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KASIKORNTHAI

Annual Registration Statement
and Annual Report 2020
(Form 56-1 One Report)

Bank of Sustainability



ธนาคารกสิกรไทย
开泰银行 KASIKORNBANK



บริการทุกระดับประทับใจ



KASIKORNTHAI

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 เซครเทเรียต
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 โปร
开泰信息基础设施 KASIKORN PRO



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, as well as appropriate risk and 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.



CUSTOMER CENTRICITY

Multi-
Corporate
Business

Large
Corporate
Business

Mass

Medium
Business

K

KASIKORNTHAI

Middle
Income

Small and
Micro
Business

Affluent

High
Net Worth
Individual

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.

Core Values



Customer
at Heart

Agility

Collaboration

Innovativeness

Financial Highlights (Consolidated Financial Statements)

As of or for the years ended December 31,	2020	2019	2018	2017	2016
COMMON SHARE INFORMATION					
Per share (Baht)					
• basic earnings ⁽¹⁾	12.42	16.18	16.07	14.35	16.79
• book value	179.00	169.79	157.23	145.67	134.44
• dividends	2.50	5.00	4.00	4.00	4.00
Share price (Baht) ⁽²⁾					
• high	153.50	202.00	242.00	235.00	201.00
• low	70.75	131.00	182.50	182.00	144.00
• closing	113.00	151.00	185.00	232.00	177.50
Common shares outstanding					
• average basic (Million shares)	2,373.32	2,393.26	2,393.26	2,393.26	2,393.26
• end of year (Million shares)	2,369.33	2,393.26	2,393.26	2,393.26	2,393.26
Market capitalization (Million Baht)	267,734	361,382	442,753	555,236	424,804
VALUE MEASURES					
Price to earnings ratio (PER)	9.10	9.33	11.51	16.17	10.57
Price to book value ratio (PBV)	0.63	0.89	1.18	1.59	1.32
Dividend yield (based on closing share price)	2.21%	3.31%	2.16%	1.72%	2.25%
Dividend payout ratio ⁽³⁾	23.73%	34.43%	29.40%	32.80%	26.96%
Number of employees ⁽³⁾	19,862	20,443	20,681	20,839	21,029
Number of domestic branches ⁽³⁾	860	886	958	1,026	1,107
OPERATING RESULTS (Million Baht)					
Interest income - net	109,022	102,688	98,538	94,161	89,678
Non-interest income	45,869	57,803	56,945	62,695	63,725
Fees and service income - net	33,004	36,740	38,117	41,306	38,943
Net premiums earned - net	(436)	(164)	3,537	5,935	10,264
Other income	13,301	21,227	15,291	15,454	14,518
Total operating income - net	154,891	160,491	155,483	156,856	153,403
Total other operating expenses	69,996	72,729	68,348	66,372	63,854
Operating profit before expected credit loss / provision expense ⁽⁴⁾ and income tax expense	84,895	87,762	87,135	90,484	89,549
Expected credit loss / Impairment loss on loans and debt securities	43,548	34,012	32,532	41,810	33,753
Net profit ⁽⁵⁾	29,487	38,727	38,459	34,338	40,174
FINANCIAL POSITION STATEMENT INFORMATION (Million Baht)					
Loans ⁽⁶⁾	2,244,821	2,001,956	1,914,072	1,802,783	1,697,581
Allowance for expected credit loss / Allowance for doubtful accounts and revaluation allowance for debt restructuring	134,393	124,879	119,485	103,435	85,212
Non-performing loans, gross (NPL gross)	101,007	84,038	74,400	69,674	65,087
Total assets	3,658,798	3,293,889	3,155,091	2,900,841	2,843,278
Deposits	2,344,999	2,072,049	1,995,001	1,878,672	1,794,835
Total liabilities	3,167,512	2,840,174	2,737,269	2,513,019	2,489,367
Total equity less other equity instruments ⁽⁵⁾	424,121	406,358	376,298	348,625	321,746
Risk weighted assets - KASIKORNBANK FINANCIAL CONGLOMERATE	2,404,276	2,210,881	2,081,697	1,949,783	1,824,372

Note:

- Financial statements as at December 31, 2016 has been changed the presentation in the statement of financial position to comply with the Bank of Thailand (BOT) notification number SOR NOR SOR 21/2558, directive dated December 4, 2015, regarding the "Preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services". However, this change has not materially effect on total assets, total liabilities and total equity of the Bank and its subsidiaries.
- Financial statements as at December 31, 2020 the Bank and its subsidiaries initially 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 dividend from other equity instruments after income tax divided by common shares outstanding

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

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

⁽⁵⁾ Excluding non-controlling interests

⁽³⁾ Bank only

⁽⁶⁾ Loans = Loans to customers



As of or for the years ended December 31,	2020	2019	2018	2017	2016
PERFORMANCE INDICATORS					
Return on average assets (ROA)	0.85%	1.20%	1.27%	1.20%	1.49%
Return on average equity (ROE) ⁽⁷⁾	7.10%	9.90%	10.61%	10.24%	13.23%
Net interest margin (NIM)	3.27%	3.31%	3.39%	3.44%	3.52%
Cost to income ratio	45.19%	45.32%	43.96%	42.31%	41.63%
ASSET QUALITY RATIOS / FINANCIAL POLICY RATIOS					
Loans to deposits ratio	95.73%	96.62%	95.94%	95.96%	94.58%
NPL gross to total loans ⁽⁸⁾	3.93%	3.65%	3.34%	3.30%	3.32%
Total allowance to NPL gross (Coverage ratio) ⁽⁹⁾	149.19%	148.60%	160.60%	148.45%	130.92%
Provision expense to average loans (Credit cost) ⁽¹⁰⁾	2.05%	1.74%	1.75%	2.39%	2.04%
Capital adequacy ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	18.80%	19.62%	18.32%	17.96%	18.84%
Tier 1 capital ratio - KASIKORNBANK FINANCIAL CONGLOMERATE	16.13%	16.19%	15.90%	15.66%	15.16%

Note:

- Financial statements as at December 31, 2016 has been changed the presentation in the statement of financial position to comply with the Bank of Thailand (BOT) notification number SOR NOR SOR 21/2558, directive dated December 4, 2015, regarding the "Preparation and announcement of the financial statements of commercial banks and holding companies which are parent company of group of companies offering financial services". However, this change has not materially effect on total assets, total liabilities and total equity of the Bank and its subsidiaries.
- Financial statements as at December 31, 2020 the Bank and its subsidiaries initially 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 dividend 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

A Bank of

SUSTAINABILITY

With **our strong organizational mindset and culture,**

KASIKORNBANK proudly enters its fifth year as a **World-Class Bank of Sustainability.**



Dow Jones Sustainability Indices (DJSI)
The first bank in Thailand and ASEAN selected as a member of the DJSI for five consecutive years (2016 - 2020)

Sustainability Award
Silver Class 2021
S&P Global

Sustainability Award, Silver Class of the banking industry (2021)
Bronze Class (2018 - 2020)



FTSE4Good

FTSE4 Good Emerging Index
Selected as a member of the FTSE4Good Emerging Index for five consecutive years (2016 - 2020)

MSCI



MSCI ESG Ratings at "AA"
A leading company in the banking industry in emerging markets in ESG operations (2020)



Bloomberg Gender Equality Index (GEI)
The first company in Thailand selected as a member of the Bloomberg Gender-Equality Index for three consecutive years (2019 - 2021)



Carbon Disclosure Project (CDP)
KBank assigned B (Management level) (2020)



Carbon Neutral Certification
The first commercial bank in Thailand granted this certification for three consecutive years (2018 - 2020)



The ESG 100 Certificate
One of 100 companies selected as having outstanding ESG performance for five consecutive years (2016 - 2020)



SET Sustainability Awards Outstanding Sustainability Awards
for two consecutive years (2018 - 2019)



Thailand Sustainability Investment (THSI)
Included in THSI for five years (2015, 2017 - 2020)

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Statement of the Board of Directors

Members of the Board of Directors are proud to work with an organization of outstanding professionalism and to supervise the operations of KBank with independence and neutrality for long-term benefit of all stakeholders.



Today's business operations are encountering plenty of new fluctuations and emerging risks. Apart from the generation of business growth, KASIKORNBANK (KBank) has to pay due care to benefits of all stakeholders and impacts on our interconnected business supply chains, which will lead the organization towards stable and sustainable growth. In the past year, the COVID-19 pandemic has had widespread impacts on economic and social systems, as well as people's ways of life, both directly and indirectly. Meanwhile, developments in digital technologies have influenced consumers' rapidly changing lives and behaviors. These are some of the challenges businesses are presently facing.

While the global economy was persistently sluggish over the previous year, KBank remained fully committed to conducting business with adherence to the principles of a Bank of Sustainability, under good corporate governance and appropriate risk management. We also emphasized balanced economic, social, and environmental aspects in order to achieve growth targets and generate long-term, sustainable returns for the maximum benefit of all stakeholders as well as the creation of benefit for society and the nation as a whole.

The Board of Directors considered and approved key business strategies in relation to the directions and policies of KASIKORNBANK FINANCIAL CONGLOMERATE and supervised Management's effective administration processes. We have in place sound internal controls and risk management as well as adequate capital funds for present and future business operations. The Board of Directors reviewed KBank's corporate governance policy, practices, and systems to enhance efficiency and uplift standards of corporate governance in tune with regulatory requirements and international benchmarks. The Board of Directors also reviewed and approved the sustainability development framework and policy as being on a par with global criteria and standards as well as corresponding to the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement. Our goals related to the different dimensions include: Economic Dimension – to be an accountable bank to create sustainable profitability; Social Dimension – to be a responsible corporate citizen to create a sustainable society; and Environmental Dimension – to be an environmental stewardship towards a zero-carbon society. Additionally, we conducted an annual review of our human rights policy to encourage all units of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, suppliers, and joint venture to concretely implement those concepts in their business undertakings.

Speaking for all members of the Board of Directors, we are proud to work with an organization of outstanding professionalism, to take part in supervising KBank's businesses with independence and neutrality for long-term benefit of shareholders and other stakeholders, and to join in driving forward KBank's missions based on correctness, transparency, and compliance with the laws, KBank's Articles of Association and resolutions of shareholders' meetings, as well as the Statement of Business Conduct.

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

KBank operates our business in line with the principles of a Bank of Sustainability, with good corporate governance, as well as appropriate risk and cost management, allowing us to achieve growth and create sustainable long-term returns for all stakeholders.



KBank has operated our business in line with the principles of a Bank of Sustainability, along with good corporate governance, as well as appropriate risk and cost management, with an aim of achieving growth and sustainable long-term returns for all our stakeholders. We have been determined to maintaining our position as a leading Thai bank and to continue our responsibility to society and the environment for more than seven decades. The COVID-19 pandemic has had wide-ranging impacts on the economy, society, and people's ways of life. With care and concern for crisis-hit customers, we have given support to both retail and business clients through a myriad of measures in order to buoy up organizations and employees in weathering this difficult time. All our endeavors aim to ensure sustainable growth of the Thai economy and society.

In 2020, beset by the COVID-19 pandemic, the Thai economy contracted in line with the global economy. In spite of this, KBank continues to operate our business in line with the principles of a Bank of Sustainability. We are committed to delivering an excellent customer experience based on the Customer Centricity strategy, in order to empower every customer's life and business. KBank's strategic imperatives focus on the development of business growth and customer responsiveness. To this end, we aim to dominate digital payments, reimagine commercial and consumer lending, democratize investment and insurance focusing on retail customers, penetrate regional markets within the AEC+3 region, strengthen harmonized sales and service experiences, and improve value-based productivity by optimizing resources and capabilities. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms, and our business partners. Moreover, we have worked with KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) in developing innovative technology for the happiness and betterment of every customer's life and business while also creating new business opportunities, thus maintaining our competitiveness and position at the forefront as a digital banking service provider. In parallel, KBank prioritizes effective risk management, cyber security, and data analytics for enhancement of our strategic capabilities with the aim of becoming a Regional Digital Bank.

Regarding our role as a Bank of Sustainability, KBank has determined sustainability goals for each dimension. **In terms of the economy**, KBank has a goal of being an accountable bank in order to create sustainable profitability by collaborating with companies in the e-commerce platform to develop products and services that meet current lifestyle needs. This goal will be achieved through steady improvement in various functions on K PLUS so that customers can use our services more conveniently anywhere and anytime. Additionally, KBank has launched various platforms – namely the “KhunThong” social chatbot, MAKE by KBank, Eatable, FinVest, and LINE BK, developed service channels to cover all customer segments, and pressed ahead with our strategy to become Regional Digital Bank. Moreover, KBank’s lending and investments are considered based on environmental, social, and governance (ESG) criteria. KBank has also promoted concrete changes and sustainable development in society and the environment at large. **In terms of social contribution**, KBank’s goal is to be a responsible corporate citizen in order to create a sustainable society via a number of projects. These include the provision of financial literacy for youth via the AFTERKLASS website, the Nan Cultivation of Wisdom program, providing assistance to customers affected by COVID-19, encouraging employees to join volunteer activities under the “Make Every Day the Day of Doing Good Deeds” project under the “Green DNA” resolution, introducing health and safety measures in accordance with the standards of the Ministry of Public Health to ensure the well-being and safety of customers using services at KBank branches, implementing occupational health and safety measures at the workplace, and ensuring adequate supplies of resources for employees working at home so as to protect them from the pandemic. **In terms of the environment**, the Chief Executive Officer, in the role of Chief Environmental Officer, aims for KBank to be an environmental stewardship towards a zero-carbon society in alignment with KBank’s strategy and global sustainability trends. KBank is the first and only commercial bank in Thailand to become a signatory of the UN Principles for Responsible Banking of the United Nations Environmental Program Finance Initiative (UNEP FI) and a supporter of the Task Force on Climate-Related Financial Disclosure (TCFD). KBank has supported operations of the Rak Pa Nan Project, which works with communities in preserving watershed forests in Thailand’s Nan Province. Moreover, as a representative of the private sector, KBank has steered the Nan Sandbox project in collaboration with the public and private sectors, as well as the local people of Nan Province.

Through the past year, KBank and its subsidiaries reported net profit of Baht 29,487 million, a decrease of 23.86 percent from the previous year. The decrease can chiefly be attributed to the prudent approach by KBank and its subsidiaries amid the COVID-19 pandemic. In 2020, KBank set aside higher expected credit loss of Baht 9,536 million, an increase of 28.04 percent compared to the preceding year, due to the highly uncertain circumstance triggered by COVID-19. Meanwhile, the capital adequacy ratio (CAR) of KASIKORNBANK FINANCIAL CONGLOMERATE according to the Basel III Accord was 18.80 percent, with a Tier 1 capital ratio of 16.13 percent; both figures 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.

Additionally, KBank has gained wide acceptance and recognition at home and abroad as the first commercial bank in Thailand and ASEAN to be selected for inclusion in the Dow Jones Sustainability Indices (DJSI) for the fifth consecutive year and selected for inclusion in the FTSE4Good Emerging Index for the fifth year running. KBank is also rated B (Management level) in the assessment of climate change management under the 2020 Carbon Disclosure Project (CDP). Furthermore, KBank was selected to be on the 2020 Thailand Sustainability Investment (THSI) list by The Stock Exchange of Thailand for the fifth year, as well as receiving many awards in other areas. These achievements reflect our sustainable development practices as a Bank of Sustainability which are tangibly ingrained in all our work processes and KBank’s own organizational culture.

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



(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, has been operating businesses for more than 70 years, covering commercial banking, securities and related businesses, as permitted under the Financial Institutions Businesses Act, the Securities and Exchange Act and relevant notifications. Our business operations are in line with the principles of a Bank of Sustainability under good corporate governance, as well as appropriate risk and cost management for the balance of three dimensions – economy, society and the environment – in order to create sustainable returns over the long term. Guided by the “Customer Centricity” strategy under our resolution to deliver excellent services, we intend to empower every customer's life and business.

KBank's wholly-owned subsidiaries boast service expertise in fund management, economic and financial research, and securities brokerage, and financial advisory, as well as auto hire-purchase and leasing services. They are KASIKORN ASSET MANAGEMENT CO., LTD., KASIKORN RESEARCH CENTER CO., LTD., KASIKORN SECURITIES PCL., KASIKORN LEASING CO., LTD. and KASIKORN FACTORY AND EQUIPMENT CO., LTD.. KBank has also established KASIKORN BUSINESS-TECHNOLOGY GROUP (KBTG) to conduct studies on and develop the use of new information technologies to accommodate changes in consumer behavior and maintain our leadership in digital banking services. KBTG comprises KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD., KASIKORN LABS CO., LTD., KASIKORN SOFT CO., LTD., KASIKORN PRO CO., LTD., KASIKORN SERVE CO., LTD. and KASIKORN X CO., LTD.. Additionally, KBank has service networks and strategic business partners across Thailand and AEC+3, as well as locally incorporated institutions, namely KASIKORNTHAI BANK LIMITED in Lao PDR and KASIKORNBANK (CHINA) COMPANY LIMITED in the People's Republic of China, which offer full-fledged financial services in both countries.

Overview of Operating Environment

Global and Thai Economy in 2020 and Outlook for 2021

The global economy underwent a severe contraction in 2020 as a result of the COVID-19 pandemic which prompted many countries to implement lockdowns to control the spread of the COVID-19. Consequently, economic activity faltered across the board, as evidenced by weakened industrial production, investment, employment and consumer spending. In spite of that, the International Monetary Fund (IMF) has upwardly revised the 2020 global economic outlook in January 2021 to a contraction of 3.5 percent – a smaller decline than its previous projection made in October 2020 – due to signs of an economic recovery in the second half of the year. However, both advanced economies as well as emerging markets and developing countries continued to shrink by 4.9 percent and 2.4 percent, respectively. Regarding the full-year outlook for 2021, the IMF projected that the global economy may grow 5.5 percent, boosted by the development of COVID-19 vaccines and state-issued stimulus packages that are being launched simultaneously.

Nonetheless, any recovery of economic activity worldwide will hinge on the efforts to control new waves of COVID-19 outbreaks across many countries, success in vaccinations and the establishment of herd immunity to put an end to the pandemic. As a result, the Federal Reserve (Fed), the European Central Bank (ECB), the Bank of Japan (BOJ) and many other central banks in Asia are maintaining their monetary policy-easing stance. The Fed, in particular, has continually signaled that it will keep its policy rate at a low range of 0.00 - 0.25 percent and will proceed with quantitative easing (QE) measures throughout the rest of 2021.

Overall, the Thai economy for 2020 suffered a contraction of 6.1 percent in line with the global economy, owing to the COVID-19 pandemic. Export and tourism sectors were severely hit by the global economic slump while stifled industrial production had adverse effects on employment and private spending. Such circumstances led the Thai authorities to issue measures to shore up the purchasing power of Thai households, provide assistance to businesses and maintain the stability of the financial market and Thailand's overall financial system. Likewise, financial institutions launched relief measures to aid their clients, especially through debt restructuring and granting new loans to ease businesses' liquidity crunch.

Looking into 2021, the Thai economy is set to expand once more, supported mainly by government spending. Meanwhile, economic activity in other sectors may see gradual improvement after being muted throughout 2020. Nevertheless, the recovery of each sector of the Thai economy will remain shrouded in uncertainty and may require more time amidst the risks that may arise from any new wave of COVID-19 outbreak. Worse, it may take even more time for the Thai tourism industry to emerge from the doldrums; much will depend on the global response to the COVID-19 situation.

Regarding Thai monetary policy for 2021, the Monetary Policy Committee (MPC) is expected to maintain its policy rate at 0.50 percent while continuing to monitor economic developments. At the same time, the MPC stands prepared to employ monetary policy tools, as well as make the appropriate monetary policy decisions to sustain the country's economic recovery.

Thai Banking Industry

Thai Commercial banks' overall performance in 2020 recorded a decrease in net profit compared to 2019. The decline was due to their prudent approach in setting aside expected credit loss amid uncertainty surrounding asset quality woes as the Thai economy was beset by the COVID-19 pandemic. NPLs to total loans of commercial banks edged up. Meanwhile, all banks launched relief measures to aid both retail and business customers in earnest.

Regarding income from core businesses, net interest income increased thanks to declining interest expenses, a drop in contributions to the Financial Institutions Development Fund (FIDF) as well as recognition of interest income per TFRS9. Nonetheless, net interest margin (NIM) decreased slightly due to lending interest rate reduction and a decline in yield on loans. Non-interest income in 2020 also dipped, especially net profit from investment and net fees and service income.

As of December 31, 2020, loans to customers and accrued interest receivables - net at 19 domestically-registered commercial banks totaled Baht 12.782 trillion. Meanwhile, deposits equaled Baht 14.632 trillion, which resulted in hefty liquidity in the banking system. KBank ranked third in loans to customers and accrued interest receivables - net in the commercial banking system, with a market share of 15.32 percent, and ranked fourth in assets and deposits, with market shares of 14.07 percent and 15.22 percent, respectively.

For the outlook of commercial banks in 2021, the highly uncertain economic environment amid the new wave of COVID-19 earlier this year may affect debt servicing ability of borrowers. It is thus imperative for commercial banks to keep monitoring their customers and giving them support, especially through continual debt restructuring. As economic activity has yet to fully recover, ability to maintain income from core businesses and asset quality management will remain major challenges for commercial banks in 2021 – circumstances that are no different from 2020. Nonetheless, the financial standing of the Thai banking system remains healthy, as reflected in robust capital positions and provisions that are sufficient to cope with the uncertain situation throughout this year.

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

(Million Baht)

Bank	Assets	Market Share (%)	Deposits	Market Share (%)	Net Loans	Market Share (%)
Bangkok Bank	3,384,961	15.55	2,485,597	16.16	1,896,205	14.06
Siam Commercial Bank	3,280,442	15.07	2,429,780	15.80	2,125,942	15.76
Krung Thai Bank	3,226,987	14.83	2,466,780	16.04	2,124,250	15.75
KASIKORNBANK	3,061,407	14.07	2,340,470	15.22	2,066,638	15.32
Bank of Ayudhya	2,460,731	11.31	1,819,223	11.83	1,609,830	11.94
TMB Bank	1,205,404	5.54	815,678	5.30	693,775	5.14
Thanachart Bank	811,183	3.73	557,957	3.63	649,686	4.82
United Overseas Bank	632,342	2.91	491,560	3.20	421,662	3.13
CIMB Thai	404,421	1.86	194,150	1.26	217,576	1.61
Kiatnakin Bank	354,468	1.63	252,067	1.64	262,643	1.95
TISCO Bank	264,921	1.22	204,859	1.33	213,802	1.59
Land and Houses Bank	240,085	1.10	182,735	1.19	155,838	1.16
ICBC (Thai)	225,413	1.04	147,053	0.96	111,933	0.83
Standard Chartered Bank (Thai)	167,167	0.77	84,329	0.55	28,800	0.21
Thai Credit Retail Bank	80,721	0.37	64,626	0.42	66,823	0.50
Sumitomo Mitsui Trust Bank (Thai)	78,454	0.36	21,719	0.14	51,280	0.38
Bank of China (Thai)	68,562	0.32	47,094	0.31	45,455	0.34
ANZ Bank (Thai)	49,406	0.23	10,052	0.07	18,960	0.14
Mega International	25,120	0.12	16,417	0.11	20,766	0.15
Domestically-registered commercial banks	20,022,198	92.00	14,632,146	95.12	12,781,864	94.77
Foreign bank branches	1,741,938	8.00	750,316	4.88	705,227	5.23
All commercial banks	21,764,136	100.00	15,382,462	100.00	13,487,091	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 on Calculation of Default Interest Rates and Payment of Outstanding Debt

The Bank of Thailand issued Notification No. SorKorSor. 2.9/2563 (2020) Re: Calculation of Default Interest Rates and Payment of Outstanding Debt, which contains three major points related to adjustment of guidelines in the Thai financial system, as follows:

1. Calculation of default interest rates shall be made on the principal amount overdue, excluding the portion of principal amount that will come due in the future (effective April 1, 2021).
2. Default interest rates shall be based on the interest rates stipulated in the contract plus not more than 3 percent p.a. (effective July 1, 2021).
3. Payment of outstanding debt shall be made in a specific order, putting priority to payment of fees, interest and the principal amount of the outstanding debt with the longest past-due period (effective July 1, 2021).

KBank is now improving the work system to correspond to the Bank of Thailand's guidelines.

Rules on Supervision of Debt Restructuring Programs

The Bank of Thailand issued Notification SorNorSor. 20/2563 (2020) Re: Rules on Supervision of Debt Restructuring Programs, effective October 1, 2020, with major points as follows:

1. Debt restructuring programs cover cases that involve one or more debtors.
2. This Notification will apply to operators of credit card business, personal loan under supervision, nano finance under supervision and asset management companies.
3. Business operators can undertake debt restructuring on their own based on the principles and criteria for debt restructuring, conditions and practical guidelines in the same way as the programs stipulated in this Notification without requiring an intermediary agency.

4. Debt restructuring must be undertaken with caution; it should not create improper incentives for either the debtor or participating business operators. For instance, it must not encourage borrowers to opportunistically not service their debt or prompt business operators to circumvent their compliance with the Bank of Thailand's regulations such as rules on debt classification and setting aside of reserve requirement by financial institutions. All participating business operators shall receive equitable treatment.

KBank has already taken actions as required by the Bank of Thailand.

Operational Guidelines related to Debt Restructuring to Assist Debtors after the End of the Debt Payment Holiday Program

After the loan holiday program offered to SME operators under the Emergency Decree on Financial Assistance to Small and Medium-sized Enterprises Affected by Coronavirus Pandemic B.E. 2563 (2020) expired on October 22, 2020, the Bank of Thailand established operational guidelines for debt restructuring of crisis-hit customers per the circular No. BOT. ForNorSor. (23) Wor. 1135/2563 (2020) Re: Operational Guidelines Related to Debt Restructuring to Assist Business Customers after the End of Loan Payment Holiday Program under the Emergency Decree. Major points can be summarized as follows:

1. Banks shall consider debt restructuring for small and medium-sized operators under the debt payment holiday program who cannot return to servicing their debt per the existing loan contract. Pending the debt restructuring process, banks can maintain the debtor's loan classification until December 31, 2020.
2. Even if the debtor's cash flow assessment cannot be undertaken, which prevents completion of the debt restructuring process by December 31, 2020, banks may provide assistance to the debtor by deferment of principal and/or interest payment for a period appropriate for their debt servicing ability, which should not be more than six months from the end of 2020, while their loan classification must be kept intact. In this regard, action must be taken to find ways to restructure their debt without further delay.

KBank has undertaken operations per the Bank of Thailand's guidelines.

* Additional details on Significant Regulations and Rules related to Business Operations for 2020 can be obtained from Management Discussion and Analysis for the first, second and third quarter of 2020.

Policy on Dividend Payment based on Bank's Operating Performance

The Bank of Thailand issued Circular No. BOT. ForNorSor. (23) Wor. 1236/2563 (2020) Re: Policy on Dividend Payment to Increase Capital to Cope with Risks from the COVID-19 Situation, dated November 12, 2020. This Circular shall replace the Bank of Thailand's Letter No. BOT. ForNorSor. (23) Wor. 643/2563 (2020) Re: Increasing Capital to Cope with Risks from the COVID-19 Situation, dated June 18, 2020, which had prohibited banks from paying interim dividend from their operating results for 2020.

The Bank of Thailand has determined that commercial banks have adequate levels of capital and loan loss provisions. However, due to the highly uncertain situation in the near future, commercial banks are allowed to pay dividends based on their operating results of 2020 at the rate not exceeding the dividend payout ratio of 2020 and not more than 50 percent of their net profit of 2020. Moreover, they are prohibited from repurchasing shares, or redeeming or buying back debt instruments that are considered to be Tier 1 capital or Tier 2 capital before their maturities. If banks are to make early redemption or repurchase of debt instruments to reduce financial cost, they are required to prepare a fund raising plan or issue debt instruments that can be counted as capital fund in order to maintain sufficient levels of capital.

These guidelines are intended to be preventive measures which serve to strengthen the capital position of banks to cope with potential risks and sufficiently accommodate extension of loans in order to continually support economic activity as well as maintain the stability of the banking system as a whole.

KBank has acknowledged these regulations and prepared for relevant operations in conformity with the Bank of Thailand's established guidelines.

Notifications of the Director-General of the Revenue Department regarding Income Tax (No. 396 and No. 397)

Notifications of the Director-General of the Revenue Department (No. 396) Re: Determination of Rules and Procedures for Claiming Income Tax Deduction for Payment of Interest on Loan per Section 47 (1) (Sor) of Revenue Code and (No. 397) Re: Determination of Rules and Procedures for Tax Exemption of Income Equal to the Amount Paid for Interest on Loan Applied for Purchase, Hire Purchase or Construction of Residential Building which is Pledged as Collateral against the Loan per Article 2 (53) of Ministerial Regulation No. 126 (B.E. 2509) (1966) were issued under the Revenue Code regarding income tax exemption.

Income earners who wish to exercise their right to claim income tax deduction per these Notifications for payment of interest made to the creditor who is a bank or other financial institution, life insurance company, or Secondary Mortgage Corporation for loan applied for purchase, hire purchase or construction of residential building which is pledged as collateral against the loan per the actual amount paid, which must not exceed Baht 10,000, and for the amount in excess of Baht 10,000 but not more than Baht 90,000 (per the Notifications No. 396 and No. 397, respectively), must comply with the following criteria:

- Individuals who enter into a loan contract from January 1, 2021 onward must express their intention to exercise their right to claim income tax exemption for payment of interest on loan to the relevant creditor.
- Individuals who enter into a loan contract before January 1, 2021 may choose to not exercise their right to claim income tax exemption for payment of interest on loan to the relevant creditor. However, evidence issued by the creditor as a proof of interest payment on loan is required.

These Notifications shall be first applied with taxable income of the 2021 tax year, onwards. KBank shall submit data of income earners who wish to exercise their right to claim income tax exemption to the Information Technology Division, Revenue Department, by January 15 each year. The data, which must be in electronic form, shall be submitted per the method required by law by January 15, 2022, for the first year.

Rules on Foreign Currency Deposit and Investment in Foreign Instruments and Derivatives

The Bank of Thailand issued Notice of the Competent Officer of Foreign Exchange Control regarding Rules and Practical Methods Related to Foreign Exchange (No. 31), and Notice of the Competent Officer of Foreign Exchange Control regarding Determination of Rules and Practical Methods Related to Investment in Foreign Instruments and Derivatives, effective December 5, 2020. Major points are summarized below:

1. Relax criteria for Foreign Currency Deposit (FCD), namely, integration of an FCD account to one type, and permission is granted to Thai individuals to purchase foreign currencies for depositing into their own FCD account, and to make funds transfer between Thai individuals via FCD account without limit.
2. Expand the limit of direct investment in foreign securities by retail investors to not more than USD 5 million per year, and allow them to invest via an intermediary with no limit.

3. Expand types of foreign securities eligible for investment to include foreign-denominated securities issued and sold in Thailand such as Exchange Traded Fund (ETF), and Depository Receipt (DR) with foreign securities as underlying assets.

4. Revise supporting documents for purchase or withdrawal of foreign currencies for payment of the purchased securities to non-residents. For instance, investors must submit a form for notification of objectives for investment in foreign instruments and derivatives issued by the Bank of Thailand. Moreover, investors under the supervision of the Office of Securities and Exchange Commission (SEC) are not required to present a letter of limit allocation from the SEC, starting from January 1, 2021.

5. Allow investors and individuals investing via an intermediary to borrow foreign currencies for investment in foreign securities without the need to repatriate funds into the country. In addition, they are permitted to purchase or withdraw foreign currencies for repayment of said loan by submitting documents as required by the Bank of Thailand.

6. Allow banks in the People's Republic of China (Yunnan province only) to repatriate funds in Baht withdrawn from the non-resident Baht account (NRBA) to their home country in the amount of more than Baht 2 million with submission of documents required by the Bank of Thailand for outward remittance.

KBank has revised work systems and relevant operational procedures to be in line with the relaxed rules.

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:

(Million Baht)

	2020		2019		2018	
	Amount	Percent	Amount	Percent	Amount	Percent
Interest income						
Interbank and money market items	3,118	2.01	6,390	3.98	7,197	4.63
Deposits	179	0.12	1,249	0.78	818	0.53
Loans (without repurchase agreements)	736	0.48	506	0.32	635	0.41
Repurchase agreements	2,203	1.42	4,635	2.89	5,744	3.69
Investments	21,711	14.02	21,539	13.42	18,192	11.70
Trading investments	156	0.10	395	0.25	244	0.16
Available-for-sale investments	-	-	4,707	2.93	2,822	1.81
Held-to-maturity investments	-	-	16,437	10.24	15,126	9.73
Investment in Debt Instruments measured at Fair Value through Other Comprehensive Income	4,040	2.61	-	-	-	-
Investment in Debt Instruments measured at Amortized Cost	17,492	11.29	-	-	-	-
Others	23	0.01	-	-	-	-
Loans	96,834	62.52	96,376	60.05	93,246	59.97
Hire purchase and financial leases	5,913	3.82	5,859	3.65	5,273	3.39
Others	16	0.01	14	0.01	14	0.01
Total interest income	127,592	82.38	130,178	81.11	123,922	79.70
Total interest expenses	18,570	11.99	27,490	17.13	25,384	16.33
Total interest income - net	109,022	70.39	102,688	63.98	98,538	63.37

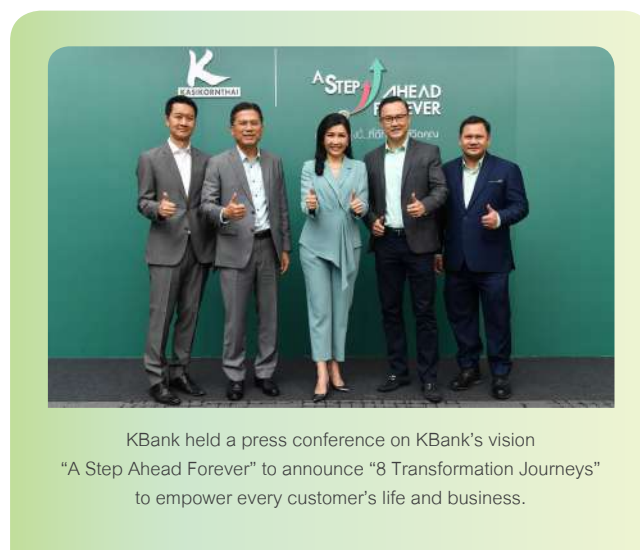
(Million Baht)

	2020		2019		2018	
	Amount	Percent	Amount	Percent	Amount	Percent
Non-interest income						
Fees and service income	45,699	29.50	50,580	31.52	51,187	32.92
Fees and service expenses	12,695	8.20	13,840	8.63	13,070	8.41
Fees and service income - net	33,004	21.30	36,740	22.89	38,117	24.51
Gain on trading and foreign exchange transactions	-	-	8,362	5.21	9,003	5.79
Gain on Financial Instrument measured at Fair Value through Profit or Loss	8,119	5.24	-	-	-	-
Gain on investments	1,308	0.84	8,412	5.24	2,652	1.71
Share of profit (loss) from investments using equity method	(193)	(0.12)	44	0.03	50	0.03
Dividend income	2,384	1.54	2,817	1.76	2,118	1.36
Net premiums earned	72,129	46.57	80,489	50.15	91,434	58.81
Other operating income	1,683	1.09	1,592	0.99	1,468	0.95
Less Underwriting expenses	72,565	46.85	80,653	50.25	87,897	56.53
Total non-interest income	45,869	29.61	57,803	36.02	56,945	36.63
Total operating income - net	154,891	100.00	160,491	100.00	155,483	100.00

Business Directions of KASIKORNBANK and the Wholly-owned Subsidiaries of KASIKORNBANK in 2020 and Outlook for the Next Five Years

KASIKORNBANK has established business directions in line with the principles of a Bank of Sustainability, accounting for the balance of three dimensions – economy, society and the environment – under good corporate governance, as well as appropriate risk and cost management. Guided by the Customer Centricity strategy and the resolve of delivering an excellent customer experience in order to empower every customer's life and business, we prioritize the offering of total solutions and inclusive services 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.

KBank emphasized data analytics for predictive integrated risk management (IRM) through the establishment of comprehensive risk management principles and policies, efficient capital management and a risk-aware culture Bank-wide. These



KBank held a press conference on KBank's vision "A Step Ahead Forever" to announce "8 Transformation Journeys" to empower every customer's life and business.

operations were undertaken with consideration of preparedness to accommodate policy guidelines and measures of the Bank of Thailand and other regulatory agencies, ensuring strict compliance with the standards under sound financial standing.



KBank and business partner Lombard Odier held a sustainable investment seminar titled "Sustainability Revolution: A Call for Action" for KBank Private Banking customers.



KBank and Thailand - Cambodia Friendship Association signed a memorandum of cooperation to support and promote trade and investment between Thai and Cambodian businesses.



KBank and the Thai Bond Market Association (ThaiBMA) held a press conference on the offering and issuance of Euro-denominated debentures to domestic institutional investors via blockchain. KBank is the first commercial bank in Thailand to offer foreign currency-denominated debentures via blockchain.

In alignment with the above strategy, KBank prioritizes total solutions in order to fully meet the needs of all customer segments and strengthen our competitiveness over the long term for sustainable growth. Our endeavors for each business are as follows:

(1) Retail Business: KBank has focused on data analytics in order to develop products, services and service channels that can meet each individual customer's needs. We placed emphasis on the seamless integration of physical branches and digital channels for the best customer experience. Along with this, we have created an ecosystem through collaboration with our partners in various businesses to develop multiple products that accommodate every aspect of their lives. We aim to increasingly extend loans to retail customers via channels of KBank and partners, and promote saving and investment to the general public at large, while also improving private banking service quality for High Net Worth Individuals through the offering of advice, products and services at international standards.

(2) SME Business: KBank aspires to become a Total Solution Provider for our SME customers through solid teamwork among our Relationship Managers, 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, while prudently expanding our customer base with emphasis given to asset quality management to ensure the sustainable business growth of both our customers and KBank.

(3) Corporate Business: KBank is determined to meet all of our corporate customers' business needs, especially through funding support to ensure their cost effectiveness under appropriate risk management. Along with this, we have given staunch support to 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 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.





Gearing up for being a Regional Digital Bank, KBank has expanded our conventional and digital banking businesses in order to provide financial services for the purpose of saving and investment, borrowing, transactions and risk prevention. Meanwhile, we act as a digital platform provider for both financial and non-financial services in order to meet customers' needs beyond the banking realm, in a bid to broaden our customer base in regional markets.

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 / Agility / Collaboration / Innovativeness			

K-Strategy is reimagined to drive growth and empower customer

Purpose	To Empower Every Customer’s Life and Business			
Strong Brand	STRONG TRUSTWORTHY 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's strategic imperatives are as follows:

1. Development of strategies for business growth and customer responsiveness

- Dominate digital payment in order to embed in select financially relevant ecosystems to serve customers wherever and whenever they need. We focus on data analytics in order to offer products and services appropriate for customers. To this end, K PLUS has been upgraded to be a digital platform to accommodate payment of any form and channel with the aim of embedding in customers' ecosystems. We have developed payment innovations both domestically and internationally to allow customers to keep track of financial data, business transaction data and product delivery to strengthen their confidence and support their business operations.
- Reimagine commercial and consumer lending to meet customers' lifestyle and business needs while also increasing income for KBank with acceptable risk appetite. We have used data and digital channels to gain access to retail borrowers and considered risk-based pricing. Along with this, we have conducted analytics based on transaction data obtained from our suppliers within value chains in order to acquire customers with debt servicing ability who are interested in borrowing.
- Democratize investment and insurance, focusing on retail customers and previously inaccessible groups through introduction of our Relationship Managers. We focus on products of KBank and other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, including services provided by our business partners. Investment platforms have been developed to facilitate our customers in making informed decisions based on a cost-effective approach.
- Penetrate regional market in order to increase opportunity to access customers in other AEC+3 countries with brighter growth prospects in terms of population and economy.
- Strengthen harmonized sales and service experience by integrating all service to allow our customers to conduct transactions anytime, anywhere. Our sales and service formats are suited to demands of customers at different levels.
- Improve value-based productivity by optimizing human resources, data, financial and technological capabilities.



2. **Create a strong, trusted band** via communication and management of experience gained by all related parties from doing business with KBank.

3. **Enhance competitiveness over the long term** through the eight transformation journeys as follows:

- Ecosystem Partnership and Harmonized Channel: Orchestrating ecosystems with partners and providing excellent experiences throughout customer journeys
- Intelligent Lending: Leveraging customer data to offer a personalized lending experience and achieve fair, risk-adjusted returns
- Proactive Risk and Compliance Management: Proactively identifying potential risks and establishing loss prevention and detection
- Regional Payment and Settlement
- Data Analytics: Expanding data analytics capability to enhance business opportunities and operational efficiency
- Cyber Security
- Performing Talent and Agile Organization: Developing employee potential in the drive towards an agile organization
- Modern World Class Technology Capability: Adopting modern, world class technology to make KBank the top regional financial service provider

Customer Segments and Services

In 2020, KBank and K Companies continued to prioritize the Customer Centricity strategy. We monitored the impacts of the COVID-19 pandemic, which has triggered a Thai and global economic downturn and led to changes in consumer behavior and demand in the “new normal” environment. The pandemic has also served as a catalyst for technological development. We have thus focused on providing assistance, either directly or indirectly, to all groups of our customers reeling from the viral transmission. We intend to empower every customer’s life and business via total solutions, providing attentive and inclusive services that are responsive to the demands of both customers and society anywhere, anytime, as a trustworthy service provider. Our endeavors are achieved through collaboration and synergy with other companies within KASIKORNBANK FINANCIAL CONGLOMERATE, startup firms and our business partners, in the dimensions of customer segments, products and service channels.

Retail Business

KBank prioritizes the development of products and services to meet each individual customer’s needs in the three following segments.

High Net Worth Individual: 2020 was a challenging year for investors. The investment market in Thailand and elsewhere was mired in uncertainties triggered by the COVID-19 pandemic.



KBank held a seminar titled “Prospects for 2020 Contained Recovery” to equip KBank Private Banking customers with insights on investment strategies and opportunities amid a contained economic recovery.

KBank thus focused on encouraging our customers to adjust their investment formats to suit the ever-changing circumstances, adopting a ‘3S’ investment strategy, as summarized below:

(1) Sustainability: We prioritized sustainability as a key theme in delivering products, advice and services to our customers. One notable initiative was the launch of funds focusing on “positive investment” in order to generate attractive and sustainable returns in alignment with the global trend towards sustainability. They included K Positive Change Equity Fund (K-CHANGE), K Global High Impact Thematic Equity Fund (K-HIT), and K Climate Transition (K-CLIMATE). As part of our drive to promote sustainable practices, KBank hosted a seminar titled, “Sustainability Revolution: A Call for Action”, in which former US Vice President Al Gore, a world-renowned environmental activist, was invited to share his knowledge and insights with participants. In addition, we focused on communicating sustainability investment to our customers via private bankers and social media.

(2) Sharing: KBank embraces the concept of promoting growth at the individual, business and societal levels. To help resolve issues in the operations of domestic charities, particularly in terms of management and access to donors, KBank volunteered to act as an intermediary in establishing links between donors and recipients. To this end, we organized fundraising activities in various forms. The highlight of the past year was “Perfect Wealth Perfect Night”, which helped to raise awareness on the importance of sharing in society.

(3) S-Curve: Searching for new challenges to increase the chance of future returns: KBank introduced New Economy funds, namely K Global High Impact Thematic Equity Fund (K-HIT) and ONE Ultimate Global Growth Fund (ONEUGG). Our non-capital market solution team is always on hand to offer customers support in other areas to ensure that they never miss any investment opportunities.

Affluent: KBank aims to deliver a superior experience to our customers through THE WISDOM brand to ensure the optimum customer satisfaction in meeting their personal finance, business and lifestyle needs at every stage of their lives and thus maintain our leadership status in this segment. In 2020, KBank focused on Big Data analytics, in-depth interviews and research to shed light on customer demand in order to improve our products and services. To this end, we initiated THE WISDOM Privilege Platform to allow our customers to book multiple privileges, namely health check, use of fitness facilities, and car wash including privilege inquiry, anywhere, anytime.

To promote savings and investment, we focused on offering special fixed-term deposit products. Along with this, KBank worked with KASIKORN ASSET MANAGEMENT CO., LTD. to provide customers advice on diversified portfolio management,



KBank and KAsset launched the "Point to Invest by SET" program for K-Credit Cardholders to redeem K Points for cash back to purchase KAsset SSFs and RMFs, with multiple privileges offered.



KBank launched the "Wealth PLUS" feature on K PLUS to serve as a personal assistant for customers in their portfolio management on a mobile application.



KBank offered COVID-19 insurance for K PLUS users, to show that we truly care for our customers affected by the COVID-19 pandemic.

allowing them to invest in multiple assets across the globe for risk diversification. Our clients were also recommended to invest in balanced funds to enhance opportunities to gain attractive potential returns over the long term amid global market volatility. Notable funds were K Global Income Fund (K-GINCOME) that focused on global investment and K-FIT with a policy of rebalanced portfolio. We also launched Wealth PLUS on K PLUS – a robo-advisor to help customers manage their portfolios. To meet the varied needs of investors, we introduced funds for working-age customers seeking long-term savings with tax-saving benefits, namely K Global Income Fund-SSF (K-GINCOME-SSF) and K Positive Change Equity Fund-SSF (K-CHANGE-SSF). Along with this, funds for retirement were also launched, including K USA Equity RMF (KUSARMF), K China Equity RMF (KCHINARMF) and K Positive Change Equity RMF (KCHANGERMF).

Middle Income and Mass: KBank focused on developing products and services that are suited to every aspect of customers' lives by conducting studies and analyses on customer behavior based on our database to shed light on their financial and lifestyle needs. Along with this, we prioritized a positive customer experience through the use of services via various channels including branches, digital channels, and our partners' platforms. These efforts are intended to provide customer engagement with the aim of making KBank their Main Operating Bank. Notable initiatives included:

In 2020, KBank formulated policies to continuously aid our customers reeling from the COVID-19 pandemic, natural disasters and related economic woes through principal payment suspension, lowered interest rate, reduction of monthly installment payment or minimum installment payment. We also issued assistance measures for retail clients (Phase 2) under the "Stronger Together" program which featured an automatic interest rate reduction and debt restructuring for retail customers through debt consolidation. Furthermore, KBank offered free COVID-19 coverage in case of critical illness or death from COVID-19 to K PLUS users who have registered for the service, along with giving them an option for purchase of additional COVID-19 insurance.

In regard to saving and investment, KBank unveiled a banking service on the LINE platform – the first of its kind – under the name of KASIKORN LINE CO., LTD., which was jointly established with LINE Corporation (Thailand) Limited. This service is used for opening a LINE BK deposit account and LINE BK deposit account with special interest rates, and offers three types of debit cards, namely (1) LINE BK Online Debit Card – a virtual card for spending online; (2) LINE BK Debit Card;

and (3) LINE BK Debit Card with Credit Line – a card which offers cash back when customers make online purchases. This innovative platform also serves as a convenient channel for conducting financial transactions such as funds transfer via LINE chat, and sending a money request instruction to friends in a LINE chat, with LINE notifications to monitor account movement.

Additionally, KBank encouraged customers to open K-eSavings Account via K PLUS and KBank x BLACKPINK Taweessup Special Fixed Deposit Account along with signing up for KBank x BLACKPINK Debit Card (Black Edition). Customers aged 12 or older can open their own savings accounts and conduct financial transactions by themselves via K PLUS, in order to expand the young generation customer base. Moreover, KBank joined a test for the online cross-bank identity verification for opening bank accounts via National Digital ID (NDID) under the Bank of Thailand's Regulatory Sandbox program. At the same time, regarding the insurance business, we launched “Motor 2+ Care” – an affordable car insurance that provides a car for temporary use while the customer's car undergoes repair, and health insurance products including “Cancer Protection”, “Dengue Hemorrhagic Fever Insurance” and “Delight Health”, a life and health insurance plan with high coverage.

For lending in 2020, KBank continued to extend new loans despite the troubled economy. To this end, we promoted home loans by launching a campaign that offered special interest rates to homebuyers of projects that received pre-finance assistance from KBank, while also promoting new home loans and home loan refinance. We also held marketing activities with local developers and set up booths during Money Expos in major cities. Another notable endeavor was the improvement of the chatbot program for home loan via LINE@KBankLive and Facebook Messenger to provide greater customer convenience and a better user experience.

Regarding the expansion of credit card loan, we debuted the KBank-Shopee Credit Card aimed at expanding the cardholder base among shoppers preferring the Shopee platform. In parallel, we launched marketing promotions aimed at acquiring new customers for all types of K-Credit Card across all spending categories in line with the diverse lifestyles of customers and promotional campaigns focusing on online trade of merchants affected by branch closure due to the COVID-19 pandemic. KBank also employed marketing communications via digital channels to create customer engagement amid a highly competitive market condition. Another notable effort included the rebranding of KBank Reward Points as “K Points” wherein points are easier to collect, and there are a wider range of options for point redemption such as earning more points by completing



KBank launched KBank x BLACKPINK Taweessup Special Fixed Deposit account, with an interest rate of up to 2 percent p.a. and tax-free interest payment for 24 months. It is easy to save because a monthly deposit of at least Baht 500 is required.



LINE BK users can transfer funds, make payments and get notifications, all in the LINE application.



KBank introduced the “Dengue Fever Insurance” program, with premiums as low as Baht 99.

“missions” and transferring points to the loyalty programs of our partners. Furthermore, we introduced new services on K PLUS that allow the use of K Points instead of cash for bill payment, top-up and loan repayment to KBank.

For personal loan, KBank added the Add Card (Auto List Card) feature on K PLUS that allows customers to add Xpress Card on K PLUS without requiring the card number and conduct cardless withdrawal. We also offered the XPC Smart Cash service which allows withdrawal from an Xpress Cash credit line for immediate transfer into a savings account. Along with this, customers can use Xpress Cash for the purchase of goods and to make interest-free installment payments for up to 36 months. Along with this, we arranged a promotion to offer zero-interest rates for 30 days for customers applying for Xpress Cash, with loan approved within 2020. We also joined with our partners including department stores, mobile service providers and gold shops to promote greater spending via Xpress Cash. At the same time, a special program was launched to screen customers with good credit history for the offering of Xpress Loan. Another notable effort was the development of a channel for searching personal loan data on mobile phone and applying for loan via KBank’s website on mobile phone.

SME Business

In 2020, KBank introduced a digital lending service via the LINE BK platform to increase opportunities for online merchants to get loan approval. The service also provides greater convenience for

online traders in conducting social commerce wherein customers interact with sellers via chat and make prompt funds transfer. The initiative serves as another channel for KBank to expand its new SME customer base. Meanwhile, KBank focused on asset quality management, especially for existing SME customers connected with the battered tourism sector. These clients were granted year-round assistance through measures implemented by KBank and under the government’s support. They included suspension of principal and interest payment for six months, liquidity enhancement through the soft loan scheme of the Bank of Thailand and Government Savings Bank, and a loan guarantee program of the Thai Credit Guarantee Corporation (TCG) as well as a debt restructuring program. KBank also continually gave support to a special program to maintain employment under the “Generous (Business) Owners – Empathetic Creditor” program which offered interest rate reductions to business operators, putting them in a better position to pay their workers’ salaries. Another notable endeavor was the “Zero Interest-rate Loan to Retain SME Staff” program that helped reduce the burden on business operators with 10-year interest-free loan. Moreover, we offered a property insurance product under the “SMEs be Wealth-Platinum Insurance” program that provided coverage against fire, natural disaster and theft at affordable premiums, with easy application via branch and no risk survey required.

With regard to card accepting merchants, KBank enhanced the K-Merchant system to accommodate the use of Xpress Cash for installment payment of up to 36 months and full payment through UnionPay network via Electronic Data Capture (EDC)



KBank teamed with large entrepreneurs in Phuket in launching the “Generous (Business) Owners – Empathetic Creditor” initiative to help low-income workers remain employed amid the COVID-19 crisis.



KBank and the Revenue Department unveiled e-Withholding Tax, a new one-stop service to help simplify the withholding tax process for increased business efficiency.

and websites of card accepting merchants. We also provided support and promoted e-Payment for merchants with physical stores and those online stores on K PLUS Shop using QR API that accommodates payment with Thai QR Payment and QR code of Visa, Mastercard and UnionPay card including Alipay and WeChat Pay e-wallets as well as mPOS (Mobile Point of Sale) under the Payment Card Industry Software-based PIN Entry on COTS (PCI SPoC) – a world-class security standard.

We have also promoted spending via e-wallet developed by KBank for our business partners. These efforts included Blue CONNECT – an e-wallet used for payment for goods and services at PTT stores, and GrabPay – a platform for top-up and payment of service charges on the Grab application. This initiative allows strengthened linkages to channels of our business partners across various ecosystems for broader coverage in the future. In addition, KBank continued to promote e-Donation service and the QR Donation on K PLUS at donation receiving units of temples and hospitals.

Corporate Business

In 2020, certain groups of corporate customers were affected by an economic slump precipitated by COVID-19 and drought. Most of them had to quickly adjust themselves to brace for the risks. Initially, KBank focused on providing assistance to customers in the form of sufficient liquidity to help them stay afloat as their business operations came to a halt after the implementation of lockdown measures. Even as the situation

seemed to ease, we continued to aid those crisis-hit customers to ensure smooth business recovery. We offered them assistance under the Bank of Thailand's guidelines while also launching our own relief measures, including suspension of interest payment and relaxed loan repayment conditions to accommodate borrowers' debt servicing ability amid the crisis.

For customers with business potential, KBank focused on total solutions to comprehensively meet their business needs. To this end, we provided them support through advice on funding sources both within Thailand and in other countries via multiple channels as appropriate. Of note were long-term loans and revolving credit facilities, including advice and guidance for prevention of risks from foreign exchange volatility as well as provision of updated news on foreign exchange movements. Regarding financial transactions, KBank encouraged our customers to use electronic channels to save on operating costs. One notable endeavor was the introduction of K CONNECT-LG, which features issuance of letter of guarantee via electronic channel, and K-Cash Connect Plus, which serves as a new channel for tax payment to the Revenue Department with no fee charged throughout 2020. In response to the government's National e-Payment Master Plan, KBank's system has been developed to accommodate e-Tax Invoice and e-Receipt, which ensures greater convenience in data preparation and submission to the Revenue Department. The service allows customers to conduct transactions swiftly and save on commuting expenses while also reducing branch traffic.



KBank and the Revenue Department signed a memorandum of agreement on a special loan program for SMEs with a single account, offering a special interest rate and no loan guarantee for SMEs registered with the Revenue Department.



New loan management feature introduced on K PLUS, with no need to go to a bank branch for loan management.

Meanwhile, we have expanded the offering of products and services to our customers' trade partners and employees in order to enhance the competitiveness and business management efficiency of our clients while also maintaining KBank's status as their Main Operating Bank. We have encouraged our clients to acquire business partners in the form of B2B (Business to Business) through the introduction of K-Value Chain Solutions. For the B2C (Business to Customer) segment, KBank has upgraded payment-accepting solutions via multiple channels such as e-wallet to help our customers increase their sales turnover, ensuring sustainable growth.

Service Channels

In 2020, KBank focused on providing seamless online and offline services of both KBank and our business partners to ensure a positive customer experience anywhere, anytime, while accommodating changing service behavior under the 'new normal' environment. We have orchestrated ecosystems with partners while also developing our core service channels for enhanced efficiency in accessing customers in order to deliver them excellent services with the greatest cost effectiveness.

1. Branch network: Key initiatives for branch network management in 2020 included:

Domestic branch network: We focused on providing channels in harmony with customers' daily needs, as evidenced by the increased use of financial services via multiple channels anytime, anywhere. With the aim of delivering a positive customer experience, KBank has employed "big data" for linkage of all service channels including physical and electronic branches, services outside of branches via sales officers and Relationship Managers, the K-Contact Center, KBank agents as well as service channels of our business partners.

In 2020, we focused on adjusting branch models in each area and elevating service experience to be aligned with customers' needs. To this end, KBank continued to improve branch service procedures along with consolidating branches to reduce redundancy, especially those with relatively low traffic. Meanwhile, we increased the number of branches that deliver a new customer experience through the use of self-service electronic machines including 15 hybrid branches, five K PARK locations as well as three mini-branches (this branch format shares the space of our business partners to provide customers basic services).



KBank and the Comptroller General's Department unveiled K e-LG via e-GP, an e-LG service for government procurement. The service can now link with e-GP on the blockchain of the Comptroller General's Department – the first government agency to use the system.

Along with the continual expansion of KBank Service locations, we focus on offering services via mobile banking to match customers' lifestyles, including deposit/withdrawal, bill payment and identity verification for opening of electronic accounts for retail customers to provide an enhanced customer experience, allowing those in remote areas improved access to financial services nationwide. KBank has forged collaboration with new business partners including AIS, DTAC, Kerry, Srisawad, Siam Global House, aside from Thailand Post, Big C, 7-Eleven and other major partners, with different scopes of services available at each banking agent.

As the local transmission of COVID-19 seemed to ebb early in the last quarter of 2020, KBank resumed foreign exchange services on a trial basis at branches in the Bangkok Metropolitan Region as well as six Foreign Exchange Booths in Suvarnabhumi Airport and Don Mueang International Airport. In parallel, we continue to focus on services via electronic channels, especially automated currency exchange machines that are available 24 hours a day and YouTrip e-Wallet through the launch of marketing campaigns to promote online purchase of goods and services in foreign currencies. Meanwhile, KBank has installed automated currency exchange machines in areas with potential on a trial basis, replacing in-person services. We have also opened foreign currency booking service via KBank's website, allowing customers to feel confident before using foreign exchange services at branches. However, the COVID-19 resurgence at the end of December 2020 has prompted KBank to be on alert and adjust our strategies to suit the changing circumstances at all times.

International Branch Network: We have adhered to our strategy of becoming a Regional Digital Bank through the Three-Track Regional Digital Expansion. In detail:

- **Conventional Expansion:** We have expanded our business network and services within the AEC+3 region in response to Thai customers seeking to venture into other ASEAN countries. In 2020, KBank continually expanded our business and services in the People's Republic of China, Lao People's Democratic Republic, and Kingdom of Cambodia. In accordance with our plan, we are preparing to upgrade our representative office in Ho Chi Minh City, the Socialist Republic of Vietnam, to the status of an international branch, while also increasing our shares held in a local bank in the Republic of Indonesia. We also established a plan to invest in a local bank in the Republic of the Union of Myanmar, which is expected to be completed within 2021.
- **Digital Expansion:** KBank prioritized development of regional electronic payment systems, allowing us to build a database of customers' financial transactions within the region, which can be further applied in our loan services and investment. One notable initiative was the launch of QR KBank – an e-wallet application that can be used for top-up, funds transfer and QR payment, available in Lao People's Democratic Republic. In addition, "Borderless Payments for All" was introduced to provide greater convenience to customers of all segments in the region wanting to make international funds transfer and payment – especially low-value transactions – at reduced fees. Meanwhile, KBank has established KASIKORN Vision Information Technology Co., Ltd. (KTECH) in the People's Republic of China. Its main tasks involve research, testing and development of IT systems, searching for new business models conducive to digital banking services and digital economic systems, as well as adopting innovative technology that will be further applied to KBank businesses and other companies within KASIKORN FINANCIAL CONGLOMERATE.



