



Krungthai

COURAGE TO CHANGE

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



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Vision and Mission

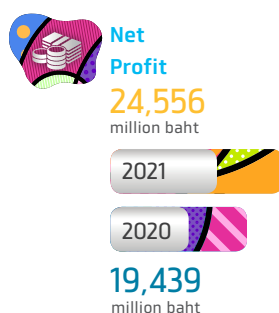
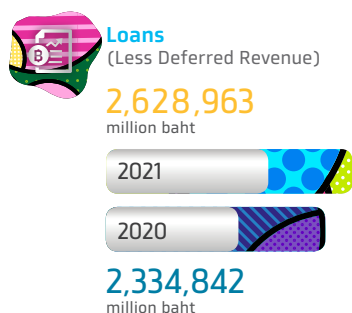
*Vision*

Growing
Together for
Sustainability

*Mission*

“TO EMPOWER BETTER LIFE FOR
ALL THAIS”

Financial Highlights



Consolidated financial statements (Unit : million baht)

Financial Standing

	2021	2020	2019	2018	2017
Total Assets	3,556,744	3,327,780	3,012,216	2,739,203	2,854,210
Loans (Less Deferred Revenue)	2,628,963	2,334,842	2,089,873	2,024,205	1,938,082
Total Deposits	2,614,747	2,463,225	2,155,865	2,039,602	2,070,875
Total Liabilities	3,182,633	2,972,717	2,663,890	2,425,062	2,559,991
Total Equity (Equity Holders of the Bank)	360,052	343,466	338,287	305,875	287,861

Operating Performance

Net Interest Income	83,372	88,343	88,316	83,689	86,863
Non-Interest Income	32,414	33,905	37,342	33,532	36,361
Total operating income	115,786	122,248	125,658	117,221	123,224
Other Operating Expense	52,731	53,465	62,474	53,088	49,483
Pre-provision profit	63,055	68,783	63,184	64,133	73,741
Less Expected credit losses / Impairment losses of loans and debt securities	32,524	44,903	23,814	26,192	44,834
Net Profit	24,556	19,439	32,138	31,089	24,110
Net Profit (Equity Holders of the Bank)	21,588	16,732	29,284	28,491	22,440

Financial Ratios (%)

Return on Average Assets (Equity Holders of the Bank)	0.63	0.53	1.02	1.02	0.81
Return on Average Equity (Equity Holders of the Bank)	6.14	4.91	9.09	9.60	7.99
Net Interest Margin (NIM)	2.49	2.91	3.22	3.13	3.28
Cost to income ratio	45.54	43.73	49.72	45.29	40.16
Loan to customers (less deferred revenue)-to-deposits ratio	100.54	94.79	96.94	99.25	93.59
NPL / Loans	3.50	3.81	4.33	4.53	4.19
Coverage Ratio	168.82	147.34	131.80	125.74	121.71
Tier 1 capital	16.86	15.79	15.24	14.47	13.44
BIS Total Capital Ratio	20.12	19.11	19.01	18.22	17.15

Share Information

Book Value per Share (Equity Holders of the Bank) (baht)	25.75	24.57	24.20	21.88	20.59
Earning Per Share (EPS) (baht)	1.54	1.20	2.09	2.04	1.61
Dividend Payout Ratio	N/A	28.93	40.00	40.00	40.02
Dividend per share (common stock)	N/A	0.275	0.753	0.718	0.61

Message from the Chairman

2021



With the determination to continuously
conduct our business responsibly
and with good governance

granted to
the Bank

The COVID-19 pandemic, which was ongoing in 2021, has had a severe impact on people and the business sector broadly. As a result, Krungthai Bank continues to focus on collaborating with various parties to provide assistance to customers and those affected by the pandemic. The Bank also acts as a key mechanism to effectively deliver government assistance measures to all people and the grass root economy by leveraging technology and innovation developed by the Bank.

The COVID-19 pandemic has uncovered the country's vulnerability in various dimensions, including inequality in income, savings, and an access to economic opportunities. Negligence to the issue of environment and climate protection is also getting more prominent while this issue is increasingly becoming a global trend. Therefore, the Bank has paid more attention on sustainable business operations or "Krungthai Sustainability" in accordance with the "Environment, Society, and Governance" (ESG) framework. This involves supporting fair business competition and enhancing long-term competitiveness of small and medium-sized businesses (SMEs) and micro businesses to achieve stable growth. With the determination to continuously conduct our business responsibly and with good governance, the Bank has gained recognition and trust from various parties, as evidenced by 38 international and national awards granted to the Bank in 2021. For instance, the Bank was granted with the "Most Sustainable Bank, Thailand 2021" Award from World Economic Magazine (USA), the "Bank of the Year 2021 in Thailand" Award from The Banker Magazine (England), the "Best Bank Awards 2021 in the category of Best Digital Bank — Thailand" from Asiamoney Magazine (Hong Kong), the "Best Digital Banking Service of the Year Award" from Business+ Magazine, the "Sustainability Disclosure Award 2021" from ThaiPAT Institute, and the Royal Award for "Thailand Corporate Excellence Awards 2021 in the category of Product/Service Excellence" by the Thailand Management Association (TMA).

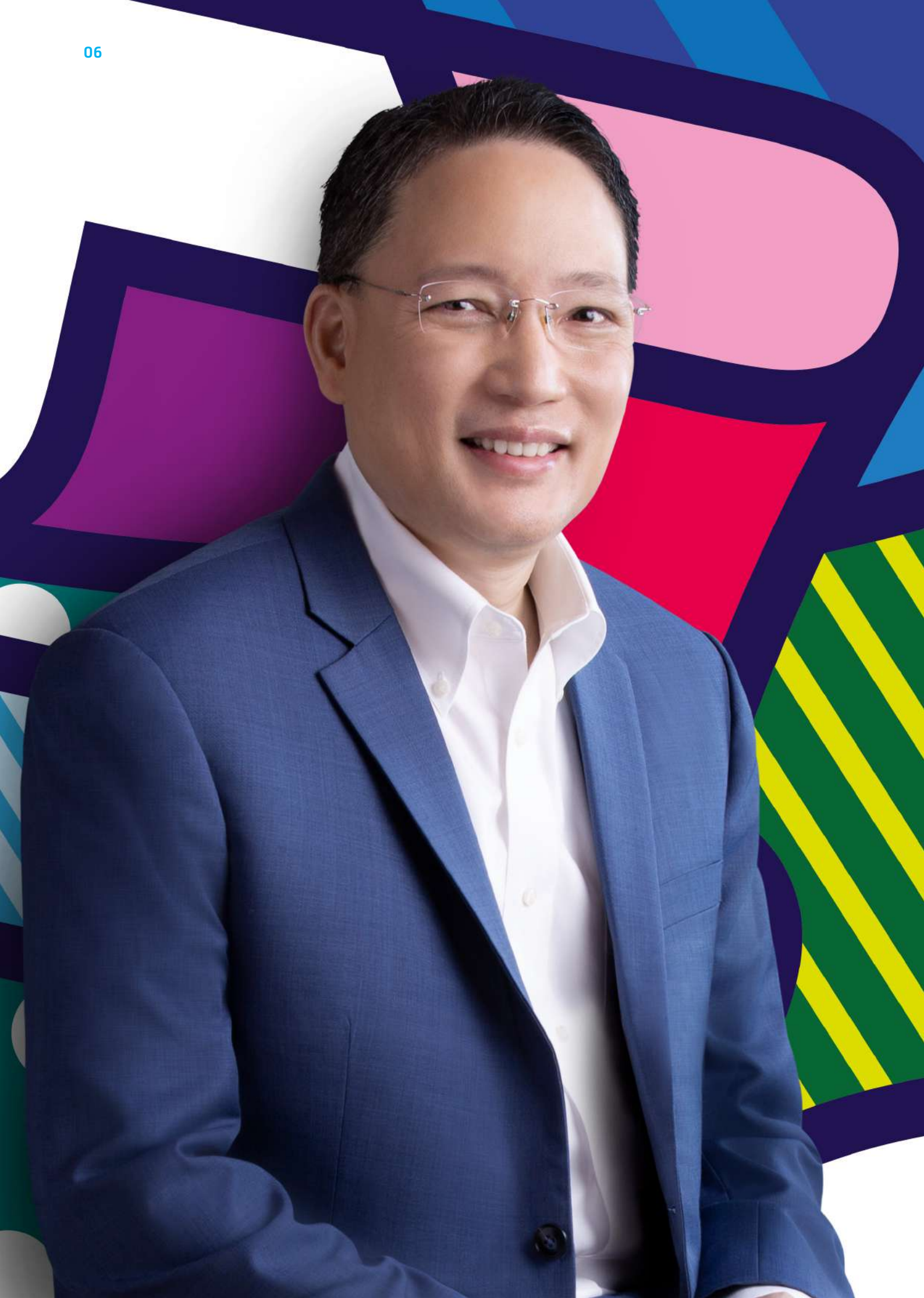
However, the future business environment is highly unpredictable. To ensure that the Bank still meets the needs of customers and stakeholders, the Board of Directors continues to encourage employees at all levels to improve working method by thinking outside the box, implementing new processes in line with the new normal context, and enhancing their digital literacy through upskilling and reskilling to keep up with the digital age and be able to seamlessly integrate and utilize technologies. Additionally, the agility working approach has also been emphasized, consistent with the Bank's business models that goes towards a fully digital bank. The Bank also needs to accelerate productivity improvement, integration of work processes in the end-to-end approach, along with cultivating a DNA of zero tolerance to corruption for employees. These shall be done continuously and intensively and will require all employees to work together to enable the change from within. In this regard, the Board of Directors continues to emphasize the importance of good governance in the organization. It is believed that such principle will be the cornerstone that empowers the Bank to grow sustainably, have immunity against risks and uncertainties, and get ready to adapt to the changing trends of dynamic environment, as well as supporting Thai society to grow on a sustainable basis.

On behalf of the Board of Directors, executives, employees and subsidiaries of the Bank, I would like to express my gratitude to shareholders, business partners and customers from the private and public sector for always giving trust and confidence to Krungthai Bank. I sincerely hope that the Bank will continue to receive your support for a long time to come.

Mr. Krisada Chinavicharana

Chairman of the Board of Directors





Message from the President

In 2021, the resurgence of the COVID-19 pandemic has stalled Thailand's economic recovery and left financial position of households and some business sectors fragile, especially in tourism-related sectors and those based on domestic demand. Hence, Krungthai Bank has continued to support customers and entrepreneurs so that they are able to overcome this major crisis. Together with the banking sector, the Bank has provided assistance measures for improving liquidity and restoring customers' business operation. Such measures include debt moratorium and debt restructuring in a sustainable and fair manner, that aligns with the Bank of Thailand's policy. Moreover, the Bank has been recognized for the dedication of its service network, technology, and personnel in delivering government assistance to the Thai people via several projects such as "Khon La Khrueng" (Let's Go Halves) co-payment scheme, "Rao Tiew Duay Kan" (We travel together) scheme, "Rao Chana" (We Win) project, Section 33: We Love Each Other project, and the Ying Chai Ying Dai (the more you spend, the more you get) campaign. In addition, the Bank also took part in "Thai Ruam Jai" project by setting up more than 129 out-of-hospital vaccination service stations nationwide. All these efforts follow the Bank's determination to improve the quality of life and enhance financial equality for Thai people. These thus reflect our intention to go "Beyond Banking" that aligns with our new mission "To empower better life for all Thais", as well as the Bank's sustainable development goals that are in line with the United Nations' Sustainable Development Goals (SDGs).

