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Statements of Financial Position as at December 31, 2020 and 2019

	(Thousand Baht)	
	31-12-20	31-12-19
Consolidated Financial Statements		
ASSETS		
Cash	68,161,357	68,433,721
Interbank and money market items - net	516,791,903	338,770,589
Financial assets measured at fair value through profit or loss	13,723,789	-
Claims on securities	-	67,350,100
Derivatives assets	74,506,773	55,811,418
Investments - net	316,987,630	395,227,970
Investments in subsidiaries and associated companies - net	29,400,185	30,945,612
Loans to customers and accrued interest receivables - net	2,200,513,321	1,959,765,482
Customers' liability under acceptances	-	133,241
Properties for sale - net	32,659,270	32,182,562
Premises and equipment - net	24,762,212	24,200,896
Right-of-use assets	4,474,111	-
Other intangible assets - net	6,005,144	3,900,228
Deferred tax assets	5,880,565	8,164,563
Accrued income	2,598,857	3,487,317
Other assets - net	31,315,152	23,842,421
Total assets	3,327,780,269	3,012,216,120
LIABILITIES AND EQUITY		
Deposits	2,463,225,282	2,155,864,986
Interbank and money market items	274,566,462	215,822,527
Liabilities payable on demand	4,731,953	4,744,254
Liabilities to deliver securities	-	67,350,100
Derivatives liabilities	65,471,404	51,868,539
Debt issued and borrowings	86,564,198	96,841,300
Bank's liability under acceptances	-	133,241
Lease liabilities	4,503,684	-
Provisions	20,286,873	15,239,758
Other liabilities	53,366,819	56,025,029
Total liabilities	2,972,716,675	2,663,889,734
EQUITY		
Share capital		
Authorized share capital		
5,500,000 preferred shares of Bath 5.15 each	28,325	28,325
13,976,061,250 ordinary shares of Bath 5.15 each	71,976,715	71,976,715
Issued and paid-up share capital		
5,500,000 preferred shares of Bath 5.15 each	28,325	28,325
13,976,061,250 ordinary shares of Bath 5.15 each	71,976,715	71,976,715
Premium on share capital		
Premium on ordinary share	20,833,734	20,833,734
Deficit from the change in the ownership interests in subsidiary	(165,255)	-
Other components of equity	32,179,036	33,006,142
Retained earnings		
Appropriated		
Legal reserve	7,200,504	7,200,504
Unappropriated	211,412,693	205,241,876
Equity attributable to equity holders of the Bank	343,465,752	338,287,296
Non-controlling interest	11,597,842	10,039,090
Total equity	355,063,594	348,326,386
Total liabilities and equity	3,327,780,269	3,012,216,120

Statutory Capital Fund

	Unit: Million Baht			
	31-12-20		31-12-19	
	Amount	(%)	Amount	(%)
Common Equity Tier 1 capital	314,467	15.73	304,705	15.19
Tier 1 capital	315,755	15.79	305,805	15.24
Tier 2 capital	66,349	-	75,534	-
Total capital funds	382,104	19.11	381,339	19.01
Risk-weighted assets	1,999,516	-	2,006,423	-

Subsidiaries

KTBLaw Co., Ltd.	KTB Advisory Co., Ltd.
Krung Thai Asset Management Pcl.	Infinitas by Krungthai Co., Ltd.
KTB General Services and Security Co., Ltd.	KTC Nano Co., Ltd.
KTBLending Co., Ltd.	KTC Prepaid Co., Ltd.
KTBComputer Services Co., Ltd.	KTC Pico (Bangkok) Co., Ltd.
KTC Pico (Chonburi) Co., Ltd.	KTC Pico (Pathum Thani) Co., Ltd.
KTC Pico (Samut Sakhon) Co., Ltd.	KTC Pico (Samut Prakan) Co., Ltd.