KBank joined Counter Service in launching the K CHECK ID service at any 7-Eleven convenience store, reinforcing our status as a banking agent and offering customers greater convenience in completing banking transactions.



With only one Youtrip card, cardholders can shop online worldwide with better rates.

- **Industry Solutions and Ecosystem Expansion, especially in target countries within CCLMVI*:** We have sought opportunities to foster collaboration with new tech partners to provide Thai and local businesses improved access to financial services. In 2020, KBank teamed with an e-commerce partner in the Socialist Republic of Vietnam and payment business partner in the Republic of Indonesia to implement pilot projects. One notable endeavor was data-driven lending for operators conducting their business on e-commerce platforms.

* CCLMVI means People's Republic of China, Kingdom of Cambodia, Lao People's Democratic Republic, Republic of the Union of Myanmar, Socialist Republic of Vietnam, and Republic of Indonesia.

Branches and Financial Service Network

Domestic	Number of Locations		International	Number of Locations	
	2020	2019		2020	2019
Branch Network ⁽¹⁾	860	886	Branches of Locally Incorporated Institutions	6	6
Foreign Exchange Booth	75	137	KASIKORNTHAI BANK LIMITED (Lao PDR)	2	2
THE WISDOM	94	97	KASIKORNBANK (CHINA) CO., LTD.	4	4
SME Business Center ⁽²⁾	167	134	Branches	3	3
International Trade Service Center	58	58	Representative Offices	7	7
Cheque Direct Service	21	21			

Note:

⁽¹⁾ Excluding 6 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

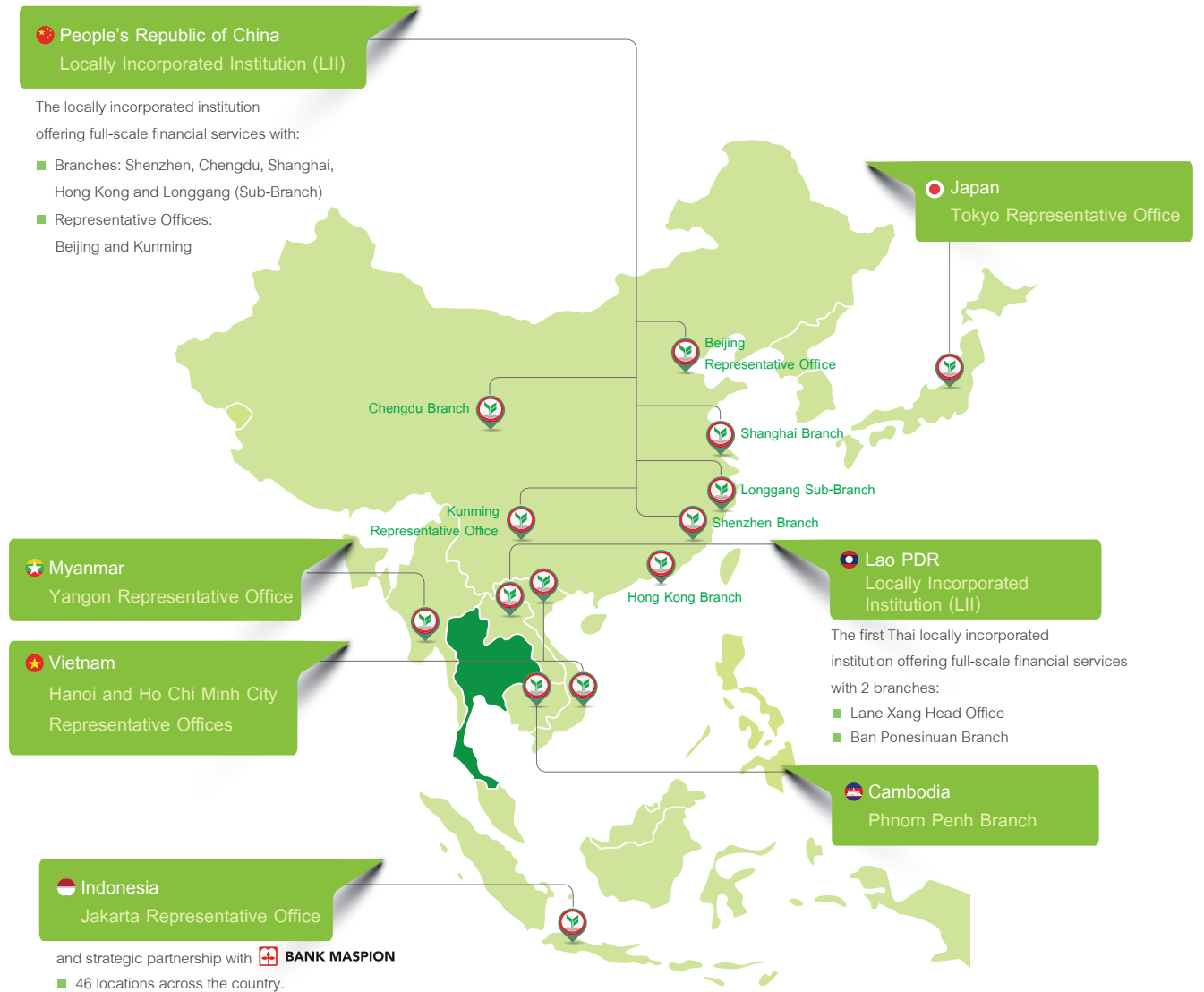


Name and Location of Service Network can be found at:

- 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:** Management of electronic machines has been a major focus to ensure that the available number is sufficient and can meet customer demand in each area nationwide. To reduce redundancy, we have relocated self-service machines from the areas where there are already a large number of machines available, to areas with greater potential, particularly to accommodate the rising demand for cardless withdrawal. Along with this, we have expanded the K Check ID that offers identity verification service for opening an electronic account to ensure broader coverage nationwide. KBank also worked with Government Savings Bank in offering no-fee services via shared ATM terminals under the white-label ATM project. Moreover, emphasis has been placed on development of KBank's electronic network to accommodate round-the-clock financial services, especially through self-service machines that offer prompts in multiple languages for the greater convenience of our foreign clients, in replacement of branch services. We also prioritized improvement of the machine maintenance system for enhanced service efficiency.

Electronic Banking Services

Electronic Banking Services	Number of Units	
	2020	2019
Self-Service Channel (K-ATM and K-CDM)	10,981	10,973
K-ATM (Automated Teller Machines)	8,389	8,168
K-CDM (Cash Deposit Machines)	2,592	2,805
K-PUM (Passbook Update Machines)	1,004	1,028
Automated Currency Exchange Machines	9	5

- **Digital Banking Services:** KBank maintained its leadership in digital banking services, with focus on development of the digital banking system for greater ease of use, enhanced customer convenience and service coverage for all customer segments through increased linkage of other service channels including those of our business partners across all ecosystems – for increased service efficiency in order to accommodate changing lifestyles. Major initiatives in 2020 included:

- 1) **K PLUS:** We have focused on enhancing financial transaction features for our customers' everyday use in order to give them an excellent experience 24 hours a day, with new services available as follows:
 - **Smart Pay and Smart Cash for K-Credit Card and Xpress Cash:** This service helps to ease customers' financial burden by allowing them to make cash withdrawals for emergencies. Customers can make the transactions by themselves, without the need to contact the K-Contact Center.
 - **Cardless withdrawal for K-Credit Card and Xpress Cash:** This service provides K PLUS customers greater convenience in making cash withdrawals at K-ATMs. Customers can withdraw the outstanding balance on their K-Credit Card or Xpress Cash without requiring the physical card.

- **KBank Loan Payment:** This service expands the channels for paying various types of KBank loans on K PLUS, 24 hours a day. Customers can check their transactions and payment history, or request a receipt and home loan tax certificate, via K PLUS.



KBank worked with Central JD Fintech Holding, a company under Central Group, in launching "Dolfin Money | KBank" – a digital breakthrough allowing customers easier access to loan services via the Dolfin application.

- **Top-up and Bill Payment (Switch App) via application of KBank partners:** This service connects to the K PLUS platform, allowing customers to top-up and make fast payment via the applications of KBank partners with no need to switch between applications or enter the card number. New KBank partners in 2020 include Airpay, Shopee and True Money Wallet.
 - **Collection and payment service via LINE through KhunThong and “Share to K PLUS”:** This service provides greater convenience in collecting payment and making funds transfer/payment via LINE using K PLUS, with no need to switch between applications or enter the card number, access the menu page or enter card numbers. The service is available via the KhunThong social chatbot and the ‘Share to K PLUS’ QR Code.
 - **Automatic portfolio management via Wealth PLUS:** This service recommends investments to customers by selecting the appropriate targets and monitoring investment results easily on K PLUS.
- 2) **K-Cyber:** We focused on maintaining the integrity of the K-Cyber system. Data security is ensured through implementation of ISO 27001:2013, giving our customers more confidence when conducting financial transactions via all digital banking channels.
 - 3) **K-Payment Gateway:** This service channel has been continually enhanced for increased efficiency in conformity with the Payment Card Industry Data Security Standard (PCI-DSS), with the aim of fully meeting the needs of online stores of all business types regardless of their manner of connectivity. Focus has also been on increased efficiency to accommodate the increasing volume of online payment transactions amid the prevailing changes in consumer behavior under the ‘New Normal’ environment, including websites, e-commerce platforms, online marketplaces and food delivery platforms.
 - 4) **KBank Live:** This service provides a channel of communication with customers via applications that include Facebook, Twitter, Instagram, Youtube and LINE. Through KBank Live, KBank presented products, services, promotions and financial knowledge as well as news throughout 2020 such as registration for COVID-19 insurance plan, registration for assistance measures available to our loan customers and under the “Stronger Together” program, data presentation to encourage Thai people to “share”, appointment for account opening at branch, warning of SMS scam,

suggestions on usage of K PLUS and advertisements of new products and services as well as other promotions.

- **K-Contact Center:** In order to deliver a beyond-expectation customer experience and thus be the most top-of-mind bank, KBank has elevated our services to ensure total solutions as a Customer Fulfillment Center with the aim of becoming a Customer Engagement Center and a Customers’ Life Platform of Choice, thus meeting both lifestyle and business needs via the following initiatives:

- 1) **Development of Non-Voice Channel & Self-Service:** The chatbot program has been developed to expand the scope of providing specific information about KBank products and services in real time, thus leading to enhanced service efficiency as a channel that offers fast and convenient transactions, with a security system based upon identity authentication.
- 2) **Development of Knowledge Management Smart Agent Portal:** This noteworthy effort is aimed at bolstering KBank Contact Center capabilities for enhanced service efficiency.
- 3) **Development of Case & Incident Management:** In cooperation with the Thai Bankers’ Association, we have implemented the Banking Industry-Wide Customer Incident Management Standard to ensure efficient problem-solving. Guidelines for effective communication with customers have been put in place in order to maintain the public image of the banking industry.

Operations of Support Groups

Human Resource Management

KBank has focused on providing support to our human resource management operations in major areas via the following four key initiatives:

1. **Enhancement of KBank branding as a learning organization:** KBank worked with Silpakorn University and leading technology company with expertise in contents – in organizing the Creative Business Camp to promote financial skills and business model creation for art students with the aim of producing new-generation businesspersons. We held a pitch competition in the form of a “hackathon” wherein the winner showcased their ideas on the creation of community and working space for youths who have a passion for the arts, a platform to search for materials used in work production, a comprehensive printing solution ecosystem and a platform for linking social enterprise (SE) to the general public.

2. Development of employee skills and ability to accommodate the changing business world:

To this end, we conducted activities via various projects as follows:

- **Development of Universal Skills:** Focus was on the enhancement of three major skills, namely thinking skills, understanding skills and doing skills, to allow all employees of every position to be versatile and able to adjust themselves to future changes more efficiently.
- **KBank Reskill Framework:** KBank prioritized employee skill development and preparedness for those who may be affected by the changing working environment through the launch of an internal marketplace in order to support skill development among our staff members in a tangible manner. To this end, we formulated an individual development plan as follows:

(1) Create a tool for skill measurement and identification:

Share of learning has been clearly established, i.e. 10 percent from self-study, 20 percent from coaching and 70 percent from action learning.

(2) Encourage development of employee skills via the Digital Academy program: The program was intended to enhance employee capabilities through modern learning formats such as linkage of external learning platforms to our internal system, allowing staff members to learn via SkillLane and CHULA MOOC Achieve.

(3) Allow employees to design their own learning courses: This initiative aims to hone their work, life and other skills that are aligned with KBank's expectations amid changing business trends. Four subjects were involved:

- “New Way of Working” which focuses on an agile mindset, and Objectives and Key Results (OKR)
- Digital and Data Analytics Skill
- Managerial skills to enhance capabilities in thinking, analyzing and communicating
- Life skills to allow our employees to fully unleash their potential in an agile organization context

- **KBank Digital Academy x BrighterBee:** Employees can hone their work skills via more than 240 online learning courses available under four main categories. They are, i.e.,

- (1) Library: Intensive online courses designed for work skill enhancement
- (2) Perspective: A source of views from leading organizations' executives
- (3) Inspiration: Tips to spark inspiration via real-life experience shared by experts
- (4) BeeToday: Information on the latest business trends



KBank organized a range of online courses to upskill its employees. The courses can be studied anywhere, 24 hours a day.



KBank launched an internal campaign to encourage employees to pursue online learning via the KONNECT+ platform with varied topics of interest like 'Design Thinking.'

- **Micro Learning on KONNECT+ Program:** Via this learning program, KBank organized a test to evaluate employees' learning performance based on the established topics under the cyber hygiene culture-secure password system. Around 81.8 percent of participating employees passed the test.
- **“Waste No More” Program:** Focus was on communication to our employees regarding basic knowledge of the “Lean and Waste” concept so that they have better understanding and learn how to increase work efficiency by cutting wasteful activities in alignment with KBank's expectations under the changing business trends and

challenges of new work formats. In 2020, employees from 63 departments participated in the program, amounting to more than 93 percent of KBank's total employees.

- **Changemaker Year 3 Program:** The program's representatives of each department were assigned to carry out a mission of service as changemakers within the organization. This year, KBank has encouraged all employees to use KONNECT+ as a platform for communication and learning in order to stay abreast of cyber crime and promote cyber crime reporting. Moreover, KBank communicated to employees the "Lean" concept and how to increase workplace efficiency.
- **"Ask the Right Question" Program:** We have promoted the culture of a data-driven organization. Employees at all levels have been encouraged to use and analyze data for their decision-making and in their everyday work. To this end, the "Ask the Right Question" program was launched offline and online so that employees will ask questions that can lead to the maximal use of data. Renowned data experts were invited to share their experience in a seminar under the theme of "Ask the Right Question – Data Alone is not Enough: Use Data Effectively and Gain More Insights", wherein participants were equipped with perspectives and best practical guidelines on data use which is vital to business operations.

3. Creating a positive employee experience and engagement: We conducted various activities while also implementing projects to promote an understanding of organizational culture and employee development as follows:

- **K-REP Camp:** This modified educational activity about K-Culture was held for KBank Vice Presidents or those of equivalent positions, who are K-Culture Representatives (K-REPs) under KBank divisions and K Companies. This form of activity cultivates a mindset which fosters behaviors that are consistent with K-Culture and can be passed on to employees of KBank and K Companies in accordance with assigned tasks, including communication of K-Culture and encouragement of employee participation, and activities in the form of a virtual quiz show and an internal campaign to persuade employees to send their video clips to join the K-Culture Challenge.

KBank launched the "Ask the Right Question" program to promote a data-driven organizational culture that encourages employees at all levels to use and analyze data in decision-making and in their everyday work, with questions that can lead to the maximal use of data.

- **LDP Journey 2020:** The Leadership Development Program (LDP) promotes the competency development of participating employees as KBank's main driving force. The program organizes an Individual Development Plan (IDP) on an annual basis which consists of strength and weakness analysis and competency self-assessment in line with employees' work performance goals. Moreover, participants were given the mission to inspire and act as catalysts of change for other employees in the following three dimensions:
 - (1) Being a Mastery of Business Transformation: Having mastery of skills required for business model organization transformation, and capable of handling changes at present and in the future to ensure the viability and sustainable growth of the organization.
 - (2) Being a Role Model of K-Culture Behavior: Processing behavior consistent with the four facets of K-Culture and serving as an inspiration or role model for other employees.

(3) Being a Healthy Leader of Harmonized Living:

Creating a comfortable balance between work and personal life.

- **K-Heroes Program:** KBank gives awards to personnel with outstanding performance consistent with the targets of their respective divisions and KBank Core Values, which serves to boost self-esteem among all employees. In 2020, there were two team awards and individual awards which were granted to personnel from KBank's 15 divisions and K Companies, amounting to a total of 723 people.

4. Employee Relations and Benefits: KBank welcomed consultations and problem-solving discussions between employees and KBank to strengthen our relationship. To this end, meetings of the KASIKORNBANK Labour Union, KASIKORNBANK Officer Labour Union and KBank executives were arranged on a regular basis. KBank also held the Employee Committee meeting every quarter under the COVID-19 prevention measures.

Moreover, we implemented the Preventive Project in an effort to reduce cases of employee misconduct. These efforts were instrumental in maintaining the high level of customer service our employees provide, and in minimizing operational risks significantly. We also established practical guidelines on various key issues in compliance with labor laws of AEC+3 countries and the People's Republic of China, so that our employees abroad can perform their work correctly and receive fair treatment for the work they perform.

In terms of employee healthcare during the year, KBank prepared health checkups and medical benefits for our employees. We also implemented special measures to care for our employees whenever PM 2.5 dust particle concentration exceeded safety standards, and during the COVID-19 pandemic, particularly for employees living in high-risk areas.

IT Management

In 2020, KASIKORN BUSINESS-TECHNOLOGY GROUP conducted studies in technological development and prioritized cyber security management in alignment with KBank's strategy of maintaining our competitiveness as Thailand's digital banking leader with an aspiration towards becoming the regional trusted leader in this realm. Our key initiatives can be summarized as follows:



KBank installed thermoscan cameras in KBank office buildings to measure the body temperature of all visitors to prevent the spread of COVID-19 and protect the health of all employees, in line with the standards of the Ministry of Public Health.

1. Development of products and services responsive to the transition towards a cashless society, changing consumer behavior and challenges from both existing and new players – Notable efforts included:

- **Develop and improve K PLUS application** to enhance its capabilities
 - (1) Offer customers using K PLUS application the privilege of COVID-19 life insurance coverage
 - (2) Develop service system of Wealth PLUS – a robo-advisor that helps customers manage their investment portfolio and do financial planning
 - (3) Develop K PLUS system to accommodate the purchase of Super Saving Fund (SSF) with K-Credit Card
 - (4) Develop K PLUS system to allow customers to register for K PLUS using K-Credit Card and Xpress Cash with no deposit account required
 - (5) Develop K Points – a loyalty program for accumulation of points which can be used in lieu of cash for bill payment, top-up and cash back redemption
 - (6) Improve K PLUS features to better address customers' needs, including:
 - Share QR code for accepting payment in K PLUS without the need to save it or memorize an account number
 - Allow customers to block or unblock K-Credit Card on their own

- Increase the number of currencies available for International Funds Transfer by six, including USD, GBP, HKD, SGD, AUD and EUR
- Allow customers to choose whether or not they will exercise their right to give consent for the disclosure or use of their personal data for accepting the offering of products, services or privileges from KBank, in accordance with the Personal Data Protection Act (PDPA)
- **Development of LINE BK platform:** In collaboration with LINE Corporation Co., Ltd., financial services are offered in the form of social banking via LINE application. Customers can open an account, make funds transfer and receive real-time notifications on transactions as well as integration of risk assessment for instant loan approval.
- **Development of KhunThong social chatbot:** KhunThong is a social chatbot on the LINE application that uses Optical Character Recognition (OCR) technology to scan receipts for bill splitting among LINE group friends. It can also allow collection of monthly bills that require shared payment such as Netflix bills, as well as multiple bills.
- **Development of Eatable platform:** The digital point-of-sale platform allows restaurants to accept orders directly from customers without needing to download any application, and manage menu data, orders and sales turnover, while also integrating KBank's payment system.
- **Development of MAKE by KBank application:** The application is designed to meet the needs of the new generation as its functions allow connection with other users via three key features, namely funds transfer via Bluetooth, display of past transactions in a social chat-style format and categorization of e-wallets/pockets into various groups according to their objective, without the need to open multiple accounts.
- **Development of Digital Asset Platform:** Jointly developed with The Stock Exchange of Thailand, the Digital Asset Platform has applied the distributed ledger technology to cover the linkage to ICO Portal for selling digital tokens via initial coin offering (ICO), digital asset exchange and digital asset wallet.



"KhunThong" social chatbot was launched on the LINE platform. Under the concept of "KhunThong – A New Breed of Treasury," it is designed to expertly manage financial matters within a group of friends.



KBTG unveiled Eatable, a novel platform for food ordering that does not require users to download an application. The platform allows users to browse menus, order food, view sales turnover, and link to KBank's payment system, all under one shared system.



KBTG launched the 'MAKE by KBank' application. It is designed to meet the requirements of the new generation, giving them the freedom to personalize their own financial management and manage their finances as a group.

- **Application of facial recognition technology:** The technology has been applied for identity verification when making payment via Boonterm kiosk and automated vending machines of Sabuy Tech and Black Canyon.
 - **Application of contactless technology:** We worked with Major Cineplex Group PCL. to apply ReKeep technology to a contactless movie ticket service via QR code at automated kiosks. The digital movie ticket is used in lieu of its paper counterpart to reduce the use of paper and allow customers to avoid touching objects to reduce the risk of viral infection.
 - **Development of natural language processing (NLP) technology:** We have developed an NLP technology under the KITTHAI (KASIKORN Integrated Thai Text Analytics Interface) system which provides the best financial data processing in Thailand's financial and banking sector for enhanced service efficiency via the KBank Live chatbot. The system screens irrelevant texts, classifies major contents and processes, and gauges customers' intent, thus reducing K-Contact Center representatives' burdens in answering queries while also cutting customers' waiting time – leading to faster service delivery.
- 2. Uplift cyber security capabilities:** Cyber threat monitoring and detection capabilities have been enhanced along with improvement of work systems and processes for enhanced efficiency. Major operations included:
- **Establishment of Cyber Security Operation Center (CSOC):** The CSOC is dedicated to enhancing cyber threats detection and incident response capabilities in order to early detect cyber threats, promptly manage cyber risk and minimize potential impacts from cyber risk to customers.
 - **Enhancement of world-class data leak prevention system:** For broader coverage, we have put a data leak prevention system in place at all KBank units. The system classifies data categories and assesses risks from use of data, allowing increased efficiency in data leakage detection and prevention. Moreover, more data leak prevention tools have been installed to secure our employees' mobile devices, ensuring that all data transmission within KBank can be checked and is detectable.



3. Expand regional footprint: We aim to develop technology and services and reach out to potential customers while also scouting for partners for technology development in AEC+3 countries.

- **Establishment of KASIKORN Vision Information Technology Co., Ltd. (KTECH):** The first foreign bank-owned fintech established in Shenzhen, the People's Republic of China, KTECH premiered the development of a processing system for approval of online loan for passenger cars.
- **Expansion of services within AEC+3 region:** K-ATM machines were installed in Lao People's Democratic Republic to provide greater convenience to customers in conducting transactions via other banks' cards and QR code.

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:

(Million Baht)

Type	2020	2019	2018
Land	22,849	22,541	18,918
Building	36,492	33,180	31,704
Equipment	41,520	38,611	37,986
Others	60	259	244
Total	100,921	94,591	88,852
<u>Less</u> Accumulated depreciation	42,873	41,558	39,861
Impairment allowance	418	335	466
Premises and equipment - net	57,630	52,698	48,525

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, 2020 consisted of:

(Million Baht)

Period	2020
Within 1 year	1,242
Later than 1 year but not later than 5 years	1,333
Later than 5 years	69
Total undiscounted lease liabilities	2,644
Lease liabilities include in the statement of financial position	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:

(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 October 31, 2025. As of December 31, 2020, 2019 and 2018, the Bank and its subsidiaries were committed to pay total service fees of Baht 2,875 million, Baht 2,801 million, and Baht 1,313 million, respectively.

1.3 The Shareholder Structure of KASIKORNBANK

KASIKORNBANK's Investments in Subsidiaries, Associated Companies and Joint Ventures

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 2020, KBank expanded its investment in the following companies which are part of KASIKORNBANK FINANCIAL CONGLOMERATE:

- KASIKORNTHAI BANK LIMITED (Lao PDR), which is a registered commercial bank in Lao People's Democratic Republic:**
In compliance with the new regulation by the Bank of the Lao PDR applied to KASIKORNTHAI BANK LIMITED (Lao PDR), the bank is required to increase its registered capital in Laotian Kip at a total of LAK 200 billion or approximately USD 23 million within five years (2019 - 2023). In 2020, the bank therefore raised its registered capital by LAK 40 billion.
- KASIKORN VISION Co., Ltd.:** The company increased its registered capital from Baht 1.2 billion to Baht 8 billion on April 16, 2020, in order to invest in other companies as follows:
 - (1) KASIKORN Vision Information Technology Co., Ltd. (KTECH) in the People's Republic of China, with investment amounting to RMB 300 million in July 2020. KTECH is a fintech company wholly owned by KVision with registered capital of RMB 300 million, or around Baht 1.3 billion. It is the first fintech company to be set up by a foreign bank in Shenzhen. Its main tasks involve development of IT systems and scouting for new business models conducive to digital banking services and digital economic systems, as well as adopting innovative technology that will be further applied to KBank businesses and other companies within KASIKORN FINANCIAL CONGLOMERATE.
 - (2) KASIKORN LINE Co., Ltd., with investment amounting to Baht 250 million in October 2020. KVision holds 50 percent plus one share of the company's shares, with registered capital of Baht 2,700,000,100. The company engages in personal loan and nanofinance business under supervision.
 - (3) The remaining capital will be earmarked for investment in PT Bank Maspion Indonesia Tbk in the Republic of Indonesia.

Investments of KASIKORNBANK in Other Companies

As of December 31, 2020

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. +662-6733888 Fax +662-6733988	Bangkok	Fund Management	135.77	135.77	27,154,274	27,154,274	100.00	Common Share
2	KASIKORN RESEARCH CENTER CO., LTD. Tel. +662-2731144 Fax +662-2701218	Bangkok	Service	10.00	10.00	100,000	100,000	100.00	Common Share
3	KASIKORN SECURITIES PCL Tel. +662-7960000 Fax +662-7960099	Bangkok	Securities Business	501.00	500.01	100,001,877	99,996,096	99.99	Common Share
4	KASIKORN LEASING CO., LTD. Tel. +662-6969999 Fax +662-6969966	Bangkok	Auto Leasing	900.00	900.00	90,000,000	90,000,000	100.00	Common Share
5	KASIKORN FACTORY & EQUIPMENT CO., LTD. Tel. +662-2902900 Fax +662-2903000	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. +662-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
8	KASIKORN LABS CO., LTD. Tel. +662-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
9	KASIKORN SOFT CO., LTD. Tel. +662-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
10	KASIKORN PRO CO., LTD. Tel. +662-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
11	KASIKORN SERVE CO., LTD. Tel. +662-4705555	Nonthaburi	Service	10.00	10.00	100,000	100,000	100.00	Common Share
12	KASIKORN X CO., LTD. Tel. +662-4705555	Nonthaburi	Service	5.00	5.00	50,000	50,000	100.00	Common Share
13	KASIKORN VISION CO., LTD. Tel. +662-5628918	Bangkok	Investment in Other Companies	8,000.00	8,000.00	800,000,000	800,000,000	100.00	Common Share
14	Muangthai Group Holding Co., Ltd. Tel. +662-2764859 Fax +662-2764859	Bangkok	Investment in Other Companies	458.66	458.66	45,865,949	23,391,635	51.00	Common Share
15	KASIKORNTHAI BANK LIMITED Tel. (856) (21) 410 888 Fax (856) (21) 410 889	Lao PDR	Banking	1,482.85	1,482.85	38,000,000	34,200,000	90.00	Common Share
16	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
17	K-SME Venture Capital Co., Ltd. Tel. +662-4702044	Bangkok	Venture Capital	50.00	50.00	5,000,000	5,000,000	100.00	Common Share
18	BEACON VENTURE CAPITAL COMPANY LIMITED Tel. +662-0177110-1	Nonthaburi	Venture Capital	3,735.00	2,821.25	373,500,000	373,500,000	100.00	Common Share
19	Phethai Asset Management Co., Ltd. Tel. +662-5626401-25 Fax +662-2733171	Bangkok	Asset Management	1,400.00	1,400.00	140,000,000	140,000,000	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) COMPANY LIMITED 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
20	PROGRESS PLUS CO., LTD. Tel. +662-2252020 Fax +662-2252021	Bangkok	Service	6.00	6.00	60,000	60,000	100.00	Common Share
21	PROGRESS APPRAISAL CO., LTD. Tel. +662-2706900 Fax +662-2785035	Bangkok	Service	5.00	5.00	5,000	5,000	100.00	Common Share
22	PROGRESS GUNPAI SECURITY GUARD CO., LTD. Tel. +662-2733900 Fax +662-9806265	Bangkok	Service	20.00	20.00	200,000	200,000	100.00	Common Share
23	PROGRESS MANAGEMENT CO., LTD. Tel. +662-2751880 Fax +662-2751889-91	Bangkok	Service	20.00	6.00	60,000	60,000	100.00	Common Share
24	PROGRESS FACILITIES MANAGEMENT CO., LTD. Tel. +662-2733288-91 Fax +662-2733292	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
25	PROGRESS SERVICE SECURITY GUARD CO., LTD. Tel. +662-2733293-4 Fax +662-2733292	Bangkok	Service	2.00	2.00	20,000	20,000	100.00	Common Share
26	PROGRESS STORAGE CO., LTD. Tel. +662-2733833 Fax +662-2714784	Bangkok	Service	3.00	3.00	30,000	30,000	100.00	Common Share
27	PROGRESS H R CO., LTD. Tel. +662-2701070-8 Fax +662-2701068-9	Bangkok	Service	1.00	1.00	10,000	10,000	100.00	Common Share
28	PROGRESS SERVICE SUPPORT CO., LTD. Tel. +662-4705420 Fax +662-8888882	Nonthaburi	Service	4.00	4.00	40,000	40,000	100.00	Common Share
29	PROGRESS COLLECTION CO., LTD. Tel. +662-4705284 Fax +662-4705288	Bangkok	Service	5.00	5.00	50,000	50,000	100.00	Common Share
30	PROGRESS TRAINING CO., LTD. Tel. +662-4706273 Fax +662-4703198	Bangkok	Service	1.70	1.70	17,000	17,000	100.00	Common Share
31	Processing Center Co., Ltd. Tel. +662-0290290 Fax +662-0290292	Bangkok	Service	50.00	50.00	500,000	150,000	30.00	Common Share
32	National ITMX Co., Ltd. Tel. +662-5587555	Nonthaburi	Service	50.00	50.00	500,000	127,400	25.48	Common Share
33	BCI (THAILAND) CO., LTD. Tel. +662-0290200	Nonthaburi	Service	530.00	530.00	53,000,000	11,750,000	22.17	Common Share
34	Muangthai Holding Co., Ltd. Tel. +662-6932729	Bangkok	Investment in Other Companies	456.00	456.00	45,600,000	4,560,000	10.00	Common Share
35	SUPERNAP (Thailand) Company Limited Tel. +662-2648000 Fax +662-6572222	Bangkok	Service	2,000.00	2,000.00	200,000,000	20,000,000	10.00	Common Share
36	Unitas Co., Ltd. Tel. +662-2626000 Fax +662-2626354	Bangkok	Land Rental	11.05	5.53	110,532	11,053	10.00	Common Share
37	Zin Suapah Co., Ltd. Tel. +662-2212841 Fax +662-2215895	Bangkok	Service	6.00	3.00	6,000	600	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) COMPANY LIMITED 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 April 10, 2020 to determine the shareholders who have the right to entitled receive dividend payment on April 30, 2020.

Rank	Name	Number of Common Shares	Percentage of Common Shares
1	THAI NVDR CO., LTD.	443,939,592	18.550
2	STATE STREET EUROPE LIMITED	203,656,972	8.510
3	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	142,055,420	5.936
4	SOCIAL SECURITY OFFICE	85,905,100	3.589
5	BNY MELLON NOMINEES LIMITED	78,949,299	3.299
6	THE BANK OF NEW YORK MELLON	55,954,035	2.338
7	STATE STREET BANK AND TRUST COMPANY	51,034,453	2.132
8	SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED	39,954,882	1.669
9	NORTRUST NOMINEES LIMITED-NT0 SEC LENDING THAILAND CL AC	32,586,142	1.362
10	GIC PRIVATE LIMITED	31,350,600	1.310
	OTHERS	1,227,873,698	51.305
	Total paid-up capital	2,393,260,193	100.000
	THAI SHAREHOLDERS	1,221,041,351	51.020
	FOREIGN SHAREHOLDERS	1,172,218,842	48.980

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

Changes in KASIKORNBANK Shares Held by Directors and Executives in 2020

As of December 31, 2020

No.	Name	Position	KBank Shares Held as of December 31, 2019	KBank Shares Held as of December 31, 2020	Increase/ (Decrease) in KBank Shares Held in 2020	Percentage of Shares Held (%)
1	Ms. Kobkam 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	0	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	Dr. Abhijai Chandrasen	Director and Legal Adviser	10,000	10,000	0	0.000
	Spouse and minor children		-	-	-	-
9	Sqn.Ldr. Nalinee Paiboon, M.D.	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
10	Mr. Saravoot Yoovidhya	Independent Director	975,800	975,800	0	0.041
	Spouse and minor children		-	-	-	-
11	Dr. Piyasvasti Amranand	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
12	Mr. Kalin Sarasin	Independent Director	1,200	1,200	0	0.000
	Spouse and minor children		260	260	0	0.000
13	Mr. Wiboon Khusakul	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
14	Ms. Suphajeer Suthumpun	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
15	Mr. Sara Lamsam	Director	721,240	721,240	0	0.030
	Spouse and minor children		-	-	-	-
16	Mr. Chanin Donavanik	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-

No.	Name	Position	KBank Shares Held as of December 31, 2019	KBank Shares Held as of December 31, 2020	Increase/ (Decrease) in KBank Shares Held in 2020	Percentage of Shares Held (%)
17	Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya	Independent Director	-	-	-	-
	Spouse and minor children		-	-	-	-
18	Ms. Chonchanum Soonthomsaratoon	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. Wirawat Panthawangkun	Senior Executive Vice President	10,380	10,380	0	0.000
	Spouse and minor children		-	-	-	-
21	Mr. Thiti Tantikulanan	Capital Markets Business Division Head	-	-	-	-
	Spouse and minor children		-	-	-	-
22	Mr. Jirawat Supornpaibul	Private Banking Group Head	-	-	-	-
	Spouse and minor children		-	-	-	-
23	Mr. Chongrak Rattanapian	Senior Executive Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
24	Mr. Silawat Santivisat	Senior Executive Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
25	Ms. Wasana Surakit	First Senior Vice President	-	-	-	-
	Spouse and minor children		-	-	-	-
26	Ms. Natcha Argasreog	First Senior Vice President	220	220	0	0.000
	Spouse and minor children		-	-	-	-
27	Ms. Khajarin Maintaka	Financial Planning Co-Department Head	-	-	-	-
	Spouse and minor children		-	-	-	-
28	Ms. Prapasra Uttamavetin	Financial Planning Co-Department Head	N/A	-	N/A	-
	Spouse and minor children		N/A	-	N/A	-

Remarks: N/A

- Ms. Chonchanum Soonthomsaratoon was appointed as Director on April 2, 2020. Hence, number of shares held as of December 31, 2019 are not applicable for comparison.
- Ms. Prapasra Uttamavetin was appointed as Financial Planning Co-Department Head on November 1, 2020. Hence, number of shares held as of December 31, 2019 are not applicable for comparison.

1.4 Registered and Paid-up Capital

Registered and Paid-up Capital

As of December 31, 2020, KBank's registered capital at Baht 10 per share, represented in 3,048,614,697 shares, totaling Baht 30,486,146,970 and paid-up capital 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 for warrants holders (KBank employees, except for directors) to purchase KBank ordinary shares.

1.5 Other Securities Issuance

Name	Type	Amount (Million)	Currency	Tenor (Year)	Interest Rate per Annum	Interest Payment Period
Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No. 1/2015 due 2026	Unsecured	6,500	Baht	10.5	3.95%	Quarterly
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

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

	2020	2019	2018	2017	2016
Net Profit Ratio per Share (Baht)	12.42	16.18	16.07	14.35	16.79
Dividend Ratio per Share (Baht)	2.50	5.00	4.00	4.00	4.00
Dividend Payout Ratio to Net Profit (%)*	23.73	34.43	29.40	32.80	26.96

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 taken into account when formulating our strategies and business undertakings to support business growth. This is to ensure sustainable stakeholders' returns. KBank's risk management strategy has been established in line with international guidelines and principles, and applied throughout the Conglomerate in accordance with consolidated risk management framework that emphasizes management of various types 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.

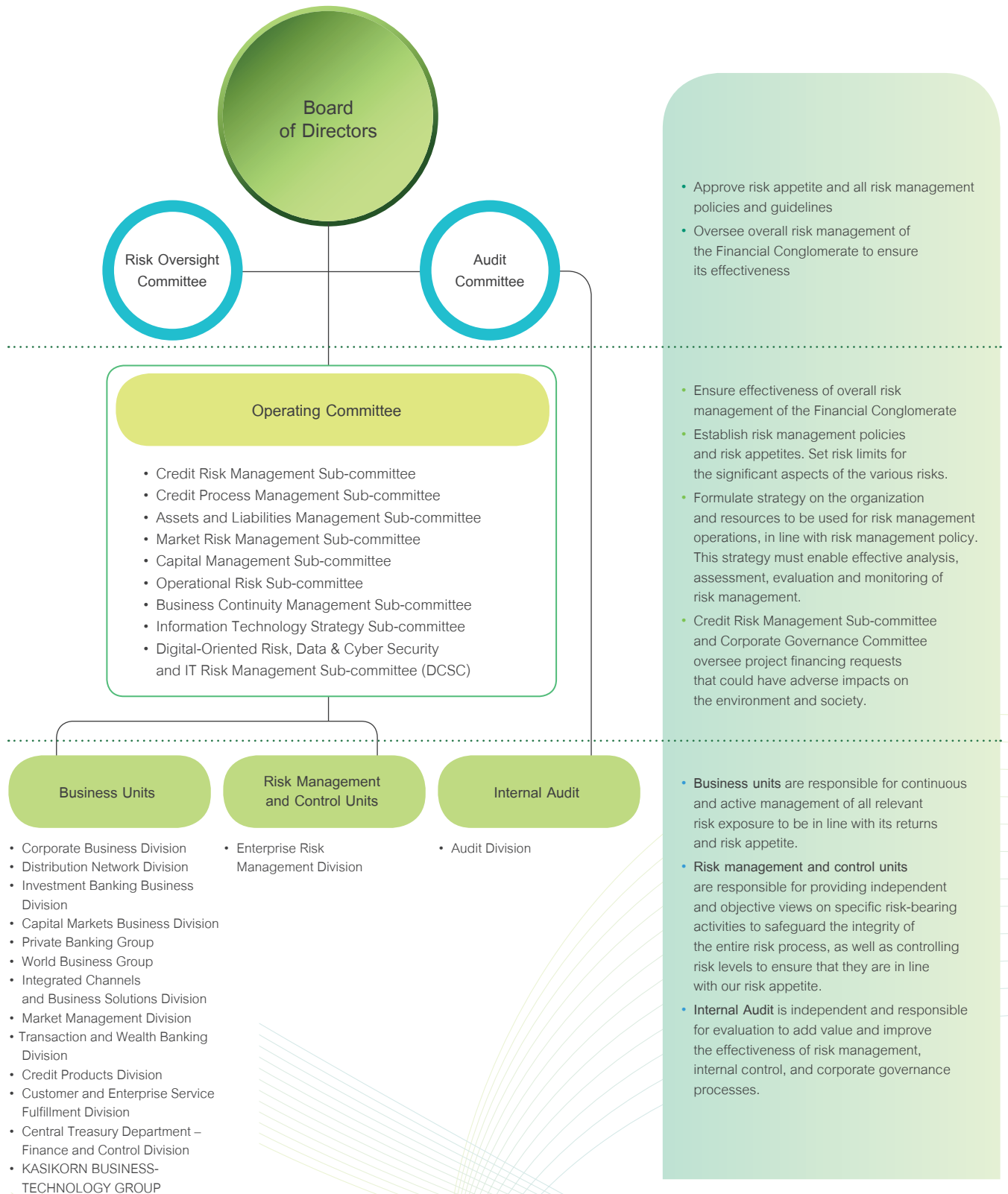
KBank's risk, capital and liquidity management is under the supervision of the Board of Directors, which is responsible for ensuring the appropriate level of capital and liquidity to accommodate our present and future business operation. Meanwhile, KBank ensures that policies, processes and systems for 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.

To affirm the importance of environmental and social impact management, KBank has formulated a policy of responsible lending and investment, along with the consideration processes that take into account the ESG factors in conformity with international practices, via an operational structure that is divided into management and transaction levels. An Exclusion List has been established for projects that are ineligible for KBank credits, along with a Sector-Specific Guidelines and intensive risk management measures for high-risk customers, to ensure that no projects that have been supported by KBank will have any adverse effect on the environment or society, as well as KBank's image and operations, while enhancing stable business advancement and sustainable returns for all stakeholders in the long term.

In addition, KBank became a signatory to the UN Principles for Responsible Banking of the United Nations Environmental Programme Finance Initiative, or UNEP FI, and participated as a Supporter of the Task Force on Climate-related Financial Disclosure (TCFD). These will ensure that, in the long-term, KBank's operations will be in line with international standards, business strategies will be consistent with the United Nations' Sustainable Development Goals (SDGs) and the Paris Agreement on Climate Change, and information disclosure will be developed to align with international principles.

* Details of various 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. More details of responsible lending and investment: ESG credit and investment can be found in the Sustainability Report 2020.

Risk Management Structure



- Approve risk appetite and all risk management policies and guidelines
- Oversee overall risk management of the Financial Conglomerate to ensure its effectiveness

- Ensure effectiveness of overall risk management of the Financial Conglomerate
- Establish risk management policies and risk appetites. Set risk limits for the significant aspects of the various risks.
- Formulate strategy on the organization and resources to be used for risk management operations, in line with risk management policy. This strategy must enable effective analysis, assessment, evaluation and monitoring of risk management.
- Credit Risk Management Sub-committee and Corporate Governance Committee oversee project financing requests that could have adverse impacts on the environment and society.

- **Business units** are responsible for continuous and active management of all relevant risk exposure to be in line with its returns and risk appetite.
- **Risk management and control units** are responsible for providing independent and objective views on specific risk-bearing activities to safeguard the integrity of the entire risk process, as well as controlling risk levels to ensure that they are in line with our risk appetite.
- **Internal Audit** is independent and responsible for evaluation to add value and improve the effectiveness of risk management, internal control, and corporate governance processes.

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:

- **Establishment of proactive risk management amid the COVID-19 pandemic** to ensure continuity in our customer services, and the business operations of KBank, customers, suppliers and other stakeholders. Proactive risk management has been in place for continual prevention, monitoring and management of the situation. In addition, we have formulated strategies for management of COVID-19 risk and implementation of assistance measures for all stakeholders, including customers, 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 COVID-19 pandemic.
- **Improve stress testing processes and models** to ensure that our business growth is within the risk appetite and also enhance 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 initiated a persona-based segmentation model to enhance 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 payment holiday 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.
- **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 seventh consecutive year. We were also awarded PCIDSS 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 was set up to study and take action to comply with the Personal Data Protection Act (PDPA) which will come into force in June 2021. 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 also 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 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.
- Enhancement of End-to-End Product Management Framework** to ensure that all key products and services are managed efficiently, aligned with customers' needs and controlled with acceptable risk level.



KBank launched a PR campaign to warn customers against clicking on potentially fraudulent links or filling out online forms with their personal data, as KBank has no policy of sending such links to its customers.



KBank launched an internal campaign to warn employees of suspicious emails such as phishing emails. KBank employees were instructed to click on the "Report Phishing" icon on Microsoft Outlook and Microsoft Office 365.

- **Establishment of Business Partner and Third-Party Risk Management Policy and Framework** 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, system interface, or data access by business partners and third party is managed appropriately, securely and consistent with relevant regulations.
- **Upgrade of risk- and customer management-related functions** to be more integrated and efficient by the Risk and Customer Working Group which consists of key members from related parties. The upgrade is to ensure that the Bank can provide various products and services to align with customers' needs and increase business growth in the digital world more efficiently, while key risks and customer experience related issues are defined and managed securely and appropriately.
- **Continual enhancement of fraud management and intelligent system** to ensure the security of customers' transactions and increased efficiency in fraud detection via transaction fraud module for a broader coverage of transactions via various channels.
- **Enhancement of market conduct management** by taking into account customer's demand, financial status and understanding to ensure that they receive better experience and treatment with complete and accurate information.
- **Preparation for Basel regulatory reform:** KBank has continuously monitored the changes in Basel international standard and the Bank of Thailand's regulation requirements to assess the potential impacts on our capital, to ensure that our capital base is at appropriate level and adequate for business operations per the business plan.
- **LIBOR discontinuation preparation:** To ensure KBank's readiness for LIBOR (London Interbank Offered Rate) cessation, KBank has set up a working team to handle all related aspects, including legal issues and contracts, communication, as well as risk management and system. Moreover, KBank has started to execute THOR (Thai Overnight Repurchase Rate – Thailand's new benchmark rate to replace THBFIX) transactions as THOR will replace LIBOR and THBFIX (Thai Baht Interest Rate Fixing) to encourage the development of Thailand's financial markets during this transition period.



KBank declared success in the issuance of THOR debentures amounting to Baht 1 billion, issued to local institutional investors for the first time in Thailand.

2.2 Risk Factors for Operation of KASIKORNBANK

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 the Risks	Mitigating Actions
Climate Change	Climate change directly impacts physical risk. It may come in the form of natural disasters, namely storms, floods and drought, which have become more frequent and severe. Indirectly, it could lead to transition risk, wherein new rules and regulations are to be implemented to mitigate environmental problems over the long term, especially during the transition to prevent and mitigate social impacts.	<p>Climate change-induced natural disasters have become more frequent and intense. Aside from direct impacts on businesses throughout their supply chains, such extreme events have also had indirect effects – leading to greater awareness in the society at all levels – from the community, to the national and global levels. To combat environmental issues over the long term, more stringent rules and regulations, including trade-related measures, have been implemented by many countries.</p> <p>In response to regulatory changes and introduction of climate change risk management guidelines, businesses must bear increased costs in various forms, namely investment in additional equipment, indemnity expenses, research and development expenses, opportunity cost incurred from delays in commercial operations, and forced cancellation of projects. Moreover, there are indirect effects on the image of customers' and sponsors' businesses. Without proper and timely adjustment, competitiveness and debt servicing ability of the business sector may be jeopardized, which would eventually affect KBank's asset quality.</p>	<p>KBank is aware of relevant risks. We always recognize the importance of impacts of our business operations on the environment and society. They could potentially create reputation risk which may cause financial loss to KBank, especially via loan transactions.</p> <p>We have assessed risks and opportunities, and conducted climate-related scenario analyses, both qualitative and quantitative, in line with the Task Force on Climate-related Financial Disclosure's recommendations.</p> <p>Impact analysis has been undertaken based on loans granted to businesses at the portfolio level. Focus is on risks and opportunities of each business vis-à-vis the society and environment. The results will be used for target setting, determination of loan portfolios in each industry, KPI and monitoring of credit extension. Strategy for portfolio management over the short, medium and long term will be formulated in order to achieve the set goals.</p> <p>KBank also has in place a policy to support each industry, while environmental and social risk assessment has been conducted for each customer. We have collaborated with our customers to mitigate risks, in alignment with KBank's policy of supporting the target of reducing the country's greenhouse gas emissions by 20 - 25 percent (from the Business-As-Usual (BAU) baseline level) within 2030. This is in line with Thailand's ratification of the Paris Agreement that sets out a framework for limiting global warming to less than 2 degree Celsius as well as the UN's Sustainable Development Goals.</p>

Emerging Risks	Description of Risks	Potential Business Impact of the Risks	Mitigating Actions
Cyber Risk	<p>KBank endeavors to become a digital banking trailblazer. We aim to respond to the “new normal” lifestyle driven by the COVID-19 pandemic, which has served as a catalyst for digitalization wherein consumers are increasingly reliant upon digital technology.</p> <p>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 consumers, who are tricked into divulging confidential or personal information that may be used for fraudulent purposes. The most common forms of cyberattacks are phishing and social engineering crime that may bring harm to individuals and organizations.</p>	<p>Cyberattacks have direct impacts on KBank at multiple levels. To be more specific,</p> <ol style="list-style-type: none"> 1) KBank’s services could be disrupted if the Bank’s computer systems are targeted. 2) KBank’s data could be accessed and released without authorization. <p>Aside from causing financial harm to KBank, cyberattacks could jeopardize customers’ confidence towards our services and also KBank’s reputation. We may also be subject to penalty imposed by authorities if rules and regulations are violated.</p> <p>Meanwhile, customers could incur financial loss if they are attacked by cybercriminals.</p>	<p>KBank has implemented measures for cyber risk management that encompass effective risk identification, 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 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> <p>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 and the Personal Data Protection Act (PDPA).</p>
Pandemic Risk	<p>Pandemic Risk (Emerging Infectious Diseases) is deemed a key risk that KBank and other organizations around the globe must continually monitor and be prepared for.</p> <p>Its major challenge lies in the fact that the source or cause of the infectious disease cannot be readily identified. Nor can the scope of its impact be immediately determined, due to uncertainty regarding its transmission and severity, as well as its duration. In many cases, it takes considerable time before vaccines can be produced to ease, prevent or put a stop to a pandemic.</p> <p>Another challenge lies in change in management processes and methods to cope with the situation in conformity with the government’s measures.</p>	<p>Pandemic risk can escalate to the extent that there are wide-ranging effects on economic and social systems that directly and indirectly affect KBank’s performance in three major areas, i.e.,</p> <ul style="list-style-type: none"> • Customer Service: KBank has adjusted the format of our business operation and service provision to ensure safe and continual services for our customers. • Employees’ work performance: We have adjusted work formats, with employees’ safety as our prime concern. • Compliance with the government’s guidelines: KBank must be prepared for and strictly comply with directives issued by the government, the Ministry of Public Health and related agencies. 	<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 interruption. Our operational plan comprehensively covers prevention, monitoring and response to the pandemic.</p> <p>Moreover, KBank has formulated a dynamic provisioning plan to cope with impacts from deteriorating asset quality during the 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>

Shareholder Risk Management

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

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 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 2020, KBank focused on customer service and credit risk management for every customer segment. Customers' businesses were challenged by the COVID-19 pandemic, the global economic slowdown and subdued trade. The viral transmission served as a catalyst for digital disruption. KBank thus put in place more stringent customer screening criteria, and continually issued 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. KBank has emphasized customers' early warning sign detection and behavior monitoring to ensure efficient monitoring, recovery and collection processes.

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, the Bank of Thailand's regulatory requirements, the government's policy adjustment and the plan that focuses on United Nations Sustainable Development Goals (SDGs), including how to cope with climate change, that may affect 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 a typical 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 had wide-ranging, devastating impacts. Given the high uncertainty, KBank has closely and continually monitored our customers and provided them relief measures. These actions were taken in addition to our usual credit risk management process in place within the Financial Conglomerate.

We helped our customers to ensure that they will have sufficient funds and liquidity for their daily lives and businesses. Among the relief measures were suspension of principal and interest payment, loan for liquidity enhancement, and debt restructuring for crisis-hit customers to ensure that they can regain a firmer footing with improved financial standing and debt servicing ability under the debt restructuring program.

A credit risk management process, from portfolio management to recovery and collection, has been established and continuously enhanced to appropriately reflect and manage risk involved amid impacts from the COVID-19 pandemic, to be in line with international guidelines and practices so as to promote business capability.

- **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 was undertaken. The loan growth target has also been established in alignment with prevailing economic conditions, taking into account customer segments, product domains and industries, to maximize returns from each customer segment portfolio under risk appetite.

KBank adopted credit risk management mechanisms as follows:

- **Set up Credit Risk Management Sub-committee and Credit Process Management Sub-committee.** The committee managed a balance between credit risks and process efficiency to ensure effective risk management and consistency throughout credit processes, thus allowing KBank to deliver a good customer experience.

- **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.
- **Monitor customers' credit line utilization and customer status via early warning signs.** Guidance has been provided for Relationship Managers 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, per 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 supervision 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 customer 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 personal loans, 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 risk appetite.

Aside from the above practices, KBank realizes the importance of responsibility toward society and the environment practices in our credit underwriting. 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 for medium-sized enterprises or larger must be processed through the ESG assessment.

- **Post-Credit Approval 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 in order to enhance standard and efficiency of post-credit approval operations.

- **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.

- **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.

- **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.

For 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, all likely to be affected by the COVID-19 pandemic which caused a sharp contraction of the economy, 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 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 the consistency of credit process with credit policy and 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. In 2020, global financial markets were highly volatile due to three main factors, including the COVID-19 pandemic, the unresolved US-China trade war and Brexit. All of these circumstances contributed to risk-off sentiment in financial markets. Investors thus opted for selling several assets and increased their holding of safe-haven assets instead, especially US Dollars. As a result, the Thai Baht weakened against the US Dollar. Moreover, the easing monetary policies adopted by central banks worldwide to support an economic recovery prompted Thai and US interest rates to decline.

As the year-end approached, however, global money and capital markets received a boost from the result of the US presidential election and progress of COVID-19 vaccine development. This led to greater capital inflows into emerging markets in Asia, especially Thailand thanks to its economic stability, as evidenced by an ongoing current account surplus despite the present crisis, as well as low inflation rates. The Thai bond market, especially short-term bonds, saw increased capital inflows. Therefore, Thai government bond yields declined across all maturities. Meanwhile, the Thai Baht strengthened thanks to regained investor confidence.

For the 2021 outlook, global financial markets are set to be challenged by the resurgence of the COVID-19 pandemic. Several countries have reinstated lockdown measures, which would derail investors' confidence. On the plus side, however, the efficacy of the COVID-19 vaccines and their widespread use will shore up a potential global economic recovery and restore investor confidence. Moreover, the trade deal clinched by the UK and the EU and favorable international policies of the new US president may help ease tensions caused by the trade and tech war between the US and China – which could enliven the global trade and investment atmosphere, going forward.

- **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 customer 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 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 items 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 appetite, and that the impact of interest rate changes on net interest income and economic value of KBank is under control.

KBank continually monitors interest rate risk in banking book activities by conducting interest rate risk gap analysis to assess 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

(Million Baht)

For the Year Ending	Dec. 31, 2020
	+100 bps
THB	(734)
Foreign Currencies	74
Total Effect of Interest Rate Change	(660)

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 regulators under the established risk limits. 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 highest cost efficiency 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 2020 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 when they come due. KBank has assessed and conducted liquidity risk 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). This allows us to devise an effective plan for overall liquidity management, including foreign currencies 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 asset prices, 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 affect liquidity in the banking 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 2020, KBank strengthened operational risk management in various key areas to assure that customers will continually receive fair service and treatment and align with customer requirement under efficient risk management process. Key focus areas cover establishment of proactive risk management amid the COVID-19 pandemic to ensure business continuity, the enhancement of

end-to-end product management throughout product cycle, development of the business partner and 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 .

Digital Risk Management

Digital risk refers to risk that may arise from financial services 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.

KBank aims to maintain our growth and our market leadership in digital banking services. To achieve this challenging goal, customer trust holds the key; customers must feel confident and secure when using our services. 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 for enhanced efficiency in work processes, control and orderly risk management process in line with related international standards such as ISO 27001 and ISO 31000, in accordance with the Bank of Thailand's policies and guidelines.

In 2020, KBank 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 which involves four personnel groups, i.e., the Board of Directors and senior management, employees, customers 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

At KBank, strategic risk management has been integrated 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 performance measurement, by using the Objectives and Key Results (OKRs) framework. 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.

"Strategic risk management" refers to management of 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.

For 2020, the key factor that affected strategic risk was the domestic and global economic slowdown triggered by the COVID-19 pandemic, which inhibited economic activity across many sectors. Meanwhile, the social distancing policy to reduce viral spread served to accelerate changes in consumer behaviors and demands in the "new normal" environment, especially the use of financial services via digital channels, which have become increasingly prevalent. Furthermore, 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 provide assistance to pandemic-hit businesses.

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** is conducted by monitoring changes in external and internal environments which affect business operations, including anticipation of upcoming changes for better preparedness, by setting up Key Risk Indicators (KRIs) for Strategic Content to enable us to regularly monitor and review Bank-wide strategies as well as business units' strategic plans in a timely manner.
- **Strategic Risk Management for Strategy Execution** is conducted by:
 - Preparing monthly financial performance reports and biannual Balanced Scorecard (BSC) reports; we also arrange meetings regarding our strategies to address and manage specific issues, in order to achieve unified solutions.
 - Establishing KRIs for strategy execution which cover KBank infrastructure and resources.

3. Steering Business towards Sustainability

KBank operates business in line with the principles of a Bank of Sustainability under good corporate governance and appropriate risk management with the aim of creating a balance in three aspects, namely economy, society and environment, for maximum benefit of all stakeholders and in alignment with the United Nations Sustainable Development Goals (SDGs) and the Paris Agreement.

3.1 Sustainability Management Policy and Goals

In 2020, KBank’s Board of Directors reviewed the sustainable development policy and operational guidelines, and granted approval for the update of the policy in consonance with international sustainable development regulations and goals. The policy was made more concise and in line with KBank’s materiality by including 10 issues instead of the previous 13 issues, as shown in the sustainable development framework and policy below.



Sustainable Development Framework and Policy

Goal

Commitment

Sustainable Development Policy




ECONOMIC ASPECT

Being an accountable bank to create sustainable profitability

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

- Business operations defined by good corporate governance practices
- Adherence to Customer Centricity by initiating financial innovations to meet every aspect of customers' needs
- Efficient risk management focusing on environmental, social, and governance (ESG) issues
- 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.