Our relentless efforts to develop digital platforms have enabled deliveries of government assistances to the target groups quickly, effectively, and with transparency. The platforms can also be leveraged to provide services that respond to new behaviors and demands in the new normal era in a timely manner. The Bank takes into account the 5 Ecosystems as our main business target. For Government Agency ecosystem, the Bank supports the government in implementing projects such as

the State Welfare Card scheme with currently more than 13 million cardholders, the 1-Baht Bond via SBM wallet which allows people to have savings in government bonds with a minimum purchase of 100 Baht, as well as other aforementioned government projects. For Payment ecosystem, our work includes new features and services of Krungthai NEXT application, the Krungthai Gold Wallet which provides full-fledged online gold trading service. The Bank also launched PTTEP digital bonds, the first bond in Asia traded via a digital wallet, reflecting our readiness to expand digital footprint in response to new demands in the future world. For Healthcare ecosystem, our Smart Hospital system is where complete services are provided through the use of technologies, such as an automatic physical examination machines, intelligent AI Chat Bot to help screen patients using voice command system, telemedicine for providing consultation with specialist through a VDO Conference system, etc. This also includes the development of new functions and services of Health Wallet to enhance health promotion and disease prevention. Likewise, Educational Institution ecosystem is represented with Smart University projects and various services of Student Loan Fund which can be accessed via Pao Tang application. Lastly, for Transportation ecosystem, the Bank develops a cashless fare payment system for various public transport systems. By means of connecting the dot, the Bank has executed the X2G2X strategy by using G or the government as the center and connecting each anchor point to the 5 ecosystems with the Digital Platform, in order to expand the business from our customers' partners, leading to revenue generation for the Bank (Monetization). At present, the Bank is becoming a leader in the digital banking system. The current number of users on the Bank's digital platform is among the highest, reaching over totally 40 million users from both Pao Tang and Krungthai NEXT application (increasing from about 3 million KTB Netbank users during the past 4-5 years). On top of this, there are over 1.5 million stores registered in Thung Ngern application and over 16 million users in Krungthai Connxt.

Becoming a leader in the digital banking system

The highest current number of users on the Bank's digital platform



"Pao Tang"
"Krungthai NEXT"
Application



40

million users



"Thung Ngern"
Application

1.5

million stores



"Krungthai
Connxt"

16

million users



For the year 2022, the economy is recovering, although it is still fragile and the recovery is not so inclusive. The competitive environment in the financial system has also changed drastically, bringing challenges caused by disruptions from all directions. In particular, changes in consumer behavior and new financial innovations as cryptocurrency, digital assets and DeFi or Decentralized Finance, have enforced the Bank to adjust its business model and manage resources with flexibility. This will also allow the Bank to adapt and learn new skills in an agile manner even under uncertainty. Therefore, [the Bank determines to continue driving the 2 Banking Models strategy, Carrier and Speedboat under the 5 Execution Pillars action plan, with greater intensity and courage to change.](#) The Pillars start with 1) **Sustain Core Growth**. This will enable our core business to grow with quality and sustainability, and becomes integrated to people's everyday life and cover all their needs. The Bank shall focus more on lending through online platforms in order to provide retail customers with more convenient and comprehensive access to financial services. Business lending will focus on industries on an upward trend, and funding to support customers' transition towards Net-Zero Emission and BCG Economy (Bio-Circular-Green Economy). 2) **Build New Business Model**. The Bank will look for new business opportunities via Infinitas by Krungthai Co., Ltd., which is mandated to providing Innovation & Digital Platform development services to generate new revenues in line with Mega Trends. At the end of last year, Infinitas by Krungthai Co. Ltd., on behalf of the Bank and in collaboration with Accenture Solutions Co., Ltd., established a joint venture company, Arise by Infinitas Co. Ltd., to build up "Digital Talents" to support the business expansion plans of the Bank and its partners. 3) **X2G2X** or business extension with the government as the center. The Bank shall expand business with customers' partners and shall play a role in connecting financial services to everyday activities related to the 5 ecosystems through Digital Connectivity. 4) **Digitization**. The Bank will minimize the use of paper as well as adjust internal processes and systems through the application of technologies such as Robotic Process Automation (RPA) and AI, which will reduce costs and increase efficiency in our operation. Lastly, 5) **Krungthai Sustainability**. The Bank will continue to emphasize on applying ESG (Environmental, social and governance) principles

to drive the Sustainable Krungthai initiative through various projects i.e., One Unit, One Sustainability Plan, the Compliance Champion Project, and the Krungthai Hackathon Project, etc. [Furthermore, the Bank will place great emphasis on maintaining financial stability under a highly uncertain environment by leveraging on available tools such as the Bank of Thailand's debt restructuring via asset warehousing measures, and by setting aside a sufficiently high level of provision in order to manage the NPL cliff effectively.](#)

Employee development is another mission that the Bank places emphasis on. The Bank will continue to promote the employees' courage to change and support upskill/reskill trainings, especially in innovation, creativity, and design thinking. These will elevate the organization's capabilities to respond to the future of work trend. The Bank has also promoted a working model based on Formula 1 culture, consisting of the concepts "Integration", "Agility", "Reliability", "Accuracy", and "Security". [Moreover, the Bank will also focus on building synergy with companies in the business group and partners to jointly develop products and services that cover the main activities in daily lives of customers.](#)

Through the implementation of the aforementioned strategic plans and action plans, the Bank shall continue to be a leading commercial bank that satisfies all needs of stakeholders, empowering better life for all Thais by reducing inequalities in the access to basic necessities in the digital economy and narrowing the income distribution gap. At the same time, the Bank shall continue to cooperate with our partners to be a crucial mechanism to drive the country toward the future digital economy with stability and sustainability.



[Mr. Payong Srivanich](#)

President

Management Discussion and Analysis (MD&A)

Thai economy in 2021 gradually recovered at a slow rate after facing severe impact from the COVID-19 pandemic in the second and third quarters of the year. The government has implemented strict control measures before gradually relaxing the disease control measures later, along with reopening the country to the fully vaccinated travelers after the domestic vaccination Thais has progressed extensively and the number of infected patients in the country has started to decline. However, the support from the strong recovery in the world economy have pushed forward Thai economy, especially the Thai export sector to expand by 17.1 percent. Meanwhile, the additional government stimulus measures i.e., the Khon La Khrueng (Let's Go Halves co-payment) scheme and the Rao Tiew Duay Gun (We Travel Together) scheme, also contributed to the recovery of domestic demand and economic activities. As a result, the overall Thai economy in 2021 is likely to expand slightly higher than the previous year, at 0.9 percent, as assessed by the Bank of Thailand (BOT) in December 2021.

Consistent and targeted fiscal and monetary measures remain essential to support further economic recovery, especially in the context of a gradual and uncoordinated economic recovery in each sector. There is also the spread of COVID-19 - the omicron strain and new mutations, which is still a risk that may affect the economic recovery in the next phase. In addition, the Monetary Policy Committee has maintained the policy interest rate at a low level as of 0.5 percent throughout 2021 and is expected to continue throughout 2022 to support economic recovery, together with the issuance of measures to help those affected from the crisis in a timely manner. It is also expected that the Bank of Thailand will continue to push for measures that emphasize access to liquidity, as well as encouraging commercial banks to undertake sustainable debt restructuring for affected debtors. Krungthai Bank has continually focused on providing assistance measures for the customers. In this regard, the Bank has launched the measures to help debtors who have to temporarily close their business, namely suspending principal and interest payments to SMEs and retail customers, as well as offering a variety of measures to support retail and business customers in all groups.

Moreover, the Bank has become an important mechanism in supporting the government measures to revitalize the economy through several projects as the "Rao Chana" (We Win) scheme, the "Section 33 We Love Each Other" scheme, the "Khon La Khrueng" (Let's Go Halves co-payment) scheme, the "Rao Tiew Duay Kan" (We Travel Together) scheme, and the "Ying Chai Ying Dai" (The more you spend, the more you get) scheme. In this regard, the Bank continues to develop technology and financial infrastructure to enhance the lives of all customer groups. Accordingly, on December 1, 2021, Fitch Ratings upgraded the

Bank's credit rating by one notch, explicitly the long-term foreign currency credit rating to BBB+ and the long-term national credit rating to AAA (tha), which is considered as a high level of reliability. The Bank was the only commercial bank to receive a credit rating upgrade in this round. It reflects the Bank's strength and clear role as a key mechanism in supporting the implementation of government policy, which helps people and revitalizes the economy during the challenges of the COVID-19 pandemic.

The Bank and Its Subsidiaries' Performance for Year of 2021

The Bank and its subsidiaries' net profit attributable to equity holders of the Bank amounted to Baht 21,588 million, increased by 29.0% YoY, driven by strong loan growth of 12.6% YTD. Coverage ratio increased to 168.8% from 147.3% as at December 31, 2020 given thorough considerations on various factors with high uncertainties. While being able to manage and continuously control asset quality, hence NPLs Ratio-Gross decreased to 3.50% from 3.81% as at December 31, 2020. The expected credit losses have been set aside at the high level of Baht 32,524 million, however, decreased by 27.6% YoY.

The consolidated pre-provision profit before expected credit losses and income tax expenses in 2021 was Baht 63,055 million, a decrease of 8.3% YoY. The compression was attributable to the interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020. Excluding interest income received from the auction, pre-provision profit declined by 1.5% YoY in response to the low interest rate environment, hence NIM stood at 2.49%. Other operating expenses have managed to decrease by 1.4%. This resulted in a cost to income ratio of 45.5%, a similar level to cost to income ratio if excluding special transactions in 2020.

The Bank's Tier 1 and Total Capital ratios were 16.86% and 20.12% respectively, maintaining at a strong level as compared to BOT's requirement.

The Bank and its subsidiaries had incorporated Infinitas by Krungthai Co., Ltd. as a R&D hub for newly digitized financial products, becoming a service provider for various innovation & digital platform, while moving toward open banking, virtual digital banking service and new business model opportunities, as well as strengthening mega platform such as Pao Tang application as the country's digital infrastructure. In addition, the Bank and its subsidiaries had entered into a joint venture arrangement with Accenture Solutions Co., Ltd and incorporated Arise by Infinitas Co., Ltd. to provide a world-class human resources service in technology-related field to support the digital business growth in Thailand and other countries.

