointment

October 6, 2015

Education

- Master's Degree (Business Administration - International Finance and International Accounting), Northrop University, USA
- Bachelor's Degree (Sociology and Anthropology), Thammasat University

Training Program

- Advanced Audit Committee Program (AACP) Class 23/2016, Thai Institute of Directors Association
- Director Certification Program (DCP) Class 89/2007, Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 16/2013, Capital Market Academy
- The Programme for Senior Executives on Justice Administration Class 19, Judicial Training Institute
- Thammasat Leadership Program Class 1, Thammasat University

Experience over Past 5 Years

2020 - Present	Chairperson of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Member of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2019	Director, Dusit Hospitality Services Company Limited
2018 - 2020	Director, NR Instant Produce Public Company Limited
2017 - 2020	Honorary Member of the University Council, Thammasat University
2017 - 2018	Member of the Corporate Governance Committee, Nok Airlines Public Company Limited
2016 - 2019	Director, Suanlum Property Company Limited
2016 - 2019	Director, Phraram 4 Development Company Limited
2016 - 2019	Director, Dusit Worldwide Company Limited
2016 - 2018	Director and Member of the Audit Committee, Nok Airlines Public Company Limited

2016 - 2017	Member of the Investment Committee, Dusit Thani Freehold and Leasehold Property Fund
2016 - 2017	Director, Saladang Property Management Company Limited
2015 - 2019	Member of the National Enterprise Corporation Establishment Preparation Sub-committee
2015 - 2019	Director, Dusit Excellence Company Limited

Positions in Other Listed Companies

Sep. 2021 - Present	Director and Member of the Corporate Governance and Nomination Committee, SCG Packaging Public Company Limited
2020 - Present	Member of the Investment Committee, Dusit Thani Public Company Limited
2016 - Present	Group Chief Executive Officer, Dusit Thani Public Company Limited
2015 - Present	Director, Dusit Thani Public Company Limited

Positions in Non-listed Companies

Feb. 2021 - Present	Director, The Food Education Bangkok Company Limited
Feb. 2021 - Present	Director, The Cooking Capital Bangkok Company Limited
2019 - Present	Director, Dusit Real Foods Company Limited
2019 - Present	Director, Dusit Thani Properties REIT Company Limited
2019 - Present	Director, Dusit Fudu Hotel Management (Shanghai) Company Limited
2019 - Present	Director, Epicure Catering Company Limited
2018 - Present	Director, LVM Holdings Pte. Ltd.
2018 - Present	Director, Dusit Gourmet Company Limited
2018 - Present	Director, Dusit Foods Company Limited
2017 - Present	Director, Asai Holdings Company Limited
2017 - Present	Director, D&J Company Limited
2016 - Present	Director, Vimarn Suriya Company Limited
2016 - Present	Director, Dusit Thani Properties Company Limited
2016 - Present	Director, Le Cordon Bleu Dusit Company Limited
2016 - Present	Director, Dusit Management Company Limited
2016 - Present	Director, Dusit China Capital Company Limited
2016 - Present	Director, Dusit Overseas Company Limited
2016 - Present	Director, Dusit Hospitality Education Philippines, Inc.
2016 - Present	Director, Dusit Thani Philippines, Inc.
2016 - Present	Director, DMS Property Investment Private Limited
2015 - Present	Director, Dusit Thai Properties Public Company Limited



Other Affiliations

- Chairperson of the Digital Literacy Sub-committee under the National Reform Committee on Culture, Sports, Labor and Human Resources Development
- Member of the State Enterprise Policy Committee
- Councilor, Thailand Management Association
- Member of the National Reform Committee on Culture, Sports, Labor and Human Resources Development
- Member of the Advisory Board, Sasin Graduate Institute of Business Administration
- Honorary Member of the University Council, Navamindradhiraj University
- Honorary Member of the Council, the International Buddhist Studies College, Mahachulalongkornrajavidyalaya University
- Member of the Council, Dusit Thani College
- Member of the International Advisory Board, Ecole Hoteliere de Lausanne
- Member of the Sub-committee on Producing and Developing Graduates under the Higher Education Commission

Family Relationship None

14. Mr. Sara Lamsam

Director

Member of the Corporate Governance Committee

Age 52

Date of Appointment

January 1, 2016

Education

- Master's Degree (Administration), Boston University, USA
- Bachelor's Degree (Business Administration), Northeastern University, USA

Training Program

- Director Certification Program (DCP) Class 4/2000, Thai Institute of Directors Association
- The National Defence Course Class 63, National Defence College
- Capital Market Academy Leader Program Class 4/2007, Capital Market Academy
- Advanced Management Program (AMP 186), Harvard Business School
- Executive Courses in Applied Psychology Administration Class 97, Applied Psychology Institute
- Thailand Insurance Leadership Program Class 1, OIC Advanced Insurance Institute
- Metropolitan Development Training Course for the Top Executives (Mahanakorn) Class 1, Urban Green Development Institute Bangkok

- The Program of Senior Executive on Justice Administration Class 17, Judicial Training Institute
- Executive Management with Business Development Class 1, Institute of Business and Industrial Development
- Top Executive Program in Commerce and Trade (TEPCoT 8), Commerce Academy
- Global Business Leaders Program (GBL 1), LEAD Business Institute, a Partner of Cornell University
- Business Revolution and Innovation Network (BRAIN 2), The Federation of Thai Industries
- Advanced Master of Management Program (AMM 2), National Institute of Development Administration

Experience over Past 5 Years

2018 - Present	Member of the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - 2021	Member of the Board, Bangkok Art and Culture Centre Foundation
2019 - 2020	Advisor, The Thai Chamber of Commerce
2016 - 2020	Vice President (Marketing), The Thai Life Assurance Association
2016 - 2020	Chairman, The Financial Planners Association
2016 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2017	Chairman, The Federation of Thai Insurance Organizations
2015 - 2016	Advisor, Board of Trade of Thailand
2012 - 2016	President, The Thai Life Assurance Association
2010 - 2021	President, Muang Thai Life Assurance Public Company Limited
2009 - 2016	Director, Thai Reinsurance Public Company Limited
2007 - 2019	Member of the Remuneration and Selection Committee, Phatra Leasing Public Company Limited

Positions in Other Listed Companies

2016 - Present	Independent Director, Thai Reinsurance Public Company Limited
2009 - Present	Advisor to the President, Muang Thai Insurance Public Company Limited
2009 - Present	Member of the Risk Management Committee, Phatra Leasing Public Company Limited
2008 - Present	Director and Executive Director, Muang Thai Insurance Public Company Limited
2007 - Present	Chairman of the Executive Committee, Phatra Leasing Public Company Limited
2004 - Present	Director, Phatra Leasing Public Company Limited



Positions in Non-listed Companies

2019 - Present	Chairman of the Product Governance Committee, Muang Thai Life Assurance Public Company Limited
2017 - Present	Director, Fuchsia Venture Capital Company Limited
2016 - Present	Director and Chairman of the Risk Management Committee, MB Ageas Life Insurance Company Limited
2015 - Present	Vice Chairman, Sovannaphum Life Assurance PLC
2012 - Present	Director, Yupong Company Limited
2010 - Present	Chairman of the Investment Committee, Muang Thai Life Assurance Public Company Limited
2010 - Present	Chief Executive Officer, Muang Thai Life Assurance Public Company Limited
2009 - Present	Director, Muang Thai Asset Company Limited
2009 - Present	Chief Executive Officer and Director, Muang Thai Group Holding Company Limited
2009 - Present	Chief Executive Officer and Director, Muang Thai Holding Company Limited
2008 - Present	Director, Muang Thai Group Service Company Limited
2007 - Present	Director, Muang Thai Real Estate Public Company Limited
2007 - Present	Director, T.I.I. Company Limited
2005 - Present	Member of the Risk Management Committee and the Executive Committee, Muang Thai Life Assurance Public Company Limited
2003 - Present	Director, Muang Thai Life Assurance Public Company Limited
1998 - Present	Director, Yupayong Company Limited

Other Affiliations

- President, The Thai Life Assurance Association
- Chapter Chair,
Thailand Chapter Young Presidents' Organization Inc.
- Vice Chairman, The Federation of Thai Insurance Organizations
- Honorary Director, The Foundation for Cancer Care,
Siriraj Hospital
- Director, Police General Hospital Foundation
under the Royal Patronage of Her Majesty the Queen
- Director, The Fundraising Board of the Children's Specialty Center
in Honor of Her Majesty the Queen's 80 Birthday Anniversary,
The Children's Hospital Foundation,
Queen Sirikit National Institute of Child Health
- Director, The Financial Planners Association
- Director, Board of Trade of Thailand
- Member of the Board of Trustees, Bangkok University

- Director, Pol. Gen. Pow Sarasin Foundation
- Advisor, The Society of Actuaries of Thailand

Family Relationship

- Nephew of Ms. Sujitpan Lamsam
- Cousin of Mr. Suroj Lamsam

15. Mr. Chanin Donavanik

Independent Director

Member of the Corporate Governance Committee

Age 65

Date of Appointment

April 3, 2017

Education

- Master's Degree (Business Administration), Boston University,
USA

Training Program

- Director Certification Program (DCP) Class 72/2006,
Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class 10/2004,
Thai Institute of Directors Association

Experience over Past 5 Years

2017 - Present	Member of the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2017	Director, Saladang Property Management Company Limited
2016 - 2017	Director, Phraram 4 Development Company Limited
2016 - 2017	Director, Suanlum Property Company Limited
2015 - 2020	Vice Chairman, Dusit Hospitality Education Philippines, Inc.
2014 - 2019	Director, Dusit Excellence Company Limited
2012 - 2019	Director, Dusit USA Management Inc.
2011 - 2018	Director, Dusit Bird Hotels Private Limited
2010 - 2019	Director, Dusit Management Company Limited
2010 - 2016	Member of Investment Committee, Dusit Thani Freehold and Leasehold Property Fund
2008 - 2019	Director, Dusit Worldwide Company Limited
2006 - 2019	Director, Le Cordon Bleu Dusit Company Limited
2000 - 2019	Director, Devarana Spa Company Limited

Positions in Other Listed Companies

2019 - Present	Member of the Investment Committee, Dusit Thani Public Company Limited
2016 - Present	Vice Chairman and Chairman of the Executive Committee, Dusit Thani Public Company Limited



Positions in Non-listed Companies

2020 - Present	Chairman, Thai Digital Platform Social Enterprise Company Limited
2018 - Present	Director, Dusit Foods Company Limited
2017 - Present	Chairman, Dusit Thani Properties REIT Company Limited
2017 - Present	Director, D&J Company Limited
2016 - Present	Director, Vimarn Suriya Company Limited
2015 - Present	Director, Piyasiri Company Limited
2014 - Present	Director, Dusit Fudu Hotel Management (Shanghai) Company Limited
2013 - Present	Director, JTB (Thailand) Company Limited
2013 - Present	Director, Dusit China Capital Company Limited
2011 - Present	Director, DMS Property Investment Private Limited
2010 - Present	Director, Chanut and Children Company Limited
2009 - Present	Director, Dusit Thai Properties Public Company Limited
2008 - Present	Director, Dusit Overseas Company Limited
1995 - Present	Chairman, Dusit Thani Philippines, Inc.
1990 - Present	Director, Dusit Thani Properties Company Limited
1989 - Present	Director, Thai-Japan Gas Company Limited
1988 - Present	Director, Thana Jirang Company Limited

Other Affiliations

- Chairman of Tourism and Service Business Committee,
The Thai Chamber of Commerce
- Vice Chairman, Dusit Thani College
- Head of Private Sector Team of the Tourism & MICE
Promotion Working Group (D3) under the Public-Private
Collaborative Committee

Family Relationship None

16. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya

Independent Director

Member of the Audit Committee

Member of the Risk Oversight Committee

Age 42

Date of Appointment

April 4, 2019

Education

- Master's Degree (Business Administration),
Harvard University, USA
- Bachelor's Degree (Business Administration),
Chulalongkorn University

Training Program

- Director Leadership Certification Program (DLCP) Class 0/2021,
Thai Institute of Directors Association
- Director Certification Program (DCP) Class 278/2019,
Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 13/2011,
Capital Market Academy

Experience over Past 5 Years

2020 - Present	Member of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - 2020	Director, Tanara Company Limited
2016 - 2020	Chief Executive Officer, Candy Crepe Company Limited
2010 - 2020	Chief Executive Officer, M Essentials Company Limited
2008 - 2019	Executive Director, Alumet Company Limited

Positions in Other Listed Companies None

Positions in Non-listed Companies

2019 - Present	Director, Alumet Company Limited
2010 - Present	Director, Metta Group Company Limited

Other Affiliations None

Family Relationship None

17. Ms. Chonchanum Soonthornsaratoon

Director and Legal Adviser

Member of the Corporate Governance Committee

Member of the Human Resources and Remuneration Committee

Age 53

Date of Appointment

April 2, 2020

Education

- Master's Degree (Laws), Tulane University, USA
- Master's Degree (Political Science),
Mississippi State University, USA
- Bachelor's Degree (Political Science),
Sukhothai Thammathirat Open University
- Bachelor's Degree (Laws), Chulalongkorn University



Training Program

- Board Nomination and Compensation Program (BNCP) Class 12/2021, Thai Institute of Directors Association
- Risk Management Program for Corporate Leaders (RCL) Class 22/2021, Thai Institute of Directors Association
- Financial Statements for Directors (FSD) Class 43/2020, Thai Institute of Directors Association
- IT Governance and Cyber Resilience Program (ITG) Class 14/2020, Thai Institute of Directors Association
- Corporate Governance for Capital Market Intermediaries (CGI) Class 22/2019, Capital Market Academy
- Director Accreditation Program (DAP) Class 163/2019, Thai Institute of Directors Association
- Thammasat Digital Evidence Class 2, Thammasat University

Experience over Past 5 Years

Apr. 2021 - Present	Legal Adviser, KASIKORNBANK PUBLIC COMPANY LIMITED
Apr. 2021 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	Member of Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2020 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2000 - 2020	Director, Theptanyapa Company Limited

Positions in Other Listed Companies

Positions in Non-listed Companies

2000 - Present	Director and Legal Adviser, Punyariddhi Law Office Company Limited
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Other Affiliations

- Member (Legal Expert) of the Executive Board of the Elderly Fund
- Honorary Advisor (Legal), The Thai Red Cross Society
- Honorary Advisor (Legal), Queen Saovabha Memorial Institute, The Thai Red Cross Society

Family Relationship

None

18. Mr. Suroj Lamsam

Director

Member of the Human Resources and Remuneration Committee

Age 56

Date of Appointment

April 9, 2021

Education

- Master's Degree (Business Administration - Management), Sasin Graduate Institute of Business Administration
- Master's Degree (Communications), New York University, USA
- Bachelor's Degree (Marketing and Consumer Studies), Syracuse University, USA

Training Program

- Director Accreditation Program (DAP) Class 40/2005, Thai Institute of Directors Association
- The National Defence Course Class 61, National Defence College
- Advanced Certificate Course in Public Economic Management for Executives Class 1, King Prajadhipok's Institute

Experience over Past 5 Years

Apr. 2021 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
Apr. 2021 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - 2021	Managing Director, CHL EV Company Limited
2018 - 2019	Director, Loxtrade Specialty Innovation Company Limited
2017 - 2019	President, Loxley Public Company Limited
2012 - 2019	Managing Director, L Food Solutions Company Limited
2004 - 2016	Senior Executive Vice President, Loxley Public Company Limited
1999 - 2016	Director, Loxley Orbit Public Company Limited
1997 - 2019	Chairman, L Business Process Outsourcing Company Limited

Positions in Other Listed Companies

2020 - Present	Chief Executive Officer and President, Loxley Public Company Limited
2017 - Present	Director, QTC Energy Public Company Limited
2004 - Present	Director, Loxley Public Company Limited

Positions in Non-listed Companies

2020 - Present	Chairman, L Food Solutions Company Limited
2019 - Present	Chairman, Dole Thailand Company Limited
2019 - Present	Director, AOT Aviation Security Company Limited
2019 - Present	Managing Director, LB EV Company Limited
2018 - Present	Chairman, The Foodsource Company Limited
2018 - Present	Director, Siamsumut Warin Company Limited
2018 - Present	Director, Loxley Joint and Hold Company Limited
2018 - Present	Director, BP-Castrol (Thailand) Limited
2017 - Present	Director, Car Convenie Company Limited
2017 - Present	Director, Loxley Intertrade (Guangzhou) Company Limited
2017 - Present	Chairman, Loxbit Public Company Limited
2017 - Present	Director, ASM Security Management Company Limited
2016 - Present	Director, Loxley GTECH Technology Company Limited
2016 - Present	Director, Loxley Trading Company Limited
2016 - Present	Director, Loxley Global Company Limited



2011 - Present	Director, Loxley Mobile Company Limited
2008 - Present	Managing Director, Loxley Property Development Company Limited
2008 - Present	Managing Director, Data Mining Company Limited
2005 - Present	Director, Ekpavee Company Limited
2000 - Present	Managing Director, Thai Gateway Company Limited
1999 - Present	Director, Thanakorn Vegetable Oil Company Limited
1999 - Present	Director, Lamsam Estate Company Limited
Present	Director, Point Asia Land Development Company Limited
Present	Director, Suroj Company Limited
Present	Director, Vontarn Company Limited
Present	Director, Chana Porn Company Limited
Present	Director, Satera Pattana Company Limited
Present	Director, Ruam Samphant Company Limited
Present	Director, Suruedee Company Limited
Present	Director, Patr Samphant Company Limited

Other Affiliations

- Director, The Thai Chamber of Commerce

Family Relationship

- Nephew of Ms. Sujitpan Lamsam
- Cousin of Mr. Sara Lamsam

19. Dr. Adit Laixuthai

Corporate Secretary

Senior Executive Vice President

Corporate Secretariat Division Head

Age 57

Education

- Ph.D. (Public Health Sciences - Health Resources Management: Health Economics), University of Illinois at Chicago, USA
- Master's Degree (Economics - Health Economics), University of Illinois at Chicago, USA
- Master's Degree (Economics - Policy Economics), University of Illinois at Urbana - Champaign, USA
- Bachelor's Degree (Economics - International Economics), Chulalongkorn University

Training Program

- Company Secretary Program (CSP) Class 53/2013, Thai Institute of Directors Association
- Director Certification Program (DCP - Diploma) Class 25/2009, Thai Institute of Directors Association
- Director Certification Program (DCP) Class 115/2009, Thai Institute of Directors Association
- Seminar on IOD Open House for Company Secretary, Thai Institute of Directors Association

Experience over Past 5 Years

2018 - Present	Secretary to the Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Corporate Secretary and Secretary to the Board of Directors, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Secretary to the Independent Directors Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2008 - Present	Secretary to the Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
1999 - Present	Chief Investor Relations Officer, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2018	Member of the University Council, Nation University
2015 - 2017	Director, Muang Thai Group Holding Company Limited

Directorship in Other Companies

- Director, KASIKORN RESEARCH CENTER COMPANY LIMITED

Other Affiliations

- Managing Director, KASIKORNTHAI FOUNDATION
- Member and Secretary,
The Committee of the RAKPANAN FOUNDATION UNDER
ROYAL PATRONAGE OF HER ROYAL HIGHNESS PRINCESS
MAHA CHAKRI SIRINDHORN
- Member and Secretary,
Operating Committee in Nan Province - Nan Sandbox
- Member of the Council,
Vidyasirimedhi Institute of Science and Technology (VISTEC)

Family Relationship

None



20. Mr. Thiti Tantikulanan

Capital Markets Business Division Head*

Age 52

Education

- Bachelor's Degree (Business Administration),
University of Washington, USA

Training Program

- Corporate Governance for Capital Market Intermediaries (CGI)
Class 15/2016, Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 19/2014,
Capital Market Academy
- Thailand Insurance Leadership Program Class 2/2012,
OIC Advanced Insurance Institute

Experience over Past 5 Years

2008 - Present	Capital Markets Business Division Head, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - 2021	Director, TRIS Corporation Limited
2016 - 2019	Director and Member of the Audit Committee, The Thai Bond Market Association
2008 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Executive Chairman,
KASIKORN SECURITIES PUBLIC COMPANY LIMITED
- Director, ASCO Business Promotion Company Limited

Other Affiliations

- Governor, The Stock Exchange of Thailand
- Director, Association of Thai Securities Companies

Family Relationship None

* This position is equivalent to Senior Executive Vice President.

21. Mr. Jirawat Supornpaibul

Private Banking Group Head*

Age 53

Education

- Master's Degree (Business Administration),
Sasin Graduate Institute of Business Administration

Experience over Past 5 Years

2018 - Present	Private Banking Group Head, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2018	Private Banking Business Division Head, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, Crystal Football Club Company Limited

Other Affiliations None

Family Relationship None

* This position is equivalent to Senior Executive Vice President.

22. Mr. Chongrak Rattanapian

Chief Financial Officer

Senior Executive Vice President

Finance and Control Division Head

Age 53

Education

- Master's Degree (Business Administration - Finance),
William Paterson University of New Jersey, USA
- Bachelor's Degree (Economics), Thammasat University

Training Program

- Advanced Audit Committee Program (AACP) Class 38/2020,
Thai Institute of Directors Association
- Board Nomination and Compensation Program (BNCP)
Class 3/2018, Thai Institute of Directors Association
- Director Certification Program (DCP) Class 190/2014,
Thai Institute of Directors Association
- Corporate Governance for Capital Market Intermediaries (CGI)
(Exclusive Class), Thai Institute of Directors Association
- Driving Company Success with IT Governance (ITG),
Thai Institute of Directors Association
- Summary of Significant Change for TFRS (Revised 2018)
Class 1/2019, Federation of Accounting Professions
under the Royal Patronage of His Majesty the King (6 hours)
- Management Accounting for Planning and Decision Making
Class 1/2020, Federation of Accounting Professions
under the Royal Patronage of His Majesty the King (7 hours)
- TLCA CFO Professional Development Program (TLCA CFO CPD)
Class 7/2020 on Data Privacy Law and Cyber Security Law,
Thai Listed Companies Association (2 hours)
- TLCA CFO Professional Development Program (TLCA CFO CPD)
Class 1/2021 on Economic Update for CFO,
Thai Listed Companies Association (2 hours)
- TLCA CFO Professional Development Program (TLCA CFO CPD)
Class 2/2021 on COVID-19 Implications for Financial Reporting
and Audit, Thai Listed Companies Association (2 hours)
- TLCA CFO Professional Development Program (TLCA CFO CPD)
Class 3/2021 on How to Manage the Company's Finance
& Accounting and Communicate with Stakeholders during
COVID-19 Crisis, Thai Listed Companies Association (2 hours)
- Seminar on Director's Briefing 11/2021:
What Your Board Needs to Know about C - Suite Development,
Thai Institute of Directors Association



Experience over Past 5 Years

2019 - Present	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - 2020	Director, Muang Thai Group Holding Company Limited
2017 - 2019	Director, KASIKORN LEASING COMPANY LIMITED
2016 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2018	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director,
KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED
- Director, KASIKORN LABS COMPANY LIMITED
- Director, KASIKORN SOFT COMPANY LIMITED
- Director, KASIKORN INFRA COMPANY LIMITED
- Director, KASIKORN SERVE COMPANY LIMITED
- Director, KASIKORN X COMPANY LIMITED
- Director, BEACON VENTURE CAPITAL COMPANY LIMITED
- Director,
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED
- Director, SUPERNAP (Thailand) Company Limited

Other Affiliations None

Family Relationship None

23. Mr. Silawat Santivisat

Senior Executive Vice President

Transaction and Wealth Banking Co-Division Head

Age 58

Education

- Master's Degree (Business Administration),
Sasin Graduate Institute of Business Administration
- Master's Degree (Chemical Engineering),
The University of Texas at Austin, USA

Training Program

- Director Certification Program (DCP) Class 303/2021,
Thai Institute of Directors Association
- Anti-Corruption: The Practical Guide (ACPG) Class 18/2015,
Thai Institute of Directors Association
- Corporate Governance for Capital Market Intermediaries (CGI)
Class 4/2015, Thai Institute of Directors Association
- Capital Market Academy Leader Program Class 30/2020,
Capital Market Academy

Experience over Past 5 Years

2019 - Present	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - 2021	Chairman, BCI (Thailand) Company Limited
2018 - 2021	Member of the Budgeting and Financial Administration Committee, Naresuan University
2018 - 2021	Vice Chairman and Chairman of the Audit Committee, Processing Center Company Limited
2018 - 2020	Director, Thai Digital ID Company Limited
2016 - 2018	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KUBIX DIGITAL ASSET COMPANY LIMITED
- Director, BCI (Thailand) Company Limited
- Director, Thailand Securities Depository Company Limited
- Director, National Digital ID Company Limited
- Director, CMDF Digital Infrastructure Company Limited

Other Affiliations

- Distinguished Member of the Steering Committee,
Sasin Graduate Institute of Business Administration
- Electronic Transactions Commissioner: Electronic Commerce
under the Electronic Transactions Commission,
Ministry of Digital Economy and Society
- Member of the Strategy and Promotion Sub-committee
under the Electronic Transactions Commission,
Ministry of Digital Economy and Society
- Expert Member of the Risk Management Sub-committee,
The Government Pension Fund
- Advisor to the COVID-19 Vaccination Administration
and Management Sub-committee

Family Relationship None

24. Ms. Wasana Surakit

First Senior Vice President

Age 54

Education

- Master's Degree (Accounting), Thammasat University

Training Program

- Analysis of Financial Data for Management Decisions (2019),
NYC Management Company Limited (7 hours)
- Fraud Prevention in the Organization Class 17/2019 (2nd Course),
Federation of Accounting Professions under the Royal Patronage
of His Majesty the King (6 hours)
- Be Aware of All the New Laws in 2019 and Trends in 2020 (2019),
NYC Management Company Limited



- Accounting Information 2 (2020), DBD Academy (9 hours)
- Financial Statement Analysis (2020), DBD Academy (7 hours)
- Financial Science for Accountants (2021),
Learn CPD Company Limited (7 hours)
- TFRS 16 Leases (2021), Learn CPD Company Limited (7 hours)
- TFRS 9 Financial Instruments (2021),
Learn CPD Company Limited (7 hours)

Experience over Past 5 Years

2017 - Present	First Senior Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2008 - 2016	Senior Vice President, Financial Accounting Management Department, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director,
KASIKORN TECHNOLOGY GROUP SECRETARIAT COMPANY LIMITED
- Director, KASIKORN LABS COMPANY LIMITED
- Director, KASIKORN SOFT COMPANY LIMITED
- Director, KASIKORN INFRA COMPANY LIMITED
- Director, KASIKORN SERVE COMPANY LIMITED
- Director, KASIKORN X COMPANY LIMITED
- Director, PROGRESS PLUS COMPANY LIMITED

Other Affiliations None

Family Relationship None

25. Ms. Natcha Argasreog

First Senior Vice President

Age 46

Education

- Master's Degree (Business Administration),
Chulalongkorn University

Experience over Past 5 Years

2019 - Present	First Senior Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - 2018	Senior Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2016	First Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KASIKORN LINE COMPANY LIMITED

Other Affiliations None

Family Relationship None

26. Ms. Khajarin Maintaka

Senior Vice President

Financial Planning Co-Department Head

Age 42

Education

- Master's Degree (Business Administration),
International University of Japan

Training Program

- Director Refreshment Training Program (RFP) Class 3/2021,
Thai Institute of Directors Association
- Advanced Audit Committee Program (AACP) Class 32/2019,
Thai Institute of Directors Association
- Director Certification Program (DCP) Class 254/2018,
Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class 137/2017,
Thai Institute of Directors Association

Experience over Past 5 Years

2020 - Present	Senior Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - 2020	First Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KASIKORNBANK (CHINA) COMPANY LIMITED

Other Affiliations None

Family Relationship None

27. Ms. Prapasra Uttamavetin

First Vice President

Financial Planning Co-Department Head

Age 49

Education

- Master's Degree (Business Administration - Finance),
California State University, USA

Experience over Past 5 Years

2019 - Present	First Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2019	Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies None

Other Affiliations None

Family Relationship None



Attachment 2 Details on Directorship of Directors and Executives in Subsidiaries, Associated Companies, Joint Venture and Related Companies

As of December 31, 2021

[illegible]

[illegible]

[illegible]

[illegible]

Remark:

- 1) Subsidiaries, Associated and Related Companies shall comply with the definitions of the Office of the Securities and Exchange Commission, which shall include directorship in other companies as specified by the Bank of Thailand.

3) List of Subsidiaries

- | | | |
|---|---|--|
| 1 KASIKORN ASSET MANAGEMENT CO., LTD. | 13 Muang Thai Life Assurance PCL | 25 PROGRESS APPRAISAL CO., LTD. |
| 2 KASIKORN RESEARCH CENTER CO., LTD. | 14 KASIKORNTHAI BANK LIMITED | 26 PROGRESS GUNPAI SECURITY GUARD CO., LTD. |
| 3 KASIKORN SECURITIES PCL | 15 KASIKORNBANK (CHINA) CO., LTD. | 27 PROGRESS MANAGEMENT CO., LTD. |
| 4 KASIKORN LEASING CO., LTD. | 16 K-SME VENTURE CAPITAL CO., LTD. | 28 PROGRESS FACILITIES MANAGEMENT CO., LTD. |
| 5 KASIKORN FACTORY AND EQUIPMENT CO., LTD. | 17 KHAO KLA VENTURE CAPITAL MANAGEMENT CO., LTD. | 29 PROGRESS SERVICE SECURITY GUARD CO., LTD. |
| 6 KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. | 18 BEACON VENTURE CAPITAL CO., LTD. | 30 PROGRESS STORAGE CO., LTD. |
| 7 KASIKORN LABS CO., LTD. | 19 KASIKORN VISION CO., LTD. | 31 PROGRESS H R CO., LTD. |
| 8 KASIKORN SOFT CO., LTD. | 20 KASIKORN VISION INFORMATION TECHNOLOGY CO., LTD. | 32 PROGRESS SERVICE SUPPORT CO., LTD. |
| 9 KASIKORN INFRA CO., LTD. | 21 KUBIX DIGITAL ASSET CO., LTD. | 33 PROGRESS COLLECTION CO., LTD. |
| 10 KASIKORN SERVE CO., LTD. | 22 KASIKORN VISION FINANCIAL PTE. LTD. | 34 PROGRESS TRAINING CO., LTD. |
| 11 KASIKORN X CO., LTD. | 23 PHETHAI ASSET MANAGEMENT CO., LTD. | 35 PROGRESS MULTI INSURANCE BROKER CO., LTD. |
| 12 Muang Thai Group Holding Co., Ltd. | 24 PROGRESS PLUS CO., LTD. | 36 Fuchsia Venture Capital Co., Ltd. |

4) List of Associated Companies and Joint Venture

- | | | |
|-------------------------------|-----------------------------------|----------------------------------|
| 1 Processing Center Co., Ltd. | 3 BCI (Thailand) Co., Ltd. | 5 KASIKORN LINE CO., LTD.** |
| 2 National ITMX Co., Ltd. | 4 Sovannaphum Life Assurance PLC* | 6 Thai Payment Network Co., Ltd. |

5) List of Related Companies

- | | | | | | |
|----|--|---------|---|----|---------------------------------------|
| 1 | Toshiba Thailand Co., Ltd. | 37 | StormBreaker Venture Co., Ltd. | 76 | JTB (Thailand) Co., Ltd. |
| 2 | Superlite Real Estate Co., Ltd. | 22 - 66 | For details, please refer to Mr. Saravoot Yoovidhya's positions in non-listed companies on page 175 - 176 except for Red Bull Vitamin Drink (Thailand) Co., Ltd., Prachinburi Glass Industry Co., Ltd., STR Property Development Co., Ltd., The Red Bull Excellence Center Co., Ltd., Crown TCP Beverage Cans Co., Ltd., TCP Incubator Co., Ltd., Healthven Co., Ltd., and Mayflower Education Partners Co., Ltd. | 77 | Punyariddhi Law Office Co., Ltd. |
| 3 | Superlite N.K.S. Holding Co., Ltd. | | | 78 | Sruedee Co., Ltd. |
| 4 | Nikomkij & Sons Co., Ltd. | | | 79 | Ruam Samphant Co., Ltd. |
| 5 | Muang Thai Insurance PCL | | | 80 | Vontarn Co., Ltd. |
| 6 | Muang Thai Holding Co., Ltd. | | | 81 | Suroj Co., Ltd. |
| 7 | Thai Eastern Property Co., Ltd. | | | 82 | Loxley PCL |
| 8 | PNP 2015 Co., Ltd. | | | 83 | Thai Gateway Co., Ltd. |
| 9 | PP Posh Co., Ltd. | | | 84 | Data Mining Co., Ltd. |
| 10 | Skyline Laboratory Co., Ltd. | | | 85 | Loxley Property Development Co., Ltd. |
| 11 | Skyline Health Care Co., Ltd. | | | 86 | Loxbit PCL |
| 12 | Giffarine Skyline Laboratory and Health Care Co., Ltd. | 67 | Suvarnabhumi Airport Hotel Co., Ltd. | 87 | The Foodsource Co., Ltd. |
| 13 | Giffarine Skyline Unity Co., Ltd. | 68 | Toppan (Thailand) Co., Ltd. | 88 | LB EV Co., Ltd. |
| 14 | Giffarine Beauty and Health Medical Clinic Co., Ltd. | 69 | Dusit Thani PCL | 89 | L Food Solutions Co., Ltd. |
| 15 | NWN Biotech Co., Ltd. | 70 | Dusit Thani Properties REIT Co., Ltd. | 90 | Crystal Football Club Co., Ltd. |
| 16 | Skyline Unity Co., Ltd. | 71 | Yupayong Co., Ltd. | 91 | Pruetthada Co., Ltd. |
| 17 | The Red Bull Beverage Co., Ltd. | 72 | Phatra Leasing PCL | 92 | S.B.I. Engineering Co., Ltd. |
| 18 | T.C. Pharmaceutical Industries Co., Ltd. | 73 | Yupong Co., Ltd. | 93 | Horganice Co., Ltd. |
| 19 | Durbell Co., Ltd. | 74 | Dusit Thani Philippines, Inc. | 94 | Keerada Co., Ltd. |
| 20 | T.G. Vending and Showcase Industries Co., Ltd. | 75 | Chanut and Children Co., Ltd. | 95 | Pro Sys (Thailand) Co., Ltd. |

6) Independent directors do not hold any directorship in Subsidiaries and Associated Companies.

* The Bank of Thailand granted approval for the inclusion of the companies as subsidiaries in the KASIKORNBANK FINANCIAL CONGLOMERATE.

** A joint venture of which the Bank of Thailand granted approval for the inclusion as subsidiary in the KASIKORNBANK FINANCIAL CONGLOMERATE.