- Financial inclusion and financial literacy
- Fairness of labor relations management and development of employee skills, knowledge and welfare
- Respect for human rights and diversity
- Development of youth potential as well as pursuit of environmental, public, and social activities



ENVIRONMENTAL ASPECT

Ensuring environmental stewardship towards a zero-carbon society

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

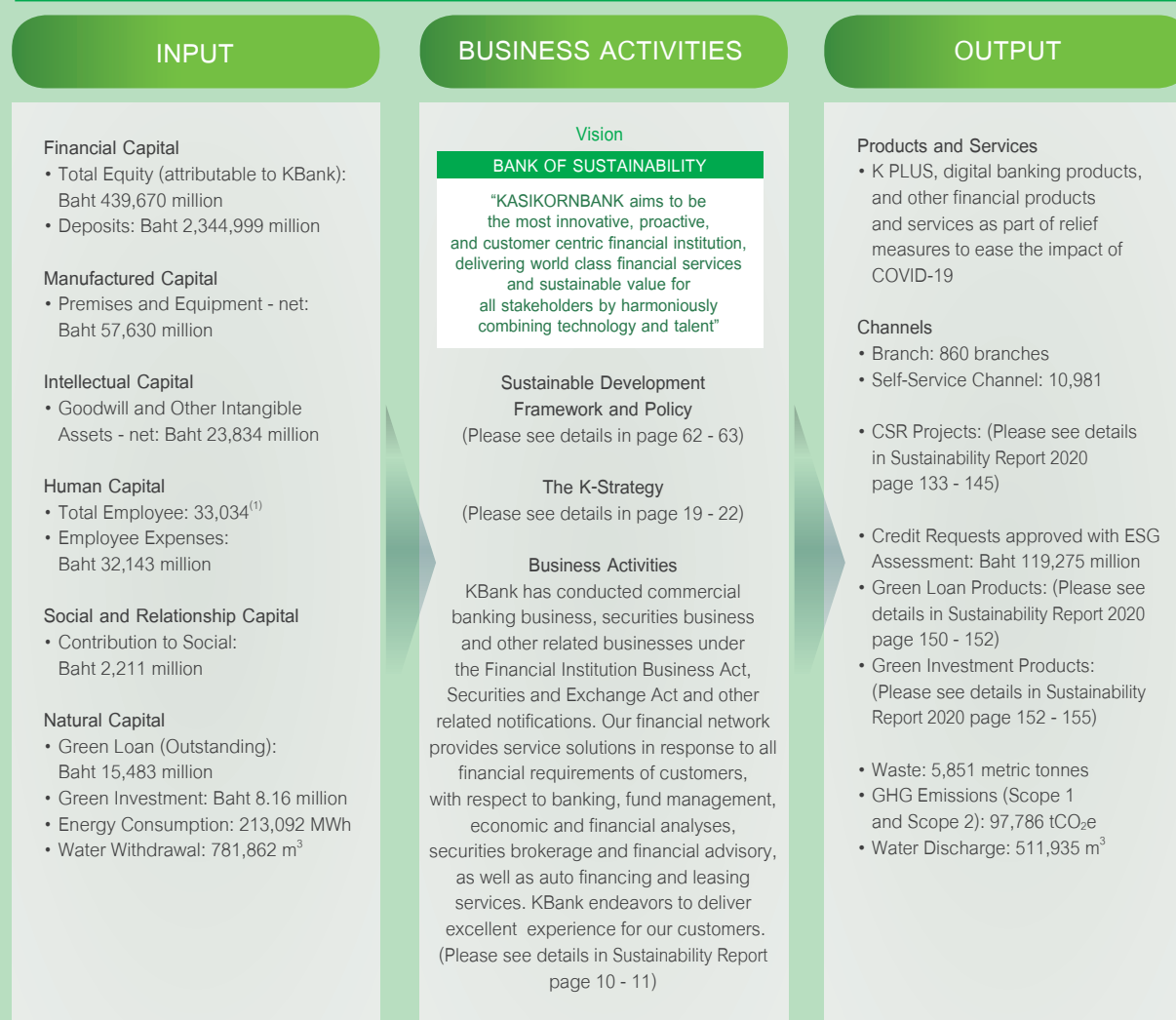
- Financial support to environmentally-friendly businesses
- Environmentally friendly and reducing the environmental impacts of our own operations



3.2 Management of Impacts on Stakeholders within Business 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. Materiality and capital that influences assessment of impacts on KBank's ability to create value over the short, medium and long term are identified to shed light on financially material topics. KBank has focused on capital management that is in line with our operational framework and the policy of sustainable development and K-Strategy to ensure that we can achieve the highest performance efficiency in alignment with our vision and business directions.

KBank Value Creation Model



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 (monthly statement of assets and liabilities) of 14 Thai commercial banks as of December 2020.
- (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 creation for all stakeholders. In so doing, KBank upgraded the disclosure of ESG information in line with guidelines of the Office of the Securities and Exchange Commission, and The Stock Exchange of Thailand, while also managing any impact that may affect stakeholders within the business value chain – from upstream to downstream – by creating value for products and services to meet stakeholders' expectations as well as in conformity with international guidelines and practices

OUTCOME

KBank

Financial Capital

- Total Operating Income - net: Baht 154,891 million
- Cost to Income Ratio: 45.19%
- Return on Average Equity (ROE): 7.10%⁽²⁾

Manufactured Capital

- Market share (Loans): 16.4%⁽³⁾

Intellectual Capital

- New platforms e.g. Eatable, KhunThong, MAKE by KBank, LINE BK, etc.

Human Capital

- Employee Engagement Score: 75%
- Turnover Rate: 3.16%
- Absentee Rate: 0.69%
- HCROI: 4.15

Social and Relationship Capital

- Overall evaluation of KBank: NPS at 35
- NPS in mobile banking channel at 67
- Employee Volunteer Hours: 349,108 hours
- PR Value: Baht 98.78 million

Natural Capital

- New revenue stream of green finance
- New business opportunities of green finance
- Mitigation to climate risks
- Reduction of GHG emissions: 5.97%⁽⁴⁾

Stakeholders

Financial Capital

- Dividend (Baht per share): 2.50

Manufactured Capital

- Transactions: 3.8 billion⁽⁵⁾
- Approved Projects (ESG Assessment): 50 projects
- Customers: 17.9 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: 84.62%
- Employees have higher competency and skill developments

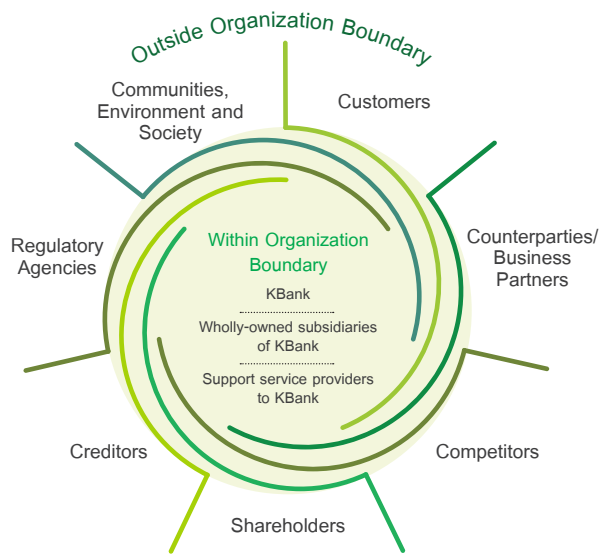
Social and Relationship Capital

- People Benefit from Social Service Activities: 355,136 people

Natural Capital

- Reduction on environmental footprint of green products and green process
- Reduction on GHG emission
- Increasing source of renewable energy

Additionally, KBank assessed the positive and negative impacts of business activities on stakeholders, both internal and external. We also conducted surveys of stakeholders that had an influence on KBank businesses through questionnaires, in-person discussions and discussions via related organization. By such means, we can identify stakeholders within the business value chain including shareholders, boards of directors, employees, customers, suppliers/business partners, competitors, creditors, supervisory agencies, communities, the environment and society.



3.3 Sustainability Management in the Environmental Aspect

In 2020, having considered key strategic directions to meet the Global Goals, KBank reviewed our sustainable development operation framework and policy to establish goals and commitments to environmental operations. In addition, KBank became a signatory to the Principles for Responsible Banking (PRB) of the United Nations Environment Programme Finance Initiative (UNEP FI), as well as a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). KBank also established the environmental strategy to be used as a guideline for our environmental operations, as we recognize that our business operations, including lending, investment and customer engagement, play an important role in the reduction of and adjustment towards climate change, as well as helping us achieve success in maintaining the increase in global average temperature below 2 degrees Celsius in accordance with the COP 21 Paris Agreement and the Goal 13: Climate Action.

Moreover, KBank undertook a number of operations to support and promote the mitigation of and adjustment to climate change, as follows:

1. Promoting the K PLUS – a mobile banking application to reduce fuel consumption in transport, plus the use of paper in financial transactions, which will in turn help cut the consumption of energy and other resources. Consequently, waste disposal, forests and land use can be managed in a sustainable manner, thus helping reduce greenhouse gas emissions.
2. Offering financial support in the forms of lending and investment to businesses that promote the use of renewable energy, plus energy and environmental conservation.
3. Conducting a study on tools to measure and manage climate change impacts that are related to lending decisions.
4. Joining the working team of the Bank of Thailand and Thai Bankers' Association in establishing the definition of 'green finance' and projects or activities that are categorized as the 'green finance'.
5. Ensuring that KBank's operations contribute to the reduction of greenhouse gas emissions.
6. Collaborating with business partners in providing training and advice in order to reduce the impacts of climate change.

3.4 Sustainability Management in the Social Aspect

KBank has carried out business operations by considering our duties and responsibilities for the country, with the aim of creating positive change for society, which is the beneficiary of our public service activities. In 2020, KBank's key initiatives were as follows:

1. Reviewing the Human Rights Policy annually.
2. Conducting a human rights risk assessment in accordance with the UN Guiding Principles on Business and Human Rights (UNGP) and considering human rights issues, based on the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights (ICCPR) and International Covenant on Economic, Social and Cultural Rights (ICESCR).
3. Providing financial support in the forms of lending and investment to allow improved and secure access for the general public. To this end, KBank has offered products and services to both retail and business customers as well as relief measures for clients affected by COVID-19.
4. Organizing training that offered various customer segments, namely retail clients, SMEs and startups, knowledge on topics covering finance, blockchain technology, economy and industry so that they had necessary business management skills to cope with COVID-19.
5. Determining strategic focus for human resource management in alignment with K-Strategy and K-Culture, covering employee recruitment, fair treatment of employees, respect for diversity, compensation management, employee benefits, employee development, career advancement, health and well-being of employees, and especially human resource management during the COVID-19 pandemic. Social activities have been undertaken under KBank's Corporate Citizenship Strategy, 2019 - 2023, with the ultimate goal of advancing society. KBank has applied the social activity framework based on the London Benchmarking Group (LBG) as the implementation guidelines in order to evaluate the results of such activities and their impact on stakeholders more tangibly.
6. Carrying out social and public service activities, including financial support, emergency assistance, volunteer activity under the "Make Every Day the Day of Doing Good Deeds" project, Nan Cultivation of Wisdom project, AFTERCLASS project, a project to add value to organic waste via biosynthesis process, Nan Sandbox project, in-house campaigns in which staff gave cash and in-kind donations to various charitable organizations, and assistance to communities and society during the COVID-19 pandemic under the Special Stipend for Front-line Medical Personnel program.

These operations are a testament to KBank's commitment, which is in line with the principles of a Bank of Sustainability, under good corporate governance, and appropriate risk and cost management in order to create a balance in three aspects, namely economy, society and the environment. These endeavors are intended to offer maximum benefit to all stakeholders in alignment with the UN's SDGs.

* Details on sustainability operations can be found in Sustainability Report 2020.



KBank organized the "Young Tech Start Up Kamp 2020" – a training course under the AFTERCLASS program fostering Thai youth literacy in developing their own start-up businesses.

4. Management Discussion and Analysis

4.1 Operating Performance

The overall Thai economy contracted in 2020 due to the COVID-19 pandemic. Economic activity both at home and abroad was severely hit by the highly uncertain situation. Given the unprecedented crisis, KBank implemented assistance measures in a broader scope in line with the Bank of Thailand's policy guidelines under a prudent integrated risk management approach.

Since January 1, 2020, KBank and its subsidiaries have adopted TFRS related to financial instruments (including TFRS 9) in which some items in the financial statements and key financial ratios cannot be compared to those of previous year.

KBank and its subsidiaries reported net profit for 2020 of Baht 29,487 million, a decrease of Baht 9,240 million or 23.86 percent from the previous year. The decrease was due mainly to the fact that KBank and its subsidiaries had continually adopted a prudent approach in setting aside a higher expected credit loss (ECL) of Baht 9,536 million or 28.04 percent over the preceding year, to total Baht 43,548 million. Of this amount, Baht 32,064 million was set aside in the first half of 2020. KBank set aside a smaller expected credit loss in the second half of 2020 as customers' debt servicing ability remained better than expected after the end of the Phase 1 relief measures for customers. We have regularly reviewed the adequacy of our provisions to ensure that they are sufficiently proactive to cope with potential damages from the resurgence of COVID-19 late in the fourth quarter of 2020.

Meanwhile, net interest income increased by Baht 6,334 million or 6.17 percent, due mainly to a decrease in interest expenses as a result of a decrease in average interest rate and a drop in contributions to the Financial Institutions Development Fund (FIDF). As a result, our net interest margin (NIM) stood at 3.27 percent. At the same time, non-interest income decreased by Baht 11,934 million or 20.65 percent, due mainly to declines in revenue from sales of securities and fee income related to loan, which was changed to reflect interest income. In addition, other operating expenses decreased by Baht 2,733 million or 3.76 percent, due mainly to a drop in estimated employee expenses, premises and equipment expenses as well as marketing expenses, while debt management expenses increased. As a result, cost to income ratio stood at 45.19 percent.

Operating Performance for 2020

(Million Baht)

	2020	2019	Change	
			Increase (Decrease)	Percent
Net Interest Income	109,022	102,688	6,334	6.17
Non-Interest Income	45,869	57,803	(11,934)	(20.65)
Total Operating Income - net	154,891	160,491	(5,600)	(3.49)
Total Other Operating Expenses	69,996	72,729	(2,733)	(3.76)
Expected Credit Loss/Impairment Loss on Loans and Debt Securities	43,548	34,012	9,536	28.04
Net Profit (attributable to equity holders of KBank)	29,487	38,727	(9,240)	(23.86)
Basic Earnings per Share (Baht) ⁽¹⁾	12.42	16.18	(3.76)	(23.86)

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 weighted average numbers of common shares

Major financial ratios that reflected operating performance of KBank and our subsidiaries in 2020 and 2019 are as follows:

(Percent)

Financial Ratio	2020	2019	Increase (Decrease)
Return on Assets (ROA)	0.85	1.20	(0.35)
Return on Equity (ROE) ⁽²⁾	7.10	9.90	(2.80)
Net Interest Margin (NIM)	3.27	3.31	(0.04)
Cost to Income Ratio	45.19	45.32	(0.13)

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

(Percent)

Financial Ratio	2020	2019	Increase (Decrease)
Significant increase in credit risk loans ⁽³⁾ to total loans ⁽⁴⁾	7.80	-	7.80
Significant increase in credit risk loans and credit impaired loans ⁽⁵⁾ to total loans ⁽⁴⁾	11.81	-	11.81
NPLs gross ⁽⁶⁾ to total loans ⁽⁷⁾	3.93	3.65	0.28
Total allowance to NPL gross (Coverage ratio) ⁽⁸⁾	149.19	148.60	0.59
Loans ⁽⁹⁾ to Deposits Ratio	95.73	96.62	(0.89)
Capital Adequacy Ratio ⁽¹⁰⁾	18.80	19.62	(0.82)
Tier 1 Capital Ratio ⁽¹⁰⁾	16.13	16.19	(0.06)

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 2020 was Baht 109,022 million, increasing Baht 6,334 million or 6.17 percent over-year, due mainly to decreasing interest expenses as a result of a temporary decrease in contributions to Financial Institutions Development Fund (FIDF) from 0.46 percent p.a. to 0.23 percent p.a. during 2020 - 2021 and a decrease in average interest rate on deposits as well as a decrease in interest income from interbank and money market item mainly due to a decrease in average interest rate.

Our NIM for 2020 equaled 3.27 percent, lower than 3.31 percent in the previous year.

(Million Baht)

	2020	2019	Change	
			Increase (Decrease)	Percent
Interest Income				
Interbank and Money Market Items	3,118	6,390	(3,272)	(51.22)
Deposits	179	1,249	(1,070)	(85.69)
Loans (without Repurchase Agreements)	736	506	230	45.35
Repurchase Agreements	2,203	4,635	(2,432)	(52.48)
Investments	21,711	21,539	172	0.80
Investments and Trading Transactions	156	395	(239)	(60.42)
Available-for-Sale Investments	-	4,707	(4,707)	(100.00)
Held-to-Maturity Investments	-	16,437	(16,437)	(100.00)
Investment in Debt Instruments measured at				
Fair Value through Other Comprehensive Income	4,040	-	4,040	100.00
Investment in Debt Instruments measured at Amortized Cost	17,492	-	17,492	100.00
Others	23	-	23	100.00
Loans	96,834	96,376	458	0.48
Hire Purchase and Finance leases	5,913	5,859	54	0.91
Others	16	14	2	16.20
Total Interest Income	127,592	130,178	(2,586)	(1.99)
Total Interest Expenses	18,570	27,490	(8,920)	(32.45)
Total Interest Income – net	109,022	102,688	6,334	6.17
Yield on Earning Assets (percent)	3.83	4.19		(0.36)
Cost of Fund (percent)	0.78	1.23		(0.45)
Net Interest Margin (NIM) (percent)	3.27	3.31		(0.04)

Non-Interest Income

In 2020, KBank's consolidated non-interest income totaled Baht 45,869 million, decreasing Baht 11,934 million, or 20.65 percent over-year. The decrease was attributable mainly to decreases in revenue from sale of securities, fee income related to loan which was changed to reflect in interest income per TFRS 9 and fee income from card business, while brokerage fee increased.

(Million Baht)

	2020	2019	Change	
			Increase (Decrease)	Percent
Non-Interest Income				
Fees and Service Income	45,699	50,580	(4,881)	(9.65)
Fees and Service Expenses	12,695	13,840	(1,145)	(8.28)
Fees and Service Income – net	33,004	36,740	(3,736)	(10.17)
Gain (Loss) on Financial Instrument measured at Fair Value through Profit or Loss/Gain (Loss) on Trading and Foreign Exchange Transactions	8,119	8,362	(243)	(2.90)
Gain (Loss) on Investments	1,308	8,412	(7,104)	(84.45)
Share of Profit (Loss) from Investments using Equity Method	(193)	44	(237)	(538.64)
Dividend Income	2,384	2,817	(433)	(15.35)
Net Premiums Earned	72,129	80,489	(8,360)	(10.39)
Other Operating Income	1,683	1,592	91	5.70
Less Underwriting Expenses	72,565	80,653	(8,088)	(10.03)
Total Non-Interest Income	45,869	57,803	(11,934)	(20.65)

Other Operating Expenses

KBank's consolidated other operating expenses for 2020 was Baht 69,996 million, decreasing Baht 2,733 million, or 3.76 percent over-year. The decrease could be attributed mainly to a decline in estimated employee expenses, premises and equipment expenses and marketing expenses, while debt management expenses increased. Our cost to income ratio of 2020 was thus equal to 45.19 percent, decreasing from 45.32 percent in the previous year.

(Million Baht)

	2020	2019	Change	
			Increase (Decrease)	Percent
Employee Expenses	32,143	33,261	(1,118)	(3.36)
Directors' Remuneration	160	159	1	0.80
Premises and Equipment Expenses	12,165	12,910	(745)	(5.77)
Taxes and Duties	5,088	5,031	57	1.13
Others	20,440	21,368	(928)	(4.35)
Total Other Operating Expenses	69,996	72,729	(2,733)	(3.76)
Cost to Income Ratio (percent)	45.19	45.32		(0.13)

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, 2020, KBank and its subsidiaries had a total of Baht 2,581,082 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

(Million Baht)

	Dec. 31, 2020	
	Loans and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,951,216	42,954
Stage 2 Underperforming	201,382	49,439
Stage 3 Non-performing	103,495	42,000
Total	2,256,093	134,393

Underperforming loans to total loans were equal to 7.80 percent and underperforming loans to non-performing loans were equal to 11.81 percent.

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 the year of 2020, there were loans before modification amounting to Baht 14,162 million and incurred losses amounting to Baht 2,059 million.

Expected Credit Loss

KBank and its subsidiaries set aside higher expected credit loss of Baht 9,536 million or 28.04 percent over the preceding year, to total Baht 43,548 million. Of this amount, Baht 32,064 million was set aside in the first half of 2020. KBank set aside a smaller expected credit loss in the second half of 2020 as customers' debt servicing ability remained better than expected after the end of the Phase 1 relief measures for customers. We have regularly reviewed the adequacy of our provisions to ensure that they are sufficiently proactive to cope with potential damages from the resurgence of COVID-19 late in the fourth quarter of 2020. Thus, our expected credit loss to average loans for 2020 stood at 2.05 percent, higher than 1.74 percent in the previous year.

Expected Credit Loss

(Million Baht)

	2020	2019	Change	
			Increase (Decrease)	Percent
Expected Credit Loss/Impairment Loss on Loans and Debt Securities	43,548	34,012	9,536	28.04
Expected Credit Loss to Average Loans (percent)	2.05	1.74		0.31

Allowance for Expected Credit Loss

As of December 31, 2020, our consolidated allowance for expected credit loss totaled Baht 134,393 million.

Non-Performing Loans and Properties Foreclosed

Non-Performing Loans

As of December 31, 2020, KBank's consolidated NPLs stood at Baht 101,007 million, or 3.93 percent of the total loans, including financial institutions. Bank's NPLs totaled Baht 98,221 million, or 3.94 percent of the total loans, including financial institutions. The NPLs data is shown in the table below:

Non-Performing Loans

(Million Baht)

For the Year Ending	Dec. 31, 2020	Dec. 31, 2019
Consolidated NPLs	101,007	84,038
Percent of total loans including financial institutions	3.93	3.65
Bank-only NPLs	98,221	81,814
Percent of total loans including financial institutions	3.94	3.62

Properties Foreclosed

As of December 31, 2020, our consolidated properties foreclosed had a net value of Baht 28,035 million, thus being 0.77 percent of total assets.

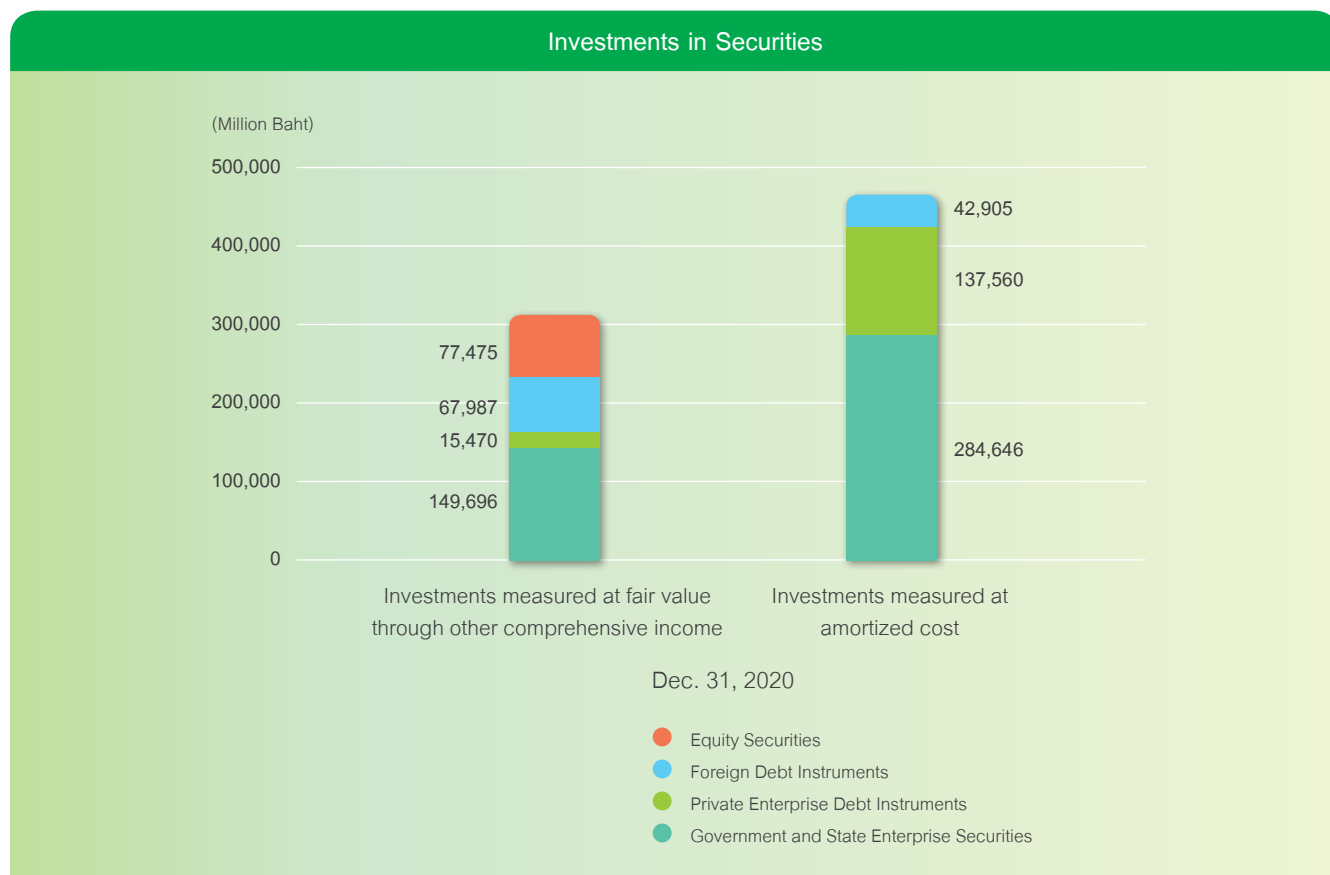
4.2 Financial Position Analysis



Assets

At the end of 2020, KBank’s consolidated assets totaled Baht 3,658,798 million, increasing Baht 364,909 million or 11.08 percent from the end of 2019. The rise was due mainly to increase in loans to customers. Key details are as follows:

- Loans to customers totaled Baht 2,244,821 million at the end of 2020, increasing by Baht 242,865 million or 12.13 percent from the end of 2019 due mainly to rising commercial loans and housing loans.
- Financial assets measured at fair value through profit or loss at the end of 2020 rose to Baht 46,666 million. The increase was due mainly to reclassification of items from net investments to financial assets measured at fair value through profit or loss in line with TFRS 9.
- Interbank and money market items - net (assets) totaled at Baht 417,420 million at the end of 2020, increasing by Baht 31,480 million, or 8.16 percent from the end of 2019, due mainly to KBank’s liquidity management.



Liabilities and Equity

Our consolidated liabilities at the end of 2020 amounted to Baht 3,167,512 million, which rose Baht 327,338 million or 11.53 percent from the end of 2019. The increase was mainly attributable to increased deposits, and insurance contract liabilities. Significant changes in our consolidated liabilities included:

- Deposits at the end of 2020 equaled Baht 2,344,999 million, increasing Baht 272,950 million or 13.17 percent from the end of 2019, mainly as a result of increase in savings deposits.
- Insurance contract liabilities at the end of 2020 were Baht 472,015 million, an increase of Baht 25,920 million or 5.81 percent from the end of 2019, in line with a growing volume of insurance business.
- Debt issued and borrowings at the end of 2020 equaled Baht 69,390 million, decreasing Baht 12,434 million or 15.20 percent from the end of 2019, due largely to early redemption of subordinated instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No.1/2014, due for redemption in 2025.

Equity (attributable to KBank) at the end of 2020 amounted to Baht 439,670 million, increasing Baht 33,312 million or 8.20 percent from the end of 2019, derived mainly from KBank's net operating profit in 2020 and issuance of subordinated financial instruments without a representative of the noteholders, intended to qualify as additional Tier 1 capital. Equity excluded other equity instruments (attributable to equity holders of the Bank) at the end of 2020 totaled Baht 424,121 million, while decreased from the dividend from operating results of 2019.

Relationship between Sources and Uses of Funds

As of December 31, 2020, the funding structure as shown in the consolidated financial statement comprised Baht 3,167,512 million in liabilities and Baht 439,670 million in total equity, resulting in a debt-to-equity (attributable to KBank) ratio of 7.20. The main source of funds on the liabilities side was deposits, which equaled Baht 2,344,999 million, or 64.09 percent of the total source of funds, as of December 31, 2020. Other sources of funds included interbank and money market items as well as debt issued and borrowings, which accounted for 2.40 percent and 1.90 percent of the total source of funds, respectively.

KBank and Subsidiaries' Major Sources and Uses of Funds

(Million Baht)

Period	Deposits				Loans			
	Dec. 31, 2020	Percent	Dec. 31, 2019	Percent	Dec. 31, 2020	Percent	Dec. 31, 2019	Percent
≤ 1 Year	2,322,875	99.06	2,047,529	98.82	952,391	42.21	933,893	46.65
> 1 - 5 Years	22,124	0.94	24,520	1.18	498,520	22.10	392,169	19.59
> 5 Years	-	-	-	-	805,182	35.69	675,894	33.76
Total	2,344,999	100.00	2,072,049	100.00	2,256,093	100.00	2,001,956	100.00

Deposits with maturities within one year were larger than loans with remaining maturities within one 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, 2020, KBank and subsidiaries' major use of funds was loans to customers which amounted to Baht 2,244,821 million, resulting in loan-to-deposit ratio and loan-to-deposit plus bills of exchange ratio of 95.73 percent. As for the remaining liquidity, KBank invested in various selections of liquid assets, such as interbank and money market items and investments in securities.

Change in Cash Flows

As of 31 December 2020, the Bank and its subsidiaries' cash were Baht 61,962 million, increased by Baht 577 million from the end of previous year. Net cash provided by and used in activities could be summarised as follows:

- Net cash provided by operating activities were Baht 85,736 million which was mainly from Baht 78,769 million of operating profit before changes in operating assets and liabilities and changes in significant operating assets and liabilities consisting of Baht 272,255 million of increase in deposits and Baht 47,533 million of increase in other liabilities, while there were Baht 282,430 million of increase in loans to customers and Baht 34,377 million of increase in other assets.
- Net cash used in investing activities were Baht 70,590 million which was mainly from Baht 367,438 million of purchase of investments measured at fair value through other comprehensive income and Baht 79,251 million of purchase of investments measured at amortised cost, while there were Baht 360,952 million of proceeds from disposal of investments measured at fair value through other comprehensive income and Baht 25,568 million of proceeds from redemption of investments measured at amortised cost.
- Net cash used in financing activities were Baht 14,566 million which was mainly from Baht 14,596 million of repayment of long-term debts issued and borrowings, Baht 10,662 million of dividend paid to shareholders and Baht 3,208 million of cash payment for treasury shares, while there was Baht 15,580 million of proceeds from issuance of other equity instruments.

Contingent Liabilities and Commitments

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

(Million Baht)

	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Avals to bills and guarantees of loans	13,987	13,440	14,287
Liability under unmatured import bills	39,602	37,407	33,729
Letters of credit	34,392	31,935	38,945
Other contingencies	722,711	641,938	630,685
Total	810,692	724,720	717,646

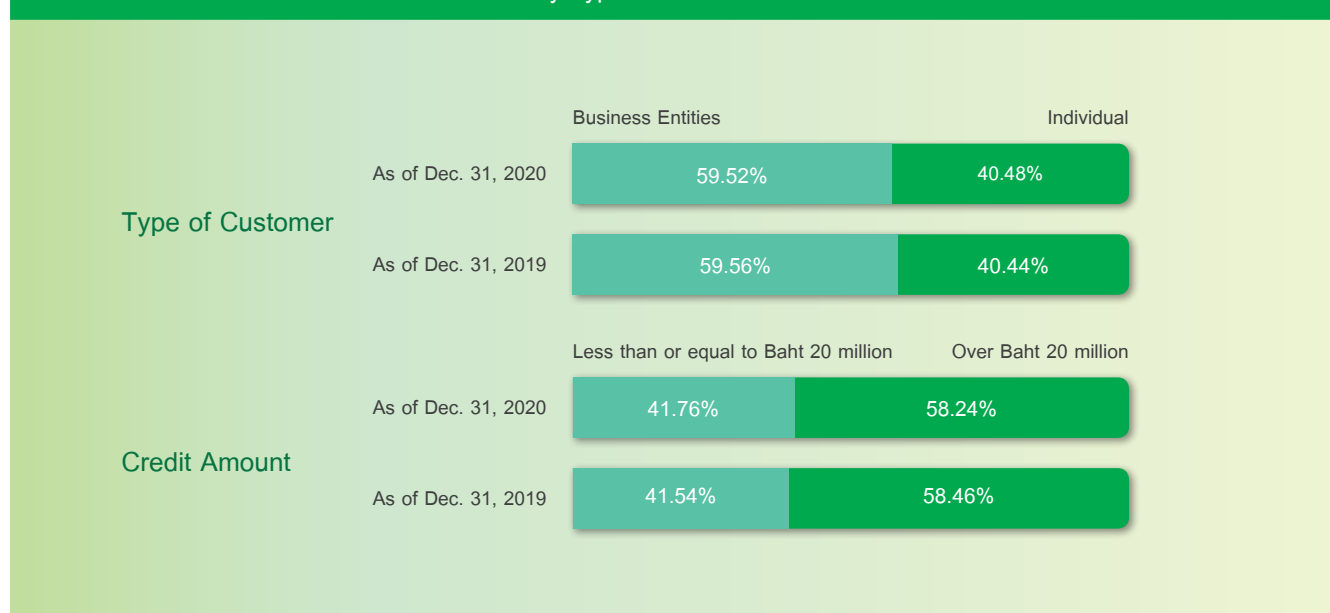
4.3 Loans and Deposits

Loans

As of December 31, 2020, KBank's consolidated outstanding loans stood at Baht 2,244,821 million, increasing by Baht 242,865 million, or 12.13 percent, compared to Baht 2,001,956 million at the end of 2019.

As of December 31, 2020, 59.52 percent of KBank's outstanding loans were made to juristic persons or registered businesses. Loan accounts exceeding Baht 20 million accounted for 58.24 percent of the total.

Loan Portfolio by Type of Customer and Credit Amount



Loans Classified by Business

(Million Baht)

	Dec. 31, 2020		Dec. 31, 2019	
	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾	Corporate Business ⁽¹⁾	Retail Business ⁽²⁾
Loans	1,546,768	637,910	1,363,221	555,451

Note:

⁽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, letters 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.

As of the end of 2020, our corporate business loans (Corporate and SME customers) had increased by Baht 183,547 million, or 13.46 percent, from the end of 2019. KBank continued to provide support to customers seeking loans to boost liquidity for their business operation. We focused on data analytics for loan approval under an acceptable risk appetite amid heightened risks as economic activity of major economic sectors was stifled due to weakened domestic demand amid the COVID-19 pandemic and knock-on effects of the global economic downturn. KBank therefore maintained growth in outstanding loans, especially in construction, commerce and petrochemical industries. Meanwhile, the hotel industry saw slight growth in outstanding loans compared to the previous year thanks to assistance measures under the Bank of Thailand's guidelines, namely suspension of principal payment only or both principal and interest payment, loan for liquidity enhancement and debt restructuring.

Our retail loans for 2020 grew by Baht 82,459 million, or 14.85 percent, compared to 2019. However, the growth could be attributed to our assistance measures provided to customers across all products, including K-Credit Card, Xpress Cash, Xpress Loan, home loan and KLeasing auto loans. Helping to ease customers' burdens and boost their liquidity, these relief measures included suspension of principal payment only or both principal and interest payment, reduction of per-installment payment, reduction of interest rate ceiling by 2 - 4 percent for credit card loan, personal loan under supervision and car registration loan, debt consolidation for retail debtors at financial institutions under the same financial conglomerate in order to take advantage of existing collateral, thus effectively reducing their interest burden, as well as debt payment rescheduling. To further expand our loan customer base, KBank prioritized the offering of loans that catered to the demands of all customer groups. Notable efforts included home loan refinance and Home to Cash. We also offered a channel for personal loan request on K PLUS designed for retail customers.

KBank is always on hand to provide additional assistance to all customer segments as the present situation continues to unfold. We are ready to cooperate with the government to assist business operators and reinvigorate the Thai economy.

Deposits

Deposits Classified by Type of Deposit Account

(Million Baht)

	Percent of Total Deposits	Deposits		Change	
		Dec. 31, 2020	Dec. 31, 2019	Increase (Decrease)	Percent
Total Deposits	100.00	2,344,999	2,072,049	272,950	13.17
Current accounts	5.71	133,802	118,550	15,252	12.87
Savings accounts	74.55	1,748,237	1,466,473	281,764	19.21
Fixed-term deposit accounts	19.74	462,960	487,026	(24,066)	(4.94)

Overall, competition in the deposit market in 2020 was limited due to the COVID-19 pandemic which contributed to risk-off sentiment, leading to a shift to deposits among the general public and business sector. During the year, deposit growth exceeded demand for loans despite the policy rate falling to a record low of 0.50 percent p.a. Savings accounts rose significantly, reducing the incentive to mobilize funds via the launch of special fixed-term deposits. Therefore, fixed-term deposit accounts saw a decline. This allowed KBank to efficiently manage deposit cost and ensure sufficient liquidity amid volatility in money and capital markets 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.

Guided by our strategy of becoming a digital banking leader in step with the digital society and “new normal” environment in 2020, we introduced LINE BK – a new service channel via the LINE application under the concept, “Easy Money in Your LINE” – that allows customers to open a LINE BK deposit account with special interest rates, and apply for a LINE BK Debit Card and loan by themselves. They can also conduct other financial services such as funds transfer via LINE Chat with no need to switch between applications or memorize the recipient’s account number, and send a money request to friends in a LINE chat via the “Request Money” service, with LINE notifications to monitor account movement. The move is conducive to expansion of the new customer base and elevating the existing customer experience with increased use of services.

Regarding investment management, KBank adhered to the Investor Focus strategy to enhance investment efficiency for our customers in a volatile market environment through the launch of funds suited to the fluid global situation, and the development of investment products and services aligned with investors’ needs – especially the new generation – while also giving them recommendations for a diversified portfolio with multiple asset classes around the globe, including both high- and low-risk assets, to generate returns in varied market circumstances and minimize volatility.

4.4 Treasury Operations

During 2020, average overnight interbank lending rates stood at 0.65 percent p.a., down from the average rate of 1.58 percent p.a. in 2019. Those rates were influenced by the three policy rate cuts of 0.25 percent p.a. each per the resolutions from the Monetary Policy Committee (MPC) meetings, wherein the key policy rate was cut from 1.25 percent p.a. in 2019 to 0.50 percent p.a. in 2020.

KBank’s guideline for investment portfolio management is to prioritize the maintenance of liquidity in order to support 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. In 2020, amid the continuously declining interest rates throughout the year given an ongoing economic slowdown in Thailand and across the globe as a result of the COVID-19 pandemic, KBank increased its investment position in long-term government bonds offering appropriate yields, to be consistent with market interest rates that remained at low levels. At the same time, KBank reduced its holding of short-term government bonds with lower returns than the projected policy rate, to generate returns to KBank within an appropriate risk appetite.

Treasury Operations Income

(Million Baht)

Income Structure of Treasury Operations (Banking Book)	Percent of Total Income	2020	2019	Change	
				Increase (Decrease)	Percent
Interest Income ⁽¹⁾					
Interbank and money market items ⁽²⁾	38.64	2,940	5,602	(2,662)	(47.52)
Investments	61.36	4,669	5,038	(369)	(7.32)
Total	100.00	7,609	10,640	(3,031)	(28.49)

Note:

⁽¹⁾ Managerial figures⁽²⁾ Including loans

During 2020, total interest income stood at Baht 7,609 million, decreasing Baht 3,031 million, or 28.49 percent from the previous year, due to the declining interest rate in the market in line with the policy interest rate.

Liquid Asset Ratio

KBank maintains average fortnightly current deposits at not lower 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, 2020, our deposits at the Bank of Thailand and cash at cash center averaged Baht 38,053 million.

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

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

(Million Baht)

	Performance Measurement	2020	2019	2018
KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset)	Assets under Management	1,477,369	1,431,243	1,379,736
	Market Share (Percent)	17.84	18.50	19.23
KASIKORN SECURITIES PCL (KSecurities)	Trading Volume	1,118,984	682,978	739,271
	Market Share (Percent)	3.75	3.04	2.98
KASIKORN LEASING CO., LTD. (KLeasing)	Outstanding Loans	114,895	114,769	108,081
KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E)	Outstanding Loans	25,106	22,875	20,377
Muang Thai Life Assurance PCL (MTL)	Net Premiums Earned	75,327	83,840	94,467
	Market Share (Percent)	12.55	13.72	15.06

Note:

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

During 2020, K Companies and Muang Thai Life Assurance PCL (MTL) attained satisfactory qualitative and quantitative operating performance despite the COVID-19 pandemic. This achievement was attributable to the close cooperation between KBank and K Companies, as well as MTL.

- **KASIKORN ASSET MANAGEMENT CO., LTD. (KAsset):** KAsset monitored the investment situation, returns and risks of all types of instruments both domestically and internationally with close scrutiny, given the extraordinary circumstances. This allowed us to assess the returns and risk of securities that could be affected by the COVID-19 crisis, in order to appropriately adjust investment portfolios, and create opportunities for



K-My Funds application was launched to serve as a personal advisor on mutual funds. Investments can be made easily per recommendations within one application.

obtaining returns from investment in other securities while also keeping risks within the established limits. In addition, KAsset focused on communicating information about the investment situation via digital channels on a regular basis to keep our customers informed and ensure their continued confidence in the company's asset management. Customers were also given recommendations on investment alternatives and portfolio management appropriate for their risk appetite via 'My Message' of the K-My Funds application, e-News Asset and Facebook.

Given all of these endeavors, 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 22.07 percent. Total market share of assets under management (AUM) was 17.84 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 pandemic, KAsset introduced mutual funds that offered potential returns greater than those of debt instruments and foreign deposits. The company also conducted bond forward transactions including Term Fund Plus KFF21H and Term Fund Extra KEC4-AI. Other notable endeavors included the launch of Super Savings Funds (SSFs) and Retirement Mutual Funds (RMFs) that offer tax benefits and focus on overseas investments with bright growth prospects. They were K Superstar Super Savings Fund Extra (KSUPERSTARSSFX) – the industry's largest SSF of which the investment policy is similar to K STAR Equity Fund-A(R) (K-STAR-A(R)) that received a five-star rating from Morningstar; K Positive Change Equity Fund-SSF (K-CHANGE-SSF) which attracted the largest investment from investors compared to peers; and K Positive Change Equity-RMF (KCHANGERMF) that received an overwhelming response compared to other KAsset RMFs investing abroad.

Regarding sales channels, KAsset worked with KBank in enhancement of efficiency for fund distributors in compliance with the regulations of the Office of the Securities and Exchange Commission (SEC). Focus was on sales competency, initiation and development of sales support tools as well as digital channels for providing information and recommending investments that are easily accessible to customers, especially via website, online media, K PLUS and K-My Funds applications. Moreover, KAsset developed the opening of online mutual fund account to accommodate other banks' deposit accounts – another way for KBank to acquire customers.

- **KASIKORN SECURITIES PCL (KSecurities):** The company emphasizes development of excellent products and services. The company also developed tools for efficiently tracking and managing customer portfolios. Along with this, KSecurities teamed with KBank in developing an online securities account opening system for new investors to ensure greater convenience and swiftness, resulting in an increase in the volume of online securities accounts opened online. Moreover, focus was on provision of knowledge about online investment in sync with investor behavior in the digital era, allowing them to access data anywhere, anytime. Through these endeavors, KSecurities held an increased market share of 3.75 percent.

- **KASIKORN LEASING CO., LTD. (KLeasing):** In 2020, the COVID-19 pandemic severely affected certain customer groups' financial standing and debt servicing ability. Hence, KLeasing implemented assistance measures to support crisis-hit customers in line with the Bank of Thailand's guidelines under the "Stronger Together" program. Loan customers were offered leniency through suspension of principal and interest payment, lower installment payments, extension of repayment period and interest rate reduction to not more than 22 percent p.a. for Car to Cash (car registration loan).

At the same time, stifled economic activity which plunged the economy into a recession caused customers' purchasing power in the new vehicle market to sharply deteriorate, especially during the first half of 2020, before gradually recovering once lockdown measures were lifted in the second half of 2020. Nevertheless, weakened purchasing power evidently bolstered demand for pre-owned cars this year. Therefore, KLeasing saw growth of 581.50 percent in Auto Loan (Used Car). Moreover, the company supported ride hailing platform operators in having improved access to financial services for car and motorcycle hire purchase to use in their operations. Consequently, the total amount of motorcycle hire purchase loan rose to Baht 80 million. Given the policy of customer retention and expansion of new loans, KLeasing's total outstanding loan increased by 0.11 percent.

- **KASIKORN FACTORY AND EQUIPMENT CO., LTD. (KF&E):** In 2020, KF&E's outstanding equipment leasing increased by 9.75 percent. The company focused on forging alliances with customers who are machinery dealers and increasing its market share in equipment leasing for new industries, including robotics and digital technologies, software, healthcare, and renewable energy such as solar rooftops. Additionally, the company also extended its leasing and hire purchase services to franchise businesses with growth potential. Meanwhile, KF&E introduced assistance measures for customers affected by COVID-19, through reduction of their installment payments in line with the Bank of Thailand's guidelines.

- **Muang Thai Life Assurance PCL (MTL):** The company maintained its prominence in the life insurance business with a market share in total premiums at 12.55 percent, ranking 4 in the industry, and new business premiums that ranked second for bancassurance. This achievement reflects its cooperation with KBank in developing new forms of insurance policies that correspond to the demands of each consumer group. In 2020, the company generated higher sales in whole life insurance, which in turn helped to increase the sales of health and critical illness insurance products.

MTL Insurance products that were jointly developed with KBank in 2020 included: (1) "Worry-Free Insurance" featuring a life and health lump sum insurance plan; (2) "Delight Health" – a life and health insurance plan aimed at middle-income customers with health benefits and those wishing to plan their own health benefits; (3) "OnePlus 10/1" – a life insurance plan that was offered via K PLUS for customers seeking personal

income tax reduction; and (4) free COVID-19 coverage for K PLUS customers and additional COVID-19 life insurance available at KBank branches.

Furthermore, the company unveiled its own digital service channel, MTL Click Application, to facilitate customers in checking policy information, making insurance premium payments and filing compensation claims. It also launched certain services via video call, such as life and health insurance inquiry and Policy Loans.

Regarding sales promotion, KBank has encouraged our employees to use tablets as BA sales tools, as part of our effort to develop the sales process for completeness and accuracy in accordance with the market conduct rules. So doing will be conducive to sustainable growth of bancassurance business.

4.6 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



The "Worry-Free Insurance" life insurance plus health rider ensures that the insured do not have to make payments when ill.

On top of their own welfare benefits, the insured is secure with full coverage, including for critical illness, general disease and COVID-19.

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 stressed situations.

As of the end of 2020, KASIKORNBANK FINANCIAL CONGLOMERATE, under the Basel III capital requirements, had capital funds of Baht 452,095 million, consisting of Baht 372,250 million in Common Equity Tier-1 capital, Baht 387,854 million in Tier-1 capital and Baht 64,241 million in Tier-2 capital. The capital adequacy ratio was 18.80 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 have enhanced 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 1.00 percent of total risk weighted assets. KBank's and the Conglomerate's capital levels are above regulatory requirements.

Capital Adequacy Ratio⁽¹⁾

- KASIKORNBANK FINANCIAL CONGLOMERATE⁽²⁾

(Percent)

Capital Adequacy Ratio	Basel III						
	Minimum Requirement & Buffer Requirement ⁽³⁾	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Minimum Requirement & Buffer Requirement ⁽³⁾	Dec. 31, 2019
Tier-1 Capital Ratio 1	9.50	16.13	15.74	15.38	15.17	9.00	16.19
Common Equity Tier-1 Ratio	8.00	15.48	15.74	15.38	15.17	7.50	16.19
Tier-2 Capital Ratio	-	2.67	2.71	2.71	3.36	-	3.43
Capital Adequacy Ratio	12.00	18.80	18.45	18.09	18.53	11.50	19.62

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 to be a financial conglomerate.

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

- Conservation buffer: Bank of Thailand required the Bank to maintain an additional Common Equity Tier 1 at 2.50 percent per annum since January 1, 2019 onwards.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): Bank of Thailand required the D-SIBs to maintain an additional Common Equity Tier 1 at 1.00 percent per annum on a phase-in basis at 0.50 percent from January 1, 2019 and increase to be 1.00 percent from January 1, 2020 onwards.

- The Bank

(Percent)

Capital Adequacy Ratio	Basel III						
	Minimum Requirement & Buffer Requirement ⁽³⁾	Dec. 31, 2020	Sep. 30, 2020	Jun. 30, 2020	Mar. 31, 2020	Minimum Requirement & Buffer Requirement ⁽³⁾	Dec. 31, 2019
Tier-1 Capital Ratio 1	9.50	14.94	14.47	14.15	14.08	9.00	14.94
Common Equity Tier-1 Ratio	8.00	14.26	14.47	14.15	14.08	7.50	14.94
Tier-2 Capital Ratio	-	2.80	2.82	2.83	3.49	-	3.58
Capital Adequacy Ratio	12.00	17.74	17.29	16.98	17.57	11.50	18.52

Notes:

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

- Conservation buffer: Bank of Thailand required the Bank to maintain an additional Common Equity Tier 1 at 2.50 percent per annum since January 1, 2019 onwards.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): Bank of Thailand required the D-SIBs to maintain an additional Common Equity Tier 1 at 1.00 percent per annum on a phase-in basis at 0.50 percent from January 1, 2019 and increase to be 1.00 percent from January 1, 2020 onwards.

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

During 2020, we continued to use 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 charge – have been adopted as key measurements.

Moreover, we have developed guidelines for performance measurements consistent with various management aspects, including business direction, strategic and business planning that takes into consideration risk-adjusted returns, risk-based pricing and efficient resource management. In addition, we measure our business performance and analyze value-based profit, along with our “Customer Centricity” strategy to strengthen our competitive advantage in the dimension of customer segments and product domains, paying attention to the linkages between them while also monitoring risk via Active Credit Portfolio Management (ACPM) Dashboard and Stress Test Dashboard which are used by business units for decision making on analysis and manage at both bank-wide and each customer level. Meanwhile, related business units have adopted value-based analyses for their viability assessments on investment projects, allowing them to effectively adjust their business strategies in alignment with the changing market conditions and attain the highest efficiency in value creation management.

4.7 Credit Ratings

During 2020, Thailand's rating outlook and KBank's ratings were changed in line with Thai commercial bank business which was affected by the COVID-19 pandemic.

- **Moody's:** In April 2020, Moody's Investors Service changed the outlook on the long-term ratings of many Thai banks, including KBank, to stable from positive, following the change in the outlook for the Thailand's rating to stable from positive.
- **Fitch Ratings:** In April 2020, Fitch Ratings downgraded KBank's ratings, including other Thai banks.
- **Standard & Poor's:** In August 2020, Standard & Poor's changed the outlook on the long-term ratings of two Thai banks, including KBank, to watch negative from stable, following the change in the outlook for the banking industry outlook to negative from stable.

Details are shown in the following table.

KASIKORNBANK's Credit Ratings

Credit Ratings Agency	Dec. 31, 2020	Dec. 31, 2019
Moody's Investors Service ⁽¹⁾		
<u>Foreign Currency</u>		
Outlook	Stable	Positive
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	Positive
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	Watch Negative	Stable
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, 2020	Dec. 31, 2019
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	F2
Senior Unsecured Notes	BBB	BBB+
Viability	bbb	bbb+
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BBB
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.

4.8 Impacts of the COVID-19 Pandemic

The overall Thai economy contracted in 2020 due to the COVID-19 pandemic. Economic activity both at home and abroad was severely hit by the highly uncertain situation. Given the unprecedented crisis, KBank implemented assistance measures in a broader scope in line with the Bank of Thailand's policy guidelines under a prudent integrated risk management approach. KBank has proactively monitored customer risk in order to implement appropriate assistance measures for mitigating the pandemic's impacts. We have appropriately set aside expected credit loss to ensure that our provisions are sufficiently proactive to cope with potential losses in line with prevailing economic circumstances. Customers' debt servicing ability remains better than expected even following the end of the relief measures for customers under the Bank of Thailand's guidelines.

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 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 2020, KBank suspended interim dividend payments in line with the Bank of Thailand's announcement in order to bolster the capital position of banks to cope with potential risks, and sufficiently accommodate extension of loans in order to continually support economic activity. KBank can maintain a robust capital position which is adequate for our business operation while also having ample liquidity.

Details on the impacts of COVID-19 can be found in Annual Registration Statement and Annual Report 2020 (Form 56-1 One Report), Management Discussion and Analysis, Notes to Financial Statements and the Sustainability Report 2020.

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	:	1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana District, Bangkok 10140, Thailand
Company Registration Number	:	0107536000315
Telephone	:	+662-2220000
Fax	:	+662-4701144
K-Contact Center (Personal)	:	+662-8888888 Press 1 Thai Press 2 English Press 877 Japanese Press 878 Mandarin Press 879 Burmese
K-BIZ Contact Center (Business)	:	+662-8888822 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.: +662-0099000 Fax: +662-0099991
SET Contact Center: +662-0099999
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. 1/2015 due 2026 : Registrar and Account Administration Unit
Securities Services Department
KASIKORNBANK PCL Head Office, 19th Floor,
1 Soi Rat Burana 27/1, Rat Burana Road,
Rat Burana Sub-District, Rat Burana District, Bangkok 10140, Thailand
Tel.: +662-4701987 and +662-4701994 Fax: +662-2732279
- Subordinated Instruments intended to qualify as Tier 2 Capital of KASIKORNBANK PCL No. 1/2016 due 2027

- Floating Rate Notes due 2021 : The Bank of New York Mellon SA/NV, Luxembourg Branch
- Senior Unsecured Notes due 2022 Vertigo Building - Polaris, 2-4 rue Eugène Ruppert,
- Senior Unsecured Notes due 2023 L-2453, Luxembourg
- Floating Rate Notes due 2023 (Sustainability Bond)
- Floating Rate Notes due 2023
- Tier II Subordinated Notes due 2031
- Additional Tier I Subordinated Notes

Auditors

- : Mr. Charoen Phosamritlert CPA No. 4068
- Ms. Sureerat Thongarunsang CPA No. 4409
- Mr. Chanchai Sakulkoedsin CPA No. 6827
- KPMG Phoomchai Audit Limited
Empire Tower, 48th-50th Floor,
1 South Sathorn Road, Yannawa Sub-District,
Sathorn District, Bangkok 10120, Thailand
Tel.: +662-6772000

Legal Adviser

- : Dr. Abhijai Chandrasen
22 Soi Soonthornsaratoon (On Nut 21/1), Sukhumvit 77,
On Nut Sub-District, Suan Luang District,
Bangkok 10250, Thailand
Tel.: +662-7306969-76 Fax: +662-7306967

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 181 pending cases in the ordinary course of the Bank's business, with the total litigation sum of approximately Baht 1,608 million. In those cases, there are 45 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 250 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

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



GOOD
GOVERNANCE

6. Corporate Governance Policy

KASIKORNBANK places great importance on good corporate governance, believing it to be essential to sustain the Bank's business. 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, 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 2017 of the Office of the Securities and Exchange Commission, Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors (IOD), ASEAN Corporate Governance Scorecard, and Dow Jones Sustainability Indices (DJSI).

The Bank encourages everyone in the organization to realize the importance of acting in compliance with the Statement of Corporate Governance Principles by organizing activities to promote continuing and sustainable corporate governance. Emphasis is placed on the maintenance and development of corporate governance, and the promotion of corporate governance as an organizational culture.

In 2020, the Bank assessed operations results according to the Corporate Governance Policy and the review of such policy was proposed to the Board of Directors for consideration so as to ensure compliance 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 addition, practices and actions that are in line with the Code of Conduct have been communicated to directors, executives and employees. The Bank has also conducted an assessment on understanding of the Code of Conduct with executives and employees and monitored compliance with the Code of Conduct on a regular basis.



6.3 Significant Changes and Developments in Corporate Governance Policies, Guidelines and Systems in 2020

6.3.1 Significant Changes and Developments

In 2020, 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 2017 of the Office of the Securities and Exchange Commission. Important actions were taken, as follows:

- Chairman of the Board shall be independent: The Board of Directors Meeting No. 5/2020 held on April 3, 2020 passed a resolution to appoint Ms. Kobkarn Wattanavrangkul as Chairperson of the Board, in replacement of Mr. Banthoon Lamsam, who resigned from the position of Director and Chairman of the Board, effective from April 3, 2020.
- Chairman of the Board shall not be the same person as Chief Executive Officer: The Board of Directors Meeting No. 9/2019 held on September 26, 2019 passed a resolution to appoint Ms. Kattiya Indaravijaya as Director and Chief Executive Officer to succeed Mr. Banthoon Lamsam, effective from April 3, 2020.
- Seeking an external consultant to assist in setting guidelines and providing recommendations for board assessment at least once every three years: The Bank has hired an external consultant to assist in assessing process, methodology and the performance assessment forms of the Board of Directors, Independent Directors Committee, Board Committees, Chief Executive Officer, and Presidents, and offering recommendations on the development or improvement of such matters in compliance with international standards.
- Revising the Code of Conduct so that it is clear and appropriate for practice.
- The Bank conducted an assessment on understanding of the Code of Conduct with executives and employees at all levels and extended the assessment scope to cover its wholly-owned subsidiaries to ensure that they understand the Principles and Guidelines of the Code of Conduct and to promote sustainable business operations.