Statements of Profit or Loss and Other Comprehensive Income for the years ended December 31, 2020 and 2019

	(Unit: Thousand Baht except basic earnings per share expressed in Baht)	
	31-12-20	31-12-19
Consolidated Financial Statements		
Profit or loss		
Interest income	112,836,857	122,971,682
Interest expenses	24,494,134	34,655,374
Net interest income	88,342,723	88,316,308
Fees and service income	27,690,138	29,596,109
Fees and service expenses	7,162,213	6,358,577
Net fees and service income	20,527,925	23,237,532
Gains on financial instruments measured at fair value through profit or loss	3,134,376	-
Gains on trading and foreign exchange transactions	-	3,196,695
Gains on investments	950,926	4,371,598
Share of profit from investments accounted for under equity method	2,060,328	1,424,575
Dividend income	375,896	495,561
Other operating income	6,855,249	4,615,370
Total operating income	122,247,423	125,657,639
Other operating expenses		
Employee's expenses	28,466,296	31,389,836
Directors' remuneration	298,069	108,558
Premises and equipment expenses	8,895,416	8,941,746
Taxes and duties	3,797,471	4,363,018
Impairment losses of properties for sale	1,538,442	7,219,052
Other expenses	10,469,150	10,451,485
Total other operating expenses	53,464,844	62,473,695
Expected credit losses	44,902,881	-
Impairment losses of loans and debt securities	-	23,813,535
Profit before income tax	23,879,698	39,370,409
Income tax	4,440,733	7,232,606
Profit for the year	19,438,965	32,137,803
Other comprehensive income (loss)		
Transactions that will be reclassified subsequently to profit or loss through other comprehensive income		
Gains (losses) on debt securities measured at fair value	894,894	-
Gains (losses) on changes in value of available-for-sale investments	-	1,585,753
Gains (losses) arising from translating the financial statements of foreign operations	43,703	(15,867)
Gains (losses) on cash flow hedges	169,661	-
Gains (losses) from deferred cost of hedging	90,153	-
Share of other comprehensive income of associate (equity method) for items that will be reclassified subsequently to profit or loss	(1,555,420)	12,823,440
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	(239,549)	(317,151)
Transactions that will never be reclassified subsequently to profit or loss		
Change in surplus on revaluation of assets	-	(180,526)
Share of other comprehensive income of associate (equity method) for items that will never be reclassified subsequently to profit or loss	(1,204,144)	-
Gains (losses) on investments in equity designated to be measured at fair value through other comprehensive income	(1,994,260)	-
Actuarial gains (losses) on defined benefit plan	(806,171)	(989,619)
Income tax relating to other comprehensive income (losses) for items that will never be reclassified subsequently to profit or loss	525,144	234,029
Other comprehensive income (loss) - net	(4,075,989)	13,140,059
Total comprehensive income (loss)	15,362,976	45,277,862
Total profit attributable to:		
Equity holders of the Bank	16,731,585	29,284,042
Non-controlling interest	2,707,380	2,853,761
Total comprehensive income attributable	19,438,965	32,137,803
Equity holders of the Bank	12,641,748	42,451,458
Non-controlling interest	2,721,228	2,826,404
Earnings per share of the Bank	1.20	2.09
Basic earnings per share (Baht)		

Board of Directors (as at 31 December 2020)

Mr. Krisada Chinavicharana	Mr. Payong Srivanich
Mr. Krairit Euchukanonchai	Mr. Teerapong Wongsiwawilas
Mr. Vichai Assarasakorn	Professor Dr. Kittipong Kittayarak
Mr. Thanwa Laohasirirong	General Tienchai Rubporn
Mr. Poonnis Sakuntanaga	Ms. Patricia Mongkhonvanit
Ms. Nitima Thepvanangkul	Mr. Lavaron Sangsnit

Auditor's Report

To: THE SHAREHOLDERS OF KRUNG THAI BANK PUBLIC COMPANY LIMITED

Opinion

I have audited the accompanying consolidated financial statements of Krung Thai Bank Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Krung Thai Bank Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

I draw attention to Note 3 to the consolidated financial statements, the Bank and its subsidiaries have adopted new accounting policies in respect of the set of Thai Financial Reporting Standards related to financial instruments and Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy, announced by the Federation of Accounting Professions in preparation of the current year's financial statements. My opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Allowances for expected credit losses of loans to customers