Attachment 3

Details on Internal Audit Head and Compliance Head

As of December 31, 2021

1. Mr. Surasak Dudsdeemaytha

Executive Vice President

Audit Division Head

Internal Audit Head

Age 56

Education

- Master's Degree (Business Administration),
Sasin Graduate Institute of Business Administration
- Bachelor's Degree (Economics), Kasetsart University

Training Program

- Advanced Audit Committee Program (AACP) Class 24/2016,
Thai Institute of Directors Association
- Role of the Compensation Committee (RCC) Class 16/2013,
Thai Institute of Directors Association
- Director Certification Program (DCP) Class 131/2010,
Thai Institute of Directors Association
- Audit Committee Seminar - Get Ready for the Year End 2015,
Federation of Accounting Professions, Office of the Securities
and Exchange Commission, The Stock Exchange of Thailand,
Thai Institute of Directors Association
and Thai Listed Companies Association
- Standards on Anti-Money Laundering and Combating
the Financing of Terrorism for Reporting Entities
under Section 13 and Section 16 Class 1/2017,
Anti Money Laundering Office
- Advanced Management Strategies for Drug Prevention
and Suppression Class 1/2018,
Office of the Narcotics Control Board
- Securities Business Regarding Compliance Function
for Head of Compliance 2019, The Thai Bankers' Association
- Securities Business Regarding Compliance Function for
Head of Compliance 2021, The Thai Bankers' Association

Experience over Past 5 Years

- | | |
|----------------|--|
| 2014 - Present | Secretary to the Audit Committee,
KASIKORNBANK PUBLIC COMPANY LIMITED |
| 2010 - Present | Executive Vice President,
KASIKORNBANK PUBLIC COMPANY LIMITED |

Directorship in Other Companies None

Other Affiliations None

Family Relationship None

2. Mr. Phaisarn Vorasetsiri

First Senior Vice President

Compliance Head

Age 48

Education

- Master's Degree (Business Administration - Accounting),
University of Illinois at Urbana - Champaign, USA
- Graduate Diploma in Auditing, Thammasat University
- Bachelor's Degree (Honors) (Law), Thammasat University
- Bachelor's Degree (Accounting), Thammasat University

Training Program

- Director Certification Program (DCP) Class 215/2016,
Thai Institute of Directors Association
- Ethical Leadership Program (ELP),
Thai Institute of Directors Association
- Securities Business Regarding Compliance Function
for Head of Compliance, The Thai Bankers' Association
- Specialist in Financial Technology: The Best Practice,
The Thai Institute of Banking and Finance Association

Experience over Past 5 Years

- | | |
|----------------|--|
| 2019 - Present | First Senior Vice President,
KASIKORNBANK PUBLIC COMPANY LIMITED |
| 2015 - 2018 | Senior Vice President, Compliance Department,
KASIKORNBANK PUBLIC COMPANY LIMITED |

Directorship in Other Companies

- Director, KASIKORN SECURITIES PUBLIC COMPANY LIMITED

Other Affiliations None

Family Relationship None



Attachment 4

Business Assets and Details on Asset Valuation

1. Business Assets

KBank has explained the main fixed assets, the bank and its subsidiaries in the business are disclosed in the section Business Assets page 36.

2. Details on Asset Valuation

-None-



Attachment 5 Policies and Guidelines for Corporate Governance and Business Ethics (Full Version)

Corporate Governance Policies and Guidelines

KBank discloses a full report of corporate governance policies and guidelines on the Bank's website, www.kasikornbank.com. It can be viewed in the Investor Relations section, Corporate Governance subsection on Statement of Corporate Governance Principles or scan QR Code.



Business Ethics

KBank discloses a full report of Business Ethics on the Bank's website, www.kasikornabnk.com. It can be viewed in the Investor Relations section, subsection on Statement of Business Conduct and Code of Conduct or scan QR Code.





Attachment 6 Report of Board Committees

Report of the Audit Committee

The Audit Committee of KASIKORNBANK PUBLIC COMPANY LIMITED comprises four independent directors in which Mr. Kalin Sarasin serves as Chairman and Mr. Saravoot Yoovidhya, Ms. Suphatee Suthumpun and Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya serve as members.

In 2021, the Audit Committee held 12 meetings to fulfill its roles and responsibilities as stipulated in the Audit Committee Charter. The proceedings from each meeting were reported to the Board of Directors. Significant matters are summarized as follows:

- The reviews of quarterly, semi-annual and annual financial statements and taxation risk management with Finance and Control Division Head were performed by considering financial reports, significant accounting policies and accounting estimates as well as disclosure of information in notes to financial statements. The Audit Committee placed importance on compliance with TFRS and transfer pricing requirements in Thailand and abroad and appropriate reporting and disclosures of the impact of COVID-19 pandemic in the financial statements. In addition, the Audit Committee held regular meetings with the external auditors, without the participation of the Bank's management, to acknowledge and discuss points of concern arisen from their reviews and audits including changes in International Financial Reporting Standards and International Auditing and Assurance Standards.
- The Audit Committee reviewed risk management and monitored significant incidents and new threats arisen in Thailand and abroad. The Audit Committee received Risk Status report from the Risk Oversight Committee (ROC) meetings and discussed with the ROC as needed to ensure appropriate risk management. Considering the economic impacts from COVID-19 pandemic, the Audit Committee continued to place emphasis on the Bank's actions to monitor credit quality, the adequacy of debt provision and the credit approval process. Furthermore, the Audit Committee gave full support for the Bank to assist affected customers including applying policies and projects from government and BOT such as BOT Soft Loan (B.E. 2564) and Asset Warehousing.
- The Audit Committee reviewed IT risk management, as well as actively monitored cyber threats and other risks that may affect security and stability of the Bank's information systems. The Audit Committee met with executives from IT Operations and Internal Audit Department to consider effectiveness of IT risk management and monitor timely and adequate implementation of action plan. The Audit Committee keeps abreast of changes in business and services of KASIKORNBANK FINANCIAL CONGLOMERATE in response to digital age and placed emphasis on preparation to prevent, detect and respond to any harmful cyber threats. In addition, the Audit Committee placed emphasis on the Bank's readiness to operate in accordance with Personal Data Protection Act.
- The effectiveness of internal control was assessed and reported via significant audit results by internal auditors, the internal control assessment by management and relevant departments, as well as the results of the Bank of Thailand examinations and those of other regulators governing KASIKORNBANK FINANCIAL CONGLOMERATE. The Audit Committee also followed up on corrective actions towards significant issues and acknowledged reports on material operational loss events to consider the causes of such events and the appropriateness of measures to prevent future recurrences. The Audit Committee gave their comments and suggestions on various issues to the management to improve internal control system.
- The Audit Committee supports the Bank to continuously raise awareness on risk management for all employees in the organization as a part of sound risk culture. In 2021, Code of Conduct assessment was extended to include KASIKORNBANK FINANCIAL CONGLOMERATE employees at all levels to ensure that they understood Code of Conduct and its principles.



- The Audit Committee considered the annual review of Internal Audit Charter, approved annual audit plan and adjustments to it during the year, as well as regularly monitored the performance of Internal Audit Department versus the plan, and quality of works in accordance with international standards and best practices. The Audit Committee supports the development in terms of personnel, processes and technology including applying Data Analytics to audits (Data Driven Audit). The Audit Committee placed importance on auditing sustainability-related matters, increasing the value of internal audit works and auditors' readiness for the rapid and unpredictable changes such as change in business models and the development/complexity of new technologies.
- The Audit Committee oversaw the Bank's operations in terms of compliance with relevant laws and regulatory requirements, along with Anti-Corruption Policy and Market Conduct Policy by regularly considering review results of Internal Audit, Bank of Thailand and External Auditor. The Audit Committee also acknowledged reports on regulatory changes, observations/notice from regulators, and compliance risk report and emphasized the importance of appropriate and timely action upon regulatory changes.
- The Audit Committee approved the annual credit review plan, followed up the implementation of the plan and considered the review results of the Credit Review Department, as well as the implementation of action plans. The Audit Committee supported personal development and the adoption of new technologies. The Audit Committee placed emphasis on the review of the appropriateness of the debt restructuring and credit approval process.
- The Audit Committee placed emphasis on transparency of KASIKORNBANK FINANCIAL CONGLOMERATE's business operations. The Audit Committee acknowledged and reviewed complaints or whistle-blowing to ensure appropriate case management and fairness to all parties.
- The appointment of external auditors for the year 2022 was considered. The Audit Committee thereafter proposed reappointment of KPMG Phoomchai Audit Ltd. as the Bank's external auditor, based on its qualification and independence in accordance with the requirements of Bank of Thailand, Securities and Exchange Commission and international practices, as well as its audit quality in the past year. The Audit Committee also considered the proposed audit fees prior to recommending the external auditor appointment and reasonable audit fees to the Board of Directors for submission to the Annual General Meeting of Shareholders for approval. In addition, the Audit Committee prudently considered the independence of external auditor in providing non-audit services and monitored the changes in the accounting standards and practices including incidents related to independent auditors and firms in Thailand and abroad, which may have impact on auditor's ability to fulfill its duties and independence.
- The Audit Committee placed importance on transparency of the Bank's approval procedures for transactions which might have conflicts of interest. In 2021, the Audit Committee considered a connected transaction to ensure the compliance with regulatory requirements and good corporate governance, reasonableness, and the highest benefit to the Bank.
- The Audit Committee performed the annual review of Audit Committee Charter and self-assessment of its performance and reported the results to the Board of Directors.
- The Audit Committee oversees the independence of Internal Audit function and Credit Review function, as well as their efficiency and effectiveness and appropriateness of line of command and resource adequacy to fulfill these activities.

According to duties and responsibilities specified in the Audit Committee Charter, the Audit Committee has performed them with due care, independence and transparency, provided comments and recommendations on risk management and internal control for the benefit of KASIKORNBANK FINANCIAL CONGLOMERATE.

The Audit Committee is confident that the consolidated and the bank-only financial statements are fairly presented in all material aspects, prepared in accordance with financial reporting standards and regulatory requirements and appropriately disclosed and that KASIKORNBANK FINANCIAL CONGLOMERATE has operated under appropriate risk management, internal controls and governance and in compliance with relevant laws and regulatory requirements.

(Mr. Kalin Sarasin)

Chairman, Audit Committee



Report of the Corporate Governance Committee

The Corporate Governance Committee of KASIKORNBANK PUBLIC COMPANY LIMITED comprises five directors: Sqn.Ldr. Nalinee Paiboon, M.D. as Chairperson, and Mr. Wiboon Khusakul, Mr. Sara Lamsam, Mr. Chanin Donavanik and Ms. Chonchanum Soonthornsarathoon as members.

In 2021, the Corporate Governance Committee held four meetings in order to discharge the duties and responsibilities mandated by the Corporate Governance Committee Charter. All meeting results were reported to the Board of Directors for acknowledgement, which in summary include:

- Endorsing the Bank's commitment to achieve net zero emissions from operations by 2030 (Scope 1 and 2) and to achieve net zero emissions from financing portfolio in line with the country's roadmap.
- Approving the Bank's Corporate Sustainability Target for 2021 - 2025 and action plans for sustainable development and corporate social responsibilities for 2021.
- Endorsing the materiality prioritization in accordance with the Bank's business operations and the Sustainable Development Goals, and approving the guidelines of the Sustainability Report.
- Endorsing KASIKORNASSET MANAGEMENT COMPANY LIMITED's signatory to the UN Principles for Responsible Investment (UN PRI) within an appropriate time frame, in alignment with the Bank's signatory to the UN Principles for Responsible Banking (UN PRB).
- Providing recommendations on consideration of projects related to the environment and society to reaffirm the Bank's proper environmental and social risk management; and monitoring the implementation progress of the projects on a regular basis.
- Approving an action plan for corporate governance operations and activities to promote good corporate governance practices, such as enhancement of knowledge and understanding of the discharge of directors' duties and compliance with the Statement of Corporate Governance Principles, the Code of Conduct, and the Anti-Corruption Policy via electronic channels or means, and communication with companies within KASIKORNBANK FINANCIAL CONGLOMERATE to ensure shared practices.
- Reviewing charters, principles and policies concerning corporate governance and sustainable development, and endorsing the revision of the Board of Directors Charter, the Audit Committee Charter, the Human Resources and Remuneration Committee Charter, the Management Committee Charter, the Statement of Corporate Governance Principles, the Human Rights Policy, and KBank Tax Policy so that they are up-to-date and consistent with the Bank's business operations, regulatory requirements, corporate governance principles and international standards such as the Corporate Governance Report of Thai Listed Companies, the ASEAN CG Scorecard and the Dow Jones Sustainability Indices.
- Endorsing the revised Anti-Corruption Policy in compliance with the assessment and certification criteria for anti-corruption measures of the Thai Private Sector Collective Action Against Corruption.
- Approving the Performance Assessment Form of the Board of Directors, Independent Directors Committee and Board Committees, which had been revised by an external consultant specialized in corporate governance, to be used as tools for their performance assessment and to enhance their performance in line with the Corporate Governance Code for Listed Companies of the Office of the Securities and Exchange Commission.
- Reviewing the Bank's preparations for the General Meeting of Shareholders in compliance with the laws, regulatory requirements, and best practices, including the granting of rights to shareholders to propose an issue for inclusion in the AGM agenda and a candidate for election to directorship, as well as the right to submit questions before the AGM.
- Approving guidelines of the Corporate Governance Report in the Annual Registration Statement and Annual Report (Form 56-1 One Report).

The Corporate Governance Committee has discharged the duties and responsibilities mandated by the Corporate Governance Committee Charter, with prudent and careful consideration, aiming for maximum benefit to the Bank, shareholders and all stakeholders.

(Sqn.Ldr. Nalinee Paiboon, M.D.)

Chairperson, Corporate Governance Committee



Report of the Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee of KASIKORNBANK PUBLIC COMPANY LIMITED comprises five directors: Ms. Suphajee Suthumpun as Chairperson, Mr. Kalin Sarasin, Mr. Wiboon Khusakul, Ms. Chonchanum Soonthornsarathoon and Mr. Suroj Lamsam as members.

In 2021, the Human Resources and Remuneration Committee held 11 meetings on various matters in accordance with the duties and responsibilities mandated by the Human Resources and Remuneration Committee Charter. All meeting results were reported to the Board of Directors for acknowledgment. In summary:

- Endorsing the revision of the Bank's human resource management strategic plan for 2021 - 2023 to achieve the established targets and to deliver value proposition to our employees, along with monitoring the progress of personnel-related strategy.
- Endorsing the revision of the Human Resources and Remuneration Committee Charter in compliance with ESG assessment criteria.
- Endorsing the revision of director nomination policy and procedure, to ensure greater appropriateness, up-to-date, compliance with regulatory requirements and best practices, and consistence with the Bank's business directions and strategies, as well as sustainable development.
- Reviewing the criteria of granting the rights to shareholders to nominate candidates for election as directors and the questionnaire on qualifications of the nominated persons.
- Considering the qualifications and performance of directors retiring by rotation to be re-elected as the Bank's directors for another term and nominating qualified candidates to fill up the positions of directors retiring by rotation under the nomination procedure as well as giving shareholders the opportunity to propose candidates for consideration and election as directors, taking into consideration, composition, size, and diversity of the Board, as well as compliance with the Bank's business strategies, for submission to the Board of Directors for consideration and further submission to the General Meeting of Shareholders for election.
- Nominating qualified candidates for appointment as Board Committee members and reviewing their suitability.
- Reviewing the remuneration rate for directors to ensure that it is appropriate and commensurate with the scope of their duties and responsibilities, and related risks, as well as comparable commercial banks.
- Endorsing the organizational restructuring in support of the Bank's strategies.
- Endorsing the guidelines for performance assessment of the Chief Executive Officer, Presidents and senior executives to be consistent with the Bank's business strategies and international standards.
- Considering performance assessment of the Chief Executive Officer, Presidents and senior executives compared to given targets and plans, and considering remuneration of the Chief Executive Officer, Presidents and senior executives, for further submission for consideration by the Board of Directors.
- Considering proposals related to employment, appointment and changes in assignment of senior executives, in tandem with the Bank's business directions and succession plans, and considering the structures of senior executives and directors of companies within KASIKORNBANK FINANCIAL CONGLOMERATE in accordance with the BOT regulations, governing the supervision of corporate governance of Financial Business Groups.
- Endorsing the executive and staff remuneration increase and bonus payment, in connection with the Bank's operating results and individual performance, and against comparable commercial banks, current inflation and trends, while also considering guidelines for granting benefits to employees in special cases.

The Human Resources and Remuneration Committee has prudently and carefully performed its duties and responsibilities, with caution and transparency, as specified in the Human Resources and Remuneration Committee Charter, aiming primarily for the maximum benefit to the Bank and its shareholders.

(Ms. Suphajee Suthumpun)

Chairperson, Human Resources and Remuneration Committee



Report of the Risk Oversight Committee

The Risk Oversight Committee of KASIKORNBANK PUBLIC COMPANY LIMITED comprises eight directors of KBank and one executive as members, of which Dr. Piyasvasti Amranand as Chairman.

In 2021, the Risk Oversight Committee held 4 meetings in accordance with the duties and responsibilities mandated by the Risk Oversight Committee Charter. The Charter stipulates that Committee hold at least one meeting a quarter. All meeting results were reported to the Board of Directors for acknowledgment. Important details are summarized, as follows:

- Conducting an annual review of KASIKORNBANK FINANCIAL CONGLOMERATE risk management policies and risk appetite to align with KBank's strategic and business plans for enhancing business capability through value-added risk efficiency and risk stability activities.
- Endorsing the annual review of key risk limits, e.g., industry concentration limit, country limit, large group and large exposure limit and trading risk framework.
- Endorsing the annual review of Compliance Risk Management Policy and approving annual compliance program, Compliance Department Charter and annual compliance report as required by regulatory authorities.
- Supervising and monitoring the operation of Compliance Department in accordance with the compliance program and being acknowledge of non-compliance issues and following up on corrective actions to resolve such issues in order to ensure compliance with regulatory requirements.
- Monitoring risk profile on various dimensions and ensuring that an analysis on the impacts of changes in economic, social and political factors as well as changes in regulatory requirements, technologies and cybersecurity threats on KASIKORNBANK FINANCIAL CONGLOMERATE is in place, and providing guidance regarding approaches and implementation of stress testing program as well as reviewing and formulating risk management strategy in anticipation of changing environment.
- Providing recommendation on formulation of IT and cybersecurity risk strategy to ensure alignment with business direction of digital financial services, with a focus on customer information security, stability of KBank system and changing behaviors of customers.
- Ensuring efficient risk management of KASIKORNBANK FINANCIAL CONGLOMERATE with concrete risk management assessment for K Companies to help prioritize key risks and formulate consistent risk strategies. Emphasis has been placed on collaboration between KBank and K Companies in establishing risk management framework to be consistent with KBank standards. The Risk Oversight Committee has also emphasized the transparency of transactions within KASIKORNBANK FINANCIAL CONGLOMERATE to avoid conflicts of interest, and regularly given guidance on K Companies' risk management.

In the discharge of duties and responsibilities specified in the Risk Oversight Committee Charter, the Risk Oversight Committee has acted with care and prudence, aiming primarily for maximum benefit to KASIKORNBANK FINANCIAL CONGLOMERATE.

(Dr. Piyasvasti Amranand)
Chairman, Risk Oversight Committee



Attachment 7 Report of the Board of Directors' Responsibilities for Financial Reports

The Board of Directors of KASIKORNBANK PUBLIC COMPANY LIMITED has reviewed the appropriateness and effectiveness of Governance, risk management, internal control, internal audit, and supervision, to be reasonably assured that the financial records are accurate, complete, and adequate to protect the Bank's assets and to prevent any significant operational risk. The Board of Directors has appointed an Audit Committee entirely comprised of independent directors responsible for the quality of the Bank's financial reporting and internal control systems, as well as complete and appropriate disclosure of connected transactions and other processes.

The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee in this Annual Registration Statement and Annual Report (Form 56-1 One Report). The Board of Directors places importance on fulfilling its duties and responsibilities in supervising the business undertakings of the Bank in compliance with the Statement of Corporate Governance Principles. The Board is held accountable for the consolidated and Bank-only financial statements, including the financial data disclosed in the Form 56-1 One Report. The financial statements for the year ending December 31, 2021 and the notes to the financial statements have been prepared in accordance with Thai Financial Reporting Standards. Proper accounting policies have been employed and consistently adhered to in the preparation of these financial statements, including careful consideration together with prudent and reasonable estimations. These are transparent and reasonable presentations that reflect a true and fair financial position and performance that is useful to shareholders, investors and analysts. Moreover, the financial statements have been audited by an independent certified public accountant whose unqualified opinions are stated therein.

The Board is of the view that the Bank has maintained an effective internal control system at an adequate and appropriate level of protection to assure the credibility of the consolidated and Bank-only financial statements presenting the financial positions as of December 31, 2021, as well as the financial performance for the year ending December 31, 2021, in accordance with Thai Financial Reporting Standards and relevant laws and regulations.

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Krit Jitjang)
President



Attachment 8 Independent Auditor's Report

To the Shareholders of KASIKORNBANK PUBLIC COMPANY LIMITED

Audit Report

Opinion

I have audited the consolidated and the Bank-only financial statements of KASIKORNBANK PUBLIC COMPANY LIMITED and its subsidiaries ("the Bank and its subsidiaries"), and of KASIKORNBANK PUBLIC COMPANY LIMITED ("the Bank"), respectively, which comprise the consolidated and the Bank-only statements of financial position as at 31 December 2021, the consolidated and the Bank-only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank-only financial statements present fairly, in all material respects, the financial position of the Bank and its subsidiaries and of the Bank, respectively, as at 31 December 2021 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and the Bank-only Financial Statements* section of my report. I am independent of the Bank and its subsidiaries and of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and the Bank-only financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and the Bank-only financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and the Bank-only financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for expected credit loss on loans to customers

For disclosures related to credit risk, loans to customers and allowance for expected credit loss, refer to notes to consolidated and the Bank-only financial statements 3.3.(2), 4, 13 and 15.



The Key Audit Matter

As at 31 December 2021, loans to customers represented 59.02% and 68.15% of consolidated and the Bank-only total assets respectively, against which an allowance for expected credit losses of Baht 144,772 million and Baht 139,252 million respectively was provided.

The TFRS 9 required the Bank and its subsidiaries, to recognize the expected credit loss of loans to customers using an expected credit loss ("ECL") approach. Management's estimation of ECL on loans to customers measured at amortised cost is based on complex credit models which are dependent on significant management judgements and estimates including the criteria for identifying significant increase in credit risk (SICR), the assessment of probabilities of default (PD), loss given default (LGD) and exposure at default (EAD), the use of macroeconomic factors and qualitative adjustments including the management overlay. In particular, the ongoing economic situation and relief program provided adds further complexity to management's estimation process. Accordingly, it is considered a Key Audit Matter.

How the matter was addressed in my audit

In planning my audit procedures I performed a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors or customer segments, or which could influence the judgments and estimates.

My audit procedures included testing the design and operating effectiveness of selected controls responding to key elements of risk in the credit and impairment process. In particular, I assessed the key controls over the assessment of PD, LGD and EAD assumptions and the development of SICR, macroeconomic factor and qualitative adjustment.

I performed credit review procedures for a sample of loans, including a detailed review of the individual credit profile and other relevant information, from which I formed my own independent assessment. My sample included individually large exposures, loans subject to restructuring and reschedule as well as a selection of loans identified in my risk assessment.

For staging and identification of credit exposures with SICR, I assessed and tested the reasonableness of the transfer criteria applied by the Bank and its subsidiaries for different types of credit exposures. I evaluated if the transfer criteria are consistent with the Bank and its subsidiaries' credit risk management practices.

For the measurement of ECL, I assessed and tested reasonableness of the Bank and its subsidiaries' ECL models, including model input, model design and model performance for significant portfolios. I assessed the reasonableness of macroeconomic factors used and probability-weighted multiple scenarios.

I assessed methodology and data used by the management in the identification and estimation of qualitative adjustments.

I involved our financial risk management specialists in the performance of these procedures where their specific expertise was required including assessment of assumptions and method to derive model parameters.

I involved with IT specialist to test completeness and accuracy of underlying data.

I assessed whether the financial statement disclosures are adequate and appropriately reflect the Bank and its subsidiaries' exposures to credit risk in accordance with Thai Financial Reporting Standards and the regulations of Bank of Thailand.

Valuation of financial instruments in the statements of financial position

For disclosures related to financial instruments and fair values, refer to notes to consolidated and the Bank-only financial statements 3.15, 4 and 28.



The Key Audit Matter

As at 31 December 2021, financial instruments recorded at fair value in the consolidated financial statements amounted to Baht 520,709 million for assets and Baht 121,583 million for liabilities. In the Bank-only financial statements, these two accounts amounted to Baht 389,882 million and Baht 118,614 million respectively.

Of these amounts, as at 31 December 2021, financial assets and liabilities designated at level 2 and 3 fair value in the consolidated financial statements amounted to Baht 414,563 million and Baht 121,339 million respectively, and in the Bank-only financial statements, they amounted to Baht 367,138 million and Baht 118,614 million respectively, for which the fair value is based upon inputs other than quoted prices in active markets or valuation techniques incorporating those inputs. Therefore, judgment is applied in the estimation of fair values. This can lead to a higher risk that the amounts of financial instruments shown in the statement of financial position may be mispriced. Accordingly, it is considered a Key Audit Matter.

How the matter was addressed in my audit

In planning my audit procedures, I performed a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied.

For financial instruments I checked for a selection that pricing inputs, for example interest rate, foreign exchange rate, and equity price, used were externally sourced and were correctly input into pricing models. I used my own valuation specialists to assess that the models were appropriate, and they valued a selection of the Bank and its subsidiaries' equity securities, debt securities, and derivative positions independently and compared their valuation to the Bank and its subsidiaries' valuation.

I assessed whether the financial statement disclosures are adequate in accordance with Thai Financial Reporting Standards and the regulations of Bank of Thailand.

Valuation of life insurance policy reserves

For disclosures related to life insurance policy reserves, refer to notes to consolidated financial statements 3.14, 4 and 25.

The Key Audit Matter

As at 31 December 2021, insurance contract liabilities recorded in respect of a subsidiary in the consolidated financial statements amounted to Baht 498,790 million, mainly the long-term technical reserves (approximately 98.78% of insurance contract liabilities). The valuation of these reserves is based on actuarial methodologies and assumptions that involve significant complex judgments about future events which could materially affect the amount of the recorded liability and expense. Accordingly it is considered a Key Audit Matter.

How the matter was addressed in my audit

In planning my audit procedures, I performed a risk assessment by considering factors which could affect the major valuation assumptions and controls framework. These major assumptions include economic assumptions such as investment returns and discount rates and non-economic assumptions such as mortality and persistency.

My audit procedures, with the assistance of my actuarial specialists, include assessments of the methodology and assumptions used in calculating the reserves and testing the significant inputs included evaluating the design, implementation and operating effectiveness of selected controls over the actuarial assumptions, data and the valuation process.



I considered, in particular, the validity of management's liability adequacy testing, including assessing the reasonableness of the discount rate adopted, projected cash flows, and of the assumptions adopted in the context of the subsidiary's experience, specific product features and industry practice. The discount rates adopted by management are consistent with market practice.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and the Bank-only financial statements and my auditor's report thereon.

My opinion on the consolidated and the Bank-only financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and the Bank-only financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and the Bank-only financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Bank-only Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and the Bank-only financial statements in accordance with TFRSs and the regulations of Bank of Thailand, and for such internal control as management determines is necessary to enable the preparation of consolidated and the Bank-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the Bank-only financial statements, management is responsible for assessing the Bank and its subsidiaries' and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and its subsidiaries and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and its subsidiaries' and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and the Bank-only Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and the Bank-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the Bank-only financial statements.



As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and the Bank-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and its subsidiaries' and of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and its subsidiaries' and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and the Bank-only financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank and its subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank-only financial statements, including the disclosures, and whether the consolidated and the Bank-only 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 its subsidiaries to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and the Bank-only financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



KPMG Phoomchai Audit Ltd.

Bangkok

24 February 2022

(Sureerat Thongarunsang)

Certified Public Accountant

Registration No. 4409



Attachment 9 Financial Statements and Notes to the Financial Statements

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
ASSETS					
Cash		59,971,933	61,962,028	59,920,148	61,920,050
Interbank and money market items - net	8	420,493,772	417,419,545	416,758,217	421,151,618
Financial assets measured at fair value through profit or loss	9	63,499,563	46,666,317	35,758,359	24,741,742
Derivative assets	10	38,057,114	59,986,346	36,385,317	55,591,660
Investments - net	11	1,030,533,667	775,738,968	482,158,069	268,329,632
Investments in subsidiaries, associates and joint venture - net	12	3,838,740	2,051,175	41,937,622	36,062,557
Loans to customers and accrued interest receivables - net	13	2,293,639,598	2,121,700,105	2,219,172,926	2,066,637,672
Properties foreclosed - net	16	42,313,680	28,034,547	42,291,283	28,011,870
Premises and equipment - net	17	54,870,969	57,629,924	43,696,083	46,191,969
Goodwill and other intangible assets - net	18	24,936,336	23,834,166	18,084,928	17,429,868
Deferred tax assets	19	11,130,020	10,255,761	8,795,553	7,081,985
Collateral per credit support annex		14,589,143	9,956,135	14,890,143	10,800,135
Other assets - net		45,523,985	43,562,742	17,655,312	17,456,373
Total Assets		4,103,398,520	3,658,797,759	3,437,503,960	3,061,407,131



Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

		Consolidated		The Bank	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
Note					
LIABILITIES AND EQUITY					
Deposits	20	2,598,629,803	2,344,998,490	2,590,806,959	2,340,470,350
Interbank and money market items	21	186,449,469	87,797,449	200,949,040	109,510,714
Liabilities payable on demand		25,349,542	26,443,268	25,349,542	26,443,268
Financial liabilities measured at fair value through profit or loss	22	1,613,857	286,816	-	-
Derivative liabilities	10	37,927,060	46,826,209	36,361,614	47,144,356
Debts issued and borrowings	23	103,885,868	69,389,789	90,397,985	68,771,154
Provisions	24	43,053,019	40,382,546	40,695,840	38,031,210
Deferred tax liabilities	19	1,576,205	1,694,649	-	-
Insurance contract liabilities	25	498,789,728	472,015,127	-	-
Customer balance from security business		20,712,299	18,697,903	-	-
Other liabilities		48,736,650	58,979,464	33,940,185	39,859,877
Total Liabilities		3,566,723,500	3,167,511,710	3,018,501,165	2,670,230,929
Equity					
Share capital					
Authorized share capital					
3,024,682,097 common shares, Baht 10 par value		30,246,821	30,246,821	30,246,821	30,246,821
Issued and paid-up share capital					
2,369,327,593 common shares, Baht 10 par value		23,693,276	23,693,276	23,693,276	23,693,276
Premium on common shares		18,103,110	18,103,110	18,103,110	18,103,110
Other equity instruments	30	15,549,174	15,549,174	15,549,174	15,549,174
Other reserves		23,554,842	20,219,325	18,877,268	17,350,747
Retained earnings					
Appropriated					
Legal reserve	31	3,050,000	3,050,000	3,050,000	3,050,000
Unappropriated		392,763,308	359,054,745	339,729,967	313,429,895
Total Equity attributable to equity holders of the Bank		476,713,710	439,669,630	419,002,795	391,176,202
Non-controlling interests		59,961,310	51,616,419	-	-
Total Equity		536,675,020	491,286,049	419,002,795	391,176,202
Total Liabilities and Equity		4,103,398,520	3,658,797,759	3,437,503,960	3,061,407,131

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Krit Jitjang)
President



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
Interest income	39	135,414,597	127,591,781	110,368,852	104,426,672
Interest expenses	40	16,024,111	18,569,976	15,283,649	18,152,230
Interest income - net		119,390,486	109,021,805	95,085,203	86,274,442
Fees and service income		48,627,900	45,698,898	42,439,762	41,712,345
Fees and service expenses		13,311,515	12,694,548	12,200,743	12,073,161
Fees and service income - net	41	35,316,385	33,004,350	30,239,019	29,639,184
Gain on financial instrument measured at fair value through profit or loss	42	5,539,225	8,119,419	2,892,793	7,072,278
Gain on investments	43	817,188	1,308,312	775,773	1,178,699
Share of (loss) from investments using equity method		(694,344)	(193,346)	-	-
Dividend income		3,309,622	2,384,312	6,105,074	5,277,453
Net premiums earned		69,359,913	72,128,657	-	-
Other operating income		1,289,344	1,682,381	2,838,069	3,108,401
Total operating income		234,327,819	227,455,890	137,935,931	132,550,457
Underwriting expenses		70,978,874	72,564,619	-	-
Total operating income - net		163,348,945	154,891,271	137,935,931	132,550,457
Other operating expenses					
Employee expenses		34,480,637	32,143,480	24,331,484	22,923,404
Directors' remuneration		146,356	160,006	91,358	108,079
Premises and equipment expenses		11,345,266	12,165,157	11,992,177	12,453,092
Taxes and duties		5,443,210	5,088,132	4,783,372	4,410,450
Others		19,628,397	20,439,836	18,557,982	20,547,291
Total other operating expenses		71,043,866	69,996,611	59,756,373	60,442,316
Expected credit loss	44	40,332,238	43,547,841	38,534,778	42,430,991
Operating profit before income tax expense		51,972,841	41,346,819	39,644,780	29,677,150
Income tax expense	45	9,728,519	7,656,326	6,751,392	4,712,226
Net profit		42,244,322	33,690,493	32,893,388	24,964,924



Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
(Loss) Gain on investments in debt instruments measured at fair value					
through other comprehensive income		(2,802,074)	641,282	(2,605,884)	630,562
Gain (Loss) on cash flow hedges		364,049	(4,657,662)	960,762	(1,031,459)
Gain (Loss) arising from translating the financial statements of a					
foreign operation		1,736,224	(477,546)	1,723,546	(545,479)
Income taxes relating to components of other comprehensive income		218,552	872,158	22,849	189,275
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		9,848	1,016,412	-	-
Gain (Loss) on investments in equity instruments designated at fair					
value through other comprehensive income		9,788,583	(4,585,536)	2,100,395	(424,624)
Actuarial gain (loss) on defined benefit plans	24	1,336,236	(192,875)	1,136,504	(201,384)
Income taxes relating to components of other comprehensive income		(2,302,534)	778,770	(647,380)	125,201
Total other comprehensive income - net		8,348,884	(6,604,997)	2,690,792	(1,257,908)
Total comprehensive income		50,593,206	27,085,496	35,584,180	23,707,016
Net profit attributable to :					
Equity holders of the Bank		38,052,722	29,487,117	32,893,388	24,964,924
Non-controlling interests		4,191,600	4,203,376	-	-
Total comprehensive income attributable to :					
Equity holders of the Bank		42,688,718	26,382,910	35,584,180	23,707,016
Non-controlling interests		7,904,488	702,586	-	-
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)		15.77	12.42	13.59	10.52
Weighted average number of common shares (Thousand shares)		2,369,328	2,373,316	2,369,328	2,373,316

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Krit Jitjang)
President



Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

		Consolidated													Total						
		Equity Holders of the Bank																			
		Other Reserves					Retained Earnings					Treasury Shares	Equity Attributable to Equity Holders of the Bank	Non-controlling Interests		Total					
		Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Available-for-sale Investments	Revaluation Surplus on Debt Instruments Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus on Investments in Instruments Designated at Fair Value through Other Comprehensive Income	Cash Flow Hedge Reserve	Foreign Currency Translation	Total Other Reserves	Appropriated Legal Reserve	Treasury Shares Reserve	Unappropriated Reserve										
Issued and Paid-up Share Capital	Other Equity Instruments (Note 30)	Premium on Share Capital	23,932,602	18,103,110	-	16,718,206	5,904,049	-	-	-	(385,531)	22,236,724	3,050,000	-	339,035,179	-	406,357,615	47,357,104	453,714,719		
			-	-	-	(5,904,049)	2,757,730	3,096,939	1,209,328	-	1,159,948	-	3,651,775	-	-	4,811,723	3,996,708	8,808,431			
			23,932,602	18,103,110	-	16,718,206	-	2,757,730	3,096,939	1,209,328	(385,531)	23,396,672	3,050,000	-	-	342,686,954	-	411,669,338	51,353,812	462,523,150	
32			-	-	-	-	-	-	-	-	-	-	-	-	(10,661,974)	-	(10,661,974)	(463,249)	(11,125,223)		
			-	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	-	(3,207,966)	(3,207,966)	(3,207,966)		
			-	-	-	-	-	-	-	-	-	-	-	-	3,207,966	-	3,207,966	-	-	-	-
			(239,326)	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	239,326	3,207,966	-	-	-	-
30			-	-	-	15,549,174	-	-	-	-	-	-	-	-	-	-	15,549,174	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	29,487,117	-	29,487,117	4,203,376	33,690,493	
			-	-	-	412,981	-	467,320	(1,666,489)	(1,793,653)	(366,109)	(2,945,950)	-	-	(158,257)	-	(158,257)	(3,104,207)	(3,500,790)	(6,604,997)	
			-	-	-	412,981	-	467,320	(1,666,489)	(1,793,653)	(366,109)	(2,945,950)	-	-	-	29,328,860	-	26,382,910	702,586	27,085,496	
			-	-	-	(231,397)	-	-	-	-	-	(231,397)	-	-	-	231,397	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	438,148	-	438,148	23,270	461,418	
			23,693,276	18,103,110	15,549,174	16,899,790	-	3,225,050	1,430,450	(584,325)	(751,640)	20,219,325	3,050,000	-	-	359,054,745	-	439,669,630	51,616,419	491,286,049	
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			23,693,276	18,103,110	15,549,174	16,899,790	-	3,225,050	1,430,450	(584,325)	(751,640)	20,219,325	3,050,000	-	-	359,054,745	-	439,669,630	51,616,419	491,286,049	
32			-	-	-	-	-	-	-	-	-	-	-	-	-	(7,107,983)	-	(7,107,983)	(466,749)	(7,574,732)	
30			-	-	-	-	-	-	-	-	-	-	-	-	-	(686,210)	-	(686,210)	-	(686,210)	
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	(2,109,505)	3,694,502	597,201	1,425,063	3,615,140	-	-	-	38,052,722	-	38,052,722	4,191,600	42,244,322	
			-	-	-	7,879	-	-	-	-	-	-	-	-	-	1,020,856	-	4,635,996	3,712,888	8,348,884	
			-	-	-	7,879	-	(2,109,505)	3,694,502	597,201	1,425,063	3,615,140	-	-	-	38,073,578	-	42,688,718	7,904,488	50,593,206	
			-	-	-	(279,623)	-	-	-	-	-	(279,623)	-	-	-	279,623	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	2149,555	-	2149,555	907,152	3,066,707	
			23,693,276	18,103,110	15,549,174	16,628,046	-	1,115,545	5,124,952	12,876	673,423	23,554,842	3,050,000	-	-	392,663,308	-	476,713,710	59,961,310	536,675,020	

The accompanying notes are an integral part of these financial statements.



Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

The Bank															Thousand Bath	
Equity Holders of the Bank																
Other Reserves																
Retained Earnings																
Treasury Shares Reserve																
Unappropriated																
Total																
Issued and Paid-up Share Capital	Premium on Share Capital	Other Equity Instruments (Note 30)	Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Available-for-sale Investments	Revaluation Surplus on Debt Instruments Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus on Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income	Surplus on Investments in Equity Instruments	Surplus on Investments in Equity Instruments	Cash Flow Hedge Reserve	Foreign Currency Translation	Total Other Reserves	Appropriated Legal Reserve	Treasury Shares Reserve	Unappropriated	Treasury Shares	Total
23,932,602	18,103,110	-	15,790,274	2,861,341	-	-	-	-	-	5,650	18,657,265	3,050,000	-	299,216,934	-	382,959,911
-	-	-	-	(2,861,341)	2,555,110	306,231	-	-	-	-	-	-	-	2,416,181	-	2,416,181
23,932,602	18,103,110	-	15,790,274	-	2,555,110	306,231	-	-	-	5,650	18,657,265	3,050,000	-	301,633,115	-	385,376,092
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,661,974)	-	(10,661,974)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,207,966	-	-
(239,326)	-	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	239,326	3,207,966	-
-	-	15,549,174	-	-	-	-	-	-	-	-	-	-	-	-	-	15,549,174
-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,964,924	-	24,964,924
-	-	-	-	-	504,449	(339,699)	(825,167)	(436,383)	(1,096,800)	-	-	-	-	(161,108)	-	(1,257,908)
-	-	-	-	-	504,449	(339,699)	(825,167)	(436,383)	(1,096,800)	-	-	-	-	24,803,816	-	23,707,016
-	-	-	(209,718)	-	-	-	-	-	-	-	(209,718)	-	-	209,718	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	413,860	-	413,860
23,693,276	18,103,110	15,549,174	15,580,556	-	3,059,559	(33,488)	(825,167)	(430,733)	17,350,747	3,050,000	-	-	-	313,429,895	-	391,176,202
Year ended 31 December 2021																
23,693,276	18,103,110	15,549,174	15,580,556	-	3,059,559	(33,488)	(825,167)	(430,733)	17,350,747	3,050,000	-	-	-	313,429,895	-	391,176,202
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,107,983)	-	(7,107,983)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	(686,210)	-	(686,210)
-	-	-	-	-	-	-	-	-	-	-	-	-	-	32,893,388	-	32,893,388
-	-	-	-	-	(2,084,707)	1,680,316	768,609	1,417,371	1,781,589	-	-	-	-	909,203	-	2,690,792
-	-	-	-	-	(2,084,707)	1,680,316	768,609	1,417,371	1,781,589	-	-	-	-	33,802,591	-	35,584,180
-	-	-	(255,068)	-	-	-	-	-	(255,068)	-	-	-	-	255,068	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,606	-	36,606
23,693,276	18,103,110	15,549,174	15,325,488	-	974,852	1,646,848	(56,558)	986,638	18,877,268	3,050,000	-	-	-	339,729,967	-	419,002,795
Balance at 31 December 2021																

Kattiya Indaravijaya

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

Krit Jitjiang

(Mr. Krit Jitjiang)
President

The accompanying notes are an integral part of these financial statements.



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit before income tax expense		51,972,841	41,346,819	39,644,780	29,677,150
<i>Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities</i>					
Depreciation and amortisation		7,328,530	8,736,206	6,305,805	7,639,214
Expected credit loss		44,529,711	47,999,498	42,527,323	46,771,362
Interest income from amortisation of revaluation allowance for debt restructuring		(449,282)	(961,830)	(449,282)	(960,582)
Loss on revaluation of financial assets measured at fair value through profit or loss		3,397,555	5,343,390	4,220,078	4,796,589
Reversal of loss on impairment of investments		-	-	-	(80,000)
Gain on disposal of investments		(817,026)	(1,308,312)	(775,773)	(1,098,699)
Loss on impairment of properties foreclosed		1,222,028	1,125,161	1,215,149	1,141,314
(Reversal of loss) Loss on impairment of premises and equipment		(57,449)	215,823	(57,449)	215,823
Loss on impairment of other assets		272,938	432,750	272,938	432,750
Provision for other assets		(230,548)	417,621	(230,548)	417,618
Gain on disposal of premises and equipment		(17,772)	(19,148)	(12,772)	(9,109)
Loss on write off of premises and equipment		27,393	24,468	23,910	7,891
Loss on write off of other assets		3,696	72	3,696	72
Reversal of loss on revaluation of premises		-	(4,245)	-	-
Share of loss from investments using equity method		694,344	193,346	-	-
		107,876,959	103,541,619	92,687,855	88,951,393
Interest income - net		(119,390,486)	(109,021,805)	(95,085,203)	(86,274,442)
Dividend income		(3,309,622)	(2,384,312)	(6,105,074)	(5,277,453)
Proceeds from interest		125,866,147	116,043,076	102,071,797	93,240,128
Interest paid		(15,037,976)	(21,297,620)	(14,651,804)	(21,059,273)
Proceeds from dividends		3,413,688	2,425,317	6,105,730	5,225,071
Income tax paid		(12,735,812)	(10,536,978)	(9,056,943)	(6,657,205)
Operating profit before changes in operating assets and liabilities		86,682,898	78,769,297	75,966,358	68,148,219
(Increase) Decrease in operating assets					
Interbank and money market items (assets)		8,795,204	(31,462,964)	12,404,901	(39,584,854)
Financial assets measured at fair value through profit or loss		(20,078,583)	13,716,889	(15,232,792)	9,740,327
Loans to customers		(218,361,822)	(282,430,231)	(201,883,011)	(278,725,246)
Properties foreclosed		6,294,211	3,984,785	5,535,008	3,281,022
Other assets		15,582,403	(34,376,733)	12,834,046	(25,851,137)



Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

Thousand Baht

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2021	2020	2021	2020
Increase (Decrease) in operating liabilities					
Deposits		251,175,049	272,254,625	250,117,751	274,708,647
Interbank and money market items (liabilities)		92,055,927	4,807,529	90,715,012	19,309,610
Liabilities payable on demand		(1,093,944)	4,764,525	(1,093,944)	4,764,525
Financial liabilities measured at fair value through profit or loss		1,327,041	286,816	-	-
Short-term debts issued and borrowings		13,334,872	460,776	13,831,602	-
Other accrued expenses		3,436,386	(2,099,214)	2,899,901	(2,010,689)
Provisions		(610,367)	9,526,923	(816,425)	9,269,611
Other liabilities		3,207,523	47,533,280	(18,439,792)	14,191,308
Net cash provided by operating activities		241,746,798	85,736,303	226,838,615	57,241,343
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investments measured at fair value through other comprehensive income		276,129,282	360,951,901	174,990,815	253,619,245
Proceeds from redemption of investments measured at amortised cost		36,638,346	25,567,639	17,460,947	10,482,722
Proceeds from capital decrease in subsidiary		-	-	-	80,000
Proceeds from disposal of investments in associate		78	240	-	-
Purchase of investments measured at fair value through other comprehensive income		(371,528,740)	(367,437,899)	(270,241,968)	(252,796,370)
Purchase of investments measured at amortised cost		(184,492,499)	(79,251,074)	(137,368,964)	(40,120,084)
Purchase of investments in subsidiaries		-	-	(3,702,235)	(4,863,698)
Purchase of investments in associates and joint venture		(2,578,291)	(250,814)	(291,455)	(814)
Proceeds from disposal of premises and equipment		34,618	64,155	11,038	26,002
Purchase of premises and equipment		(920,674)	(6,403,502)	(654,595)	(5,744,980)
Purchase of leasehold		(3,314)	(16,115)	(2,260)	(12,863)
Purchase of intangible assets		(4,503,185)	(3,814,503)	(3,795,459)	(3,318,384)
Net cash used in investing activities		(251,224,379)	(70,589,972)	(223,594,136)	(42,649,224)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from long-term debts issued and borrowings		31,929,703	190,124	18,563,725	190,124
Repayment of long-term debts issued and borrowings		(14,499,950)	(14,596,172)	(14,499,950)	(14,596,172)
Dividend paid to shareholders	32	(7,107,983)	(10,661,974)	(7,107,983)	(10,661,974)
Dividend paid to non-controlling interests		(466,749)	(463,249)	-	-
Proceeds from issuance of other equity instruments	30	-	15,579,650	-	15,579,650
Cash payment for expenses related to issuance of other equity instruments	30	-	(38,095)	-	(38,095)
Cash payment for distribution of other equity instruments	30	(857,762)	-	(857,762)	-
Cash payment for treasury shares		-	(3,207,966)	-	(3,207,966)
Cash payment for lease liabilities		(1,515,599)	(1,368,474)	(1,351,596)	(1,288,746)
Net cash provided by (used in) financing activities		7,481,660	(14,566,156)	(5,253,566)	(14,023,179)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year		5,826	(3,029)	9,185	133
Net (decrease) increase in cash		(1,990,095)	577,146	(1,999,902)	569,073
Cash at the beginning of the year	7	61,962,028	61,384,882	61,920,050	61,350,977
Cash at the end of the year	7	59,971,933	61,962,028	59,920,148	61,920,050

(Ms. Kattiya Indaravijaya)
Chief Executive Officer

(Mr. Krit Jitjang)
President



Notes to the Financial Statements

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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Notes to the Financial Statements

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

These notes to the financial statements form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 24 February 2022.

1 GENERAL INFORMATION

KASIKORNBANK PUBLIC COMPANY LIMITED, ("the Bank"), is a registered public company located in the Kingdom of Thailand and listed on the Stock Exchange of Thailand on 9 February 1976. On 24 May 2021, the Bank proceeded a registration of new registered office address with the Department of Business Development, Ministry of Commerce. The new registered office of the Bank is at 400/22 Phahon Yothin Road, Sam Sen Nai Sub-District, Phaya Thai District, Bangkok.

The principal activity of the Bank is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand, branches in Hong Kong Special Administrative Region of the People's Republic of China, Cayman Islands and the Kingdom of Cambodia and subsidiaries companies in Thailand, People's Republic of China, Lao People's Democratic Republic and Republic of Singapore.

Details of the Company's subsidiaries, associated companies and joint venture as 31 December 2021 and 2020 are given in note 12.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS"), guidelines promulgated by the Thailand Federation of Accounting Professions ("TFAC"), applicable rules and regulations of the Thai Securities and Exchange Commission ("SEC") and Stock Exchange of Thailand ("SET") and with the Bank of Thailand ("BOT") notification number SOR NOR SOR 21/2561, directive dated 31 October 2018, regarding the "Preparation and announcement of the financial statements of commercial banks and holding companies which are a parent company of a group of companies offering financial services", any other supplementary BOT notifications.

**b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except the following material items in the statements of financial position:

- derivatives* are measured at fair value;
- financial instruments at fair value through profit or loss are measured at fair value;
- financial assets measured at fair value through other comprehensive income are measured at fair value;
- premises are measured at revalued amounts.
- employee retirement benefit have been measured at their present value

* except for derivatives used for dynamic hedge

c) Functional and presentation currencies

The financial statements are prepared and presented in Thai Baht, which is the Bank's functional currency. All financial information is presented in Thai Baht and has been rounded in the financial statements to the nearest thousand and in the notes to the financial statements to the nearest million unless otherwise stated.

d) Use of estimates and judgements

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The Bank and its subsidiaries' expected credit loss calculations are based on models with a series of underlying assumptions. The significant management judgements and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables.



Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 3 "significant accounting policies" and in the following notes:

Note	9	Financial assets measured at fair value through profit or loss
	10	Derivatives
	11	Investments - net
	15	Allowance for expected credit loss
	22	Financial liabilities measured at fair value through profit or loss
	25	Insurance contract liabilities
	28	Fair value of assets and liabilities



3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiaries ("the Group") and the Group interests in associates and joint venture.

Business combinations

The Group apply the acquisition method for all business combinations when control is transferred to the Group, other than those with entities under common control.

Business combinations are accounted for under the acquisition method. The cost of an acquisition is measured at the fair value of the assets transferred, equity securities issued and identifiable liabilities assumed at the date of exchange.

Control is the power to govern the financial and operating policies of an entity that expose it to variable returns. In assessing control, the Bank and its subsidiaries take into consideration potential voting rights that currently are exercisable.

Goodwill in a business combination

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of the Bank's share of the identifiable net assets acquired, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the Bank at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognized as surplus or discount from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.



Subsidiaries

Subsidiaries are entities controlled by the Bank and its subsidiaries. Control exists when the Bank and its subsidiaries is exposed to, or has rights to, variable returns from their involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date that control ceases. The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Bank.

Non-controlling interest (NCI)

At the acquisition date, the Bank and its subsidiaries measures any non-controlling interest at its proportionate interest in the identifiable net asset of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

The Bank holds less than half of the voting rights in Muang Thai Life Assurance PCL, a consolidated subsidiary. The company is consolidated on the basis of formal agreements in place which provide the Bank with the power to govern the financial and operating policies of the company that expose it to variable returns.

Associated companies and joint venture

Associated companies are those entities in which the Bank and its subsidiaries have significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associated companies and joint venture are accounted for in the consolidated financial statements using the equity method and are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of the Item, until the date that significant influence or joint control ceases. When the Bank and its subsidiaries' share of losses exceeds its interest in an associate and joint venture, the Bank and its subsidiaries' carrying amount together with any long-term interests is reduced to nil and recognition of further losses is discontinued except to the extent that the Bank and its subsidiaries have incurred legal or constructive obligations or made payments on behalf of the associated company and joint venture.



Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated and the Bank only financial statements include the accounts of all branches; domestic and foreign. Interbranch transactions have been eliminated.

3.2 Cash

Cash represents cash in hand and cash on collection.

The Bank recognises and derecognises such items in these financial statements on the Settlement Date.

3.3 Financial instruments

1) Financial assets and financial liabilities

Recognition and initial measurement

The Bank and its subsidiaries initially recognise non-derivative financial assets and liabilities on the settlement date, except for securities subsidiaries which initially recognise on trade date, under the regular way of purchases and sales with the delivery within time period established by regulation or market convention which account for changes in the fair value and interest calculation of financial asset or liability on the settlement date while derivative is recognised on trade date.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

A debt instrument will be classified as financial asset measured at amortised cost if it meets both of the following conditions:

- The Bank and its subsidiaries held the financial asset within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



In case the Bank and its subsidiaries do not designate a debt instrument as at fair value through profit or loss, it is measured at fair value through other comprehensive income only if it meets both of the following conditions;

- The Bank and its subsidiaries held the financial asset within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank and its subsidiaries may irrevocably elect to present subsequent changes in fair value in other comprehensive income and gain or loss from selling cannot be recognized in profit or loss. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at fair value through profit or loss. In addition, on initial recognition, the Bank and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Bank and its subsidiaries makes an assessment of the objective of a business model in which an asset is held at a portfolio level because these best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies objectives and strategy for the portfolio and the operation of those policies in practice;
- Evaluation the performance of the portfolio and reported to the management;
- The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.

Business model of financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



Assessment whether contractual cash flows are solely payments of principal and interest

Principal is defined as the fair value of the financial asset on initial recognition. Interest is defined as consideration for the time value of money, credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs e.g. liquidity risk and administrative costs. In assessing whether the contractual cash flows are solely payments of principal and interest, the Bank and its subsidiaries considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassification

Financial assets do not classify after initial recognition except financial assets which is debt instruments. The Bank and its subsidiaries will reclassify a debt instrument when they change business model for managing financial assets resulted from a change in operating structure.

Financial liabilities

Financial liabilities are debts issued that have contractual obligation to pay principal or interest before liquidation.

The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

2) Impairment of financial asset

Measurement

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes macroeconomic forward-looking information.

The estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macroeconomic factors are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP growth rates, interest rates and house price indices among others. These factors are determined using all reasonable and supportable information.

Cash shortfalls are discounted using the effective interest rate on the acquired date of financial assets.



Expected Credit Loss Recognition – Staging

Stage 1 Performing

Performing assets are financial assets that are initially recognised or have no significant increase in credit risk (SICR) since recognised or have no credit impaired or financial instruments which considered to have low credit risk at reporting date. Nevertheless, these do not include financial assets that are credit-impaired on initial recognition (POCI). Expected credit losses represent the lifetime cash shortfalls arising from possible default events up to 12 months into the future from the reporting date.

Stage 2 Under-performing

SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at recognition date, the significance of which being determined by using a number of quantitative and qualitative factors.

Financial assets that are equal to or greater than 30 days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include the number of days past due and a comparison of credit risk indicators with predetermined thresholds. Qualitative factors assessed include those linked to current credit risk management processes, such as lending placed on internal watch-lists and subject to closer monitoring. Indicators could include weak operating results or observed liquidity issues among a number of other qualitative factors.

Stage 3 Non-performing

Financial assets that are credit impaired or in default represent those that are at least 90 days past due in respect of principal or interest or the customers are unlikely to pay.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- It is becoming highly probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a deep discount that reflects incurred credit losses.



Stage 2 and stage 3 financial assets can be reclassified to performing assets when there is no indicator to be classified as stage 2 and stage 3 financial assets. Expected credit losses of stage 2 and stage 3 represent the lifetime cash shortfalls arising from possible default events from the reporting date.

Expert credit judgement

Estimation of expected credit loss requires assumptions and forecasting macroeconomic factors. This may result in an ambiguity or may be a recent event that is not captured in the models. In case the Bank and its subsidiaries consider that the recent event affects customers' ability to pay debt, their managements will estimate increase in expected credit loss based on their judgement and experiences.

Modified financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification gain or loss is recognised within credit impairment in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in the gross carrying value of the asset.

The Bank and its subsidiaries classify financial assets and estimate expected credit loss based on customers' ability to pay debt under new contractual terms.

For troubled debt restructuring under stage 3, it is able to change to stage 2 when a debtor repays loan for 3 consecutive times and to stage 1 after 9-month monitoring with no debt overdue in its account.

For pre-emptive debt restructuring under stage 2 and previously never be under stage 3, it is able to change to stage 1 when a debtor repays loan for 3 consecutive times or when there is a confidence that a debtor can comply with the new contractual terms. When change to stage 1, credit rating at origination will be reset to new credit rating on the stage changing date.

Write-offs of credit impaired instruments and reversal of impairment

A financial asset is considered irrecoverable when it is decided that there is no realistic probability of recovery, the applicable portion of the gross carrying value is written off against the related loan allowance for expected credit loss in the statement of profit or loss.

If, in a subsequent period, the amount of the credit impairment loss decreases, the previously recognised credit impairment loss is reversed. For example, there is an improvement in the debtor's credit rating, the amount of the reversal is recognised in expected credit loss in the statement of profit or loss.



3) Derivatives held for risk management and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. They have to be continuously assessed whether they have economic relationship with hedged assets or liabilities that the Bank and its subsidiaries specified the risk.

Fair value hedges

The Bank and its subsidiaries' fair value hedge mainly is a hedge of interest rate risk and foreign exchange rate risk with derivatives which mainly are FX Swap and Interest Rate Swap and foreign currency assets/liabilities.

When a derivative or financial assets/liabilities is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability, changes in the fair value of the derivative together with changes in the fair value of the hedged item that are attributable to the hedged risk are recognised immediately in profit or loss including fair value change of ineffective portion.

When a hedge relationship is discontinued, fair value of hedged assets or liabilities will be new carrying amount as presented at amortised cost for which income and expenses are recognised by using the effective interest method or other similar methods.

Cash flow hedges

The Bank and its subsidiaries' cash flow risk management is in the same way as fair value risk management that is to prevent volatility of cash in/out flow in the future resulted from interest rate and foreign currency risk by using derivatives which mainly are FX Swap and Interest Rate Swap changing cash in/out flow to fixed cash amount.

When a derivative or financial assets/liabilities is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income (OCI) and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

For a hedge of foreign currency risk, the Bank designates only the change in the value of the spot element of foreign currency derivatives, not the forward element or the foreign currency basis spread, as the hedging instruments. The change in the value of the spot element is recognized in other comprehensive income and will be reclassified to profit or loss when the hedged component affects profit or loss in the same line in the



statement of profit or loss and OCI. The change in fair value of the forward element or the foreign currency basis spread are recognised in other comprehensive income and are amortised to profit or loss over hedged period.

Net investment hedges

The Bank and its subsidiaries' net investment hedge is to hedge a foreign currency risk in foreign bank branches or subsidiaries whose functional currency are not Thai Baht which is the Bank's functional currency. FX Swap and foreign assets/liabilities are main instruments used in net investment hedge.

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of changes in the fair value of the hedging instrument is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

The effective portion of the gain or loss derived from spot revaluation of the hedging instrument is recognised directly in equity and netted with the translation of financial statements of the Bank's foreign branches and subsidiaries in the foreign currency translation reserve in other comprehensive income. When the investment is disposed the relevant amount in the foreign currency translation reserve is transferred to profit or loss. Previously, all such transactions were recognised in profit or loss. Income or expense relating to forward point of a hedging instrument is recognised on an accrual basis in profit or loss.

For derivatives used to dynamic hedge of assets or liabilities, the Bank and its subsidiaries continue using an accrual basis for derivatives.

However, the Bank and its subsidiaries are able to apply hedge accounting when it is qualified an assessment that hedging instruments and hedged assets/liabilities have economic relationship indicating profit or loss attributable to hedged risk can be offset. Assessment methods include quantitative methods such as ratio analysis and qualitative methods such as a comparison between terms (Critical term match), e.g. notional amount and maturity of hedging instruments and hedged assets/liabilities. Results of assessment methods are used to define the notional of hedging instruments and hedged assets/liabilities (Hedge Ratio). The Bank and its subsidiaries monitor hedge effectiveness on a regular basis. Hedge ineffectiveness is expected to arise from hedge relationships due to different terms of hedging instrument and hedged assets/liabilities such as difference of each counterparty's credit risk.



Although there is an interest rate reform, the Bank continues applying current hedge strategies as there will be a pricing adjustment such as spread adjustment that will make old and new contract terms economically equivalent. However, the Bank and its subsidiaries amend hedge relationship to reflect new interest rates as hedged risk and hedge effectiveness assessment.

Trading derivatives

Trading derivatives include derivatives that are not hedging derivatives, then all changes in its fair value are recognised immediately in profit or loss.

4) Investments – net

Investments – net in the statement of financial position includes:

- Debt investment securities measured at amortised cost; these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method;
- Debt securities measured at FVOCI; and
- Equity investment securities designated as at FVOCI.

For debt securities measured at FVOCI, change in fair value and expected credit loss are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- interest revenue using the effective interest method;
- ECL and reversals; and
- foreign exchange gains and losses.

When a debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Cumulative gains or losses from change in revaluation of equity securities measured at FVOCI are recognised in OCI and transferred to retained earnings on disposal of an investment. Dividends are recognised in profit or loss, on accrual basis at the date which the Bank and its subsidiaries earns the rights to receive the dividend.



3.4 Investments in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture in the separate financial statements of the Bank are accounted for using cost method less allowance for impairment. Investments in associates and joint ventures in the consolidated financial statements are accounted for using equity method.

3.5 Properties foreclosed

Properties foreclosed are presented at the lower of cost or market value. The market value is estimated by using the latest appraisal value after deduction of estimated disposal expenses and holding cost.

Properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment, the customers have the right to buy back the assets at transferring price added with maintainance expenses within the agreed period but not exceed 5 years since transferring date and the customers have the right to rent the assets for doing their business. Rental fee from properties foreclosed will be recognized as other income.

The Bank and its subsidiaries regularly assess impairment of assets on a yearly basis. Losses on impairment are charged to profit or loss.

Gains or losses on disposal of properties foreclosed are recorded as other operating income or other operating expenses upon disposal.

3.6 Premises and equipment

Recognition and measurement

Owned assets

Land and buildings are stated at their revalued amounts. Revalued amount is fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Equipment is stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items of premises and equipment.

Gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised net in other income or other



expense in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings and are not taken into account in calculating the gain or loss on disposal.

Revalued assets

Revaluation of land and buildings is performed by independent professional valuers according to the Bank of Thailand's criteria with sufficient regularity to ensure that the carrying amount of these assets do not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income as "appraisal surplus on asset revaluation" unless it offsets a previous decrease in value recognised loss in profit or loss in respect of the same asset.

A decrease in value is recognised in profit or loss to the extent that it exceeds an increase previously recognised in other comprehensive income in respect of the same asset.

The appraisal surplus cost on asset revaluation is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings.

Subsequent expenditure

Subsequent expenditure relating to an item of premises and equipment is added to the carrying amount of the asset when it is probable that the Bank and its subsidiaries will receive future economic benefits embodied within the asset and the cost of the item can be measured reliably. Other subsequent expenditures are recognised in expenses as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each item of premises and equipment.

Depreciation on buildings acquired before July 1996 is computed using the declining balance method. Depreciation on buildings acquired after July 1996 and on equipment is computed using the straight-line method.

The estimated useful lives are as follows:

Buildings	10-50 years
Buildings on rented land	over rental contract
Equipment, furniture, fixtures, office equipment and vehicle	3-20 years
Right-of-use assets	over rental contract



Depreciation methods, useful lives and residual values are reviewed each year and adjusted if appropriate.

3.7 Goodwill and intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in goodwill and intangible assets. The measurement of goodwill at initial recognition is described in note 3.1. Subsequent to initial recognition, goodwill is measured at cost less impairment losses. Impairment assessment of goodwill is described in note 3.8.

Other intangible assets

Other intangible assets that have finite useful lives are presented at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised as intangible assets only when it is highly probable that the Bank and its subsidiaries will receive future economic benefits related to the item and cost of the item can be measured reliably. Otherwise, it will be recognised as expense when incurred.

Amortisation

Amortisation is charged to profit or loss on a straight-line basis which closely reflects the pattern and period of time of future economic benefits expected to flow to the bank, excluding goodwill. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Software licenses	5-15 years
Advisory fee licenses	10 years

Intangible assets with an indefinite useful life are systematically tested for impairment at each reporting date.

Amortisation methods, useful lives and residual values are reviewed each year and adjusted if appropriate.

3.8 Impairment of non-financial assets

The Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.



Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, calculated by the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Deferred tax assets and Deferred tax liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are reversed, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Bank and its subsidiaries take into account the impact of uncertain tax positions in determining the amount of income tax. The Bank and its subsidiaries believe that its accruals for tax liabilities are adequate for all tax to be paid in the future based on its assessment of many factors, including interpretations of tax law, prior experiences and series of judgements about future events; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.



A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that they are no longer probable that the related tax benefit will be realised.

3.10 Leasehold

Leasehold is presented at cost net accumulated amortisation. The amortisation is calculated using the straight-line method over the lease periods and is recognised as expense in profit or loss.

3.11 Investment Property

Investment property which consists of buildings and areas for rent of the Bank and its subsidiaries is measured at cost on initial recognition and subsequently at fair value and is presented as part of other assets. Changes in fair value are recognised in profit or loss.

3.12 Provisions

Provision is recognised when the Bank and its subsidiaries have a present legal or a constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the time value of money has significant impact to provisions, they are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions for commitments, credit limit and letter of indemnity which not recognised in the statements of financial position consider from the credit risk of the transactions.

The Bank and its subsidiaries review provisions on a regular basis, and recognise changes in the provisions as increase or decrease in other operating expenses.

3.13 Employee benefits

Short-term employee benefits

Recognised amount expected to be paid as expense in profit or loss as the related service is provided.

Post-employment benefits : Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Bank and its subsidiaries pay fixed contributions into the provident fund, a separate entity, and will have no legal or constructive obligation to pay further amounts. Contributions paid by the Bank and its subsidiaries are recognised as expense in profit or loss in the periods during which services are rendered by employees.



Post-employment benefits : Defined benefit plans

Under the labor laws and the Bank and its subsidiaries' employment policy, all employees are entitled to severance pay upon retirement.

The Bank and its subsidiaries determine the net obligation in respect of defined retirement by using historical data in estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods discounting to present value by using market yield of government bonds with a maturity consistent with the estimated term of the post-employment benefit obligations. The retirement benefit is calculated by actuary using Projected Unit Credit Method and presented as part of provision, and the Bank and its subsidiaries recognised all current service cost and interest cost related to provision for retirement benefits as personnel expenses in profit or loss.

All actuarial gains and losses are based on updated assumptions in other comprehensive income in the period in which they arise.

When the benefits of plan are changed or when a plan is curtailed, the resulting change in benefit that related to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognise gain and loss on the settlement of a defined benefit plan when the settlement occurs.

3.14 Insurance contract liabilities

(a) Classification of insurance and investment contracts

The subsidiary issues contracts that transfer insurance risk or both insurance risk and financial risk.

Insurance contracts are those contracts under which the subsidiary accepts significant insurance risk from the insured by agreeing to compensate the insured or other beneficiary if a specified uncertain future event adversely affects the insured. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period.

The subsidiary defines as significant insurance risk the possibility of having to pay benefits on the occurrence of an insured event that are at least significant level more than the benefits payable if the insured event did not occur.

Investment contracts are contracts that transfer financial risk with no significant insurance risk.

The subsidiary issues only insurance contracts.

The subsidiary does not unbundle any insurance contracts as its accounting policy recognises all premium and underwriting expenses through the profit or loss.



(b) *Recognition and measurement of insurance contract liabilities*

Long-term technical reserves

Long-term technical reserves are liabilities for contractual benefits and claims that are expected to be incurred in the future. They are recorded when the premiums are recognised and are released when benefit and claims are incurred. Such reserves are measured using assumptions considered to be appropriate for the policies in force and calculated by internal actuary of the subsidiary using an actuarial method of "Net Level Premium Valuation" based on assumptions for mortality, morbidity and discounted interest rate. The change in long-term technical reserves is recognised under underwriting expenses.

Loss reserves and outstanding claims

Provision for loss reserves and outstanding claims is made for the estimated cost of all claims notified but not settled at the reporting date. Provision is also made for the cost of claims incurred, but not reported, based on the subsidiary's experience and historical data. Differences between the provision for outstanding claims and subsequent revisions and settlements are included in profit or loss in later years.

Premium reserve

Premium reserve is unearned premium reserve calculated based on a pro-rata basis of written premiums for short-term insurance contracts over the remaining period of coverage.

(c) *Liability adequacy test*

The liability of the subsidiary is tested for adequacy by comparing the aggregated best current estimate of future contractual cash flows using current assumptions with the aggregated carrying amount of gross insurance contract provisions.

An additional provision for liability inadequacy is made where the reserves calculated by other actuarial method of "Gross Premium Valuation" exceeds the liabilities calculated by Net Level Premium Valuation method. However, the liability adequacy test is performed based on aggregation of total insurance contract liabilities including loss reserves and outstanding claims and premium reserve for policies in force at the reporting date.

The assumptions used in the Gross Premium Valuation are in accordance with the Notification of the Office of Insurance Commission regarding Assessment of Assets and Liabilities of Life Insurance B.E. 2554 except for discounted interest rate which the subsidiary uses the adjusted current risk-free interest rate for purpose of liability adequacy test in accordance with industry practice.



3.15 Fair value of assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal market at the measurement date. In the absence of a principal market, the most advantageous market would be considered if the Bank and its subsidiaries are able to access that market at the measurement date.

The Bank and its subsidiaries measure fair value of non-financial assets based on highest and best use assumption. A transfer between the hierarchy occurs when the source or level of observability of input data in fair value measurement has changed.

The Bank and its subsidiaries measure fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

- Level 1 Quoted prices in active markets for identical assets or liabilities.
- Level 2 Inputs other than quoted prices included within level 1 that are observable, either directly or indirectly. This category includes instruments valued using quoted prices in active markets for similar instruments, quoted prices for similar assets or liabilities in markets that are less than active, or other valuation techniques which are directly or indirectly observable from market data.
- Level 3 Inputs that are unobservable. This category includes assets or liabilities for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant impact on the valuation.