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 2017 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

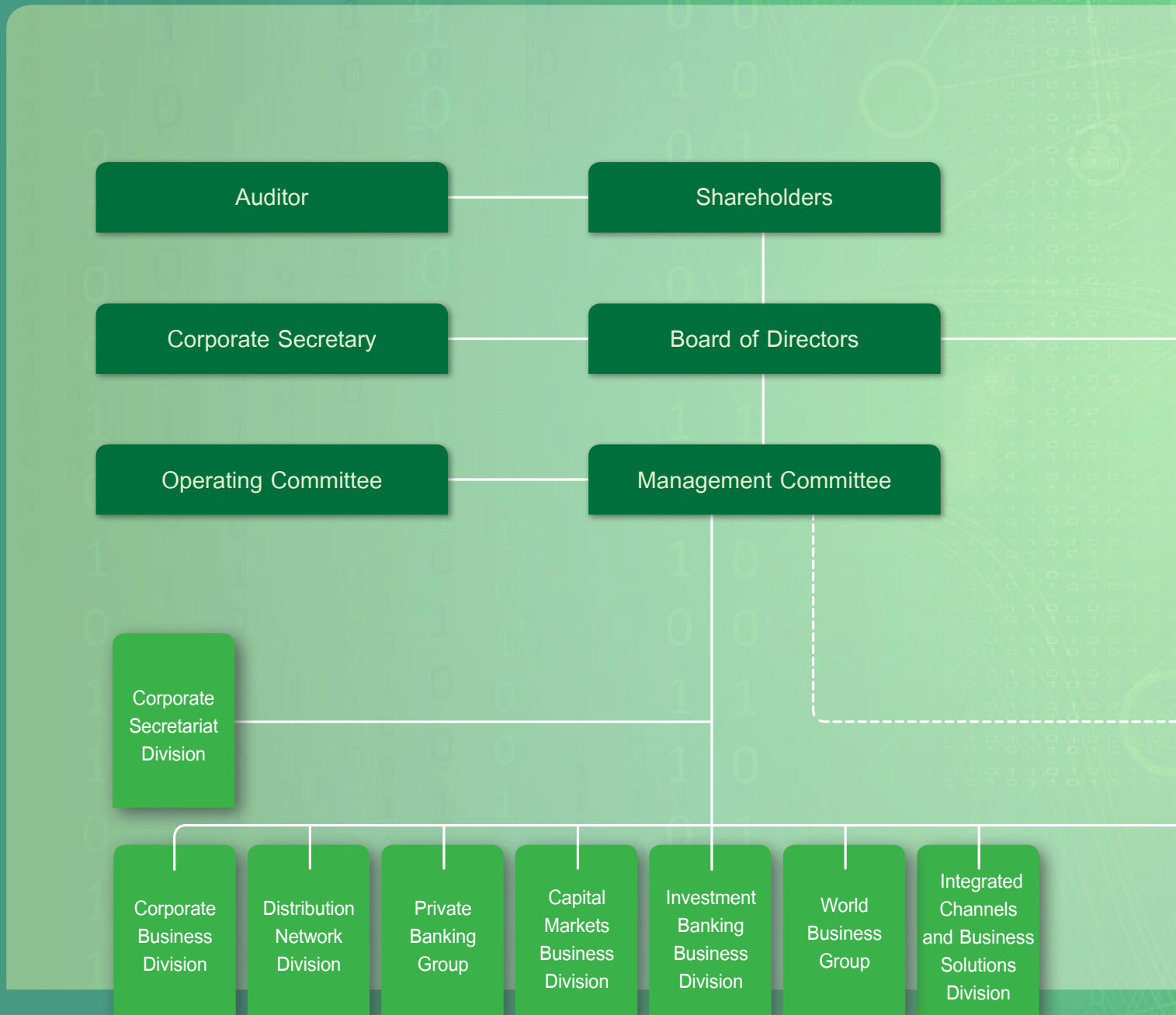
The Bank recognizes the importance of and adheres to the good corporate governance principles, in conformance with the international standards which have been applied to the Bank's business operations based on transparency and suitability. In 2020, in comparison with the Corporate Governance Code of Office of the Securities and Exchange Commission and the Thai Institute of Directors Association, there remained some issues that the Bank has not yet complied with, including the following:

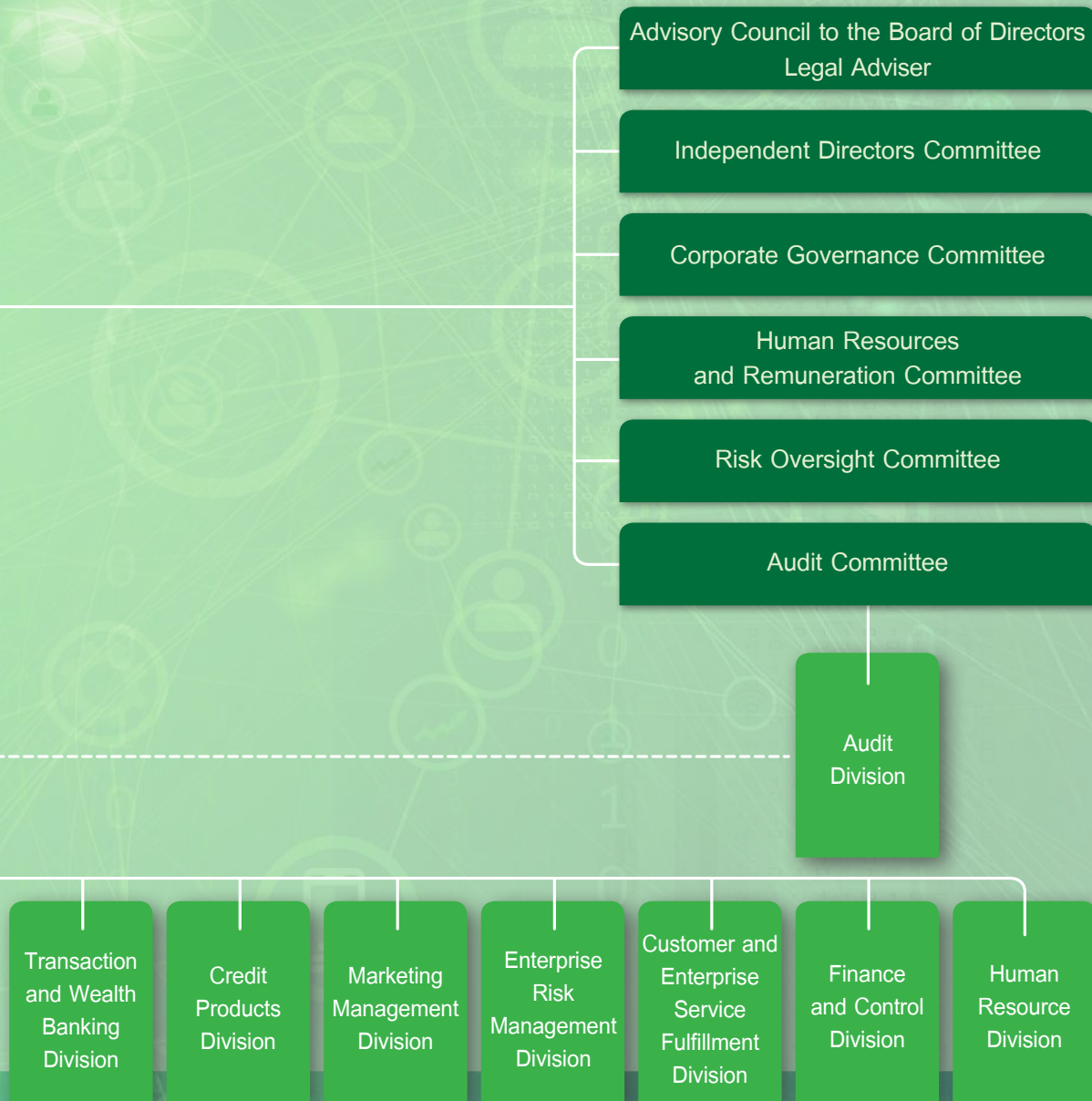
- The Board of Directors should comprise at least 5 but no more than 12 directors, appropriate for size, nature and complexity of business.

As of December 31, 2020, 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 expertises can ensure complete oversight of the Bank's operation.

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

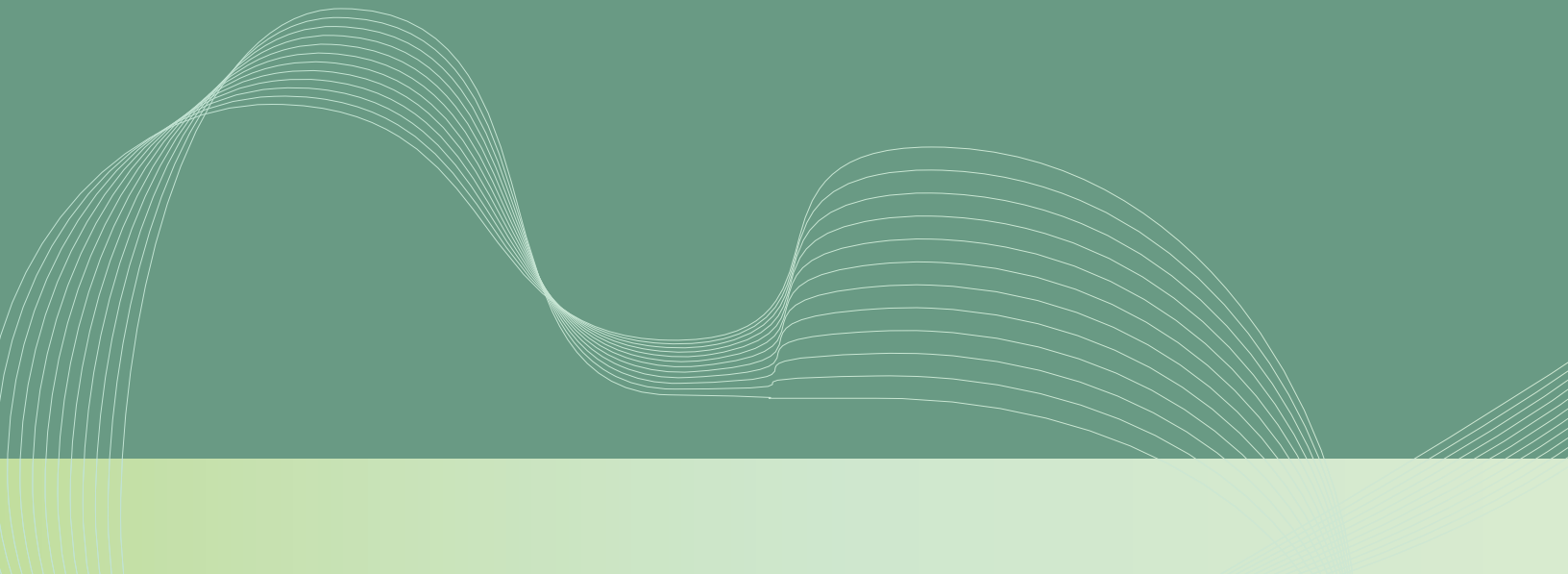
7.1 Organization Chart

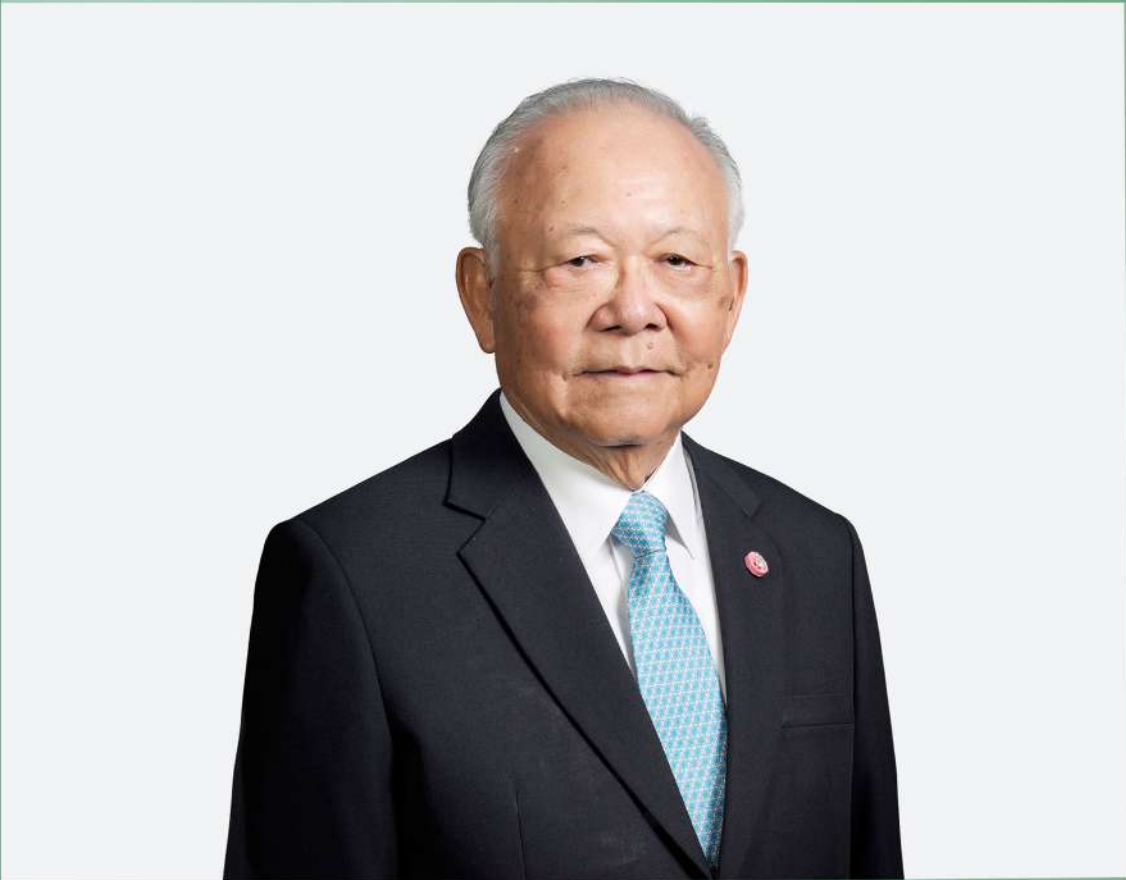




7.2 Details of the Board of Directors

Honorary Chairman
Mr. Banyong Lamsam





Board of Directors



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. Dr. Abhijai Chandrasen
9. Sqn.Ldr. Naline Paiboon, M.D.

- Chairperson of the Board
- Vice Chairperson
- Chief Executive Officer
- President
- President
- President
- President
- Director and Legal Adviser
- Independent Director



- 10. Mr. Saravoot Yoovidhya
- 11. Dr. Piyasvasti Amranand
- 12. Mr. Kalin Sarasin
- 13. Mr. Wiboon Khusakul
- 14. Ms. Suphajee Suthumpun
- 15. Mr. Sara Lamsam
- 16. Mr. Chanin Donovanik
- 17. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya
- 18. Ms. Chonchanum Soonthornsaratoon

Independent Director
 Independent Director
 Independent Director
 Independent Director
 Independent Director
 Director
 Independent Director
 Independent Director
 Director

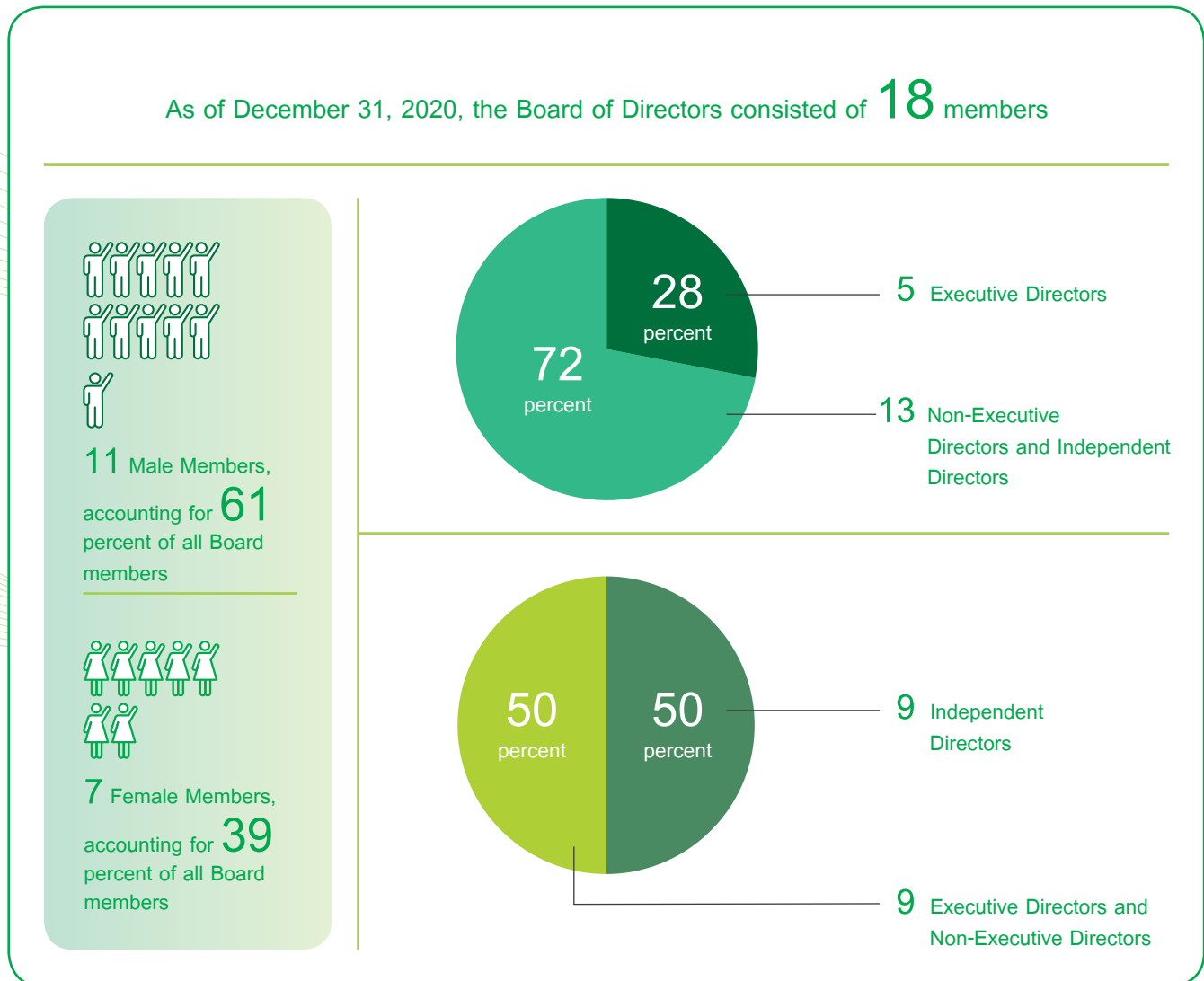
Corporate Secretary
 Secretary to the Board of Directors and
 Secretary to the Independent Directors Committee
 Dr. Adit Laixuthai

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

7.2 Details of the Board of Directors

7.2.1 Composition of the Board of Directors

The Bank's Board of Directors comprises a number of members, which is appropriate for the Bank's business. 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.



The Board of Directors comprises qualified persons in alignment with the Bank's business operations and sustainable development strategies. Members of the Board of Directors possess diverse knowledge, ability and working experience beneficial to the Bank.

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, 2020, the Bank's Board of Directors had 18 members, as follows:

Name	Position	Director Type
1. Ms. Kobkam 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. Dr. Abhijai Chandrasen	Director and Legal Adviser / Member of the Human Resources and Remuneration Committee	Non-Executive Director
9. Sqn.Ldr. Naline Paiboon, M.D.	Director / Chairperson of the Corporate Governance Committee	Independent Director
10. Mr. Saravoot Yoovidhya	Director / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
11. Dr. Piyasvasti Amranand	Director / Chairman of the Risk Oversight Committee	Independent Director
12. Mr. Kalin Sarasin	Director / Chairman of the Audit Committee / Member of the Human Resources and Remuneration Committee	Independent Director
13. Mr. Wiboon Khusakul	Director / Member of the Corporate Governance Committee	Independent Director
14. Ms. Suphaje Suthumpun	Director / Chairperson of the Human Resources and Remuneration Committee / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
15. Mr. Sara Lamsam	Director / Member of the Corporate Governance Committee	Non-Executive Director
16. Mr. Chanin Donavanik	Director / Member of the Corporate Governance Committee	Independent Director
17. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya	Director / Member of the Audit Committee / Member of the Risk Oversight Committee	Independent Director
18. Ms. Chonchanum Soonthornsaratoon	Director / Member of the Corporate Governance 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: two out of these three 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, 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. 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, 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 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.

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, 2020, 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

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. Members shall have a term of office per their term as members of the Board of Directors but no more than nine consecutive years. The Committee comprises all of the Bank's independent directors. As of December 31, 2020, 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. Suphajee Suthumpun
Member
8. Mr. Chanin Donovanik
Member
9. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya
Member

The Independent Directors Committee holds meetings at least once a quarter. In 2020, 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. Lists of Board Committees and their authorities, duties and responsibilities are shown in 7.3.2.

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, 2020, 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 Kavinichkul 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 2020, 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 advices 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 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; 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 of 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, 2020, 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 2020, 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 the Code of Conduct of 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, 2020, the Committee had 3 members, comprising 2 independent directors and 1 non-executive director, as follows:

1. Ms. Suphajee Suthumpun
Chairperson
2. Dr. Abhijai Chandrasen
Member
3. Mr. Kalin Sarasin
Member

The Human Resources and Remuneration Committee holds at least 3 meetings each year. In 2020, the Committee held 10 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 reviewing the salaries and benefits to senior management.
4. 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.
5. Reviewing the composition, size, diversity, and remuneration of the Board of Directors on a regular basis, as well as 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.
6. 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 financial business group.
7. 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, 2020, 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. Suphajee Suthumpun
Member
5. Ms. Jainnisa 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 2020, the Committee held 6 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, 2020, 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

* *Appointed members of the Management Committee on October 1, 2020*

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 2020, 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.

7.4 Details of Executives

7.4.1 Names and Positions of Executives

As of December 31, 2020, the Bank's executives were:

1. Ms. Kattiya Indaravijaya
Chief Executive Officer
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. Wirawat Panthawangkun
Senior Executive Vice President
8. Mr. Thiti Tantikulanan
Capital Markets Business Division Head
9. Mr. Jirawat Supornpaibul
Private Banking Group Head
10. Mr. Chongrak Rattanapian
Senior Executive Vice President
11. Mr. Silawat Santivisat
Senior Executive Vice President
12. Ms. Wasana Surakit
First Senior Vice President
13. Ms. Natcha Argasreog
First Senior Vice President
14. Ms. Khajarin Maintaka
Financial Planning Co-Department Head
15. Ms. Prapasra Uttamavetin
Financial Planning Co-Department Head

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 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, 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 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 2020, executives in the position of First Senior Vice President or equivalent and higher, totaling 94 persons, received remuneration including salaries, living expenses, special contributions, and bonuses from the Bank, totaling Baht 1,104,538,384, while executives in the position of Senior Executive Vice President or equivalent and higher, totaling 13 persons, received remuneration including salaries, living expenses, special contributions, and bonuses from the Bank, totaling Baht 327,864,229.

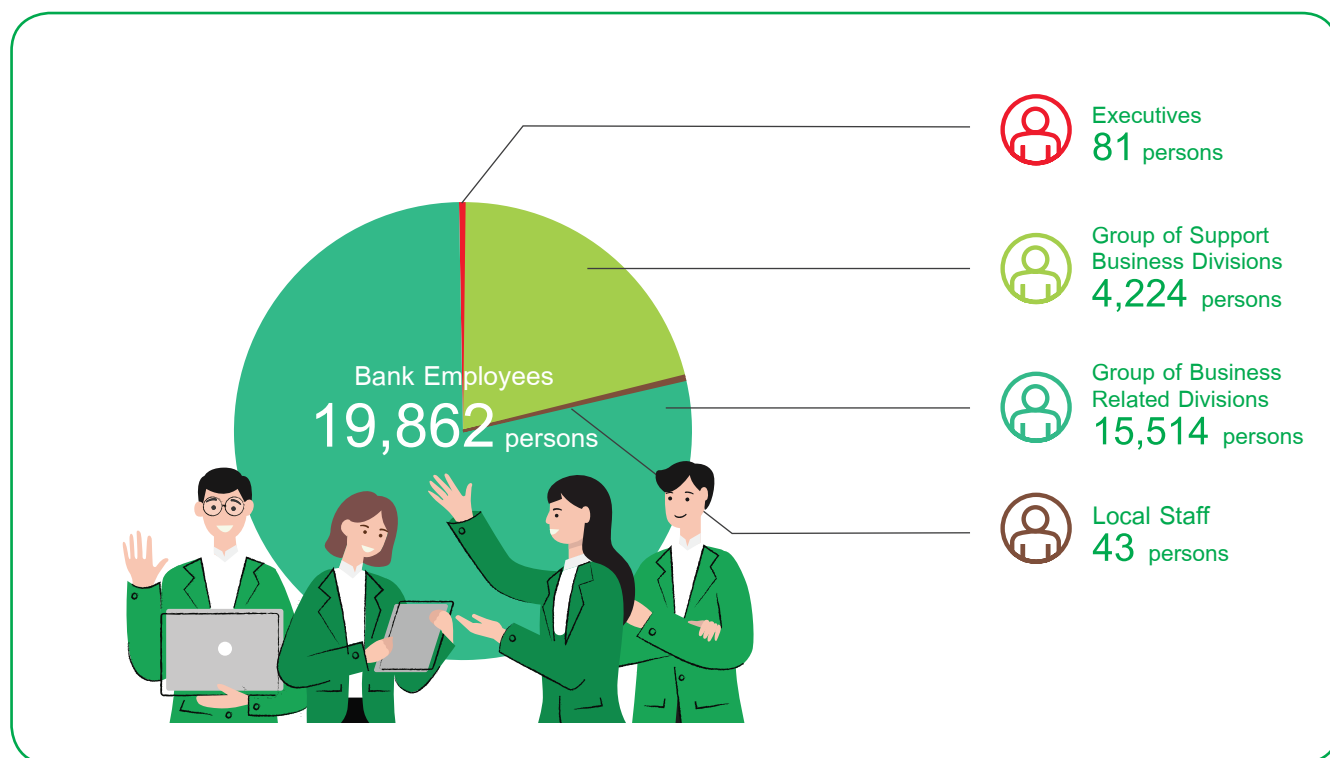
2. Other Remuneration

In 2020, executives in the position of First Senior Vice President or equivalent and higher, totaling 94 persons, received the Bank’s contributions to their provident funds, totaling Baht 30,922,561, while executives in the position of Senior Executive Vice President or equivalent and higher, totaling 13 persons, received the Bank’s contributions to their provident funds, totaling Baht 7,849,131. 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

7.5 Details of Employees

Personnel

As of December 31, 2020, the Bank employees totaled 19,862 persons, classified below per the Bank’s organizational structure:



Employee Expenses

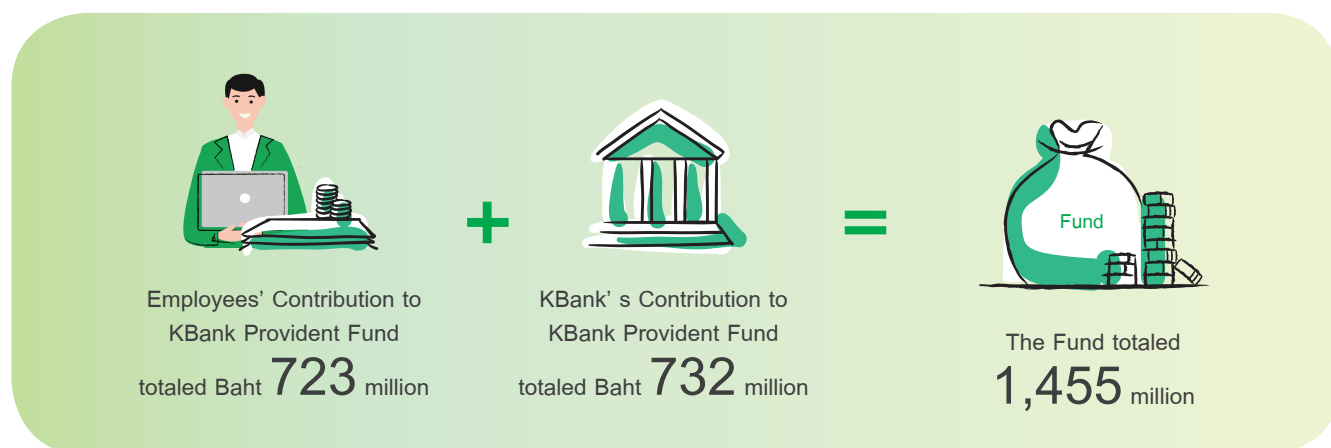
In 2020, the Bank's employee expenses, e.g., salaries, wages, overtime pay, bonuses, special pensions, living allowances and the Bank's contribution to provident funds, totaled Baht 22,923 million.

The Provident Fund

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 2020, employees' and the Bank's contributions to KBank Provident Fund included as follows:



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 2020, the Corporate Secretary attended the seminar, entitled "Roles of Corporate Secretaries in Promoting Good Corporate Governance in Organizations", organized by Thai Institution of Directors Association.

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 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 2020, the remuneration for external auditors included:

1. Audit Fees:

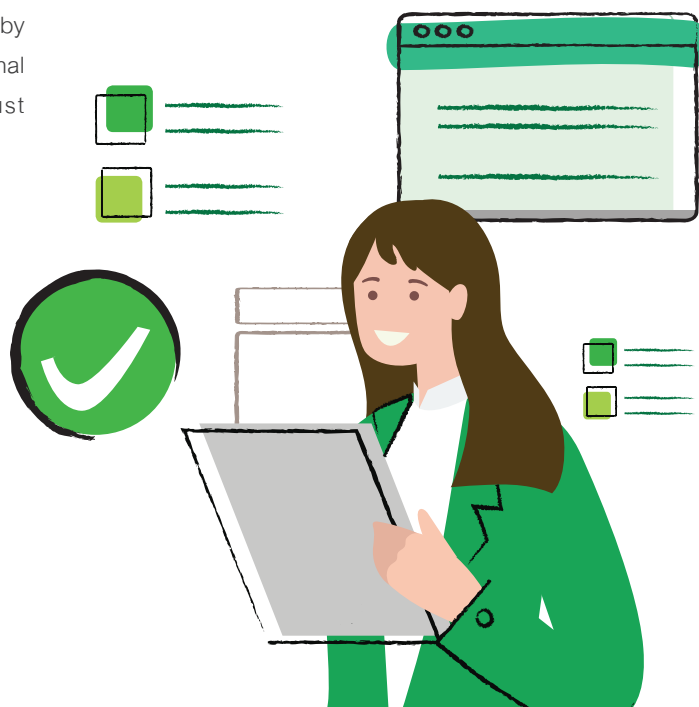
The Bank and subsidiary companies have paid audit fees to:

- 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 18,600,400 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.

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 6,047,000 over the past accounting year, together with future payment of Baht 7,910,000, 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 2020, the Board of Directors reviewed Vision 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 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 working experience beneficial to the Bank's long-term operations and in alignment with the Bank's business operations and sustainable development strategies, for the position of director.

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 taking into consideration composition, size and diversity policy of the Board, i.e. gender, race, nationality, age, skills, knowledge, expertise, experience and independence, based on Board Skills Matrix. Regarding the nomination of persons to the position of independent director, they must possess qualifications as prescribed by the Bank.

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. 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 performances of the directors, such as their meeting attendance and contributions at meetings, etc. All the proposed candidates for directors must receive concurrence from the Bank of Thailand.

For the nomination of Chief Executive Officer and Presidents, the Human Resources and Remuneration Committee shall consider persons having skills, knowledge, expertise and experience that are necessary and beneficial to business operations of the Bank. Additionally, they must have appropriate performances and outstanding visions for organizational success.

The Human Resources and Remuneration Committee reviewed the criteria and process of director nomination on an annual basis. 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".

The Human Resources and Remuneration Committee is responsible for nominating, selecting and reviewing qualified candidates. 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.

In 2020, the Human Resources and Remuneration Committee reviewed the director nomination criteria and process as approved by the Board of Directors Meeting No. 1/2019 held on January 31, 2019, with views that such criteria and process were appropriate, timely and consistent with the best practice. 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 and proposed candidates by shareholders. The qualified persons were eventually selected in line with the Bank's key strategies of steering operations in alignment with the relevant laws and international standards in order to accommodate new business opportunities. 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 Ms. Chonchanum Soonthornsaratoon has excellent knowledge and experience in the field of commercial banking law, and she received concurrence from the Bank of Thailand. In addition, the General Meeting of Shareholders approved the election of Ms. Chonchanum Soonthornsaratoon as the Bank's non-executive director.

Regarding the election of directors to replace those retiring by rotation, the Human Resources and Remuneration Committee considered their performances over the previous year, such as their meeting attendance and contributions at meetings, etc. As a result, Ms. Suphajee Suthumpun, Mr. Chanin Donavanik, Mr. Sara Lamsam, Ms. Kattiya Indaravijaya and Mr. Patchara Samalapa were re-elected as the Bank's directors via the abovementioned process.

Moreover, regarding the appointment of directors to replace vacant positions, the Human Resources and Remuneration Committee considered criteria and process for the selection of persons with the most appropriate qualifications for the position of president, based on the proportion, number, diversity of the Board of Directors, as well as the Bank's succession plan. Having considered the qualified persons, the Human Resources and Remuneration Committee was of the view that Mr. Krit Jitjang possesses knowledge and experience in the Bank's human resource management, risk management, finance and control, and data management, while Dr. Pipatpong Poshyanonda possesses knowledge and experience in the Bank's retail and corporate customer services, various products, plus sales and service channel strategies, which are in line with the Bank's business strategies of striving towards new businesses. In addition, they have thorough understanding about the Bank's businesses and they received concurrence from the Bank of

Thailand. The Board of Directors Meeting, therefore, passed a resolution to appoint Mr. Krit Jitjang and Dr. Pipatpong Poshyanonda as Directors and Presidents, effective on September 24, 2020.

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 of 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 2020, 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, whereby the Bank's directors are required to confirm information of being a director in other companies with the Office of Corporate Secretary at the end of every month for record. 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 3 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

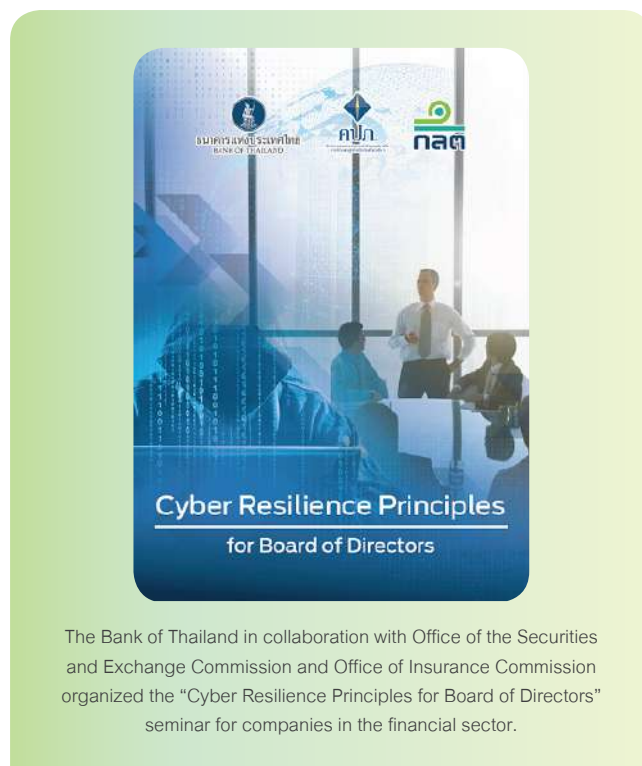
The Bank has organized orientations for new directors, to provide them with information on their roles and responsibilities, as well as information related to the Bank, for instance, good corporate governance practices, strategic direction for the Bank business, human resources, information technology, 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, 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 implemented the policy in supporting directors, executives and staff performing duties related to corporate secretary, compliance, internal control, accounting and financial, investor relations and corporate governance, to attend seminars and training courses organized by the Thai Institute of Directors Association (IOD), The Stock Exchange of Thailand, and other independent institutions, in accordance with the established plans and budgets. Information on the business operations of the Bank has also been continuously provided in the forms of documents and presentations at meetings.

An orientation session was arranged for three new directors in 2020, namely Ms. Chonchanum Soonthornsaratoon, Mr. Krit Jitjang and Dr. Pipatpong Poshyanonda, to acknowledge their roles, duties and responsibilities as directors of a listed company and business operations of the Bank.

All board members attended training programs regarding the discharge of their duties, and, in 2020 received continued education programs on corporate governance and regulatory requirements concerning directorship via electronic network. The directors expanded their knowledge horizons by participating in training programs, attending and delivering address in seminars, as follows:



The Bank of Thailand in collaboration with Office of the Securities and Exchange Commission and Office of Insurance Commission organized the "Cyber Resilience Principles for Board of Directors" seminar for companies in the financial sector.

Board Members	Seminars / Training Programs
1. Ms. Kobkarn Wattanavrangkul	<ul style="list-style-type: none"> • “Top Executive Program on China Business Insights and Network (TEPCIAN 1)”, University of the Thai Chamber of Commerce • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand • Seminar on “Independent Director Forum - Inside CEO Succession: Essential Guide for Board”, Thai Institute of Directors Association • Seminar on “WOMEN INTECH 24H VIRTUAL WORLD TOUR”, Women in Tech • Seminar on “IS COVID-19 SETTING EQUALITY”, YPO SEA Angels Chapter
2. Ms. Kattiya Indaravijaya	<ul style="list-style-type: none"> • “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 • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand • Seminar on “Independent Director Forum - Inside CEO Succession: Essential Guide for Board”, Thai Institute of Directors Association • Seminar on “CEO’s Wisdom Learning & Leading in the New Era”, Thailand Coaching Society
3. Mr. Pipit Aneaknithi	<ul style="list-style-type: none"> • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand
4. Mr. Patchara Samalapa	<ul style="list-style-type: none"> • Seminar on “Origin Day Q3/2020”, Origin Propety PCL
5. Mr. Krit Jitjang	<ul style="list-style-type: none"> • Seminar on “Vision 2020 Asia Pacific”, Experian
6. Dr. Pipatpong Poshyanonda	<ul style="list-style-type: none"> • Seminar on “IDC CIO Summit Virtual Conference Thailand”, IDC • Seminar on “Corporate Innovation Summit 2020 Live”, RISE • Seminar on “Growth Strategy for Sustainable Business during the Era of New Normal”, Thailand Business Council for Sustainable Development (TBCSD)
7. Sqn.Ldr. Nalinee Paiboon, M.D.	<ul style="list-style-type: none"> • Seminar on “Women Entrepreneurship Week Thailand 2020”, Thammasat Business School in collaboration with the Feliciano Center for Entrepreneurship of Montclair State University, USA
8. Mr. Saravoot Yoovidhya	<ul style="list-style-type: none"> • “Board Nomination & Compensation Program (BNCP), Class 10”, Thai Institute of Directors Association • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand
9. Dr. Piyasvasti Amranand	<ul style="list-style-type: none"> • “Executive Program in Energy Literacy for a Sustainable Future (TEA), Class 15”, Thailand Energy Academy, Ministry of Energy • Seminar on “COVID-19: What’s the End Game?”, Petroleum Institute of Thailand

Board Members	Seminars / Training Programs
10. Mr. Kalin Sarasin	<ul style="list-style-type: none"> • “Top Executive Program For Creative & Amazing Thai Services (ToPCATS), Class 2”, University of the Thai Chamber of Commerce • “Top Executive Development Training Program”, Royal Thai Police • Seminar on “Cambodia-Vietnam-Thailand Economic Corridor Cooperation Conference (CVTEC) to establish cooperation plans in linking trade, investment, logistics, tourism and MICE in the Southern Coastal Economic Corridor amid COVID-19”, the Thai Chamber of Commerce in collaboration with Thailand-Cambodia Business Council • Seminar on “Growth Strategy for Sustainable Business during the Era of New Normal”, Thailand Business Council for Sustainable Development (TBCSD)
11. Mr. Wiboon Khusakul	<ul style="list-style-type: none"> • “The Dragon and Elephant: Thailand-China Relations”, Chulachomklao Royal Military Academy
12. Ms. Suphajee Suthumpun	<ul style="list-style-type: none"> • Seminar on “Independent Director Forum - Inside CEO Succession: Essential Guide for Board”, Thai Institute of Directors Association • Seminar on “Redefine Thailand’s medical and wellness industries”, The Stock Exchange of Thailand • Seminar on “Thailand 2021: New Game, New Normal”, Prachachat Dhurakij • Seminar on “Challenges of Hotel and Restaurant in the New World”, University of the Thai Chamber of Commerce
13. Mr. Sara Lamsam	<ul style="list-style-type: none"> • Thailand Insurance Super Leadership Program Class 1”, Office of Insurance Commission • Seminar on “Project for enhancing Operational Efficiency in accordance with the Personal Data Protection Act”, Office of Insurance Commission
14. Mr. Chanin Donavanik	<ul style="list-style-type: none"> • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand • Seminar on “Independent Director Forum - Inside CEO Succession: Essential Guide for Board”, Thai Institute of Directors Association
15. Ms. Chonchanum Soonthornsaratoon	<ul style="list-style-type: none"> • “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 • “TDE - Thammasat Digital Evidence, Class 2”, Faculty of Law, Thammasat University • Seminar on “Cyber Resilience Leadership: Tone from the Top”, Bank of Thailand

Professional Development for Executives and Succession Plan

The Human Resources and Remuneration Committee has considered 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 put in place short- and long-term development plans for individual employees, and continuously implemented the Management Development Program (MDP) for executives of the Bank and its wholly-owned subsidiaries.

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 evaluating their own performance and other directors' performance (cross assessment). The Board of Directors has set the criteria on performance assessment of the Board. The Corporate Governance Committee reviews the performance efficiency assessment form of the Board of Directors, Independent Directors Committee and all Board Committees, namely Audit, Corporate Governance, Human Resources and Remuneration, and Risk Oversight, on an annual basis, in compliance with good corporate governance practices, so that the Board of Directors may take a review of their performances and obstacles over the past year in order to enhance their efficiency, and to consider the appropriate composition of the Board.

In 2020, the Corporate Governance Committee approved the hiring of an external consultant to establish guidelines and provide recommendations on a performance assessment of the Board of Directors, 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 includes 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 recommendations on the development or improvement in compliance with international standards.

The Corporate Governance Committee considered and endorsed the performance assessment forms of the Board of Directors, Independent Directors Committee and Board Committees, recommended by the external consultant. The overall performance assessment of the Board consisting of 7 topics: (1) Structure and characteristics of the Board; (2) Roles and responsibilities of the Board; (3) Board meetings; (4) Discharge of duties of the Board; (5) Relationship with the Bank's management; (6) Self-development of directors and executive development; and (7) 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 3 topics: (1) Board meetings; (2) Responsibilities of the Board; and (3) Skills and the Board of Directors engagement. The Corporate Secretary forwarded the performance assessment form to all members of the Board of Directors. The summarized assessment results and recommendations were already submitted to the Board of Directors.

The self-assessment process was 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. In 2020, the Secretaries to the Independent Directors Committee and Board Committees forwarded a performance assessment form to every Committee member. The summarized assessment results and recommendations were already submitted to the Board of Directors.

The performance assessments of the Board of Directors, Independent Directors Committee and all Board Committees are based on the rating scales of one point to five points or from substantial improvement needed or no action on such matter to excellent. Their average performance assessment results for 2020 were “good” to “excellent”, or in other words the performance results of the Board of Directors, Independent Directors Committee and all Board Committees were above the set targets.

Moreover, 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 2020, the Bank assessed the performances of the Chief Executive Officer and Presidents in February and August. 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. The Human Resources and Remuneration Committee will submit the performance assessment forms of the Chief Executive Officer and Presidents in accordance with a recommendation of the external consultant for the Board of Directors prior to the next performance assessment.

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. 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.

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 2020, one non-executive directors meeting was held in August.

Meeting Attendance of the Board, Independent Directors Committee and Board Committees, and the General Meeting of Shareholders in 2020

(Number of Meetings)

Board Members	Board of Directors (Total 15 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 10 meetings)	Risk Oversight Committee (Total 6 meetings)	The General Meeting of Shareholders (Total 1 meeting)
Mr. Banthoon Lamsam ⁽¹⁾	4/4							1/1
Ms. Kobkarn Wattanavrangkul ⁽²⁾	15/15	1/1	12/12			3/3	1/1	1/1
Ms. Sujitpan Lamsam	15/15	1/1					6/6	1/1
Mr. Predee Daochai ⁽³⁾	8/8						2/2	1/1
Ms. Kattiya Indaravijaya ⁽⁴⁾	15/15						2/2	1/1
Mr. Pipit Aneaknithi	15/15						6/6	1/1
Mr. Patchara Samalapa	14/15							1/1
Mr. Krit Jitjang ⁽⁵⁾	4/4						2/2	
Dr. Pipatpong Poshyanonda ⁽⁶⁾	4/4							
Dr. Abhijai Chandrasen	15/15	1/1				10/10		1/1
Sqn.Ldr. Nalinee Paiboon, M.D.	14/15	1/1	12/12		4/4			1/1
Mr. Saravoot Yoovidhya ⁽⁷⁾	13/15	0/1	11/12	11/12			5/5	1/1
Dr. Piyasvasti Amranand ⁽⁸⁾	14/15	1/1	10/12	4/4			6/6	1/1
Mr. Kalin Sarasin ⁽⁹⁾	14/15	1/1	11/12	8/8		10/10		1/1
Ms. Puntip Surathin ⁽¹⁰⁾	3/3		3/3	3/3			1/1	1/1
Mr. Wiboon Khusakul	15/15	1/1	11/12		4/4			1/1
Ms. Suphajee Suthumpun ⁽¹¹⁾	15/15	1/1	12/12	12/12		7/7	6/6	1/1
Mr. Sara Lamsam	14/15	1/1			4/4			1/1
Mr. Chanin Donavanik	14/15	1/1	10/12		3/4			1/1
Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya ⁽¹²⁾	15/15	1/1	12/12	8/8			6/6	1/1
Ms. Chonchanum Soonthomsaratoon ⁽¹³⁾	12/12	1/1			3/3			

Remark:

- ⁽¹⁾ Mr. Banthoon Lamsam resigned from the position of Director and Chairman of the Board, effective from April 3, 2020.
- ⁽²⁾ Ms. Kobkarn Wattanavrangkul was appointed Chairperson of the Board on April 3, 2020, and vacated office as Chairperson of the Human Resources and Remuneration Committee and Chairperson of the Risk Oversight Committee on May 1, 2020.
- ⁽³⁾ Mr. Predee Daochai resigned from his directorship on July 24, 2020.
- ⁽⁴⁾ Ms. Kattiya Indaravijaya was appointed Chief Executive Officer on April 3, 2020 and a member of the Risk Oversight Committee on November 1, 2020.
- ⁽⁵⁾ Mr. Krit Jitjang was appointed a director and President on September 24, 2020 and a member of the Risk Oversight Committee on November 1, 2020.
- ⁽⁶⁾ Dr. Pipatpong Poshyanonda was appointed a director and President on September 24, 2020.
- ⁽⁷⁾ Mr. Saravoot Yoovidhya was appointed a member of the Risk Oversight Committee on May 1, 2020.
- ⁽⁸⁾ Dr. Piyasvasti Amranand was appointed Chairman of the Risk Oversight Committee and vacated office as Chairman of the Audit Committee on May 1, 2020.
- ⁽⁹⁾ Mr. Kalin Sarasin was appointed Chairman of the Audit Committee on May 1, 2020.
- ⁽¹⁰⁾ Ms. Puntip Surathin expressed her intent not to be nominated for re-election in compliance with the Board of Directors Charter, effective on April 2, 2020.

⁽¹¹⁾ Ms. Suphajee Suthumpun was appointed Chairperson of the Human Resources and Remuneration Committee on May 1, 2020.

⁽¹²⁾ Ms. Jannisa Kuvnichkul Chakrabandhu Na Ayudhya was appointed a member of the Audit Committee on May 1, 2020.

⁽¹³⁾ Ms. Chonchanum Soonthomsaratoon was appointed a director on April 2, 2020 and a member of the Corporate Governance Committee on May 1, 2020.

Number of members on the Board, Independent Directors Committee and Board Committees (As of December 31, 2020):

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	3 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, 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. 108, on April 2, 2020, approved director remuneration and bonuses, 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 receive no remuneration for their membership in a Board Committee as follows:

(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 330,000 person/month
5. Bonus for directors at the rate of 0.5 percent of dividend payments

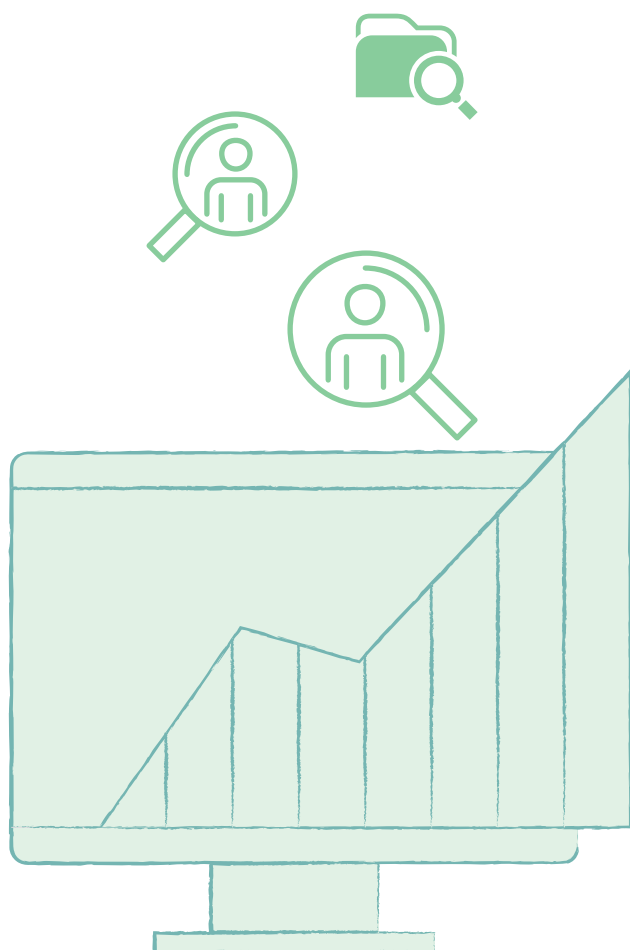
Details of remuneration to directors are shown as follows:

1. Remuneration

In 2020, 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 108,079,370.84.

2. Other Remuneration

None



Remuneration for Directors in 2020

Mr. Banthoon Lamsam ⁽¹⁾	Received remuneration as Chairman of the Board, totaling Baht 750,000, and a bonus of Baht 5,393,259.20.
Ms. Kobkarn Wattanavrangkul ⁽²⁾	Received remuneration as Chairperson of the Board, totaling Baht 2,250,000; as Vice Chairperson, totaling Baht 600,000; as Lead Independent Director, totaling Baht 1,200,000; as Chairperson of the Human Resources and Remuneration Committee, totaling Baht 200,000; and as Chairperson of the Risk Oversight Committee, amounting to Baht 200,000, and a bonus of Baht 4,044,944.41.
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 4,044,944.41.
Mr. Predee Daochai ⁽³⁾	Received remuneration as a director, totaling Baht 1,015,500, and a bonus of Baht 2,696,629.61.
Ms. Kattiya Indaravijaya ⁽⁴⁾	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,696,629.61.
Mr. Pipit Aneaknithi	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,696,629.61.
Mr. Patchara Samalapa	Received remuneration as a director, totaling Baht 1,800,000, and a bonus of Baht 2,696,629.61.
Mr. Krit Jitjang ⁽⁵⁾	Received remuneration as a director, totaling Baht 600,000
Dr. Pipatpong Poshyanonda ⁽⁶⁾	Received remuneration as a director, totaling Baht 600,000
Dr. Abhijai Chandrasen	Received remuneration as a director and Legal Adviser, totaling Baht 5,760,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 432,000, and a bonus of Baht 2,696,629.61.
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 2,696,629.61.
Mr. Saravoot Yoovidhya ⁽⁷⁾	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 288,000, and a bonus of Baht 2,696,629.61.
Dr. Piyasvasti Amranand ⁽⁸⁾	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 360,000; as Chairman of the Risk Oversight Committee, totaling Baht 400,000; and as a member of the Risk Oversight Committee, amounting to Baht 144,000, and a bonus of Baht 2,696,629.61.

Mr. Kalin Sarasin ⁽⁹⁾	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 720,000; and as a member of the Human Resources and Remuneration Committee, amounting to Baht 432,000, and a bonus of Baht 2,696,629.61.
Ms. Puntip Surathin ⁽¹⁰⁾	Received remuneration as a director, totaling Baht 450,000; as Independent Director, totaling Baht 210,000; as a member of the Audit Committee, totaling Baht 180,000; and as a member of the Risk Oversight Committee, amounting to Baht 108,000, and a bonus of Baht 2,696,629.61.
Mr. Wiboon Khusakul	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 2,696,629.61.
Ms. Suphajeer Suthumpun ⁽¹¹⁾	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 400,000; 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 2,696,629.61.
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 2,696,629.61.
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 2,696,629.61.
Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya ⁽¹²⁾	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 480,000; and as a member of the Risk Oversight Committee, amounting to Baht 432,000, and a bonus of Baht 2,073,908.28.
Ms. Chonchanum Soonthornsaratoo ⁽¹³⁾	Received remuneration as a director, totaling Baht 1,350,000, and as a member of the Corporate Governance Committee, amounting to Baht 288,000.

Remark:

⁽¹⁾ Mr. Banthoon Lamsam resigned from the position of Director and Chairman of the Board, effective from April 3, 2020.

⁽²⁾ Ms. Kobkam Wattanavrangkul was appointed Chairperson of the Board on April 3, 2020, and vacated office as Chairperson of the Human Resources and Remuneration Committee and Chairperson of the Risk Oversight Committee on May 1, 2020.

⁽³⁾ Mr. Predee Daochai resigned from his directorship on July 24, 2020.

⁽⁴⁾ Ms. Kattiya Indaravijaya was appointed Chief Executive Officer on April 3, 2020 and a member of the Risk Oversight Committee on November 1, 2020.

⁽⁵⁾ Mr. Krit Jitjang was appointed a director and President on September 24, 2020 and a member of the Risk Oversight Committee on November 1, 2020.

⁽⁶⁾ Dr. Pipatpong Poshyanonda was appointed a director and President on September 24, 2020.

⁽⁷⁾ Mr. Saravoot Yoovidhya was appointed a member of the Risk Oversight Committee on May 1, 2020.

⁽⁸⁾ Dr. Piyasvasti Amranand was appointed Chairman of the Risk Oversight Committee and vacated office as Chairman of the Audit Committee on May 1, 2020.

⁽⁹⁾ Mr. Kalin Sarasin was appointed Chairman of the Audit Committee on May 1, 2020.

⁽¹⁰⁾ Ms. Puntip Surathin expressed her intent not to be nominated for re-election in compliance with the Board of Directors Charter, effective on April 2, 2020.

⁽¹¹⁾ Ms. Suphajeer Suthumpun was appointed Chairperson of the Human Resources and Remuneration Committee on May 1, 2020.

⁽¹²⁾ Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya was appointed a member of the Audit Committee on May 1, 2020.

⁽¹³⁾ Ms. Chonchanum Soonthornsaratoo was appointed a director on April 2, 2020 and a member of the Corporate Governance Committee on May 1, 2020.

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 Bank units that oversee 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 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 2020, the result of audits showed that there were no significant operational issues that affected businesses of these subsidiaries and the Bank.

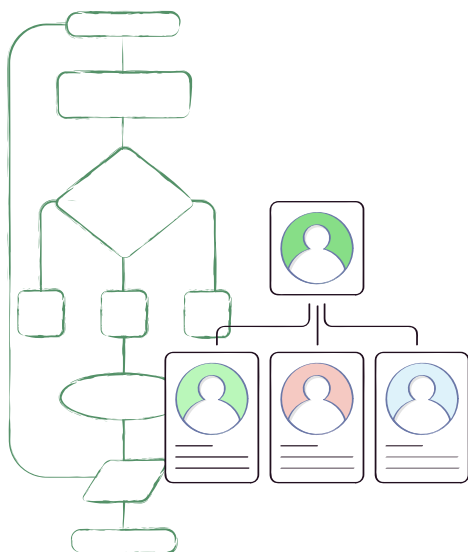
8.1.5 Ensuring Compliance with Corporate Governance Policies and Guidelines

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 2020, there

were no changes in vested transactions of directors and executives. Directors and executives appointed in 2020 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 Reporting Form (56-1 One Reporting Form), as well as in the Bank's Annual 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 spouses or cohabiting couples, and minor children 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 2020 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 2020, there were no directors and executives who purchased or sold securities issued by the Bank and stock futures with underlying the Bank stocks during a silent period.

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 "Private Sector Collective Action Coalition Against Corruption" project jointly initiated by the Thai Institute of Directors Association (IOD), the Thai Chamber of 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 Private Sector Collective Action Coalition 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 2020, the annual review was already undertaken, and there was no donation for 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 2020, 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. In 2020, there were no reports of significant corrupt acts. 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.

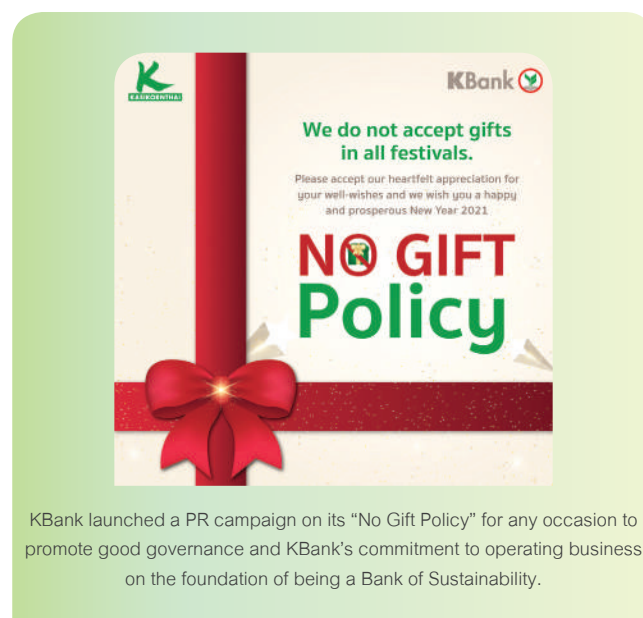
4. The Bank has conducted the risk assessment, monitoring and evaluation of anti-corruption practices include the following:

- 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. The Bank is now equipped with analysis of fraud and operational risks in all departments, with annual assessment of high-risk departments. Reports of such analysis are submitted to the Operational Risk Management Sub-committee, Risk Oversight Committee and Board of Directors. 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.
5. The Bank has encouraged and communicated with suppliers on business operations with no involvement with corruption on a regular basis. Our operations in 2020 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 with customers and suppliers on No Gift Policy for all occasions and festive seasons.
 - Arrangement of supplier meetings on the Bank's procurement procedures and encouragement of suppliers to comply with Anti-Corruption Policy and practices.
 - Arrangement of meetings to inform about 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.



KBank launched a PR campaign on its "No Gift Policy" for any occasion to promote good governance and KBank's commitment to operating business on the foundation of being a Bank of Sustainability.

In 2020, a total of 14 cases of information or suspicious conducts were reported to the Internal Audit Department. An investigation showed that such cases of information were related to non-compliance with the Bank's policies and procedures, and suggestion for the improvement of the Bank's operational processes. 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 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 2020 General Meeting of Shareholders, held on April 2, 2020. 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 Rat Burana 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. All 18 directors were 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 2020 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 the Chairman of the Board 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 Rat Burana 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.



The General Meeting of Shareholders No. 108 was held on April 2, 2020 at KBank Head Office.



KBank implemented strict preventive measures for the General Meeting of Shareholders in compliance with public health standards of the Department of Disease Control, Ministry of Public Health, for the safety of all participating shareholders.

- 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.

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, 2019. 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 in a transparent manner, makes business decision 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.

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 shall not enter into business matching with unlawful businesses, and suppliers should have the Corporate Social Responsibility policy, avoid causing any environmental



KBank organized an annual health checkup for all employees at its Head Office and at hospitals in their operating areas.

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.

Creditors:

The Bank abides by lending terms and conditions, including guarantee stipulations, and all legitimate duties to creditors, debenture holders and depositors. The Bank has in place the capital management directions that comply with related laws, regulatory requirements, and international guidelines and practices. 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:

Realizing its duties and responsibilities towards the country in economic, social and environmental dimensions, the Bank aims to create positive impacts on the society and gain maximum benefits from the Bank's social contribution activities. In 2020, the Bank implemented social development activities in accordance with the Corporate Citizenship Strategy for 2019 - 2023 by applying the London Benchmarking Group (LBG) Framework as a guideline for our operation. The Bank provided support to various social contribution activities, including budget allocation, emergency assistance, employee volunteer activities, internal charitable activities, and activities in cooperation with community leaders and government agencies at both local and national level. Projects aiming to improve the quality of life of local communities were implemented in various forms based on their suitability in order to enhance the efficiency of the Bank's social contribution activities and create sustainable benefits to



KBank organized the "Zero Waste Plastic Bottles" activity as part of the "Make Every Day the Day of Doing Good Deeds" program under the Zero Waste Concept. KBank's employees were invited to make brooms out of discarded plastic water bottles for distribution to district offices and communities near the Head Office.