The Bank and Its Subsidiaries' Performance for the Year Ended December 31, 2021

Overview Operating Income and Net Profit

Unit : Million Baht			
	2021	2020	Change
			%
Net interest income	83,372	88,343	(5.6)
Net fee and service income	20,022	20,528	(2.5)
Other non-interest income	12,392	13,377	(7.4)
Total operating income	115,786	122,248	(5.3)
Total other operating expenses	52,731	53,465	(1.4)
Pre-provision profit ⁽¹⁾	63,055	68,783	(8.3)
Expected credit losses	32,524	44,903	(27.6)
Operating profit before income tax expenses	30,531	23,880	27.9
Income tax expenses	5,975	4,441	34.6
Net profit	24,556	19,439	26.3
Net profit (attributable to equity holders of the Bank)	21,588	16,732	29.0
ROA (%) ⁽²⁾	0.63	0.53	
ROE (%) ⁽²⁾	6.14	4.91	

(1) Pre-provision profit before provision for expected credit losses and income tax expense

(2) ROA and ROE calculated from net income (attributable to equity holders of the bank) divided by average assets and average equity (attributable to equity holders of the bank) respectively.

In 2021, KTB's consolidated pre-provision profit was Baht 63,055 million, declined by 8.3% YoY, despite of a 12.6% loan growth YoY. The compression was attributable to interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020. If excluding interest income received from the auction, pre-provision profit declined by 1.5% YoY in response to the low interest rate environment. The Bank and its subsidiaries had set aside the allowance for expected credit losses decreased by 27.6% YoY. Hence, consolidated net profit (attributable to equity holders of the Bank) was Baht 21,588 million, an increase by 29.0% YoY.

Net Interest Income

Unit : Million Baht			
	2021	2020	Change
			%
Interest income	104,832	112,837	(7.1)
- Interbank and money market items	2,954	3,594	(17.8)
- Investments and trading transactions	345	435	(20.7)
- Investment in debt securities	3,437	4,251	(19.1)
- Loans	97,932	104,307	(6.1)
- Hire purchase and financial lease	104	184	(43.5)
- Others	60	66	(9.1)
<u>Less</u> Interest expense	21,460	24,494	(12.4)
- Deposits	10,302	13,765	(25.2)
- Interbank and money market items	1,607	1,860	(13.6)
- Contributions to BOT and DPA	6,145	5,687	8.1
- Debts issued	3,327	3,080	8.0
- Others	79	102	(22.5)
Net interest income	83,372	88,343	(5.6)
Earning Asset Yield (%) ⁽¹⁾	3.13	3.72 ⁽²⁾	
Cost of Fund (%) ⁽¹⁾	0.73	0.93	
Net interest margin (based on earning assets) (%) ⁽¹⁾	2.49	2.91 ⁽²⁾	

(1) Earning assets include financial assets measured at fair value through profit or loss; Interest bearing debts include financial liabilities measured at fair value through profit or loss.

(2) If excluding interest income received from the auction, earning asset yield and NIM for 2020 would be 3.56% and 2.76% respectively.

Net Interest Income In 2021. Though the strong loan growth of 12.6% YTD, KTB's consolidated net interest income in 2021 amounted to Baht 83,372 million, a decrease of 5.6% YoY due to interest income from loan in relation to partial payment from the auction of mortgaged guarantee assets of Y2020 together with lowered interest rate trend and the cost of fund management had lessened the impact. Hence, NIM registered at 2.49%, down from 2.91% (NIM at 2.49%, down from 2.76% if excluding interest income received from the auction).

Change of interest rate

	31 Dec 2021	30 Sep 2021	30 Jun 2021	31 Mar 2021	31 Dec 2020	30 Sep 2020
Policy Interest Rate (%)	0.500%	0.500%	0.500%	0.500%	0.500%	0.500%
Deposit Rate (%) ⁽¹⁾						
- Savings Rate	0.250%	0.250%	0.250%	0.250%	0.250%	0.250%
- 3 Months Fixed Rate	0.320%	0.320%	0.320%	0.320%	0.375%	0.375%
- 6 Months Fixed Rate	0.400%	0.400%	0.400%	0.400%	0.500%	0.500%
- 12 Months Fixed Rate	0.400%	0.400%	0.400%	0.400%	0.500%	0.500%
Loan Rate (%)						
- MLR	5.250%	5.250%	5.250%	5.250%	5.250%	5.250%
- MOR	5.820%	5.820%	5.820%	5.820%	5.820%	5.820%
- MRR	6.220%	6.220%	6.220%	6.220%	6.220%	6.220%

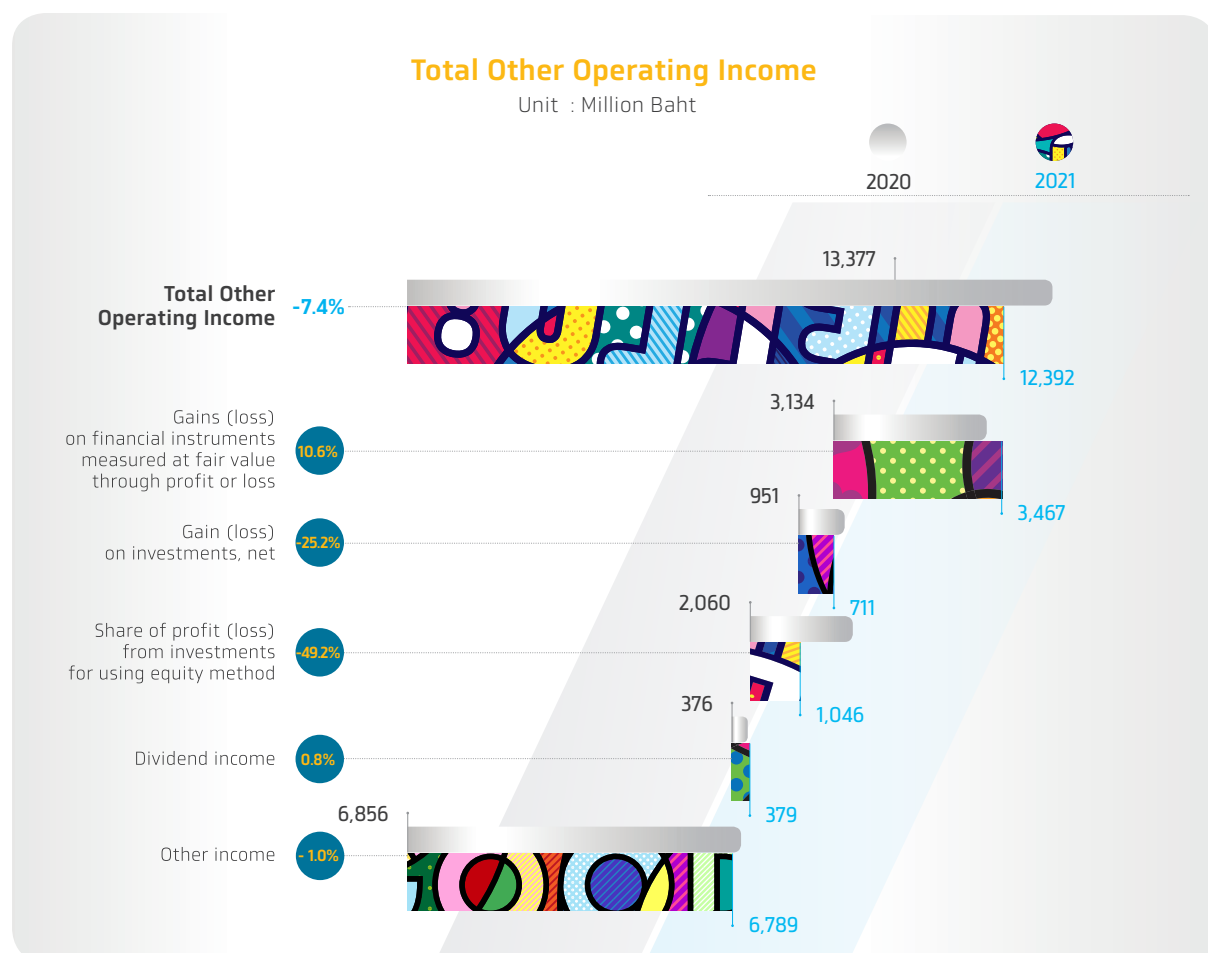
⁽¹⁾ Standard deposit rate for individuals.

In 2020, given the assessment on Thai economy's contraction from impact of global pandemic, the Monetary Policy Committee, the Bank of Thailand had announced series of policy rate cuts, having 3 times cut to 0.50% in May 2020. Furthermore, the Bank of Thailand announced the measure on lower contribution from financial institutions to the FIDF (FIDF fee) from 0.46% to 0.23% as announced on April 7, 2020. The Bank had gradually been cutting lending rates of MLR, MOR and MRR until the latest cut in May 2020 to help business operators and retail customers. BOT has recently extended the lowered FIDF fee until ended 2022.

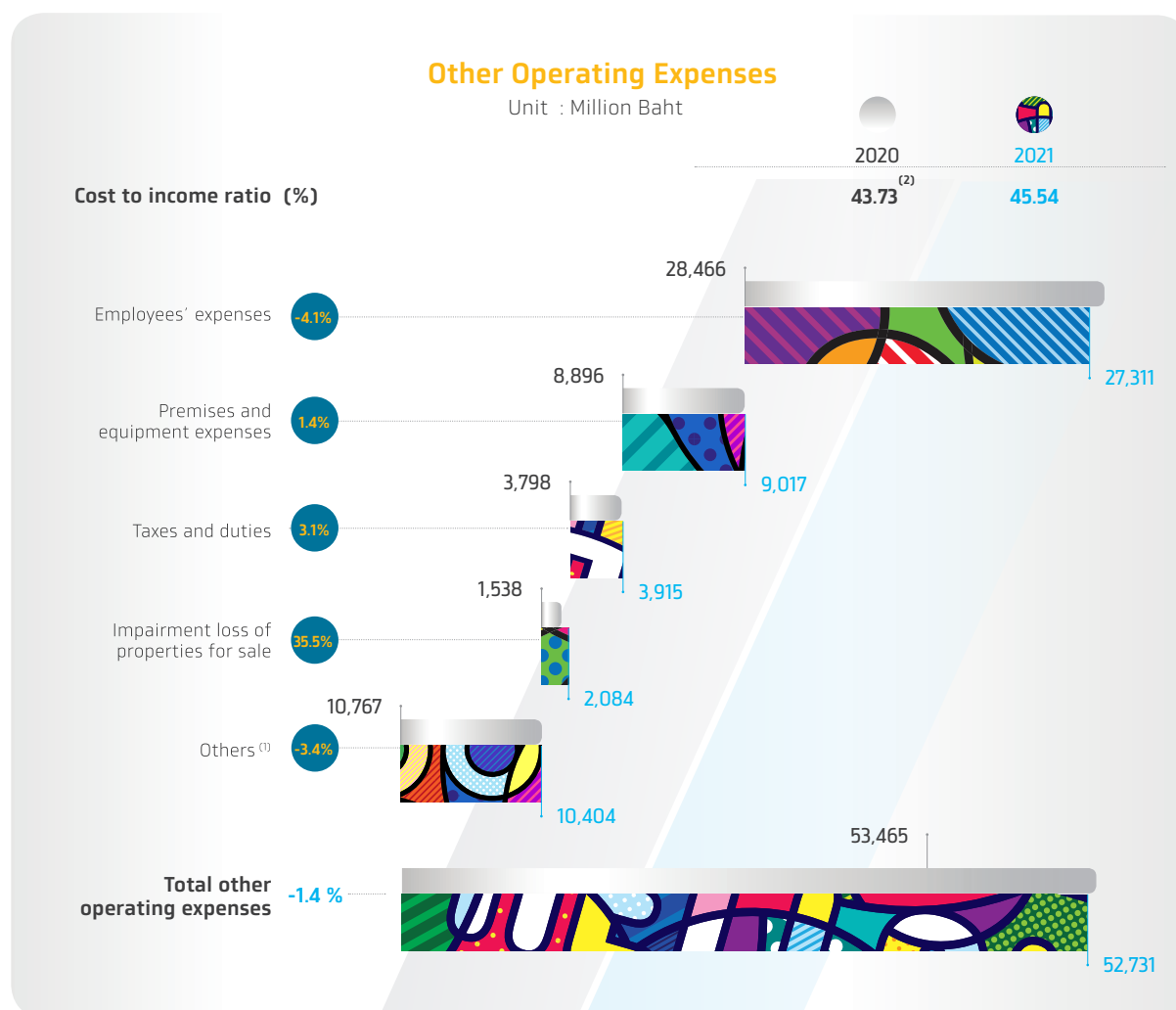
Net Fee and Service Income

	2021	2020	Unit : Million Baht
			Change
			%
Fee and service income	28,310	27,690	2.2
<u>Less</u> Fee and service expense	8,288	7,162	15.7
Net fee and service income	20,022	20,528	(2.5)