Fair value of financial assets and liabilities referenced with a new benchmark rate resulted from interest rate reform will be classified in level 2.

3.16 Other equity instruments

Subordinated perpetual debenture is recognized as equity when the Bank and its subsidiaries has the sole right and discretion to early redemption as stipulated in terms and conditions of debentures, and the interest is unconditionally deferred without limitation of time and the number of deferments and payable at the Bank and its subsidiaries's discretion. Accordingly, any interest payments are recognized similar as dividends and directly in equity when payment obligation arises. Interest payments are presented in the statement of cash flows at the same way as dividends paid to ordinary shareholders.



3.17 Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments for principal and interest excluding expected credit loss through the expected life of the financial instrument to derive the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

The calculation of the effective interest rate, the Bank and its subsidiaries includes transaction costs and fees paid or received that are directly attributable to the acquisition or issue of a financial asset or financial liability.

From interest rate reform, the effective interest rate of financial assets or liabilities referenced with new benchmark rates is calculated as same as a calculation of effective interest rate for floating rate contracts. The new effective interest rate will be calculated on the first date that the benchmark rate has been changed and effective. This is not considered term modification because it is an adjustment to be economically equivalent such as spread adjustment.

The amortised cost of a financial instrument is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount of financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of financial asset when the asset is not credit-impaired or to the amortised cost of the financial liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross carrying amount basis.

Presentation

Interest income and expense presented in the statement of profit or loss and OCI include:

- interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis;
- interest on debt instruments measured at FVOCI calculated on an effective interest basis;



- the effective portion of fair value changes in qualifying hedging derivatives designated in cash flow hedges of variability in interest cash flows, in the same period as the hedged cash flow affect interest income or expense; and
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk.

3.18 Fees and service income and expenses

Fees and service income and expenses that are directly attributable to the acquisition or issue of a financial asset or financial liability are recognised in profit or loss using the effective interest method under interest income or expense.

Other fee and service income are recognised when a customer obtains services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgment is required in determining the timing of revenue recognition.

3.19 Accounting for customer loyalty programmes

Income related to loyalty programme is partially allocated to deferred income based on value of obligation that customers will receive benefit in the future and will be recognised as income once this obligation is no longer valid.

3.20 Recognition of net premium earned

Short-term insurance contracts

Premium written is recognised on the inception date and presented gross of commissions and brokerage expenses.

Premium earned comprises of premium written and change in unearned premium reserves and is recognised as revenue proportionally over the period of coverage.

Long-term insurance contracts

First year premium written is recognised as revenue when premium is received and insurance policy is approved. Renewal premium income is recognised as revenue when premium is due and is estimated taking into account the historical lapse experience of the subsidiary. First year premium written and renewal premium income are presented gross of commissions and brokerage expenses.

Premium received in advance is not recognised as revenue until the due date.

3.21 Underwriting expenses

Commissions and brokerage expenses

Commissions and brokerage expenses are recognised as expenses when incurred.



Benefit payments and insurance claims

Benefit payments and insurance claims consist of benefits, claims and loss adjustment expenses during the years and changes in provision for short-term insurance claims. They are recognised as expenses when incurred or approved.

3.22 Income tax expense

Income tax expense for the year comprise of current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

3.23 Earnings per share

Basic earnings per share is calculated by the profit or loss attributable to equity holders of the Bank on ordinary shareholders of the Bank deduct with distribution of other equity instruments after income tax and dividing by the weighted average number of ordinary shares in issued and held by outside party.

3.24 Hybrid Instruments for financial liabilities

Hybrid Instruments for financial liabilities: include a non-derivative host contract and an embedded derivative. The host contract shall be accounted for under the classification of the host contract. The embedded derivative shall be separated from the host contract and accounted for as a derivative which is carried at fair value, if and only if:

1. The economic characteristics and risks of the host contract and the embedded derivative are not closely related;
2. A separate instruments with the same terms as the embedded derivative would meet the definition of a stand-alone derivative; and
3. The hybrid instrument is not recognised at fair value through profit or loss.

If an embedded derivative is not separated, the hybrid instrument shall be accounted for under the classification of the host contract.

Changes in the fair value of separated embedded derivative are recognised in profit or loss.

Structured Notes: are hybrid instruments, which consist of borrowing (Host Contract) transaction and an embedded derivative. The Bank's management approach with regards to the accounting and assessment of fair value of borrowing transactions with embedded derivative (Structured Note) is consistent with those of Thai Financial Reporting Standard No. 9 (TFRS 9). The Bank has an option to classify the structured note as financial liabilities designated at fair value through profit or loss when



1. It eliminates or significantly reduces an inconsistency of measurement or recognition that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis; or
2. It is a management tool for risk management and investment, in accordance with
 - Documented risk management or investment strategy; and
 - Group of financial assets or financial liabilities managed and their performance evaluated on a fair value basis.
3. It relates to financial instruments containing one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and meets the above criteria for separation of the embedded derivative from the host contract.

Changes in the fair value of financial liabilities designated at fair value through profit or loss are recognised in profit or loss as gain or loss on financial liabilities designated at fair value through profit or loss with the corresponding entry to liabilities in the statements of financial position. The fair value designation, once made, is irrevocable.

The Bank will comply with the requirements of hybrid instrument if the Bank does not choose the option of fair value through profit or loss or the criteria for fair value through profit or loss upon designation are not met.

Day One Profit or Loss: Gains or losses from trading derivatives are recognised at inception in profit or loss when the fair value of those derivatives are determined based upon observable market data or supported by comparison to other observable market transactions, or based upon a valuation technique incorporating observable market data. The Bank amortises initial gains or losses on trading transactions on a straight-line basis or on an effective interest rate basis over the life of the contract when the fair value of those trading derivatives are based upon unobservable market data or when they gains or losses on hybrid instruments. The unamortised gains or losses are recognised in profit or loss when the market data becomes observable.

3.25 Assets and liabilities in foreign currencies

1. *Foreign currency transactions*

Assets and liabilities denominated in foreign currencies are translated into the currency of the primary economic environment in which the Bank, its foreign branches and its subsidiaries operate (the functional currency) at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the reference rates announced by the BOT on that date. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated into the functional currency using the exchange rate at the date of the initial transaction except for the non-monetary assets and liabilities designated as hedged item of



fair value hedge in foreign exchange risk that are translated into the functional currency using the reference rate announced by the BOT.

Exchange gains or losses on translation are recognised in profit or loss, exchange gains or losses on transaction are directly recognised in equity and other comprehensive income.

2. Foreign operations

The statements of financial position of the Bank's foreign branches whose functional currency is not Thai Baht are translated into Thai Baht at the reference rates announced by the BOT on the reporting date. The statements of comprehensive income of the Bank's foreign branches are translated into Thai Baht at the reference rates announced by the BOT at the transaction date.

Exchange gains or losses on retranslation of financial statements of the Bank's foreign branches are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity.

3.26 Segment information

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated transactions are not included in reporting segment operating results but shown in total.

Information about geographical areas is presented according to the domestic and overseas of the Bank and its subsidiaries transaction.

3.27 Leases

Lease contract that the bank and its subsidiaries act as a lessee and have the right to control the use of the specific assets for a specified period of time, a right-of-use asset and a lease liability will be recognized at the lease commencement date and will periodically recognize depreciation expense on straight line basis and recognized interest expense using EIR method over the lease term. Except for lease contract with short term lease and low-value assets lease contract, rental expense will be recognized on straight line basis over lease term.

Lease contract that the bank and its subsidiaries act and lessor and substantially transfer all of the risks and rewards incidental to ownership of the underlying asset to lessee, this lease contract will be classified as finance lease. For finance lease, lease receivable will be recognized at the lease commencement date and interest income using EIR method will be periodically recognized over the lease term. Lease contract that does not substantially transfer all of the risks and rewards incidental to ownership of the underlying asset to lessee, this lease contract will be classified as operating lease and rental income will be recognized on accrual basis.



4 FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk refers to the risk that a counterparty or a borrower may default on its contractual obligations and agreements. Such default may be caused by the counterparty's inability to pay due to financial encumbrances or their intention not to abide by the contractual agreements, resulting in a loss to the Bank.

The Bank determines the target of loan growth and its desirable credit portfolio composition that strives for the highest possible risk-adjusted return within acceptable risk levels, by taking into account economic outlook including under stress conditions, potential market opportunities, and the Bank's strategic direction. In assessing medium and large corporate customers' credit risk level, the Bank utilizes credit risk rating tools to enhance the quality of loans granted decisions. To manage medium business and large corporate business portfolios following the approval process, including portfolio allocation to each business sectors within acceptable risk framework, the Bank annually reviews customers' credits rating based on updated qualitative and quantitative factors. For retail portfolio, credit scoring has been adopted to assess customers' risk level resulting in the Bank's capability in determining risk-adjusted returns or interest rates. Moreover, the Bank has employed collection scoring to define risk-based collection strategies and optimize collection efficiency. In addition, the Bank has conducted the stress tests to assess potential impacts from economic uncertainties to formulate appropriate credit policy and credit risk management.

In the credit approval process, the Bank considers the customer's ability to repay and the loan objectives as key factors in making credit decisions, and may obtain sufficient collateral or other securities, where appropriate, as a means of mitigating the risk of financial losses from default. To maximize the effectiveness of the credit approval process, credit underwriting and approval functions are separated from the business units responsible for maintaining customer relationship. The Bank has also setup the process for regularly customer credit reviewing and monitoring. For non-performing loans (NPL), the Bank has closely and continuously monitored, resolved and/or restructured them to retain maximum benefits for the Bank.



Credit risk analysis

The bank and its subsidiaries classified credit quality, from low risk to high risk, based on a range of credit rating for medium business and large corporate business lending and on credit scoring for retail lending to reflect borrowers' capacity to meet financial obligations where:

- Low-risk borrowers are those that have a good capacity to meet financial obligations.
- Medium-risk borrowers are those that have a fairly acceptable capacity to meet financial obligations.
- High-risk borrowers are those that have uncertain capability to meet financial obligations.
- Non-performing borrowers are those that fall into credit impaired primarily from more than 90 days overdue or other indications reflecting unlikely to pay.

Each stage contains varied risk of default, reflecting through aforementioned four credit quality classifications because they are assessed in relative to credit risk at initial recognition and at a facility level whereby exposures in stage 2 does not always contain higher risk than stage 1 exposures, especially once the exposures are acquired at different points in times.

These classifications also apply to government and corporate bond which mostly could be mapped to external credit rating. For government bond which is a major investment of the bank, we considered it as low-risk financial assets as a result of "investment grade" investment policies. Corporate bond in non-investment grade can be in our investment portfolio only from rating migration which currently is less than 1% of total debt investments.

The following tables set out information about the credit quality as of 31 December 2021 of loans to customers and accrued interest receivables.

(Unit : Million Baht)

	<u>Consolidated</u>			
	Stage 1	Stage 2	Stage 3	
	<u>(Performing)</u>	<u>(Under - performing)</u>	<u>(Non - performing)</u>	<u>Total</u>
Low	1,632,496	15,675	-	1,648,171
Medium	463,890	101,516	-	565,406
High	33,961	84,687	-	118,648
Non - performing	-	-	<u>106,187</u>	<u>106,187</u>
Total	2,130,347	201,878	106,187	2,438,412
<u>Less</u> Expected credit loss	<u>(47,459)</u>	<u>(51,060)</u>	<u>(46,253)</u>	<u>(144,772)</u>
Carrying amount	<u>2,082,888</u>	<u>150,818</u>	<u>59,934</u>	<u>2,293,640</u>



(Unit : Million Baht)

<u>The Bank</u>				
	Stage 1 <u>(Performing)</u>	Stage 2 <u>(Under - performing)</u>	Stage 3 <u>(Non - performing)</u>	<u>Total</u>
Low	1,604,117	12,657	-	1,616,774
Medium	427,712	96,345	-	524,057
High	32,927	81,319	-	114,246
Non - performing	<u>-</u>	<u>-</u>	<u>103,347</u>	<u>103,347</u>
Total	2,064,756	190,321	103,347	2,358,424
<u>Less</u> Expected credit loss	<u>(44,920)</u>	<u>(49,730)</u>	<u>(44,601)</u>	<u>(139,251)</u>
Carrying amount	<u>2,019,836</u>	<u>140,591</u>	<u>58,746</u>	<u>2,219,173</u>

The following tables set out information about the credit quality as of 31 December 2020 of loans to customers and accrued interest receivables.

(Unit : Million Baht)

<u>Consolidated</u>				
	Stage 1 <u>(Performing)</u>	Stage 2 <u>(Under - performing)</u>	Stage 3 <u>(Non - performing)</u>	<u>Total</u>
Low	1,465,270	16,182	-	1,481,452
Medium	441,719	95,828	-	537,547
High	44,227	89,372	-	133,599
Non - performing	<u>-</u>	<u>-</u>	<u>103,495</u>	<u>103,495</u>
Total	1,951,216	201,382	103,495	2,256,093
<u>Less</u> Expected credit loss	<u>(42,954)</u>	<u>(49,439)</u>	<u>(42,000)</u>	<u>(134,393)</u>
Carrying amount	<u>1,908,262</u>	<u>151,943</u>	<u>61,495</u>	<u>2,121,700</u>



(Unit :Million Baht)

	The Bank			
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Low	1,448,156	12,700	-	1,460,856
Medium	418,016	91,659	-	509,675
High	40,610	84,633	-	125,243
Non - performing	-	-	100,710	100,710
Total	1,906,782	188,992	100,710	2,196,484
Less Expected credit loss	(41,807)	(47,891)	(40,148)	(129,846)
Carrying amount	<u>1,864,975</u>	<u>141,101</u>	<u>60,562</u>	<u>2,066,638</u>

Collateral

Collateral is used to mitigate credit exposure along the entire credit process especially for credit approval, ECL estimation and repossession upon default. Collateral of the bank and its subsidiaries comprises both non-financial and financial assets. Non-financial collateral ranges from land, premises, machinery and vehicles whose values are appraised by the valuers approved by the SEC on a timely basis while financial collaterals cover bank deposits, receivables and securities. As at 31 December 2021 and 31 December 2020, for stage 3 facilities, the major collateral is land with premises which covers 81% and 80% of all collaterals of stage 3 facilities, respectively.

As at 31 December 2021 and 31 December 2020, loan-to-value ratio of total secured loan, which are commercial and mortgage loan, are approximately 72% and 76%, respectively.

Input, assumptions and techniques used for estimating impairment

ECL Inputs & Measurement

The key inputs used in ECL measurement are PD, LGD and EAD where 12-Month ECL estimate is the product of 12-month PD, LGD, and EAD discounted by an effective interest rate to the reporting date and lifetime ECL estimate is the product of lifetime PD, LGD, and EAD discounted to the reporting date in the similar manner.

The above risk parameters are modelled based on three macroeconomic scenarios of “Base”, “Upside”, and “Downside” expectations of the economic variables that highly correlates to our portfolio to provide unbiased probabilities-weighted ECL results. These macro-scenarios are reflected in ECL calculation by incorporate into the estimation of these risk parameters such as considering the correlation of risk of default to the scenarios. These variables are closely and regularly monitored especially during the pandemic period. However, as a result of limited availability of reasonable forward-looking



information plus a high uncertainty on the impact of Covid - 19, the Bank shall apply long-term macroeconomic forecasts instead of point-in-time forecasts in which the Bank expect at least 2 years for the economy to return close to pre-Covid.

ECL governance

To ensure integrity and transparency of ECL measurement process, the Bank and its subsidiaries establishes TFRS9 Impairment Working Group. The group is responsible for overseeing the total ECL process which includes justifying reasonable ECL inputs and outputs. The ECL inputs consist of risk parameters, macroeconomic scenarios, and their associated probability weights. The justification of ECL outputs includes post model adjustment and expert judgment when deemed appropriate. The group consists of cross-functional senior management, department representatives, and credit experts.

Market risk

Market risk is the risk arising from changes in interest rates, foreign exchange rates, equity prices, commodity prices, and credit spreads which affects the Bank's operation and financial performance consist of:

1. Interest rate risk

Interest rate risk is the risk arising from changes in interest rates which may affect the value of the Bank's financial instruments, or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future. The Bank has employed various tools to manage interest rate risk, such as interest rate gap, assessing net interest income sensitivity over the next 12 months and economic value sensitivity.

The Bank monitors interest rate risk in banking book activities on a regular basis. In addition, we prepare an interest rate risk gap report to monitor interest rate risk and assess net interest income sensitivity over the coming 12 months, based on an assumption of a 1.00 % change in interest rates on all types of assets and liabilities at their various re-pricing periods. The results of interest rate risk assessment are shown below:

(Unit : Million Baht)

+100 bps

	<u>Consolidated*</u>		<u>The Bank</u>	
	<u>31 December 2021</u>	<u>31 December 2020</u>	<u>31 December 2021</u>	<u>31 December 2020</u>
THB	(2,112)	(586)	(2,263)	(734)
Foreign Currencies	<u>(386)</u>	<u>166</u>	<u>(483)</u>	<u>74</u>
Total Effect of Interest Rate Change	<u>(2,498)</u>	<u>(420)</u>	<u>(2,746)</u>	<u>(660)</u>

*Excluding insurance subsidiary



The average balances of the interest-bearing financial assets and liabilities of the Bank and its subsidiaries, calculated by using monthly average, and the average interest rates for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

Consolidated						
	2021			2020		
	Average	Interest	Average	Average	Interest	Average
	Balance	Income/ Expense	Rate (%)	Balance	Income/ Expense	Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	438,160	2,078	0.47	402,873	3,118	0.77
Investments	802,228	22,675	2.83	694,182	21,711	3.13
Loans to customers	<u>2,225,209</u>	<u>110,661</u>	4.97	<u>1,979,934</u>	<u>102,763</u>	5.19
Total	<u>3,465,597</u>	<u>135,414</u>	3.91	<u>3,076,989</u>	<u>127,592</u>	4.15
Interest-bearing Financial Liabilities						
Deposits	2,465,702	7,380	0.30	2,232,246	10,188	0.46
Interbank and money market items	187,892	877	0.47	126,221	854	0.68
Debts issued and borrowings	<u>82,256</u>	<u>1,837</u>	2.23	<u>75,891</u>	<u>2,124</u>	2.80
Total	<u>2,735,850</u>	<u>10,094</u>	0.37	<u>2,434,358</u>	<u>13,166</u>	0.54

(Unit : Million Baht)

The Bank						
	2021			2020		
	Average	Interest	Average	Average	Interest	Average
	Balance	Income/ Expense	Rate (%)	Balance	Income/ Expense	Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	434,923	2,051	0.47	430,879	3,125	0.73
Investments	350,150	5,123	1.46	273,175	4,934	1.81
Loans to customers	<u>2,161,697</u>	<u>103,195</u>	4.77	<u>1,935,427</u>	<u>96,368</u>	4.98
Total	<u>2,946,770</u>	<u>110,369</u>	3.75	<u>2,639,481</u>	<u>104,427</u>	3.96
Interest-bearing Financial Liabilities						
Deposits	2,459,597	7,082	0.29	2,227,345	9,951	0.45
Interbank and money market items	200,535	622	0.31	140,291	785	0.56
Debts issued and borrowings	<u>79,004</u>	<u>1,747</u>	2.21	<u>75,700</u>	<u>2,118</u>	2.80
Total	<u>2,739,136</u>	<u>9,451</u>	0.35	<u>2,443,336</u>	<u>12,854</u>	0.53



Financial assets and liabilities, classified by maturity of interest repricing, as of 31 December 2021 and 2020 are shown below:

(Unit : Million Baht)

	<u>Consolidated</u>						
	2021						
	Immediate Repricing	Within 6 Month	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Total
<u>Financial Assets</u>							
Cash	-	-	-	-	-	59,972	59,972
Interbank and money market items	32,297	346,033	1,101	1,882	-	39,564	420,877
Financial assets measured at fair value through profit or loss	12,204	3,995	3,998	3,270	9,859	30,173	63,499
Investments	34	226,474	56,642	245,128	408,219	96,022	1,032,519
Loans to customers and accrued interest receivables	<u>1,744,830</u>	<u>234,707</u>	<u>90,966</u>	<u>229,690</u>	<u>121,620</u>	<u>16,599</u>	<u>2,438,412</u>
Total Financial Assets	<u>1,789,365</u>	<u>811,209</u>	<u>152,707</u>	<u>479,970</u>	<u>539,698</u>	<u>242,330</u>	<u>4,015,279</u>
<u>Financial Liabilities</u>							
Deposits	1,964,622	374,733	84,970	17,043	-	157,262	2,598,630
Interbank and money market items	17,712	93,490	15,959	54,209	9	5,070	186,449
Liabilities payable on demand	-	-	-	-	-	25,350	25,350
Financial liabilities measured at fair value through profit or loss	-	1,397	217	-	-	-	1,614
Debts issued and borrowings	<u>-</u>	<u>31,298</u>	<u>-</u>	<u>13,581</u>	<u>58,223</u>	<u>784</u>	<u>103,886</u>
Total Financial Liabilities	<u>1,982,334</u>	<u>500,918</u>	<u>101,146</u>	<u>84,833</u>	<u>58,232</u>	<u>188,466</u>	<u>2,915,929</u>
Items recognised on the statements of financial position	<u>(192,969)</u>	<u>310,291</u>	<u>51,561</u>	<u>395,137</u>	<u>481,466</u>	<u>53,864</u>	<u>1,099,350</u>



(Unit : Million Baht)

Consolidated							
	2020						
	Immediate	Within	Over 6 Months	Over 1 Year	Over	Non-interest	
	Repricing	6 Month	to 1 Year	to 5 Years	5 Years	Bearing	Total
Financial Assets							
Cash	-	-	-	-	-	61,962	61,962
Interbank and money market items	13,878	348,827	21,928	863	-	32,285	417,781
Financial assets measured at fair							
value through profit or loss	22,646	740	237	7,735	9,221	6,087	46,666
Investments	-	99,583	17,480	211,312	371,024	77,475	776,874
Loans to customers and accrued							
interest receivables	<u>1,644,512</u>	<u>234,550</u>	<u>11,885</u>	<u>212,199</u>	<u>141,675</u>	<u>11,272</u>	<u>2,256,093</u>
Total Financial Assets	<u>1,681,036</u>	<u>683,700</u>	<u>51,530</u>	<u>432,109</u>	<u>521,920</u>	<u>189,081</u>	<u>3,559,376</u>
Financial Liabilities							
Deposits	1,751,510	347,608	93,228	22,124	-	130,529	2,344,999
Interbank and money market items	9,160	24,112	1,021	44,529	58	8,917	87,797
Liabilities payable on demand	-	-	-	-	-	26,443	26,443
Financial liabilities measured at fair							
value through profit or loss	-	269	18	-	-	-	287
Debts issued and borrowings	<u>-</u>	<u>4,373</u>	<u>-</u>	<u>-</u>	<u>63,762</u>	<u>1,255</u>	<u>69,390</u>
Total Financial Liabilities	<u>1,760,670</u>	<u>376,362</u>	<u>94,267</u>	<u>66,653</u>	<u>63,820</u>	<u>167,144</u>	<u>2,528,916</u>
Items recognised on the							
statements of financial position	<u>(79,634)</u>	<u>307,338</u>	<u>(42,737)</u>	<u>365,456</u>	<u>458,100</u>	<u>21,937</u>	<u>1,030,460</u>



(Unit : Million Baht)

The Bank							
	2021						Total
	Immediate Repricing	Within 6 Month	Over 6 Month to 1 Years	Over 1 Year to 5 Years	Over 5 Years	Non-interest Bearing	
<u>Financial Assets</u>							
Cash	-	-	-	-	-	59,920	59,920
Interbank and money market items	27,295	322,016	10,764	19,880	-	37,270	417,225
Financial assets measured at fair value through profit or loss	-	2,814	3,664	3,229	3,918	22,133	35,758
Investments	34	202,711	40,354	173,431	53,908	12,502	482,940
Loans to customers and accrued interest receivables	<u>1,737,911</u>	<u>195,805</u>	<u>66,058</u>	<u>192,626</u>	<u>150,233</u>	<u>15,791</u>	<u>2,358,424</u>
Total Financial Assets	<u>1,765,240</u>	<u>723,346</u>	<u>120,840</u>	<u>389,166</u>	<u>208,059</u>	<u>147,616</u>	<u>3,354,267</u>
<u>Financial Liabilities</u>							
Deposits	1,965,228	367,354	78,171	17,233	-	162,821	2,590,807
Interbank and money market items	51,378	80,013	10,755	53,808	9	4,986	200,949
Liabilities payable on demand	-	-	-	-	-	25,350	25,350
Debts issued and borrowings	<u>-</u>	<u>31,176</u>	<u>-</u>	<u>13,581</u>	<u>44,857</u>	<u>784</u>	<u>90,398</u>
Total Financial Liabilities	<u>2,016,606</u>	<u>478,543</u>	<u>88,926</u>	<u>84,622</u>	<u>44,866</u>	<u>193,941</u>	<u>2,907,504</u>
Items recognised on the statements of financial position	<u>(251,366)</u>	<u>244,803</u>	<u>31,914</u>	<u>304,544</u>	<u>163,193</u>	<u>(46,325)</u>	<u>446,763</u>



(Unit : Million Baht)

The Bank							
2020							
	Immediate Repricing	Within 6 Month	Over 6 Month to 1 Years	Over 1 Year to 5 Years	Over 5 Years	Non-interest Bearing	Total
Financial Assets							
Cash	-	-	-	-	-	61,920	61,920
Interbank and money market items	9,165	345,734	26,816	9,254	-	30,341	421,310
Financial assets measured at fair value through profit or loss	12,077	700	120	7,662	2,702	1,481	24,742
Investments	-	85,321	8,068	132,375	33,348	9,681	268,793
Loans to customers and accrued interest receivables	1,641,902	213,964	8,707	181,687	139,740	10,484	2,196,484
Total Financial Assets	1,663,144	645,719	43,711	330,978	175,790	113,907	2,973,249
Financial Liabilities							
Deposits	1,753,806	342,512	87,440	21,932	-	134,780	2,340,470
Interbank and money market items	33,626	21,976	261	44,127	58	9,463	109,511
Liabilities payable on demand	-	-	-	-	-	26,443	26,443
Debts issued and borrowings	-	3,754	-	-	63,762	1,255	68,771
Total Financial Liabilities	1,787,432	368,242	87,701	66,059	63,820	171,941	2,545,195
Items recognised on the statements of financial position	(124,288)	277,477	(43,990)	264,919	111,970	(58,034)	428,054



2. Foreign exchange rate risk

Foreign exchange rate risk is the risk that occurs from changes in exchange rates which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future. Example of the tools adopted for managing foreign exchange rate risk are, for instance, open position and VaR.

Foreign currency positions in Baht equivalent, as of 31 December 2021 and 2020 were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>2021</u>					
	<u>Currency</u>					
	<u>US Dollar</u>	<u>Yen</u>	<u>Pound</u>	<u>Euro</u>	<u>Others</u>	<u>Total</u>
<u>Assets</u>						
Cash	381	186	38	220	420	1,245
Interbank and money market items - net	50,068	653	166	556	30,408	81,851
Financial assets measured at fair value						
through profit or loss	23,146	856	326	651	473	25,452
Investments - net	112,517	3,865	2,046	19,014	37,606	175,048
Investments in subsidiaries and associates - net	166	-	-	-	-	166
Loans to customers and accrued interest						
receivables	104,298	896	144	5,683	37,312	148,333
Other assets	<u>13,346</u>	<u>61</u>	<u>57</u>	<u>453</u>	<u>3,954</u>	<u>17,871</u>
Total	<u>303,922</u>	<u>6,517</u>	<u>2,777</u>	<u>26,577</u>	<u>110,173</u>	<u>449,966</u>
<u>Liabilities</u>						
Deposits	55,300	833	415	2,320	20,208	79,076
Interbank and money market items	18,104	1	-	261	20,634	39,000
Liabilities payable on demand	13,272	279	56	899	373	14,879
Financial liabilities measured at fair value						
through profit or loss	188	-	-	-	-	188
Debts issued and borrowings	81,648	-	-	13,832	-	95,480
Other liabilities	<u>4,087</u>	<u>40</u>	<u>60</u>	<u>106</u>	<u>1,310</u>	<u>5,603</u>
Total	<u>172,599</u>	<u>1,153</u>	<u>531</u>	<u>17,418</u>	<u>42,525</u>	<u>234,226</u>
Foreign currency position of						
items recognised on the statements of						
financial position - net	<u>131,323</u>	<u>5,364</u>	<u>2,246</u>	<u>9,159</u>	<u>67,648</u>	<u>215,740</u>
items not recognised on the statements of						
financial position* - net	<u>(114,024)</u>	<u>(4,072)</u>	<u>(163)</u>	<u>(4,213)</u>	<u>(44,992)</u>	<u>(167,464)</u>

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

Consolidated						
2020						
	Currency					
	US Dollar	Yen	Pound	Euro	Others	Total
Assets						
Cash	273	202	37	73	351	936
Interbank and money market items - net	60,418	245	158	431	24,272	85,524
Financial assets measured at fair value						
through profit or loss	16,028	-	-	-	-	16,028
Investments - net	94,125	5,494	1,536	17,166	28,811	147,132
Loans to customers and accrued interest						
receivables	76,122	837	115	13,832	19,066	109,972
Other assets	<u>10,466</u>	<u>65</u>	<u>23</u>	<u>1,006</u>	<u>2,225</u>	<u>13,785</u>
Total	<u>257,432</u>	<u>6,843</u>	<u>1,869</u>	<u>32,508</u>	<u>74,725</u>	<u>373,377</u>
Liabilities						
Deposits	56,668	696	414	2,140	14,040	73,958
Interbank and money market items	3,832	542	-	370	3,745	8,489
Liabilities payable on demand	14,701	248	93	508	288	15,838
Debts issued and borrowings	53,516	-	-	-	-	53,516
Other liabilities	<u>8,201</u>	<u>96</u>	<u>35</u>	<u>28</u>	<u>889</u>	<u>9,249</u>
Total	<u>136,918</u>	<u>1,582</u>	<u>542</u>	<u>3,046</u>	<u>18,962</u>	<u>161,050</u>
Foreign currency position of						
items recognised on the statements of						
financial position - net	<u>120,514</u>	<u>5,261</u>	<u>1,327</u>	<u>29,462</u>	<u>55,763</u>	<u>212,327</u>
items not recognised on the statements of						
financial position* - net	<u>(83,458)</u>	<u>(3,920)</u>	<u>219</u>	<u>(25,718)</u>	<u>(47,777)</u>	<u>(160,654)</u>

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

The Bank						
	2021					
	Currency					
	US Dollar	Yen	Pound	Euro	Others	Total
Assets						
Cash	359	186	38	220	406	1,209
Interbank and money market items - net	53,855	652	163	556	26,295	81,521
Financial assets measured at fair value						
through profit or loss	17,731	856	326	651	473	20,037
Investments - net	56,010	290	-	1,134	3,477	60,911
Investments in subsidiaries and associates - net	2,169	-	-	-	14,082	16,251
Loans to customers and accrued interest						
receivables	101,927	896	144	5,683	2,892	111,542
Other assets	11,325	36	32	56	89	11,538
Total	243,376	2,916	703	8,300	47,714	303,009
Liabilities						
Deposits	54,296	833	415	2,320	2,004	59,868
Interbank and money market items	18,373	1	-	261	1,334	19,969
Liabilities payable on demand	13,272	279	56	899	373	14,879
Debts issued and borrowings	68,282	-	-	13,832	-	82,114
Other liabilities	2,194	30	43	81	135	2,483
Total	156,417	1,143	514	17,393	3,846	179,313
Foreign currency position of						
items recognised on the statements of						
financial position - net	86,959	1,773	189	(9,093)	43,868	123,696
items not recognised on the statements of						
financial position* - net	(76,701)	(1,767)	(163)	8,418	(44,992)	(115,205)

* Forward exchange contracts, cross currency swaps and FX options



(Unit : Million Baht)

The Bank

2020

Currency

	US Dollar	Yen	Pound	Euro	Others	Total
Assets						
Cash	247	202	37	73	346	905
Interbank and money market items - net	63,794	244	158	431	29,318	93,945
Financial assets measured at fair value						
through profit or loss	12,726	-	-	-	-	12,726
Investments - net	48,207	1,868	-	1,452	4,355	55,882
Investments in subsidiaries and associates - net	2,166	-	-	-	13,970	16,136
Loans to customers and accrued interest						
receivables	73,812	837	115	13,832	1,976	90,572
Other assets	9,243	29	15	687	76	10,050
Total	210,195	3,180	325	16,475	50,041	280,216
Liabilities						
Deposits	55,157	696	414	2,140	1,439	59,846
Interbank and money market items	3,924	542	-	370	373	5,209
Liabilities payable on demand	14,701	248	93	508	288	15,838
Debts issued and borrowings	53,516	-	-	-	-	53,516
Other liabilities	6,415	30	26	14	71	6,556
Total	133,713	1,516	533	3,032	2,171	140,965
Foreign currency position of						
items recognised on the statements of						
financial position - net	76,482	1,664	(208)	13,443	47,870	139,251
items not recognised on the statements of						
financial position* - net	(57,218)	(1,615)	219	(13,772)	(44,389)	(116,775)

* Forward exchange contracts, cross currency swaps and FX options



3. Equity price risk

Equity price risk is the risk arising from changes in the price of equities or common stocks that may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank manages equity position mainly for supporting equity underwriting business and non-directional equity trading business to serve customers' demand, as well as investing in equity securities, either directly or indirectly, under relevant applicable regulations.

4. Commodity price risk

Commodity price risk is the risk arising from changes in the price of commodities that may affect the value of the Bank's financial instruments, or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank mainly focuses on managing risk arising from commodity trading business to serve customers' demand under back-to-back risk management and relevant applicable regulations.

5. Credit spread risk

Credit spread risk is the risk arising from changes in credit spreads which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings, capital, financial assets and liabilities, both in the current reporting period and in the future.

The Bank manages credit spread risk arising from bond underwriting, bond investment, and bond trading business mainly to serve customers' demand under relevant applicable regulations.

6. Interest rate reform

Interest rate reform arises as the Financial Conduct Authority (FCA), the regulator of London Interbank Offered Rate (LIBOR) of the five major currencies (USD, EUR, GBP, JPY, and CHF) announced the future cessation or loss of representativeness of LIBOR by end 2021 for all EUR, GBP, JPY, and CHF LIBOR tenors and 1-week and 2-month USD LIBOR tenors and by mid 2023 for the remaining USD LIBOR tenors. This impacts to financial transactions referenced with those interest rates and Thai Baht Interest Rate Fixing (THBFIX) because USD LIBOR is a component in the calculation of THBFIX. The Bank and its subsidiaries have financial assets and liabilities and derivatives referenced with those interest rates. However, some interest rates are in process of reforming which may cause uncertainty in terms of time and method of interest rate reform.

In order to smoothly transition from existing reference rates to new interest benchmark rates, the Bank and its subsidiaries have established IBOR Working Group whose key tasks are to manage, supervise and monitor interest



rate transition processes within the Bank and its subsidiaries. The managing processes cover communication with customers and counterparties, amendments of contracts, improvements of operating systems and related working processes and financial risk managements.