KBank presented survival bags to households affected by the COVID-19 pandemic in communities of Ban Mueang Mai Sub-District, Mueang District, Samut Prakan Province.

the society and communities. Notable projects include the Make Every Day the Day of Doing Good Deeds (Employee Volunteer Hours) project, aimed at encouraging our employees to take a one-day leave and select to participate in any volunteer activities of their choice, including providing financial knowledge which is the Bank's expertise, to various societies and communities. Regarding the outbreak of COVID-19 in the previous year, the Bank established measures for employees conducting volunteer activities to strictly protect themselves and others from the disease. The Bank collaborated with the University of Phayao, which has been tasked as a mentoring center of the Nan Cultivation of Wisdom project, which is implemented for three years (2019 - 2021). The project offers research-based teaching, based on the local context of students, with core teachers directing

the learning process. The Bank aims to create 30 research-based prototype schools in Nan. This approach promotes youths to learn the analytical and synthetic thinking skills so that they have rational understanding in a systematic way, allowing them to efficiently manage their lives and become quality personnel for the nation's economic and financial systems. The AFTERKLASS project is an online platform, aimed at offering financial literacy to children and youths, including saving, spending and investment planning and how to start the business. The first of its kind in Thailand, this platform promotes equal financial inclusion among youths as they can access knowledge from anywhere even if they live in remote areas via www.AFTERKLASS.com. The AFTERKLASS project also offers skills training for youths via a diverse range of workshops throughout the year. In collaboration with the Cash Return from Zero Waste and Segregation of Trash (C-ROS) research team of the School of Biomolecular Science and Engineering of Vidyasirimedhi Institute of Science and Technology (VISTEC), the Bank implemented the project to add value to organic waste via biosynthesis process at Baan Maha Phot community, Chumpee Wanidaphon School and Aranyawat Temple in Nan, which is used as a prototype for converting waste from households and communities into bioenergy for electricity generation and biochemical production for valued-added products. Nan Sandbox is a special project approved by the government under the partnership of the public and private sectors and local people who share the commitment to solve problems related to natural resources and the environment in Nan. Last year, three projects under Nan Sandbox were implemented, with the aim of promoting the awareness of problems related to climate change. They were Climate Change campaign, Climate Change kid's camp and Words Change the World program – a competition to create Thai words for climate change. The Bank also implemented various projects in support of efficient resource utilization, for example electricity and lighting system improvements, wastewater recycling, carbon neutral program, and staff training sessions on environmental issues through the Bank's sustainability development courses. Officers were sent to attend training or seminars, including greenhouse gas emission management program, organized by Thailand Greenhouse Gas Management Organization (Public Organization). 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 in

economic, social and environmental dimensions in accordance with the Global Reporting Initiative (GRI Standards) are included in Sustainability Report 2020.

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.



KBank organized special activities as part of the mobile AFTERKLASS program at schools participating in the "Nan Cultivation of Wisdom" project in Nan Province. These activities were aimed at equipping high school students with knowledge on financial management, such as saving, spending and investment plans, as well as how to start a business.



The Nan Sandbox project invited youth the "Climate Change" kid's camp, intended to raise their awareness and offer knowledge and real-life experience of the impacts resulting from climate change in the natural environment of Khao Yai.

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 complies with laws related to intellectual property and has a stance to not support any operation that may violate intellectual property right, via establishment of 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) and Principles of the United Nations Global Compact (UNGC). The Bank established the Human Rights Policy related to employees, customers, suppliers and joint ventures, 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 2020 the policy was reviewed and there were no complaints on human rights violations.

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 2020, 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 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 (2016 - 2020), the Bank received 2 fines from the Office of Securities and Exchange Commission (SEC) in 2016 and 2019 due to the violation of section 113 and 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

In 1998, 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



KBank executives met and provided information to securities analysts and fund managers at an online meeting.

to submit them to executives and the Board of Directors of the Bank (Two-way Communications), which will lead to the creation 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, Zoom and Facebook Live on various occasions as follows:

Type of Meeting	No. of Events	No. of Companies	No. of Persons
One-on-One Meeting			
- Physical Meeting	5	6	6
- Conference Call Meeting	57	74	106
- Online Virtual Meeting	21	21	45
Total	83	101	157
Group Meeting			
- Conference Call Meeting	7	118	150
- Online Virtual Meeting	2	37	42
Total	9	155	192
Analyst and Fund Manager Meeting			
- Physical Meeting	2	96	119
- Online Virtual Meeting	3	223	318
Total	5	319	437
Investor Conference			
- Conference Call Meeting	5	95	116
- Online Virtual Meeting	10	121	159
Total	15	216	275
Non-deal Roadshow			
- Online Virtual Meeting	1	35	42
Total	1	35	42
Total	113	826	1,103

There were 4 events, out of the above, wherein a total of 61 persons from 48 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 and to preserve the environment.

Investors and shareholders may contact the Bank at:

Corporate Secretary who is responsible for Chief Investor Relations Officer Function:
Tel.: +662-4702673 to 4
Fax: +662-4702680

Investor Relations Unit, Office of Corporate Secretary:

- Individual Investors and Shareholders
E-mail: Shareholder_IR@kasikornbank.com
Tel.: +662-4706116
Fax: +662-4702690
- Institutional Investors and Shareholders
E-mail: IR@kasikornbank.com
Tel.: +662-4706900 to 1 and +662-4702660 to 1
Fax: +662-4702690

Address:

KASIKORNBANK PUBLIC COMPANY LIMITED
Head Office, 33rd Floor,
Investor Relations Unit,
Office of Corporate Secretary, Corporate Secretariat Division,
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.: +662-0099999

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. Audit plan is continuously reviewed and revised so as

to appropriately respond to emerging risks, such as cyber risk. The Internal Audit Department has steadily applied the principles of Continuous Audit, Integrated Audit and Data Analytics in its operations. In addition, preparations have been made to audit new technologies, such as blockchain, biometrics and AI/ML by developing audit guideline 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. Moreover, the Internal Audit Department provides consulting services to the audited units, in accordance with the nature and scope of task as agreed upon by both parties, with the objective of increasing the value and improving the operations of the KASIKORNBANK FINANCIAL CONGLOMERATE. In 2020, the Internal Audit Department conducted an assessment on understanding of the Code of Conduct with management and employees at all levels and extended the assessment scope to cover its wholly-owned subsidiaries to ensure that they understand the Principles and Guidelines of Code of Conduct. 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 the Bank. 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

1. 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 December 31, 2020 and 2019, are summarized, as follows:

(Million Baht)

	2020	2019
Deposits	21,366	20,144
Loans	271	276
Contingencies	1	1

2. 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 December 31, 2020 and 2019 are, as follows:

2.1 Loans, deposits and contingencies between the Bank, its subsidiaries, associated companies and joint venture are summarized as follows:

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
Subsidiaries								
KASIKORN ASSET MANAGEMENT CO., LTD.	-	4,801	-	-	3,564	-	100	Mr. Patchara Samalapa Mr. Vasin Vanichvoranun Mr. Suradech Kietthanakorn Ms. Nisanat Ouvuthipong
KASIKORN RESEARCH CENTER CO., LTD.	-	137	-	-	124	-	100	Mr. Krit Jitjang Dr. Adit Laixuthai
KASIKORN SECURITIES PCL	-	20,293	-	-	13,210	-	99.99	Mr. Pipit Aneaknithi Mr. Thiti Tantikulanan Mr. Phaisarn Vorasetsiri
KASIKORN LEASING CO., LTD.	103,331	2,408	-	105,150	1,878	-	100	Dr. Pipatpong Poshyanonda Mr. Surat Leelataviwat Mr. Suwat Techawatanawana Dr. Wichai Narongwanich Mr. Panya Kongkapaisal
KASIKORN FACTORY & EQUIPMENT CO., LTD.	22,009	75	619	20,141	30	667	100	Dr. Pipatpong Poshyanonda Mr. Surat Leelataviwat Mr. Suwat Techawatanawana Ms. Monta Voraprasit

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
KASIKORN TECHNOLOGY GROUP SECRETARIAT CO., LTD.	-	88	-	-	85	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit Ms. Hataiporn Chiemprasert
KASIKORN LABS CO., LTD.	-	41	51	-	40	79	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN SOFT CO., LTD.	-	555	1,866	-	517	1,690	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN PRO CO., LTD.	-	73	-	-	72	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN SERVE CO., LTD.	-	99	-	-	178	-	100	Mr. Chongrak Rattanapian Ms. Wasana Surakit
KASIKORN X CO., LTD.	-	3	-	-	3	-	100	Mr. Krit Jitjang Mr. Chongrak Rattanapian Ms. Wasana Surakit
Muang Thai Group Holding Co., Ltd.	-	1,416	-	-	681	-	51	Ms. Sujitpan Lamsam Mr. Pipit Aneaknithi Mr. Sara Lamsam Mr. Wirawat Panthawangkun Mr. Dithichai Limpodom Mr. Akaranant Thitasirivit
KASIKORNTHAI BANK LIMITED	-	97	-	-	283	-	100	Mr. Photjanart Sangpruaksa Dr. Wichai Narongwanich Ms. Nutcharee Nuntivacharin Dr. Karin Boonlertvanich Ms. Sunan Siriaksorn
KASIKORNBANK (CHINA) COMPANY LIMITED	-	51	312	-	739	175	100	Mr. Pipit Aneaknithi Mr. Pattarapong Kanhasuwan Ms. Nutcharee Nuntivacharin Mr. Worawit Kiatthawee-anand Mr. Vongpat Bhuncharoen Ms. Khajarin Maintaka
K-SME Venture Capital Co., Ltd.	-	77	-	-	74	-	100	Mr. Surat Leelataviwat Mr. Thawee Teerasoontormwong Mr. Worawit Kiatthawee-anand
BEACON VENTURE CAPITAL COMPANY LIMITED	-	94	-	-	54	-	100	Mr. Pipit Aneaknithi Mr. Chongrak Rattanapian Mr. Chat Luangarpa Dr. Karin Boonlertvanich Mr. Thanapong Na Ranong

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
KASIKORN VISION COMPANY LIMITED	-	2,613	-	-	50	-	100	Mr. Wirawat Panthawangkun Mr. Pattarapong Kanhasuwan Mr. Chat Luangarpa Dr. Karin Boonlertvanich Mr. Supreecha Limpikanjanakowit Ms. Jariporn Kijcharoenpaisan
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	-	143	-	-	117	-	100	-
Phethai Asset Management Co., Ltd.	-	13	-	-	20	-	100	Mr. Atipat Asawachinda
PROGRESS PLUS CO., LTD.	-	29	-	-	36	-	100	Dr. Pipatpong Poshyanonda Mr. Suwat Charoenvijitchai Ms. Wasana Surakit Mr. Pornchai Yongnoppakul
PROGRESS APPRAISAL CO., LTD.	-	201	-	-	156	-	100	Dr. Pipatpong Poshyanonda Mr. Suwat Charoenvijitchai Mr. Chidchod Loyprasert
PROGRESS GUNPAI SECURITY GUARD CO., LTD.	4	377	-	6	407	-	100	Mr. Prachya Kerdkaewfah
PROGRESS MANAGEMENT CO., LTD.	-	22	-	-	16	-	100	Mr. Krit Jitjang Mr. Atipat Asawachinda
PROGRESS FACILITIES MANAGEMENT CO., LTD.	-	66	-	-	72	-	100	Dr. Pipatpong Poshyanonda Mr. Suwat Charoenvijitchai Mr. Pornchai Yongnoppakul
PROGRESS SERVICE SECURITY GUARD CO., LTD.	-	111	-	-	102	-	100	Dr. Pipatpong Poshyanonda Mr. Suwat Charoenvijitchai Mr. Pornchai Yongnoppakul
PROGRESS STORAGE CO., LTD.	-	37	-	-	36	-	100	Dr. Pipatpong Poshyanonda Mr. Suwat Charoenvijitchai Mr. Chaiyot Tunpisut Mr. Chidchod Loyprasert
PROGRESS H R CO., LTD.	-	101	-	-	83	-	100	Ms. Sansana Sukhanunth Mr. Kittipong Koomman Ms. Hataiporn Chiemprasert Ms. Usa Coasol
PROGRESS SERVICE SUPPORT CO., LTD.	-	209	-	-	199	-	100	Dr. Pipatpong Poshyanonda Dr. Ketchayong Skowratananont Mr. Pongpichet Nananukool Mr. Sittichoke Techapahaphong
PROGRESS COLLECTION CO., LTD.	-	66	-	-	52	-	100	Mr. Krit Jitjang Mr. Atipat Asawachinda

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
PROGRESS TRAINING CO., LTD.	-	22	-	-	18	-	100	Ms. Sansana Sukhanunth Ms. Sunan Siriaksorn
KHAO KLA VENTURE CAPITAL MANAGEMENT CO., LTD.	-	26	-	-	25	-	100	Mr. Surat Leelataviwat
Muang Thai Life Assurance PCL	-	5,263	275	-	1,231	341	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam Mr. Surat Leelataviwat Mr. Pipavat Bhadranaevik
Muang Thai Broker Co., Ltd.	-	14	1	-	15	-	50.99	-
MT Insure Broker Co., Ltd.	-	1	-	-	12	-	38.25	-
FUCHSIA VENTURE CAPITAL COMPANY LIMITED	-	25	-	-	48	-	38.25	Ms. Sujitpan Lamsam Mr. Sara Lamsam
AI GEN COMPANY LIMITED	-	120	-	-	296	-	51	-
BEACON INTERFACE COMPANY LIMITED	-	4	-	-	4	-	100	-
PROGRESS MULTI INSURANCE BROKER CO., LTD.	-	199	-	-	134	-	100	Mr. Suwat Techawatanawana
KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED*	-	-	-	-	-	-	100	Mr. Chongrak Rattanapian Mr. Pattarapong Kanhasuwan Ms. Jariporn Kijcharoenpaisan
Associated Companies and Joint Venture								
Processing Center Co., Ltd.	-	103	-	-	56	-	30	Mr. Silawat Santivisat Mr. Amorn Suvachittanont
National ITMX Co., Ltd.	-	936	-	-	586	-	25.48	Dr. Pipatpong Poshyanonda
BCI (THAILAND) CO., LTD.	-	94	-	-	147	-	22.17	Mr. Silawat Santivisat
Sovannaphum Life Assurance PLC	-	-	-	-	-	-	18.74	Mr. Sara Lamsam
KASIKORN LINE CO., LTD.	2,957	822	-	-	1,978	-	50	Mr. Patchara Samalapa Mr. Wirawat Panthawangkun Ms. Natcha Argasreog

* On June 17, 2020, the Bank resolved to approve the established a new subsidiary company under the name KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED in People's Republic of China, of which 100 percent of shares are held by KASIKORN VISION COMPANY LIMITED. The company has CNY 300 million of authorised share capital and fully paid up share capital on July 17, 2020.

2.2 Certain subsidiaries have entered into 1 - 2 years building lease and service agreements with the Bank. As of December 31, 2020 and 2019, the remaining tenures amounting to Baht 57 million and Baht 43 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 December 31, 2020 and 2019, the Bank has commitment to pay total service fees amounting to Baht 1,913 million and Baht 1,651 million, respectively.

2.4 Revenue and expenses between the Bank and related persons or entities for the years ended December 31, 2020 and 2019 are summarized, as follows:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Subsidiaries				
Revenue:				
Interest income	-	-	3,334	3,067
Dividend income	-	-	4,810	4,826
Fees income	-	-	4,191	679
Other income	-	-	5,826	9,385
Expenses:				
Interest expenses	-	-	131	152
Fees expenses	-	-	420	-
Other expenses	-	-	6,454	7,533
Associated Companies and Joint Venture				
Revenue:				
Interest income	3	-	3	-
Dividend income	61	78	61	78
Fees income	12	8	12	8
Other income	63	4	63	4
Expenses:				
Interest expenses	5	10	5	10
Fees expenses	2	10	2	10
Other expenses	326	271	326	271

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 percent or more of their paid-up capital, in which market price as charged as with other normal business as of December 31, 2020 and 2019, are summarized as follows:

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President / Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
THE RED BULL CO., LTD.	-	7	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
KRATINGDAENG EXCELLENCE CENTER COMPANY LIMITED**	-	17	-	-	-	-	95	Indirect holding through related entity
GIFFARINE SKYLINE UNITY CO., LTD.	-	243	-	-	204	-	80	Indirect holding through related entity
							16	Sqn.Ldr. Nalinee Paiboon, M.D.
GOODSERVE CO., LTD.	-	4	-	-	-	-	12	Director's related persons
KANABANA CO., LTD.	-	4	-	-	4	-	80	Mr. Saravoot Yoovidhya and related persons
CAVALLINO SERVICES CO., LTD.	-	8	-	-	12	-	21	Director's related persons
CAVALLINO MOTORS COMPANY LIMITED	-	216	21	-	151	19	21	Director's related persons
KTD PROPERTY DEVELOPMENT LTD.	-	36	-	-	25	-	100	Mr. Saravoot Yoovidhya and related persons
THE RED BULL BEVERAGE CO., LTD.	-	138	-	-	1,729	-	99.97	Mr. Saravoot Yoovidhya and related persons
SPONSOR BEVERAGE CO., LTD.	-	1	-	-	1	-	17	Mr. Saravoot Yoovidhya
KAERAI GOLF COMPANY LIMITED	-	3	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
JTB (THAILAND) LTD.	-	37	-	-	72	-	47.95	Mr. Chanin Donavanik and related persons
CHALERMSUK RUAMPATANA CO., LTD.	-	3	-	-	2	-	35	Director's related persons
CENTRAL GOLF CO., LTD.	-	66	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
CIRCURE HERBAL MED CO., LTD.	-	11	-	-	13	-	71.40	Mr. Saravoot Yoovidhya and related persons
DURBELL CO., LTD.	-	698	-	-	210	-	98	Mr. Saravoot Yoovidhya and related persons
THE PENINSULA TRAVEL SERVICE CO., LTD.	2	4	3	3	4	3	12	Indirect holding through related entity
TALADNOI CHAOPHRAYA VIEW PROPERTIES CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
TOSHIBA THAILAND CO., LTD.	-	4	-	-	9	-	10.72	Chairperson of the Board's related persons
MUANG THAI ASSET CO., LTD.	-	8	-	-	5	-	10.59	Director's related persons
TOUR EAST (T.E.T.) LTD.	-	-	-	-	1	-	24	Mr. Chanin Donavanik

** In 2019, the entity was not related to the Bank.

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President / Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
THAJEEN GOLF CO., LTD.	-	27	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
TC-BANGKOK CONDO CO., LTD.	-	11	-	-	9	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. SATHORN CONDO CO., LTD.	-	9	-	-	2	-	100	Mr. Saravoot Yoovidhya and related persons
T.G. VENDING AND SHOWCASE INDUSTRIES CO., LTD.	-	20	-	-	21	-	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.	-	16	-	-	13	-	90	Mr. Saravoot Yoovidhya and related persons
T.C. SAMUTPRAKAN CONDO CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. PHARMA-CHEM. CO., LTD.	-	120	-	-	98	-	16.67	Director's related persons
T.C.PHARMACEUTICAL INDUSTRIES CO., LTD.	-	6,287	3	-	2,733	-	98	Mr. Saravoot Yoovidhya and related persons
T.C. ROMGLAO CONDO CO., LTD.	-	43	-	-	6	-	100	Mr. Saravoot Yoovidhya and related persons
T.C. SUKHUMWIT CONDO 101 AND CONSULTANT CO., LTD.	-	23	-	-	30	-	14	Mr. Saravoot Yoovidhya
TC-TRADING & LEASING CO., LTD.	-	7	-	-	-	-	100	Mr. Saravoot Yoovidhya and related persons
TCP INCUBATOR COMPANY LIMITED**	-	4	-	-	-	-	100	Indirect holding through related entity
TC-MYCIN CO., LTD.	-	3	-	-	3	-	14	Mr. Saravoot Yoovidhya
TC-MYCIN INDUSTRIES CO., LTD.	-	15	-	-	17	-	14	Mr. Saravoot Yoovidhya
THAI CHALERM COMPANY LIMITED**	-	3	-	-	-	-	99.99	Indirect holding through related entity
THAI DIGITAL ID CO., LTD.**	-	3	-	-	-	-	100	Indirect holding through related entity
THANACHOT APARTMENT COMPANY LIMITED	-	1	-	-	1	-	16.15	Mr. Tipakorn Saiphataana
NAKHONCHAI SRI GOLF CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
TOMATO JUICE PRODUCT (THAILAND) CO., LTD.	-	12	-	-	12	-	99.80	Mr. Saravoot Yoovidhya and related persons
NITHI THAMRONG CO., LTD.*	-	-	-	-	10	-	-	-

* In 2020, the entity was not related to the Bank.

** In 2019, the entity was not related to the Bank.

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President / Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
BANGKOK ARCHITECTURAL RESEARCH CO., LTD.	-	6	-	-	10	-	99.97	Director'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**	-	359	213	-	-	-	26	Indirect holding through related entity
B.GRIMM BIP POWER 2 LIMITED**	-	243	235	-	-	-	26	Indirect holding through related entity
BURAPHA GOLF PCL.	-	63	3	-	66	3	66.24	Mr. Saravoot Yoovidhya and related persons
BENJANGKAWAT CO., LTD.*	-	-	-	-	26	-	-	-
PRACHINBURI GLASS INDUSTRY CO., LTD.*	-	-	-	-	5	-	-	-
PIYASIRI COMPANY LIMITED	-	1	-	-	1	-	26.99 19.33	Indirect holding through related entity Director's related persons
PAED RIU FRUIT COMPANY LIMITED	-	4	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
PAED RIU FOOD PRODUCTION COMPANY LIMITED	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
THAI FRUIT PRODUCT CO., LTD.	-	12	-	-	15	-	100	Mr. Saravoot Yoovidhya and related persons
PATALA CO., LTD.*	-	-	-	-	1	-	-	-
PITAK LAND CO., LTD.	-	3	-	-	2	-	30.53	Mr. Saravoot Yoovidhy
P LANDSCAPE CO., LTD.	30	72	-	32	50	-	-	Director's related persons
MAHACHAI FOOD PRODUCTION COMPANY LIMITED	-	-	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
MUANG THAI REAL ESTATE PUBLIC COMPANY LIMITED**	-	8	-	-	-	-	79.38	Indirect holding through related entity
MUANG THAI INSURANCE PUBLIC COMPANY LIMITED	-	416	-	-	483	-	20	Indirect holding through related entity
YUPONG CO., LTD.	-	21	-	-	10	-	38.26	Mr. Sara Lamsam and related persons

* In 2020, the entity was not related to the Bank.

** In 2019, the entity was not related to the Bank.

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President / Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
YUPHAYONG CO., LTD.	-	2	-	-	1	-	47.93 12	Indirect holding through related entity Mr. Sara Lamsam
YOU TECHNOLOGIES GROUP (THAILAND) COMPANY LIMITED	-	4	-	-	12	-	51	Director's related persons
MUANG THAI MANAGEMENT SECURITY GUARD COMPANY LIMITED**	-	25	-	-	-	-	99.99	Indirect holding through related entity
M&A GUARD SERVICE CO., LTD.	-	4	-	-	8	-	35	Director's related persons
WABI SABI STUDIO CO., LTD.	-	10	-	-	6	-	-	Director's related persons
VESCO PHARMACEUTICAL CO., LTD.	-	5	1	-	8	1	25.32	Director's related persons
SALAYA GOLF CO., LTD.	-	2	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
STORMBREAKER VENTURE COMPANY LIMITED	-	5	-	-	8	-	60 30	Indirect holding through related entity Mr. Saravoot Yoovidhya
STILLWATER STUDIO LTD.	8	1	-	3	7	-	45	Director's related persons
SATHIRA PHATTANA CO., LTD.*	-	-	-	-	7	-	-	-
SOMTHAKHOY COMPANY LIMITED	-	1	-	-	1	-	99.97	Mr. Saravoot Yoovidhya and related persons
SAMUTSONGKRAM SUPERMARKET AND FOOD CENTER CO., LTD.	-	12	-	-	10	-	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**	-	5	-	-	-	-	99.67	Indirect holding through related entity
SIAM WINERY COMPANY LIMITED**	-	310	30	-	-	-	100	Indirect holding through related entity
SIAM WINERY TRADING PLUS COMPANY LIMITED**	-	122	2	-	-	-	74.66	Indirect holding through related entity
SIAM WINERY COMMERCIAL COMPANY LIMITED**	1	188	-	-	-	-	98.85	Indirect holding through related entity
SIAM WINERY HOLDING COMPANY LIMITED	-	5	-	-	5	-	31.98	Director's related persons
SIAM AIRNET COMPANY LIMITED**	-	6	4	-	-	-	98.57	Indirect holding through related entity

* In 2020, the entity was not related to the Bank.

** In 2019, the entity was not related to the Bank.

(Million Baht)

	2020			2019			Percentage of shares held (%)	Director / Co-President / Shareholder and Relationship
	Loans	Deposits	Contingencies	Loans	Deposits	Contingencies		
BAN SANG OPENING ZOO CO., LTD.	-	13	-	-	10	-	99.97	Mr. Saravoot Yoovidhya and related persons
PUNYARIDDNI LAW OFFICE COMPANY LIMITED**	-	3	-	-	-	-	99.99	Ms. Chonchanum Soonthomsaratoon
SUPAPRAT LIMITED PARTNERSHIP*	-	-	-	2	1	-	-	-
SUWINTHAWONG GOLF CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
NHONGPLATAPHIEN GOLF COMPANY LIMITED	-	4	-	-	3	-	100	Mr. Saravoot Yoovidhya and related persons
NONGPHO GOLF COMPANY LIMITED	-	17	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
HAADKAEOW GOLDEN SAND CO., LTD.	-	4	1	-	2	1	11.24	Director's related persons
ALUMET CO., LTD.	519	2	31	436	2	42	48 28	Indirect holding through related entity Director's related persons
INTER SAUCE PRODUCT CO., LTD.	-	1	-	-	1	-	100	Mr. Saravoot Yoovidhya and related persons
H.R. SERVICES COMPANY LIMITED**	-	1	-	-	-	-	99.93	Indirect holding through related entity
AC RESORT CO., LTD.	-	4	-	-	4	-	84.01	Dr. Abhijai Chandrasen and related persons
M&A CONSULTANTS RECRUITMENT CO., LTD.	-	1	-	-	1	-	55	Director's related persons
STR PROPERTY DEVELOPMENT CO., LTD.	-	3	-	-	2	-	100	Director's related persons
HEALTHVEN COMPANY LIMITED**	-	1	-	-	-	-	99.99	Indirect holding through related entity
I C P INTERNATIONAL CO., LTD.*	-	-	-	474	27	2	-	-
HI-GEAR CO., LTD.*	-	-	-	-	17	-	-	-

* In 2020, the entity was not related to the Bank.

** In 2019, the entity was not related to the Bank.

Details of Related Party Transaction in the past three years for comparison can be found on the Bank's website www.kasikornbank.com, under the "Investor Relations" section, "Financial Info" subsection on "Financial Reports".

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 2020, 2019 and 2018.

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.

Summary of Independent Auditor's Report 2018

An auditor expressed an unqualified opinion on the consolidated financial statement and the Bank-only financial statement for the year ended 31 December 2018.

For the financial statements and the notes to the financial statements for the year ending 31 December 2020, details can be found on the Attachment 9 Financial Statements and Notes to the Financial Statements, page 202 - 353.

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		
	2020	2019	2018
ASSETS			
Cash	61,962,028	61,384,882	66,739,598
Interbank and money market items - net	417,419,545	385,940,044	461,987,288
Financial assets measured at fair value through profit or loss	46,666,317	-	-
Derivative assets	59,986,346	41,779,104	26,195,493
Investments - net	775,738,968	774,640,434	661,655,219
Investments in subsidiaries, associates and joint venture - net	2,051,175	2,059,168	916,679
Loans to customers and accrued interest receivables - net	2,121,700,105	1,879,907,006	1,797,973,745
Properties foreclosed - net	28,034,547	24,988,217	22,213,586
Premises and equipment - net	57,629,924	52,697,530	48,525,133
Goodwill and other intangible assets - net	23,834,166	23,477,175	24,089,024
Deferred tax assets	10,255,761	8,434,941	6,694,782
Other assets - net	53,518,877	38,580,488	38,100,262
Total Assets	3,658,797,759	3,293,888,989	3,155,090,809

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	Consolidated		
	As of 31 December		
	2020	2019	2018
LIABILITIES AND EQUITY			
Deposits	2,344,998,490	2,072,048,888	1,995,000,637
Interbank and money market items	87,797,449	81,628,362	128,003,006
Liabilities payable on demand	26,443,268	21,678,948	25,488,433
Financial liabilities measured at fair value through profit or loss	286,816	-	-
Derivative liabilities	46,826,209	30,244,242	21,739,574
Debts issued and borrowings	69,389,789	81,824,302	70,566,887
Provisions	40,382,546	29,292,247	24,489,636
Deferred tax liabilities	1,694,649	1,512,456	1,615,016
Insurance contract liabilities	472,015,127	446,094,859	410,747,873
Other liabilities	77,677,367	75,849,966	59,617,825
Total Liabilities	3,167,511,710	2,840,174,270	2,737,268,887
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821		
3,048,614,697 common shares, Baht 10 par value		30,486,147	30,486,147
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	-	-
2,393,260,193 common shares, Baht 10 par value	-	23,932,602	23,932,602
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	-	-
Other reserves	20,219,325	22,236,724	19,121,516
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	359,054,745	339,035,179	312,090,325
Total Equity attributable to equity holders of the Bank	439,669,630	406,357,615	376,297,553
Non-controlling interests	51,616,419	47,357,104	41,524,369
Total Equity	491,286,049	453,714,719	417,821,922
Total Liabilities and Equity	3,658,797,759	3,293,888,989	3,155,090,809

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	As of 31 December		
	2020	2019	2018
ASSETS			
Cash	61,920,050	61,350,977	66,702,497
Interbank and money market items - net	421,151,618	382,401,383	433,637,801
Financial assets measured at fair value through profit or loss	24,741,742	-	-
Derivative assets	55,591,660	38,108,237	25,253,216
Investments - net	268,329,632	270,321,656	224,815,062
Investments in subsidiaries, associates and joint venture - net	36,062,557	30,519,624	30,575,493
Loans to customers and accrued interest receivables - net	2,066,637,672	1,828,588,142	1,755,058,293
Properties foreclosed - net	28,011,870	24,900,232	22,095,753
Premises and equipment - net	46,191,969	42,394,517	38,463,014
Goodwill and other intangible assets - net	17,429,868	17,304,093	18,208,983
Deferred tax assets	7,081,985	6,505,708	4,431,038
Other assets - net	28,256,508	21,660,876	21,908,381
Total Assets	3,061,407,131	2,724,055,445	2,641,149,531

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	As of 31 December		
	2020	2019	2018
LIABILITIES AND EQUITY			
Deposits	2,340,470,350	2,065,668,929	1,991,422,958
Interbank and money market items	109,510,714	90,337,364	136,452,344
Liabilities payable on demand	26,443,268	21,678,948	25,488,433
Derivative liabilities	47,144,356	31,548,047	22,010,827
Debts issued and borrowings	68,771,154	81,666,443	70,446,196
Provisions	38,031,210	27,235,020	22,834,534
Other liabilities	39,859,877	42,960,783	34,366,203
Total Liabilities	2,670,230,929	2,361,095,534	2,303,021,495
Equity			
Share capital			
Authorized share capital			
3,024,682,097 common shares, Baht 10 par value	30,246,821		
3,048,614,697 common shares, Baht 10 par value		30,486,147	30,486,147
Issued and paid-up share capital			
2,369,327,593 common shares, Baht 10 par value	23,693,276	-	-
2,393,260,193 common shares, Baht 10 par value	-	23,932,602	23,932,602
Premium on common shares	18,103,110	18,103,110	18,103,110
Other equity instruments	15,549,174	-	-
Other reserves	17,350,747	18,657,265	16,645,491
Retained earnings			
Appropriated			
Legal reserve	3,050,000	3,050,000	3,050,000
Unappropriated	313,429,895	299,216,934	276,396,833
Total Equity attributable to equity holders of the Bank	391,176,202	362,959,911	338,128,036
Total Liabilities and Equity	3,061,407,131	2,724,055,445	2,641,149,531

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		
	2020	2019	2018
Interest income	127,591,781	130,177,756	123,921,919
Interest expenses	18,569,976	27,489,916	25,384,411
Interest income - net	109,021,805	102,687,840	98,537,508
Fees and service income	45,698,898	50,579,982	51,186,823
Fees and service expenses	12,694,548	13,839,796	13,069,478
Fees and service income - net	33,004,350	36,740,186	38,117,345
Gain on financial instrument measured at fair value through profit or loss	8,119,419	-	-
Gain on trading and foreign exchange transactions	-	8,361,986	9,003,084
Gain on investments	1,308,312	8,412,377	2,652,340
Share of (loss) profit from investments using equity method	(193,346)	44,079	49,539
Dividend income	2,384,312	2,816,764	2,117,832
Net premiums earned	72,128,657	80,489,512	91,434,083
Other operating income	1,682,381	1,591,716	1,468,024
Total operating income	227,455,890	241,144,460	243,379,755
Underwriting expenses	72,564,619	80,653,349	87,897,063
Total operating income - net	154,891,271	160,491,111	155,482,692
Other operating expenses			
Employee expenses	32,143,480	33,261,168	31,369,411
Directors' remuneration	160,006	158,743	143,221
Premises and equipment expenses	12,165,157	12,909,579	12,648,522
Taxes and duties	5,088,132	5,031,256	4,867,417
Others	20,439,836	21,368,500	19,319,098
Total other operating expenses	69,996,611	72,729,246	68,347,669
Expected credit loss	43,547,841	-	-
Impairment loss on loans and debt securities	-	34,011,648	32,532,200
Operating profit before income tax expense	41,346,819	53,750,217	54,602,823
Income tax expense	7,656,326	10,309,253	10,394,614
Net profit	33,690,493	43,440,964	44,208,209

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		
	2020	2019	2018
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain on investments in debt instruments measured at fair value through other comprehensive income	641,282	-	-
Gain (loss) on remeasurement of available-for-sale investments	-	2,600,266	(6,417,275)
Loss on cash flow hedges	(4,657,662)	-	-
Loss arising from translating the financial statements of a foreign operation	(477,546)	(198,573)	(353,479)
Income taxes relating to components of other comprehensive income	872,158	(502,173)	1,264,117
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	1,016,412	4,503,461	-
Loss on investments in equity instruments designated at fair value through other comprehensive income	(4,585,536)	-	-
Actuarial loss on defined benefit plans	(192,875)	(2,979,080)	2,290,800
Income taxes relating to components of other comprehensive income	778,770	(326,508)	(454,466)
Total other comprehensive income - net	(6,604,997)	3,097,393	(3,670,303)
Total comprehensive income	27,085,496	46,538,357	40,537,906
Net profit attributable to:			
Equity holders of the Bank	29,487,117	38,726,742	38,459,116
Non-controlling interests	4,203,376	4,714,222	5,749,093
Total comprehensive income attributable to:			
Equity holders of the Bank	26,382,910	39,647,221	37,250,512
Non-controlling interests	702,586	6,891,136	3,287,394
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	12.42	16.18	16.07
Weighted average number of common shares (Thousand shares)	2,373,316	2,393,260	2,393,260

Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	For the year ended 31 December		
	2020	2019	2018
Interest income	104,426,672	107,766,846	103,099,060
Interest expenses	18,152,230	27,196,930	25,209,606
Interest income - net	86,274,442	80,569,916	77,889,454
Fees and service income	41,712,345	47,090,218	48,289,397
Fees and service expenses	12,073,161	13,581,783	12,751,251
Fees and service income - net	29,639,184	33,508,435	35,538,146
Gain on financial instrument measured at fair value through profit or loss	7,072,278	-	-
Gain on trading and foreign exchange transactions	-	8,620,243	8,845,731
Gain on investments	1,178,699	6,660,873	1,228,899
Dividend income	5,277,453	5,706,898	3,877,313
Other operating income	3,108,401	3,044,293	2,748,994
Total operating income	132,550,457	138,110,658	130,128,537
Other operating expenses			
Employee expenses	22,923,404	24,395,262	22,645,594
Directors' remuneration	108,079	101,628	87,951
Premises and equipment expenses	12,453,092	12,969,360	12,537,303
Taxes and duties	4,410,450	4,412,611	4,270,705
Others	20,547,291	21,210,678	19,203,638
Total other operating expenses	60,442,316	63,089,539	58,745,191
Expected credit loss	42,430,991	-	-
Impairment loss on loans and debt securities	-	33,437,174	31,864,830
Operating profit before income tax expense	29,677,150	41,583,945	39,518,516
Income tax expense	4,712,226	7,138,292	6,955,977
Net profit	24,964,924	34,445,653	32,562,539

Statements of Profit or Loss and Other Comprehensive Income

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	For the year ended 31 December		
	2020	2019	2018
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain on investments in debt instruments measured at fair value through other comprehensive income	630,562	-	-
Loss on remeasurement of available-for-sale investments	-	(1,753,305)	(1,133,364)
Loss on cash flow hedges	(1,031,459)	-	-
Loss arising from translating the financial statements of a foreign operation	(545,479)	(16,260)	(5,094)
Income taxes relating to components of other comprehensive income	189,275	351,718	226,778
Items that will not be reclassified subsequently to profit or loss			
Changes in revaluation surplus	-	4,503,461	-
Loss on investments in equity instruments designated at fair value through other comprehensive income	(424,624)	-	-
Actuarial (loss) gain on defined benefit plans	(201,384)	(2,784,279)	2,167,191
Income taxes relating to components of other comprehensive income	125,201	(343,836)	(433,438)
Total other comprehensive income - net	(1,257,908)	(42,501)	822,073
Total comprehensive income	23,707,016	34,403,152	33,384,612
Earnings per share of equity holders of the Bank			
Basic earnings per share (Baht)	10.52	14.39	13.61
Weighted average number of common shares (Thousand shares)	2,373,316	2,393,260	2,393,260

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	Consolidated		
	For the year ended 31 December		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	41,346,819	53,750,217	54,602,823
Adjustments for			
Depreciation and amortisation	8,736,206	7,558,646	7,393,400
Expected credit loss	38,899,155	-	-
Bad debt and doubtful accounts	-	33,693,567	31,408,842
Loss on modified loan	9,100,343	-	-
Loss on debt restructuring	-	3,454,177	3,406,050
Interest income from amortisation of revaluation allowance for debt restructuring	(961,830)	(1,461,412)	(847,387)
(Gain) Loss on foreign exchange translation of long-term borrowings	-	(29,168)	92,612
Loss on revaluation of financial assets measured at fair value through profit or loss	5,343,390	-	-
(Gain) Loss on revaluation of trading investments	-	(18,518)	359,736
Gain on disposal of investments	(1,308,312)	(8,412,377)	(2,651,692)
Gain on disposal of investments in associated companies	-	-	(648)
Loss on impairment of properties foreclosed	1,125,161	1,145,719	738,831
Loss on impairment of premises and equipment	215,823	81,218	131,456
Loss on impairment of other assets	432,750	147,663	-
Provision for other assets	417,621	252,918	221,330
(Gain) Loss on disposal of premises and equipment	(19,148)	(12,434)	4,669
Loss on write off of premises and equipment	24,468	9,866	18,828
Loss on write off of other assets	72	46,335	223,038
Reversal of loss on revaluation of premises	(4,245)	(39,748)	-
Share of loss (profit) from investments using equity method	193,346	(44,079)	(49,539)
	103,541,619	90,122,590	95,052,349
Interest income - net	(109,021,805)	(102,687,840)	(98,537,508)
Dividend income	(2,384,312)	(2,816,764)	(2,117,832)
Proceeds from interest	116,043,076	127,421,756	125,704,797
Interest paid	(21,297,620)	(26,536,168)	(24,186,416)
Proceeds from dividends	2,425,317	2,880,840	2,250,526
Income tax paid	(10,536,978)	(11,590,939)	(11,261,226)
Operating profit before changes in operating assets and liabilities	78,769,297	76,793,475	86,904,690

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	Consolidated		
	For the year ended 31 December		
	2020	2019	2018
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	(31,462,964)	70,082,444	(38,112,115)
Financial assets measured at fair value through profit or loss	13,716,889	-	-
Investments held for trading	-	2,913,148	4,164,079
Loans to customers	(282,430,231)	(123,618,491)	(135,333,394)
Properties foreclosed	3,984,785	3,651,381	3,176,627
Other assets	(34,376,733)	(17,956,383)	4,728,562
Increase (Decrease) in operating liabilities			
Deposits	272,254,625	78,005,771	116,821,809
Interbank and money market items (liabilities)	4,807,529	(44,756,951)	58,548,958
Liabilities payable on demand	4,764,525	(3,809,451)	4,240,449
Financial liabilities measured at fair value through profit or loss	286,816	-	-
Short-term debts issued and borrowings	460,776	37,168	(144,955)
Other accrued expenses	(2,099,214)	765,205	(511,571)
Provisions	9,526,923	1,823,531	1,380,546
Other liabilities	47,533,280	58,283,379	45,534,518
Net cash provided by operating activities	85,736,303	102,214,226	151,398,203
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	360,951,901	-	-
Proceeds from redemption of investments measured at amortised cost	25,567,639	-	-
Proceeds from disposal of available-for-sale investments	-	335,211,340	210,040,286
Proceeds from redemption of held-to-maturity debt instruments	-	64,125,877	55,298,456
Proceeds from disposal of general investments	-	84,650	36,634
Proceeds from disposal of investments in associate	240	190	893
Purchase of investments measured at fair value through other comprehensive income	(367,437,899)	-	-
Purchase of investments measured at amortised cost	(79,251,074)	-	-
Purchase of available-for-sale investments	-	(393,390,086)	(313,382,932)
Purchase of held-to-maturity debt instruments	-	(109,657,086)	(87,825,080)
Purchase of general investments	-	(570,351)	(2,219,724)
Purchase of investments in associate and joint venture	(250,814)	(1,186,957)	(136,415)
Proceeds from disposal of premises and equipment	64,155	32,354	26,158
Proceeds from disposal of intangible assets	-	104,111	-
Purchase of premises and equipment	(6,403,502)	(3,426,002)	(2,200,323)
Purchase of leasehold	(16,115)	(50,536)	(8,069)
Purchase of intangible assets	(3,814,503)	(2,740,371)	(2,533,873)
Net cash used in investing activities	(70,589,972)	(111,462,867)	(142,903,989)

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	Consolidated		
	For the year ended 31 December		
	2020	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	190,124	25,441,885	17,232,803
Repayment of long-term debts issued and borrowings	(14,596,172)	(10,922,330)	(16,292,321)
Proceeds from acquisition of non-controlling interests	-	175,000	-
Dividend paid to shareholders	(10,661,974)	(9,573,041)	(9,573,041)
Dividend paid to non-controlling interests	(463,249)	(1,221,466)	(944,710)
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 treasury shares	(3,207,966)	-	-
Cash payment for lease liabilities	(1,368,474)	-	-
Net cash (used in) provided by financing activities	(14,566,156)	3,900,048	(9,577,269)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	(3,029)	(6,123)	(1,975)
Net increase (decrease) in cash	577,146	(5,354,716)	(1,085,030)
Cash at the beginning of the year	61,384,882	66,739,598	67,824,628
Cash at the end of the year	61,962,028	61,384,882	66,739,598

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	For the year ended 31 December		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit before income tax expense	29,677,150	41,583,945	39,518,516
Adjustments for			
Depreciation and amortisation	7,639,214	6,656,414	6,568,869
Expected credit loss	37,658,480	-	-
Bad debt and doubtful accounts	-	33,003,193	30,610,080
Loss on modified loan	9,112,882	-	-
Loss on debt restructuring	-	3,448,991	3,403,405
Interest income from amortisation of revaluation allowance for debt restructuring	(960,582)	(1,457,035)	(842,127)
(Gain) Loss on foreign exchange translation of long-term borrowings	-	(29,168)	92,612
Loss on revaluation of financial assets measured at fair value through profit or loss	4,796,589	-	-
Gain on revaluation of trading investments	-	(9,056)	(7,114)
Reversal of loss on impairment of investments	(80,000)	(60,000)	(110,000)
Gain on disposal of investments in securities	(1,098,699)	(6,600,874)	(1,118,899)
Loss on impairment of properties foreclosed	1,141,314	1,130,534	710,562
Loss on impairment of premises and equipment	215,823	81,218	131,456
Loss on impairment of other assets	432,750	147,663	-
Provision for other assets	417,618	252,918	221,330
(Gain) Loss on disposal of premises and equipment	(9,109)	3,302	12,186
Loss on write off of premises and equipment	7,891	8,575	18,125
Loss on write off of other assets	72	43,104	225,031
Reversal of loss on revaluation of premises	-	(39,748)	-
	88,951,393	78,163,976	79,434,032
Interest income - net	(86,274,442)	(80,569,916)	(77,889,454)
Dividend income	(5,277,453)	(5,706,898)	(3,877,313)
Proceeds from interest	93,240,128	106,570,592	106,920,226
Interest paid	(21,059,273)	(26,361,248)	(24,089,413)
Proceeds from dividends	5,225,071	5,709,445	3,876,802
Income tax paid	(6,657,205)	(7,609,540)	(6,984,098)
Operating profit before changes in operating assets and liabilities	68,148,219	70,196,411	77,390,782

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	For the year ended 31 December		
	2020	2019	2018
(Increase) Decrease in operating assets			
Interbank and money market items (assets)	(39,584,854)	46,867,465	(32,607,843)
Financial assets measured at fair value through profit or loss	9,740,327	-	-
Investments held for trading	-	3,523,515	3,388,136
Loans to customers	(278,725,246)	(114,334,525)	(128,834,086)
Properties foreclosed	3,281,022	3,165,080	2,678,610
Other assets	(25,851,137)	(13,558,188)	4,121,060
Increase (Decrease) in operating liabilities			
Deposits	274,708,647	74,355,701	115,728,952
Interbank and money market items (liabilities)	19,309,610	(45,052,160)	53,816,196
Liabilities payable on demand	4,764,525	(3,809,451)	4,240,449
Other accrued expenses	(2,010,689)	623,807	(445,504)
Provisions	9,269,611	1,616,207	1,055,329
Other liabilities	14,191,308	15,251,631	(1,929,634)
Net cash provided by operating activities	57,241,343	38,845,493	98,602,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments measured at fair value through other comprehensive income	253,619,245	-	-
Proceeds from redemption of investments measured at amortised cost	10,482,722	-	-
Proceeds from disposal of available-for-sale investments	-	225,172,980	193,795,582
Proceeds from redemption of held-to-maturity debt instruments	-	45,648,959	45,567,835
Proceeds from disposal of general investments	-	84,650	24,000
Proceeds from capital decrease in subsidiary	80,000	60,000	110,000
Purchase of investments measured at fair value through other comprehensive income	(252,796,370)	-	-
Purchase of investments measured at amortised cost	(40,120,084)	-	-
Purchase of available-for-sale investments	-	(259,204,232)	(285,813,904)
Purchase of held-to-maturity debt instruments	-	(54,963,389)	(38,572,648)
Purchase of general investments	-	(124,722)	(382,173)
Purchase of investments in subsidiaries	(4,863,698)	(999,773)	(2,502,500)
Purchase of investments in associate	(814)	(160,962)	-
Proceeds from disposal of premises and equipment	26,002	9,703	11,348
Proceeds from disposal of intangible assets	-	104,111	-
Purchase of premises and equipment	(5,744,980)	(2,524,856)	(1,277,349)
Purchase of leasehold	(12,863)	(50,536)	(8,069)
Purchase of intangible assets	(3,318,384)	(2,192,364)	(2,006,088)
Net cash used in by investing activities	(42,649,224)	(49,140,431)	(91,053,966)

Statements of Cash Flows

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	The Bank		
	For the year ended 31 December		
	2020	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term debts issued and borrowings	190,124	25,441,885	17,232,803
Repayment of long-term debts issued and borrowings	(14,596,172)	(10,922,330)	(16,292,321)
Dividend paid to shareholders	(10,661,974)	(9,573,041)	(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 treasury shares	(3,207,966)	-	-
Cash payment for lease liabilities	(1,288,746)	-	-
Net cash (used in) provided by financing activities	(14,023,179)	4,946,514	(8,632,559)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year	133	(3,096)	(805)
Net increase (decrease) in cash	569,073	(5,351,520)	(1,084,883)
Cash at the beginning of the year	61,350,977	66,702,497	67,787,380
Cash at the end of the year	61,920,050	61,350,977	66,702,497

Attachment

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Attachment 1 Details on Board of Directors, Executives, Controlling Persons and Corporate Secretary

Board of Directors, Executives, Controlling Persons and Corporate Secretary

As of December 31, 2020

1. Ms. Kobkarn Wattanavrangkul

Chairperson of the Board

Lead Independent Director

Age 60

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

- 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

Apr. 2020 - Present	Chairperson of the Board, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Present	Lead Independent Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - May 2020	Chairperson of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - May 2020	Chairperson of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Apr. 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

Oct. 2020 - Present	Director, Thai Electric Industries Company Limited
Feb. 2020 - Present	Director, Nikornkij & Sons Company Limited
Feb. 2020 - Present	Director, Superlite N.K.S. Holding Company Limited
Feb. 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

- President, Dr. Korn-Thanpuying Niramol Suriyasat Foundation
- Honorary President, Thai-Japanese Association
- Member of the Board of Trustees,
Sirindhorn International Institute of Technology
- 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 Public Sector Development Sub-committee on
Driving Public Sector for the Future
- Advisor, The Thai Chamber of Commerce
- Advisor to the President, The Federation of Business
and Professional Woman's Associations of Thailand

Family Relationship None

2. Ms. Sujitpan Lamsam

Vice Chairperson

Member of the Risk Oversight Committee

Age 62

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
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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

Family Relationship

- Aunt of Mr. Sara Lamsam

3. Ms. Kattiya Indaravijaya

Director

Chief Executive Officer

Member of the Risk Oversight Committee
(Authorized Signature)

Age 55

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

Nov. 2020 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
Apr. 2020 - Present	Chief Executive Officer, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Jan. 2020	Director, BEACON VENTURE CAPITAL COMPANY LIMITED
2016 - Oct. 2020	Chairperson, KASIKORN RESEARCH CENTER COMPANY LIMITED
2016 - Apr. 2020	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2016 - Jan. 2020	Chairperson, KASIKORN ASSET MANAGEMENT COMPANY LIMITED
2014 - 2015	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - 2019	Director, Muang Thai Group Holding Company Limited
2010 - 2018	Member of the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2009 - 2015	Director, KASIKORN LEASING 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 53

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 - Jan. 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
2010 - 2015	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

Jan. 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

Family Relationship None

5. Mr. Patchara Samalapa

Director

President

(Authorized Signature)

Age 50

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**

Jan. 2020 - Present	Chairman, KASIKORN ASSET MANAGEMENT COMPANY LIMITED
2018 - Present	Chairman, KASIKORN LINE COMPANY LIMITED
2013 - Present	Director, Thai Eastern Property Company Limited

Family Relationship None

6. Mr. Krit Jitjang

Director

President

Member of the Risk Oversight Committee

Age 49

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

Nov. 2020 - Present	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
Sep. 2020 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
Sep. 2020 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Oct. 2020	Director, KASIKORN SECURITIES PUBLIC COMPANY LIMITED
2018 - Sep. 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 - Sep. 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 - 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
2010 - 2015	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies None

Positions in Non-listed Companies

Oct. 2020 - Present	Chairman, KASIKORN RESEARCH COMPANY LIMITED
May 2020 - Present	Director, National Credit Bureau Company Limited
2017 - Present	Director, KASIKORN X COMPANY LIMITED
2014 - Present	Chairman, PROGRESS MANAGEMENT COMPANY LIMITED
2014 - Present	Chairman, PROGRESS COLLECTION COMPANY LIMITED

Family Relationship None

7. Dr. Pipatpong Poshyanonda

Director

President

Age 53

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

Sep. 2020 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
Sep. 2020 - Present	President, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Sep. 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

Oct. 2020 - Present	Chairman, KASIKORN LEASING COMPANY LIMITED
Oct. 2020 - Present	Chairman, KASIKORN FACTORY AND EQUIPMENT COMPANY LIMITED
Oct. 2020 - Present	Director, National ITMX Company Limited
2018 - Present	Chairman, PROGRESS PLUS COMPANY LIMITED
2018 - Present	Chairman, PROGRESS APPRAISAL COMPANY LIMITED
2018 - Present	Chairman, PROGRESS FACILITIES MANAGEMENT COMPANY LIMITED
2018 - Present	Chairman, PROGRESS SERVICE SECURITY GUARD COMPANY LIMITED
2018 - Present	Chairman, PROGRESS STORAGE COMPANY LIMITED
2018 - Present	Chairman, PROGRESS SERVICE SUPPORT COMPANY LIMITED
2017 - Present	Director, PP Posh Company Limited
2015 - Present	Director, PNP 2015 Company Limited

Family Relationship None

8. Dr. Abhijai Chandrasen

Director and Legal Adviser

Member of the Human Resources and Remuneration Committee

Age 72

Date of Appointment

April 4, 2000

Education

- Docteur en Droit (Honors), Paris University (Sorbonne), France
- Barrister-at-Law, Thailand
- Bachelor's Degree (Honors) (Law), Chulalongkorn University

Training Program

- Board Nomination and Compensation Program (BNCP) Class 3/2018, Thai Institute of Directors Association
- Audit Committee Program (ACP) Class 24/2008, Thai Institute of Directors Association
- Role of the Compensation Committee (RCC) Class 2/2007, Thai Institute of Directors Association
- Developing Corporate Governance Policy 2006, Thai Institute of Directors Association
- Finance for Non-Finance Director Class 11/2004, Thai Institute of Directors Association
- Director Accreditation Program (DAP) Class 5/2003, Thai Institute of Directors Association

Experience over Past 5 Years

2011 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2000 - Present	Director and Legal Adviser, KASIKORNBANK PUBLIC COMPANY LIMITED
2008 - 2015	Eminent Director, The National Commission on the Elderly, Office of the Prime Minister
1994 - 2019	Legal Adviser, The Chaipattana Foundation

Positions in Other Listed Companies

2016 - Present	Director and Member of the Audit Committee, TPI Polene Power Public Company Limited
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Positions in Non-listed Companies

2005 - Present	Director, Siam Motors Company Limited
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Other Affiliations

- Eminent Director, The National Commission on the Elderly, Office of the Prime Minister
- Expert Committee, The Property Management Committee, Chulalongkorn University
- Member of the Council, The Thai Red Cross Society
- Member of the Committee, The Chaipattana Foundation
- Member of the Board, Rakpanan Foundation under Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn

Family Relationship None

9. Sqn.Ldr. Nalinee Paiboon, M.D.

Independent Director

Chairperson of the Corporate Governance Committee

Age 62

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 (Business Administration), 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

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

May 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

Family Relationship None

10. Mr. Saravoot Yoovidhya

Independent Director

Member of the Audit Committee

Member of the Risk Oversight Committee

Age 50

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

Experience over Past 5 Years

May 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
2013 - 2015	Member of the Corporate Governance Committee, 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
1994 - 2015	Managing Director, T.C. Pharmaceutical Industries Company Limited
1994 - 2015	Managing Director, The Red Bull Beverage Company Limited

Positions in Other Listed Companies None

Positions in Non-listed Companies

May 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, 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, Nhongplataphen 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.Romglao 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**11. Dr. Piyasvasti Amranand**

Independent Director

Chairman of the Risk Oversight Committee

Age 67

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

May 2020 - Present	Chairman of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - May 2020	Member of the Risk Oversight Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - May 2020	Chairman of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Jan. 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
2013 - 2015	Member of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Positions in Other Listed Companies

May 2020 - Present	Director and Rehabilitation Planner, 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**12. Mr. Kalin Sarasin**

Independent Director

Chairman of the Audit Committee

Member of the Human Resources and Remuneration Committee

Age 59

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

May 2020 - Present	Chairman of the Audit Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2013 - Present	Member of the Human Resources and Remuneration Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
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 - 2015	Member of the Examination and Evaluation Committee, Ministry of Finance
2013 - 2015	Secretary General, The Thai Chamber of Commerce and Board of Trade of Thailand
1995 - 2018	Director, Pan Rayong Glass Packaging Company Limited

Positions in Other Listed Companies

2020 - Present	Director, BeerCo Limited, Singapore
2013 - Present	Director-Government Liaison and Public Affairs, The Siam Cement Public Company Limited

Positions in Non-listed Companies

2019 - Present	Director, Toppan (Thailand) Company Limited
2019 - Present	Chairman, Suvarnabhumi Airport Hotel Company Limited
2017 - Present	Director, Toyota Motor Thailand Company Limited
2013 - Present	Director, SCG International Corporation Company Limited
2004 - Present	Director, Sarasin Company Limited
2004 - Present	Director, Seatran Port Company Limited

Other Affiliations

- 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
- Head of Tourism and Creative Economy Working Group, Bioeconomy, Circular Economy and Green Economy Model (BCG Model)
- 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
- 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 Eastern Economic Corridor Policy 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 Committee, Anti-Corruption Organization of Thailand Foundation
- 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

13. Mr. Wiboon Khusakul

Independent Director

Member of the Corporate Governance Committee

Age 66

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

2015 - Present	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Member of the Corporate Governance Committee, 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 International Advisory Committee, Fudan University, Shanghai

Family Relationship None

14. 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 56

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 (AAP) 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

May 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	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Present	Member of the Audit Committee, 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, Pharam 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
2015	Adviser to the Chief Executive Officer, Thaicom Public Company Limited
2012 - 2015	Director, TC Broadcasting Company Limited
2011 - 2015	Director, Chairman of the Executive Committee and Chief Executive Officer, Thaicom Public Company Limited
2011 - 2015	Member of the Executive Committee and Chairman of the Management Committee - Media & New Business, Intouch Holding Public Company Limited
2011 - 2015	Chairman of the Board and the Executive Committee, Shenington Investments Pte
2011 - 2015	Director and Chairman of the Executive Committee, the Remuneration Committee and the Nomination and Corporate Governance Committee, CS LoxInfo Public Company Limited
2011 - 2015	Member of the Executive Committee, Advanced Info Service Public Company Limited

Positions in Other Listed Companies

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

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
- Qualified 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

15. Mr. Sara Lamsam

Director

Member of the Corporate Governance Committee

Age 51

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
- 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
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
2009 - 2016	Director, Thai Reinsurance Public Company Limited
2009 - 2015	Director, Board of Trade of Thailand
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

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	President and 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
1998 - Present	Director, Yupayong Company Limited

Other Affiliations

- President, The Thai Life Assurance Association
- Director, The Financial Planners Association
- Director, The Federation of Thai Insurance Organizations
- Advisor, The Thai Chamber of Commerce
- Advisor, The Society of Actuaries of Thailand

Family Relationship

- Nephew of Ms. Sujitpan Lamsam

16. Mr. Chanin Donavanik

Independent Director

Member of the Corporate Governance Committee

Age 64

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	Director, KASIKORNBANK PUBLIC COMPANY LIMITED
2017 - Present	Member of the Corporate Governance Committee, 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
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
2006 - 2015	Managing Director and Chief Executive Officer, Dusit Thani Public 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

Mar. 2020 - Present	Director, 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	Chairman, Dusit Hospitality Education Philippines, Inc.
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

17. Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya

Independent Director**Member of the Audit Committee****Member of the Risk Oversight Committee****Age** 41**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 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

May 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 - Apr. 2020	Director, Tanara Company Limited
2016 - Jul. 2020	Chief Executive Officer, Candy Crepe Company Limited
2010 - Oct. 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

Family Relationship None

18. Ms. Chonchanum Soonthornsaratoon

Director

Member of the Corporate Governance Committee

Age 52

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

- 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

May 2020 - Present Member of Corporate Governance Committee, KASIKORNBANK PUBLIC COMPANY LIMITED

Apr. 2020 - Present Director, KASIKORNBANK PUBLIC COMPANY LIMITED

2000 - Sep. 2020 Director, Theptanyapa Company Limited

Positions in Other Listed Companies

None

Positions in Non-listed Companies

2000 - Present Director and Legal Adviser, Punyariddhi Law Office Company Limited

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

19. Dr. Adit Laixuthai

Corporate Secretary

Senior Executive Vice President

Corporate Secretariat Division Head

Age 56

Education

- Ph.D. (Public Health Sciences - 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

2010 - 2015 Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KASIKORN RESEARCH CENTER COMPANY LIMITED

Other Affiliations

- Member of the Board, KASIKORN FOUNDATION
- Member of the Board and Secretary, Rakpanan Foundation under Royal Patronage of Her Royal Highness Princess Maha Chakri Sirindhorn
- Member of the Council, Vidyasirimedhi Institute of Science and Technology (VISTEC)

Family Relationship None

20. Mr. Wirawat Panthawangkun

Senior Executive Vice President

Age 48

Education

- Master's Degree (Business Administration - Financial Engineering), Sloan School of Management, Massachusetts Institute of Technology, USA

Training Program

- Director Certification Program (DCP) Class 143/2011, Thai Institute of Directors Association

Experience over Past 5 Years

2015 - Present	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2019 - 2020	Director, National Credit Bureau Company Limited
2019	Director, KASIKORN GLOBAL PAYMENT COMPANY LIMITED
2010 - 2018	Member and Secretary to the Risk Management Committee, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2016	Director, KASIKORN LEASING COMPANY LIMITED
2011 - 2016	Director, Thanyathanathavee Company Limited
2011 - 2016	Director, Thanyathamrongkij Company Limited
2010 - 2015	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Executive Chairman, KASIKORN VISION COMPANY LIMITED
- Director, KASIKORN LINE COMPANY LIMITED
- Director, Muang Thai Group Holding Company Limited
- Supervisor, KASIKORNBANK (CHINA) COMPANY LIMITED

Family Relationship None

21. Mr. Thiti Tantikulanan

Capital Markets Business Division Head*

Age 51

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
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
- Director, TRIS Corporation 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.