The Bank and its subsidiaries (the Group) have adopted Thai Financial Reporting Standards No. 9 Financial Instruments, which became effective on 1 January 2020. This financial reporting standard stipulates the basis to be used for calculation of impairment on financial instruments using the expected credit losses method. The basis involves complex calculation modelling and requires management to use significant judgements and estimates in developing expected credit losses models in compliance with Thai Financial Reporting Standards and the rules set by the Bank of Thailand. The areas of significant management judgement include the identification of criteria for assessment of a significant increase in credit risk of loans to customers, the relevant variables with modelling, the selection of the future economic variables to be incorporated in the models and a management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

As discussed in Note 9.8 to the consolidated financial statements, as at 31 December 2020, the Group had loans to customers of Baht 2,334,842 million (representing 70 percent of total assets) and allowances for expected credit losses amounting to Baht 150,528 million, which are material amounts to the financial statements.

Because of the materiality and the use of judgement and estimates mentioned above, I addressed the adequacy of allowances for expected credit losses of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of the Group's internal controls relating to the loan origination, the calculation of allowance for expected credit losses of loans to customers, taking into account the exposure balances, complexity and credit risk of each loan portfolio. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulator. I considered and assessed the process governing model development, reviewed model development documentation and model validation report as prepared by the specialist engaged by the management of the Group and independent department of the Group, and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses, including the method used to incorporate the management overlay to address the limitations of the model and the recording of allowance for expected credit losses. I tested, on a sampling basis, the controls over the information technology systems relevant to the calculation of allowance for expected credit losses.

I examined the allowances for expected credit losses by assessing, on a sampling basis, the classification of loans to customers based on the changes in credit risk since initial recognition, and recalculating, on a sampling basis, the allowance for expected credit losses as at the end of the accounting period, including testing, on a sampling basis, the completeness of the data used in the calculation of allowance for expected credit losses.

Moreover, I assessed the adequacy of disclosure in accordance with the relevant financial reporting standards, as well as notifications and guidelines announced by the Bank of Thailand.

Recognition of interest income on loans to customers

For the year ended 31 December 2020, the Group recognised interest income on loans to customers amounting to Baht 104,307 million (representing 85 percent of total income). The Group recognised interest income using the effective interest rate method, which involves the use of management judgement and estimates in estimating future cash flow receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period, taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Moreover, the interest income was generated from various type of loans provided to a large number of customers and each type of loan agreement had different terms and conditions. In addition, the recognition of interest income relies primarily on data processed by the information technology systems. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand.

The audit procedures I performed were to gain an understanding of, assess and test, on a sampling basis, the effectiveness of the Group's internal controls relating to loan origination and interest income recognition, including relevant internal controls over information systems. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulatory agency. I also assessed the methods applied by the management to determine the future cash flow receipts and the expected life of the financial instruments used in calculating the effective interest rate, including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method to select loan agreements to consider whether the recognition was consistent with the conditions of the relevant agreement and an adjustment was made to reflect effective interest rate. I also performed analytical procedures on interest income on loans to customers and examined, on a sampling basis, material adjustments made through journal vouchers.

Other Matter

The consolidated financial statements of Krung Thai Bank Public Company Limited and its subsidiaries, and the separate financial statements of Krung Thai Bank Public Company Limited for the year ended 31 December 2019 were audited by another auditor who, under his report dated 26 February 2020, expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Bank, but does not include the financial statements and my auditor's report thereon. The annual report of the Bank is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Bank, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

(Signed) Ratana Jala
(Ratana Jala)

Certified Public Accountant (Thailand) No. 3734

EY Office Limited, Bangkok
February 24, 2021

Domestic deposits of Thai Bank are protected by the Deposit Protection Agency (DPA) in accordance with the Deposit Protection Agency Act B.E. 2551. DPA gives protection only to Thai Baht currency deposited in Thailand up to a certain amount as specified by the Act, excluding the non-resident Baht accounts of non-residence persons. Hence deposits that are payable at banking offices located outside Thailand will not obtain such protection. Other than the above, in the event of receivership, winding up or equivalent proceeding of the bank, domestic and international depositors will have the same right and rank of claim.

Notes to the financial statements form an integral part of the audited financial statements and a full understanding of the statements and the state of affairs of the Bank cannot be achieved without reference to the complete set of the Bank's audited financial statements.

A complete set of the audited financial statements, list of bank directors and list of subsidiaries of the Bank can be obtained upon request from the Singapore Branch.