The Bank and its subsidiaries' financial transactions affected from interest rate reform comprise of:

1. Transactions in banking book

Transactions referenced with LIBOR of the five major currencies and THBFIX affected from interest rate reform are investments, lending, borrowing and hedging derivatives (cross currency swaps and interest rate swaps). From hedge policy for banking book transactions, impacts to profit or loss will arise when there is a term mismatch between hedged transactions and hedging derivatives such as timing of cashflow, start date of a contract and maturity date of a contract. This results in immaterial impact to the Bank and its subsidiaries' statements of financial position and statements of profit or loss.

2. Transaction in trading book

Transactions referenced with LIBOR of the five major currencies and THBFIX affected from interest rate reform are cross currency swaps and interest rate swaps. The Bank and its subsidiaries have fully back-to-back policy for trading book transactions and have risk control and monitoring processes within a predetermined limit. Therefore, a transition to new benchmark rate causes immaterial impacts to the Bank and its subsidiaries.

Presently, the Bank and its subsidiaries are amending or negotiating with counterparties to change reference interest rates from LIBOR of the five major currencies and THBFIX to new benchmark rates or are communicating to add fallback provision in a contract or to adhere ISDA protocol. All financial transactions affected from interest rate reform are expected to completely processed within timeline determined by regulators.

The Bank and its subsidiaries are preparing IT systems and applications to support interest rate transition to new benchmark rates and expect to be completed within timeline determined by regulators.

The Bank and its subsidiaries manage interest rate risk impacted from interest rate reform within a risk limit for normal business.

In addition, the Bank has closely monitored risk status and market situations in order to pursue prudent management and control risk under the limits.



Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet its obligations as they fall due because of an inability to liquidate assets or obtain sufficient funding in a timely manner at an appropriate cost which could result in losses.

The Bank manages its liquidity risk under the Bank of Thailand's liquidity reserve regulations and other applicable regulations by sourcing for short-term and long-term funding, investing in highly liquid assets in both domestic and foreign currencies, maintaining Liquidity Coverage Ratio (LCR) in order to ensure that the Bank has sufficient liquidity to support net cash outflows under liquidity stress scenario, and setting up various tools and limits for risk measurement, monitoring and control, and reporting. The Bank also ensures that its liquidity position is suitable and sufficient for operations under both normal and critical situations.

In accordance with the BOT's directive number SOR NOR SOR 2/2561, dated 25 January 2018, titled "The Disclosure of Liquidity coverage ratio disclosure standards", requires KASIKORNBANK FINANCIAL CONGLOMERATE to disclose the liquidity requirements, were as follows:

Location of disclosure	Through the website under the investor relations section https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx
Date of disclosure	Within 4 months after the period end date as indicated in the notification
Information as of	30 June 2021

The disclosure for the years ended 31 December 2021 will be provided on or before 30 April 2022 on the Bank's website as noted above.



Financial assets and liabilities, classified by remaining contractual maturity analysis, as of 31 December 2021 and 2020 were as follows:

(Unit : Million Baht)

Consolidated							
	2021						Total
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	
Financial Assets							
Cash	-	-	-	-	-	59,972	59,972
Interbank and money market items	71,741	330,636	9,922	5,925	2,653	-	420,877
Financial assets measured at fair value through profit or loss	1,438	3,995	3,998	3,270	9,859	40,939	63,499
Investments*	797	60,795	42,942	328,165	57,827	17,680	508,206
Loans to customers and accrued interest receivables	<u>299,153</u>	<u>495,795</u>	<u>185,953</u>	<u>529,714</u>	<u>927,797</u>	<u>-</u>	<u>2,438,412</u>
Total Financial Assets	<u>373,129</u>	<u>891,221</u>	<u>242,815</u>	<u>867,074</u>	<u>998,136</u>	<u>118,591</u>	<u>3,490,966</u>
Financial Liabilities							
Deposits	2,121,884	374,733	84,970	17,043	-	-	2,598,630
Interbank and money market items	22,782	90,294	18,835	54,309	229	-	186,449
Liabilities payable on demand	25,350	-	-	-	-	-	25,350
Financial liabilities measured at fair value through profit or loss	240	1,157	217	-	-	-	1,614
Debts issued and borrowings	<u>-</u>	<u>27,656</u>	<u>182</u>	<u>17,825</u>	<u>46,707</u>	<u>11,516</u>	<u>103,886</u>
Total Financial Liabilities	<u>2,170,256</u>	<u>493,840</u>	<u>104,204</u>	<u>89,177</u>	<u>46,936</u>	<u>11,516</u>	<u>2,915,929</u>
Liquidity - net	<u>(1,797,127)</u>	<u>397,381</u>	<u>138,611</u>	<u>777,897</u>	<u>951,200</u>	<u>107,075</u>	<u>575,037</u>
Liquidity - cumulative net	(1,797,127)	(1,399,746)	(1,261,135)	(483,238)	467,962	575,037	575,037

*Investments of the life insurance subsidiary which are held primarily in relation to the insurance contract liabilities, are not presented in the table.



(Unit : Million Baht)

Consolidated							
2020							
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	61,962	61,962
Interbank and money market items	45,825	346,031	21,944	3,981	-	-	417,781
Financial assets measured at							
fair value through profit or loss	111	629	237	7,735	9,221	28,733	46,666
Investments*	778	47,084	12,297	184,038	37,190	13,163	294,550
Loans to customers and accrued							
interest receivables	<u>297,049</u>	<u>493,133</u>	<u>162,209</u>	<u>498,520</u>	<u>805,182</u>	<u>-</u>	<u>2,256,093</u>
Total Financial Assets	<u>343,763</u>	<u>886,877</u>	<u>196,687</u>	<u>694,274</u>	<u>851,593</u>	<u>103,858</u>	<u>3,077,052</u>
Financial Liabilities							
Deposits	1,882,039	347,608	93,228	22,124	-	-	2,344,999
Interbank and money market items	18,077	23,231	1,553	44,629	307	-	87,797
Liabilities payable on demand	26,443	-	-	-	-	-	26,443
Financial liabilities measured at							
fair value through profit or loss	229	40	18	-	-	-	287
Debts issued and borrowings	<u>-</u>	<u>1,150</u>	<u>215</u>	<u>28,831</u>	<u>39,194</u>	<u>-</u>	<u>69,390</u>
Total Financial Liabilities	<u>1,926,788</u>	<u>372,029</u>	<u>95,014</u>	<u>95,584</u>	<u>39,501</u>	<u>-</u>	<u>2,528,916</u>
Liquidity - net	<u>(1,583,025)</u>	<u>514,848</u>	<u>101,673</u>	<u>598,690</u>	<u>812,092</u>	<u>103,858</u>	<u>548,136</u>
Liquidity - cumulative net	(1,583,025)	(1,068,177)	(966,504)	(367,814)	444,278	548,136	548,136

*Investments of the life insurance subsidiary which are held primarily in relation to the insurance contract liabilities, are not presented in the table.



(Unit : Million Baht)

The Bank							
	2021						
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	Total
<u>Financial Assets</u>							
Cash	-	-	-	-	-	59,920	59,920
Interbank and money market items	63,824	314,800	11,196	24,752	2,653	-	417,225
Financial assets measured at fair value through profit or loss	1,438	2,814	3,664	3,229	3,918	20,695	35,758
Investments	797	56,769	40,816	315,026	57,827	11,705	482,940
Loans to customers and accrued interest receivables	<u>286,437</u>	<u>479,693</u>	<u>152,024</u>	<u>516,547</u>	<u>923,723</u>	<u>-</u>	<u>2,358,424</u>
Total Financial Assets	<u>352,496</u>	<u>854,076</u>	<u>207,700</u>	<u>859,554</u>	<u>988,121</u>	<u>92,320</u>	<u>3,354,267</u>
<u>Financial Liabilities</u>							
Deposits	2,128,049	367,354	78,171	17,233	-	-	2,590,807
Interbank and money market items	56,364	76,817	13,631	53,908	229	-	200,949
Liabilities payable on demand	25,350	-	-	-	-	-	25,350
Debts issued and borrowings	<u>-</u>	<u>27,534</u>	<u>182</u>	<u>17,825</u>	<u>33,341</u>	<u>11,516</u>	<u>90,398</u>
Total Financial Liabilities	<u>2,209,763</u>	<u>471,705</u>	<u>91,984</u>	<u>88,966</u>	<u>33,570</u>	<u>11,516</u>	<u>2,907,504</u>
Liquidity - net	<u>(1,857,267)</u>	<u>382,371</u>	<u>115,716</u>	<u>770,588</u>	<u>954,551</u>	<u>80,804</u>	<u>446,763</u>
Liquidity - cumulative net	(1,857,267)	(1,474,896)	(1,359,180)	(588,592)	365,959	446,763	446,763



(Unit : Million Baht)

The Bank							
2020							
	At call	Within 6 Months	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	No Maturity	Total
Financial Assets							
Cash	-	-	-	-	-	61,920	61,920
Interbank and money market items	39,035	342,267	26,971	13,037	-	-	421,310
Financial assets measured at							
fair value through profit or loss	111	589	120	7,662	2,703	13,557	24,742
Investments	778	41,320	8,102	171,722	37,190	9,681	268,793
Loans to customers and accrued							
interest receivables	<u>284,811</u>	<u>486,885</u>	<u>132,147</u>	<u>488,866</u>	<u>803,775</u>	<u>-</u>	<u>2,196,484</u>
Total Financial Assets	<u>324,735</u>	<u>871,061</u>	<u>167,340</u>	<u>681,287</u>	<u>843,668</u>	<u>85,158</u>	<u>2,973,249</u>
Financial Liabilities							
Deposits	1,888,586	342,512	87,440	21,932	-	-	2,340,470
Interbank and money market items	43,089	21,095	793	44,227	307	-	109,511
Liabilities payable on demand	26,443	-	-	-	-	-	26,443
Debts issued and borrowings	<u>-</u>	<u>531</u>	<u>215</u>	<u>28,831</u>	<u>39,194</u>	<u>-</u>	<u>68,771</u>
Total Financial Liabilities	<u>1,958,118</u>	<u>364,138</u>	<u>88,448</u>	<u>94,990</u>	<u>39,501</u>	<u>-</u>	<u>2,545,195</u>
Liquidity - net	<u>(1,633,383)</u>	<u>506,923</u>	<u>78,892</u>	<u>586,297</u>	<u>804,167</u>	<u>85,158</u>	<u>428,054</u>
Liquidity - cumulative net	(1,633,383)	(1,126,460)	(1,047,568)	(461,271)	342,896	428,054	428,054



Operational Risk Management

“Operational risk” is defined as the risk of loss resulting from failure or inadequate processes, personnel, operating and IT systems, or from external events/factors. Operational risk could result in direct or indirect impacts to the Bank and customer including impacts on the Bank’s earnings and capital funds.

The Bank’s operational risk management has been implemented, through systematic and effective risk identification, assessment, monitoring, control, and reporting the operational risk level of products and processes continuously. All units of the Bank are required to report their operational risk exposures and loss data, including establish designed controls, to mitigate the risks. The Bank has operational risk management tools – such as Risk and Control Self-Assessment (RCSA), Key Risk Indicators (KRI), and other IT systems – which have been employed, in order to enhance the effectiveness for risk monitoring and prevention, timely manage risks to an acceptable level, minimize the impact on the Bank and customers. retain customer confidence and satisfaction towards the Bank’s products and services and ensure the compliance with relevant laws and regulations.

Insurance Risk Management

Insurance risk is the risk arising from fluctuation of claim frequency, claim severity or time of claim occurrence that deviates from the pricing and reserving assumptions.

Pricing risk refers to the risk that the prices charged by the subsidiary for insurance contracts will ultimately be inadequate to support the future obligations arising from those contracts. The subsidiary manages the risk through the product approval process where products are regularly reviewed against pricing, design and profitability tests agreed by the product development sub-committee.

Reserving risk refers to risks that the provisions held in the subsidiary’s financial statements for its policyholder obligations will be inadequate. The adequacy of the reserves is considered by the Board of Directors of the subsidiary at each reporting date based on advice from the subsidiary’s actuaries and analysis of the sensitivity to key assumptions, in particular interest rate.

Additionally, to ensure that the subsidiary holds adequate reserves for future obligations, the control process on the quality of the in force policy data and the actuarial models are taken into consideration. The subsidiary’s internal audit department verifies the correctness and completeness of the in force policy data at least twice a year.



Concentration of insurance risk

Concentration of risk may arise where a particular event or a series of events could impact heavily upon the Company's insurance contract liabilities.

Most of the Company's contracts are life insurance non-par contracts with guaranteed benefits. The amount of risk to which the Company is exposed depends on the level of guarantees inherent in the contracts and the current interest rate. The changes in interest rate will not cause a change to the amount of the liability, unless the change is material enough to trigger a liability adequacy test adjustment.

As at 31 December 2021, the discount interest rates for the purpose of the liability adequacy test, in accordance with industry practice, are depending on the yield curve corresponding to the estimated timing of the net expected cash flows from insurance contracts. Management monitors the sensitivity to changes in rates on an ongoing basis. A decrease of 100 basis points from current market interest rates would not trigger a liability adequacy test adjustment.



5 CAPITAL REQUIREMENTS

The capital funds and the ratios of capital to risk weighted assets (Capital Adequacy Ratio) of KASIKORNBANK FINANCIAL CONGLOMERATE and the Bank as at 31 December 2021 and 2020 are set out below. The Bank has chosen to adopt the Standardised Approach in accordance with BOT requirements, which is in line with the requirements of Basel III.

(Unit : Million Baht)

	KASIKORNBANK FINANCIAL CONGLOMERATE	
	2021	2020
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	41,796
Legal reserve	3,050	3,050
Net profit after appropriation	372,447	341,444
Other comprehensive income	23,172	19,740
Capital adjustment items on CET1	16	-
Less Capital deduction items on CET1	(33,839)	(33,780)
Total Common Equity Tier 1 Capital (CET1)	406,642	372,250
Additional Tier 1 Capital	27,317	15,604
Total Tier 1 Capital Base	433,959	387,854
Tier 2 Capital		
Tier 2 Capital instruments	32,008	38,508
General Provision	29,539	27,105
Less Capital deduction items on Tier 2	(1,576)	(1,372)
Total Tier 2 Capital Base	59,971	64,241
Total Capital Base	493,930	452,095
Total Risk-Weighted Assets	2,630,858	2,404,276



(Percentage)

KASIKORNBANK FINANCIAL CONGLOMERATE			
Minimum requirements including			
<u>Capital Adequacy Ratio</u>	<u>Buffer requirements*</u>	<u>2021</u>	<u>2020</u>
Tier 1 Capital ratio	9.50	16.49	16.13
<i>Common Equity Tier 1 ratio</i>	8.00	15.46	15.48
Tier 2 Capital ratio	-	2.28	2.67
Capital adequacy ratio	12.00	18.77	18.80

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffers as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at more than 2.50 Percent.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1 Percent.

(Unit : Million Baht)

The Bank		
	<u>2021</u>	<u>2020</u>
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	41,796
Legal reserves	3,050	3,050
Net profit after appropriation	324,562	298,857
Other comprehensive income	18,755	17,132
Capital adjustment items on CET1	56	-
<u>Less</u> Capital deduction items on CET1	<u>(31,003)</u>	<u>(31,304)</u>
Total Common Equity Tier 1 Capital (CET1)	357,216	329,531
Additional Tier 1 Capital	<u>27,317</u>	<u>15,604</u>
Total Tier 1 Capital Base	<u>384,533</u>	<u>345,135</u>
Tier 2 Capital		
Tier 2 Capital instruments	32,008	38,508
General Provision	<u>28,114</u>	<u>26,156</u>
Total Tier 2 Capital Base	<u>60,122</u>	<u>64,664</u>
Total Capital Base	<u>444,655</u>	<u>409,799</u>
Total Risk-Weighted Assets	2,493,784	2,310,674



(Percentage)

The Bank			
<u>Minimum requirements</u>			
<u>including Buffer</u>			
<u>Capital Adequacy Ratio</u>	<u>requirements*</u>	<u>2021</u>	<u>2020</u>
Tier 1 Capital ratio	9.50	15.42	14.94
<i>Common Equity Tier 1 ratio</i>	<i>8.00</i>	<i>14.32</i>	<i>14.26</i>
Tier 2 Capital ratio	-	2.41	2.80
Capital adequacy ratio	12.00	17.83	17.74

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffers as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at more than 2.50 Percent.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1 Percent.

As at 31 December 2021 and 2020, the Bank and KASIKORNBANK FINANCIAL CONGLOMERATE have no add-on arising from Single Lending Limit.

In accordance with the BOT's directive number SOR NOR SOR 14/2562, dated 28 June 2019, titled "The Disclosure of Capital Requirements of Commercial Banks (No. 2)" and the BOT's directive number SOR NOR SOR 15/2562, dated 28 June 2019, titled "The Disclosure of Capital Requirements of Commercial Banks on Consolidated Basis (No. 2)", requires KASIKORNBANK FINANCIAL CONGLOMERATE to disclose the capital requirements, were as follows:

Location of disclosure	Through the website of the Bank under the investor relations section Date of disclosure https://www.kasikornbank.com/en/IR/FinanInfoReports/Pages/financial-reports.aspx
Date of disclosure	Within 4 months after the period end date as indicated in the notification
Information as of	30 June 2021

The disclosure for the years ended 31 December 2021 will be provided on or before 30 April 2022 on the Bank's website as noted above.



6 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities as of 31 December 2021 and 2020 is as follows:

(Unit : Million Baht)

	Consolidated					
	2021					
	Financial instrument measured at fair value through profit or loss	Financial instrument designated at fair value through profit or loss	Investment in debt measured at fair value through other comprehensive income	Investment in equity designated at fair value through other comprehensive income	Financial instrument measured at amortised cost	Total
Financial Assets						
Cash	-	-	-	-	59,972	59,972
Interbank and money market items - net	-	-	-	-	420,494	420,494
Financial assets measured at fair value through profit or loss	63,499	-	-	-	-	63,499
Derivative assets	36,893	-	-	-	1,164	38,057
Investments - net	-	-	321,712	95,225	613,597	1,030,534
Loans to customers and accrued interest receivables - net	-	-	-	-	2,293,640	2,293,640
Total	100,392	-	321,712	95,225	3,388,867	3,906,196
Financial Liabilities						
Deposits	-	-	-	-	2,598,630	2,598,630
Interbank and money market items	-	-	-	-	186,449	186,449
Liabilities payable on demand	-	-	-	-	25,350	25,350
Financial liabilities measured at fair value through profit or loss	240	1,374	-	-	-	1,614
Derivative liabilities	33,806	-	-	-	4,121	37,927
Debts issued and borrowings	-	-	-	-	103,886	103,886
Total	34,046	1,374	-	-	2,918,436	2,953,856



(Unit : Million Baht)

Consolidated

2020

	Financial instrument measured at fair value through profit or loss	Financial instrument designated at fair value through profit or loss	Investment in debt measured at fair value through other comprehensive income	Investment in equity designated at fair value through other comprehensive income	Financial instrument measured at amortised cost	Total
Financial Assets						
Cash	-	-	-	-	61,962	61,962
Interbank and money market items - net	-	-	-	-	417,420	417,420
Financial assets measured at fair value through profit or loss	46,608	58	-	-	-	46,666
Derivative assets	54,851	-	-	-	5,135	59,986
Investments - net	-	-	233,153	77,475	465,111	775,739
Loans to customers and accrued interest receivables - net	-	-	-	-	2,121,700	2,121,700
Total	<u>101,459</u>	<u>58</u>	<u>233,153</u>	<u>77,475</u>	<u>3,071,328</u>	<u>3,483,473</u>
Financial Liabilities						
Deposits	-	-	-	-	2,344,998	2,344,998
Interbank and money market items	-	-	-	-	87,797	87,797
Liabilities payable on demand	-	-	-	-	26,443	26,443
Financial liabilities measured at fair value through profit or loss	229	58	-	-	-	287
Derivative liabilities	45,637	-	-	-	1,189	46,826
Debts issued and borrowings	-	-	-	-	69,390	69,390
Total	<u>45,866</u>	<u>58</u>	<u>-</u>	<u>-</u>	<u>2,529,817</u>	<u>2,575,741</u>



(Unit : Million Baht)

The Bank					
	2021				
	Investment in debt		Investment in equity		
	Financial instrument	measured at fair value	designated at fair		
	measured at fair	through other	value through other	Financial instrument	
	value through	comprehensive	comprehensive	measured at	
	<u>profit or loss</u>	<u>income</u>	<u>income</u>	<u>amortised cost</u>	<u>Total</u>
<u>Financial Assets</u>					
Cash	-	-	-	59,920	59,920
Interbank and money market					
items - net	-	-	-	416,758	416,758
Financial assets measured at					
fair value through profit or loss	35,758	-	-	-	35,758
Derivative assets	35,231	-	-	1,154	36,385
Investments - net	-	303,808	11,705	166,645	482,158
Loans to customers and accrued					
interest receivables - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,219,173</u>	<u>2,219,173</u>
Total	<u>70,989</u>	<u>303,808</u>	<u>11,705</u>	<u>2,863,650</u>	<u>3,250,152</u>
<u>Financial Liabilities</u>					
Deposits	-	-	-	2,590,807	2,590,807
Interbank and money market items	-	-	-	200,949	200,949
Liabilities payable on demand	-	-	-	25,350	25,350
Derivative liabilities	32,451	-	-	3,910	36,361
Debts issued and borrowings	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,398</u>	<u>90,398</u>
Total	<u>32,451</u>	<u>-</u>	<u>-</u>	<u>2,911,414</u>	<u>2,943,865</u>



(Unit : Million Baht)

The Bank

2020

	Investment in debt		Investment in equity		
	Financial instrument measured at fair value		designated at fair		
	measured at fair	through other	value through other	Financial instrument	
	value through	comprehensive	comprehensive	measured at	
	<u>profit or loss</u>	<u>income</u>	<u>income</u>	<u>amortised cost</u>	<u>Total</u>
Financial Assets					
Cash	-	-	-	61,920	61,920
Interbank and money market					
items - net	-	-	-	421,152	421,152
Financial assets measured at					
fair value through profit or loss	24,742	-	-	-	24,742
Derivative assets	50,516	-	-	5,076	55,592
Investments - net	-	211,719	9,681	46,930	268,330
Loans to customers and accrued					
interest receivables - net	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,066,638</u>	<u>2,066,638</u>
Total	<u>75,258</u>	<u>211,719</u>	<u>9,681</u>	<u>2,601,716</u>	<u>2,898,374</u>
Financial Liabilities					
Deposits	-	-	-	2,340,470	2,340,470
Interbank and money market items	-	-	-	109,511	109,511
Liabilities payable on demand	-	-	-	26,443	26,443
Derivative liabilities	46,070	-	-	1,074	47,144
Debts issued and borrowings	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,771</u>	<u>68,771</u>
Total	<u>46,070</u>	<u>-</u>	<u>-</u>	<u>2,546,269</u>	<u>2,592,339</u>



7 SUPPLEMENTARY INFORMATION OF CASH FLOWS

Significant non-cash items for the years ended 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Change in foreign exchange for long-term debts issued and borrowings*	5,784	(202)	5,784	(202)
Amortisation cost for long-term debts issued and borrowings	384	5	384	5

* The Bank and its subsidiaries manage its banking exposures through the use of derivatives



8 INTERBANK AND MONEY MARKET ITEMS - NET (ASSETS)

Interbank and money market items - net (assets) as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
1. <u>Domestic</u>				
The BOT and FIDF	293,403	282,730	293,403	282,730
Commercial banks	34,872	48,148	31,352	44,117
Specialised financial institutions	12,042	167	11,901	1
Other financial institutions	<u>1,451</u>	<u>3,157</u>	<u>1,400</u>	<u>2,829</u>
Total	341,768	334,202	338,056	329,677
<u>Add</u> Accrued interest receivable and				
undue interest income	39	50	37	41
<u>Less</u> Allowance for expected credit loss	<u>(129)</u>	<u>(36)</u>	<u>(95)</u>	<u>-</u>
Total Domestic	<u>341,678</u>	<u>334,216</u>	<u>337,998</u>	<u>329,718</u>
2. <u>Foreign</u>				
US Dollars	46,690	57,248	50,417	60,553
Chinese Yuan	27,897	23,256	23,748	27,490
Japanese Yen	653	245	652	244
Euro	556	431	556	431
Other currencies	<u>3,176</u>	<u>2,171</u>	<u>3,040</u>	<u>2,444</u>
Total	78,972	83,351	78,413	91,162
<u>Add</u> Accrued interest receivable and				
Deferred interest	98	178	719	430
<u>Less</u> Allowance for expected credit loss	<u>(254)</u>	<u>(325)</u>	<u>(372)</u>	<u>(158)</u>
Total Foreign	<u>78,816</u>	<u>83,204</u>	<u>78,760</u>	<u>91,434</u>
Total Domestic and Foreign	<u>420,494</u>	<u>417,420</u>	<u>416,758</u>	<u>421,152</u>



9 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets measured at fair value through profit or loss as of 31 December 2021 and 2020 consisted of;

9.1 Trading financial assets :

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Government and state enterprise securities	12,223	10,083	12,076	9,936
Private enterprise debt instruments	1,723	1,295	1,660	1,248
Marketable equity securities - domestic	<u>6,913</u>	<u>4,320</u>	<u>22</u>	<u>23</u>
Total	<u>20,859</u>	<u>15,698</u>	<u>13,758</u>	<u>11,207</u>

9.2 Financial assets designated at fair value through profit or loss :

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Private enterprise debt instruments	1,176	58
Foreign debt instruments	<u>188</u>	<u>-</u>
Total	<u>1,364</u>	<u>58</u>

9.3 Financial assets - others :

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Private enterprise debt instruments	15,510	14,058	1,482	-
Foreign debt instruments	7,177	15,085	3,011	12,077
Marketable equity securities – domestic	251	176	251	176
Marketable equity securities – overseas	17,026	-	17,026	-
Others	<u>1,312</u>	<u>1,591</u>	<u>230</u>	<u>1,282</u>
Total	<u>41,276</u>	<u>30,910</u>	<u>22,000</u>	<u>13,535</u>
Total Financial assets measured at fair value through profit or loss	<u>63,499</u>	<u>46,666</u>	<u>35,758</u>	<u>24,742</u>



10 DERIVATIVES

10.1 Trading derivatives

Fair value and notional amount classified by type of risks as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

Consolidated										
Type of risk	Fair value				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Exchange rate	25,093	33,546	20,104	26,846	1,315,448	1,342,013	274,858	249,159	1,590,306	1,591,172
Interest rate	9,164	15,108	8,031	13,782	207,683	157,098	535,619	596,108	743,302	753,206
Others										
- Commodities	149	118	142	116	6,988	2,170	-	73	6,988	2,243
- Equities	364	187	79	17	3,143	1,852	3,859	2,258	7,002	4,110
- Debts	-	-	5	2	200	-	-	200	200	200
- Others	(576)	(627)	-	-	-	-	-	-	-	-
Total	34,194	48,332	28,361	40,763	1,533,462	1,503,133	814,336	847,798	2,347,798	2,350,931

(Unit : Million Baht)

The Bank										
Type of risk	Fair value				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Exchange rate	25,271	33,584	20,482	27,547	1,313,048	1,339,832	287,059	253,685	1,600,107	1,593,517
Interest rate	9,164	15,107	8,031	13,782	207,683	156,359	535,619	596,108	743,302	752,467
Others										
- Commodities	149	118	142	116	6,988	2,170	-	73	6,988	2,243
- Equities	191	97	191	97	-	-	4,134	1,971	4,134	1,971
- Debts	-	-	5	2	200	-	-	200	200	200
- Others	(576)	(627)	-	-	-	-	-	-	-	-
Total	34,199	48,279	28,851	41,544	1,527,919	1,498,361	826,812	852,037	2,354,731	2,350,398



10.2 Hedging derivatives

10.2.1 Fair value hedge

Fair value hedge is used to manage the exposure of changes in fair value of fixed rate and/or foreign currency rate banking book instruments, mainly are interbank and money market items - net (assets), investments and borrowings where their carrying amount of assets and liabilities, attributable to the hedged risk as of 31 December 2021 are Baht 34,958 million and Baht 86,892 million, respectively. They are hedged by interest rate swap or FX swap as per table below which arose ineffectiveness which recognised gain in the profit or loss for the year ended 31 December 2021 of Baht 135 million.

Fair value and notional amount classified by type of risks as of 31 December 2021 and 2020 consisted of

(Unit : Million Baht)

Consolidated and The Bank						
Fair value						
Type of risks	Assets		Liabilities		Notional Amount	
	2021	2020	2021	2020	2021	2020
Exchange rate	-	101	290	50	3,688	3,793
Interest rate	707	2,020	2,349	2,545	128,422	74,807
Total	707	2,121	2,639	2,595	132,110	78,600

10.2.2 Cash flow hedge

Cash flow hedge is used to manage the variability in future cash flows on a floating rate and/or foreign currency rate banking book instruments, mainly are investments and borrowings which are hedged by interest rate swap, FX swap or cross currency interest rate swap with total fair value as per table below.

Cash flow hedge reserve is cumulative amount of effective portion of fair value of hedging instruments which is recognised in other reserves. Cash flow hedge balances for the consolidated financial statements as of 31 December 2021 has gain for Baht 134 million which comprises decrease in recognised fair value changes amounting to Baht 2,810 million and transferred to profit or loss amounting to Baht 3,434 million. Cash flow hedge balances for the Bank financial statements as of 31 December 2021 has loss for Baht 71 million which comprises increase in recognised fair value changes amounting to Baht 1,345 million and transferred to profit or loss amounting to Baht 125 million while the ineffective portion that are recognised immediately in the profit or loss of the consolidated and the Bank for the year ended 31 December 2021 have gain of Baht 76 million and gain of Baht 32 million, respectively.



Fair value and notional amount classified by type of risks as of 31 December 2021 and 2020 consisted of

(Unit : Million Baht)

Consolidated						
Fair value						
	Assets		Liabilities		Notional Amount	
Type of risks	2021	2020	2021	2020	2021	2020
Exchange rate	1,426	3,866	2,250	806	51,720	62,291
Interest rate	327	58	556	1,473	80,207	53,742
Others						
- Debts	239	474	-	-	-	-
Total	1,992	4,398	2,806	2,279	131,927	116,033

(Unit : Million Baht)

The Bank						
Fair value						
	Assets		Liabilities		Notional Amount	
Type of risks	2021	2020	2021	2020	2021	2020
Exchange rate	1	70	405	458	4,712	22,064
Interest rate	324	46	556	1,473	79,713	53,248
Total	325	116	961	1,931	84,425	75,312

10.2.3 Net Investment hedge

The bank and its subsidiaries have designated net investment hedge to hedge the spot fluctuation of foreign currency assets and liabilities of overseas subsidiaries and overseas branches that have different functional currencies from Thai Baht, the bank's functional currency. The hedge relationship was closely monitored and promptly adjusted a hedge position through a mixture of derivatives and financial liabilities which are foreign currencies to ensure highly effective for the total hedging period.