22. Mr. Jirawat Supornpaibul

Private Banking Group Head*

Age 52

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
2013 - 2015	Private Banking Business Head, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, Crystal Football Club Company Limited

Family Relationship None

* This position is equivalent to Senior Executive Vice President.

23. Mr. Chongrak Rattanapian

Senior Executive Vice President

Finance and Control Division Head and Chief Financial Officer

Age 52

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 (AAP) 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
- Management Accounting for Planning and Decision Making Class 1/2020, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Seminar on the 7th Data Privacy Law and Cyber Security Law Seminar 2020 (TLCA CFO CPD), Thai Listed Companies Association

Experience over Past 5 Years

2019 - Present	Senior Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2018 - Sep. 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
2015	Director, KASIKORN SECURITIES 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 PRO 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

Family Relationship None

24. Mr. Silawat Santivisat

Senior Executive Vice President

Transaction and Wealth Banking Co-Division Head

Age 57

Education

- Master's Degree (Chemical Engineering), The University of Texas at Austin, USA
- Master's Degree (Business Administration), Sasin Graduate Institute of Business Administration

Training Program

- 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
2018 - Jun. 2020	Director, Thai Digital ID Company Limited
2016 - 2018	Executive Vice President, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2015	Senior Executive Vice President, CIMB Thai Bank Public Company Limited

Directorship in Other Companies

- Chairman, BCI (Thailand) Company Limited
- Vice Chairman and Chairman of the Audit Committee, Processing Center Company Limited
- Director, Thailand Securities Depository Company Limited

Other Affiliations

- Distinguished Member of the Steering Committee, Sasin Graduate Institute of Business Administration
- Member of the Budgeting and Financial Administration Committee, Naresuan University
- Qualified Member on 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

Family Relationship None

25. Ms. Wasana Surakit

First Senior Vice President

Age 53

Education

- Master's Degree (Accounting), Thammasat University

Training Program

- Analysis of Financial Data for Management Decisions, NYC Management Company Limited
- Fraud Prevention in the Organization Class 17 (2nd Course), Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Be Aware of All the New Laws in 2019 and Trends in 2020, NYC Management Company Limited
- Accounting Information 2, DBD Academy
- Financial Statement Analysis, DBD Academy

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 PRO COMPANY LIMITED
- Director, KASIKORN SERVE COMPANY LIMITED
- Director, KASIKORN X COMPANY LIMITED
- Director, PROGRESS PLUS COMPANY LIMITED

Family Relationship None

26. Ms. Natcha Argasreog

First Senior Vice President

Age 45

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
2014 - 2015	First Vice President, China Business Network, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KASIKORN LINE COMPANY LIMITED

Family Relationship None

27. Ms. Khajarin Maintaka

Senior Vice President

Financial Planning Co-Department Head

Age 41

Education

- Master's Degree (Business Administration), International University of Japan

Training Program

- 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

Nov. 2020 - Present	Senior Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED
2015 - Oct. 2020	First Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED
2012 - 2015	Vice President, Financial Planning Department, KASIKORNBANK PUBLIC COMPANY LIMITED

Directorship in Other Companies

- Director, KASIKORNBANK (CHINA) COMPANY LIMITED

Family Relationship None

28. Ms. Prapasra Uttamavetin

First Vice President

Financial Planning Co-Department Head

Age 48

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

Family Relationship None

Attachment 3

Details on Internal Audit Head and Compliance Head

As of December 31, 2020

1. Mr. Surasak Dudsdeemaytha

Executive Vice President

Audit Division Head

Internal Audit Head

Age 55

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
- Securities Business Regarding Compliance Function for
Head of Compliance 2019, The Thai Bankers' Association
- Advanced Management Strategies for Drug Prevention
and Suppression Class 1/2018, Office of the Narcotics Control Board
- 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
- 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

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

Family Relationship None

2. Mr. Phaisarn Vorasetsiri

First Senior Vice President

Compliance Head

Age 47

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
- 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 |
| 2012 - 2015 | First Vice President, Compliance Department,
KASIKORNBANK PUBLIC COMPANY LIMITED |

Directorship in Other Companies

- Director, KASIKORN SECURITIES PUBLIC COMPANY LIMITED

Family Relationship None

Attachment 4

Business Assets and Details on Asset Valuation

1. Business Assets

KBank has explained the main fixed assets, which the Bank and its subsidiaries used in the business are disclosed in the section Business Assets page 38 - 39.

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.kasikornbank.com. It can be viewed in the "Investor Relations" section, "Corporate Governance" 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. Suphajee Suthumpun and Ms. Jainnisa Kuvnichkul Chakrabandhu Na Ayudhya serve as members.


In 2020, 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 has considered the implementation of TFRS Group of Financial Instruments (including TFRS 9) and Lease Agreement (TFRS 16), effective in 2020 and the COVID-19 pandemic for the impacts on the financial reports and disclosures of information in notes to 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 placed emphasis on the Bank's actions to monitor credit quality and the adequacy of debt provision. Furthermore, the Audit Committee gave full support for the Bank to assist affected customers including applying policies from government and BOT in providing low-interest lending (Soft Loan) to allow businesses access to low-interest source of funds to operate businesses in such difficult time.
- 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 corporate risk culture. In 2020, Code of Conduct assessment was extended to include KASIKORNBANK FINANCIAL CONGLOMERATE employee 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 monitored the performance of Internal Audit Department versus the plan each quarter 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) to elevate the internal audit works, increase the effectiveness, and excel in responding to rapid changes in the digital age.
- The Audit Committee oversaw the Bank's operations in terms of compliance with relevant laws and regulatory requirements, along with Anti-Corruption 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 and followed up the implementation of the plan and the review results of the Credit Review Department. 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 2021 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 auditor in Thailand and abroad, which may have impact on auditor's ability to fulfill its duties and independence.
- As for potential conflict of interest transactions, the Audit Committee placed importance on pursuance of the Bank's approval procedures that are in compliance with regulatory requirements and good corporate governance principles. There was no such transaction in 2020 that was subject to the Audit Committee consideration.
- 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

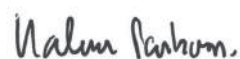
Report of the Corporate Governance Committee

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 2020, 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:

- Approving action plans for sustainable development and corporate social responsibility activities, providing recommendations, and monitoring their implementation in alignment with international standards, namely the Dow Jones Sustainability Indices (DJSI), the Carbon Disclosure Project and the United Nations Environment Programme Finance Initiative (UNEP FI).
- Endorsing the revised Sustainable Development Policy and materiality prioritization of the Bank to be consistent with global business operations and Sustainable Development Goals.
- Endorsing the Bank's signatory to the UN Principles for Responsible Banking and participation as a Task Force on Climate-related Financial Disclosures (TCFD) supporter, with the aim of upgrading transparent disclosure in accordance with the required international standards.
- 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 a strategic plan for good corporate governance activities to promote actions of directors, executives and employees in accordance with good corporate governance principles and best practices, all of which have been communicated to companies within KASIKORNBANK FINANCIAL CONGLOMERATE to ensure shared practices.
- Providing recommendations on assessment guidelines concerning employees' understanding of the Code of Conduct.
- Reviewing the Bank's actions and information disclosures in accordance with the Corporate Governance Principles established by regulatory agencies.
- Reviewing charters, principles and policies concerning corporate governance and sustainable development to comply with the Bank's business, regulatory requirements and best practices, and endorsing the revision of the Statement of Corporate Governance Principles and the Audit Committee Charter.
- Reviewing the Performance Assessment Form of the Board of Directors, Independent Directors Committee and Board Committees to be used as tools for their performance assessment.
- 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 Form 56-1 One Report and the Sustainability 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 three directors: Ms. Suphajee Suthumpun as Chairperson, Dr. Abhijai Chandrasen and Mr. Kalin Sarasin as members.

In 2020, the Human Resources and Remuneration Committee held 10 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, which in summary include:

- Reviewing the Human Resources and Remuneration Committee Charter so that it is up-to-date, consistent with Bank's business operations, and in compliance with regulatory requirements and best practices.
- 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.
- Reviewing the director nomination process and nominating qualified candidates to fill up the positions of directors retiring by rotation under nomination process as well as giving shareholders the opportunity to propose candidates for consideration and election as directors, with focus on the appropriate composition, size, and diversity of the Board, as well as compliance with the Bank's business strategic directions for submission to the Board of Directors for consideration and submission to General Meeting of Shareholders for election, and considering the appointment of directors and presidents to replace vacant positions before submission to the Board of Directors for approval.
- Nominating qualified candidates as Board Committees' members and reviewing their suitability.
- Reviewing the remuneration rate for directors to ensure that it is commensurate with the scope of their duties and responsibilities, as well as industry-wide comparison.
- Considering the Bank's human capital management directions under various challenges to meet the established targets.
- Granting approval on organizational restructuring in support of the Bank's strategies.
- Considering performance assessment of the Chief Executive Officer and Presidents compared to given targets and plans, and considering remuneration of the Chief Executive Officer and Presidents, which will be further proposed to 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 BOT regulations concerning the supervision of corporate governance of Financial Business Groups.
- Providing concurrence on executive and staff remuneration and bonuses, in connection with the Bank's operating results and individual performance, and against peers, current inflation and trends.

The Human Resources and Remuneration Committee has prudently and carefully performed their 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 2020, the Risk Oversight Committee held 6 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 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, 2020, as well as the financial performance for the year ending December 31, 2020, in accordance with Thai Financial Reporting Standards and relevant laws and regulations.

The Board 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, 2020 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.



(Ms. Kattiya Indaravijaya)
Chief Executive Officer



(Mr. Pipit Aneaknithi)
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 2020, 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 2020 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 impairment on loans to customers

For disclosures related to credit risk, loans to customers and allowance, refer to notes to consolidated and the Bank-only financial statements 4.3.2(2), 5, 14 and 16.

The Key Audit Matter

As at 31 December 2020, loans to customers represented 61.35% and 71.41% of consolidated and the Bank-only total assets respectively, against which an allowance for expected credit losses of Baht 134,393 million and Baht 129,846 million respectively was provided.

The adoption of TFRS 9 has fundamentally changed the accounting for impairment of loans to customers of the Bank and its subsidiaries, replacing an incurred loss approach with an expected credit loss (“ECL”) approach. Management’s estimation of ECL on loans to customers measured at amortised cost is based on new and 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 to the customer impacted from COVID-19 pandemic 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 4.15, 5 and 29.

The Key Audit Matter

As at 31 December 2020, financial instruments recorded at fair value in the consolidated financial statements amounted to Baht 412,145 million for assets and Baht 45,924 million for liabilities. In the Bank-only financial statements, these two accounts amounted to 296,658 million and Baht 46,070 million respectively.

Of these amounts, as at 31 December 2020, financial assets and liabilities designated at level 2 and 3 fair value in the consolidated financial statements amounted to Baht 334,527 million and Baht 45,676 million respectively, and in the Bank-only financial statements, they amounted to Baht 283,985 million and Baht 46,070 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 4.14, 5 and 26.

The Key Audit Matter

As at 31 December 2020, insurance contract liabilities recorded in respect of a subsidiary in the consolidated financial statements amounted to Baht 472,015 million, mainly the long-term technical reserves (approximately 98.94% 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 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

25 February 2021

A handwritten signature in black ink, appearing to read 'Sureerat Thongarunsang'.

(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 2020	31 December 2019	31 December 2020	31 December 2019
ASSETS					
Cash		61,962,028	61,384,882	61,920,050	61,350,977
Interbank and money market items - net	9	417,419,545	385,940,044	421,151,618	382,401,383
Financial assets measured at fair value through profit or loss	10	46,666,317	-	24,741,742	-
Derivative assets	11	59,986,346	41,779,104	55,591,660	38,108,237
Investments - net	12	775,738,968	774,640,434	268,329,632	270,321,656
Investments in subsidiaries, associates and joint venture - net	13	2,051,175	2,059,168	36,062,557	30,519,624
Loans to customers and accrued interest receivables - net	14	2,121,700,105	1,879,907,006	2,066,637,672	1,828,588,142
Properties foreclosed - net	17	28,034,547	24,988,217	28,011,870	24,900,232
Premises and equipment - net	18	57,629,924	52,697,530	46,191,969	42,394,517
Goodwill and other intangible assets - net	19	23,834,166	23,477,175	17,429,868	17,304,093
Deferred tax assets	20	10,255,761	8,434,941	7,081,985	6,505,708
Other assets - net		53,518,877	38,580,488	28,256,508	21,660,876
Total Assets		3,658,797,759	3,293,888,989	3,061,407,131	2,724,055,445

Statements of Financial Position

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

	Note	Consolidated		The Bank	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
LIABILITIES AND EQUITY					
Deposits	21	2,344,998,490	2,072,048,888	2,340,470,350	2,065,668,929
Interbank and money market items	22	87,797,449	81,628,362	109,510,714	90,337,364
Liabilities payable on demand		26,443,268	21,678,948	26,443,268	21,678,948
Financial liabilities measured at fair value through profit or loss	23	286,816	-	-	-
Derivative liabilities	11	46,826,209	30,244,242	47,144,356	31,548,047
Debts issued and borrowings	24	69,389,789	81,824,302	68,771,154	81,666,443
Provisions	25	40,382,546	29,292,247	38,031,210	27,235,020
Deferred tax liabilities	20	1,694,649	1,512,456	-	-
Insurance contract liabilities	26	472,015,127	446,094,859	-	-
Other liabilities		77,677,367	75,849,966	39,859,877	42,960,783
Total Liabilities		3,167,511,710	2,840,174,270	2,670,230,929	2,361,095,534
Equity					
Share capital					
Authorized share capital					
3,024,682,097 common shares, Baht 10 par value	33	30,246,821		30,246,821	
3,048,614,697 common shares, Baht 10 par value			30,486,147		30,486,147
Issued and paid-up share capital					
2,369,327,593 common shares, Baht 10 par value	33	23,693,276	-	23,693,276	-
2,393,260,193 common shares, Baht 10 par value		-	23,932,602	-	23,932,602
Premium on common shares		18,103,110	18,103,110	18,103,110	18,103,110
Other equity instruments	31	15,549,174	-	15,549,174	-
Other reserves		20,219,325	22,236,724	17,350,747	18,657,265
Retained earnings					
Appropriated					
Legal reserve	32	3,050,000	3,050,000	3,050,000	3,050,000
Unappropriated		359,054,745	339,035,179	313,429,895	299,216,934
Total Equity attributable to equity holders of the Bank		439,669,630	406,357,615	391,176,202	362,959,911
Non-controlling interests		51,616,419	47,357,104	-	-
Total Equity		491,286,049	453,714,719	391,176,202	362,959,911
Total Liabilities and Equity		3,658,797,759	3,293,888,989	3,061,407,131	2,724,055,445



(Ms. Kattiya Indaravijaya)
Chief Executive Officer



(Mr. Pipit Aneaknithi)
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	
		2020	2019	2020	2019
Interest income	41	127,591,781	130,177,756	104,426,672	107,766,846
Interest expenses	42	18,569,976	27,489,916	18,152,230	27,196,930
Interest income - net		109,021,805	102,687,840	86,274,442	80,569,916
Fees and service income		45,698,898	50,579,982	41,712,345	47,090,218
Fees and service expenses		12,694,548	13,839,796	12,073,161	13,581,783
Fees and service income - net	43	33,004,350	36,740,186	29,639,184	33,508,435
Gain on financial instrument measured at fair value					
through profit or loss	44	8,119,419	-	7,072,278	-
Gain on trading and foreign exchange transactions	44	-	8,361,986	-	8,620,243
Gain on investments	45	1,308,312	8,412,377	1,178,699	6,660,873
Share of (loss) profit from investments using equity method		(193,346)	44,079	-	-
Dividend income		2,384,312	2,816,764	5,277,453	5,706,898
Net premiums earned		72,128,657	80,489,512	-	-
Other operating income		1,682,381	1,591,716	3,108,401	3,044,293
Total operating income		227,455,890	241,144,460	132,550,457	138,110,658
Underwriting expenses		72,564,619	80,653,349	-	-
Total operating income - net		154,891,271	160,491,111	132,550,457	138,110,658
Other operating expenses					
Employee expenses		32,143,480	33,261,168	22,923,404	24,395,262
Directors' remuneration		160,006	158,743	108,079	101,628
Premises and equipment expenses		12,165,157	12,909,579	12,453,092	12,969,360
Taxes and duties		5,088,132	5,031,256	4,410,450	4,412,611
Others		20,439,836	21,368,500	20,547,291	21,210,678
Total other operating expenses		69,996,611	72,729,246	60,442,316	63,089,539
Expected credit loss	46	43,547,841	-	42,430,991	-
Impairment loss on loans and debt securities	46	-	34,011,648	-	33,437,174
Operating profit before income tax expense		41,346,819	53,750,217	29,677,150	41,583,945
Income tax expense	47	7,656,326	10,309,253	4,712,226	7,138,292
Net profit		33,690,493	43,440,964	24,964,924	34,445,653

The accompanying notes are an integral part of these financial statements.

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	
		2020	2019	2020	2019
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gain on investments in debt instruments measured at fair value through other comprehensive income		641,282	-	630,562	-
Gain (Loss) on remeasurement of available-for-sale investments		-	2,600,266	-	(1,753,305)
Loss on cash flow hedges		(4,657,662)	-	(1,031,459)	-
Loss arising from translating the financial statements of a foreign operation		(477,546)	(198,573)	(545,479)	(16,260)
Income taxes relating to components of other comprehensive income		872,158	(502,173)	189,275	351,718
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus	18	1,016,412	4,503,461	-	4,503,461
Loss on investments in equity instruments designated at fair value through other comprehensive income		(4,585,536)	-	(424,624)	-
Actuarial loss on defined benefit plans	25	(192,875)	(2,979,080)	(201,384)	(2,784,279)
Income taxes relating to components of other comprehensive income		778,770	(326,508)	125,201	(343,836)
Total other comprehensive income - net		(6,604,997)	3,097,393	(1,257,908)	(42,501)
Total comprehensive income		27,085,496	46,538,357	23,707,016	34,403,152
Net profit attributable to:					
Equity holders of the Bank		29,487,117	38,726,742	24,964,924	34,445,653
Non-controlling interests		4,203,376	4,714,222	-	-
Total comprehensive income attributable to:					
Equity holders of the Bank		26,382,910	39,647,221	23,707,016	34,403,152
Non-controlling interests		702,586	6,891,136	-	-
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)		12.42	16.18	10.52	14.39
Weighted average number of common shares (Thousand shares)		2,373,316	2,393,260	2,373,316	2,393,260



(Ms. Kattiya Indaravijaya)
Chief Executive Officer



(Mr. Pipit Aneaknithi)
President

Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

Note	Consolidated																
	Equity Holders of the Bank															Non-controlling Interests	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other Equity Instruments (Note 31)	Other Reserves					Retained Earnings			Treasury Shares (Note 33)	Total Equity Attributable to Equity Holders of the Bank				
				Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Available-for-sale Investments	Revaluation Surplus on Investments in 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	Cash Flow Hedge Reserve	Foreign Currency Translation	Total Other Reserves	Appropriated Legal Reserve			Treasury Shares Reserve	Unappropriated		
Year ended 31 December 2019																	
Balance at 1 January 2019	23,932,602	18,103,110	-	13,302,481	6,013,108	-	-	-	(194,073)	19,121,516	3,050,000	-	312,090,325	-	376,297,553	41,524,369	417,821,922
Dividend paid	34	-	-	-	-	-	-	-	-	-	-	-	(9,573,041)	-	(9,573,041)	(1,221,466)	(10,794,507)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	175,000	175,000
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	38,726,742	-	38,726,742	4,714,222	43,440,964
Other comprehensive income	-	-	-	3,602,769	(109,059)	-	-	-	(191,458)	3,302,252	-	-	(2,381,773)	-	920,479	2,176,914	3,097,393
Total comprehensive income	-	-	-	3,602,769	(109,059)	-	-	-	(191,458)	3,302,252	-	-	36,344,969	-	39,647,221	6,891,136	46,538,357
Transferred to retained earnings	-	-	-	(188,808)	-	-	-	-	-	(188,808)	-	-	188,808	-	-	-	-
Others	-	-	-	1,764	-	-	-	-	-	1,764	-	-	(15,882)	-	(14,118)	(11,935)	(26,053)
Balance at 31 December 2019	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
Year ended 31 December 2020																	
Balance at 1 January 2020	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
Accumulated effects of change in accounting policy (restated)	3	-	-	-	(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
Balance at 1 January 2020 restated	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	-	411,169,338	51,353,812	462,523,150
Dividend paid	34	-	-	-	-	-	-	-	-	-	-	-	(10,661,974)	-	(10,661,974)	(463,249)	(11,125,223)
Cash payment for treasury shares	33	-	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	(3,207,966)	-	(3,207,966)
Transfer of retained earnings to treasury shares reserve	33	-	-	-	-	-	-	-	-	-	-	3,207,966	(3,207,966)	-	-	-	-
Share capital reduction from treasury shares cancellation	33	(239,326)	-	-	-	-	-	-	-	-	-	(3,207,966)	239,326	3,207,966	-	-	-
Issuance of other equity instruments	31	-	-	15,549,174	-	-	-	-	-	-	-	-	-	-	15,549,174	-	15,549,174
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	29,487,117	-	29,487,117	4,203,376	33,690,493
Other comprehensive income	-	-	-	412,981	-	467,320	(1,666,489)	(1,793,653)	(366,109)	(2,945,950)	-	-	(158,257)	-	(3,104,207)	(3,500,790)	(6,604,997)
Total comprehensive income	-	-	-	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
Transferred to retained earnings	-	-	-	(231,397)	-	-	-	-	-	(231,397)	-	-	231,397	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	438,148	-	438,148	23,270	461,418
Balance at 31 December 2020	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

The accompanying notes are an integral part of these financial statements.

Statements of Changes in Equity

KASIKORNBANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

(Thousand Baht)

Note	The Bank															
	Equity Holders of the Bank														Treasury Shares (Note 33)	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other Equity Instruments (Note 31)	Other Reserves						Retained Earnings						
				Appraisal Surplus on Asset Revaluation	Revaluation Surplus on Available-for-sale Investments	Revaluation Surplus on Investments in 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	Cash Flow Hedge Reserve	Foreign Currency Translation	Total Other Reserves	Appropriated Legal Reserve	Treasury Shares Reserve	Unappropriated			
Year ended 31 December 2019																
Balance at 1 January 2019	23,932,602	18,103,110	-	12,360,653	4,263,985	-	-	-	-	20,853	16,645,491	3,050,000	-	276,396,833	-	338,128,036
Dividend paid 34	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,573,041)	-	(9,573,041)
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	34,445,653	-	34,445,653
Other comprehensive income	-	-	-	3,602,769	(1,402,644)	-	-	-	-	(15,203)	2,184,922	-	-	(2,227,423)	-	(42,501)
Total comprehensive income	-	-	-	3,602,769	(1,402,644)	-	-	-	-	(15,203)	2,184,922	-	-	32,218,230	-	34,403,152
Transferred to retained earnings	-	-	-	(174,912)	-	-	-	-	-	-	(174,912)	-	-	174,912	-	-
Others	-	-	-	1,764	-	-	-	-	-	-	1,764	-	-	-	-	1,764
Balance at 31 December 2019	23,932,602	18,103,110	-	15,790,274	2,861,341	-	-	-	-	5,650	18,657,265	3,050,000	-	299,216,934	-	362,959,911
Year ended 31 December 2020																
Balance at 1 January 2020	23,932,602	18,103,110	-	15,790,274	2,861,341	-	-	-	-	5,650	18,657,265	3,050,000	-	299,216,934	-	362,959,911
Accumulated effects of change in accounting policy 3	-	-	-	-	(2,861,341)	2,555,110	306,231	-	-	-	-	-	-	2,416,181	-	2,416,181
Balance at 1 January 2020 restated	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	-	365,376,092
Dividend paid 34	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,661,974)	-	(10,661,974)
Cash payment for treasury shares 33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	(3,207,966)
Transfer of retained earnings to treasury shares reserve 33	-	-	-	-	-	-	-	-	-	-	-	-	3,207,966	(3,207,966)	-	-
Share capital reduction from treasury shares cancellation 33	(239,326)	-	-	-	-	-	-	-	-	-	-	-	(3,207,966)	239,326	3,207,966	-
Issuance of other equity instruments 31	-	-	15,549,174	-	-	-	-	-	-	-	-	-	-	-	-	15,549,174
Net profit	-	-	-	-	-	-	-	-	-	-	-	-	-	24,964,924	-	24,964,924
Other comprehensive income	-	-	-	-	-	504,449	(339,699)	(825,167)	(436,383)	(1,096,800)	-	-	-	(161,108)	-	(1,257,908)
Total comprehensive income	-	-	-	-	-	504,449	(339,699)	(825,167)	(436,383)	(1,096,800)	-	-	-	24,803,816	-	23,707,016
Transferred to retained earnings	-	-	-	(209,718)	-	-	-	-	-	(209,718)	-	-	-	209,718	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	413,860	-	413,860
Balance at 31 December 2020	23,693,276	18,103,110	15,549,174	15,580,556	-	3,059,559	(33,468)	(825,167)	(430,733)	17,350,747	3,050,000	-	-	313,429,895	-	391,176,202



(Ms. Kattiya Indaravijaya)
Chief Executive Officer



(Mr. Pipit Aneaknithi)
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)

	Consolidated		The Bank		
	For the year ended 31 December		For the year ended 31 December		
	2020	2019	2020	2019	
	Note				
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating profit before income tax expense		41,346,819	53,750,217	29,677,150	41,583,945
Adjustments for					
Depreciation and amortisation		8,736,206	7,558,646	7,639,214	6,656,414
Expected credit loss		38,899,155	-	37,658,480	-
Bad debt and doubtful accounts		-	33,693,567	-	33,003,193
Loss on modified loan		9,100,343	-	9,112,882	-
Loss on debt restructuring		-	3,454,177	-	3,448,991
Interest income from amortisation of revaluation allowance for debt restructuring		(961,830)	(1,461,412)	(960,582)	(1,457,035)
Gain on foreign exchange translation of long-term borrowings		-	(29,168)	-	(29,168)
Loss on revaluation of financial assets measured at fair value through profit or loss		5,343,390	-	4,796,589	-
Gain on revaluation of trading investments		-	(18,518)	-	(9,056)
Reversal of loss on impairment of investments		-	-	(80,000)	(60,000)
Gain on disposal of investments		(1,308,312)	(8,412,377)	(1,098,699)	(6,600,874)
Loss on impairment of properties foreclosed		1,125,161	1,145,719	1,141,314	1,130,534
Loss on impairment of premises and equipment		215,823	81,218	215,823	81,218
Loss on impairment of other assets		432,750	147,663	432,750	147,663
Provision for other assets		417,621	252,918	417,618	252,918
(Gain) Loss on disposal of premises and equipment		(19,148)	(12,434)	(9,109)	3,302
Loss on write off of premises and equipment		24,468	9,866	7,891	8,575
Loss on write off of other assets		72	46,335	72	43,104
Reversal of loss on revaluation of premises	18	(4,245)	(39,748)	-	(39,748)
Share of loss (profit) from investments using equity method		193,346	(44,079)	-	-
		103,541,619	90,122,590	88,951,393	78,163,976
Interest income - net		(109,021,805)	(102,687,840)	(86,274,442)	(80,569,916)
Dividend income		(2,384,312)	(2,816,764)	(5,277,453)	(5,706,898)
Proceeds from interest		116,043,076	127,421,756	93,240,128	106,570,592
Interest paid		(21,297,620)	(26,536,168)	(21,059,273)	(26,361,248)
Proceeds from dividends		2,425,317	2,880,840	5,225,071	5,709,445
Income tax paid		(10,536,978)	(11,590,939)	(6,657,205)	(7,609,540)
Operating profit before changes in operating assets and liabilities		78,769,297	76,793,475	68,148,219	70,196,411
(Increase) Decrease in operating assets					
Interbank and money market items (assets)		(31,462,964)	70,082,444	(39,584,854)	46,867,465
Financial assets measured at fair value through profit or loss		13,716,889	-	9,740,327	-
Investments held for trading		-	2,913,148	-	3,523,515
Loans to customers		(282,430,231)	(123,618,491)	(278,725,246)	(114,334,525)
Properties foreclosed		3,984,785	3,651,381	3,281,022	3,165,080
Other assets		(34,376,733)	(17,956,383)	(25,851,137)	(13,558,188)

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	
	2020	2019	2020	2019
Increase (Decrease) in operating liabilities				
Deposits	272,254,625	78,005,771	274,708,647	74,355,701
Interbank and money market items (liabilities)	4,807,529	(44,756,951)	19,309,610	(45,052,160)
Liabilities payable on demand	4,764,525	(3,809,451)	4,764,525	(3,809,451)
Financial liabilities measured at fair value through profit or loss	286,816	-	-	-
Short-term debts issued and borrowings	460,776	37,168	-	-
Other accrued expenses	(2,099,214)	765,205	(2,010,689)	623,807
Provisions	9,526,923	1,823,531	9,269,611	1,616,207
Other liabilities	47,533,280	58,283,379	14,191,308	15,251,631
Net cash provided by operating activities	85,736,303	102,214,226	57,241,343	38,845,493
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from disposal of investments measured at fair value through other comprehensive income	360,951,901	-	253,619,245	-
Proceeds from redemption of investments measured at amortised cost	25,567,639	-	10,482,722	-
Proceeds from disposal of available-for-sale investments	-	335,211,340	-	225,172,980
Proceeds from redemption of held-to-maturity debt instruments	-	64,125,877	-	45,648,959
Proceeds from disposal of general investments	-	84,650	-	84,650
Proceeds from capital decrease in subsidiary	-	-	80,000	60,000
Proceeds from disposal of investments in associate	240	190	-	-
Purchase of investments measured at fair value through other comprehensive income	(367,437,899)	-	(252,796,370)	-
Purchase of investments measured at amortised cost	(79,251,074)	-	(40,120,084)	-
Purchase of available-for-sale investments	-	(393,390,086)	-	(259,204,232)
Purchase of held-to-maturity debt instruments	-	(109,657,086)	-	(54,963,389)
Purchase of general investments	-	(570,351)	-	(124,722)
Purchase of investments in subsidiaries	-	-	(4,863,698)	(999,773)
Purchase of investments in associates and joint venture	(250,814)	(1,186,957)	(814)	(160,962)
Proceeds from disposal of premises and equipment	64,155	32,354	26,002	9,703
Proceeds from disposal of intangible assets	-	104,111	-	104,111
Purchase of premises and equipment	(6,403,502)	(3,426,002)	(5,744,980)	(2,524,856)
Purchase of leasehold	(16,115)	(50,536)	(12,863)	(50,536)
Purchase of intangible assets	(3,814,503)	(2,740,371)	(3,318,384)	(2,192,364)
Net cash used in investing activities	(70,589,972)	(111,462,867)	(42,649,224)	(49,140,431)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from long-term debts issued and borrowings	8, 24	190,124	25,441,885	190,124
Repayment of long-term debts issued and borrowings	8, 24	(14,596,172)	(10,922,330)	(14,596,172)
Proceeds from acquisition of non-controlling interests		-	175,000	-
Dividend paid to shareholders	34	(10,661,974)	(9,573,041)	(10,661,974)
Dividend paid to non-controlling interests		(463,249)	(1,221,466)	-
Proceeds from issuance of other equity instruments	31	15,579,650	-	15,579,650
Cash payment for expenses related to issuance of other equity instruments	31	(38,095)	-	(38,095)
Cash payment for treasury shares	33	(3,207,966)	-	(3,207,966)
Cash payment for lease liabilities		(1,368,474)	-	(1,288,746)
Net cash (used in) provided by financing activities		(14,566,156)	3,900,048	(14,023,179)
Effect of exchange rate changes on balances held in foreign currencies at the end of the year		(3,029)	(6,123)	133
Net increase (decrease) in cash		577,146	(5,354,716)	569,073
Cash at the beginning of the year	8	61,384,882	66,739,598	61,350,977
Cash at the end of the year	8	61,962,028	61,384,882	61,920,050



(Ms. Kattiya Indaravijaya)
Chief Executive Officer



(Mr. Pipit Aneaknithi)
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 2020 AND 2019

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 25 February 2021.

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. The registered office of the Bank is at 1 Soi Rat Burana 27/1, Rat Burana Road, Rat Burana Sub-District, Rat Burana 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 and certain major cities overseas.

Details of the Company’s subsidiaries, associated companies and joint venture as 31 December 2020 and 2019 are given in note 13.

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 and the TFAC interpretation of the appropriate classification of Property Fund, REIT, Infrastructure Fund, and Infrastructure Trust which is registered and established in Thailand as equity instruments which TFAC announced on 25 June 2020.

The Bank and its subsidiaries have initially applied TFRS – Financial instruments standards and TFRS16 Leases. The Bank and its subsidiaries disclosed impact from change in accounting policies in note 3. The Bank and its subsidiaries disclosed impact of Coronavirus 2019 (COVID - 19) pandemics to accounting policies in note 48.

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 4 "significant accounting policies" and in the following notes:

Note	10	Financial assets measured at fair value through profit or loss
	11	Derivatives
	12	Investments - net
	16	Allowance for expected credit loss / allowance for doubtful accounts
	23	Financial liabilities measured at fair value through profit or loss
	26	Insurance contract liabilities
	29	Fair value of assets and liabilities

3 CHANGE IN ACCOUNTING POLICIES

From 1 January 2020, the Bank and its subsidiaries have initially applied TFRS - Financial instruments standards and TFRS 16 Leases. The impact of changes in accounting policies are as follows:

(Million Baht)

Consolidated			
The statement of financial position	<u>31 December</u>	<u>Reclassification and</u>	<u>1 January</u>
	<u>2019</u>	<u>Remeasurement</u> ^{(1) (2)}	<u>2020</u>
ASSETS			
Interbank and money market items - net	385,940	(6)	385,934
Financial assets measured at fair value through profit or loss	-	68,635	68,635
Derivative assets	41,779	6,109	47,888
Investments - net	774,640	(61,786)	712,854
Premises and equipment - net	52,698	2,750	55,448
Deferred tax assets	8,435	(2,365)	6,070
Other assets - net	35,378	<u>(270)</u>	35,108
Total		<u>13,067</u>	
LIABILITIES			
Derivative liabilities	30,244	2,050	32,294
Debts issued and borrowings	81,824	(328)	81,496
Other liabilities	75,850	<u>2,537</u>	78,387
Total		<u>4,259</u>	
EQUITY			
Other reserves and retained earnings	361,272	<u>8,808</u>	370,080
Total		<u>13,067</u>	

⁽¹⁾ Before reallocation of allowance for expected credit loss that disclosed in 3.1(2) Impairment of financial asset

⁽²⁾ Already reflect the classification of investment in property fund/REIT registered and established in Thailand in accordance with TFAC interpretation.

(Million Baht)

The Bank			
The statement of financial position	<u>31 December</u>	<u>Reclassification</u> <u>and</u> <u>Remeasurement</u> ⁽¹⁾	<u>1 January</u>
	<u>2019</u>		<u>2020</u>
ASSETS			
Interbank and money market items - net	382,401	(2)	382,399
Financial assets measured at fair value through profit or loss	-	40,647	40,647
Derivative assets	38,108	131	38,239
Investments - net	270,322	(35,611)	234,711
Premises and equipment - net	42,395	2,462	44,857
Deferred tax assets	6,506	(1,015)	5,491
Other assets - net	18,458	<u>(154)</u>	18,304
Total		<u>6,458</u>	
LIABILITIES			
Derivative liabilities	31,548	2,108	33,656
Debts issued and borrowings	81,666	(328)	81,338
Other liabilities	42,961	<u>2,262</u>	45,223
Total		<u>4,042</u>	
EQUITY			
Other reserves and retained earnings	317,874	<u>2,416</u>	320,290
Total		<u>6,458</u>	

⁽¹⁾ Before reallocation of allowance for expected credit loss that disclosed in 3.1(2) Impairment of financial asset

3.1. TFRS - Financial instruments standards

The Bank and its subsidiaries has adopted TFRS for financial instruments using the cumulative effect, taking into account the effect of initially applying this standard only to financial instruments that were not derecognised before 1 January 2020 as an adjustment to retained earning at 1 January 2020. Therefore, the Bank and its subsidiaries has not restated the information presented for 2019, as previously reported under TAS 101, TAS 103, TAS 104, TAS 105, TAS 106 and TAS 107. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting as further described below:

1) Classification and measurement of financial assets and financial liabilities

Under TFRS 9, financial assets are classified into three categories: measured at amortised cost, fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

The following table explain the original measurement categories under TAS 105 and BOT regulations and the new measurement categories under TFRS 9 for each class of the Bank and its subsidiaries' financial assets and financial liabilities as at 1 January 2020, except for those reclassification that measurement basis remains similar.

(Million Baht)

<u>Consolidated</u>				
		<u>31 December</u>		<u>1 January</u>
<u>Original classification</u>	<u>New classification</u>	<u>2019</u>	<u>Remeasurement</u>	<u>2020</u>
Available-for-sale investments	FVTPL	215	2	217
Held-to-maturity debt instruments	FVTPL	4,444	1,687	6,131
Held-to-maturity debt instruments	FVOCI	300	-	300
General investments	FVTPL	1,078	4,819	5,897
General investments	FVOCI	3,747	440	4,187

(Million Baht)

The Bank

<u>Original classification</u>	<u>New classification</u>	<u>31 December</u>		<u>1 January</u>
		<u>2019</u>	<u>Remeasurement</u>	<u>2020</u>
Available-for-sale investments	FVTPL	215	2	217
General investments	FVTPL	933	4,818	5,751
General investments	FVOCI	1,150	141	1,291

2) Impairment of financial asset

TFRS 9 introduced a forward-looking 'expected credit loss' model applicable to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments. TFRS 9 requires considerable reasonable judgement about how changes in macroeconomic factors affect expected credit loss (ECL), which will be determined on a probability-weighted basis.

The Bank and its subsidiaries have determined that the application of TFRS 9's impairment requirements at 1 January 2020 results in a change in the allowance for expected credit loss of financial assets as follows:

(Million Baht)

Consolidated

	<u>31 December 2019</u>		<u>1 January 2020</u>
	<u>Allowance for</u>	<u>Reallocation</u>	<u>Allowance for</u>
	<u>impairment loss</u>		<u>expected credit loss</u>
	<u>as at</u>		<u>as at</u>
Interbank and money market items	200	(20)	180
Investment*	-	188	188
Loans to customers and accrued			
interest receivables-net	124,879	(7,311)	117,568
Loan commitments and Financial			
guarantee contracts	<u>2,756</u>	<u>7,143</u>	<u>9,899</u>
Total	<u>127,835</u>	<u>-</u>	<u>127,835</u>

*Expected credit loss for investment in debt instruments at fair value through other comprehensive income presents in other reserve

(Million Baht)

The Bank			
	Allowance for impairment loss as at <u>31 December 2019</u>	<u>Reallocation</u>	Allowance for expected credit loss as at <u>1 January 2020</u>
Interbank and money market items	69	(20)	49
Investment*	-	188	188
Loans to customers and accrued interest receivables-net	120,607	(7,152)	113,455
Loan commitment and financial guarantee contracts	<u>2,757</u>	<u>6,984</u>	<u>9,741</u>
Total	<u>123,433</u>	<u>-</u>	<u>123,433</u>

*Expected credit loss for investment in debt instruments at fair value through other comprehensive income presents in other reserve

3) Derivative and hedge accounting

Under TFRS 9, derivatives held for risk management purposes include all derivatives that are not held for trading are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. The Bank and its subsidiaries documents the relationship between the hedging instruments and hedged items, including the risk management objective, strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries makes an assessment of the effectiveness, both at inception of the hedge relationship and ongoing basis.

These hedging relationships are fair value hedges, cash flow hedges and net investment in a foreign operation hedge. Regarding dynamic risk management, TFRS 9 provides an option to continue using current method, accrual accounting, for a hedging instrument. Key characteristics of dynamic risk management are risk management is undertaken for open portfolios which risk exposure has been changed all the time and risk management is updated on a timely basis in reaction to the changed net risk position.

On 1 January 2020, the Bank and its subsidiaries had assessed hedge effectiveness of hedge relationships following TFRS 9 criteria and have continued applying hedge accounting. Cumulative impacts were adjusted to retained earnings and other reserves.

Previously, TFRS were silent on the requirements of hedge accounting and derivatives held for risk management purposes. In 2019, The Bank and its subsidiaries accounted for these transactions as described in accounting policies in note 4.3.2(8)

3.2 TFRS 16 Leases

From 1 January 2020, the Bank and its subsidiaries have initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease by using the modified retrospective approach. The initial adoption of this accounting standard impacted to increase in assets and liabilities without any impact to retained earnings.

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. As a result, the nature of expenses related to those leases will be changed because the Bank and its subsidiaries will recognise depreciation of right-of-use assets and interest expense on lease liabilities. Previously, the Bank and its subsidiaries recognise payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains the same, i.e. A lessor continues to classify lease as either finance or operating leases.

	(Million Baht)	
	<u>Consolidated</u>	<u>The Bank</u>
Operating lease commitment at 31 December 2019		
- As disclosure in the financial statements	<u>3,299</u>	<u>3,011</u>
- Discounted using the incremental borrowing rate at 1 January 2020	2,999	2,705
Recognition exemption for :		
- Short-term leases	(303)	(302)
- Leases of low-value assets	(38)	(36)
- Services agreement	<u>(17)</u>	<u>-</u>
Lease liabilities recognised at 1 January 2020	<u>2,641</u>	<u>2,367</u>

The discounted lease payments using its incremental borrowing rate. The weighted-average rate applied is 1.25% - 4.85% per annum.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Except for the adoption of the new Thai Financial Reporting standards in Group of Financial Instruments Standards and the Thai Financial Reporting Standard No. 16 Leases to be applied from January 1, 2020 are described in note 3.

4.1 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 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.

4.2 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.

4.3 Financial instruments

4.3.1. Accounting policies applicable from 1 January 2020

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 regular way 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;
- 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 and/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 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 with a corresponding 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 by using derivatives which mainly is 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 recognized in other comprehensive income and are amortized 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.

When a derivative or monetary item (non-derivative) is designated as a hedging instrument of a net investment in a foreign operation, the effective portion of the gain or loss derived from spot revaluation is recognised directly in equity and netted with the retranslation 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, e.g. notional amount and maturity of hedging instruments and hedged assets/liabilities (Critical term match). 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.

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) Interest

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.

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.

For financial assets and liabilities that exist on the date of implementation of TFRS - Financial instruments standards, the effective interest rate will be applied prospectively.

5) 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.

4.3.2. Accounting policies applicable before 1 January 2020

1) Investments

Investments in debt and equity securities

Debt securities and marketable equity securities held for trading are classified as trading investments and are stated at fair value, with any resultant gain or loss being recognised in profit or loss.

Debt securities for which the Bank and its subsidiaries have the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are stated at amortised cost, less allowance for impairment. The difference between the acquisition cost and redemption value of such debt securities is amortised using the effective interest rate method over the period to maturity.

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are stated at fair value, and changes in fair value, are recognised directly in equity and other comprehensive income. If these investments are interest-bearing, their interests are calculated using the effective interest rate method and recognised in profit or loss.

Equity securities which are not marketable and classified as general investments are stated at cost less allowance for impairment.

Investments in marketable equity securities and listed unit trusts classified as trading investments and available-for-sale investments 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 and state enterprises debt securities guaranteed by the government, classified as trading investments and available-for-sale investments, 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 for the same period is used, adjusted by an appropriate risk premium.

Investments in foreign bonds classified as available-for-sale investments are stated at fair value based on bid prices from Bloomberg. If not available, indicative prices from custodians are used.

Investments in receivables

Investments in receivables are initially recognised at fair value of the consideration transferred in exchange. Subsequent to initial recognition, investments in receivables are stated at amortised cost after deducting the allowance for impairment.

- Purchases or transfers of loans before 1 January 2013, were recognised as investments in receivables. When debt restructuring was required, the balance is recorded as a loan at fair value, The difference between book value and fair value was recognised as gain or loss on transfer of financial assets in profit or loss.

- Purchases or transfers of loans since 1 January 2013, are recognised as investments in receivables for items that are intended to be sold in the future or are not intended to be held to collect the contractual cash flows, in which case the items are recognised as loans.

Disposal of investments

Upon disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated gain or loss on revaluation that was reported in equity is recognised in profit or loss.

Upon disposal of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

2) Loans

Except in the case of loans effected through overdraft agreements, loans are represented at their principal amounts. Unearned discounts received in advance are presented as a reduction in loans.

3) Allowance for doubtful accounts

The Bank and its subsidiaries which are credit institutions or asset management companies make allowances for doubtful accounts that are determined through methods based on the BOT's regulations and the Bank's estimated loan loss. The allowance for non-performing loans has been specifically determined by the nature of loans and the relevant factors such as payment ability, collateral, historical loss and estimated loss, etc. The allowance for performing loans has been assessed based upon relevant factors such as historical loss, credit risk, economic conditions and management experience, etc. For corporate loans, the allowance is determined on a case by case basis while the allowance for retail loans is determined on a portfolio basis for portfolios with similar risk characteristics.

Based on BOT's regulations, the Bank and its subsidiaries which are credit institutions or an asset management companies have classified their loan portfolios into six categories, primarily based on aging. For loans classified as pass and special-mention, the calculation of allowances for doubtful accounts is based on the regulatory minimum percentage requirement, taking into consideration the collateral value, where the collateral type and date of the latest appraisal are qualifying factors. For loans classified as sub-standard, doubtful and doubtful of loss, the allowances on these accounts will be set at 100 percent for the difference between the outstanding book value of the debt and the present value of future cash flows expected to be received or the expected proceeds from the disposal of collateral in accordance with the BOT's regulations.

Allowance for doubtful accounts established during the period and write-offs are recognised as expense in profit or loss. Bad debt recovery is recognised as income and is presented net of bad debt and doubtful accounts expense in profit or loss.

The life insurance subsidiary has allowance for doubtful accounts based on the estimated loss that may be incurred in collection of the premium due, determined by collection experience, review of premium due aging and value of collateral held against each receivable.

4) Troubled debt restructuring

The Bank and the asset management subsidiary record foreclosed assets acquired from troubled debt restructuring at fair value net of expected selling expense but limited to the loan amount up to the legal claim for the debt including interest receivable. Where troubled debt restructuring involves change of repayment conditions, the present value of the expected future cash collections is calculated by using discount rates equivalent to the market rates of interest at the time of restructuring. The difference between the present value of the future cash flows expected to be received that is less than the outstanding balances of investment in loans is recorded in the revaluation allowance for debt restructuring. This revaluation allowance for debt restructuring is amortised to profit or loss according to the amounts received over the remaining period of the debt-restructuring contracts.

Losses on debt restructuring from various forms i.e. reduction of principal and interest, transfer of assets, conversion of debt to equity and change of repayment condition is recognised as expense in profit or loss.

5) Impairment

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in other comprehensive income and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in other comprehensive income is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the carrying amount and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities and receivables carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost, the reversal is recognised in profit or loss. For available-for-sale financial assets, the reversal is recognised in other comprehensive income.

6) Recognition of income

Interest and discount income on loans are recognised on an accrual basis, except when interest payments are in arrears for more than three months when, regardless of collateral, the cash basis is adopted.

In compliance with the BOT's regulation, the Bank reverses accrued interest receivables on loans for which repayments are more than three months in arrears.

Interest income from investments is recognised on an accrual basis by using the effective interest rate method. Dividend income from investment is recognised on an accrual basis at the date which the Bank earns the rights to receive the dividend.

The asset management subsidiary recognises interest income on investments in receivables and loans on a cash basis.

Income from factoring business is recognised on an accrual basis.

7) Recognition of interest expense

Interest expense is recognised on an accrual basis.

8) Derivatives

Trading Derivatives: Trading derivatives are carried at fair value which is determined based upon liquid (observable) market prices, reference to exchange traded prices, broker/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 and other risks. Realised and unrealised gains or losses are recognised in profit or loss as part of gain on trading and foreign exchange transactions against assets or liabilities in the statements of financial position so that the derivative assets/liabilities represent their fair value at the reporting date.

Hedging Derivatives: The Bank and its subsidiaries manage its banking exposures to market rate movements through the use of derivatives such as interest rate swaps, interest rate futures and forward exchange contracts. Gains or losses resulting from the changes in fair values of contracts are recognised in accordance with the standard accounting treatment for income or expenses on hedged items as follows:

1. Where hedged items are measured at fair value, hedging instruments are measured at fair value consistently.
2. Where hedged items are measured on an accrual basis, hedging instruments are measured on an accrual basis consistently.

9) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

4.4 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.

4.5 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.

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.

4.6 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.

4.7 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 4.1. Subsequent to initial recognition, goodwill is measured at cost less impairment losses. Impairment assessment of goodwill is described in note 4.8.

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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 Treasury Shares

Treasury shares are recognised by the amount of consideration paid, including directly attributable costs, which recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity.

When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on the sale of treasury shares.

By the ended of the resale period of treasury shares, in case of unable to resell the share as planned. The Bank and its subsidiaries have to decrease in paid up capital by writing off all of unsold amount of the treasury shares. The difference between the treasury shares value and the par value is presented as a retained earnings and reverse the appropriation of retained earnings as a reserve for treasury shares and returned it to retained earnings.

4.18 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.

4.19 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.

4.20 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.

4.21 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.

4.22 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Bank on ordinary shareholders of the Bank by the weighted average number of ordinary shares in issued during the year and held by outside party.

4.23 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.

4.24 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 or in the case of changes in fair value of available-for-sale investments denominated in a foreign currency, 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.

4.25 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.

4.26 Leases

Accounting policies applicable from 1 January 2020

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.

Accounting Policy applicable before 1 January 2020

Leases in terms of which the Bank and its subsidiaries substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between interest expenses and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Interest expenses are charged directly to profit or loss.

Lease contract that the bank and its subsidiaries act as a lessee, the Bank and its subsidiaries recognised payments made under operating leases and relevant lease incentives in profit or loss on a straight-line basis over the term of the lease.

Lease contract that the bank and its subsidiaries act and lessor, the lease income of subsidiaries is recognised as follows:

- Income under finance lease agreements is recognised on the basis of installment payments due by using effective interest rate method, calculated from the balance of net investment in each installment. When installment payments are in arrears for more than three months, the cash basis is adopted.
- Income under operating lease agreements is recognised on the basis of installment payments due. When installment payments are in arrears for more than three months, the cash basis is adopted.

5 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 2020 of loans to customers and accrued interest receivables.

(Million Baht)

Consolidated				
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	Total
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	-	-	103,495	103,495
Total	1,951,216	201,382	103,495	2,256,093
Less Expected credit loss	(42,954)	(49,439)	(42,000)	(134,393)
Carrying amount	<u>1,908,262</u>	<u>151,943</u>	<u>61,495</u>	<u>2,121,700</u>

(Million Baht)

	The Bank			Total
	Stage 1 (Performing)	Stage 2 (Under - performing)	Stage 3 (Non - performing)	
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
<u>Less</u> Expected credit loss	<u>(41,807)</u>	<u>(47,891)</u>	<u>(40,148)</u>	<u>(129,846)</u>
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. For stage 3 facilities, the major collateral is land with premises which covers more than 80% of all collaterals of stage 3 facilities.

As at 31 December 2020, Loan-to-value ratio of total secured loan, commercial and mortgage loan, is 76% approximately.

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 3 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 Value-at-Risk (VaR).