KTB's consolidated net fee and service income in 2021 was Baht 20,022 million, compressed by 2.5% YoY, mainly related to the slowdown of economic situation and customers' shift in service channel toward digital transactions, whilst expansion on acceptance, aval and guarantees fee and management fee.



KTB's consolidated total other operating income in 2021 was Baht 12,392 million, a decrease by 7.4% YoY, mainly due to an decrease in share of profit from investments for using equity method and gain on investments, net.



(1) Including Directors' remuneration

(2) If excluding interest income received from the auction, cost to income ratio for 2020 would be 45.50%.

KTB's consolidated other operating expenses in 2021 was Baht 52,731 million, a decrease by 1.4% YoY mainly due to the operating cost management in the slowdown economy given interest rate pressure. This resulted in a cost to income ratio of 45.54%, increased from 43.73% in 2020 (Cost to Income was at a similar level to 45.50% if excluding special transactions in 2020).

Expected credit losses / Impairment Loss of Loans

	2021	2020	Unit : Million Baht
			Change
			%
Expected credit losses ⁽¹⁾	32,524	44,903	(27.6)

⁽¹⁾ Expected credit losses for interbank and money market items, investments in debt securities, loans to customers (including loss from criteria change) and loan commitments & financial guarantee contracts

In 2021, the Bank and its subsidiaries' expected credit losses amounted to Baht 32,524 million, decreasing 27.6% YoY given thorough considerations of various factors in the continuously changing business environment and in this economic situation of high uncertainties. The Bank's consolidated coverage ratio increased to 168.8% from 147.3% as at December 31, 2020, though having an improvement in NPL ratio.

The Bank and Its Subsidiaries' Financial Status as at December 31, 2021

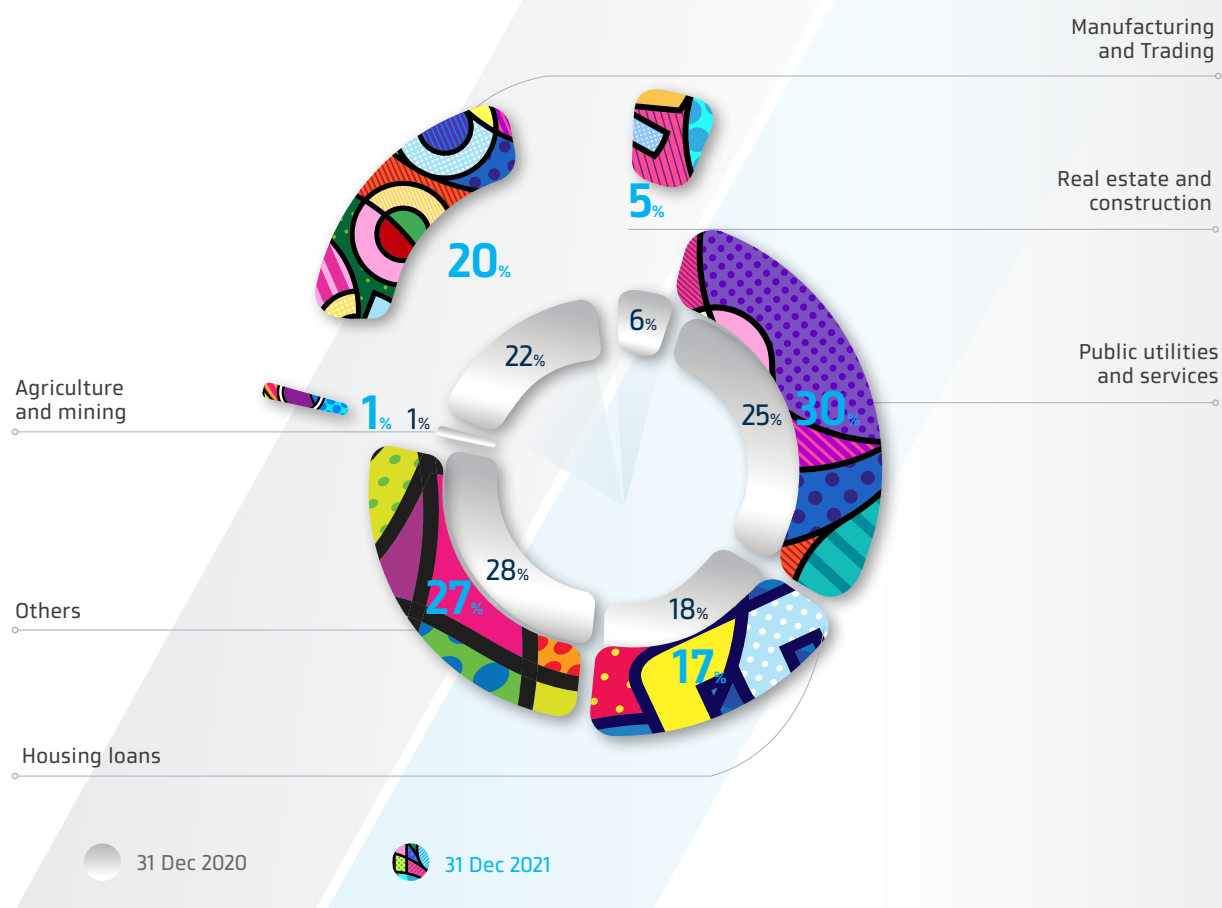
Financial Assets and Net Investments

As at December 31, 2021, the Bank and its subsidiaries have financial assets measured at fair value through profit or loss and net investment, totaling Baht 360,081 million. It consists of 75% government and state enterprise securities, 20% corporate and foreign debt securities, and 5% marketable equity securities. Financial assets measured at fair value through profit or loss and net investments increased by 8.9% from December 31, 2020.

Classification and measurement of financial assets and net investments

Consolidated Financial Statements	31 Dec 2021	31 Dec 2020	Unit : Million Baht
			Change
			%
Financial assets measured at fair value through profit or loss	18,039	13,724	31.4
Investments, net	342,042	316,988	7.9
- Investments in debts securities measured at amortized cost	1,599	1,740	(8.1)
- Investments in debts securities measured at fair value through other comprehensive income	322,190	300,505	7.2
- Investments in equity instruments designated to be measured at fair value through other comprehensive income	18,253	14,743	23.8
Total financial assets measured at fair value through profit or loss and net investments	360,081	330,712	8.9

Loans breakdown by type of business.



Loans to Customers

The Bank's consolidated loans to customers (less deferred revenue) was Baht 2,628,963 million, increased by 12.6% compared to the end of 2020, from all customer segments, especially from government customers.

Loans to Customers

Consolidated Financial Statements	Unit : Million Baht		
	31 Dec 2021	31 Dec 2020	Change
			%
Loans to customers	2,629,259	2,335,241	12.6
<u>Less</u> Deferred revenue	296	399	(25.7)
<u>Add</u> Accrued interest receivables	20,579	16,199	27.0
<u>Less</u> Allowance for expected credit losses	173,322	150,528	15.1
Loans to customers and accrued interest receivables, net	2,476,220	2,200,513	12.5

Loans breakdown by type of borrowers (Consolidated Financial Statements)

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021		31 Dec 2020		Change
	Amount	(%)	Amount	(%)	%
Private Corporate	708,654	27.0	655,583	28.1	8.1
Government and State Enterprise	553,041	21.0	367,293	15.7	50.6
SMEs ⁽¹⁾	327,724	12.5	320,204	13.7	2.3
Retail	1,039,448	39.5	991,804	42.5	4.8
- Housing	445,012	16.9	430,281	18.4	3.4
- Personal	531,035	20.2	496,443	21.3	7.0
- Credit card	59,953	2.3	59,990	2.6	(0.1)
- Leasing ⁽²⁾	3,448	0.1	5,090	0.2	(32.3)
Others	392	0.0	357	0.0	9.9
Total loans (per Financial Statement)	2,629,259	100.0	2,335,241	100.0	12.6

⁽¹⁾ SMEs definition has been adjusted by referring mainly to annual sales. Historical data were revised for a comparable purpose.

⁽²⁾ In May 2021, the Bank sold the 75.05 percent of KTB Leasing's ordinary share to KTC, therefore, KTB Leasing was KTC's subsidiary. The Bank's consolidated financial statement had no impact from such transaction.