10.3 Dynamic Hedging derivatives

Carrying amount and notional amount classified by type of risks as of 31 December 2021 and 2020 consisted of

(Unit : Million Baht)

Consolidated										
Type of risks	Carrying amount				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Exchange rate	1,164	5,135	4,121	1,189	186,055	165,406	4,335	18,623	190,390	184,029
Interest rate	-	-	-	-	40,495	41,020	232,670	122,715	273,165	163,735
Total	1,164	5,135	4,121	1,189	226,550	206,426	237,005	141,338	463,555	347,764

(Unit : Million Baht)

The Bank										
	Carrying amount				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
Type of risks	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Exchange rate	1,154	5,076	3,910	1,074	174,010	162,040	4,335	18,623	178,345	180,663
Interest rate	-	-	-	-	40,495	41,020	232,670	122,715	273,165	163,735
Total	1,154	5,076	3,910	1,074	214,505	203,060	237,005	141,338	451,510	344,398



11 INVESTMENTS - NET

11.1 Type of investments

Investments as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

<u>Consolidated</u>		
<u>Amortised Cost</u>		
	<u>2021</u>	<u>2020</u>
1. <u>Investments in debt instruments measured at amortised cost</u>		
1.1 Government and state enterprise securities	422,978	284,870
1.2 Private enterprise debt instruments	143,240	138,426
1.3 Foreign debt instruments	<u>49,364</u>	<u>42,950</u>
Total	615,582	466,246
<u>Less</u> Allowance for expected credit loss	<u>(1,985)</u>	<u>(1,135)</u>
Total	<u>613,597</u>	<u>465,111</u>

(Unit : Million Baht)

<u>Consolidated</u>		
<u>Fair value</u>		
	<u>2021</u>	<u>31 December 2020</u>
2. <u>Investments in debt instruments measured at fair value through other comprehensive income</u>		
2.1 Government and state enterprise securities	230,441	149,696
2.2 Private enterprise debt instruments	22,318	15,470
2.3 Foreign debt instruments	<u>68,953</u>	<u>67,987</u>
Total	<u>321,712</u>	<u>233,153</u>
Allowance for expected credit loss	(314)	(229)

(Unit : Million Baht)

<u>Consolidated</u>			
	<u>Fair value</u>		<u>Dividend income</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>
3. <u>Investments in equity instruments designated at fair value through other comprehensive income</u>			<u>2020</u>
3.1 Marketable equity securities - domestic	56,032	48,308	1,908
3.2 Marketable equity securities - overseas	35,793	25,012	604
3.3 Others	<u>3,400</u>	<u>4,155</u>	<u>76</u>
Total	<u>95,225</u>	<u>77,475</u>	<u>2,588</u>
Total Investments - net	<u>1,030,534</u>	<u>775,739</u>	<u>2,305</u>



(Unit : Million Baht)

The Bank		
	Amortised Cost	
	2021	2020
1. <u>Investments in debt instruments measured at amortised cost</u>		
1.1 Government and state enterprise securities	158,304	35,142
1.2 Private enterprise debt instruments	<u>9,123</u>	<u>12,251</u>
Total	167,427	47,393
<u>Less</u> Allowance for expected credit loss	<u>(782)</u>	<u>(463)</u>
Total	<u>166,645</u>	<u>46,930</u>

(Unit : Million Baht)

The Bank		
	Fair value	
	2021	2020
2. <u>Investments in debt instruments measured at fair value through other comprehensive income</u>		
2.1 Government and state enterprise securities	226,321	146,061
2.2 Private enterprise debt instruments	20,192	13,420
2.3 Foreign debt instruments	<u>57,295</u>	<u>52,238</u>
Total	<u>303,808</u>	<u>211,719</u>
Allowance for expected credit loss	(293)	(208)

(Unit : Million Baht)

The Bank			
	Fair value		Dividend income
	2021	2020	2021 2020
3. <u>Investments in equity instruments designated at fair value through other comprehensive income</u>			
3.1 Marketable equity securities - domestic	7,869	6,152	354 307
3.2 Marketable equity securities - overseas	3,599	2,621	87 64
3.3 Others	<u>237</u>	<u>908</u>	<u>61</u> <u>42</u>
Total	<u>11,705</u>	<u>9,681</u>	<u>502</u> <u>413</u>
Total Investments - net	<u>482,158</u>	<u>268,330</u>	



11.2 Derecognised investments

Derecognised investments in equities instrument designated at fair value through other comprehensive income mainly arising from sale during the years ended 31 December 2021 and 2020 as following;

(Unit : Million Baht)

Consolidated						
	Fair value at		Dividend income		Gain/(Loss)	
	derecognised date					
	2021	2020	2021	2020	2021	2020
Derecognised investments	29,612	21,846	200	128	2,754	571

(Unit : Million Baht)

The Bank						
	Fair value at		Dividend income		Gain/(Loss)	
	derecognised date					
	2021	2020	2021	2020	2021	2020
Derecognised investments	1,217	94	45	1	46	58



11.3 Investments in other companies having a going concern uncertainty

As of 31 December 2021 and 2020, investments held by the Bank and its subsidiaries in companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are the same as companies which meet SET's criteria for delisting, were as follows:

(Unit : Million Baht)

Consolidated						
	2021			2020		
	Cost Value/		Allowance for	Cost Value/		Allowance for
	Book Value	Fair Value		Book Value	Fair Value	
- Equity Securities	23	-	-	23	-	-
- Debt Securities	797	-	(734)	778	-	(418)
Total	820	-	(734)	801	-	(418)

(Unit : Million Baht)

The Bank						
	2021			2020		
	Cost Value/		Allowance for	Cost Value/		Allowance for
	Book Value	Fair Value		Book Value	Fair Value	
- Equity Securities	11	-	-	11	-	-
- Debt Securities	797	-	(734)	778	-	(418)
Total	808	-	(734)	789	-	(418)

11.4 Investments 10% or more held by the Bank and its subsidiaries

As of 31 December 2021 and 2020, investments held by the Bank and its subsidiaries that were 10% or more of those companies' shares and were not investments in subsidiaries and associated companies, classified by industry were as follows:

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
Agriculture and mining	5	5	-	-
Property development and construction	1,942	2,170	-	-
Infrastructure and services	-	86	-	45
Others	5,874	1,670	1,816	4
Total	7,821	3,931	1,816	49



12 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE – NET

12.1 Type of investments in subsidiaries, associated companies and joint venture

As of 31 December 2021 and 2020, investments in ordinary shares of subsidiaries, associated companies and joint venture were as follows:

(Unit : Million Baht)

Consolidated								
			% Shareholding					
	Type of Business	Type of Share	Direct and indirect		Cost method		Equity method	
			2021	2020	2021	2020	2021	2020
Associated companies								
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	288	287
National ITMX Co., Ltd.	Service	Ordinary	26.73%	25.48%	133	104	803	583
BCI (THAILAND) CO.,LTD.	Service	Ordinary	22.17%	22.17%	118	118	83	97
Thai Payment Network Co., Ltd.	Service	Ordinary	33.33%	-	262	-	256	-
Sovannaphum Life Assurance PLC ⁴⁾	Life Insurance	Ordinary	18.74%	18.74%	267	230	166	114
Goco Co., Ltd. ⁶⁾	Information and communication system development	Ordinary	22.65%	22.65%	4	4	-	-
Lawson-Marsh Events Co., Ltd. ⁶⁾	Professional conference organizer	Ordinary	35.71%	35.71%	5	5	-	-
O&H Honeycomb Paper Co., Ltd. ⁶⁾	Manufacture and sale of honeycomb paper	Ordinary	40.99%	40.99%	18	18	-	-
LD Restaurant Co., Ltd. ⁶⁾	Restaurant	Ordinary	32.69%	33.34%	4	4	-	-
Tee Entertainment Co., Ltd. ⁶⁾	Event organizer Restaurant and Sale of consumer goods	Ordinary	27.61%	27.61%	45	45	-	-
Joint venture								
KASIKORN LINE CO., LTD. ⁵⁾	Lending service	Ordinary	50.00%	50.00%	3,600	1,350	2,242	970
Total Investments in Associated Companies and Joint Venture					4,471	1,893	3,838	2,051
Less Allowance for impairment					(76)	(76)	-	-
Investments in Associated Companies and Joint Venture - Net					4,395	1,817	3,838	2,051



(Unit : Million Baht)

The Bank								
	Type of Business	Type of Share	% Shareholding		Cost method		Dividend income	
			Direct and indirect		2021	2020	2021	2020
			2021	2020				
Direct subsidiaries								
KASIKORN ASSET MANAGEMENT CO., LTD.	Fund Management	Ordinary	100.00%	100.00%	2,003	2,003	2,802	2,842
KASIKORN RESEARCH CENTER CO., LTD.	Service	Ordinary	100.00%	100.00%	10	10	-	-
KASIKORN SECURITIES PCL	Securities Business	Ordinary	99.99%	99.99%	1,512	1,512	1,000	1,000
KASIKORN LEASING CO., LTD.	Auto Leasing	Ordinary	100.00%	100.00%	900	900	500	480
KASIKORN FACTORY & EQUIPMENT CO., LTD.	Equipment Leasing	Ordinary	100.00%	100.00%	237	237	-	-
KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN LABS CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN SOFT CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN INFRA CO., LTD. ¹⁾ (Formerly: KASIKORN PRO CO., LTD.)	Service	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN SERVE CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	19	19	59	70
KASIKORN X CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	78	5	-	-
Muang Thai Group Holding Co., Ltd. (“MTGH”) ²⁾	Investment in other Companies	Ordinary	51.00%	51.00%	7,575	7,575	281	281
KASIKORNTHAI BANK Limited ³⁾	Commercial Banking	Ordinary	100.00%	100.00%	1,447	1,334	-	-
KASIKORNBANK (CHINA) COMPANY LIMITED	Commercial Banking	Ordinary	100.00%	100.00%	14,802	14,802	-	-
K-SME Venture Capital Co., Ltd.	Venture Capital	Ordinary	100.00%	100.00%	50	50	-	-
BEACON VENTURE CAPITAL COMPANY LIMITED	Venture Capital	Ordinary	100.00%	100.00%	3,735	2,821	-	-
KASIKORN VISION COMPANY LIMITED (“KVision”)	Investment in other Companies	Ordinary	100.00%	100.00%	8,000	5,400	-	-
KASIKORN VISION FINANCIAL COMPANY PTE. LTD.	Investment in other Companies	Ordinary	100.00%	-	3	-	-	-
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	Payment service provider	Ordinary	100.00%	100.00%	155	155	-	-
Phethai Asset Management Co., Ltd.	Asset Management	Ordinary	100.00%	100.00%	1,400	1,400	-	-
PROGRESS PLUS CO., LTD.	Service	Ordinary	100.00%	100.00%	1	1	-	-
PROGRESS APPRAISAL CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	10	10
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	Service	Ordinary	100.00%	100.00%	21	21	155	65
PROGRESS MANAGEMENT CO., LTD.	Service	Ordinary	100.00%	100.00%	6	6	6	2
PROGRESS FACILITIES MANAGEMENT CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	29	14
PROGRESS SERVICE SECURITY GUARD CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	38	25
PROGRESS STORAGE CO., LTD.	Service	Ordinary	100.00%	100.00%	3	3	12	11



(Unit : Million Baht)

The Bank								
% Shareholding								
	Type of	Direct and indirect	Cost method		Dividend income			
Type of Business	Share	2021	2020	2021	2020	2021	2020	
Direct subsidiaries								
PROGRESS H R CO., LTD.	Service	Ordinary	100.00%	100.00%	1	1	30	-
PROGRESS SERVICE SUPPORT CO., LTD.	Service	Ordinary	100.00%	100.00%	4	4	69	-
PROGRESS COLLECTION CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	23	10
PROGRESS TRAINING CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	1	-
Indirect subsidiaries								
KHAO KLA Venture Capital Management Co., Ltd.	Venture Capital Management	Ordinary	100.00%	100.00%	-	-	-	-
Muang Thai Life Assurance PCL (“MTL”) ²⁾	Life Insurance	Ordinary	38.25%	38.25%	-	-	-	-
Muang Thai Broker Co., Ltd. ²⁾	Insurance Broker	Ordinary	50.99%	50.99%	-	-	-	-
MT Insure Broker Co., Ltd. ⁴⁾	Insurance Broker	Ordinary	38.25%	38.25%	-	-	-	-
FUCHSIA VENTURE CAPITAL COMPANY LIMITED ²⁾	Venture Capital	Ordinary	38.25%	38.25%	-	-	-	-
AI GEN COMPANY LIMITED ²⁾	Service	Ordinary	51.00%	51.00%	-	-	-	-
BEACON INTERFACE COMPANY LIMITED ¹⁾	Service	Ordinary	100.00%	100.00%	-	-	-	-
PROGRESS MULTI INSURANCE BROKER CO., LTD.	Insurance Broker	Ordinary	100.00%	100.00%	-	-	-	-
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED ⁵⁾	Service	Ordinary	100.00%	100.00%	-	-	-	-
KUBIX DIGITAL ASSET CO., LTD. ¹⁾	Service	Ordinary	100.00%	-	-	-	-	-
Associated companies								
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	8	16
National ITMX Co., Ltd.	Service	Ordinary	26.73%	25.48%	133	104	96	45
BCI (THAILAND) CO., LTD.	Service	Ordinary	22.17%	22.17%	118	118	-	-
Thai Payment Network Co., Ltd.	Service	Ordinary	33.33%	-	262	-	-	-
Total					42,529	38,535	5,119	4,871
Less Allowance for impairment					(1,400)	(1,400)	-	-
Fair value hedge adjustments					809	(1,072)	-	-
Investments in Subsidiaries and Associated Companies - Net					41,938	36,063	5,119	4,871

¹⁾ Companies under Kasikorn Business-Technology Group.

²⁾ The Bank holds 51% of total issued shares of MTGH and MTGH holds 100% of total shares issued by AI GEN Company Limited and holds 99.99% of total shares issued by Muang Thai Broker Co., Ltd and holds 75% of total shares issued by MTL and FUCHSIA VENTURE CAPITAL COMPANY LIMITED.

³⁾ KASIKORN ASSET MANAGEMENT CO., LTD. holds 10% of KASIKORNTHAI BANK Limited

⁴⁾ The Bank holds shares indirectly through MTL.

⁵⁾ The Bank holds shares indirectly through KVision.

⁶⁾ The Bank holds shares indirectly through K-SME Venture Capital Co., Ltd.



The accounting for investments in associated companies and joint venture using the equity method in the consolidated financial statements is based on financial information obtained from unaudited or unreviewed financial statements.

Subsidiaries, associated companies and joint venture were incorporated in Thailand except for KASIKORNBANK (CHINA) COMPANY LIMITED and KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED incorporated in People's Republic of China and KASIKORNTHAI BANK Limited, Sovannaphum Life Assurance PLC and KASIKORN VISION FINANCIAL COMPANY PTE. LTD. incorporated in Lao PDR, Kingdom of Cambodia and Republic of Singapore, respectively.

During January to June 2021, BEACON VENTURE CAPITAL COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital of Baht 914 million, totaling fully paid up share capital of the Baht 3,735 million authorised share capital.

In February 2021 and October, KASIKORN VISION COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital of Baht 2,600 million. As a result, the authorised share capital of Baht 8,000 million is fully paid up.

In March 2021, KASIKORN X COMPANY LIMITED, a subsidiary of the Bank, increased its authorised share capital by Baht 145 million resulting in total authorised share capital of Baht 150 million and partially paid up share capital by Baht 73 million to Baht 78 million.

In March 2021, the Bank established a new subsidiary company under the name KUBIX DIGITAL ASSET COMPANY LIMITED of which 100% of shares are held by KASIKORN X COMPANY LIMITED. The Company has Baht 70 million of authorised share capital of which Baht 42 million has been paid up.

In October 2021, the Bank established a new subsidiary company under the name KASIKORN VISION FINANCIAL COMPANY PTE. LTD. in Republic of Singapore, of which 100% of shares are held by the Bank. The company has USD 100,000 of authorised share capital which was fully paid up in December 2021.

In November 2021, KASIKORNTHAI BANK Limited., a subsidiary of the Bank increased its authorized and fully paid up share capital by Baht 125 million.



12.2 Non-controlling interests in subsidiaries

The proportion of shareholding of non-controlling interests in subsidiaries that are material to the Bank is summarised as follows:

<u>Companies in MTGH Group</u>	<u>31 December 2021</u>
Muang Thai Group Holding Co., Ltd.	49.00%
Muang Thai Life Assurance PCL	61.75%
Muang Thai Broker Co., Ltd.	49.01%
MT Insure Broker Co., Ltd.	61.75%
FUCHSIA VENTURE CAPITAL COMPANY LIMITED	61.75%
AI GEN COMPANY LIMITED	49.00%

12.3 Financial positions, results of operations and cash flows of the Bank's subsidiaries and associated companies

12.3.1 The summarised financial information of the subsidiaries that have non-controlling interests that are material to the Bank is set out below:

(Unit : Million Baht)

Statements of Financial Position

	31 December 2021			31 December 2020		
	(Unaudited)					
	Total	Total	Total	Total	Total	Total
	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Equity</u>
Companies in MTGH Group*	623,615	522,521	101,094	572,594	485,072	87,522

(Unit : Million Baht)

Statements of Profit or Loss and Other Comprehensive Income

	For the Year Ended 31 December					
	2021			2020		
	(Unaudited)					
	Operating			Operating		
	Income - net	Expenses***	Net Profit	Income - net	Expenses***	Net Profit
Companies in MTGH Group*	15,723**	8,237	7,486	15,163**	7,682	7,481

* The majority is contributed by Muang Thai Life Assurance PCL.

** Including dividend income among the group for 2021 and 2020 amounting to Baht 591 million and Baht 581 million, respectively.

*** Expenses comprise total other operating expenses, expected credit loss, impairment loss and income tax expense.



(Unit : Million Baht)

Statements of Cash Flows

For the Year Ended 31 December 2021

(Unaudited)

Companies in MTGH Group*

<u>Net Cash by Operating Activities</u>	<u>Net Cash by Investing Activities</u>	<u>Net Cash by Financing Activities</u>
2,167	(1,379)	(788)

(Unit : Million Baht)

Statements of Cash Flows

For the Year Ended 31 December 2020

(Unaudited)

Companies in MTGH Group*

<u>Net Cash by Operating Activities</u>	<u>Net Cash by Investing Activities</u>	<u>Net Cash by Financing Activities</u>
3,008	(2,234)	(774)

* The majority is contributed by Muang Thai Life Assurance PCL.

12.3.2 The summarised financial information of the immaterial associated companies is set out below:

(Unit : Million Baht)

Statements of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December

	2021		2020
	(Unaudited)		
	<u>Net Profit</u>	<u>Total Comprehensive Income</u>	<u>Net Profit</u>
Associated Companies	1,015	1,031	594
			<u>Total Comprehensive Income</u>
			554



12.3.3 Disclosure of Statements of Cash Flows of Asset Management Company ("AMC")

Phethai Asset Management Company Limited

Statements of Cash Flows

For the Years Ended 31 December 2021 and 2020

(Unit : Million Baht)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax expense	5	8
Adjustments for		
(Gain) Loss on sale of property foreclosed	(1)	4
Expected credit loss	-	6
Interest income - net	(13)	(15)
Proceeds from interest	13	15
Income tax paid	<u>-</u>	<u>(1)</u>
Profit from operating before changes in operating assets and liabilities	4	17
Decrease in operating assets		
Properties foreclosed	1	34
Other assets	26	23
Increase (Decrease) in operating liabilities		
Other liabilities	<u>4</u>	<u>(1)</u>
Net cash provided by operating activities	<u>35</u>	<u>73</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for share capital decrease	<u>-</u>	<u>(80)</u>
Net cash used in financing activities	<u>-</u>	<u>(80)</u>
Net increase (decrease) in cash	35	(7)
Cash at the beginning of the year	<u>13</u>	<u>20</u>
Cash at the end of the year	<u>48</u>	<u>13</u>



12.4 Interest in unconsolidated structured entities arising in the normal course of business

The Bank and its subsidiaries transact with unconsolidated structured entities, through involvement in establishment process, acting as the trustee, as well as providing source of funds. These entities may take the form of funds, trusts and REITs.

The provision of funds is in the form of loans which are disbursed under normal business terms. These loans are managed in the same way as all other loans and receivables. The outstanding loans to these structured entities as of 31 December 2021 and 2020 amounted to Baht 6,111 million and Baht 5,241 million, respectively.

13 LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES – NET

As of 31 December 2021 and 2020, loans to customers and accrued interest receivables - net consisted of:

13.1 Classified by Type of Loans

(Unit : Million Baht)

	Consolidated		The Bank	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Overdrafts	286,095	273,702	286,083	273,680
Loans	1,438,245	1,284,356	1,490,244	1,339,786
Bills	440,555	453,473	442,975	461,508
Hire purchase receivables	112,758	102,846	-	-
Finance lease receivables	20,828	19,321	-	-
Others	<u>123,332</u>	<u>111,123</u>	<u>123,331</u>	<u>111,026</u>
Total Loans to customers	2,421,813	2,244,821	2,342,633	2,186,000
<u>Add</u> Accrued interest receivables and undue interest income	<u>16,599</u>	<u>11,272</u>	<u>15,791</u>	<u>10,484</u>
Total Loans to customers and accrued interest receivables	2,438,412	2,256,093	2,358,424	2,196,484
<u>Less</u> Allowance for expected credit loss	<u>(144,772)</u>	<u>(134,393)</u>	<u>(139,251)</u>	<u>(129,846)</u>
Total Loans to customers and accrued interest receivables - net	<u>2,293,640</u>	<u>2,121,700</u>	<u>2,219,173</u>	<u>2,066,638</u>



13.2 Classified by Residency of Borrowers

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
Domestic	2,338,351	2,183,723	2,296,582	2,145,294
Foreign	<u>83,462</u>	<u>61,098</u>	<u>46,051</u>	<u>40,706</u>
Total	<u>2,421,813</u>	<u>2,244,821</u>	<u>2,342,633</u>	<u>2,186,000</u>

13.3 Classified by Type of Business

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
Agriculture and mining	34,297	35,257	32,953	33,832
Manufacturing and commerce	981,576	936,403	943,652	901,591
Property development and construction	207,669	193,584	196,401	182,893
Infrastructure and services	355,609	317,600	307,866	276,139
Housing loans	414,678	385,722	414,632	385,657
Others	<u>427,984</u>	<u>376,255</u>	<u>447,129</u>	<u>405,888</u>
Total	<u>2,421,813</u>	<u>2,244,821</u>	<u>2,342,633</u>	<u>2,186,000</u>

13.4 Classified by account status

(Unit : Million Baht)

Loans and Accrued Interest Receivables

	Consolidated		The Bank	
	2021	2020	2021	2020
Stage 1 Performing	2,130,347	1,951,216	2,064,756	1,906,782
Stage 2 Under-performing	201,878	201,382	190,321	188,992
Stage 3 Non-performing	<u>106,187</u>	<u>103,495</u>	<u>103,347</u>	<u>100,710</u>
Total	<u>2,438,412</u>	<u>2,256,093</u>	<u>2,358,424</u>	<u>2,196,484</u>



13.5 Non-performing loans (NPL)

The Bank and its subsidiaries showed non-performing loans (including financial institutions) to comply with BOT's regulations, summarised as follows:

As of 31 December 2021 and 2020, non-performing loans (NPL gross) are defined as Stage 3 Non-performing loan accounts in accordance with the BOT's directive number SOR NOR SOR 23/2561, dated 31 October 2018, regarding the "Classification and provision criteria of financial institution".

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Non-performing loans	104,036	101,007	101,200	98,221
Total loans used for NPL gross ratio calculation	2,763,401	2,571,793	2,658,126	2,492,266
Ratio of total loans (%)	3.76	3.93	3.81	3.94

As at 31 December 2021 and 31 December 2020, Phethai Asset Management Co., Ltd. has non-performing loans (NPL gross) amounting to Baht 64 million and Baht 80 million respectively.

13.6 Listed companies that meet SET's criteria for delisting

As of 31 December 2021 and 2020, loans to listed companies that meet SET's criteria for delisting were as follows:

(Unit : Million Baht)

	<u>Consolidated and The Bank</u>					
	<u>2021</u>			<u>2020</u>		
	Loans and			Loans and		
	Accrued		Allowance for	Accrued		Allowance for
	Interest	Collateral	expected	Interest	Collateral	expected
	<u>Receivables</u>	<u>Value</u>	<u>credit loss</u>	<u>Receivables</u>	<u>Value</u>	<u>credit loss</u>
Listed companies which meet SET's						
criteria for delisting	537	537	318	24	24	12



13.7 Hire Purchase and Finance Lease Receivables

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>Portion due</u>	
	<u>2021</u>	<u>2020</u>
Gross receivables from hire purchase and finance leases	147,739	134,004
Up to 1 year	47,941	45,544
Over 1 - 5 Years	92,754	84,097
Over 5 Years	7,044	4,363
<u>Less</u> Unearned interest income	<u>(14,153)</u>	<u>(11,837)</u>
Present value of minimum lease payments	133,586	122,167
Allowance for expected credit loss	<u>(4,070)</u>	<u>(3,445)</u>
Total hire purchase and finance lease receivables - net	<u>129,516</u>	<u>118,722</u>

14 MODIFIED LOAN

The Bank and its subsidiaries engaged in modification contracts which were classified as NPL that incurred or not incurred losses and non-NPL that incurred losses. During the years ended 31 December 2021 and 2020, excluding customers under the Bank of Thailand's relief measures, there were loans before modification amounting to Baht 4,337 million and Baht 14,162 million respectively and incurred losses amounting to Baht 506 million and Baht 2,059 million respectively.

For the years ended 31 December 2021 and 2020, Customers with current carrying amount of Baht 503 million and Baht 2,095 million respectively, that have performed per new terms and conditions are moved from lifetime ECL to 12-month ECL.



15 ALLOWANCE FOR EXPECTED CREDIT LOSS

The movements in the allowance for expected credit loss of loans to customers and accrued interest receivables during the year were as follows:

(Unit : Million Baht)

Consolidated				
2021				
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Balance at the beginning of the year	42,954	49,439	42,000	134,393
Stage transfer	12,312	(21,279)	8,967	-
Net remeasurement of loss allowance	(22,223)	33,625	27,708	39,110
New financial assets originated or purchased	37,214	1,427	874	39,515
Financial assets that have been derecognised	(22,798)	(12,152)	(20,991)	(55,941)
Write-offs	-	-	(12,305)	(12,305)
Balance at the end of the year	<u>47,459</u>	<u>51,060</u>	<u>46,253</u>	<u>144,772</u>

(Unit : Million Baht)

Consolidated				
2020				
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Balance at the beginning of the year	40,492	40,836	36,240	117,568
Stage transfer	(9,393)	(3,736)	13,129	-
Net remeasurement of loss allowance	(4,800)	13,502	4,638	13,340
New financial assets originated or purchased	32,344	12,901	203	45,448
Financial assets that have been derecognised	(15,689)	(14,064)	(5,029)	(34,782)
Write-offs	-	-	(7,181)	(7,181)
Balance at the end of the year	<u>42,954</u>	<u>49,439</u>	<u>42,000</u>	<u>134,393</u>



(Unit : Million Baht)

The Bank				
2021				
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Balance at the beginning of the year	41,807	47,891	40,148	129,846
Stage transfer	12,105	(21,040)	8,935	-
Net remeasurement of loss allowance	(22,375)	33,876	27,642	39,143
New financial assets originated or purchased	35,182	902	715	36,799
Financial assets that have been derecognised	(21,799)	(11,899)	(20,739)	(54,437)
Write-offs	-	-	(12,100)	(12,100)
Balance at the end of the year	<u>44,920</u>	<u>49,730</u>	<u>44,601</u>	<u>139,251</u>

(Unit : Million Baht)

The Bank				
2020				
	Stage 1	Stage 2	Stage 3	
	(Performing)	(Under - performing)	(Non - performing)	Total
Balance at the beginning of the year	38,988	40,007	34,460	113,455
Stage transfer	(9,541)	(3,521)	13,062	-
Net remeasurement of loss allowance	(3,579)	12,794	4,306	13,521
New financial assets originated or purchased	31,140	12,440	50	43,630
Financial assets that have been derecognised	(15,201)	(13,829)	(4,748)	(33,778)
Write-offs	-	-	(6,982)	(6,982)
Balance at the end of the year	<u>41,807</u>	<u>47,891</u>	<u>40,148</u>	<u>129,846</u>



16 PROPERTIES FORECLOSED – NET

Properties foreclosed as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

Consolidated				
Types of Properties Foreclosed	2021			Ending Balance
	Beginning Balance	Addition	Disposal	
1. Assets acquired from debt repayment				
1.1 Immovable assets	30,881	21,241	(6,196)	45,926*
1.2 Movable assets	<u>83</u>	<u>766</u>	<u>(759)</u>	<u>90</u>
Total	30,964	22,007	(6,955)	46,016
2. Others	<u>506</u>	<u>(12)</u>	<u>(221)</u>	<u>273</u>
Total properties foreclosed	31,470	21,995	(7,176)	46,289
<u>Less</u> allowances for impairment	<u>(3,435)</u>	<u>(1,264)</u>	<u>724</u>	<u>(3,975)</u>
Total properties foreclosed - net	<u>28,035</u>	<u>20,731</u>	<u>(6,452)</u>	<u>42,314</u>

* Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2021, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 21,550 million and Baht 24,376 million, respectively.

(Unit : Million Baht)

Consolidated				
Types of Properties Foreclosed	2020			Ending Balance
	Beginning Balance	Addition	Disposal	
1. Assets acquired from debt repayment				
1.1 Immovable assets	27,830	7,309	(4,258)	30,881**
1.2 Movable assets	<u>128</u>	<u>622</u>	<u>(667)</u>	<u>83</u>
Total	27,958	7,931	(4,925)	30,964
2. Others	<u>103</u>	<u>501</u>	<u>(98)</u>	<u>506</u>
Total properties foreclosed	28,061	8,432	(5,023)	31,470
<u>Less</u> allowances for impairment	<u>(3,073)</u>	<u>(1,196)</u>	<u>834</u>	<u>(3,435)</u>
Total properties foreclosed - net	<u>24,988</u>	<u>7,236</u>	<u>(4,189)</u>	<u>28,035</u>

** As of 31 December 2020, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 8,473 million and Baht 22,408 million, respectively.



(Unit : Million Baht)

The Bank				
2021				
	Beginning			Ending
<u>Types of Properties Foreclosed</u>	<u>Balance</u>	<u>Addition</u>	<u>Disposal</u>	<u>Balance</u>
1. Assets acquired from debt repayment				
1.1 Immovable assets	30,862	21,241	(6,194)	45,909*
1.2 Movable assets	24	-	-	24
Total	30,886	21,241	(6,194)	45,933
2. Others	506	(12)	(221)	273
Total properties foreclosed	31,392	21,229	(6,415)	46,206
<u>Less allowances for impairment</u>	<u>(3,380)</u>	<u>(1,206)</u>	<u>671</u>	<u>(3,915)</u>
Total properties foreclosed - net	<u>28,012</u>	<u>20,023</u>	<u>(5,744)</u>	<u>42,291</u>

* Including Properties foreclosed transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

As of 31 December 2021, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 21,533 million and Baht 24,376 million, respectively.

(Unit : Million Baht)

The Bank				
2020				
	Beginning			Ending
<u>Types of Properties Foreclosed</u>	<u>Balance</u>	<u>Addition</u>	<u>Disposal</u>	<u>Balance</u>
1. Assets acquired from debt repayment				
1.1 Immovable assets	27,760	7,309	(4,207)	30,862**
1.2 Movable assets	24	-	-	24
Total	27,784	7,309	(4,207)	30,886
2. Others	103	501	(98)	506
Total properties foreclosed	27,887	7,810	(4,305)	31,392
<u>Less allowances for impairment</u>	<u>(2,987)</u>	<u>(1,135)</u>	<u>742</u>	<u>(3,380)</u>
Total properties foreclosed - net	<u>24,900</u>	<u>6,675</u>	<u>(3,563)</u>	<u>28,012</u>

** As of 31 December 2020, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 8,454 million and Baht 22,408 million, respectively.

For the years ended 31 December 2021 and 2020, gains on sale of properties foreclosed were as follow:

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
Gain on sale of properties foreclosed	75	57	274	254



17 PREMISES AND EQUIPMENT - NET

Changes in premises and equipment for the years ended 31 December 2021 and 2020 are summarised as follows:

(Unit : Million Baht)

Consolidated											
2021											
Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value	
Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Ending Balance	Beginning Balance	Depreciation	Disposal/Transfer out	Ending Balance	Beginning Balance	Ending Balance (Decrease)	Beginning Balance**	Ending Balance
Land											
Cost	3	(2)	-	3,850	-	-	-	-	-	3,849	3,850
Appraisal increase	2	(2)	-	19,109	-	-	-	-	-	19,109	19,109
Appraisal decrease	-	-	-	(109)	-	-	-	-	-	(109)	(109)
Building											
Cost	232	(20)	-	21,296	9,126	425	(4)	9,542	10	11,948	11,744
Appraisal increase	11	(6)	(2)	13,235	6,497	278	(1)	6,777	-	6,735	6,458
Appraisal decrease	-	-	-	(237)	(128)	(8)	-	(136)	-	(109)	(101)
Right-of-use building	1,229	(164)	23	3,501	799	1,142	(84)	1,856	-	1,614	1,645
Equipment											
Cost	994	(3,330)	15	37,675	26,172	3,307	(2,995)	26,501	408	13,416	11,023
Right-of-use equipment	417	(25)	1	1,917	407	454	(10)	851	-	1,117	1,066
Others	172	(46)	-	186	-	-	-	-	-	60	186
Total	3,060	(3,595)	37	100,423	42,873	5,598	(3,094)	45,391	418	57,630	54,871



(Unit : Million Baht)

Consolidated													
2020													
	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
	Balance**	Transfer in	Transfer out	Others	Balance	Depreciation	Transfer out	Others	Balance	(Decrease)	Balance	Balance**	Balance
Land													
Cost	3,982	6	(139)	-	3,849	-	-	-	-	-	-	3,982	3,849
Appraisal increase*	18,684	634	(209)	-	19,109	-	-	-	-	-	-	18,684	19,109
Appraisal decrease*	(125)	6	10	-	(109)	-	-	-	-	-	-	(125)	(109)
Building													
Cost	20,343	1,010	(269)	-	21,084	8,869	412	(155)	-	(5)	10	11,459	11,948
Appraisal increase*	13,080	382	(230)	-	13,232	6,369	285	(157)	-	-	-	6,711	6,735
Appraisal decrease*	(243)	(2)	8	-	(237)	(126)	(9)	7	-	-	-	(117)	(109)
Right-of-use building	1,584	944	(117)	2	2,413	-	821	(22)	-	-	-	1,584	1,614
Equipment													
Cost	38,611	6,091	(4,715)	9	39,996	26,446	3,237	(3,516)	5	88	408	11,845	13,416
Right-of-use equipment	1,205	378	(59)	-	1,524	-	407	-	-	-	-	1,205	1,117
Others	259	146	(346)	1	60	-	-	-	-	-	-	259	60
Total	97,380	9,595	(6,066)	12	100,921	41,558	5,153	(3,843)	5	83	418	55,487	57,630

* Appraisal in year 2020 for its subsidiary

** Already include impact from TFRS 16

As of 31 December 2021 and 2020, premises and equipment with original costs of Baht 16,021 million and Baht 15,069 million, respectively, were fully depreciated but still in use.



(Unit : Million Baht)

The Bank													
2021													
	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance		Book Value		
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Others	Ending Balance	Beginning Balance	Disposal/Transfer out	Others	Ending Balance	Beginning Balance	Ending Balance	Beginning Balance	Ending Balance
Land													
Cost	3,175	3	-	-	3,178	-	-	-	-	-	-	3,175	3,178
Appraisal increase	14,668	2	-	-	14,670	-	-	-	-	-	-	14,668	14,670
Appraisal decrease	(85)	-	-	-	(85)	-	-	-	-	-	-	(85)	(85)
Building													
Cost	17,499	213	(4)	-	17,708	7,670	369	8	8,047	10	-	9,819	9,651
Appraisal increase	10,153	1	-	-	10,154	5,587	200	-	5,787	-	-	4,566	4,367
Appraisal decrease	(123)	-	-	-	(123)	(121)	(7)	-	(128)	-	-	(2)	5
Right-of-use building	2,188	913	(95)	-	3,006	739	989	(26)	1,702	-	-	1,449	1,304
Equipment													
Cost	33,829	687	(3,096)	5	31,425	21,920	2,742	(2,854)	21,811	408	(257)	11,501	9,463
Right-of-use equipment	1,423	355	(12)	-	1,766	375	416	-	791	-	-	1,048	975
Others	53	150	(35)	-	168	-	-	-	-	-	-	53	168
Total	82,780	2,324	(3,242)	5	81,867	36,170	4,709	(2,872)	38,010	418	(257)	46,192	43,696



(Unit : Million Baht)

	The Bank									
	2020									
	Change of Cost			Change of Accumulated Depreciation			Impairment Allowance		Book Value	
	Beginning Balance*	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Disposal/ Transfer out	Ending Balance	Beginning Balance	Ending Balance
Land										
Cost	3,314	-	(139)	-	3,175	-	-	-	3,314	3,175
Appraisal increase	14,877	-	(209)	-	14,668	-	-	-	14,877	14,668
Appraisal decrease	(95)	-	10	-	(85)	-	-	-	(95)	(85)
Building										
Cost	17,209	501	(211)	-	17,499	7,433	363	(126)	15	9,761
Appraisal increase	10,383	-	(230)	-	10,153	5,537	207	(157)	-	4,846
Appraisal decrease	(128)	-	5	-	(123)	(120)	(7)	6	(8)	(2)
Right-of-use building	1,368	931	(113)	2	2,188	-	758	(19)	-	1,368
Equipment										
Cost	32,307	4,944	(3,422)	-	33,829	22,530	2,655	(3,265)	320	9,457
Right-of-use equipment	1,132	350	(59)	-	1,423	-	375	-	-	1,132
Others	243	124	(314)	-	53	-	-	-	243	53
Total	80,610	6,850	(4,682)	2	82,780	35,380	4,351	(3,561)	335	44,895
									83	418
										46,192

* Already include impact from TFRS 16

As of 31 December 2021 and 2020, premises and equipment with original costs of Baht 12,786 million and Baht 12,137 million, respectively, were fully depreciated but still in use.

The fair values of premises are determined by using market comparison approach and replacement cost approach based on highest and best use assumption. The fair values are appraised by independent appraisers who are qualified as professionals and have appropriate experience. The fair values of premises as of 31 December 2021 and 2020 are categorised as Level 3 in the fair value hierarchy.