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:

	(Million Baht)	
	31 December 2020	
	+100 bps	
	Consolidated*	The Bank
THB	(586)	(734)
Foreign Currencies	166	74
Total Effect of Interest Rate Change	<u>(420)</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 2020 and 2019 are as follows:

(Million Baht)

Consolidated						
	2020			2019		
	Average Balance	Interest Income/ Expense	Average Rate (%)	Average Balance	Interest Income/ Expense	Average Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	402,873	3,118	0.77	389,672	6,390	1.64
Investments	694,182	21,711	3.13	653,294	21,539	3.30
Loans to customers	<u>1,979,934</u>	<u>102,763</u>	5.19	<u>1,818,002</u>	<u>102,249</u>	5.62
Total	<u>3,076,989</u>	<u>127,592</u>	4.15	<u>2,860,968</u>	<u>130,178</u>	4.55
Interest-bearing Financial Liabilities						
Deposits	2,232,246	10,188	0.46	1,993,768	13,935	0.70
Interbank and money market items	126,221	854	0.68	109,782	1,603	1.46
Debts issued and borrowings	<u>75,891</u>	<u>2,124</u>	2.80	<u>72,260</u>	<u>2,661</u>	3.68
Total	<u>2,434,358</u>	<u>13,166</u>	0.54	<u>2,175,810</u>	<u>18,199</u>	0.84

(Million Baht)

The Bank						
	2020			2019		
	Average Balance	Interest Income/ Expense	Average Rate (%)	Average Balance	Interest Income/ Expense	Average Rate (%)
Interest-bearing Financial Assets						
Interbank and money market items	430,879	3,125	0.73	369,489	5,793	1.57
Investments	273,175	4,934	1.81	257,368	5,522	2.15
Loans to customers	<u>1,935,427</u>	<u>96,368</u>	4.98	<u>1,773,098</u>	<u>96,452</u>	5.44
Total	<u>2,639,481</u>	<u>104,427</u>	3.96	<u>2,399,955</u>	<u>107,767</u>	4.49
Interest-bearing Financial Liabilities						
Deposits	2,227,345	9,951	0.45	1,990,117	13,789	0.69
Interbank and money market items	140,291	785	0.56	117,246	1,598	1.36
Debts issued and borrowings	<u>75,700</u>	<u>2,118</u>	2.80	<u>72,094</u>	<u>2,659</u>	3.69
Total	<u>2,443,336</u>	<u>12,854</u>	0.53	<u>2,179,457</u>	<u>18,046</u>	0.83

Financial assets and liabilities, classified by maturity of interest repricing, as of 31 December 2020 and 2019 are shown below:

(Million Baht)

Consolidated							
	2020						Total
	Immediate Repricing	Within 6 Month	Over 6 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years	Non-interest Bearing	
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>

(Million Baht)

Consolidated								
2019								
	Immediate	Within	Over 6	Over 1 Year	Over	Non-interest	Stop	
	Repricing	6 Month	Months	to 5 Years	5 Years	Bearing	Accrued	Total
			to 1 Year					
Financial Assets								
Cash	-	-	-	-	-	61,385	-	61,385
Interbank and money market items	25,366	347,448	11,008	-	-	2,318	-	386,140
Investments	-	114,621	30,559	157,751	360,783	97,286	-	761,000
Loans to customers	1,336,289	172,761	54,659	126,965	83,512	40,964	186,806	2,001,956
Accrued interest receivables	-	-	-	-	-	2,830	-	2,830
Total Financial Assets	1,361,655	634,830	96,226	284,716	444,295	204,783	186,806	3,213,311
Financial Liabilities								
Deposits	1,471,591	367,373	95,133	24,520	-	113,432	-	2,072,049
Interbank and money market items	9,359	47,875	5,194	11,269	444	7,487	-	81,628
Liabilities payable on demand	-	-	-	-	-	21,679	-	21,679
Debts issued and borrowings	-	3,927	-	24,113	52,123	1,661	-	81,824
Total Financial Liabilities	1,480,950	419,175	100,327	59,902	52,567	144,259	-	2,257,180
Items recognised on the								
statements of financial position	(119,295)	215,655	(4,101)	224,814	391,728	60,524	186,806	956,131

(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	<u>1,641,902</u>	<u>213,964</u>	<u>8,707</u>	<u>181,687</u>	<u>139,740</u>	<u>10,484</u>	<u>2,196,484</u>
Total Financial Assets	<u>1,663,144</u>	<u>645,719</u>	<u>43,711</u>	<u>330,978</u>	<u>175,790</u>	<u>113,907</u>	<u>2,973,249</u>
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	<u>-</u>	<u>3,754</u>	<u>-</u>	<u>-</u>	<u>63,762</u>	<u>1,255</u>	<u>68,771</u>
Total Financial Liabilities	<u>1,787,432</u>	<u>368,242</u>	<u>87,701</u>	<u>66,059</u>	<u>63,820</u>	<u>171,941</u>	<u>2,545,195</u>
Items recognised on the statements of financial position	<u>(124,288)</u>	<u>277,477</u>	<u>(43,990)</u>	<u>264,919</u>	<u>111,970</u>	<u>(58,034)</u>	<u>428,054</u>

(Million Baht)

The Bank								
2019								
	Immediate	Within	Over 6	Over 1 Year	Over	Non-interest	Stop	
	Repricing	6 Month	Month	to 5 Years	5 Years	Bearing	Accrued	Total
			to 1 Years					
Financial Assets								
Cash	-	-	-	-	-	61,351	-	61,351
Interbank and money market items	19,772	340,764	19,071	1,294	-	1,569	-	382,470
Investments	-	97,011	23,810	95,323	25,720	24,978	-	266,842
Loans to customers	1,328,383	153,155	14,606	123,146	102,689	40,964	184,185	1,947,128
Accrued interest receivables	-	-	-	-	-	2,068	-	2,068
Total Financial Assets	1,348,155	590,930	57,487	219,763	128,409	130,930	184,185	2,659,859
Financial Liabilities								
Deposits	1,472,461	363,377	90,644	24,319	-	114,868	-	2,065,669
Interbank and money market items	16,174	54,203	62	11,218	444	8,236	-	90,337
Liabilities payable on demand	-	-	-	-	-	21,679	-	21,679
Debts issued and borrowings	-	3,769	-	24,113	52,123	1,661	-	81,666
Total Financial Liabilities	1,488,635	421,349	90,706	59,650	52,567	146,444	-	2,259,351
Items recognised on the								
statements of financial position	(140,480)	169,581	(33,219)	160,113	75,842	(15,514)	184,185	400,508

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 2020 and 2019 were as follows:

(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	10,466	65	23	1,006	2,225	13,785
Total	257,432	6,843	1,869	32,508	74,725	373,377
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	8,201	96	35	28	889	9,249
Total	136,918	1,582	542	3,046	18,962	161,050
Foreign currency position of						
items recognised on the statements of financial position - net	120,514	5,261	1,327	29,462	55,763	212,327
items not recognised on the statements of financial position* - net	(83,458)	(3,920)	219	(25,718)	(47,777)	(160,654)

* Forward exchange contracts, cross currency swaps and FX options

(Million Baht)

	Consolidated					
	2019					
	Currency					
	US Dollar	Yen	Pound	Euro	Others	Total
Assets						
Cash	1,102	276	101	379	485	2,343
Interbank and money market items - net	47,909	132	234	297	12,884	61,456
Investments - net	124,713	6,409	1,133	15,385	18,324	165,964
Loans to customers and accrued interest						
receivables - net	62,386	883	163	6,431	16,354	86,217
Other assets	<u>3,751</u>	<u>30</u>	<u>4</u>	<u>264</u>	<u>542</u>	<u>4,591</u>
Total	<u>239,861</u>	<u>7,730</u>	<u>1,635</u>	<u>22,756</u>	<u>48,589</u>	<u>320,571</u>
Liabilities						
Deposits	53,794	956	794	3,691	13,343	72,578
Interbank and money market items	1,691	1,011	-	337	10,584	13,623
Liabilities payable on demand	12,142	198	71	695	472	13,578
Debts issued and borrowings	52,005	-	-	-	-	52,005
Other liabilities	<u>5,734</u>	<u>54</u>	<u>17</u>	<u>266</u>	<u>582</u>	<u>6,653</u>
Total	<u>125,366</u>	<u>2,219</u>	<u>882</u>	<u>4,989</u>	<u>24,981</u>	<u>158,437</u>
Foreign currency position of						
items recognised on the statements of						
financial position - net	<u>114,495</u>	<u>5,511</u>	<u>753</u>	<u>17,767</u>	<u>23,608</u>	<u>162,134</u>
items not recognised on the statements of						
financial position* - net	<u>(92,744)</u>	<u>(4,834)</u>	<u>407</u>	<u>(16,099)</u>	<u>(20,955)</u>	<u>(134,225)</u>

* Forward exchange contracts, cross currency swaps and FX options

(Million Baht)

The Bank						
2020						
Currency						
	US Dollar	Yen	Pound	Euro	Others	Total
<u>Assets</u>						
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	<u>9,243</u>	<u>29</u>	<u>15</u>	<u>687</u>	<u>76</u>	<u>10,050</u>
Total	<u>210,195</u>	<u>3,180</u>	<u>325</u>	<u>16,475</u>	<u>50,041</u>	<u>280,216</u>
<u>Liabilities</u>						
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	<u>6,415</u>	<u>30</u>	<u>26</u>	<u>14</u>	<u>71</u>	<u>6,556</u>
Total	<u>133,713</u>	<u>1,516</u>	<u>533</u>	<u>3,032</u>	<u>2,171</u>	<u>140,965</u>
Foreign currency position of items recognised on the statements of financial position - net	<u>76,482</u>	<u>1,664</u>	<u>(208)</u>	<u>13,443</u>	<u>47,870</u>	<u>139,251</u>
items not recognised on the statements of financial position* - net	<u>(57,218)</u>	<u>(1,615)</u>	<u>219</u>	<u>(13,772)</u>	<u>(44,389)</u>	<u>(116,775)</u>

* Forward exchange contracts, cross currency swaps and FX options

(Million Baht)

The Bank						
2019						
Currency						
	US Dollar	Yen	Pound	Euro	Others	Total
<u>Assets</u>						
Cash	1,093	276	101	379	480	2,329
Interbank and money market items - net	44,995	132	234	295	17,231	62,887
Investments - net	77,573	3,480	-	1,623	659	83,335
Investments in subsidiaries and associates - net	2,166	-	-	-	13,852	16,018
Loans to customers and accrued interest						
receivables - net	60,332	883	163	6,431	1,554	69,363
Other assets	<u>2,851</u>	<u>8</u>	<u>-</u>	<u>9</u>	<u>46</u>	<u>2,914</u>
Total	<u>189,010</u>	<u>4,779</u>	<u>498</u>	<u>8,737</u>	<u>33,822</u>	<u>236,846</u>
<u>Liabilities</u>						
Deposits	51,070	956	794	3,691	3,385	59,896
Interbank and money market items	2,550	1,011	-	337	4,514	8,412
Liabilities payable on demand	12,142	198	71	695	472	13,578
Debts issued and borrowings	52,005	-	-	-	-	52,005
Other liabilities	<u>5,270</u>	<u>40</u>	<u>13</u>	<u>255</u>	<u>99</u>	<u>5,677</u>
Total	<u>123,037</u>	<u>2,205</u>	<u>878</u>	<u>4,978</u>	<u>8,470</u>	<u>139,568</u>
Foreign currency position of						
items recognised on the statements of						
financial position - net	<u>65,973</u>	<u>2,574</u>	<u>(380)</u>	<u>3,759</u>	<u>25,352</u>	<u>97,278</u>
items not recognised on the statements of						
financial position* - net	<u>(60,934)</u>	<u>(2,530)</u>	<u>407</u>	<u>(3,800)</u>	<u>(20,943)</u>	<u>(87,800)</u>

* 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 has no policy to hold commodity position, but manages risk arising from commodity trading business mainly 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.

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	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	31 December 2020	

Financial assets and liabilities, classified by remaining contractual maturity analysis, as of 31 December 2020 and 2019 were as follows:

(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.

(Million Baht)

Consolidated							
2019							
	<u>At call</u>	<u>Within 6 Months</u>	<u>Over 6 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 Years</u>	<u>No Maturity</u>	<u>Total</u>
<u>Financial Assets</u>							
Cash	-	-	-	-	-	61,385	61,385
Interbank and money market items	27,380	344,668	11,077	-	3,015	-	386,140
Investments*	1	77,976	28,057	122,329	32,853	27,510	288,726
Loans to customers	291,669	506,331	135,893	392,169	675,894	-	2,001,956
Accrued interest receivables	<u>193</u>	<u>1,954</u>	<u>672</u>	<u>8</u>	<u>3</u>	<u>-</u>	<u>2,830</u>
Total Financial Assets	<u>319,243</u>	<u>930,929</u>	<u>175,699</u>	<u>514,506</u>	<u>711,765</u>	<u>88,895</u>	<u>2,741,037</u>
<u>Financial Liabilities</u>							
Deposits	1,585,023	367,373	95,133	24,520	-	-	2,072,049
Interbank and money market items	16,846	43,457	5,194	15,687	444	-	81,628
Liabilities payable on demand	21,679	-	-	-	-	-	21,679
Debts issued and borrowings	<u>-</u>	<u>396</u>	<u>257</u>	<u>29,048</u>	<u>52,123</u>	<u>-</u>	<u>81,824</u>
Total Financial Liabilities	<u>1,623,548</u>	<u>411,226</u>	<u>100,584</u>	<u>69,255</u>	<u>52,567</u>	<u>-</u>	<u>2,257,180</u>
Liquidity - net	<u>(1,304,305)</u>	<u>519,703</u>	<u>75,115</u>	<u>445,251</u>	<u>659,198</u>	<u>88,895</u>	<u>483,857</u>
Liquidity - cumulative net	(1,304,305)	(784,602)	(709,487)	(264,236)	394,962	483,857	483,857

*Investments of the life insurance subsidiary which are held primarily in relation to the insurance contract liabilities, are not presented in the table.

(Million Baht)

The Bank							
	2020						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	-	-	-	-	-	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

(Million Baht)

The Bank							
2019							
	<u>At call</u>	<u>Within 6 Months</u>	<u>Over 6 Months to 1 Year</u>	<u>Over 1 Year to 5 Years</u>	<u>Over 5 Years</u>	<u>No Maturity</u>	<u>Total</u>
<u>Financial Assets</u>							
Cash	-	-	-	-	-	61,351	61,351
Interbank and money market items	21,011	336,998	19,615	1,831	3,015	-	382,470
Investments	-	72,170	23,873	112,968	32,853	24,978	266,842
Loans to customers	277,806	507,299	108,842	380,779	672,402	-	1,947,128
Accrued interest receivables	<u>191</u>	<u>1,877</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,068</u>
Total Financial Assets	<u>299,008</u>	<u>918,344</u>	<u>152,330</u>	<u>495,578</u>	<u>708,270</u>	<u>86,329</u>	<u>2,659,859</u>
<u>Financial Liabilities</u>							
Deposits	1,587,329	363,377	90,644	24,319	-	-	2,065,669
Interbank and money market items	24,410	49,784	62	15,637	444	-	90,337
Liabilities payable on demand	21,679	-	-	-	-	-	21,679
Debts issued and borrowings	<u>-</u>	<u>238</u>	<u>257</u>	<u>29,048</u>	<u>52,123</u>	<u>-</u>	<u>81,666</u>
Total Financial Liabilities	<u>1,633,418</u>	<u>413,399</u>	<u>90,963</u>	<u>69,004</u>	<u>52,567</u>	<u>-</u>	<u>2,259,351</u>
Liquidity - net	<u>(1,334,410)</u>	<u>504,945</u>	<u>61,367</u>	<u>426,574</u>	<u>655,703</u>	<u>86,329</u>	<u>400,508</u>
Liquidity - cumulative net	(1,334,410)	(829,465)	(768,098)	(341,524)	314,179	400,508	400,508

Operational Risk Management

“Operational risk” refers to the risk of direct or indirect losses in the Bank earnings and capital funds, resulting from failure or inadequate processes, personnel, operating and IT systems, or external events/factors.

The Bank’s operational risk management has been implemented, through systematic and effective risk identification, assessment, management, and reporting the operational risk level of products and processes continuously. All units of the Bank are required to report their operational risk exposures, designed controls, and risk prevention initiatives. Meanwhile, many modern risk management tools – such as Key Risk Indicators (KRI), Risk Event Database (RED) and other IT systems – have been employed, in order to enhance the effectiveness for risk monitoring and prevention, and manage risks in a timely manner before damage occurs to the Bank and customers. Moreover, the Bank continues managing risk from fraud for the purpose of attaining customer satisfaction towards the Bank’s products and services and also business continuity management (BCM).

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 2020, 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.

6 CAPITAL REQUIREMENTS

The ratios of capital to assets (Capital Adequacy Ratio) of KASIKORNBANK FINANCIAL CONGLOMERATE and the Bank as at 31 December 2020 and 2019 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.

(Million Baht)

	KASIKORNBANK FINANCIAL CONGLOMERATE	
	<u>2020</u>	<u>2019</u>
Tier 1 Capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	42,036
Legal reserve	3,050	3,050
Net profit after appropriation	341,444	322,283
Other comprehensive income	19,740	22,127
<u>Less</u> Capital deduction items on CET1	(33,780)	(31,521)
Additional Tier 1 Capital	<u>15,604</u>	<u>-</u>
Total Tier 1 Capital Base	<u>387,854</u>	<u>357,975</u>
Tier 2 Capital		
Tier 2 Capital instruments	38,508	52,508
General Provision	27,105	24,756
<u>Less</u> Capital deduction items on Tier 2	<u>(1,372)</u>	<u>(1,486)</u>
Total Tier 2 Capital Base	<u>64,241</u>	<u>75,778</u>
Total Capital Base	<u>452,095</u>	<u>433,753</u>
Total Risk-Weighted Assets	2,404,276	2,210,881

(Percentage)

KASIKORNBANK FINANCIAL CONGLOMERATE					
<u>Capital Adequacy Ratio</u>	<u>Minimum capital ratios</u>		<u>Minimum capital ratios</u>		
	<u>& Buffer requirements*</u>		<u>2020</u>	<u>& Buffer requirements*</u>	
				<u>2019</u>	
Tier 1 Capital ratio	9.50		16.13	9.00	16.19
<i>Common Equity Tier 1 ratio</i>	<i>8.00</i>		<i>15.48</i>	<i>7.50</i>	<i>16.19</i>
Tier 2 Capital ratio	-		2.67	-	3.43
Capital adequacy ratio	12.00		18.80	11.50	19.62

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffer as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at 2.50% per annum since 1 January 2019 onwards.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1% per annum on a phase-in basis at 0.50% since 1 January 2019 and increase to be 1% since 1 January 2020 onwards.

(Million Baht)

The Bank		
	<u>2020</u>	<u>2019</u>
Tier 1 Capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital, premium on common shares	41,796	42,036
Legal reserves	3,050	3,050
Net profit after appropriation	298,857	285,322
Other comprehensive income	17,132	18,618
<u>Less</u> Capital deduction items on CET1	(31,304)	(29,495)
Additional Tier 1 Capital	<u>15,604</u>	<u>-</u>
Total Tier 1 Capital Base	<u>345,135</u>	<u>319,531</u>
Tier 2 Capital		
Tier 2 Capital instruments	38,508	52,508
General Provision	<u>26,156</u>	<u>23,992</u>
Total Tier 2 Capital Base	<u>64,664</u>	<u>76,500</u>
Total Capital Base	<u>409,799</u>	<u>396,031</u>
Total Risk-Weighted Assets	2,310,674	2,138,259

(Percentage)

The Bank

<u>Capital Adequacy Ratio</u>	<u>Minimum capital ratios & Buffer requirements*</u>		<u>Minimum capital ratios & Buffer requirements*</u>	
		2020		2019
Tier 1 Capital ratio	9.50	14.94	9.00	14.94
<i>Common Equity Tier 1 ratio</i>	8.00	14.26	7.50	14.94
Tier 2 Capital ratio	-	2.80	-	3.58
Capital adequacy ratio	12.00	17.74	11.50	18.52

* Bank of Thailand (BOT) required the Bank to maintain 2 capital buffer as follows:

- Conservation buffer: BOT required the Bank to maintain an additional Common Equity Tier 1 at 2.50% per annum since 1 January 2019 onwards.
- Domestic Systematically Important Banks Buffer (D-SIBs Buffer): BOT required the D-SIBs to maintain an additional Common Equity Tier 1 at 1% per annum on a phase-in basis at 0.50% since 1 January 2019 and increase to be 1% since 1 January 2020 onwards.

As at 31 December 2020 and 2019, 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	31 December 2020

7 CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities as of 31 December 2020 is as follows:

(Million Baht)

	Consolidated				
	Financial instrument measured 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	46,666	-	-	-	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>101,517</u>	<u>233,153</u>	<u>77,475</u>	<u>3,071,328</u>	<u>3,483,473</u>
Financial Liabilities					
Deposits	-	-	-	2,344,999	2,344,999
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	287	-	-	-	287
Derivative liabilities	45,637	-	-	1,189	46,826
Debts issued and borrowings	-	-	-	69,390	69,390
Total	<u>45,924</u>	<u>-</u>	<u>-</u>	<u>2,529,818</u>	<u>2,575,742</u>

(Million Baht)

The Bank					
	Financial instrument measured 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	-	-	-	61,920	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	-	-	-	2,066,638	2,066,638
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	-	-	-	68,771	68,771
Total	<u>46,070</u>	<u>-</u>	<u>-</u>	<u>2,546,269</u>	<u>2,592,339</u>

8 SUPPLEMENTARY INFORMATION OF CASH FLOWS

Significant non-cash items for the years ended 31 December 2020 and 2019 are as follows:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Change in foreign exchange for long-term debts issued and borrowings*	(202)	(3,310)	(202)	(3,310)
Amortisation cost for long-term debts issued and borrowings	5	11	5	11

* The Bank and its subsidiaries manage its banking exposures through the use of derivatives

9 INTERBANK AND MONEY MARKET ITEMS - NET (ASSETS)

Interbank and money market items - net (assets) as of 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
1. <u>Domestic</u>				
The BOT and FIDF	282,730	301,948	282,730	301,948
Commercial banks	48,148	22,859	44,117	19,231
Specialised financial institutions	167	909	1	1
Other financial institutions	<u>3,157</u>	<u>1,672</u>	<u>2,829</u>	<u>1,376</u>
Total	334,202	327,388	329,677	322,556
<u>Add</u> Accrued interest receivable and undue interest income	50	103	41	90
<u>Less</u> Allowance for expected credit loss/ allowance for doubtful accounts	<u>(36)</u>	<u>(76)</u>	<u>-</u>	<u>(45)</u>
Total Domestic	<u>334,216</u>	<u>327,415</u>	<u>329,718</u>	<u>322,601</u>
2. <u>Foreign</u>				
US Dollars	57,248	44,734	60,553	41,803
Japanese Yen	245	132	244	132
Euro	431	297	431	295
Other currencies	<u>25,427</u>	<u>13,284</u>	<u>29,934</u>	<u>17,354</u>
Total	83,351	58,447	91,162	59,584
<u>Add</u> Accrued interest receivable and Deferred interest	178	202	430	240
<u>Less</u> Allowance for expected credit loss/ allowance for doubtful accounts	<u>(325)</u>	<u>(124)</u>	<u>(158)</u>	<u>(24)</u>
Total Foreign	<u>83,204</u>	<u>58,525</u>	<u>91,434</u>	<u>59,800</u>
Total Domestic and Foreign	<u>417,420</u>	<u>385,940</u>	<u>421,152</u>	<u>382,401</u>

10 FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets mandatory measured fair value through profit or loss consisted of;

10.1 Trading financial assets as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Government and state enterprise securities	10,083	9,936
Private enterprise debt instruments	1,295	1,248
Marketable equity securities - domestic	<u>4,320</u>	<u>23</u>
Total trading financial assets	<u>15,698</u>	<u>11,207</u>

10.2 Financial assets mandatory measured fair value through profit or loss as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>
Private enterprise debt instruments	<u>58</u>
Total financial assets mandatory measured fair value through profit or loss	<u>58</u>

10.3 Financial assets others as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Private enterprise debt instruments	14,058	-
Foreign debt instruments	15,085	12,077
Marketable equity securities – domestic	176	176
Others	<u>1,591</u>	<u>1,282</u>
Total financial assets - others	<u>30,910</u>	<u>13,535</u>
 Total	 <u>46,666</u>	 <u>24,742</u>

11 DERIVATIVES

11.1 Trading derivatives

Carrying amount and notional amount classified by type of risks as of 31 December 2020 and 2019 consisted of:

(Million Baht)

Consolidated

Type of risk	Carrying amount				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Exchange rate	33,546	30,644	26,846	21,100	1,342,013	1,612,859	249,159	376,988	1,591,172	1,989,847
Interest rate	15,108	11,382	13,782	8,952	157,098	214,863	596,108	767,247	753,206	982,110
Others										
- Commodities	118	141	116	133	2,170	8,909	73	37	2,243	8,946
- Equities	187	181	17	59	1,852	3,358	2,258	926	4,110	4,284
- Debts	-	-	2	-	-	-	200	-	200	-
- Others	(627)	(569)	-	-	-	-	-	-	-	-
Total	48,332	41,779	40,763	30,244	1,503,133	1,839,989	847,798	1,145,198	2,350,931	2,985,187

(Million Baht)

The Bank

Type of risk	Carrying amount				Notional amount classified by maturity					
	Assets		Liabilities		Up to 1 year		Over 1 year		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Exchange rate	33,584	27,153	27,547	22,463	1,339,832	1,612,352	253,685	342,523	1,593,517	1,954,875
Interest rate	15,107	11,382	13,782	8,952	156,359	214,863	596,108	765,408	752,467	980,271
Others										
- Commodities	118	141	116	133	2,170	8,909	73	37	2,243	8,946
- Equities	97	1	97	-	-	-	1,971	5	1,971	5
- Debts	-	-	2	-	-	-	200	-	200	-
- Others	(627)	(569)	-	-	-	-	-	-	-	-
Total	48,279	38,108	41,544	31,548	1,498,361	1,836,124	852,037	1,107,973	2,350,398	2,944,097

The carrying amount of derivative assets and liabilities as of 31 December 2019 comprises of trading book derivatives measured at fair value and banking book derivatives are measured on accrual basis in accordance with the accounting policy disclosed in note 4.3.1

11.2 Hedging derivatives

11.2.1 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 2020 are Baht 32,989 million and Baht 40,550 million, respectively. They are hedged by interest rate swap or FX swap as per table below which arose ineffectiveness which recognised loss in the profit or loss for the year ended 31 December 2020 of Baht 25 million.

Fair value and notional amount classified by type of risks as of 31 December 2020 consisted of

(Million Baht)

Consolidated and The Bank			
Type of risks	Fair value		Notional Amount
	Assets	Liabilities	
Exchange rate	101	50	3,793
Interest rate	2,020	2,545	74,807
Total	2,121	2,595	78,600

11.2.2 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 2020 has loss for Baht 230 million which comprises decrease in recognised fair value changes amounting to Baht 2,311 million and transferred to profit or loss amounting to Baht 2,018 million. Cash flow hedge balances for the Bank financial statements as of 31 December 2020 has loss for Baht 1,031 million which comprises decrease in recognised fair value changes amounting to Baht 1,636 million and transferred to profit or loss amounting to Baht 605 million while the ineffective portion that are recognised loss immediately in the profit or loss of the consolidated and the Bank for the year ended 31 December 2020 of Baht 71 million and Baht 43 million, respectively.

Fair value and notional amount classified by type of risks as of 31 December 2020 consisted of

(Million Baht)

Type of risks	Consolidated			The Bank		
	Fair value			Fair value		
	Assets	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
Exchange rate	3,866	806	62,291	70	458	22,064
Interest rate	58	1,473	53,742	46	1,473	53,248
Others						
- Debts	474	-	-	-	-	-
Total	4,398	2,279	116,033	116	1,931	75,312

11.2.3 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 oversea subsidiaries and oversea branches that have different functional currencies from Thai Baht, the bank's functional currency. The hedge relationship was closely monitored and promptly adjust a hedge position through a mixture of derivatives and financial liabilities which are foreign currencies to ensure highly effective for the total hedging period.

11.3 Dynamic Hedging derivatives

Carrying amount and notional amount classified by type of risks as of 31 December 2020 consisted of

(Million Baht)

Type of risks	Consolidated					The Bank				
	Carrying amount		Notional amount classified by maturity			Carrying amount		Notional amount classified by maturity		
	Assets	Liabilities	Up to 1 year	Over 1 year	Total	Assets	Liabilities	Up to 1 year	Over 1 year	Total
Exchange rate	5,135	1,189	165,406	18,623	184,029	5,076	1,074	162,040	18,623	180,663
Interest rate	-	-	41,020	122,715	163,735	-	-	41,020	122,715	163,735
Total	5,135	1,189	206,426	141,338	347,764	5,076	1,074	203,060	141,338	344,398

12 INVESTMENTS - NET

12.1 Type of investments

Investments as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>Amortised Cost</u>		<u>Amortised Cost</u>	
1. <u>Investments in debt instruments measured at amortised cost</u>				
1.1 Government and state enterprise securities	284,870		35,142	
1.2 Private enterprise debt instruments	138,426		12,251	
1.3 Foreign debt instruments	<u>42,950</u>		<u>-</u>	
Total	466,246		47,393	
<u>Less Allowance for expected credit loss</u>	<u>(1,135)</u>		<u>(463)</u>	
Total	<u>465,111</u>		<u>46,930</u>	

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>Fair value</u>		<u>Fair value</u>	
2. <u>Investments in debt instruments measured at fair value through others comprehensive income</u>				
2.1 Government and state enterprise securities	149,696		146,061	
2.2 Private enterprise debt instruments	15,470		13,420	
2.3 Foreign debt instruments	<u>67,987</u>		<u>52,238</u>	
Total	<u>233,153</u>		<u>211,719</u>	
Allowance for expected credit loss	(229)		(208)	

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>Fair value</u>	<u>Dividend income</u>	<u>Fair value</u>	<u>Dividend income</u>
3. <u>Investments in equity instruments designated at fair value through other comprehensive income</u>				
3.1 Marketable equity securities - domestic	48,308	1,803	6,152	307
3.2 Marketable equity securities - overseas	25,012	451	2,621	64
3.3 Others	<u>4,155</u>	<u>51</u>	<u>908</u>	<u>42</u>
Total	<u>77,475</u>	<u>2,305</u>	<u>9,681</u>	<u>413</u>
Total Investments - net	<u>775,739</u>		<u>268,330</u>	

Investments as of 31 December 2019 consisted of:

	(Million Baht)	
	Consolidated	The Bank
1. <u>Trading investments</u> - Fair Value		
1.1 Government and state enterprise securities	10,911	10,911
1.2 Private enterprise debt instruments	1,290	1,290
1.3 Marketable equity securities - domestic	<u>4,309</u>	<u>22</u>
Total	<u>16,510</u>	<u>12,223</u>
2. <u>Available-for-sale investments</u> - Fair Value		
2.1 Government and state enterprise securities	154,863	143,939
2.2 Private enterprise debt instruments	13,235	11,036
2.3 Foreign debt instruments	70,951	60,606
2.4 Marketable equity securities - domestic	57,060	1,930
2.5 Marketable equity securities - overseas	<u>40,598</u>	<u>20,839</u>
Total	<u>336,707</u>	<u>238,350</u>
3. <u>Held-to-maturity debt instruments</u> - Cost Value / Amortised Cost Value		
3.1 Government and state enterprise securities	244,006	5,027
3.2 Private enterprise debt instruments	127,448	11,603
3.3 Foreign debt instruments	44,262	-
3.4 Investments in receivables	<u>670</u>	<u>669</u>
Total	416,386	17,299
<u>Less</u> Allowance for impairment	<u>(17)</u>	<u>-</u>
Total	<u>416,369</u>	<u>17,299</u>
4. <u>General investments</u> - Cost Value		
4.1 Non-marketable equity securities - domestic	1,656	1,350
4.2 Non-marketable equity securities - overseas	<u>3,647</u>	<u>1,221</u>
Total	5,303	2,571
<u>Less</u> Allowance for impairment	(174)	(46)
Fair value hedge adjustments	<u>(75)</u>	<u>(75)</u>
Total	<u>5,054</u>	<u>2,450</u>
Total Investments – net	<u>774,640</u>	<u>270,322</u>

12.2 Derecognised investments

Derecognised investments in equities instrument designated at fair value through other comprehensive income during the year ended 31 December 2020 were as following;

(Million Baht)

	<u>Consolidated</u>			<u>The Bank</u>		
	Fair value at <u>derecognised date</u>	Dividend <u>income</u>	<u>Gain/(Loss)</u>	Fair value at <u>derecognised date</u>	Dividend <u>income</u>	<u>Gain/(Loss)</u>
Derecognised investments	21,846	128	571	94	1	58

12.3 Investments in other companies having a going concern uncertainty

As of 31 December 2020 and 2019, investments held by the Bank and its subsidiaries in listed companies which meet SET's criteria for delisting, and are in default on debt instruments, or 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 or investments in receivables with uncertainty in settlement or in default, were as follows:

(Million Baht)

	<u>Consolidated</u>					
	<u>2020</u>			<u>2019</u>		
	<u>Cost Value/ Book Value</u>	<u>Allowance for Expected Credit Loss</u>	<u>Cost Value/ Book Value</u>	<u>Allowance for Impairment</u>		
1. 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						
- Equity Securities	23	-	(12)	23	-	(12)
- Debt securities	778	-	(418)	-	-	-
2. Investments in receivables with uncertainty in settlement or in default	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>
Total	<u>801</u>	<u>-</u>	<u>(430)</u>	<u>24</u>	<u>-</u>	<u>(13)</u>

(Million Baht)

The Bank						
	2020			2019		
	Cost Value/ Book Value	Fair Value	Allowance for Expected Credit Loss	Cost Value/ Book Value	Fair Value	Allowance for Impairment
1. 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						
- Equity Securities	11	-	-	11	-	-
- Debt securities	778	-	(418)	-	-	-
Total	789	-	(418)	11	-	-

12.4 Investments over 10% held by the Bank and its subsidiaries

As of 31 December 2020 and 2019, investments held by the Bank and its subsidiaries that were more than 10% of those companies' shares and were not investments in subsidiaries and associated companies, classified by industry were as follows:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Agriculture and mining	5	5	-	-
Property development and construction	2,170	2,536	-	441
Infrastructure and services	86	254	45	201
Others	1,670	6,764	4	46
Total	3,931	9,559	49	688

13 INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE – NET

13.1 Type of investments in subsidiaries, associated companies and joint venture

As of 31 December 2020 and 2019, investments in ordinary shares of subsidiaries, associated companies and joint venture were as follows:

(Million Baht)

<u>Consolidated</u>								
	Type of Business	Type of Share	% Shareholding		Cost method		Equity method	
			Direct and indirect		2020	2019	2020	2019
			2020	2019	2020	2019	2020	2019
<u>Associated companies</u>								
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	287	286
National ITMX Co., Ltd.	Service	Ordinary	25.48%	25.43%	104	103	583	457
BCI (THAILAND) CO.,LTD.	Service	Ordinary	22.17%	22.17%	118	118	97	110
Sovannaphum Life Assurance PLC ³⁾	Life Insurance	Ordinary	18.74%	18.74%	230	230	114	125
Goco Co., Ltd. ⁴⁾	Information and communication system development	Ordinary	22.65%	22.65%	4	4	-	-
Lawson-Marsh Events Co., Ltd. ⁴⁾	Professional conference organizer	Ordinary	35.71%	35.71%	5	5	-	-
O&H Honeycomb Paper Co., Ltd. ⁴⁾	Manufacture and sale of honeycomb paper	Ordinary	40.99%	40.99%	18	18	-	-
LD Restaurant Co., Ltd. ⁴⁾	Restaurant	Ordinary	33.34%	35.30%	4	4	-	-
Tee Entertainment Co., Ltd. ⁴⁾	Event organizer Restaurant and Sale of consumer goods	Ordinary	27.61%	27.61%	45	45	-	-
<u>Joint venture</u>								
KASIKORN LINE CO., LTD. ⁵⁾	Lending service	Ordinary	50.00%	50.00%	1,350	1,100	970	1,081
Total Investments in Associated Companies and Joint Venture					1,893	1,642	2,051	2,059
<u>Less</u> Allowance for impairment					(76)	(76)	-	-
Investments in Associated Companies and Joint Venture - Net					1,817	1,566	2,051	2,059

(Million Baht)

The Bank								
% Shareholding								
	Type of Business	Type of Share	Direct and indirect		Cost method		Dividend income	
			2020	2019	2020	2019	2020	2019
Direct subsidiaries								
KASIKORN ASSET MANAGEMENT CO., LTD.	Fund Management	Ordinary	100.00%	100.00%	2,003	2,003	2,842	2,810
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	480	180
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 PRO CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	5	5	-	-
KASIKORN SERVE CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	19	19	70	61
KASIKORN X CO., LTD. ¹⁾	Service	Ordinary	100.00%	100.00%	5	5	-	-
Muang Thai Group Holding Co., Ltd. ("MTGH") ²⁾	Investment in other Companies	Ordinary	51.00%	51.00%	7,575	7,575	281	538
KASIKORNTHAI BANK Limited ⁶⁾	Commercial Banking	Ordinary	100.00%	100.00%	1,334	1,217	-	-
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%	2,821	2,310	-	-
KASIKORN VISION COMPANY LIMITED ("KVision")	Investment in other Companies	Ordinary	100.00%	100.00%	5,400	1,200	-	-
KASIKORN GLOBAL PAYMENT COMPANY LIMITED	Payment service provider	Ordinary	100.00%	100.00%	155	120	-	-
Phethai Asset Management Co., Ltd.	Asset Management	Ordinary	100.00%	100.00%	1,400	1,480	-	-
PROGRESS PLUS CO., LTD.	Sales of inventories and 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	65	130
PROGRESS MANAGEMENT CO., LTD.	Service	Ordinary	100.00%	100.00%	6	6	2	2
PROGRESS FACILITIES MANAGEMENT CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	14	22
PROGRESS SERVICE SECURITY GUARD CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	25	28
PROGRESS STORAGE CO., LTD.	Service	Ordinary	100.00%	100.00%	3	3	11	19
PROGRESS H R CO., LTD.	Service	Ordinary	100.00%	100.00%	1	1	-	10

(Million Baht)

The Bank								
% Shareholding								
Type of Business	Type of Share	Direct and indirect		Cost method		Dividend income		
		2020	2019	2020	2019	2020	2019	
<u>Direct subsidiaries</u>								
PROGRESS SERVICE SUPPORT CO., LTD.	Service	Ordinary	100.00%	100.00%	4	4	-	15
PROGRESS COLLECTION CO., LTD.	Service	Ordinary	100.00%	100.00%	5	5	10	-
PROGRESS TRAINING CO., LTD.	Service	Ordinary	100.00%	100.00%	2	2	-	-
<u>Indirect subsidiaries</u>								
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%	50.98%	-	-	-	-
MT Insure Broker Co., Ltd. ³⁾	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	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%	-	-	-	-	-
<u>Associated companies</u>								
Processing Center Co., Ltd.	Service	Ordinary	30.00%	30.00%	15	15	16	60
National ITMX Co., Ltd.	Service	Ordinary	25.48%	25.43%	104	103	45	19
BCI (THAILAND) CO., LTD.	Service	Ordinary	22.17%	22.17%	118	118	-	-
Total					38,535	33,751	4,871	4,904
<u>Less Allowance for impairment</u>					(1,400)	(1,480)	-	-
Fair value hedge adjustments					(1,072)	(1,751)	-	-
Investments in Subsidiaries and Associated Companies - Net					<u>36,063</u>	<u>30,520</u>	<u>4,871</u>	<u>4,904</u>

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⁾ The Bank holds shares indirectly through MTL.

⁴⁾ The Bank holds shares indirectly through K-SME Venture Capital Co., Ltd.

⁵⁾ The Bank holds shares indirectly through KVision.

⁶⁾ KASIKORN ASSET MANAGEMENT CO., LTD. holds 10% of KASIKORNTHAI BANK Limited

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. KASIKORNTHAI BANK Limited, and Sovannaphum Life Assurance PLC incorporated in Lao PDR and Kingdom of Cambodia, respectively.

On 10 January 2020 and 31 March 2020, BEACON VENTURE CAPITAL COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital of Baht 140 million and 23 June 2020 increased its authorised share capital to Baht 1,085 million and partially paid up share capital of Baht 271 million and 30 October 2020 additionally partially paid up share capital of Baht 100 million to Baht 2,821 million of the Baht 3,735 million authorised share capital.

On 16 April 2020, KASIKORN VISION COMPANY LIMITED, a subsidiary of the Bank, increased its authorised share capital to Baht 6,800 million and partially paid up share capital of Baht 4,200 million to Baht 5,400 million of the Baht 8,000 million authorised share capital

On 1 June 2020, KASIKORN GLOBAL PAYMENT COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital of Baht 35 million, totaling paid up share capital of Baht 155 million.

On 17 June 2020, the Bank resolved to approve the established a new subsidiary company under the name KASIKORN VISION INFORMATION TECHNOLOGY COMPANY LIMITED in People's Republic of China, of which 100% of shares are held by KASIKORN VISION COMPANY LIMITED. The company has CNY 300 million of authorised share capital and fully paid up share capital on 17 July 2020.

On 7 October 2020, KASIKORN VISION COMPANY LIMITED, a subsidiary of the Bank, increased its investment in KASIKORN LINE COMPANY LIMITED by Baht 250 million, remaining the same shareholding.

On 1 December 2020, KASIKORNTHAI BANK Limited., a subsidiary of the Bank increased its authorized and fully paid up share capital by Baht 117 million.

On 2 December 2020, Phethai Asset Management Co., Ltd., a subsidiary of the Bank reduced its authorised, issued and paid up share capital by Baht 80 million.

13.2 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 2020</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%

13.3 Financial positions, results of operations and cash flows of the Bank's subsidiaries and associated companies

13.3.1 The summarised financial information of the subsidiaries that have non-controlling interests that are material to the Bank is set out below:

(Million Baht)

	Statements of Financial Position					
	31 December 2020			31 December 2019		
	(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***	572,594	485,072	87,522	546,048	465,917	80,131

(Million Baht)

	Statements of Profit or Loss and Other Comprehensive Income					
	For the Year Ended 31 December					
	2020			2019		
	(Unaudited)					
	Operating			Operating		
	<u>Income - net</u>	<u>Expenses*</u>	<u>Net Profit</u>	<u>Income - net</u>	<u>Expenses*</u>	<u>Net Profit</u>
Companies in MTGH Group***	15,163	7,682	7,481	17,356**	7,498	9,858

* Expenses comprise total other operating expenses, impairment loss on loans and debt securities and income tax expense.

** Including dividend income among the group for 2020 and 2019 amounting to Baht 581 million and Baht 2,114 million, respectively.

*** The majority is contributed by Muang Thai Life Assurance PCL.

(Million Baht)

	Statements of Cash Flows		
	For the Year Ended 31 December 2020		
	(Unaudited)		
	<u>Net Cash by Operating Activities</u>	<u>Net Cash by Investing Activities</u>	<u>Net Cash by Financing Activities</u>
Companies in MTGH Group*	3,008	(2,234)	(774)

(Million Baht)

	Statements of Cash Flows		
	For the Year Ended 31 December 2019		
	(Unaudited)		
	<u>Net Cash by Operating Activities</u>	<u>Net Cash by Investing Activities</u>	<u>Net Cash by Financing Activities</u>
Companies in MTGH Group*	4,664	(1,146)	(3,518)

* The majority is contributed by Muang Thai Life Assurance PCL.

13.3.2 The summarised financial information of the immaterial associated companies is set out below:

(Million Baht)

	Statements of Profit or Loss and Other Comprehensive Income			
	For the Year Ended 31 December			
	2020		2019	
	(Unaudited)			
	<u>Net Profit</u>	<u>Total Comprehensive Income</u>	<u>Net Profit</u>	<u>Total Comprehensive Income</u>
Associated Companies	594	554	365	345

13.3.3 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 2020 and 2019

(Million Baht)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax expense	8	7
Adjustments for		
Loss (Gain) on sale of property foreclosed	4	(4)
Expected credit loss / Bad debt and doubtful accounts	6	-
Interest income - net	(15)	(2)
Proceeds from interest	15	2
Income tax paid	<u>(1)</u>	<u>(1)</u>
Profit from operating before changes in operating assets and liabilities	17	2
Increase in operating assets		
Loans	-	1
Properties foreclosed	34	18
Other assets	23	(2)
Decrease in operating liabilities		
Other liabilities	<u>(1)</u>	<u>(4)</u>
Net cash provided by operating activities	<u>73</u>	<u>15</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for share capital decrease	<u>(80)</u>	<u>(60)</u>
Net cash used in financing activities	<u>(80)</u>	<u>(60)</u>
Net decrease in cash	(7)	(45)
Cash at the beginning of the year	<u>20</u>	<u>65</u>
Cash at the end of the year	<u>13</u>	<u>20</u>

13.4 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 2020 and 2019 amounted to Baht 5,241 million and Baht 4,795 million, respectively.

14 LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES – NET

As of 31 December 2020 and 2019, loans to customers and accrued interest receivables - net consisted of:

14.1 Classified by Type of Loans

	(Million Baht)	
	2020	
	Consolidated	The Bank
Overdrafts	273,702	273,680
Loans	1,284,356	1,339,786
Bills	453,473	461,508
Hire purchase receivables	102,846	-
Finance lease receivables	19,321	-
Others	<u>111,123</u>	<u>111,026</u>
Total Loans to customers	2,244,821	2,186,000
<u>Add</u> Accrued interest receivables and undue interest income	<u>11,272</u>	<u>10,484</u>
Total Loans to customers and accrued interest receivables	2,256,093	2,196,484
<u>Less</u> Allowance for expected credit loss	<u>(134,393)</u>	<u>(129,846)</u>
Total Loans to customers and accrued interest receivables - net	<u>2,121,700</u>	<u>2,066,638</u>

(Million Baht)

2019

	<u>Consolidated</u>	<u>The Bank</u>
Overdrafts	294,606	294,580
Loans	1,010,784	1,090,813
Bills	447,077	456,364
Hire purchase receivables	112,308	-
Finance lease receivables	23,830	-
Others	125,417	105,612
<u>Less</u> Deferred revenue	<u>(12,066)</u>	<u>(241)</u>
Total loans to customers net of deferred revenue	2,001,956	1,947,128
<u>Add</u> Accrued interest receivables	<u>2,830</u>	<u>2,068</u>
Total loans to customers net of deferred revenue plus accrued interest receivables	2,004,786	1,949,196
<u>Less</u> Allowance for doubtful accounts		
1. Minimum reserve under BOT's Regulations	(34,273)	(33,629)
2. Excess allowance	(88,654)	(85,310)
3. Loan from life insurance business	(276)	-
<u>Less</u> Revaluation allowance for debt restructuring	<u>(1,676)</u>	<u>(1,669)</u>
Total Loans to customers and accrued interest receivables - net	<u>1,879,907</u>	<u>1,828,588</u>

14.2 Classified by Residency of Borrowers

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Domestic	2,183,723	1,953,841	2,145,294	1,916,536
Foreign	<u>61,098</u>	<u>48,115</u>	<u>40,706</u>	<u>30,592</u>
Total	<u>2,244,821</u>	<u>2,001,956</u>	<u>2,186,000</u>	<u>1,947,128</u>

14.3 Classified by Type of Business

(Million Baht)

	2020	
	Consolidated	The Bank
Agriculture and mining	35,257	33,832
Manufacturing and commerce	936,403	901,591
Property development and construction	193,584	182,893
Infrastructure and services	317,600	276,139
Housing loans	385,722	385,657
Others	<u>376,255</u>	<u>405,888</u>
Total	<u>2,244,821</u>	<u>2,186,000</u>

(Million Baht)

	Consolidated					
	2019					
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	31,212	1,535	576	446	778	34,547
Manufacturing and commerce	806,600	28,636	11,566	11,632	22,022	880,456
Property development and construction	166,944	6,107	1,933	1,998	2,841	179,823
Infrastructure and services	244,853	5,506	1,756	1,659	2,946	256,720
Housing loans	300,743	7,326	4,125	4,369	6,843	323,406
Others	<u>286,821</u>	<u>6,767</u>	<u>3,086</u>	<u>2,964</u>	<u>2,498</u>	<u>302,136</u>
Total	<u>1,837,173</u>	<u>55,877</u>	<u>23,042</u>	<u>23,068</u>	<u>37,928</u>	1,977,088
Credit balance transaction						1,693
Loans in life insurance business						<u>23,175</u>
Total						<u>2,001,956</u>

(Million Baht)

<u>The Bank</u>						
<u>2019</u>						
	<u>Pass</u>	<u>Special Mention</u>	<u>Sub- Standard</u>	<u>Doubtful</u>	<u>Doubtful of Loss</u>	<u>Total</u>
Agriculture and mining	29,523	1,480	573	444	763	32,783
Manufacturing and commerce	769,748	28,368	11,505	11,560	21,488	842,669
Property development and construction	153,782	5,796	1,841	1,925	2,725	166,069
Infrastructure and services	214,716	5,082	1,723	1,593	2,766	225,880
Housing loans	300,743	7,325	4,125	4,369	6,798	323,360
Others	<u>344,162</u>	<u>4,589</u>	<u>2,792</u>	<u>2,823</u>	<u>2,001</u>	<u>356,367</u>
Total	<u>1,812,674</u>	<u>52,640</u>	<u>22,559</u>	<u>22,714</u>	<u>36,541</u>	<u>1,947,128</u>

14.4 Classified by account status

(Million Baht)

<u>Loans and Accrued Interest Receivables</u>		
<u>2020</u>		
	<u>Consolidated</u>	<u>The Bank</u>
Stage 1 Performing	1,951,216	1,906,782
Stage 2 Under-performing	201,382	188,992
Stage 3 Non-performing	<u>103,495</u>	<u>100,710</u>
Total	<u>2,256,093</u>	<u>2,196,484</u>

(Million Baht)

Consolidated				
2019				
	Loans and Accrued Interest Receivables	Net amount used for setting the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's Regulations				
Pass	1,839,131	572,886	1	5,729
Special Mention	56,035	10,857	2	217
Sub-Standard	23,075	9,218	100	9,218
Doubtful	23,068	8,223	100	8,223
Doubtful of Loss	<u>37,931</u>	<u>10,886</u>	100	<u>10,886</u>
Total	<u>1,979,240</u>	<u>612,070</u>		<u>34,273</u>
2. Excess allowance				88,654
3. Credit balance transaction	1,693			-
4. Loans in life insurance business	<u>23,853</u>			<u>276</u>
Total	<u>2,004,786</u>			<u>123,203</u>

(Million Baht)

The Bank				
2019				
	Loans and Accrued Interest Receivables	Net amount used for setting the Allowance for Doubtful Accounts	% Used for setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's Regulations				
Pass	1,814,551	671,086	1	6,711
Special Mention	52,797	10,642	2	213
Sub-Standard	22,593	9,040	100	9,040
Doubtful	22,714	8,070	100	8,070
Doubtful of Loss	<u>36,541</u>	<u>9,595</u>	100	<u>9,595</u>
Total	<u>1,949,196</u>	<u>708,433</u>		33,629
2. Excess allowance				<u>85,310</u>
Total				<u>118,939</u>

14.5 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 at 31 December 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".

(Million Baht)

	<u>2020</u>			
	<u>KASIKORNBANK</u>	Phethai Asset <u>Management</u>	<u>Others</u>	<u>Consolidated</u>
<u>Non-performing loans, gross</u>				
Non-performing loans ⁽¹⁾	98,221	80	2,706	101,007
Total loans used for NPL gross ratio calculation ⁽¹⁾	2,492,266	80	204,792	2,571,793 ⁽²⁾
Ratio of total loans (%)	3.94	100.00	1.32	3.93

As at 31 December 2019 non-performing loans (NPL gross) are outstanding loans of sub-standard, doubtful, doubtful of loss and loss loan accounts in accordance with the BOT's directive number SOR NOR SOR 5/2559, dated 10 June 2016, regarding the "Classification and provision criteria of financial institution".

(Million Baht)

	<u>2019</u>			
	<u>KASIKORNBANK</u>	Phethai Asset <u>Management</u>	<u>Others</u>	<u>Consolidated</u>
<u>Non-performing loans, gross</u>				
Non-performing loans ⁽¹⁾	81,814	89	2,135	84,038
Total loans used for NPL gross ratio calculation ⁽¹⁾	2,259,186	89	165,386	2,299,364 ⁽²⁾
Ratio of total loans (%)	3.62	100.00	1.29	3.65

⁽¹⁾ Excluding loans from KSecurities and MTL.

⁽²⁾ Excluding loans to and from subsidiaries.

14.6 Listed companies that meet SET's criteria for delisting

As of 31 December 2020 and 2019, loans to listed companies that meet SET's criteria for delisting were as follows:

(Million Baht)

	<u>Consolidated and The Bank</u>					
	<u>2020</u>			<u>2019</u>		
	Loans and Accrued Interest <u>Receivables</u>	Collateral Value	Allowance for expected credit loss <u>Accounts</u>	Loans and Accrued Interest <u>Receivables</u>	Collateral Value	Allowance for Doubtful <u>Accounts</u>
Listed companies which meet SET's criteria for delisting	24	24	12	336	336	-

14.7 Hire Purchase and Finance Lease Receivables

(Million Baht)

	<u>Consolidated</u>			
	<u>2020</u>			
	<u>Portion due</u>			
	<u>Up to 1 year</u>	<u>Over 1 - 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
Gross receivables from hire purchase and finance leases	45,544	84,097	4,363	134,004
<u>Less</u> Unearned interest income				<u>(11,837)</u>
Present value of minimum lease payments				122,167
Allowance for expected credit loss				<u>(3,445)</u>
Total hire purchase and finance lease receivables - net				<u>118,722</u>

(Million Baht)

<u>Consolidated</u>				
<u>2019</u>				
<u>Portion due</u>				
	<u>Up to 1 year</u>	<u>Over 1 - 5 Years</u>	<u>Over 5 Years</u>	<u>Total</u>
Gross receivables from hire purchase and finance leases	46,172	86,027	3,939	136,138
<u>Less</u> Unearned interest income				<u>(11,824)</u>
Present value of minimum lease payments				124,314
Allowance for doubtful accounts				<u>(3,328)</u>
Total hire purchase and finance lease receivables - net				<u>120,986</u>

15 MODIFIED LOANS

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 year ended 31 December 2020, excluding customers under the Bank of Thailand's relief measures, there were loans before modification amounting to Baht 14,162 million and incurred losses amounting to Baht 2,059 million.

Customers with current carrying amount of Baht 2,095 million that have performed per new terms and conditions are moved from lifetime ECL to 12-month ECL.

The Bank and its subsidiaries engaged in debt restructuring contracts that incurred losses during the year ended 31 December 2019 as follows:

(Million Baht)

<u>Consolidated</u>						
	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Transferred Assets</u>	<u>Fair Value</u>	Losses on Debt <u>Restructuring</u>
		<u>Before</u> <u>Restructuring</u>	<u>After</u> <u>Restructuring</u>	<u>Types</u>		
<u>Types of Restructuring</u>						
Transfers of assets	13,760	4,020	-	Cash, land, and premises	2,588	1,432
Changes of repayment conditions	7,162	55,617	55,533	-	-	1,971
Debt restructuring in various forms	27	1,725	1,063	Cash, land, and premises	628	51
Total	<u>20,949</u>	<u>61,362</u>	<u>56,596</u>		<u>3,216</u>	<u>3,454</u>

(Million Baht)

<u>The Bank</u>						
	<u>Cases</u>	<u>Outstanding Debt</u>		<u>Transferred Assets</u>	<u>Fair Value</u>	Losses on Debt <u>Restructuring</u>
		<u>Before</u> <u>Restructuring</u>	<u>After</u> <u>Restructuring</u>	<u>Types</u>		
<u>Types of Restructuring</u>						
Transfers of assets	13,760	4,020	-	Cash, land, and premises	2,588	1,432
Changes of repayment conditions	7,030	55,255	55,171	-	-	1,966
Debt restructuring in various forms	27	1,725	1,063	Cash, land, and premises	628	51
Total	<u>20,817</u>	<u>61,000</u>	<u>56,234</u>		<u>3,216</u>	<u>3,449</u>

The Bank and its subsidiaries measure the expected recoverable amounts of loans restructured by changing repayment conditions by using the present value of future cash flows discounted by the market rate.

The terms of debt restructuring agreements which were restructured by changing the repayment conditions and restructuring in various other forms and which resulted in losses on debt restructuring during the year ended 31 December 2019 are as follows:

(Million Baht)

ConsolidatedOutstanding Debt

Terms of debt restructuring

<u>agreements</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at 31 December 2019</u>
Less than 5 years	1,413	4,072	3,475	2,912
5 to 10 years	939	11,597	11,597	9,866
Over 10 years	<u>4,837</u>	<u>41,673</u>	<u>41,524</u>	<u>38,749</u>
Total	<u>7,189</u>	<u>57,342</u>	<u>56,596</u>	<u>51,527</u>

(Million Baht)

The BankOutstanding Debt

Terms of debt restructuring

<u>agreements</u>	<u>Cases</u>	<u>Before Restructuring</u>	<u>After Restructuring</u>	<u>As at 31 December 2019</u>
Less than 5 years	1,281	3,710	3,113	2,555
5 to 10 years	939	11,597	11,597	9,866
Over 10 years	<u>4,837</u>	<u>41,673</u>	<u>41,524</u>	<u>38,749</u>
Total	<u>7,057</u>	<u>56,980</u>	<u>56,234</u>	<u>51,170</u>

The Bank and its subsidiaries recognised interest income from debt restructuring for the year ended 31 December 2019 as follows:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Debt restructuring contracts that incurred losses	3,677	3,673

As of 31 December 2019, the Bank had commitments to extend additional loans to these borrowers as follows:

(Million Baht)

	<u>Consolidated and The Bank</u>
Debt restructuring contracts that incurred losses	2,381

The Bank and its subsidiaries had outstanding balances on restructured loans that incurred losses during the year 2019 as follows:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Debt restructuring contracts which were not classified as NPL	50,247	49,919
Debt restructuring contracts which were classified as NPL	<u>1,280</u>	<u>1,251</u>
Total	<u>51,527</u>	<u>51,170</u>

As of 31 December 2019, the Bank and its subsidiaries had outstanding balances on restructured loans that incurred losses as follows:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Debt restructuring contracts which were not classified as NPL	65,880	65,475
Debt restructuring contracts which were classified as NPL	<u>1,361</u>	<u>1,208</u>
Total	<u>67,241</u>	<u>66,683</u>

16 ALLOWANCE FOR EXPECTED CREDIT LOSS / ALLOWANCE FOR DOUBTFUL ACCOUNTS

The movements in the allowance for expected credit loss of loans to customers and accrued interest receivables during the year were as follows:

(Million Baht)

<u>Consolidated</u>				
	<u>2020</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>(Performing)</u>	<u>(Under - performing)</u>	<u>(Non - performing)</u>	
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	(4,799)	13,506	4,633	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	<u>(1)</u>	<u>(4)</u>	<u>(7,176)</u>	<u>(7,181)</u>
Balance at the end of the year	<u>42,954</u>	<u>49,439</u>	<u>42,000</u>	<u>134,393</u>

(Million Baht)

<u>The Bank</u>				
	<u>2020</u>			<u>Total</u>
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	<u>(Performing)</u>	<u>(Under - performing)</u>	<u>(Non - performing)</u>	
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	<u>-</u>	<u>-</u>	<u>(6,982)</u>	<u>(6,982)</u>
Balance at the end of the year	<u>41,807</u>	<u>47,891</u>	<u>40,148</u>	<u>129,846</u>

The movements in the allowance for doubtful accounts during the year were as follows:

(Million Baht)

Consolidated									
2019									
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Allowance from Securities Business	Allowance from Insurance Business	Total
Balance at the beginning									
of the year	5,743	151	8,093	10,418	14,067	78,952	-	265	117,689
Doubtful accounts	29	66	1,125	(2,195)	25,024	9,702	-	8	33,759
Bad debt written off	-	-	-	-	(25,947)	-	-	-	(25,947)
Others	(43)	-	-	-	(2,258)	-	-	3	(2,298)
Balance at the end									
of the year	<u>5,729</u>	<u>217</u>	<u>9,218</u>	<u>8,223</u>	<u>10,886</u>	<u>88,654</u>	<u>-</u>	<u>276</u>	<u>123,203</u>

(Million Baht)

The Bank								
2019								
	Pass	Special Mention	Sub- Standard	Doubtful	Doubtful of Loss	Excess Allowance	Total	
Balance at the beginning of the year	6,702	149	7,979	10,240	12,967	75,812	113,849	
Doubtful accounts	9	64	1,061	(2,170)	24,582	9,498	33,044	
Bad debt written off	-	-	-	-	(25,696)	-	(25,696)	
Others	-	-	-	-	(2,258)	-	(2,258)	
Balance at the end of the year	<u>6,711</u>	<u>213</u>	<u>9,040</u>	<u>8,070</u>	<u>9,595</u>	<u>85,310</u>	<u>118,939</u>	

17 PROPERTIES FORECLOSED – NET

Properties foreclosed as of 31 December 2020 and 2019 consisted of:

(Million Baht)

Consolidated				
2020				
Types of Properties Foreclosed	Beginning Balance	Addition	Disposal	Ending Balance
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.

(Million Baht)

Consolidated				
2019				
Types of Properties Foreclosed	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	24,589	7,408	(4,167)	27,830**
1.2 Movable assets	<u>129</u>	<u>472</u>	<u>(473)</u>	<u>128</u>
Total	24,718	7,880	(4,640)	27,958
2. Others	<u>132</u>	<u>-</u>	<u>(29)</u>	<u>103</u>
Total properties foreclosed	24,850	7,880	(4,669)	28,061
<u>Less</u> allowances for impairment	<u>(2,637)</u>	<u>(1,181)</u>	<u>745</u>	<u>(3,073)</u>
Total properties foreclosed - net	<u>22,213</u>	<u>6,699</u>	<u>(3,924)</u>	<u>24,988</u>

** As of 31 December 2019, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 7,923 million and Baht 19,907 million, respectively.

(Million Baht)

The Bank				
2020				
Types of Properties Foreclosed	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	27,760	7,309	(4,207)	30,862*
1.2 Movable assets	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>
Total	27,784	7,309	(4,207)	30,886
2. Others	<u>103</u>	<u>501</u>	<u>(98)</u>	<u>506</u>
Total properties foreclosed	27,887	7,810	(4,305)	31,392
<u>Less</u> allowances for impairment	<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.

(Million Baht)

The Bank				
2019				
Types of Properties Foreclosed	Beginning Balance	Addition	Disposal	Ending Balance
1. Assets acquired from debt repayment				
1.1 Immovable assets	24,505	7,408	(4,153)	27,760**
1.2 Movable assets	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>
Total	24,529	7,408	(4,153)	27,784
2. Others	<u>132</u>	<u>-</u>	<u>(29)</u>	<u>103</u>
Total properties foreclosed	24,661	7,408	(4,182)	27,887
<u>Less</u> allowances for impairment	<u>(2,566)</u>	<u>(1,100)</u>	<u>679</u>	<u>(2,987)</u>
Total properties foreclosed - net	<u>22,095</u>	<u>6,308</u>	<u>(3,503)</u>	<u>24,900</u>

** As of 31 December 2019, the value of immovable assets acquired from debt repayment was appraised by external appraisers and internal appraisers in the amount of Baht 7,853 million and Baht 19,907 million, respectively.