Asset Quality

Loan classification and expected credit loss

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021	31 Dec 2020
1. Gross NPLs ⁽¹⁾	106,809	107,138
2. Gross NPLs Ratio	3.50%	3.81%
Allowance for Expected Credit Losses (total)	180,311	157,854
3. Coverage Ratio ⁽³⁾	168.8%	147.3%

⁽¹⁾ Gross NPLs based on principal less deferred revenue while including interbank and money market items

⁽²⁾ Allowance for expected credit loss (total) = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts

⁽³⁾ Coverage Ratio = Allowance for expected credit losses for interbank and money market items, loans to customers and loan commitments & financial guarantee contracts / Gross NPLs

Unit : Million Baht

Consolidated Financial Statement	31 Dec 2021		31 Dec 2020	
	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾	Loans and Accrued Interest Receivables ⁽¹⁾	Allowance for Expected Credit Losses ⁽²⁾
Loan Classification				
- Performing	2,306,478	44,722	2,013,375	32,093
- Under-performing	228,443	48,923	223,501	41,627
- Non-performing	111,422	77,334	109,407	74,204
- Lifetime ECL-simplified approach ⁽³⁾	3,199	2,343	4,758	2,604
Total	2,649,542	173,322	2,351,041	150,528

(1) Loan less deferred revenue while including accrued interest receivables and undue interest receivables

(2) Allowance for expected credit losses for loans to customers (including loss from criteria change) per financial statements

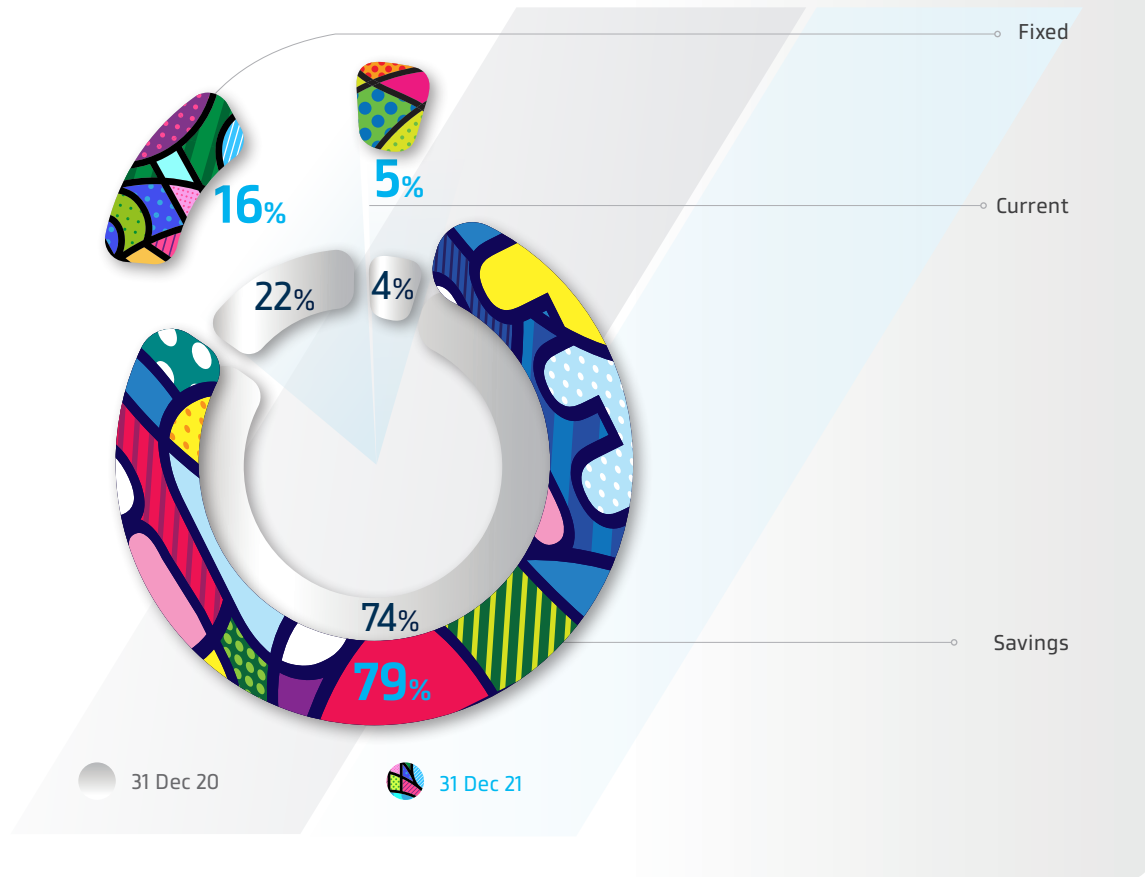
(3) Lifetime ECL - simplified approach is the approach of the Bank's subsidiary to recognize the allowance for expected credit losses on lifetime of finance lease receivables

The Bank's consolidated NPLs-Gross as at December 31, 2021 amounted to Baht 106,809 million. NPLs Ratio-Gross reduced to a controllable level of 3.50%, from 3.81% as at December 31, 2020 as a result from a close monitoring and continual asset quality management. The additional expected credit losses have been set aside given thorough considerations on various factors in high uncertainties to strengthen coverage ratio. Hence, the Bank's consolidated coverage ratio increased to 168.8% from 147.3% as at December 31, 2020.

Deposits

The Bank's consolidated deposits was Baht 2,614,747 million, increased by 6.2% from December 31, 2020 due to an increase of savings and current deposits. Hence, the portion of current deposit and savings deposit to total deposit (CASA) accounted for 84%. The Bank's consolidated loans to customers (less deferred revenue)-to-deposits ratio (L/D ratio) of 100.54% increased from 94.79% as at December 31, 2020.

Deposits breakdown by types



Sources and Uses of Funds

Unit : Million Baht

	31 Dec 2021		30 Sep 2021		Change	31 Dec 2020		Change
	Amount	(%)	Amount	(%)	%	Amount	(%)	%
Net Interbank and money market items (asset)	469,216	13.2	484,588	13.9	(3.2)	516,792	15.5	(9.2)
Financial assets measured at fair value through profit or loss	18,039	0.5	38,175	1.1	(52.7)	13,724	0.4	31.4
Net investments and net investments in associates	364,017	10.2	294,426	8.4	23.6	346,388	10.4	5.1
Loans to customers (less deferred revenue)	2,628,963	73.9	2,559,985	73.2	2.7	2,334,842	70.2	12.6
Less Allowance for expected credit losses	173,322	4.8	167,201	4.8	3.7	150,528	4.5	15.1
Other assets	249,831	7.0	287,188	8.2	(13.0)	266,562	8.0	(6.3)
Total Asset	3,556,744	100.0	3,497,161	100.0	1.7	3,327,780	100.0	6.9
Deposits	2,614,747	73.5	2,582,228	73.8	1.3	2,463,225	74.0	6.2
Net Interbank and money market items (liabilities)	296,344	8.3	248,699	7.1	19.2	274,566	8.2	7.9
Debt issued and borrowings	133,817	3.8	133,069	3.8	0.6	86,564	2.6	54.6
Other liabilities	137,725	3.9	165,827	4.8	(16.9)	148,361	4.5	(7.1)
Total equity	374,111	10.5	367,338	10.5	1.8	355,064	10.7	5.4
- Equity holders of the Bank	360,052	10.1	354,048	10.1	1.7	343,466	10.3	4.8
- Non-controlling interest	14,059	0.4	13,290	0.4	5.8	11,598	0.4	21.2
Total liabilities and equity	3,556,744	100.0	3,497,161	100.0	1.7	3,327,780	100.0	6.9
Loans to customers (less deferred revenue) -to-deposits ratio (%)	100.54		99.14			94.79		

As at December 31, 2021, the Bank's consolidated major source of funds was 73.5% deposits; and the other source of funds was equity, interbank borrowings, and debt issued and borrowings. Debt issued and borrowings increased from the end of 2020 due to the issuance of Additional Tier I Subordinated Notes in the amount of USD 600 million to overseas institutional investors. The Bank's consolidated use of funds consists of 73.9% loans to customers (less deferred revenue), 13.2% net interbank and money market items, and 10.2% net investments and net investments in associates.

Equity

The total equity (equity holders of the Bank) as at December 31, 2021 was Baht 360,052 million, an increase of 4.8% from December 31, 2020.

Book value per share (equity holders of the Bank) was Baht 25.75 per share increased from Baht 24.57 per share as of December 31, 2020.

Statutory Capital Fund

Statutory Capital Fund (Financial Business Group)

Unit : Million Baht

Financial Business Group ⁽¹⁾	31 Dec 2021 ⁽³⁾		30 Sep 2021 ⁽³⁾		31 Dec 2020		The minimum rate required by BOT (%) ⁽²⁾
	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	
Common Equity Tier 1	328,180	15.89	325,560	15.48	314,467	15.73	>8.000
Tier 1 Capital	348,252	16.86	345,609	16.43	315,755	15.79	>9.500
Tier 2 Capital	67,296		67,657		66,349		
Total capital fund	415,548	20.12	413,266	19.65	382,104	19.11	>12.000
Risk-weighted assets	2,065,350		2,103,030		1,999,516		

(1) A financial statement under the regulatory scope of the financial business group is made under BOT's regulation, which does not include non-life and life insurance companies, and companies held with less than 50 percent of paid-up share capital by the Bank.

(2) The Bank of Thailand requires all Thai commercial banks to increase the conservation buffer more than 0.625% per year from January 1, 2016 until reaching more than 2.50% by January 1, 2019. Moreover, according to the notification of the Bank of Thailand No. FPG. 16/2560 and FPG. 17/2560, the Bank is one of six commercial banks that have been designated as Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of D-SIBs as prescribed by the BOT in August 2021) which resulted in a Higher Loss Absorbency requirement to maintain an additional Common Equity Tier 1 (CET1) of 0.5% from January 1, 2019, and 1.0% from January 1, 2020 onwards.

(3) Capital funds and Capital Adequacy Ratio are preliminary information prepared accordance with BOT guidelines.

As at December 31, 2021, the financial business group had Common Equity Tier 1 of Baht 328,180 million (15.89% of risk-weighted assets) and Tier 1 capital of Baht 348,252 million (16.86% of risk-weighted assets). The total capital fund of the Bank was Baht 415,548 million (20.12% of risk-weighted assets).

Statutory Capital Fund (The Bank's Financial Statements)

Unit : Million Baht

The Bank's Financial Statements	31 Dec 2021 ⁽²⁾		30 Sep 2021 ⁽²⁾		31 Dec 2020		The minimum rate required by BOT (%) ⁽¹⁾
	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	Amount	Capital Adequacy Ratio (%)	
Common Equity Tier 1	309,038	15.60	303,979	15.17	293,683	15.35	>8.000
Tier 1 capital	327,685	16.54	322,626	16.10	293,683	15.35	>9.500
Tier 2 capital	66,310		66,474		65,332		
Total capital fund	393,995	19.88	389,100	19.42	359,015	18.76	>12.000
Risk-weighted assets	1,981,545		2,003,536		1,913,769		

(1) The Bank of Thailand requires all Thai commercial banks to increase the conservation buffer more than 0.625% per year from January 1, 2016 until reaching More than 2.50% by January 1, 2019. Moreover, according to the notification of the Bank of Thailand No. FPG. 16/2560 and FPG. 17/2560, the Bank is one of six commercial banks that have been designated as Domestic Systemically Important Banks (D-SIBs) (TTB is identified as one of D-SIBs as prescribed by the BOT in August 2021) which resulted in a Higher Loss Absorbency requirement to maintain an additional Common Equity Tier 1 (CET1) of 0.5% from January 1, 2019, and 1.0% from January 1, 2020 onwards.

(2) Capital fund and capital adequacy ratio are preliminary information prepared in accordance with BOT guidelines.

As at December 31, 2021, the Bank's Common Equity Tier 1 (the Bank's financial statements) was Baht 309,038 million, Tier 1 capital was Baht 327,685 million and the total capital was Baht 393,995 million (15.60%, 16.54% and 19.88% of its RWA).

In March 2021, the Bank issued Additional Tier I Subordinated Notes in the amount of USD 600 million to overseas institutional investors in order to strengthen its Tier I capital and enhance its future investment prospect and growth opportunity.

The Bank possesses healthy capital ratios compared to BOT's requirement. Moreover, the Bank regularly reassesses the capital level to be in accordance with the BOT's requirement.