18 GOODWILL AND OTHER INTANGIBLE ASSETS - NET

Changes in goodwill and other intangible assets for the years ended 31 December 2021 and 2020 are summarised as follows:

(Unit : Million Baht)

	Consolidated											
	2021						2020					
	Change of Cost			Change of Accumulated Amortisation			Impairment Allowance			Book Value		
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Beginning Balance	Amortisation	Disposal/Transfer out	Beginning Balance	Increase/(Decrease)	Ending Balance	Beginning Balance	Ending Balance	Ending Balance
Application software*	43,813	7,156	(3,464)	84	47,589	270	23,837	3,171	26,523	451	567	20,499
Business purchased	270	-	-	-	270	-	270	-	270	-	-	-
Goodwill	3,824	-	-	-	3,824	-	-	-	-	-	-	3,824
Others	676	128	(184)	1	621	-	7	1	8	184	(184)	613
Total	48,583	7,284	(3,648)	85	52,304	-	24,114	3,172	26,801	635	567	24,936



(Unit : Million Baht)

Consolidated

2020

	Change of Cost				Change of Accumulated Amortisation				Impairment Allowance		Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Others	Ending Balance	Beginning Balance	Amortisation	Disposal/Transfer out	Others	Ending Balance	Beginning Balance	Ending Balance
Application software*	40,473	3,587	(281)	34	43,813	21,028	3,045	(248)	12	23,837	231	19,214
Business purchased	270	-	-	-	270	270	-	-	-	270	-	-
Goodwill	3,824	-	-	-	3,824	-	-	-	-	-	3,824	3,824
Others	446	231	(1)	-	676	7	1	(1)	-	7	439	485
Total	45,013	3,818	(282)	34	48,583	21,305	3,046	(249)	12	24,114	231	23,834

* As of 31 December 2021 and 2020, the amount under development is Baht 3,639 million and Baht 2,504 million, respectively.

As of 31 December 2021 and 2020, intangible assets with original costs of Baht 11,830 million and Baht 10,323 million, respectively, were fully amortised but still in use.



(Unit : Million Baht)

	The Bank									
	2021									
	Change of Cost		Change of Accumulated Amortisation				Impairment Allowance		Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Ending Balance	Beginning Balance	Amortisation	Disposal/Transfer out	Ending Balance	Beginning Balance	Ending Balance
Application software*	39,551	6,393	(3,410)	42,538	22,134	2,865	(522)	24,479	451	16,966
Others	648	128	(184)	592	-	-	-	-	-	464
Total	40,199	6,521	(3,594)	43,130	22,134	2,865	(522)	24,479	635	17,430

(Unit : Million Baht)

	The Bank									
	2020									
	Change of Cost		Change of Accumulated Amortisation				Impairment Allowance		Book Value	
	Beginning Balance	Additions/Transfer in	Disposal/Transfer out	Ending Balance	Beginning Balance	Amortisation	Disposal/Transfer out	Ending Balance	Beginning Balance	Ending Balance
Application software*	36,690	3,088	(226)	39,551	19,572	2,759	(197)	22,134	231	16,887
Others	417	231	-	648	-	-	-	-	-	464
Total	37,107	3,319	(226)	40,199	19,572	2,759	(197)	22,134	231	17,304

* As of 31 December 2021 and 2020, the amount under development is Baht 2,401 million and Baht 1,679 million, respectively.

As of 31 December 2021 and 2020, intangible assets with original costs of Baht 11,139 million and Baht 9,779 million, respectively, were fully amortised but still in use.



19 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities as of 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deferred tax assets	11,130	10,256	8,796	7,082
Deferred tax liabilities	<u>(1,576)</u>	<u>(1,695)</u>	<u>-</u>	<u>-</u>
Net	<u>9,554</u>	<u>8,561</u>	<u>8,796</u>	<u>7,082</u>

Movements in total deferred tax assets and liabilities during the year were as follows:

(Unit : Million Baht)

	<u>Consolidated</u>				
	<u>Charged / credited to:</u>				
	<u>As of</u>	<u>Profit or loss</u>	<u>Other</u>		<u>As of</u>
	<u>1 January</u>	<u>(Note 45)</u>	<u>comprehensive income</u>		<u>31 December</u>
	<u>2021</u>	<u>(Note 45)</u>	<u>(Note 45)</u>	<u>Others</u>	<u>2021</u>
Deferred tax assets					
Financial assets measured at fair value through profit or loss	-	781	-	-	781
Derivative	1,208	(1,161)	(192)	3	(142)
Investments	415	163	2	4	584
Investments in subsidiaries, associates and joint venture	279	-	-	-	279
Loans and accrued interest receivables - net	1,590	(1)	-	11	1,600
Properties foreclosed	710	98	24	-	832
Premises and equipment	42	-	-	-	42
Provisions	8,947	1,439	(254)	(2)	10,130
Life policy reserve	3,318	523	-	-	3,841
Others	<u>1,837</u>	<u>188</u>	<u>38</u>	<u>(23)</u>	<u>2,040</u>
Total	<u>18,346</u>	<u>2,030</u>	<u>(382)</u>	<u>(7)</u>	<u>19,987</u>
Deferred tax liabilities					
Financial assets measured at fair value through profit or loss	346	66	-	-	412
Derivative	970	(773)	(176)	-	21
Investments	1,974	(43)	1,509	(10)	3,430
Premises and equipment	4,930	(44)	1	15	4,902
Others	<u>1,565</u>	<u>42</u>	<u>-</u>	<u>61</u>	<u>1,668</u>
Total	<u>9,785</u>	<u>(752)</u>	<u>1,334</u>	<u>66</u>	<u>10,433</u>
Net	<u>8,561</u>	<u>2,782</u>	<u>(1,716)</u>	<u>(73)</u>	<u>9,554</u>



(Unit : Million Baht)

Consolidated					
	Charged / credited to:				
	As of		Other		As of
	1 January	Profit or loss	comprehensive income		31 December
	2020	(Note 45)	(Note 45)	Others	2020
Deferred tax assets					
Derivative	1,155	(154)	207	-	1,208
Investments	205	208	(10)	12	415
Investments in subsidiaries, associates and joint venture	295	(16)	-	-	279
Loans and accrued interest receivables - net	3,067	(1,502)	-	25	1,590
Properties foreclosed	655	100	(45)	-	710
Premises and equipment	42	-	-	-	42
Provisions	7,174	1,726	39	8	8,947
Life policy reserve	2,955	363	-	-	3,318
Others	<u>1,618</u>	<u>180</u>	<u>5</u>	<u>34</u>	<u>1,837</u>
Total	<u>17,166</u>	<u>905</u>	<u>196</u>	<u>79</u>	<u>18,346</u>
Deferred tax liabilities					
Financial assets measured at fair value through profit or loss	1,486	(1,140)	-	-	346
Derivative	1,982	(274)	(738)	-	970
Investments	2,767	(70)	(704)	(19)	1,974
Premises and equipment	4,935	(114)	109	-	4,930
Others	<u>1,429</u>	<u>115</u>	<u>-</u>	<u>21</u>	<u>1,565</u>
Total	<u>12,599</u>	<u>(1,483)</u>	<u>(1,333)</u>	<u>2</u>	<u>9,785</u>
Net	<u>4,567</u>	<u>2,388</u>	<u>1,529</u>	<u>77</u>	<u>8,561</u>



(Unit : Million Baht)

The Bank				
	Charged / credited to:			
	As of		Other	As of
	1 January	Profit or loss	comprehensive	31 December
	2021	(Note 45)	income	2021
			(Note 45)	
Deferred tax assets				
Financial assets measured at fair value				
through profit or loss	-	780	-	780
Derivative	369	(322)	(192)	(145)
Investments	270	57	-	327
Investments in subsidiaries,				
associates and joint venture	277	-	-	277
Loans and accrued interest receivables -net	415	(99)	-	316
Properties foreclosed	628	107	24	759
Provisions	8,470	1,345	(227)	9,588
Others	<u>1,069</u>	<u>6</u>	<u>38</u>	<u>1,113</u>
Total	<u>11,498</u>	<u>1,874</u>	<u>(357)</u>	<u>13,015</u>
Deferred tax liabilities				
Financial assets measured at fair value				
through profit or loss	64	(64)	-	-
Investments	715	(17)	(101)	597
Premises and equipment	<u>3,637</u>	<u>(15)</u>	<u>-</u>	<u>3,622</u>
Total	<u>4,416</u>	<u>(96)</u>	<u>(101)</u>	<u>4,219</u>
Net	<u>7,082</u>	<u>1,970</u>	<u>(256)</u>	<u>8,796</u>



(Unit : Million Baht)

The Bank				
	Charged / credited to:			
	As of		Other	As of
	1 January	Profit or loss	comprehensive	31 December
	2020	(Note 45)	income	2020
		(Note 45)	(Note 45)	
Deferred tax assets				
Derivative	49	114	206	369
Investments	164	116	(10)	270
Investments in subsidiaries, associates and joint venture	293	(16)	-	277
Loans and accrued interest receivables -net	2,117	(1,702)	-	415
Properties foreclosed	594	79	(45)	628
Provisions	6,764	1,666	40	8,470
Others	<u>967</u>	<u>97</u>	<u>5</u>	<u>1,069</u>
Total	<u>10,948</u>	<u>354</u>	<u>196</u>	<u>11,498</u>
Deferred tax liabilities				
Financial assets measured at fair value				
through profit or loss	1,030	(966)	-	64
Investments	715	(42)	42	715
Premises and equipment	<u>3,796</u>	<u>(102)</u>	<u>(57)</u>	<u>3,637</u>
Total	<u>5,541</u>	<u>(1,110)</u>	<u>(15)</u>	<u>4,416</u>
Net	<u>5,407</u>	<u>1,464</u>	<u>211</u>	<u>7,082</u>



20 DEPOSITS

Deposits were classified as of 31 December 2021 and 2020 as follows:

20.1 Classified by Type of Deposits

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current	161,303	133,802	163,235	135,987
Savings	1,960,581	1,748,237	1,964,814	1,752,599
Term	<u>476,746</u>	<u>462,960</u>	<u>462,758</u>	<u>451,884</u>
Total	<u>2,598,630</u>	<u>2,344,999</u>	<u>2,590,807</u>	<u>2,340,470</u>

20.2 Classified by Currencies and Residency of Depositors

(Unit : Million Baht)

	<u>Consolidated</u>					
	<u>2021</u>			<u>2020</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	2,393,400	126,154	2,519,554	2,161,145	109,896	2,271,041
US Dollars	48,994	6,306	55,300	49,310	7,358	56,668
Other currencies	<u>2,625</u>	<u>21,151</u>	<u>23,776</u>	<u>8,464</u>	<u>8,826</u>	<u>17,290</u>
Total	<u>2,445,019</u>	<u>153,611</u>	<u>2,598,630</u>	<u>2,218,919</u>	<u>126,080</u>	<u>2,344,999</u>

(Unit : Million Baht)

	<u>The Bank</u>					
	<u>2021</u>			<u>2020</u>		
	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Baht	2,405,939	125,000	2,530,939	2,171,873	108,751	2,280,624
US Dollars	48,994	5,302	54,296	49,310	5,847	55,157
Other currencies	<u>4,111</u>	<u>1,461</u>	<u>5,572</u>	<u>3,057</u>	<u>1,632</u>	<u>4,689</u>
Total	<u>2,459,044</u>	<u>131,763</u>	<u>2,590,807</u>	<u>2,224,240</u>	<u>116,230</u>	<u>2,340,470</u>



21 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Interbank and money market items (liabilities) as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
1. <u>Domestic</u>				
The BOT and FIDF	73,133	22,779	73,133	22,779
Commercial banks	59,319	43,020	59,319	43,020
Specialised financial institutions	1,060	820	1,055	887
Other financial institutions	<u>19,927</u>	<u>11,160</u>	<u>53,447</u>	<u>36,198</u>
Total Domestic	<u>153,439</u>	<u>77,779</u>	<u>186,954</u>	<u>102,884</u>
2. <u>Foreign</u>				
US Dollars	10,418	3,832	10,687	3,850
Chinese Yuan	17,887	2,241	1	-
Japanese Yen	1	542	1	542
Euro	261	370	261	370
Other currencies	<u>4,443</u>	<u>3,033</u>	<u>3,045</u>	<u>1,865</u>
Total Foreign	<u>33,010</u>	<u>10,018</u>	<u>13,995</u>	<u>6,627</u>
Total Domestic and Foreign	<u>186,449</u>	<u>87,797</u>	<u>200,949</u>	<u>109,511</u>



22 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

22.1 Trading financial liabilities as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Liabilities to deliver security	240	229

22.2 Financial liabilities designated at fair value through profit or loss as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Debts issued	1,374	58

22.2.1 The effects of changes in that liability's all risk in profit or loss as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
The difference between the carrying amount and the amount would be contractually required to pay at maturity	144	(3)



23 DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	Currency	Consolidated					
		2021			2020		
		Maturity Date	Interest Rate	Domestic	Foreign	Total	
Tier II Subordinated Notes due 2031**	US Dollar	2031	3.343%	-	25,841	25,841	
Unsubordinated and unsecured debentures	US Dollar	2021-2023	2.375%-3.256%	-	30,925	30,925	
			Float*				
Unsubordinated and unsecured debentures	Euro	2022	(0.26%)-(0.28%)	-	13,832	13,832	
Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL							
No. 1/2015 due 2026**	Baht	-	-	-	-	-	6,500
No. 1/2016 due 2027**	Baht	2027	3.50%	7,500	-	7,500	7,500
Subordinated Instruments intended to qualify as Tier 1 Capital of KASIKORNBANK PCL	US Dollar	No fixed redemption date (Perpetual)	4.00%	-	11,516	11,516	-
Subordinated Instruments of Muang Thai Life Assurance PCL	US Dollar	2037	3.552%	-	13,366	13,366	-
Debt issued and borrowings with embedded derivative that are not designated at fair value through profit or loss	Baht	2022	1.33%-1.35%	122	-	122	619
Others	Baht	2022-2024	0.00%	784	-	784	1,255
Total				8,406	95,480	103,886	69,390



The Bank											(Unit : Million Baht)
	Currency	2021					2020				
		Maturity Date	Interest Rate	Domestic	Foreign	Total	Maturity Date	Interest Rate	Domestic	Foreign	Total
Tier II Subordinated Notes due 2031**	US Dollar	2031	3.343%	-	25,841	25,841	2031	3.343%	-	25,194	25,194
Unsubordinated and unsecured debentures	US Dollar	2022-2023	2.375%-3.256%	-	30,925	30,925	2021-2023	2.375%-3.256%	-	28,322	28,322
Unsubordinated and unsecured debentures	Euro	2022	Float* (0.26%)-(0.28%)	-	13,832	13,832	-	Float* -	-	-	-
Subordinated Instruments intended to qualify as Tier 2											
Capital of KASIKORNBANK PCL											
No.1/2015 due 2026**	Baht	-	-	-	-	-	2026	3.95%	6,500	-	6,500
No.1/2016 due 2027**	Baht	2027	3.50%	7,500	-	7,500	2027	3.50%	7,500	-	7,500
Subordinated Instruments intended to qualify as Tier 1	US Dollar	No fixed redemption date	4.00%	-	11,516	11,516	-	-	-	-	-
Capital of KASIKORNBANK PCL											
Others	Baht	2022-2024	0.00%	784	-	784	2021-2025	0.00%	1,255	-	1,255
Total				8,284	82,114	90,398			15,255	53,516	68,771

* 3-Month London Interbank Offered Rate (LIBOR) plus 95-100 bps.

****** Qualified as Tier 2 Capital in accordance with Basel III.



24 PROVISION

Provision as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Allowance for expected credit loss of loan commitment				
and financial guarantee contract	15,832	12,476	15,719	12,403
Employee retirement benefit	25,982	26,853	23,780	24,620
Other	<u>1,239</u>	<u>1,054</u>	<u>1,197</u>	<u>1,008</u>
Total	<u>43,053</u>	<u>40,383</u>	<u>40,696</u>	<u>38,031</u>

Employee retirement benefits as of 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	26,853	25,576	24,620	23,584
Current service cost	1,877	1,997	1,633	1,748
Interest cost	313	403	275	367
Actuarial (gain) loss from updated assumptions				
- Financial assumptions	(3,199)	(944)	(3,053)	(944)
- Demographic assumptions	1,862	1,137	1,917	1,145
Benefits paid	<u>(1,724)</u>	<u>(1,316)</u>	<u>(1,612)</u>	<u>(1,280)</u>
Balance at the end of the year	<u>25,982</u>	<u>26,853</u>	<u>23,780</u>	<u>24,620</u>

Actuarial loss from updated assumptions recognised in other comprehensive income for the year ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Balance at the end of the year	(5,940)	(7,276)	(5,812)	(6,948)



Principal actuarial assumptions as of 31 December 2021 and 2020 consisted of:

Consolidated and The Bank		
	<u>2021</u>	<u>2020</u>
Discount rate	0.52% - 3.53%	0.36% – 2.90%
Average salary increase	1% – 10%	1% – 11%
Average turnover	0% – 30%	0% – 34%
Normal retirement age	50 years – 60 years	50 years – 60 years

A sensitivity analysis for each significant actuarial assumption as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Effect on defined benefit obligations</u>				
+1% on discount rate	(2,407)	(2,551)	(2,183)	(2,308)
-1% on discount rate	2,828	2,892	2,565	2,605
+1% on average salary increase	2,879	2,833	2,626	2,546
-1% on average salary increase	(2,482)	(2,445)	(2,262)	(2,199)



25 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Long-term technical reserves	492,685	467,030
Others	<u>6,105</u>	<u>4,985</u>
Total	<u>498,790</u>	<u>472,015</u>

The movements in long-term technical reserves during the year

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Balance at the beginning of the year	467,030	441,079
Reserve increase from new and inforce policies in the year	61,284	64,330
Reserve released for benefits payment, lapse and cancellation in the year	<u>(35,629)</u>	<u>(38,379)</u>
Balance at the end of the year	<u>492,685</u>	<u>467,030</u>



26 LEASE LIABILITIES

Lease liabilities as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>	
	<u>2021</u>	<u>2020</u>
Within 1 year	1,250	1,242
Later than 1 year but not later than 5 years	1,245	1,333
Later than 5 years	<u>96</u>	<u>69</u>
Total undiscounted lease liabilities	<u>2,591</u>	<u>2,644</u>
Lease liabilities include in the statement of financial position	2,550	2,561

(Unit : Million Baht)

	<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>
Within 1 year	1,092	1,108
Later than 1 year but not later than 5 years	1,022	1,234
Later than 5 years	<u>69</u>	<u>42</u>
Total undiscounted lease liabilities	<u>2,183</u>	<u>2,384</u>
Lease liabilities include in the statement of financial position	2,147	2,335

27 ADVANCES RECEIVED FROM ELECTRONIC TRANSACTIONS

The BOT Notification No. SOR NOR CHOR 7/2561, dated 16 April 2018, regarding the “Regulations on Service Business Relating to Electronic Money (e-Money) Services” requires the Bank to disclose advances received from e-Money Services. As of 31 December 2021 and 2020, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 835 million and Baht 764 million, respectively.

The BOT Notification No. SOR NOR CHOR 2/2562, dated 20 December 2019, regarding the “Regulations on Service Business Relating to Electronic Fund Transfer” requires the Bank to disclose advances received from electronic fund transfer transactions. As of 31 December 2021 and 2020, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities amounting to Baht 325 million and Baht 346 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 31 December 2021 in the amount of Baht 2,840 million.



28 FAIR VALUE OF ASSETS AND LIABILITIES

28.1 Financial assets, financial liabilities, and derivatives measured at fair value

The fair value hierarchy of financial instruments measured at fair value on a recurring basis as of 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

Consolidated								
	2021				2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Interbank and money market items – net (assets)	-	3,380	-	3,380	-	3,118	-	3,118
Financial assets measured at fair value through profit or loss	25,835	36,337	1,327	63,499	16,647	30,019	-	46,666
Derivative assets								
- Exchange rate	-	26,519	-	26,519	-	37,513	-	37,513
- Interest rate	-	9,622	-	9,622	-	16,559	-	16,559
- Others	43	709	-	752	6	773	-	779
Investments measured at fair value through other comprehensive income	<u>79,268</u>	<u>337,314</u>	<u>355</u>	<u>416,937</u>	<u>60,965</u>	<u>249,345</u>	<u>318</u>	<u>310,628</u>
Total Financial Assets	<u>105,146</u>	<u>413,881</u>	<u>1,682</u>	<u>520,709</u>	<u>77,618</u>	<u>337,327</u>	<u>318</u>	<u>415,263</u>
Financial Liabilities								
Financial liabilities measured at fair value through profit or loss	240	1,374	-	1,614	229	58	-	287
Derivative liabilities								
- Exchange rate	-	22,644	-	22,644	-	27,702	-	27,702
- Interest rate	-	10,936	-	10,936	-	17,800	-	17,800
- Others	4	222	-	226	19	116	-	135
Debts issued and borrowings	<u>-</u>	<u>86,163</u>	<u>-</u>	<u>86,163</u>	<u>-</u>	<u>42,258</u>	<u>-</u>	<u>42,258</u>
Total Financial Liabilities	<u>244</u>	<u>121,339</u>	<u>-</u>	<u>121,583</u>	<u>248</u>	<u>87,934</u>	<u>-</u>	<u>88,182</u>



(Unit : Million Baht)

The Bank							
	2021				2020		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
Financial Assets							
Interbank and money market							
items – net (assets)	-	3,380	-	3,380	-	3,118	3,118
Financial assets measured							
at fair value through profit							
or loss	18,758	15,673	1,327	35,758	12,253	12,489	24,742
Derivative assets							
- Exchange rate	-	25,272	-	25,272	-	33,755	33,755
- Interest rate	-	9,619	-	9,619	-	16,546	16,546
- Others	-	340	-	340	-	215	215
Investments measured at fair							
value through other							
comprehensive income	<u>3,986</u>	<u>311,527</u>	<u>-</u>	<u>315,513</u>	<u>420</u>	<u>220,980</u>	<u>221,400</u>
Total Financial Assets	<u>22,744</u>	<u>365,811</u>	<u>1,327</u>	<u>389,882</u>	<u>12,673</u>	<u>287,103</u>	<u>299,776</u>
Financial Liabilities							
Derivative liabilities							
- Exchange rate	-	21,177	-	21,177	-	28,055	28,055
- Interest rate	-	10,936	-	10,936	-	17,800	17,800
- Others	-	338	-	338	-	215	215
Debts issued and borrowings	<u>-</u>	<u>86,163</u>	<u>-</u>	<u>86,163</u>	<u>-</u>	<u>42,258</u>	<u>42,258</u>
Total Financial Liabilities	<u>-</u>	<u>118,614</u>	<u>-</u>	<u>118,614</u>	<u>-</u>	<u>88,328</u>	<u>88,328</u>

During the year ended 31 December 2021, due to changes in market conditions, there were transfers of financial assets measured at fair value of the Bank and its subsidiary from level 1 to level 2 amounting to Baht 242 million and from level 2 to level 1 amounting to Baht 3,227 million.

As of 31 December 2021, level 3 of investment measured at fair value through profit or loss amounting to Baht 1,327 million was transferred from level 1 due to unquoted market price. The Bank measures value of investment by using estimated cash flow of assets.

The valuation techniques for level 2 of recurring fair value measurements are as follows:



The fair values of derivatives and structure notes are determined based upon liquid (observable) market prices, reference to exchange traded prices, broker or dealer quotations, prices of other similar transactions or prices derived by using a valuation technique incorporating observable market data which is adjusted with counterparty credit risk (excluding own credit risk) and other risks to reflect true economic value.

Investments in marketable equity securities and listed unit trusts considered to be inactive classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) are stated at fair value based on the last bid prices of the Stock Exchange of Thailand (SET) or the closing price of the Stock Exchange they are listed as of the reporting date.

Investments in unit trusts considered to be inactive are stated at fair value based on the net asset value as of the reporting date.

Investments in government debt securities and state enterprises debt securities guaranteed by the government, classified as fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI), are stated at fair value based on the Thai Bond Market Association Government Bond Yield Curve as of the reporting date. State enterprises debt securities not guaranteed by the government and private debt instruments are stated at fair value based on bid prices from the Thai Bond Market Association as of the reporting date. If not available, the Government Bond Yield Curve for the same period is used, adjusted by an appropriate risk premium.

Investments in marketable foreign bonds classified as amortised cost and fair value through other comprehensive income (FVOCI) are stated at fair value based on bid prices from Bloomberg. If not available, indicative price from custodian is used.

The Bank and its subsidiaries measure the fair value of financial assets separately from financial liabilities. However, in cases where the Bank and its subsidiaries manage either market risk or credit risk on a portfolio basis, the Bank and its subsidiaries measure the fair value of those groups of financial instruments on a net basis.

The Bank and its subsidiaries determines level 3 fair value for unquoted equity investment by using adjusted net asset method.



28.2 Financial assets, financial liabilities and derivatives are not measured at fair value

Fair value hierarchy of financial instruments which are not measured at fair value and for which there is a significant difference with carrying value as of 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

Consolidated				
	<u>2021</u>		<u>2020</u>	
	<u>Carrying</u>	<u>Fair Value</u>	<u>Carrying</u>	<u>Fair Value</u>
	<u>Amount</u>	<u>Level 2</u>	<u>Amount</u>	<u>Level 2</u>
Financial Assets				
Derivative assets (Dynamic hedge)				
- Exchange rate	1,164	1,178	5,135	4,977
- Interest rate	-	410	-	1,277
Investments in debt instruments measured at				
amortised cost	<u>613,597</u>	<u>614,908</u>	<u>465,111</u>	<u>556,134</u>
Total Financial Assets	<u>614,761</u>	<u>616,496</u>	<u>470,246</u>	<u>562,388</u>
Financial Liabilities				
Derivative liabilities (Dynamic hedge)				
- Exchange rate	4,121	4,906	1,189	1,643
- Interest rate	-	1,231	-	170
Debts issued and borrowings	<u>17,723</u>	<u>18,879</u>	<u>27,132</u>	<u>27,474</u>
Total Financial Liabilities	<u>21,844</u>	<u>25,016</u>	<u>28,321</u>	<u>29,287</u>



(Unit : Million Baht)

The Bank				
	2021		2020	
	Carrying	Fair Value	Carrying	Fair Value
	Amount	Level 2	Amount	Level 2
Financial Assets				
Derivative assets (Dynamic hedge)				
- Exchange rate	1,154	1,168	5,076	4,918
- Interest rate	-	410	-	1,277
Investments in debt instruments measured at				
amortised cost	166,645	166,753	46,930	47,648
Total Financial Assets	167,799	168,331	52,006	53,843
Financial Liabilities				
Derivative liabilities (Dynamic hedge)				
- Exchange rate	3,910	4,695	1,074	1,529
- Interest rate	-	1,231	-	170
Debts issued and borrowings	4,235	5,391	26,513	26,855
Total Financial Liabilities	8,145	11,317	27,587	28,554

The following methods and assumptions are used by the Bank in estimating fair values of above financial assets and liabilities as disclosed herein:

Investments in government debt securities and state enterprises debt securities guaranteed by the government, classified as Investment at amortised cost, are stated at fair value based on the Thai Bond Market Association Government Bond Yield Curve as of the reporting date. State enterprises debt securities not guaranteed by the government and private debt instruments are stated at fair value based on bid prices from the Thai Bond Market Association as of the reporting date. If not available, the Government Bond Yield Curve for the same period is used, adjusted by an appropriate risk premium.

The fair values of debts issued and borrowings are the market value or the present value of cash flows with discounting rates that reflect current interest rate risk and the Bank's credit risk.

The fair values of loans to customers approximates carrying value including accrued interest receivables and allowance for expected credit loss, as loans are at market rates of interest and the majority of fixed rate loans are short term. Furthermore, the allowance for expected credit loss is predominately determined on an expected loss basis.



The carrying amount of the following financial assets: cash, interbank and money market items – net, and other assets which core item is accrued interest receivables and that of the following financial liabilities: deposits, interbank and money market items, liabilities on demand, and other liabilities which core item is accrued interest payables are a reasonable approximation of fair value because they are mostly short term in nature, referent to floating interest rates index.

29 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Offsetting financial assets and financial liabilities as of 31 December 2021 and 2020 are as follows:

(Unit : Million Baht)

Consolidated								
	2021							
	Gross amounts	Net amounts	Amounts not offset in					
	offset in	presented in	statement of financial position					
	statement of	statement	Financial					
	Gross	financial	of financial	Financial	collateral	Net	Item in statement of	
	amounts	position	position	instruments	received	amount	financial position	Note
Financial Assets								
Reverse repurchase agreements	298,279	-	298,279	-	298,279	-	Interbank and money market items – net (assets)	8
Derivative assets	17,261	-	17,261	3,176	1,888	12,197	Derivatives	10
Securities borrowing	265	-	265	-	265	-	Other assets - net	-
Securities business receivables	4,004	681	3,323	-	3,323	-	Other assets - net	-
Total	319,809	681	319,128	3,176	303,755	12,197		
Financial Liabilities								
Repurchase agreements	33,605	-	33,605	-	33,605	-	Interbank and money market items (liabilities)	21
Derivatives liabilities	34,328	-	34,328	14,146	12,269	7,913	Derivatives	10
Securities lending	3	-	3	-	1	2	Other liabilities	-
Securities business payables	4,263	901	3,362	-	-	3,362	Other liabilities	-
Total	72,199	901	71,298	14,146	45,875	11,277		



(Unit : Million Baht)

Consolidated								
2020								
	Gross amounts	Net amounts	Amounts not offset in					
		offset in	presented in	statement of financial position				
		statement of	of financial	Financial				
	Gross	financial	position	Financial	collateral	Net	Item in statement of	
	amounts	position	position	instruments	received	amount	financial position	Note
<u>Financial Assets</u>								
Reverse repurchase agreements	295,662	-	295,662	-	295,662	-	Interbank and money market items – net (assets)	8
Derivative assets	43,122	-	43,122	13,749	13,388	15,985	Derivatives	10
Securities business receivables	<u>4,518</u>	<u>1,069</u>	<u>3,449</u>	<u>-</u>	<u>3,449</u>	<u>-</u>	Other assets - net	-
Total	<u>343,302</u>	<u>1,069</u>	<u>342,233</u>	<u>13,749</u>	<u>312,499</u>	<u>15,985</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	15,100	-	15,100	-	15,100	-	Interbank and money market items (liabilities)	21
Derivatives liabilities	24,723	-	24,723	8,502	8,759	7,462	Derivatives	10
Securities lending	37	-	37	-	54	(17)	Other liabilities	-
Securities business payables	<u>3,253</u>	<u>1,312</u>	<u>1,941</u>	<u>-</u>	<u>-</u>	<u>1,941</u>	Other liabilities	-
Total	<u>43,113</u>	<u>1,312</u>	<u>41,801</u>	<u>8,502</u>	<u>23,913</u>	<u>9,386</u>		



(Unit : Million Baht)

The Bank								
2021								
	Gross amounts	Net amounts	Amounts not offset in					
	offset in	presented in	<u>statement of financial position</u>					
	statement of	statement	Financial					
	financial	of financial	Financial	collateral	Net	Item in statement of		
	<u>position</u>	<u>position</u>	<u>instruments</u>	<u>received</u>	<u>amount</u>	<u>financial position</u>	<u>Note</u>	
<u>Gross</u>	<u>amounts</u>							
<u>Financial Assets</u>								
Reverse repurchase agreements	298,279	-	298,279	-	298,279	-	Interbank and money market items – net (assets)	8
Derivatives assets	<u>16,350</u>	<u>-</u>	<u>16,350</u>	<u>2,805</u>	<u>1,413</u>	<u>12,132</u>	Derivatives	10
Total	<u>314,629</u>	<u>-</u>	<u>314,629</u>	<u>2,805</u>	<u>299,692</u>	<u>12,132</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	33,605	-	33,605	-	33,605	-	Interbank and money market items (liabilities)	21
Derivatives liabilities	<u>33,263</u>	<u>-</u>	<u>33,263</u>	<u>13,536</u>	<u>11,724</u>	<u>8,003</u>	Derivatives	10
Total	<u>66,868</u>	<u>-</u>	<u>66,868</u>	<u>13,536</u>	<u>45,329</u>	<u>8,003</u>		



(Unit : Million Baht)

The Bank								
2020								
	Gross amounts	Gross amounts	Net amounts	Amounts not offset in				
		offset in	presented in	<u>statement of financial position</u>				
		statement of	statement	Financial				
	Gross	financial	of financial	Financial	collateral	Net	Item in statement of	
	<u>amounts</u>	<u>position</u>	<u>position</u>	<u>instruments</u>	<u>received</u>	<u>amount</u>	<u>financial position</u>	<u>Note</u>
<u>Financial Assets</u>								
Reverse repurchase agreements	295,662	-	295,662	-	295,662	-	Interbank and money market items – net (assets)	8
Derivatives assets	<u>38,811</u>	<u>-</u>	<u>38,811</u>	<u>13,403</u>	<u>9,530</u>	<u>15,878</u>	Derivatives	10
Total	<u>334,473</u>	<u>-</u>	<u>334,473</u>	<u>13,403</u>	<u>305,192</u>	<u>15,878</u>		
<u>Financial Liabilities</u>								
Repurchase agreements	15,100	-	15,100	-	15,100	-	Interbank and money market items (liabilities)	21
Derivatives liabilities	<u>25,603</u>	<u>-</u>	<u>25,603</u>	<u>8,502</u>	<u>9,600</u>	<u>7,501</u>	Derivatives	10
Total	<u>40,703</u>	<u>-</u>	<u>40,703</u>	<u>8,502</u>	<u>24,700</u>	<u>7,501</u>		



30 OTHER EQUITY INSTRUMENTS

On 14 October 2020, the Bank issued subordinated financial instruments without a representative of the noteholders which intended to qualify as Additional Tier 1 capital pursuant to requirements of the Bank of Thailand and capable of loss absorption subject to the prescribed terms and conditions, in the amount of USD 500 million or Baht 15,580 Million. The expenses related to issuance of other equity instruments, net of income tax amounting to Baht 31 million, is presented as deduction from the proceeds from issuance of other equity instruments under shareholders' equity. The instruments have no fixed redemption date, provided that the Bank may redeem on the First Call Date, 14 October 2025 and every Distribution Payment Date thereafter, subject to the Bank of Thailand's approval. Distribution rate is fixed at 5.275 percent per annum, payable semi-annually, which resets every 5 years.

During the year ended 31 December 2021, the Bank paid out distribution of other equity instruments net of income tax amounting to Baht 686 million, presented as distribution of other equity instruments in the statements of changes in equity.

31 LEGAL RESERVE

Section 116 of the Public Companies Act B.E. 2535 requires that the Bank shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10 percent of the registered authorised capital. In addition, the Civil and Commercial Code of Thailand require that subsidiaries shall allocate not less than 5 percent of their annual net profit each time a dividend is declared, to a reserve account ("legal reserve") until the reserve reaches 10 percent of authorised share capital. The legal reserve is not available for dividend distribution.

32 DIVIDEND PAYMENTS

On 26 August 2021, the Board of Directors Meeting of the Bank approved to pay an interim dividend from the first six-month operating results of 2021 at the rate of Baht 0.50 per share, totaling Baht 1,185 million, which was paid on 23 September 2021.

On 9 April 2021, the Annual General Meeting of Shareholders of the Bank approved to pay a dividend from the operating results of 2020 at the rate of Baht 2.50 per share, totalling Baht 5,923 million. The dividend was made on 7 May 2021.