For the years ended 31 December 2020 and 2019, gains on sale of properties foreclosed were as follow:

(Million Baht)

Consolidated		The Bank		
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gain on sale of properties foreclosed	57	57	254	177

18 PREMISES AND EQUIPMENT - NET

Changes in premises and equipment for the years ended 31 December 2020 and 2019 are summarised as follows:

(Million Baht)

	Consolidated														
	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	Depreciation	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Increase/ (Decrease)	Ending Balance	Beginning Balance**	Ending 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)	-	9,126	15	(5)	10	11,459	11,948
Appraisal increase*	13,080	382	(230)	-	13,232	6,369	285	(157)	-	6,497	-	-	-	6,711	6,735
Appraisal decrease*	(243)	(2)	8	-	(237)	(126)	(9)	7	-	(128)	-	-	-	(117)	(109)
Right-of-use building	1,584	944	(117)	2	2,413	-	821	(22)	-	799	-	-	-	1,584	1,614
Equipment															
Cost	38,611	6,091	(4,715)	9	39,996	26,446	3,237	(3,516)	5	26,172	320	88	408	11,845	13,416
Right-of-use equipment	1,205	378	(59)	-	1,524	-	407	-	-	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	42,873	335	83	418	55,487	57,630

* Appraisal in year 2020 for its subsidiary

** Already include impact from TFRS 16 which disclosed in Note 3

During the year ended 31 December 2020, the subsidiary completed the revaluation of its premises. The appraisal surplus on asset revaluation increased by Baht 1,016 million and the amount was presented in changes in revaluation surplus in other comprehensive income. There was also a reversal of loss on revaluation of premises of Baht 4 million. Such reversal was presented in premises and equipment expenses in profit or loss.

(Million Baht)

	Consolidated														
	2019														
	Change of Cost				Change of Accumulated Depreciation					Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Increase/	Ending	Beginning	Ending	Beginning	Ending	
	Balance	Transfer in	Transfer out	Others	Balance	Balance	Depreciation	Transfer out	Others	Balance	Balance	(Decrease)	Balance	Balance	
Land															
Cost	3,976	6	-	-	3,982	-	-	-	-	-	-	-	-	3,976	3,982
Appraisal increase*	15,111	3,573	-	-	18,684	-	-	-	-	-	-	-	-	15,111	18,684
Appraisal decrease*	(169)	44	-	-	(125)	-	-	-	-	-	-	-	-	(169)	(125)
Building															
Cost	19,982	384	(23)	-	20,343	8,455	423	(9)	-	8,869	9	6	15	11,518	11,459
Appraisal increase*	11,961	1,119	-	-	13,080	5,909	460	-	-	6,369	-	-	-	6,052	6,711
Appraisal decrease*	(239)	(4)	-	-	(243)	(118)	(8)	-	-	(126)	-	-	-	(121)	(117)
Equipment	37,986	3,234	(2,592)	(17)	38,611	25,615	3,187	(2,347)	(9)	26,446	457	(137)	320	11,914	11,845
Others	244	331	(316)	-	259	-	-	-	-	-	-	-	-	244	259
Total	<u>88,852</u>	<u>8,687</u>	<u>(2,931)</u>	<u>(17)</u>	<u>94,591</u>	<u>39,861</u>	<u>4,062</u>	<u>(2,356)</u>	<u>(9)</u>	<u>41,558</u>	<u>466</u>	<u>(131)</u>	<u>335</u>	<u>48,525</u>	<u>52,698</u>

* Appraisal in year 2019 for the Bank

Depreciation presented in premises and equipment expenses in profit or loss of the Bank and its subsidiaries for the years ended 31 December 2020 and 2019 amounted to Baht 5,153 million and Baht 3,873 million, respectively. As of 31 December 2020 and 2019, premises and equipment with original costs of Baht 15,069 million and Baht 15,316 million, respectively, were fully depreciated but still in use.

(Million Baht)

The Bank														
	2020													
	Change of Cost				Change of Accumulated Depreciation				Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Increase/	Ending	Beginning	Ending	Beginning	Ending
	Balance*	Transfer in	Transfer out	Others	Balance	Balance	Depreciation	Transfer out	Balance	Balance	(Decrease)	Balance	Balance*	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)	7,670	15	(5)	10	9,761	9,819
Appraisal increase	10,383	-	(230)	-	10,153	5,537	207	(157)	5,587	-	-	-	4,846	4,566
Appraisal decrease	(128)	-	5	-	(123)	(120)	(7)	6	(121)	-	-	-	(8)	(2)
Right-of-use building	1,368	931	(113)	2	2,188	-	758	(19)	739	-	-	-	1,368	1,449
Equipment														
Cost	32,307	4,944	(3,422)	-	33,829	22,530	2,655	(3,265)	21,920	320	88	408	9,457	11,501
Right-of-use equipment	1,132	350	(59)	-	1,423	-	375	-	375	-	-	-	1,132	1,048
Others	243	124	(314)	-	53	-	-	-	-	-	-	-	243	53
Total	80,610	6,850	(4,682)	2	82,780	35,380	4,351	(3,561)	36,170	335	83	418	44,895	46,192

* Already include impact from TFRS 16 which disclosed in Note 3

(Million Baht)

The Bank															
2019															
	Change of Cost				Change of Accumulated Depreciation					Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Increase/	Ending	Beginning	Ending	Beginning	Ending	
	Balance	Transfer in	Transfer out	Others	Balance	Balance	Depreciation	Transfer out	Others	Balance	Balance	(Decrease)	Balance	Balance	Balance
Land															
Cost	3,314	-	-	-	3,314	-	-	-	-	-	-	-	-	3,314	3,314
Appraisal increase*	11,304	3,573	-	-	14,877	-	-	-	-	-	-	-	-	11,304	14,877
Appraisal decrease*	(139)	44	-	-	(95)	-	-	-	-	-	-	-	-	(139)	(95)
Building															
Cost	16,890	338	(19)	-	17,209	7,091	349	(7)	-	7,433	9	6	15	9,790	9,761
Appraisal increase*	9,264	1,119	-	-	10,383	5,141	396	-	-	5,537	-	-	-	4,123	4,846
Appraisal decrease*	(124)	(4)	-	-	(128)	(113)	(7)	-	-	(120)	-	-	-	(11)	(8)
Equipment	32,341	2,326	(2,356)	(4)	32,307	22,000	2,652	(2,121)	(1)	22,530	457	(137)	320	9,884	9,457
Others	198	303	(258)	-	243	-	-	-	-	-	-	-	-	198	243
Total	<u>73,048</u>	<u>7,699</u>	<u>(2,633)</u>	<u>(4)</u>	<u>78,110</u>	<u>34,119</u>	<u>3,390</u>	<u>(2,128)</u>	<u>(1)</u>	<u>35,380</u>	<u>466</u>	<u>(131)</u>	<u>335</u>	<u>38,463</u>	<u>42,395</u>

* Appraisal in year 2019 for the Bank

Depreciation presented in premises and equipment expenses in profit or loss of the Bank for the years ended 31 December 2020 and 2019 amounted to Baht 4,351 million and Baht 3,201 million, respectively. As of 31 December 2020 and 2019, premises and equipment with original costs of Baht 12,137 million and Baht 12,739 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 2020 and 2019 are categorised as Level 3 in the fair value hierarchy.

19 GOODWILL AND OTHER INTANGIBLE ASSETS - NET

Changes in goodwill and other intangible assets for the years ended 31 December 2020 and 2019 are summarised as follows:

(Million Baht)

Consolidated															
2020															
	Change of Cost				Change of Accumulated Amortisation					Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/			Ending	Beginning	Ending		Beginning	Ending	
	Balance	Transfer in	Transfer out	Others	Balance	Balance	Amortisation	Transfer out	Others	Balance	Balance	Increase	Balance	Balance	Balance
Application software*	40,473	3,587	(281)	34	43,813	21,028	3,045	(248)	12	23,837	231	220	451	19,214	19,525
Business purchased	270	-	-	-	270	270	-	-	-	270	-	-	-	-	-
Goodwill	3,824	-	-	-	3,824	-	-	-	-	-	-	-	-	3,824	3,824
Others	446	231	(1)	-	676	7	1	(1)	-	7	-	184	184	439	485
Total	45,013	3,818	(282)	34	48,583	21,305	3,046	(249)	12	24,114	231	404	635	23,477	23,834

(Million Baht)

	Consolidated														
	2019														
	Change of Cost				Change of Accumulated Amortisation					Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending	Beginning	Ending
Balance	Transfer in	Transfer out	Others	Balance	Balance	Amortisation	Transfer out	Others	Balance	Balance	Increase	Balance	Balance	Balance	
Application software*	38,282	4,152	(1,912)	(49)	40,473	18,115	3,027	(94)	(20)	21,028	110	121	231	20,057	19,214
Business purchased	270	-	-	-	270	270	-	-	-	270	-	-	-	-	-
Goodwill	3,824	-	-	-	3,824	-	-	-	-	-	-	-	-	3,824	3,824
Others	<u>214</u>	<u>233</u>	<u>-</u>	<u>(1)</u>	<u>446</u>	<u>6</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>208</u>	<u>439</u>
Total	<u>42,590</u>	<u>4,385</u>	<u>(1,912)</u>	<u>(50)</u>	<u>45,013</u>	<u>18,391</u>	<u>3,028</u>	<u>(94)</u>	<u>(20)</u>	<u>21,305</u>	<u>110</u>	<u>121</u>	<u>231</u>	<u>24,089</u>	<u>23,477</u>

* As of 31 December 2020 and 2019, the amount under development is Baht 2,504 million and Baht 1,912 million, respectively.

Amortisation presented in others - other operating expenses in profit or loss of the Bank and its subsidiaries for the years ended 31 December 2020 and 2019 amounted to Baht 3,046 million and Baht 3,028 million, respectively. As of 31 December 2020 and 2019, intangible assets with original costs of Baht 10,323 million and Baht 6,819 million, respectively, were fully amortised but still in use.

(Million Baht)

The Bank														
2020														
	Change of Cost				Change of Accumulated Amortisation				Impairment Allowance			Book Value		
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Ending	Beginning	Ending			
	Balance	Transfer in	Transfer out	Other	Balance	Balance	Amortisation	Transfer out	Balance	Balance	Increase	Balance	Balance	Balance
Application software*	36,690	3,088	(226)	(1)	39,551	19,572	2,759	(197)	22,134	231	220	451	16,887	16,966
Others	417	231	-	-	648	-	-	-	-	-	184	184	417	464
Total	37,107	3,319	(226)	(1)	40,199	19,572	2,759	(197)	22,134	231	404	635	17,304	17,430

(Million Baht)

The Bank															
2019															
	Change of Cost				Change of Accumulated Amortisation				Impairment Allowance			Book Value			
	Beginning	Additions/	Disposal/	Ending	Beginning	Disposal/	Ending	Beginning	Ending	Beginning	Ending				
	Balance	Transfer in	Transfer out	Other	Balance	Balance	Amortisation	Transfer out	Other	Balance	Balance	Increase	Balance	Balance	Balance
Application software*	34,995	3,571	(1,874)	(2)	36,690	16,860	2,807	(94)	(1)	19,572	110	121	231	18,025	16,887
Others	184	233	-	-	417	-	-	-	-	-	-	-	-	184	417
Total	35,179	3,804	(1,874)	(2)	37,107	16,860	2,807	(94)	(1)	19,572	110	121	231	18,209	17,304

* As of 31 December 2020 and 2019, the amount under development is Baht 1,679 million and Baht 1,426 million, respectively.

Amortisation presented in others - other operating expenses in profit or loss of the Bank for the years ended 31 December 2020 and 2019 amounted to Baht 2,759 million and Baht 2,807 million, respectively. As of 31 December 2020 and 2019, intangible assets with original costs of Baht 9,779 million and Baht 6,226 million, respectively, were fully amortised but still in use.

20 DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities as of 31 December 2020 and 2019 are as follows:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Deferred tax assets	10,256	8,435	7,082	6,506
Deferred tax liabilities	(1,695)	(1,513)	-	-
Net	<u>8,561</u>	<u>6,922</u>	<u>7,082</u>	<u>6,506</u>

Movements in total deferred tax assets and liabilities during the year were as follows:

(Million Baht)

	Consolidated				As of 31 December 2020
	As of 1 January 2020*	Charged / credited to:			
		Profit or loss (Note 47)	Other comprehensive income (Note 47)	Others	
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>

* Already reflect the initially apply TFRS as disclosed in note 3

(Million Baht)

Consolidated					
	Charged / credited to:				
	As of 1 January 2019	Profit or loss	Other comprehensive income	Others	
Deferred tax assets					
Investments	140	(7)	-	-	133
Investments in subsidiaries, associates and joint venture	307	(12)	-	-	295
Loans and accrued interest receivables - net	1,413	1,613	-	50	3,076
Properties foreclosed	551	102	2	-	655
Premises and equipment	41	1	-	1	43
Provisions	6,051	466	575	(3)	7,089
Life policy reserve	2,560	395	-	-	2,955
Others	<u>1,887</u>	<u>77</u>	<u>14</u>	<u>(75)</u>	<u>1,903</u>
Total	<u>12,950</u>	<u>2,635</u>	<u>591</u>	<u>(27)</u>	<u>16,149</u>
Deferred tax liabilities					
Investments	2,371	(26)	517	-	2,862
Premises and equipment	4,076	(40)	903	(3)	4,936
Others	<u>1,423</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>1,429</u>
Total	<u>7,870</u>	<u>(60)</u>	<u>1,420</u>	<u>(3)</u>	<u>9,227</u>
Net	<u>5,080</u>	<u>2,695</u>	<u>(829)</u>	<u>(24)</u>	<u>6,922</u>

(Million Baht)

The Bank				
	<u>Charged / credited to:</u>			<u>As of</u> <u>31 December</u> <u>2020</u>
	<u>As of</u> <u>1 January</u> <u>2020*</u>	<u>Profit or loss</u> <u>(Note 47)</u>	<u>Other</u> <u>comprehensive</u> <u>income</u> <u>(Note 47)</u>	
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>

* Already reflect the initially apply TFRS as disclosed in note 3

(Million Baht)

The Bank

Charged / credited to:

	<u>As of</u> <u>1 January</u> <u>2019</u>	<u>Profit or loss</u>	<u>Other</u> <u>comprehensive</u> <u>income</u>	<u>As of</u> <u>31 December</u> <u>2019</u>
Deferred tax assets				
Investments	114	(6)	-	108
Investments in subsidiaries, associates and joint venture	305	(12)	-	293
Loans and accrued interest receivables - net	587	1,532	-	2,119
Properties foreclosed	508	84	2	594
Provisions	5,774	433	557	6,764
Others	<u>1,091</u>	<u>(4)</u>	<u>1</u>	<u>1,088</u>
Total	<u>8,379</u>	<u>2,027</u>	<u>560</u>	<u>10,966</u>
Deferred tax liabilities				
Investments	1,023	(8)	(351)	664
Premises and equipment	<u>2,925</u>	<u>(30)</u>	<u>901</u>	<u>3,796</u>
Total	<u>3,948</u>	<u>(38)</u>	<u>550</u>	<u>4,460</u>
Net	<u>4,431</u>	<u>2,065</u>	<u>10</u>	<u>6,506</u>

21 DEPOSITS

Deposits were classified as of 31 December 2020 and 2019 as follows:

21.1 Classified by Type of Deposits

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Current	133,802	118,550	135,987	116,917
Savings	1,748,237	1,466,473	1,752,599	1,470,412
Term	<u>462,960</u>	<u>487,026</u>	<u>451,884</u>	<u>478,340</u>
Total	<u>2,344,999</u>	<u>2,072,049</u>	<u>2,340,470</u>	<u>2,065,669</u>

21.2 Classified by Currencies and Residency of Depositors

(Million Baht)

	Consolidated					
	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,161,145	109,896	2,271,041	1,909,195	90,276	1,999,471
US Dollars	49,310	7,358	56,668	44,588	9,206	53,794
Other currencies	<u>8,464</u>	<u>8,826</u>	<u>17,290</u>	<u>12,440</u>	<u>6,344</u>	<u>18,784</u>
Total	<u>2,218,919</u>	<u>126,080</u>	<u>2,344,999</u>	<u>1,966,223</u>	<u>105,826</u>	<u>2,072,049</u>

(Million Baht)

	The Bank					
	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,171,873	108,751	2,280,624	1,915,978	89,795	2,005,773
US Dollars	49,310	5,847	55,157	44,588	6,482	51,070
Other currencies	<u>3,057</u>	<u>1,632</u>	<u>4,689</u>	<u>6,415</u>	<u>2,411</u>	<u>8,826</u>
Total	<u>2,224,240</u>	<u>116,230</u>	<u>2,340,470</u>	<u>1,966,981</u>	<u>98,688</u>	<u>2,065,669</u>

22 INTERBANK AND MONEY MARKET ITEMS (LIABILITIES)

Interbank and money market items (liabilities) as of 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
1. Domestic				
The BOT and FIDF	22,779	-	22,779	-
Commercial banks	43,020	55,754	43,020	55,754
Specialised financial institutions	820	913	887	913
Other financial institutions	<u>11,160</u>	<u>10,522</u>	<u>36,198</u>	<u>24,391</u>
Total Domestic	<u>77,779</u>	<u>67,189</u>	<u>102,884</u>	<u>81,058</u>
2. Foreign				
US Dollars	3,832	1,691	3,850	2,550
Japanese Yen	542	1,011	542	1,011
Euro	370	337	370	337
Other currencies	<u>5,274</u>	<u>11,400</u>	<u>1,865</u>	<u>5,381</u>
Total Foreign	<u>10,018</u>	<u>14,439</u>	<u>6,627</u>	<u>9,279</u>
Total Domestic and Foreign	<u>87,797</u>	<u>81,628</u>	<u>109,511</u>	<u>90,337</u>

23 FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

23.1 Trading financial liabilities as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>
Liabilities to deliver security	229

23.2 Financial liabilities designated at fair value through profit or loss as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>
Debts issued	58

23.2.1 The effects of changes in that liability's all risk in profit or loss as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>
The difference between the carrying amount and the amount would be contractually required to pay at maturity	(3)

24 DEBTS ISSUED AND BORROWINGS

Debts issued and borrowings as of 31 December 2020 and 2019 consisted of:

(Million Baht)

Consolidated											
	Currency	2020					2019				
		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%	-	25,194	25,194	2031	3.343%	-	24,123	24,123
Unsubordinated and unsecured debentures	US Dollar	2021-2023	2.375%-3.256% Float*	-	28,322	28,322	2021-2023	2.375%-3.256% Float*	-	27,882	27,882
Subordinated Instruments intended to qualify as Tier 2											
Capital of KASIKORNBANK PCL											
No.1/2014 due 2025**	Baht	-	-	-	-	-	2025	5.00%	14,000	-	14,000
No.1/2015 due 2026**	Baht	2026	3.95%	6,500	-	6,500	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
Debt issued and borrowings with embedded derivative that are not designated at fair value through profit or loss	Baht	2021	1.33%-1.35%	619	-	619	2020	1.33%-1.35%	158	-	158
Others	Baht	2021-2025	0.00%	<u>1,255</u>	<u>-</u>	<u>1,255</u>	2020-2024	0.00%	<u>1,661</u>	<u>-</u>	<u>1,661</u>
Total				<u>15,874</u>	<u>53,516</u>	<u>69,390</u>			<u>29,819</u>	<u>52,005</u>	<u>81,824</u>

(Million Baht)

The Bank											
	Currency	2020					2019				
		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%	-	25,194	25,194	2031	3.343%	-	24,123	24,123
Unsubordinated and unsecured debentures	US Dollar	2021-2023	2.375%-3.256% Float*	-	28,322	28,322	2021-2023	2.375%-3.256% Float*	-	27,882	27,882
Subordinated Instruments intended to qualify as Tier 2											
Capital of KASIKORNBANK PCL											
No.1/2014 due 2025**	Baht	-	-	-	-	-	2025	5.00%	14,000	-	14,000
No.1/2015 due 2026**	Baht	2026	3.95%	6,500	-	6,500	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
Others	Baht	2021-2025	0.00%	<u>1,255</u>	<u>-</u>	<u>1,255</u>	2020-2024	0.00%	<u>1,661</u>	<u>-</u>	<u>1,661</u>
Total				<u>15,255</u>	<u>53,516</u>	<u>68,771</u>			<u>29,661</u>	<u>52,005</u>	<u>81,666</u>

* 3-Month London Interbank Offered Rate (LIBOR) plus 95-100 bps.

** Qualified as Tier 2 Capital in accordance with Basel III.

25 PROVISION

Provision as of 31 December 2020 consisted of:

(Million Baht)

	<u>Consolidated</u>	<u>The Bank</u>
Allowance for expected credit loss of loan commitment and financial guarantee contract	12,476	12,403
Employee retirement benefit	26,853	24,620
Other	<u>1,054</u>	<u>1,008</u>
Total	<u>40,383</u>	<u>38,031</u>

Employee retirement benefits as of 31 December 2020 and 2019 are as follows:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	25,576	21,339	23,584	19,754
Current service cost	1,997	2,002	1,748	1,767
Interest cost	403	558	367	508
Actuarial (gain) loss from updated assumptions				
- Financial assumptions	(944)	2,951	(944)	2,756
- Demographic assumptions	1,137	28	1,145	28
Benefits paid	<u>(1,316)</u>	<u>(1,302)</u>	<u>(1,280)</u>	<u>(1,229)</u>
Balance at the end of the year	<u>26,853</u>	<u>25,576</u>	<u>24,620</u>	<u>23,584</u>

Actuarial loss from updated assumptions recognised in other comprehensive income consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
At 31 December	(7,276)	(7,083)	(6,948)	(6,747)

Principal actuarial assumptions as of 31 December 2020 and 2019 consisted of:

<u>Consolidated and The Bank</u>		
	<u>2020</u>	<u>2019</u>
Discount rate	0.36% – 2.90%	1.19% – 3.12%
Average salary increase	1% – 11%	2% – 12%
Average turnover	0% – 34%	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 2020 and 2019 consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Effect on defined benefit obligations</u>				
+1% on discount rate	(2,551)	(2,507)	(2,308)	(2,277)
-1% on discount rate	2,892	2,977	2,605	2,718
+1% on average salary increase	2,833	2,761	2,546	2,514
-1% on average salary increase	(2,445)	(2,390)	(2,199)	(2,167)

26 INSURANCE CONTRACT LIABILITIES

Insurance contract liabilities as of 31 December 2020 and 2019 consisted of:

(Million Baht)

	<u>Consolidated</u>	
	<u>2020</u>	<u>2019</u>
Long-term technical reserves	467,030	441,079
Others	<u>4,985</u>	<u>5,016</u>
Total	<u>472,015</u>	<u>446,095</u>

The movements in long-term technical reserves during the year

(Million Baht)

	<u>Consolidated</u>	
	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	441,079	405,978
Reserve increase from new and inforce policies in the year	64,330	71,566
Reserve released for benefits payment, lapse and cancellation in the year	<u>(38,379)</u>	<u>(36,465)</u>
Balance at the end of the year	<u>467,030</u>	<u>441,079</u>

27 LEASE LIABILITIES

Lease liabilities as of 31 December 2020 consisted of:

	(Million Baht)	
	<u>Consolidated</u>	<u>The Bank</u>
Within 1 year	1,242	1,108
Later than 1 year but not later than 5 years	1,333	1,234
Later than 5 years	<u>69</u>	<u>42</u>
Total undiscounted lease liabilities	<u>2,644</u>	<u>2,384</u>
Lease liabilities include in the statement of financial position	2,561	2,335

The Bank and its subsidiaries were committed to pay future rentals as of 31 December 2019 as follows:

	(Million Baht)	
	<u>Consolidated</u>	<u>The Bank</u>
Within 1 year	2	-
Later than 1 year but not later than 5 years	1,386	1,090
Later than 5 years	<u>1,911</u>	<u>1,921</u>
Total	<u>3,299</u>	<u>3,011</u>

28 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 2020 and 2019, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 764 million and Baht 769 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 2020 and 2019, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities amounting to Baht 346 million and Baht 7,415* 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 2020 in the amount of Baht 2,715 million.

* Reference The BOT Notification No. SOR NOR CHOR 8/2561, dated 16 April 2018

29 FAIR VALUE OF ASSETS AND LIABILITIES

29.1 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 2020 and 2019 are as follows:

(Million Baht)

Consolidated							
	2020				2019		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Total
Financial Assets							
Financial assets measured at fair value through profit or loss	16,647	30,019	-	46,666	-	-	-
Derivative assets							
- Exchange rate	-	37,513	-	37,513	-	25,879	25,879
- Interest rate	-	16,559	-	16,559	-	10,813	10,813
- Others	6	773	-	779	-	280	280
Investments measured at fair value through other comprehensive income	60,965	249,345	318	310,628	-	-	-
Trading investments	-	-	-	-	4,052	12,458	16,510
Available-for-sale investments	-	-	-	-	77,530	259,177	336,707
Total Financial Assets	<u>77,618</u>	<u>334,209</u>	<u>318</u>	<u>412,145</u>	<u>81,582</u>	<u>308,607</u>	<u>390,189</u>
Financial Liabilities							
Financial liabilities measured at fair value through profit or loss	229	58	-	287	-	-	-
Derivative liabilities							
- Exchange rate	-	27,702	-	27,702	-	20,910	20,910
- Interest rate	-	17,800	-	17,800	-	8,952	8,952
- Others	19	116	-	135	34	158	192
Total Financial Liabilities	<u>248</u>	<u>45,676</u>	<u>-</u>	<u>45,924</u>	<u>34</u>	<u>30,020</u>	<u>30,054</u>

(Million Baht)

The Bank						
	2020			2019		
	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
<u>Financial Assets</u>						
Financial assets measured at fair value through profit or loss	12,253	12,489	24,742	-	-	-
Derivative assets						
- Exchange rate	-	33,755	33,755	-	25,884	25,884
- Interest rate	-	16,546	16,546	-	10,813	10,813
- Others	-	215	215	-	142	142
Investments measured at fair value through other comprehensive income	420	220,980	221,400	-	-	-
Trading investments	-	-	-	-	12,223	12,223
Available-for-sale investments	-	-	-	<u>22,714</u>	<u>215,636</u>	<u>238,350</u>
Total Financial Assets	<u>12,673</u>	<u>283,985</u>	<u>296,658</u>	<u>22,714</u>	<u>264,698</u>	<u>287,412</u>
<u>Financial Liabilities</u>						
Derivative liabilities						
- Exchange rate	-	28,055	28,055	-	22,322	22,322
- Interest rate	-	17,800	17,800	-	8,952	8,952
- Others	-	215	215	-	133	133
Total Financial Liabilities	<u>-</u>	<u>46,070</u>	<u>46,070</u>	<u>-</u>	<u>31,407</u>	<u>31,407</u>

During the year ended 31 December 2020, due to changes in market conditions, there were transfers of financial assets measured at fair value of the Bank's subsidiaries from level 1 to level 2 amounting to Baht 322 million and from level 2 to level 1 amounting to Baht 457 million.

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.

29.2 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 2020 and 2019 are as follows:

(Million Baht)

Consolidated				
	2020		2019	
	<u>Carrying</u> <u>Amount</u>	<u>Fair Value</u> <u>Level 2</u>	<u>Carrying</u> <u>Amount</u>	<u>Fair Value</u> <u>Level 2</u>
Financial Assets				
Derivative assets (Dynamic hedge)*				
- Exchange rate	5,135	4,977	4,765	9,078
- Interest rate	-	1,277	-	758
- Others	-	-	42	590
Investments in debt instruments measured at amortised cost	465,111	556,134	-	-
Held-to-maturity investments	-	-	416,369	516,641
Total Financial Assets	<u>470,246</u>	<u>562,388</u>	<u>421,176</u>	<u>527,067</u>
Financial Liabilities				
Derivative liabilities (Dynamic hedge)*				
- Exchange rate	1,189	1,643	190	377
- Interest rate	-	170	-	2,206
Debts issued and borrowings	<u>69,390</u>	<u>69,732</u>	<u>81,824</u>	<u>82,867</u>
Total Financial Liabilities	<u>70,579</u>	<u>71,545</u>	<u>82,014</u>	<u>85,450</u>

* For the year 2019, the derivatives is banking book

(Million Baht)

The Bank				
	2020		2019	
	<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	5,076	4,918	1,269	1,063
- Interest rate	-	1,277	-	743
Investments in debt instruments measured at amortised cost	46,930	47,648	-	-
Held-to-maturity investments	-	-	17,299	18,208
Total Financial Assets	<u>52,006</u>	<u>53,843</u>	<u>18,568</u>	<u>20,014</u>
Financial Liabilities				
Derivative liabilities (Dynamic hedge)*				
- Exchange rate	1,074	1,529	141	377
- Interest rate	-	170	-	2,206
Debts issued and borrowings	68,771	69,113	81,666	82,709
Total Financial Liabilities	<u>69,845</u>	<u>70,812</u>	<u>81,807</u>	<u>85,292</u>

* For the year 2019, the derivatives is banking book

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.

30 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Offsetting financial assets and financial liabilities are as follows:

(Million Baht)

	Consolidated							
	Gross amounts offset in statement of <u>Gross</u> <u>amounts</u>	Net amounts presented in statement of <u>financial</u> <u>position</u>	Net amounts presented in statement of <u>financial</u> <u>position</u>	Amounts not offset in <u>statement of financial position</u>		Net	Item in statement of	<u>Note</u>
	<u>amounts</u>	<u>position</u>	<u>position</u>	Financial <u>instruments</u>	Financial <u>collateral</u> <u>received</u>	<u>amount</u>	<u>financial position</u>	
<u>Financial Assets</u>								
Reverse repurchase agreements	295,662	-	295,662	-	295,662	-	Interbank and money market items – net (assets)	9
Derivative assets	43,122	-	43,122	13,749	13,388	15,985	Derivatives	11
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)	22
Derivatives liabilities	24,723	-	24,723	8,502	8,759	7,462	Derivatives	11
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>		

(Million Baht)

The Bank								
	Gross amounts offset in statement of <u>financial</u> <u>Gross amounts</u>	Net amounts presented in statement of financial <u>position</u>	Amounts not offset in <u>statement of financial position</u>					
			Financial <u>instruments</u>	Financial collateral <u>received</u>	Net <u>amount</u>	Item in statement of <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)	9
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	11
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	22
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	11
Total	<u>40,703</u>	<u>-</u>	<u>40,703</u>	<u>8,502</u>	<u>24,700</u>	<u>7,501</u>		

31 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.

32 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.

33 TREASURY SHARES

On 30 January 2020, the Board of Directors Meeting of the Bank approved the share repurchase project with the number of shares to be repurchased not exceeding 23,932,601 shares or equal to the amount of not exceeding 1% of the total paid-up capital of the Bank and the maximum amount not exceeding Baht 4,600 million. The share repurchase was conducted through the Stock Exchange of Thailand. The repurchase period was from 14 - 27 February 2020. The period for the resale of shares is after 6 months from the completion date of share repurchase and not later than 3 years.

On 27 February 2020, the Bank has repurchased the shares under the program totaling 23,932,600 shares or equal to 1% of the total paid-up capital of the Bank at a total cost of Baht 3,208 million presented as a separate category within equity and recognised as a deduction from equity in the financial statements with an equivalent amount had been appropriated from retained earnings to treasury shares reserve.

On 30 July 2020, the Board of Directors Meeting of the Bank approved the resale of repurchased shares. The repurchased shares will be resold on the Stock Exchange of Thailand from 31 August to 16 September 2020 and resale price of the repurchased shares shall not be less than the average closing price of the latest 5 trading days less 15 percent of such average closing price.

On 18 September 2020, the Board of Directors Meeting of the Bank approved the decrease in issued and paid-up share capital of the Bank by writing off the unsold amount of the repurchased shares, totaling 23,932,600 shares at a total cost of Baht 3,208 million and the Bank has registered the decrease in issued and paid-up share capital with the Ministry of Commerce at the same date resulting in a decline in the issued and paid-up share capital from Baht 23,933 million to Baht 23,693 million and adjust treasury shares reserve with retained earnings.

34 DIVIDEND PAYMENTS

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.

On 29 August 2019, the Board of Directors Meeting of the Bank approved to pay an interim dividend from the first six-month operating results of 2019 at the rate of Baht 0.50 per share, totaling Baht 1,197 million, which was paid on 27 September 2019.

On 4 April 2019, the Annual General Meeting of Shareholders of the Bank approved to pay a dividend from the operating results of 2018 at the rate of Baht 4.00 per share, totaling Baht 9,573 million. The interim dividend was paid at the rate of Baht 0.50 per share, totaling Baht 1,197 million, on 27 September 2018 and the remaining dividend was paid at the rate of Baht 3.50 per share, totaling Baht 8,376 million, on 30 April 2019.

35 ASSETS PLEDGED AS COLLATERAL AND UNDER RESTRICTION

The Bank and its subsidiaries has pledged deposits, government securities as collateral for repurchase agreements, collateral for government agencies and pledged with the registrar as life assurance policy reserve. The carrying amount of consolidated financial statements as of 31 December 2020 and 31 December 2019 amounting to Baht 126,859 million and Baht 138,790 million, respectively. The carrying amount of the Bank financial statements as of 31 December 2020 and 31 December 2019 amounting to Baht 21,381 million and Baht 33,655 million, respectively.

36 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments as of 31 December 2020 and 2019 consisted of:

(Million Baht)

	<u>Consolidated</u>		<u>The Bank</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Avals to bills	1,527	4,324	1,527	4,324
Guarantees of loans	12,460	9,116	12,460	9,116
Liability under unmatured import bills	39,602	37,407	39,602	37,407
Letters of credit	34,392	31,935	34,393	31,984
Other contingencies				
- Unused credit line of overdraft	282,403	251,176	283,011	251,484
- Other guarantees	399,812	360,494	398,189	358,780
- Others*	<u>40,496</u>	<u>30,268</u>	<u>42,814</u>	<u>31,978</u>
Total	<u>810,692</u>	<u>724,720</u>	<u>811,996</u>	<u>725,073</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 1,691 million and Baht 1,654 million as of 31 December 2020 and 2019, 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.

37 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:

37.1 Assets, liabilities and contingencies between the Bank and related persons or entities as of 31 December 2020 and 2019 as follows:

	Consolidated		The Bank	
	2020	2019	2020	2019
(Million Baht)				
<u>Interbank and Money Market Items (Assets)</u>				
Subsidiaries	-	-	34,141	17,362
<u>Loans (Including financial institutions)</u>				
Subsidiaries				
- KASIKORN LEASING CO., LTD.	-	-	103,331	105,150
- Others	-	-	22,013	20,147
Joint venture	2,957	-	2,957	-
Other Related Entities	20,979	1,416	20,979	1,416
Other Related Persons	271	276	265	270
<u>Other Assets</u>				
Subsidiaries	-	-	2,214	2,605
Associated companies and joint venture	10	94	10	94
Other Related Entities	40	-	40	-
<u>Deposits (Including financial institutions)</u>				
Subsidiaries	-	-	39,970	24,661
Associated companies and joint venture	1,955	2,767	1,955	2,767
Other Related Entities	19,565	9,135	19,565	9,135
Other Related Persons	21,366	20,144	21,326	20,015

⁽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.

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
<u>Other Liabilities</u>				
Subsidiaries	-	-	745	646
Associated Companies	42	25	42	25
Other Related Entities	28	5	28	5
Other Related Persons	9	18	9	18
<u>Contingencies</u>				
Subsidiaries	-	-	3,124	2,952
Other Related Entities	4,380	1,269	4,380	1,269
Other Related Persons	1	1	1	1
<u>Derivatives (notional amount)</u>				
Subsidiaries	-	-	5,524	5,976
Other Related Entities	5,318	3,250	5,318	3,250

Certain subsidiaries have entered into 1-2 years building lease and service agreements with the Bank. As of 31 December 2020 and 2019, the remaining tenures amounting to Baht 57 million and Baht 43 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 2020 and 2019, the Bank has commitment to pay total service fees amounting to Baht 1,913 million and Baht 1,651 million, respectively.

37.2 Revenue and expenses between the Bank and related persons or entities for the year ended 31 December 2020 and 2019 is summarised as follows:

	Consolidated		The Bank	
	2020	2019	2020	2019
(Million Baht)				
<u>Interest income</u>				
Subsidiaries	-	-	3,334	3,067
Joint venture	3	-	3	-
<u>Other income</u>				
Subsidiaries	-	-	14,827	14,890
Associated companies and joint venture	136	90	136	90
<u>Interest expenses</u>				
Subsidiaries	-	-	131	152
Associated companies and joint venture	5	10	5	10
<u>Other expenses</u>				
Subsidiaries	-	-	6,874	7,533
Associated Companies	328	281	328	281

37.3 Key management personnel⁽¹⁾ compensation

	Consolidated		The Bank	
	2020	2019	2020	2019
(Million Baht)				
Short-term employee benefits	2,055	2,080	1,214	1,251
Post-employment benefits	106	131	75	70
Total	2,161	2,211	1,289	1,321

⁽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.

38 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.

39 AGREEMENTS

39.1 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 2020, which are summarised as follows:

(Million Baht)

	Consolidated	The Bank
Interest expense on lease liabilities	35	29
Expenses relating to short-term leases and low-value assets	976	636
Total cash outflow for leases	2,379	1,945

39.2 Service Agreement

The Bank and its subsidiaries entered into an Information Technology Service, under which the service agreement will be provided until 31 October 2025, The Bank and its subsidiaries were committed to pay total service fees, which are summarised as follows:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Contracted but not provided for	2,875	2,801	4,756	4,425

40 SEGMENT INFORMATION

40.1 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 / impairment loss on loans and debt securities 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.

(Million Baht)

Consolidated							
For the Year Ended 31 December 2020							
	Treasury and Capital			Muang Thai Group			
	Corporate Business	Retail Business	Markets Business	Holding Business	Others	Elimination	Total
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>

(Million Baht)

Consolidated							
For the Year Ended 31 December 2019							
	Treasury and Capital			Muang Thai Group			
	Corporate Business	Retail Business	Markets Business	Holding Business	Others	Elimination	Total
Interest income - net	45,054	29,338	11,136	17,749	(311)	(278)	102,688
Non-interest income	<u>23,050</u>	<u>26,436</u>	<u>8,513</u>	<u>(400)⁽¹⁾</u>	<u>14,386</u>	<u>(14,182)</u>	<u>57,803</u>
Total operating income - net	68,104	55,774	19,649	17,349	14,075	(14,460)	160,491
Total other operating expenses	<u>26,986</u>	<u>33,592</u>	<u>2,286</u>	<u>5,652</u>	<u>10,999</u>	<u>(6,786)</u>	<u>72,729</u>
Operating profit before impairment loss on loans and debt securities and income tax expense	41,118	22,182	17,363	11,697	3,076	(7,674)	87,762
Impairment loss on loans and debt securities							<u>34,012</u>
Operating profit before income tax expense							<u>53,750</u>

(Million Baht)

Consolidated							
31 December 2020							
	Corporate	Retail	Treasury and Capital Markets	Muang Thai Group 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>
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

(Million Baht)

Consolidated							
31 December 2019							
	Corporate	Retail	Treasury and Capital Markets	Muang Thai Group 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>
Reportable segment - Loans ⁽²⁾	1,363,221	555,451	23,904	23,175	161,502	(125,297)	2,001,956
Unallocated assets							<u>1,291,933</u>
Total assets							<u>3,293,889</u>
Deposits and bills of exchange ⁽³⁾	683,643	1,379,473	15,715	-	1	(6,783)	2,072,049

⁽¹⁾ Net of underwriting expenses⁽²⁾ Loans = Loans to customers⁽³⁾ Excluding bills of exchange with embedded derivative

40.2 Information about geographical areas

(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

(Million Baht)

<u>Consolidated</u>				
<u>For the Year Ended 31 December 2019</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Total operating income - net	159,310 ⁽¹⁾	1,758	(577)	160,491
Total other operating expenses	72,336	970	(577)	72,729
Operating profit (loss) before income tax expense	53,034	716	-	53,750
Income tax expense	10,273	36	-	10,309

(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

(Million Baht)

<u>Consolidated</u>				
<u>31 December 2019</u>				
	<u>Domestic</u>	<u>Overseas</u>	<u>Elimination</u>	<u>Total</u>
Non - current assets ⁽²⁾	104,632	614	-	105,246

⁽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.

41 INTEREST INCOME

Interest income for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Interbank and money market items	3,118	6,390	3,125	5,793
Investments and trading transactions	156	395	157	342
Investments in debt securities	21,555	21,144	4,777	5,180
Loans to customers	96,834	96,376	96,368	96,452
Hire purchase and financial lease	5,913	5,859	-	-
Others	<u>16</u>	<u>14</u>	<u>-</u>	<u>-</u>
Total	<u>127,592</u>	<u>130,178</u>	<u>104,427</u>	<u>107,767</u>

42 INTEREST EXPENSES

Interest expenses for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Deposits	10,188	13,935	9,951	13,789
Interbank and money market items	854	1,603	785	1,598
Contributions to Financial Institutions Development				
Fund and Deposit Protection Agency	5,303	9,155	5,298	9,151
Debts issued				
- Subordinated debentures	1,467	1,219	1,467	1,219
- Others	651	1,442	651	1,440
Borrowings	6	-	-	-
Others	<u>101</u>	<u>136</u>	<u>-</u>	<u>-</u>
Total	<u>18,570</u>	<u>27,490</u>	<u>18,152</u>	<u>27,197</u>

43 FEES AND SERVICE INCOME – NET

Fees and service income - net for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Fees and service income				
Acceptances, aval and guarantees	3,672	3,462	3,664	3,456
Others	<u>42,027</u>	<u>47,118</u>	<u>38,048</u>	<u>43,634</u>
Total Fees and service income	45,699	50,580	41,712	47,090
Fees and service expenses	<u>12,695</u>	<u>13,840</u>	<u>12,073</u>	<u>13,582</u>
Fees and service income - net	<u>33,004</u>	<u>36,740</u>	<u>29,639</u>	<u>33,508</u>

44 GAIN ON FINANCIAL INSTRUMENT MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS / GAIN ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS

Gain on financial instrument measured at fair value through profit or loss for the years ended 31 December 2020 consisted of:

	(Million Baht)	
	2020	
	Consolidated	The Bank
1. Gain (loss) on trading and foreign exchange transactions		
- Foreign currencies and foreign currency related derivatives	9,021	6,842
- Interest rate related derivatives	(230)	(230)
- Debt instruments	59	143
- Equity instruments	(315)	-
- Financial liabilities	(23)	-
- Others	<u>156</u>	<u>(22)</u>
Total	<u>8,668</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)	(2)	-
- Others	<u>2</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>
3. Loss from hedge accounting	(2,016)	(653)
4. Others	<u>1,467</u>	<u>992</u>
Total	<u>8,119</u>	<u>7,072</u>

Gain on trading and foreign exchange transactions for the years ended 31 December 2019 consisted of:

	(Million Baht)	
	2019	
	Consolidated	The Bank
Gain (loss) on trading and foreign exchange transactions		
- Foreign currencies and foreign currency related derivatives	7,870	7,059
- Interest rate related derivatives	1,109	1,109
- Debt instruments	(713)	422
- Equity instruments	(65)	24
- Others	<u>161</u>	<u>6</u>
Total	<u>8,362</u>	<u>8,620</u>

45 GAIN ON INVESTMENTS

Gain on investments presented in the statements of profit or loss and other comprehensive income for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	<u>2020</u>	
	<u>Consolidated</u>	<u>The Bank</u>
Gain (loss) from derecognition		
Investments in debt instruments at fair value through other comprehensive income	1,137	1,099
Investments in debt instruments at amortised cost	<u>171</u>	<u>-</u>
Total	<u>1,308</u>	<u>1,099</u>
Reversal on impairment investments		
Investments in subsidiaries and associates	<u>-</u>	<u>80</u>
Total	<u>-</u>	<u>80</u>
Total gain on investments	<u>1,308</u>	<u>1,179</u>

(Million Baht)

	<u>2019</u>	
	<u>Consolidated</u>	<u>The Bank</u>
Gain (loss) on disposal		
Available-for-sale investments	8,591	6,583
Held-to-maturity debt instruments	(197)	-
General investments	<u>18</u>	<u>18</u>
Total	<u>8,412</u>	<u>6,601</u>
Reversal on impairment investments		
Investments in subsidiaries and associates	<u>-</u>	<u>60</u>
Total	<u>-</u>	<u>60</u>
Total gain on investments	<u>8,412</u>	<u>6,661</u>

46 EXPECTED CREDIT LOSS / IMPAIRMENT LOSS ON LOANS AND DEBT SECURITIES

Expected credit loss for the year ended 31 December 2020 consisted of:

(Million Baht)

	<u>2020</u>	
	<u>Consolidated</u>	<u>The Bank</u>
Interbank and money market items	167	110
Investment	946	462
Loans to customers and accrued interest receivables	40,798	40,269
Loan commitment and financial guarantee	1,371	1,325
Others	<u>266</u>	<u>265</u>
Total	<u>43,548</u>	<u>42,431</u>

Impairment loss on loans and debt securities for the year ended 31 December 2019 consisted of:

(Million Baht)

	<u>2019</u>	
	<u>Consolidated</u>	<u>The Bank</u>
Interbank and money market items	(41)	(41)
Loans to customers*	30,599	30,029
Loss on debt restructuring	<u>3,454</u>	<u>3,449</u>
Total	<u>34,012</u>	<u>33,437</u>

* included reversal of impairment loss on loans modification

47 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.

47.1 Income tax recognised in profit or loss for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Current period	10,044	13,004	6,176	9,203
Movements in temporary differences	(2,388)	(2,695)	(1,464)	(2,065)
Total income tax expense	<u>7,656</u>	<u>10,309</u>	<u>4,712</u>	<u>7,138</u>

47.2 Income tax recognised in other comprehensive income for the years ended 31 December 2020 and 2019 consisted of:

(Million Baht)

	Consolidated		The Bank	
	2020	2019	2020	2019
Income taxes relating to components of other comprehensive income				
Movements in temporary differences	1,529	(829)	211	10
Other movements which recognized in other comprehensive income	<u>122</u>	<u>-</u>	<u>103</u>	<u>-</u>
Total	<u>1,651</u>	<u>(829)</u>	<u>314</u>	<u>10</u>

47.3 Reconciliation of effective tax rates consisted of:

(Million Baht)

Consolidated				
	2020		2019	
	Rate (%)	Amount	Rate (%)	Amount
Operating profit before income tax expense		<u>41,347</u>		<u>53,750</u>
Income tax using the expected average tax rate*	20.00	8,269	20.00	10,750
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(613)</u>		<u>(441)</u>
Total	18.52	<u>7,656</u>	19.18	<u>10,309</u>

(Million Baht)

The Bank				
	2020		2019	
	Rate (%)	Amount	Rate (%)	Amount
Operating profit before income tax expense		<u>29,677</u>		<u>41,584</u>
Income tax using the expected tax rate	20.00	5,935	20.00	8,317
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		<u>(1,223)</u>		<u>(1,179)</u>
Total	15.88	<u>4,712</u>	17.17	<u>7,138</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.

48 COVID – 19

As a result of the COVID - 19 pandemic having a widespread impact on all business sectors and customer segments across Thailand, the Bank of Thailand has issued a series of measures, covering payment moratoriums, government guarantees as well as payment holidays to get bank to help affected borrowers and industries that are encountering short-term cash flow problems to resume repayment ability at the end. In relation to financial reporting, key concerns are on the application of forward-looking information and pro-cyclicality effect from applying TFRS 9 ECL provisioning concept. 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.

Regarding the impacts of results from operations, the Bank and its subsidiaries continue to provide customer assistance although the relief measures gradually ended, the customer are still able to repay debts better than expected and the new wave of COVID-19 pandemic occurred in late fourth quarter. As at 31 December 2020, the outstanding balance of loans to customers that the Bank and its subsidiaries have assisted amounted to Baht 427,764 million covering payment moratoriums.

The Bank has closely monitor the customer payment ability including risk and economic situation in management overlay process in order the estimate ECL in the level that could cover potential damages occurred suitably and in line with the situation.

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 from 1 January 2020 to 31 December 2021. The reduced rate has been reflected in the financial statements which is effective from 1 January 2020.

49 EVENTS AFTER THE REPORTING PERIOD

On 8 January 2021, BEACON VENTURE CAPITAL COMPANY LIMITED, a subsidiary of the Bank, additionally partially paid up share capital of Baht 443 million to Baht 3,264 million of the Baht 3,735 million authorised share capital.

On 25 January 2021, Muang Thai Life Assurance PCL, a subsidiary of the Bank increased its investment in Sovannaphum Life Assurance PLC by Baht 37 million, remaining the same share holding.

On 22 February 2021, the Bank of Thailand granted an approval for the Bank to redeem the whole amount of “Subordinated Instruments intended to qualify as Tier 2 Capital KASIKORNBANK PCL No.1/2015 due 2026” with aggregate principal in the amount of Baht 6,500 million prior to the maturity date. The Bank will exercise the right to redeem the Subordinated Instruments on 9 April 2021.

On 25 February 2021, the Board of Directors Meeting of the Bank approved to propose for the shareholders’ approval of the dividend payment from 2020 operating results, at the rate of Baht 2.50 per share. This resolution will be proposed for approval by the Annual General Meeting of the Shareholders of the Bank on 9 April 2021.

Awards and Commendations

KASIKORNBANK PUBLIC COMPANY LIMITED

In Recognition of Management

S&P Dow Jones Indices

- Selected as a member of the Dow Jones Sustainability Indices (DJSI), including DJSI World and DJSI Emerging Markets for the fifth consecutive year
- Sustainability Award, Silver Class of the 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 fifth consecutive year

MSCI

- “AA” rating or Leadership Level in environmental, social and governance (ESG) operations in the banking industry of emerging markets

The Asset magazine

- Platinum Award: Excellence in Environmental Social and Governance

Carbon Disclosure Project (CDP)

- “B” (Management Level) rating in assessment of climate change management

Bloomberg

- Selected as a member of 2021 Bloomberg Gender-Equality Index (GEI)

ASEAN Capital Markets Forum (ACMF) and Asian Development Bank (ADB)

- ASEAN Asset Class Publicly Listed Companies, based on ASEAN CG Scorecard assessment

Institutional Investor magazine

- Best CEO: Mr. Banthoon Lamsam (Rank 3)
- Best CFO: Mr. Chongrak Rattanapian (Rank 2)
- Best IR Professionals (Rank 3)
- Best IR Team (Rank 2)

Brandon Hall Group

- Best Advance in Competencies and Skill Development - Gold
- Best Advance in Leadership Development - Silver

Retail Banker International magazine

- Best Staff Training and Development Programme

HR Asia magazine

- HR Asia Most Caring Companies Award (Thailand Edition)
- HR Asia Best Companies to Work for in Asia (Thailand Edition)

Thai Institute of Directors Association (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

The Stock Exchange of Thailand and University of the Thai Chamber of Commerce

- “The Most Popular Stock” award in the financial business sector

The Stock Exchange of Thailand

- Selected to be on the Thailand Sustainability Investment (THSI) list

Thailand Greenhouse Gas Management Organization (Public Organization)

- Carbon Neutral Certificate for the third consecutive year

Faculty of Commerce and Accounting, Chulalongkorn University

- Thailand’s Top Corporate Brand Values for the fourth consecutive year

Ministry of Labor

- Excellent Labor Relations and Welfare Award for the 15th consecutive year

In Recognition of Service

The Asset magazine

- Innovation Leader of the Year
- Best Bond Adviser - Thailand
- Triple A Best Private Bank in Thailand
- Triple A Best Private Bank - HNWS in Thailand
- Best Service Provider-Transaction Bank
- Best Service Provider-Cash Management
- Best Service Provider-E-Solutions Partner
- Top arrangers - Investors’ Choice for primary issues - Corporate bonds THB (First place)
- Top arrangers - Investors’ Choice for primary issues - Government bonds THB (Fourth place)
- Top sellside firms in the secondary market - Corporate bonds THB (Fourth place)
- Top sellside firms in the secondary market - Government bonds THB (Third place)
- Best Individual Thailand - Research (Fourth place)
- Best Individual Thailand - Sale (Highly Commended)



KBank won the Thailand’s Top Corporate Brand Values award from the Faculty of Commerce and Accounting, Chulalongkorn University.



KBank garnered the Most Popular Stock award in the financial business sector from The Stock Exchange of Thailand and University of the Thai Chamber of Commerce.



KBank won the HR Asia Most Caring Companies (Thailand Edition) and HR Asia Best Companies to Work for in Asia (Thailand Edition) awards from HR Asia magazine.

The DIGITAL BANKER journal

- Winner: Best Private Bank - Digitally Empowering RMs
- Winner: Best Digital Customer Experience in Wealth Management
- Winner: Outstanding Customer Experience for Loans (MADFUND by KBank for Lazada Sellers)
- Winner: Loan Offering of the Year (MADFUND by KBank for Lazada Sellers)
- Winner: Best Customer Experience - Debit Card (JOURNEY Card)
- Highly Acclaimed: Outstanding Private Bank Growth Strategy
- Highly Acclaimed: Best Private Bank - Digital Client Communication
- Highly Acclaimed: Best Private Bank for HNWIs
- Highly Acclaimed: Best Digital Customer Experience in Private Banking
- Highly Acclaimed: Best Digital Customer Experience - Loan Application (MADFUND by KBank for Lazada Sellers)

Retail Banker International magazine

- Winner - Excellence in Client On-Boarding
- Highly Commended - Best Mobile Wallet Initiative
- Highly Commended - Best Payment Innovation for GrabPay Wallet Powered by KBank
- Highly Commended - Excellence in Service Innovation
- Highly Commended - Excellence in SME Banking for K SME DIGIBIZ
- Highly Commended - Best Debit Card Initiative (JOURNEY Card)
- Highly Commended - Best Loan Offering (MADFUND by KBank for Lazada Sellers)

Alpha Southeast Asia magazine

- Best Wealth Management Bank in Thailand
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets
- Best Corporate Treasury Sales and Structuring Team
- Best FX Bank for Retail Clients
- Best ESG Green Financing in Southeast Asia: Thailand - PTT Greenbond
- Best Local Currency Bond Deal of the Year, Thailand - CPF
- Best Bond Deal for Retail Investors in Southeast Asia - CPF

IFR Asia journal

- Thailand Capital Markets Deal of the Year - Asset World's billion Baht 48 IPO
- Thailand Bond House of the Year

Private Banker International

- Winner - Most Innovative Digital Offering
- Highly Commended Achievement - Most Effective Investment Service Offering

The Asian Banker journal

- Best Retail Bank in Thailand for the 11th consecutive year
- Best Home Loan Product for New Income Verification Standard for Business Owner, Freelance and Refinance Customers Project

Finance Asia magazine

- Best DCM House in Thailand
- Best Private Bank in Thailand

Asia Money magazine

- Best for ESG in Thailand

Professional Wealth Management of the Financial Times Group

- Best Private Bank for Portfolio Management Technology - Asia

The Banker journal

- Best Private Bank in Thailand

Marketeer magazine and Kadence International (Thailand)

- No. 1 Brand Thailand in the credit card category
- No. 1 Brand Thailand in the debit card category
- No. 1 Brand Thailand in the deposit category
- No. 1 Brand Thailand in the bank for SMEs category

Thai Bond Market Association

- Top Underwriting Bank
- Deal of the Year
- Best Outright Primary Dealer

Thailand Management Association and Sasin School of Management, Chulalongkorn University

- Financial Management Excellence
- SMEs Excellence Awards to KBank and Land and House Property Group (KBank's customer)
- Innovation Excellence

BrandAge magazine

- Thailand's Most Admired Brand from "K-Credit Card" for the sixth consecutive year
- Thailand's Most Admired Brand from the K PLUS application K PLUS

Business+ magazine and College of Management Mahidol University

- Product Innovation Awards in the lifestyle product category, credit card (KBank THE PASSION)
- Product Innovation Awards in the lifestyle product category, debit card (KBank x BLACKPINK)

The Bank of Thailand

- Top Outright Primary Dealer

LINE THAILAND

- Best LINE TODAY in Finance & Insurance for KBank x BLACKPINK campaign

Wiselight (Thailand), social media analyzing service provider

- Best Brand Performance on Social Media in Banking



KBank received the Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Assets, Best Corporate Treasury Sales and Structuring Team and Best FX Bank for Retail Clients awards from Alpha Southeast Asia magazine.



KBank received the Deal of the Year, Top Underwriter and Best Outright Primary Dealer awards from the Thai Bond Market Association.



KBank won the Best Private Bank for Portfolio Management Technology - Asia award from Professional Wealth Management of the Financial Times Group.

KBank's Wholly-Owned Subsidiaries

KASIKORN ASSET MANAGEMENT COMPANY LIMITED

The Asset magazine

- Asset Management Company of the Year (Thailand)
- Top Investment House Asian Currency Bonds, Thailand for the seventh consecutive year
- Most Astute Investors in Thailand (Fourth place)
- Most Astute Investors in Thailand (Fifth place)
- Most Astute Investors in Thailand (Tenth place)

Asia Asset Management magazine

- Best Pension Fund Manager (Thailand) for the fifth consecutive year
- Best Fund House (Thailand) for the third consecutive year
- Best House for Alternatives (Thailand)

Morningstar Research Thailand

- Best Fund House - Domestic Equity
- Best Retirement Mutual Fund - Equity (KEQRMF)
- Best Long-Term Equity Fund (K20SLTF)

Money & Banking magazine

- Best Mutual Fund of the Year in the RMF Equity category (KEQRMF)
- Best Mutual Fund of the Year in the Fixed Income General category (KACB)

Thai Bond Market Association

- Most Prominent Fund House in Corporate Bond Market for the third consecutive year

The Stock Exchange of Thailand and Money & Banking magazine (SET Awards)

- SET Award - Outstanding Asset Management Company

Marketeer magazine and Kadence International (Thailand)

- No. 1 Brand Thailand in the mutual fund category

KASIKORN SECURITIES PUBLIC COMPANY LIMITED

The Asset magazine

- Best Equity Adviser in Thailand
- Best IPO in Thailand
- Best Privatization in Thailand

Alpha Southeast Asia magazine

- Best Financial Institution Awards - Best Retail Broker in Thailand
- Best Equity Deal of the Year, Thailand
- Best IPO Deal of the Year, Thailand

FinanceAsia magazine

- Best Investment Bank in Thailand
- Best ECM House in Thailand

Investment Analysts Association (IAA)

- Best Analyst Awards 2020 - Property
- Best Analyst Awards 2020 - Oil & Gas, Refinery
- Best Analyst Awards 2020 - Media & Technology
- Best Research House

The Stock Exchange of Thailand and Money & Banking magazine

- SET Award - Best Securities Company Awards
- SET Award - Deal of the Year Awards for IPO of Bangkok Commercial Asset Management's (BAM) shares and KSecurities as a financial advisory

KASIKORN BUSINESS-TECHNOLOGY GROUP

App Annie

- K PLUS as #1 Top 10 of Finance Apps by MAU in Thailand iOS & Google Play

International Data Corporation (IDC)

- Top 20 APAC Best Bank in Thailand for Digital Transformation and Financial Technology

Red Hat, Inc

- Red Hat Innovation Awards APAC for Outstanding Digital Transformation

LinkedIn Thailand

- Best Company Recruiters (Runner Up)

Thailand Management Association

- Thailand Corporate Excellence Awards 2020 for Innovation Excellence

BEACON VENTURE CAPITAL COMPANY LIMITED

National Innovation Agency (Public Organization)

- Prime Minister Award: National Startup, Investor of the Year



KASIKORN SECURITIES received the SET Award - The Best Securities Company Awards from The Stock Exchange of Thailand and Money & Banking magazine.



KASIKORN ASSET MANAGEMENT won the Best Pension Fund Manager (Thailand), Best Fund House (Thailand), and Best House for Alternatives (Thailand) awards from Asia Asset Management magazine.



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