- **Forward-looking perspective on factors significantly affecting financial position or operating results**

The Thai economy has definitely recovered by 2022, but there are a number of risk factors to keep an eye on. Due to the gradual recovery of domestic demand, the economy is predicted to increase at 3.8 percent, in accordance with the Bank of Thailand's forecast (as at September 2021) of 3.9 percent. The gradual relaxation of pandemic control measures based on the population's greater vaccination rate and the inflow of income from foreign tourists after the country's reopening, including government initiatives to boost domestic spending, have improved expenditure. However, the fast-spreading and mutated omicron coronavirus variant is spreading in many countries. It is a major risk factor for the Thai economy, especially the impact on businesses and workers in the already-vulnerable service sector. As a result of the outbreak abroad, many countries may enhance their level of strict pandemic control until it has an impact on the economic recovery momentum. Eventually, it has continued to affect the main engine of Thailand's economy previously. Commodity costs and freight charges, for example, have put pressure on the export sector, which is already at high levels. Aside from the threat of a new coronavirus subtype pandemic, the global economy is still dealing with geopolitical tensions at various points, as well as increased volatility in the money and capital markets as a result of the main countries' monetary policy directions being adjusted to be more austere in order to slow inflation. This may affect the direction of investments that move in the financial markets of emerging economies, including Thailand. For domestic factors, increasingly high costs may induce operators to raise prices for goods and services, reducing customers' purchasing power and delaying the Thai economy's recovery.

Appendix

Relief Measures in Response to the Impacts of the COVID-19 Pandemic

Relief Measures in 2020

Krungthai Bank's Relief Measures

Realizing the importance to uphold the economy, the Bank had issued relief measures to help customers (updated April 27, 2020) as follows:

- Retail loan on both personal loan under supervision (such as Smart Money loan, Multi-purpose loan 5 Plus) and housing loan (such as Home Easy Cash loan) (not exceeding Baht 3 million): 4-month debt payment holiday on principal and interest together with 4-month lower interest rate of 0.25% per annum on existing loan agreement.

In addition, personal and housing loans with document proof of reduced income shall have 6-month debt payment holiday on principal (payment on interest only) together with 6-month lower interest rate of 0.25% per annum on existing loan agreement.

- Business loan (not exceeding Baht 100 million): 6-month debt payment holiday on principal and interest automatically

- Business loan of medium-size or higher with document proof of reduced income: up to 12-month debt payment holiday on principal for term loan together with up to 6-month debt payment extension for P/N and trade finance

- Supporting soft loans for liquidity on business loan (not exceed Baht 500 million): up to 20% credit limit of outstanding loan as at December 31, 2019 for up to 5-year tenure with first 2-year interest rate of 2.0% per annum, together with up to 12-month debt payment holiday on principal and first 6-month of no interest payment; participating in SFIs' supporting soft loans based on the stated criteria.

- Continual lending rate cuts on MLR, MOR and MRR since end of last year till 2Q2020 (latest lending rate cut effective on May 22, 2020) on a cumulative of -0.65% to -1.05%

These measures will ease loan burden and increase liquidity at present while the Bank will closely work with customers to consider the financial structure for their businesses in conjunction with the pre-emptive financial restructuring in order to provide additional assistance.

BOT's Relief Measures Phase 2.

BOT had announced relief measure phase 2 for retail customers impacted from COVID-19 on the following:

1. [Reduction on interest rate ceilings, service fee, and penalty \(interest\)](#) for credit cards and personal loan under supervision (effective August 1, 2020 onwards) on the following details:

Type	Prevision ceiling (% per annum)	New ceiling (% per annum)
1. Credit card	18	16
2. Personal loan under supervision		
- Revolving credit	28	25
- Installment payment	28	25
- Auto title loan	28	24

2. [Credit limit extension on credit card and personal loan under supervision](#) (effective August 1, 2020 onwards)

For customers who are in need of additional credit limit and continuously pay on time with average income less than Baht 30,000 per month, temporarily extending credit limit from 1.5 times to 2 times of average monthly income till December 31, 2021.

3. [Additional relief measures phase 2 for retail customers](#) (effective July 1, 2020 onwards)

The scope and period of such relief measures for retail customers impacted from COVID-19 and not considered as NPLs as at March 1, 2020 are detailed below given options of minimum assistance by type of credit available to the impacted customers.

Type	Minimum Relief Measures
1. Credit card	Convert into loan of 48 installment or extend payment period according to debtor's payment ability with interest rate 12% per annum
2. Personal loan under supervision: revolving loan such as cash loan card	1. Reduce minimum installment payment according to payment ability or 2. Convert into loan of 48 installment or extend payment period according to debtor's payment ability with interest rate 22% per annum
3. Personal loan: installment payments and hire purchase (automotive)	Reduce installment: at least 30% of previous installment with interest rate 22%
4. Hire purchase	1. Debt payment holiday (principal and interest): 3-month or 2. Reduce installment by extending payment period
5. Home loan or Home for Cash	1. Debt payment holiday (principal and interest): 3-month or 2. Debt payment holiday (principal): 3-month and reconsider interest rate as appropriate or 3. Reduce installment by extending payment period

Customers who would like to request for assistance could contact the Bank through various channels such as application, website, call center or SMS channel.

BOT's Guideline on Assistance for SME Post Relief Program under the Royal Decree

Given the Emergency Decree on Financial Assistance to SME affected by Coronavirus Pandemic B.E. 2563 (2020) with measure on loan payment holiday ending October 22, 2020, BOT had additionally announced on October 16, 2020 the guideline on continual assistance for debtors, taking into consideration on previous assistance by financial institution to SME during this uncertain situation of the pandemic. Guideline included:

1. To consider debt restructuring for SME based on their repayment capability. In the case financial institutions undergo debtor's evaluation process on debt restructuring, it is allowed for financial institutions to maintain debtor's asset classification till December 31, 2020 as prior to the pre-relief measure.
2. In the case that a financial institution was unable to clearly evaluate the debtor's cash flow, it is allowed for financial institutions to provide assistance in the form of payment holiday on principal and/ or interest based on each debtor's repayment capability for up to 6 months from end-2020.

The period of standstill on debtor's asset classification and of payment holiday shall not be considered as part of the contract's default terms and conditions.

Additionally, BOT had extended the soft loan application period of financial institutions to BOT for another 6 months in conjunction with extending the qualification of eligible soft loan borrowers to include companies in MAI.

BOT's Additional Measures

As the ongoing COVID-19 pandemic situation was still far from recovery with high uncertainty, BOT had requested commercial banks to refrain from paying interim dividends for the 2020 operating performance and no share repurchase, effective on June 18, 2020. In addition, commercial banks shall have a capital management plan for the next 1-3 years in order to maintain a strong capital level and to continuously support business operations.

Additionally, BOT had launched the DR BIZ program as the mechanism for multi-creditors businesses to manage debt restructuring according to the debtor's capability under a one-stop service. Furthermore, debt consolidation practice helped debtors with repayment potentials by consolidating loans on housing and other retail loans, such as credit card, personal loan under supervision and hire purchase, utilizing the remaining value of collateral under housing loans.

On October 29, 2020, BOT had announced guidelines regarding the interest calculation on amount overdue, the sequence of debt repayment in reducing NPL as well as debt burden, and the support on debt restructuring negotiation per 3 important topics as follows:

Guideline	Financial service provider	Effective Date
1. Interest calculation on amount overdue based on only the overdue principal excluding the principal of future installments not yet due	<ul style="list-style-type: none"> Financial institution and the Financial Business Group SFI Non-bank entity operating personal loan business under supervision 	April 1, 2021
2. Interest rate on amount overdue based on contractual interest plus no more than 3% per annum	<ul style="list-style-type: none"> Non-bank entity operating retail loan business under supervision Asset management company 	July 1, 2021
3. The sequence of debt repayment by first repaying the fee, interest and principal of longest overdue	All financial service provider	July 1, 2021

Additionally, the waive or leniency of overdue interest could be considered for the overdue prior to April 1, 2021.

On December 22, 2020, the BOT had updated the guideline on SME affected by COVID-19 (soft loan) for flexibility. This included the adjusted definition of "Business Group" to separately consider the relationship of individuals from corporate entities, in which only one-level of corporate entity relationship shall be considered. The additional adjustment also included the increased frequency for SME soft loan application to no more 2 times instead of only once.

On January 12, 2021, the BOT had assessed the domestic pandemic of the new waves of COVID-19 to be widespread in many regions, affecting debtors directly and indirectly. Therefore, the BOT had requested financial institutions, SFIs and non-financial institutions operators (non-bank companies) to quickly and continually provide financial assistance to debtors who effected from such situation per additional relief guidelines as follows:

1. To extend the filing period for retail debts' relief request till June 30, 2021 from the previous time frame of July 1 2020 till December 31, 2020. In the case of lenders providing credit to employees or operational workers, debtors could file for relief request directly as well as employers or business owners could

also file for such request on their behalf; for instance, employee welfare loan or other retail loans given the consent of debtors who are employees or operational workers, in order to facilitate the efficiency and timeliness on the relief request.

The extended relief measures for retail customers impacted from COVID-19 pandemic are as follows.

Type	Minimum Relief Measures
1. Credit card	Convert into loan of 48 installments or extend payment period according to debtor's payment ability with interest rate 12% per annum
2. Personal loan under supervision: revolving loan such as cash loan card	1. Reduce minimum installment payment according to payment ability or 2. Convert into loan of 48 installments or extend payment period according to debtor's payment ability with interest rate 22% per annum
3. Personal loan: installment payments and hire purchase (automotive)	Reduce installment: at least 30% of previous installment with interest rate of 22% per annum
4. Hire purchase	1. Debt payment holiday (principal and interest): 3-month or 2. Reduce installment by extending payment period
5. Home loan or Home for Cash	1. Debt payment holiday (principal and interest): 3-month or 2. Debt payment holiday (principal): 3-month and reconsider interest rate as appropriate or 3. Reduce installment by extending payment period

2. For SMEs, financial institutions and SFIs shall provide financial assistance to qualified SMEs through payment deferment according to the Royal Decree Re: Financial Assistance to SME affected by Coronavirus Pandemic. This included payment deferment on principal and/ or interest depending on debtor capability on a case-by-case basis given appropriate timeline but not exceeding end of June 2021.

3. Financial assistance guideline for all types of debtors (i.e., retails, SMEs and corporate clients with potentials) shall be considered appropriately on loan types, debtors' risk level, nature of business and impact regions for:

- 3.1 Debt restructuring. For example, lower installment, payment extension, credit limits extension or maintenance, loan conversion from short-term to long-term, temporary payment holiday on principal and/ or interest, lower interest rate than market rate, appropriate reduction on principal prior to interest upon repayment, and etc.
- 3.2 Additional working capital and liquidity enhancement
- 3.3 Consideration on payment deferment for SMEs with loans not exceeding Baht 100 million under the Emergency Royal Decree on Soft Loan
- 3.4 Leniency on other terms and conditions as appropriate

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

On February 28, 2020, the BOT had revised the regulations for commercial banks to support customers under pre-emptive measures. For Non-NPL customer as at January 1, 2020, bank could classify such loan as Stage 1 with no identification as troubled debt restructuring: TDR given that if it is foreseen that debt restructuring agreement could be complied by customer; moreover, bank could classify loan in performing stage if NPL customer could make payment for 3 consecutive months or installments under the new debt restructuring agreement. This is applicable for debt restructuring during January 1, 2020 till December 31, 2021.