On 27 August 2020, the Board of Directors Meeting of the Bank resolved to approve the omission of the interim dividend payment from the first six-month operating results of 2020 to ordinary shareholders in accordance with circular of the Bank of Thailand number ThorPorTor. ForNorSor.(23)Wor. 643/2563 regarding capital reserve strengthening for situations related to Covid-19, dated 18 June 2020.



On 2 April 2020, the Annual General Meeting of Shareholders of the Bank approved to pay a dividend from the operating results of 2019 at the rate of Baht 5.00 per share, totaling Baht 11,859 million. The interim dividend was paid at the rate of Baht 0.50 per share, totaling Baht 1,197 million, on 27 September 2019 and the remaining dividend was paid at the rate of Baht 4.50 per share, totaling Baht 10,662 million, on 30 April 2020.

33 ASSETS PLEDGED AS COLLATERAL AND UNDER RESTRICTION

The Bank and its subsidiaries has pledged deposits, government securities and foreign debt instruments as collateral for repurchase agreements, collateral for government agencies and pledged with the registrar as life assurance policy reserve. The carrying amount of the assets or corresponding liability in the consolidated financial statements as of 31 December 2021 and 2020 amounting to Baht 160,308 million and Baht 126,859 million, respectively. The carrying amount of the assets or corresponding liability in the financial statements of the Bank as of 31 December 2021 and 2020 amounting to Baht 41,095 million and Baht 21,381 million, respectively.

34 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as of 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Avals to bills	12,114	1,527	12,114	1,527
Guarantees of loans	17,149	12,460	18,288	12,460
Liability under unmatured import bills	42,952	39,602	42,952	39,602
Letters of credit	36,469	34,392	36,472	34,393
Other contingencies				
- Obligation under firmed commitment underwritten	-	-	-	-
- Unused credit line of overdraft	291,888	282,403	292,496	283,011
- Other guarantees	407,724	399,812	405,385	398,189
- Others*	<u>42,206</u>	<u>40,496</u>	<u>43,273</u>	<u>42,814</u>
Total	<u>850,502</u>	<u>810,692</u>	<u>850,980</u>	<u>811,996</u>

*Including items contracted but not provided.

Under normal business operations, the Bank is a defendant in various litigations. These include cases of wrongful acts brought against the Bank, with total claims amounting to Baht 1,648 million and Baht 1,691 million as of 31 December 2021 and 2020, respectively. The Management believes that any liability resulting from these litigations will not be material to the Bank's financial position or the results of its operations.



35 RELATED PARTY TRANSACTIONS AND BALANCES

Relationships between the Bank and related persons or entities consisted of subsidiaries, associated companies, joint venture, key management personnel⁽¹⁾, any parties related to key management personnel and the entities of which key management personnel and any parties related have control and significant influence.

Transactions occurring between the Bank and related persons or entities are fairly charged at market price as normal business or the price as stipulated in the agreement.

Related party transactions and balances are as follows:

35.1 Assets, liabilities and contingencies between the Bank and related persons or entities as of 31 December 2021 and 2020 as follows:

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
<u>Interbank and Money Market Items (Assets)</u>				
Subsidiaries	-	-	32,221	34,141
<u>Loans (Including financial institutions)</u>				
Subsidiaries				
- KASIKORN LEASING CO., LTD.	-	-	109,756	103,331
- Others	-	-	21,961	22,013
Joint venture	9,001	2,957	9,001	2,957
Related persons and other related entities	14,427	21,250	14,422	21,244
<u>Other Assets</u>				
Subsidiaries	-	-	1,731	2,214
Associated companies and joint venture	92	10	92	10
Other Related Entities	1	40	1	40
<u>Deposits (Including financial institutions)</u>				
Subsidiaries	-	-	51,044	39,970
Associated companies and joint venture	2,489	1,955	2,489	1,955
Related persons and other related entities	61,514	40,931	61,398	40,891

⁽¹⁾ Key management means director, management who holds the title of at least First Senior Vice President including Department Head-Financial Accounting Management Department and Department Head-Financial Planning Department.



(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Other Liabilities</u>				
Subsidiaries	-	-	839	745
Associated Companies and joint venture	165	42	165	42
Related persons and other related entities	36	37	36	37
<u>Contingencies</u>				
Subsidiaries	-	-	3,641	3,124
Related persons and other related entities	14,506	4,381	14,506	4,381
<u>Derivatives (notional amount)</u>				
Subsidiaries	-	-	18,665	5,524
Other Related Entities	17,133	5,318	17,133	5,318

Certain subsidiaries have entered into 1-2 years building lease and service agreements with the Bank. As of 31 December 2021 and 2020, the remaining tenures amounting to Baht 6 million and Baht 57 million, respectively.

The Bank has entered into a 1 year Information Technology service agreement with Kasikorn Business-Technology Group and BEACON INTERFACE COMPANY LIMITED. As of 31 December 2021 and 2020, the Bank has commitment to pay total service fees amounting to Baht 2,277 million and Baht 1,913 million, respectively.

The Bank has entered into the 10-year term Bancassurance Agreement with Muang Thai Life Assurance PCL ("MTL"), which will come into effect from January 1, 2022. The Bank will derive the Exclusivity fee of Baht 12,700 million for distribution of life insurance products of MTL in an exclusive manner via distribution channels of the Bank and its subsidiaries and also derive other performance bonus as stipulated in the agreement.

The Bank has entered into 1-5 years service agreements with associated company and other related entities. As of 31 December 2021 and 2020, the Bank has commitment to pay total service fees amounting to Baht 159 million and Baht 121 million, respectively.



35.2 Revenue and expenses between the Bank and related persons or entities for the year ended 31 December 2021 and 2020 is summarised as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<u>Interest income</u>				
Subsidiaries	-	-	3,464	3,334
Joint venture	105	3	105	3
Related persons and other related entities	358	394	358	394
<u>Other income</u>				
Subsidiaries	-	-	15,867	14,827
Associated companies and joint venture	206	136	206	136
<u>Interest expenses</u>				
Subsidiaries	-	-	118	131
Associated companies and joint venture	4	5	4	5
Related persons and other related entities	287	342	286	342
<u>Other expenses</u>				
Subsidiaries	-	-	7,131	6,874
Associated companies and joint venture	590	328	590	328
Other Related Entities	408	370	408	370

35.3 Key management personnel⁽¹⁾ compensation

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Short-term employee benefits	2,029	2,055	1,136	1,214
Post-employment benefits	<u>108</u>	<u>106</u>	<u>78</u>	<u>75</u>
Total	<u>2,137</u>	<u>2,161</u>	<u>1,214</u>	<u>1,289</u>

⁽¹⁾ Key management means director, management who holds the title of at least First Senior Vice President including Department Head-Financial Accounting Management Department and Department Head-Financial Planning Department.



36 BENEFITS OF DIRECTORS AND EXECUTIVES

The Bank and its subsidiaries have not paid other benefits to directors and executives except for the benefits that are normally paid such as directors' fee, directors' bonus, executives' salary and bonus.

37 AGREEMENTS

37.1 Lease agreements

The Bank and its subsidiaries have entered into building lease agreements for offices and branches and vehicle lease agreements. There were expenses and total cash outflow relating to leases for the year ended 31 December 2021, which are summarised as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interest expense on lease liabilities	33	35	22	29
Expenses relating to short-term leases and low-value assets	542	976	340	636
Total cash outflow for leases	2,092	2,379	1,700	1,945

37.2 Service Agreement

The Bank and its subsidiaries entered into an Information Technology Service, under which the service agreement will be provided until 31 August 2024, The Bank and its subsidiaries were committed to pay total service fees, which are summarised as follows:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Contracted but not provided for	1,798	2,875	4,016	4,756



38 SEGMENT INFORMATION

38.1 Information about reportable segments

The Bank and its subsidiaries has identified 4 main business groups for management reporting purposes. The business groups offer different customers, different products and services, and the groups' performance is measured based on segment operating profit before expected credit loss and income tax expense.

Corporate Business

The Bank and its subsidiaries's Corporate Business Customers include registered companies and certain private individual business customers, government agencies, state enterprises, and financial institutions etc. The Bank and its subsidiaries provide a variety of financial products and services to these customers such as Long Term Loans, Working Capital, Letter of Indemnity, Trade Finance Solutions, Syndicated Loans, Cash Management Solutions, and Value Chain Solutions.

Retail Business

The Bank and its subsidiaries's Retail Business comprises individual customers who use the Bank and its subsidiaries's products and services such as Deposit Account, Debit Card, Credit Card, Personal Loan, Housing Loan, Investment Product and Financial Advisory Services, and Transactional Banking Services.

Treasury and Capital Markets Business

The Treasury and Capital Markets Business comprises the Bank and its subsidiaries's treasury and capital markets business with activities mainly including funding, centralised risk management, investing in liquid assets, financial instruments measured at fair value through profit or loss, investment measured at fair value through other comprehensive income and foreign currency exchange services. It also supervises the Bank and its subsidiaries's business in overseas countries.

Muang Thai Group Holding Business

Muang Thai Group Holding Business includes a group of companies that operates insurance and brokerage businesses.

Others represent other items which are not directly attributable to the main business groups.



(Unit : Million Baht)

<u>Consolidated</u>							
<u>For the Year Ended 31 December 2021</u>							
	Treasury and Capital			Muang Thai Group			
	Corporate	Retail	Markets	Holding	Others	Elimination	Total
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Interest income - net	52,964	43,138	5,778	18,614	(1,024)	(80)	119,390
Non-interest income	<u>21,558</u>	<u>24,229</u>	<u>(977)</u>	<u>(2,891)⁽¹⁾</u>	<u>15,976</u>	<u>(13,936)</u>	<u>43,959</u>
Total operating income - net	74,522	67,367	4,801	15,723	14,952	(14,016)	163,349
Total other operating expenses	<u>25,057</u>	<u>33,603</u>	<u>3,257</u>	<u>6,109</u>	<u>10,253</u>	<u>(7,235)</u>	<u>71,044</u>
Operating profit before expected credit loss and income tax expense	49,465	33,764	1,544	9,614	4,699	(6,781)	92,305
Expected credit loss							<u>40,332</u>
Operating profit before income tax expense							<u>51,973</u>

(Unit : Million Baht)

<u>Consolidated</u>							
<u>For the Year Ended 31 December 2020</u>							
	Treasury and Capital			Muang Thai Group			
	Corporate	Retail	Markets	Holding	Others	Elimination	Total
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Interest income - net	50,600	38,416	2,761	18,018	(511)	(262)	109,022
Non-interest income	<u>19,764</u>	<u>24,028</u>	<u>3,741</u>	<u>(2,855)⁽¹⁾</u>	<u>14,036</u>	<u>(12,845)</u>	<u>45,869</u>
Total operating income - net	70,364	62,444	6,502	15,163	13,525	(13,107)	154,891
Total other operating expenses	<u>25,943</u>	<u>31,969</u>	<u>2,277</u>	<u>5,480</u>	<u>11,230</u>	<u>(6,903)</u>	<u>69,996</u>
Operating profit before expected credit loss and income tax expense	44,421	30,475	4,225	9,683	2,295	(6,204)	84,895
Expected credit loss							<u>43,548</u>
Operating profit before income tax expense							<u>41,347</u>



(Unit : Million Baht)

<u>Consolidated</u>							
<u>31 December 2021</u>							
	Corporate	Retail	Treasury and Capital Markets	Muang Thai Group Holding			
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Reportable segment - Loans ⁽²⁾	1,609,411	711,243	47,343	23,764	161,741	(131,689)	2,421,813
Unallocated assets							<u>1,681,586</u>
Total assets							<u>4,103,399</u>
Deposits and bills of exchange ⁽³⁾	917,561	1,671,926	23,168	-	-	(14,025)	2,598,630

(Unit : Million Baht)

<u>Consolidated</u>							
<u>31 December 2020</u>							
	Corporate	Retail	Treasury and Capital Markets	Muang Thai Group Holding			
	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Business</u>	<u>Others</u>	<u>Elimination</u>	<u>Total</u>
Reportable segment - Loans ⁽²⁾	1,546,768	637,910	25,615	22,379	137,463	(125,314)	2,244,821
Unallocated assets							<u>1,413,977</u>
Total assets							<u>3,658,798</u>
Deposits and bills of exchange ⁽³⁾	783,880	1,555,080	18,143	-	1	(12,105)	2,344,999

⁽¹⁾ Net of underwriting expenses⁽²⁾ Loans = Loans to customers⁽³⁾ Excluding bills of exchange with embedded derivative



38.2 Information about geographical areas

(Unit : Million Baht)

<u>Consolidated</u>				
<u>For the Year Ended 31 December 2021</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Total operating income - net	160,519 ⁽¹⁾	2,767	63	163,349
Total other operating expenses	69,436	1,545	63	71,044
Operating profit (loss) before income tax expense	51,158	815	-	51,973
Income tax expense	9,824	(96)	-	9,728

(Unit : Million Baht)

<u>Consolidated</u>				
<u>For the Year Ended 31 December 2020</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Total operating income - net	153,398 ⁽¹⁾	1,517	(24)	154,891
Total other operating expenses	68,947	1,073	(24)	69,996
Operating profit (loss) before income tax expense	41,180	167	-	41,347
Income tax expense	7,674	(18)	-	7,656

(Unit : Million Baht)

<u>Consolidated</u>				
<u>31 December 2021</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Non - current assets ⁽²⁾	127,956	1,252	-	129,208

(Unit : Million Baht)

<u>Consolidated</u>				
<u>31 December 2020</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Non - current assets ⁽²⁾	115,404	723	-	116,127

⁽¹⁾ Net of underwriting expenses⁽²⁾ Non - current assets include investments in associates and joint venture - net , properties foreclosed – net, premises and equipment – net, goodwill and other intangible assets – net, leasehold – net and investment property.



39 INTEREST INCOME

Interest income for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Interbank and money market items	2,078	3,118	2,051	3,125
Investments and trading transactions	148	156	152	157
Investments in debt securities	22,527	21,555	4,971	4,777
Loans to customers	104,579	96,834	103,195	96,368
Hire purchase and financial lease	6,073	5,913	-	-
Others	<u>9</u>	<u>16</u>	<u>-</u>	<u>-</u>
Total	<u>135,414</u>	<u>127,592</u>	<u>110,369</u>	<u>104,427</u>

40 INTEREST EXPENSES

Interest expenses for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Deposits	7,380	10,188	7,082	9,951
Interbank and money market items	877	854	622	785
Contributions to Financial Institutions Development				
Fund and Deposit Protection Agency	5,838	5,303	5,833	5,298
Debts issued				
- Subordinated debentures	1,456	1,467	1,369	1,467
- Others	379	651	378	651
Borrowings	2	6	-	-
Others	<u>92</u>	<u>101</u>	<u>-</u>	<u>-</u>
Total	<u>16,024</u>	<u>18,570</u>	<u>15,284</u>	<u>18,152</u>



41 FEES AND SERVICE INCOME – NET

Fees and service income - net for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Fees and service income				
Acceptances, aval and guarantees	3,870	3,672	3,859	3,664
Others	<u>44,758</u>	<u>42,027</u>	<u>38,581</u>	<u>38,048</u>
Total Fees and service income	48,628	45,699	42,440	41,712
Fees and service expenses	<u>13,312</u>	<u>12,695</u>	<u>12,201</u>	<u>12,073</u>
Fees and service income - net	<u>35,316</u>	<u>33,004</u>	<u>30,239</u>	<u>29,639</u>



42 GAIN ON FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Gain on financial instrument measured at fair value through profit or loss for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	Consolidated		The Bank	
	2021	2020	2021	2020
1. Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign currency related derivatives	10,719	9,021	5,164	6,842
- Interest rate related derivatives	828	(230)	828	(230)
- Debt instruments	706	59	(104)	143
- Equity instruments	(13)	(315)	(1)	-
- Financial liabilities	(64)	(23)	-	-
- Others	<u>-</u>	<u>156</u>	<u>74</u>	<u>(22)</u>
Total	<u>12,176</u>	<u>8,668</u>	<u>5,961</u>	<u>6,733</u>
2. Gain (loss) on financial instrument designated at fair value through profit or loss				
2.1 Change in fair value - net				
- Investment (Debt instrument only)	12	(2)	-	-
- Others	<u>(12)</u>	<u>2</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2.2 Gain (Loss) on derecognition and interest income and interest expense which is not included in 2.1	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>22</u>	<u>-</u>	<u>-</u>	<u>-</u>
3. Gain (Loss) from hedge accounting	(3,051)	(2,016)	885	(653)
4. Others	<u>(3,608)</u>	<u>1,467</u>	<u>(3,953)</u>	<u>992</u>
Total	<u>5,539</u>	<u>8,119</u>	<u>2,893</u>	<u>7,072</u>



43 GAIN ON INVESTMENTS

Gain on investments presented in the statements of profit or loss and other comprehensive income for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)				
	Consolidated		The Bank	
	2021	2020	2021	2020
Gain (loss) from derecognition				
Investments in debt instruments at fair value through other comprehensive income	799	1,137	776	1,099
Investments in debt instruments at amortised cost	<u>18</u>	<u>171</u>	<u>-</u>	<u>-</u>
Total	<u>817</u>	<u>1,308</u>	<u>776</u>	<u>1,099</u>
Reversal on impairment investments				
Investments in subsidiaries and associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>80</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>80</u>
Total gain on investments	<u>817</u>	<u>1,308</u>	<u>776</u>	<u>1,179</u>

44 EXPECTED CREDIT LOSS

Expected credit loss for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)				
	Consolidated		The Bank	
	2021	2020	2021	2020
Interbank and money market items	(15)	167	303	110
Investment	934	946	395	462
Loans to customers and accrued interest receivables	34,347	40,798	32,765	40,269
Loan commitment and financial guarantee	4,611	1,371	4,617	1,325
Others	<u>455</u>	<u>266</u>	<u>455</u>	<u>265</u>
Total	<u>40,332</u>	<u>43,548</u>	<u>38,535</u>	<u>42,431</u>



45 INCOME TAX EXPENSE

Revenue Code Amendment Act No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begin on or after 1 January 2016.

45.1 Income tax recognised in profit or loss for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current period	12,510	10,044	8,721	6,176
Movements in temporary differences	<u>(2,782)</u>	<u>(2,388)</u>	<u>(1,970)</u>	<u>(1,464)</u>
Total income tax expense	<u>9,728</u>	<u>7,656</u>	<u>6,751</u>	<u>4,712</u>

45.2 Income tax recognised in other comprehensive income for the years ended 31 December 2021 and 2020 consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Income taxes relating to components of other comprehensive income				
Movements in temporary differences	(1,716)	1,529	(256)	211
Other movements which recognized in other comprehensive income	<u>(368)</u>	<u>122</u>	<u>(368)</u>	<u>103</u>
Total	<u>(2,084)</u>	<u>1,651</u>	<u>(624)</u>	<u>314</u>

45.3 Reconciliation of effective tax rates consisted of:

(Unit : Million Baht)

	<u>Consolidated</u>			
	<u>2021</u>		<u>2020</u>	
	<u>Rate (%)</u>	<u>Amount</u>	<u>Rate (%)</u>	<u>Amount</u>
Operating profit before income tax expense		<u>51,973</u>		<u>41,347</u>
Income tax using the expected average tax rate*	19.98	10,384	20.00	8,269
Tax effect of income and expenses that are not taxable				
income or not deductible in determining taxable profit, net		<u>(656)</u>		<u>(613)</u>
Total	18.72	<u>9,728</u>	18.52	<u>7,656</u>



(Unit : Million Baht)

The Bank				
	2021		2020	
	Rate (%)	Amount	Rate (%)	Amount
Operating profit before income tax expense		<u>39,645</u>		<u>29,677</u>
Income tax using the expected tax rate	20.00	7,929	20.00	5,935
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(1,178)</u>		<u>(1,223)</u>
Total	17.03	<u>6,751</u>	15.88	<u>4,712</u>

* Expected average tax rate corresponds to the weighted average tax rates by operating profit before income tax expense in those countries where the Bank operates.

46 COVID – 19

The COVID-19 pandemic has a significant widespread impact on business sectors and economic conditions. In 2020, the Bank of Thailand has issued a series of measures, covering payment moratoriums, government guarantees as well as payment holidays to get bank to help affected customers. In relation to financial reporting, the BOT in collaboration with TFAC announced some guidelines to be applied under the 2-year period of 2020 and 2021, in particular:

- Non NPL modified loans (pre-emptive restructures) can be classified as stage 1 performing immediately based on management's assessment of likely to pay borrowers, or else they remain at the stage before entering into relief programs
- NPL modified loans (troubled debt restructures) can be classified as stage 1 performing only if they can repay 3 consecutives installments.

In year 2021, the BOT has extended the relief measures for classification of loan's staging above between 1 January 2022 to 31 December 2023 in order to assist the debtors by extending their repayment timeline. The BOT also issued supportive measure for debt settlement through assets transfers with buy-back options (Asset Warehousing) including additional measures to encourage the long-term debt restructuring plan such as granting principal repayment holiday, changing debt type that effectively reduce the financial burden for affected corporate business and retail business.

The Bank and its subsidiaries continue to provide customer assistance. As at 31 December 2021, the outstanding balance of loans to customers that the Bank has assisted amounted to Baht 321,998 million. The Bank and its subsidiaries continue to closely monitor the customer payment ability, and have considered additional ECL through Management Overlay to cover the current expectation of the possible impact of the economic situation on the loan portfolio.

Moreover, the Bank of Thailand announced to temporarily reduce the rate of contribution from financial institutions to the FIDF submission rate from 0.46% to 0.23% per year which is effective to 31 December 2022.



47 FINANCIAL REPORTING STANDARDS (TFRS) NOT YET ADOPTED

Revised TFRS, which are relevant to the Bank and its subsidiaries operations, expected to have impact on the consolidated and the Bank only financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2022 is Interest Rate Benchmark Reform, are as follows:

TFRS	Topic
TFRS 4	Insurance Contracts
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRS 16	Leases

The Bank and its subsidiaries have disclosed the change of an interest rate reform as will be adopt in note 3 and 4. The Bank and its subsidiaries have made a preliminary assessment of the impact on the consolidated and the Bank's financial statements and expect that adoption of the revised TFRS will have be no material impact in the first adoption period of initial application.

48 EVENTS AFTER THE REPORTING PERIOD

On 14 January 2022, the Bank exercised the right to redeem the whole amount of Subordinated Instruments intended to qualify as Tier 2 Capital KASIKORNBANK PCL No.1/2016 due 2027 with aggregate principal amount of Baht 7,500 million prior to the maturity date.

On 4 February 2022, KASIKORN X COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital by Baht 73 million to fully pay up the authorised share capital of Baht 150 million. The company also increased its authorised share capital by Baht 1,680 million resulting in total authorised share capital of Baht 1,830 million and partially paid up the newly issued share capital by Baht 504 million.

On 4 February 2022, KUBIX DIGITAL ASSET CO., LTD., a subsidiary of the Bank, additionally partially paid up share capital of Baht 42 million to fully pay up the authorised share capital of Baht 70 million. The company also increased its authorised share capital by Baht 180 million resulting in total authorised share capital of Baht 250 million and partially paid up the newly issued share capital by Baht 99 million.

On 10 February 2022, BEACON VENTURE CAPITAL COMPANY LIMITED, a subsidiary of the Bank, increased its authorised share capital of Baht 615 million resulting in total authorised share capital of Baht 4,350 million and partially paid up share capital of Baht 308 million to Baht 4,043 million.

On 24 February 2022, the Board of Directors Meeting of the Bank approved to propose for the shareholders' approval of the dividend payment from 2021 operating results, at the rate of Baht 3.25 per share, of which the Bank paid interim dividend at the rate of Baht 0.50 per share in September 2021 and will pay the remaining dividend at the rate of Baht 2.75 per share. This resolution will be proposed for approval by the Annual General Meeting of the Shareholders of the Bank on 7 April 2022.





Awards and Commendations

KASIKORNBANK PUBLIC COMPANY LIMITED

In Recognition of Management

S&P Global by S&P Dow Jones Indices and SAM

- Selected as a member of the Dow Jones Sustainability Indices (DJSI), including DJSI World and DJSI Emerging Markets, for the sixth consecutive year

S&P Global

- S&P Global Sustainability Award Gold Class, the highest level of awards in global banking industry

FTSE and Russell

- Selected as a member of the FTSE4Good Emerging Index, based on operational assessment on environmental, Social and governance (ESG) for the sixth consecutive year

MSCI

- "AA" rating or Leadership Level in environmental, social and governance (ESG) in the banking industry of emerging markets

Carbon Disclosure Project (CDP)

- A- (Leadership Level) rating in assessment of climate change management

Bloomberg

- Selected as a member of 2022 Bloomberg Gender-Equality Index (GEI)

The Asian Banker journal

- The Asian Banker Leadership Achievement Awards for Lifetime Achievement in Leadership in the Financial Services Industry - Mr. Banthoon Lamsam, Honorary Chairman

Corporate Governance Asia magazine

- Asia's Icon on ESG
- Asian Corporate Director Award
- Asia's Best CEO (Investor Relations) - Ms. Kattiya Indaravijaya, Chief Executive Officer
- Asia's Best CFO (Investor Relations) - Mr. Chongrak Rattanapian, Senior Executive Vice President and Chief Financial Officer
- Best Investor Relations Professional - Dr. Adit Laixuthai, Corporate Secretary and Senior Executive Vice President
- Best Investor Relations Company (Thailand)

FinanceAsia magazine

- Best Sustainable Bank in Thailand

Asiamoney magazine

- Best for ESG in Thailand

Asian Banking & Finance magazine

- Best for ESG in Thailand

International Data Corporation Asia/Pacific

- Regional IDC Future Enterprise of the year
- Thailand IDC Future Enterprise of the Year
- Thailand Best in Future of Digital Infrastructure
- Thailand Best in Future of Industry Ecosystem
- Retail Outward Remittance Infrastructure

Human Resources Online

- Gold award for "Excellence in Leadership Development" in the category of Talent Development Journey
- Silver award for "Excellence in Innovative Use of HR Tech" (Bronze Level) in the category of Innovative Use of HR Technology



Foundation of Science and Technology Council of Thailand

- Quality Persons of the Year award in the category of financial and banking business sector awarded to Ms. Kattiya Indaravijaya, KBank Chief Executive Officer

Thai Institute of Directors (IOD) and The Stock Exchange of Thailand

- “Excellence”, based on the Corporate Governance Report of Thai Listed Companies

Thai Investors Association, the Office of the Securities and Exchange Commission, and Thai Listed Companies Association

- “Excellence”, based on the AGM Assessment Program

Thaipat Institute

- Sustainability Disclosure Award
- ESG 100 Certificate as one of 100 companies that has outstanding environmental, social and governance (ESG) performance

Thailand Greenhouse Gas Management Organization (Public Organization)

- “Excellence” award under the Low Carbon and Sustainable Business Index (LCSI) project

Thailand Management Association (TMA)

- Thailand Corporate Excellence Awards (Sustainable Development Excellence Award)

The Stock Exchange of Thailand

- Selected to be on the Thailand Sustainability Investment (THSI) list

The Stock Exchange of Thailand and Money & Banking journal (SET Awards)

- SET Award - Highly Commended Sustainability Excellence

Faculty of Commerce and Accountancy, Chulalongkorn University

- The Most Powerful Brands of Thailand award in the category of commercial bank

Ministry of Labor

- Award of honor for Outstanding Establishment in Labor Relations and Labor Welfare for the 16th consecutive year

Bangkok Social Security Office Area 7

- Award for Employee Care Guidelines during the COVID-19 situation



KBank won “Asia’s Icon on ESG” and “Asian Corporate Director Award” from Corporate Governance Asia magazine.



KBank Chief Executive Officer received the “Quality Persons of the Year” award in the category of financial and banking business sector from the Foundation of Science and Technology Council of Thailand.



KBank received an “Excellence” award under the Low Carbon and Sustainable Business Index (LCSI) project from the Thailand Greenhouse Gas Management Organization (Public Organization).



In Recognition of Service

The Asset magazine

- Best Service Provider-Cash Management
- Best Service Provider-E-Solutions Partner
- Best Private Banking for Digital Marketing & Communication in Asia
- Digital Private Banking of the Year - Thailand
- Triple A Best Private Bank, Thailand
- Triple A Best Private Banking - HNWLs, Thailand
- Project Finance House of the Year
- Battery Storage Deal of the Year
- Power Deal of the Year
- Green Project of the Year
- The Thai Baht Bond Research Rank 1

The DIGITAL BANKER journal

- Winner: Best Retail Bank - Thailand
- Winner: Outstanding Omni-channel Integration by a Retail Bank
- Outstanding Innovation in Digital Customer Experience - Platform/Website in Private Banking
- Outstanding Innovation in Digital Customer Experience - Investment Product/Service in Private Banking
- Winner: Best Fintech for Digital CX-Alternative Wealth Management (FinVest)
- Winner: Outstanding Innovation in Digital CX - Investment Product/Service

- Winner: Outstanding Innovation in Digital CX – Platform/Website
- Winner: Best Digital Bank for CX - Thailand (LINE BK Powered by KBank)
- Highly Acclaimed: Best Digital CX Partner/Vendor (LINE BK Powered by KBank)
- Winner: Best Digital Bank - Thailand (LINE BK Powered by KBank)

The Asian Banking & Finance magazine

- Thailand Domestic Cash Management Bank of the Year
- Thailand Domestic COVID Management Initiative of the Year
- Best for ESG in Thailand
- Best for HNWL in Thailand
- Winner: Best Private Bank Thailand
- Highly Acclaimed: Best Private Bank for Client Experience

Retail Banker International magazine

- Winner - Best Retail Bank Thailand
- Winner - Excellence in Service Innovation for the Facebook Pay Program and the Employee Chatbot & Knowledge Management Program
- Highly Commended Achievement - Best Payment Innovation
- Highly Commended Achievement - Best Social Media Marketing Campaign
- Highly Commended Achievement - Excellence in SME Banking for the Facebook Pay program

Alpha Southeast Asia magazine

- Best Cash Management Bank
- Best FX Bank for Retail Clients
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets
- Best Corporate Treasury Sales and Structuring Team
- Best Bond House in Thailand



KBank won Best Digital Lending Service in Thailand (LINE BK) from The Asian Banker journal



The Asian Banker journal

- Best Retail Bank in Thailand for the 12th consecutive year
- Best Merchant Services for the Facebook Pay service
- Best Mobile Banking Service for K PLUS
- Best Home Loan Product in Thailand
- Best Digital Lending Service in Thailand (LINE BK)

FinanceAsia magazine

- Best Bank in Thailand
- Best Private Bank in Thailand

Global Finance journal

- Best Trade Finance Award
- Best Consumer Digital Bank in Thailand

Private Banker International magazine

- Highly Commended: Outstanding Private Bank - Southeast Asia
- Highly Commended: Best Bank for Sustainability and ESG Leadership

Asiamoney magazine

- Best Domestic Bank in Thailand

The Banker journal

- Best Private Bank in Thailand

PWM Wealth Tech

- Best Private Bank for Digital Marketing & Communication, Asia

Thai Bond Market Association

- Most Prominent Fund House in Corporate Bond Market
- Best Bond House Award
- Top Underwriter Award
- Best THOR Engagement Award



KBank garnered "Best Domestic Bank in Thailand" from Asiamoney magazine



KBank won "Best Bank in Thailand", "Best Sustainable Bank in Thailand", and "Best Private Bank in Thailand" from FinanceAsia magazine



KBank won "Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets", "Best Corporate Treasury Sales and Structuring Team", and "Best Bond House in Thailand" from Alpha Southeast Asia magazine



KBank garnered “SMEs Excellence Awards” - a Royal award granted by HRH Princess Maha Chakri Sirindhorn, Thailand Corporate Excellence Awards (Sustainable Development Excellence Award) and “SMEs Excellence Awards - Silver Awards” from the Thailand Management Association.



KBank won the “Bank of the Year”, while KSecurities received “Best Securities Company of the Year” from the Money & Banking journal.

Thailand Management Association (TMA)

- SMEs Excellence Awards - a Royal award granted by HRH Princess Maha Chakri Sirindhorn
- Thailand Corporate Excellence Awards (Sustainable Development Excellence Award)
- SMEs Excellence Awards - Silver Awards
- Thai Digital Champion for Cultural Transformation

Money & Banking journal

- Bank of the Year

K Companies

KASIKORN ASSET MANAGEMENT COMPANY LIMITED

Thai Bond Management Association

- Most Prominent Fund House in Corporate Bond Market for the fourth consecutive year

Morningstar Research (Thailand) Limited

- Best Fund House-Domestic Equity for the second consecutive year
- Best Retirement Mutual Fund-Equity (for KGHRMF)
- Best Thailand Equity Large-Cap Fund (for K-STEQ)
- Best Thailand Mid/Long-Term Bond Fund (for K-FIXED)

Asia Asset Management magazine

- Best Pension Fund Manager for the sixth consecutive year
- Best Fund House for the fourth consecutive year
- Best Investor Education

The Asset magazine

- Asset Management Company of the Year for the fourth consecutive year
- Top Investment Houses in Asian Local Currency Bond (Rank 1) for the seventh consecutive year

The Stock Exchange of Thailand and Money & Banking journal (SET Awards)

- Best Asset Management Company



KASIKORN SECURITIES PUBLIC COMPANY LIMITED

Red Hat, Inc

- Red Hat Innovation Awards APAC for Outstanding Digital Transformation

The Stock Exchange of Thailand and Money & Banking journal (SET Awards)

- Best Securities Company Awards (Retail Investors) for the second consecutive year

Money & Banking journal

- Best Securities Company of the Year

Thailand Futures Exchange - TFEX

- Popular Agent in terms of new investor base expansion in TFEX

KASIKORN BUSINESS-TECHNOLOGY GROUP

HR Employee Experience

- Most Inspiring Leader

Asia Bankers Club

- The Best Office Architecture Thailand

Thailand Management Association

- Thai Digital Champion for Cultural Transformation

KASIKORN LINE CO., LTD.

The Digital Banker journal

- Winner: Best Fintech for Digital CX-Personal Finance
- Winner: Best Pure-Play Digital Account
- Winner: Outstanding Marketing Initiative for a New Product (LINE BK)

Capgemini and Efma

- Winner: Bank + NewTech category (LINE BK)



KASSET won "Best Fund House-Domestic Equity",
"Best Retirement Mutual Fund-Equity" (for KGHRMF),
"Best Thailand Equity Large-Cap Fund" (for K-STEQ)
and "Best Thailand Mid/Long-Term Bond Fund" (for K-FIXED)
from Morningstar Research (Thailand) Limited



Certain statements shown in this report are forward-looking statements in respect of the financial position or the performance of KASIKORNBANK PUBLIC COMPANY LIMITED ("KBank"). KBank has prepared such forward-looking statements based on several assumptions, and has relied on financial and other information available from public sources as of the date such statements were made. Statements containing words such as "expect", "believe", "estimate", etc. and other similar expressions, are considered as forward-looking statements which involve uncertainties and are subject to changes at any time due to future events, including but not limited to, changes in global/national economic, political and regulatory environment. Accordingly, the readers or the recipients of information shall carefully review this report and make their own independent decision as well as thoroughly evaluate such fact or information which may have changed prior to making any investment or entering into any transaction.

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