Another measure involved provisioning, in which expected credit losses shall be calculated only for the drawn portion.

Additional Relief Measures in 2021

On March 23, 2021, The Bank of Thailand, the Ministry of Finance, and related parties recognized a number of challenges from the COVID-19 pandemic faced by the Thai economy since early 2020. Moreover, the business recovery is likely to be uneven, especially for SMEs with limited access to capital, as well as businesses that are hard-hit by the pandemic. Under such circumstances, the existing short-term relief measure is insufficient

to handle the prolonged nature of the situation. BOT and the Ministry of Finance, then, proposed two new measures include 1) [Soft loan facility for businesses](#) (totaling Baht 250 billion) to support viable small and medium enterprises (SMEs) affected by the COVID-19 crisis and 2) [Debt restructuring through Asset](#)

[Warehousing with Buy-Back options](#) (totaling Baht 100 billion) providing standardized debt restructuring program for adversely affected borrowers whose businesses require prolonged recovery period, while possessing viable business models and collaterals. The details are as follows:

Measures	Soft Loan Facility for Businesses	Debt Restructuring through Asset Warehousing with Buy-Back options
Total Credit Line	THB 250 billion	THB 100 billion
Period	2-year loan withdrawal period from the BOT, maximum 5-year term loan	
Objectives	Provide liquidity for business operations as well as for business recovery	Financial relief for affected businesses with prolonged recovery period
Target Groups	<ol style="list-style-type: none"> Existing borrowers with existing credit line not exceeding THB 500 million as at 28 February 2021 and whose loan statuses are not NPL as at 31 December 2019 New borrowers with no existing credit line with financial institutions (FIs) as at 28 February 2021 	Borrowers with collaterals prior to 28 February 2021 whose loan statuses are not NPL as at 31 December 2019
Conditions	<p>Loan offer</p> <ol style="list-style-type: none"> Credit limits per borrower <ol style="list-style-type: none"> Existing borrower: not exceeding 30% of credit line as at 31 December 2019 or 28 February 2021, whichever is greater, but not exceeding THB 150 million New borrower: not exceeding THB 20 million Interest rate: FIs will provide loans with interest rate not exceeding an average of 5% per annum for 5 years, and at 2% in the first 2 years. The government will subsidize interest for the first 6 months. <p>Loan guarantee</p> <ol style="list-style-type: none"> Guarantee period: 10 years Compensation rate: not exceeding 40% of loan portfolio Fee: average at 1.75% per annum, which the government will compensate in total of 3.5% through government guarantee mechanisms by the Thai Credit Guarantee Corporation (TCG) 	<p>Both FIs and borrowers mutually agree to transfer collaterals for debt repayment purposes. Additional conditions include:</p> <ul style="list-style-type: none"> A borrower has the first rights to repurchase collaterals back within 5 years. <p>The repurchase price should not be higher than the transfer price plus carrying cost (1% per annum of the transfer price) as well as incurred asset maintenance costs and other relevant fees.</p> A borrower has the first rights to rent the collateral asset. Rents received by FI will be deducted from the repurchase price. No additional maintenance costs shall be incurred if the borrower rents the asset.
Government support	<p>BOT: liquidity support at 0.01% interest rate for FIs in providing loans.</p> <p>Government:</p> <ol style="list-style-type: none"> MOF: support loan guarantee mechanisms MOF, the Ministry of Interior, and the Ministry of Commerce: will reduce fees related to asset transfers to 0.01% and exempt mortgage registration and business collateral registration fees. 	<p>BOT: liquidity support at 0.01% to FIs for the value of asset transfers.</p> <p>Government:</p> <p>MOF, the Ministry of Interior, and the Ministry of Commerce: reduce or exempt taxes and relevant fees for both the transfers and the repurchase of the assets for original owners.</p>

BOT's liquidity support for soft loan facility and debt restructuring through asset warehousing with buy-back options will be granted upon request by financial institutions, effective from April 26, 2021 onwards.

On July 16, 2021, according to BOT relief measure for SMEs and retail customers whose has directly impact from the temporarily closed business as advised by the government, the Bank has announced a 2-month debt payment holiday on principal and interest for business and employee in restricted area and non-restricted area whose have impact from the temporarily closed business as advised by the government, start from the July payment period. Customers are able to contact the Bank for assistance from July 19, 2021 until August 15, 2021. Criteria for consideration are as prescribed by the Bank.

Additionally, the Bank provided 7 relief measures for customers as follows

- **Relief measures for retail customers 3 measures** (from May 31, 2021)

1. **Home loan, Home for Cash loan and Home Easy Cash loan (Term Loan):** up to 12-month debt payment holiday on principal (pay part of interest) or reduce installment by extending payment period up to 12 months or up to 3-month debt payment holiday on principal (pay interest)
2. **Personal loans (Term Loan):** reduce 30% of installment amount up to 6 months
3. **Personal Revolving Loan (Krungthai Thanawat loans and Krungthai Thanawat 5 Plus loan):** convert into term loan of 48 installments or extend payment period according to debtor's payment ability.

- **Relief measures for non-retail customers 4 measures**

1. **Soft loan facility for business customers:** interest rate at 2% per annum in the first 2 years (an average interest rate for 5 years not exceed 5% per annum), loan tenor up to 10 years, interest waived up to 6 months and government guarantee period up to 10 years by the Thai Credit Guarantee Corporation (TCG)
2. **Relief measure for SME customers**
 - Business loans (term loan; credit limit not exceeding Baht 20 million): up to 6-month debt payment holiday on principal (pay interest) or reduce installment by extending payment period up to 24-month for P/N and up to 6 months for trade finance.
 - Business loans: (term loan; credit limit of Baht 20 - 500 million): up to 12-month debt payment holiday on principal (pay interest) for P/N and up to 6-months for trade finance.
3. **Debt Restructuring through Asset Warehousing with Buy-Back options:** temporarily lessen debt burden in prolonged recovery period for potential customers with collaterals by transferring collaterals for debt

repayment purpose with the rights to repurchase collaterals back in future. The repurchase price should not be higher than the transfer price plus carrying cost (1% per annum of the transfer price plus incurred asset maintenance costs and other relevant fees paid by the Bank deduct rental fee paid from customers).

4. **DR BIZ program:** as debt consolidation for business loans with credit line from multi-creditors of Baht 50 - 500 million to manage debt restructuring according to the debtor's capability i.e., reduce installment, extending payment period as well as liquidity support for potential customers with solid business plans. Criteria for consideration are as prescribed by the Bank.

On August 20, 2021, The Bank of Thailand announced the additional COVID-19 relief measure for sustainable assistant as follows

1. The liquidity assistant and soft loan to SMEs and retail customers

- 1.1 The adjusted soft loan criteria to SMEs (depending on each financial institution's definition) through the credit limit extension to existing customers who have low credit limit or new customer are as follows
 - Existing borrower: credit limit per borrower not exceeding 30% of credit line as at December 31, 2019 or February 28, 2021, whichever is greater (not exceeding THB 150 million) or not exceeding THB 50 million for borrower with 30% of credit limit less than THB 50 million.
 - New borrower: credit limit per borrower not exceeding THB 50 million. Furthermore, additional loan guarantee conditions will be provided for the vulnerable borrower.
- 1.2 The relaxation of relief measures for retail customers including credit card, personal loan under supervision and digital personal loan are as follows:
 - Credit card and personal loan: maintain the minimum payment at 5% and credit limit extension for less than THB 30,000 average monthly income customers.
 - Digital personal loan: extension of credit limit and payment period.

2. The supportive criteria to financial institution for long-term debt restructuring measure have been adjusted as follows:

- 2.1 Financial institutions are able to maintain the current classification of restructured retail and SMEs loans until March 31, 2022 (SMEs' definition depending on each financial institution) in order to have sufficient debt restructuring consideration time.

2.2 The extension of flexible loan classification and allowance for expected credit loss criteria until year 2023 will help less burden for financial institutions to provide sustainable debt restructuring measures (multiple debt restructuring instruments, not only payment period extension).

2.3 Extended the lowered contribution from financial institutions (FIDF fee) to 0.23% (from 0.46%) until the end of 2022 (from previously ended 2021) for financial institutions to provide continual less burden assistance to private sector and individuals.

Credit Ratings

Bank's credit ratings rated by S&P Global Ratings, Moody's Investors Service and Fitch Ratings were as follows:

	December 2021	December 2020
<ul style="list-style-type: none"> S&P Global Ratings <ul style="list-style-type: none"> Long-term/ Short-term Outlook Stand-Alone Credit Profile (SACP) 	BBB / A-2 Negative ⁽³⁾ bb+	BBB / A-2 Watch Negative ⁽¹⁾ bb+
<ul style="list-style-type: none"> Moody's Investors Service <ul style="list-style-type: none"> Long-term/ Short-term Outlook Baseline Credit Assessment (BCA) Additional Tier I Subordinated Notes (USD) ⁽²⁾ 	Baa1 / P-2 Stable baa3 Ba3	Baa1 / P-2 Stable baa3 -
<ul style="list-style-type: none"> Fitch Ratings ⁽⁴⁾ <p>Foreign Currency Credit Ratings</p> <ul style="list-style-type: none"> Long-term/ Short-term Outlook Viability Rating <p>National Credit Ratings</p> <ul style="list-style-type: none"> Long-term/ Short-term Outlook Senior unsecured debentures (Baht) Subordinated Debt (Baht) 	BBB+ / F1 Stable bbb- AAA (tha) / F1+ Stable AAA (tha) AA (tha)	BBB / F2 Stable bbb- AA+ (tha) / F1+ Stable AA+ (tha) AA- (tha)

(1) On August 24, 2020, S&P Global Ratings had placed ratings on the Bank and Senior Unsecured as CreditWatch with negative implications.

(2) On March 25, 2021, the Bank issued Additional Tier I Subordinated Notes to overseas institutional investors

(3) On October 20, 2021, S&P Global Ratings removed CreditWatch with negative implications from all ratings to negative outlook

(4) On December 1, 2021, Fitch Ratings had upgraded the following credit ratings by one notch; Foreign currency credit ratings — long-term/short-term (from BBB/F2) and National credit ratings — long-term (from AA+ (tha)), senior unsecured debentures (Baht) (from AA+(tha)) and subordinated debt (Baht) (from AA-(tha)).

On December 1, 2021, Fitch Ratings upgraded the Bank's Foreign Currency Long-Term and Short-Term Issuer Default Rating, the National Long-Term Rating and senior unsecured debt ratings and subordinated debt ratings by one notch. The rating actions reflect the bank's prominent policy role over the course of the coronavirus pandemic-related economic challenges in Thailand.

Independent 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 2021, 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 2021, 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.

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

As discussed in Note 8.8 to the consolidated financial statements, as at 31 December 2021, the Group had loans to customers of Baht 2,628,963 million (representing 74 percent of total assets) and allowances for expected credit losses amounting to Baht 173,322 million, which are material amounts to the financial statements. In addition, the basis to be used for calculation of the allowance for expected credit losses 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.

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 2021, the Group recognised interest income on loans to customers amounting to Baht 97,932 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 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:

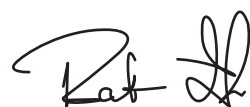
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting 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.



Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 23 February 2022

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Assets					
Cash	8.1	63,543,939	68,161,357	63,515,240	68,115,583
Interbank and money market items - net	8.3	469,216,499	516,791,903	468,832,143	516,320,956
Financial assets measured at fair value through profit or loss	8.4	18,038,574	13,723,789	18,306,692	14,188,472
Derivatives assets	8.5	52,659,994	74,506,773	52,659,994	74,506,773
Investments - net	8.6	342,041,937	316,987,630	342,121,904	316,894,505
Investments in subsidiaries and associated companies - net	8.7	21,974,786	29,400,185	11,042,216	11,203,675
Loans to customers and accrued interest receivables - net	8.8	2,476,219,848	2,200,513,321	2,401,462,429	2,127,089,495
Properties for sale - net	8.10	39,226,941	32,659,270	39,183,154	32,569,053
Land, premises and equipment - net	8.11	31,518,477	24,762,212	28,639,090	21,899,006
Right-of-use assets - net	8.12.1	4,271,626	4,474,111	3,486,000	3,571,005
Other intangible assets - net	8.13	10,846,341	6,005,144	9,264,125	3,893,939
Deferred tax assets	8.14.1	4,788,684	5,880,565	2,254,205	3,560,552
Accrued income		2,290,835	2,598,857	1,998,823	2,070,343
Other assets - net	8.15	20,105,960	31,315,152	20,156,182	31,103,526
Total assets		3,556,744,441	3,327,780,269	3,462,922,197	3,226,986,883

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



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2021

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities and equity					
Deposits	8.16	2,614,747,357	2,463,225,282	2,619,065,923	2,466,780,410
Interbank and money market items	8.17	296,344,379	274,566,462	292,398,188	268,424,903
Liabilities payable on demand		4,210,129	4,731,953	4,210,129	4,731,953
Derivatives liabilities	8.5	50,549,723	65,471,404	50,549,723	65,471,404
Debt issued and borrowings	8.18	133,817,209	86,564,198	91,391,660	44,292,498
Lease liabilities	8.12.2	4,276,620	4,503,684	3,448,570	3,528,830
Provisions	8.19	20,364,076	20,286,873	18,837,191	18,740,381
Other liabilities	8.20	58,323,508	53,366,819	51,286,436	46,041,249
Total liabilities		3,182,633,001	2,972,716,675	3,131,187,820	2,918,011,628
Equity					
Share capital	8.21				
Authorised share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Issued and paid-up share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Premium on share capital					
Premium on ordinary share		20,833,734	20,833,734	20,833,734	20,833,734
Deficit from the change in the ownership interests in subsidiary		(659,694)	(165,255)	-	-
Other components of equity	8.22	30,526,362	32,179,036	24,230,287	17,789,287
Retained earnings					
Appropriated					
Legal reserve	8.23	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated		230,146,946	211,412,693	207,464,812	191,146,690
Equity attributable to equity holders of the Bank		360,052,892	343,465,752	331,734,377	308,975,255
Non-controlling interests		14,058,548	11,597,842	-	-
Total equity		374,111,440	355,063,594	331,734,377	308,975,255
Total liabilities and equity		3,556,744,441	3,327,780,269	3,462,922,197	3,226,986,883

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



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss					
Interest income	8.30	104,831,989	112,836,857	90,667,094	97,894,144
Interest expenses	8.31	21,460,180	24,494,134	20,103,427	22,995,811
Net interest income		83,371,809	88,342,723	70,563,667	74,898,333
Fees and service income		28,309,731	27,690,138	21,550,648	21,557,134
Fees and service expenses		8,288,103	7,162,213	5,799,231	5,183,896
Net fees and service income	8.32	20,021,628	20,527,925	15,751,417	16,373,238
Gains on financial instruments measured at fair value through profit or loss	8.33	3,467,485	3,134,376	3,464,448	3,197,183
Gains on investments	8.34	710,835	950,926	1,098,143	941,257
Share of profit from investments accounted for under equity method		1,046,430	2,060,328	-	-
Dividend income		379,054	375,896	2,941,351	2,348,887
Other operating income		6,788,500	6,855,249	3,528,494	3,705,785
Total operating income		115,785,741	122,247,423	97,347,520	101,464,683
Other operating expenses					
Employee's expenses		27,310,946	28,466,296	21,851,404	22,993,299
Directors' remuneration		323,702	298,069	46,725	68,198
Premises and equipment expenses		9,016,846	8,895,416	5,065,814	5,306,832
Taxes and duties		3,914,775	3,797,471	3,347,799	3,297,985
Impairment losses of properties for sale		2,084,358	1,538,442	2,066,281	1,541,377
Others		10,079,880	10,469,150	14,071,252	13,753,189
Total other operating expenses		52,730,507	53,464,844	46,449,275	46,960,880
Expected credit losses	8.35	32,523,779	44,902,881	27,066,079	38,427,695
Profit before income tax		30,531,455	23,879,698	23,832,166	16,076,108
Income tax	8.14.2	5,975,429	4,440,733	4,395,019	2,784,097
Profit for the year		24,556,026	19,438,965	19,437,147	13,292,011
Other comprehensive income (loss)					
<i>Transactions that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on debt securities measured at fair value through other comprehensive income		(2,258,487)	894,894	(2,259,644)	905,210

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


(Krisada Chinavicharana)
Chairman

(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2021

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Other comprehensive income (loss) (continued)				
Gains (losses) arising from translating the financial statements of foreign operations	145,190	43,703	145,190	43,703
Gains (losses) on cash flow hedges	(3,267)	169,661	(3,267)	169,661
Gains (losses) from deferred cost of hedging	(134,961)	90,153	(134,961)	90,153
Share of other comprehensive income of associate (equity method) for items that will be reclassified subsequently to profit or loss	(9,138,508)	(1,555,420)	-	-
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	479,343	(239,549)	479,574	(241,612)
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Changes in revaluation surplus on assets	7,295,301	-	7,295,301	-
Gains (losses) on investments in equity designated to be measured at fair value through other comprehensive income	3,123,831	(1,994,260)	3,123,831	(1,820,302)
Actuarial gains (losses) on defined benefit plan	854,822	(806,171)	756,946	(763,033)
Share of other comprehensive income of associate (equity method) for items that will never be reclassified subsequently to profit or loss	1,232,537	(1,204,144)	-	-
Income tax relating to other comprehensive income (losses) for items that will never be reclassified subsequently to profit or loss	(2,254,791)	525,144	(2,235,215)	516,517
Other comprehensive income (loss) - net	(658,990)	(4,075,989)	7,167,755	(1,099,703)
Total comprehensive income (loss)	23,897,036	15,362,976	26,604,902	12,192,308
Total profit attributable to:				
Equity holders of the Bank	21,588,290	16,731,585	19,437,147	13,292,011
Non-controlling interest	2,967,736	2,707,380		
	24,556,026	19,438,965		
Total comprehensive income attributable				
Equity holders of the Bank	20,927,359	12,641,748	26,604,902	12,192,308
Non-controlling interest	2,969,677	2,721,228		
	23,897,036	15,362,976		
Earnings per share of the Bank				
Basic earnings per share (Baht)	1.54	1.20	1.39	0.95

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


(Krisada Chinavicharana)
Chairman

(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

(Unit: Thousand Baht)

Consolidated financial statements													
Attributable to equity holder of the Bank													
	Issued and fully paid-up share capital	Premium on share capital	Deficit from the change in the ownership interest in subsidiary	Other components of equity						Total equity attributable to equity holders of the Bank	Non-controlling interests	Total	
				Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Gains (losses) from reclassification of investments	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements	Share of other comprehensive income (losses) of associates				
Balance as at 1 January 2020	72,005,040	20,833,734	-	8,206,016	8,180,228	(1,877)	-	(115,736)	16,737,511	212,442,380	338,287,296	10,039,090	348,326,386
Cumulative effects of changes in accounting policies	-	-	-	-	2,129,230	1,877	(29,786)	-	129,137	1,019,741	3,250,199	-	3,250,199
Balance as at 1 January 2020 - as restate	72,005,040	20,833,734	-	8,206,016	10,309,458	-	(29,786)	(115,736)	16,866,648	213,462,121	341,537,495	10,039,090	351,576,585
Dividends (Note 8.24)	-	-	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)	(1,150,528)	(11,679,493)
Change in the ownership interest in subsidiaries	-	-	(165,255)	-	-	-	-	-	-	169,746	4,491	(4,491)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(7,457)	(7,457)
Surplus on revaluation of assets	-	-	-	417,694	-	-	-	-	-	-	417,694	-	417,694
Transfer to retained earnings	-	-	-	(44,206)	-	-	-	-	-	(562,505)	(606,711)	-	(606,711)
Total comprehensive income (loss)	-	-	-	-	(923,042)	-	207,850	43,704	(2,759,564)	16,072,800	12,641,748	2,721,228	15,362,976
Balance as at 31 December 2020	72,005,040	20,833,734	(165,255)	8,579,504	9,386,416	-	178,064	(72,032)	14,107,084	218,613,197	343,465,752	11,597,842	355,063,594
Balance as at 1 January 2021	72,005,040	20,833,734	(165,255)	8,579,504	9,386,416	-	178,064	(72,032)	14,107,084	218,613,197	343,465,752	11,597,842	355,063,594
Dividends (Note 8.24)	-	-	-	-	-	-	-	-	-	(3,845,779)	(3,845,779)	(1,150,410)	(4,996,189)
Change in the ownership interest in subsidiaries	-	-	(494,439)	-	-	-	-	-	-	-	(494,439)	494,439	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	147,000	147,000
Surplus on revaluation of assets	-	-	-	5,836,241	-	-	-	-	-	-	5,836,241	-	5,836,241
Transfer to retained earnings	-	-	-	(119,414)	(1,783)	-	-	-	(188,628)	309,825	-	-	-
Total comprehensive income (loss)	-	-	-	-	692,273	-	(110,582)	145,190	(7,905,971)	22,270,207	15,091,117	2,969,677	18,060,794
Balance as at 31 December 2021	72,005,040	20,833,734	(659,694)	14,296,331	10,076,906	-	67,482	73,158	6,012,485	237,347,450	360,052,892	14,058,548	374,111,440

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



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES **STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

For the year ended 31 December 2021

Separate financial statements										(Unit: Thousand Baht)
	Issued and fully paid-up share capital	Premium on share capital	Other components of equity					Retained earnings	Total	
			Surplus (deficit) on revaluation of assets	Surplus (deficit) on revaluation of investments	Gains (losses) from reclassification of investments	Hedge reserve (Note 8.5.2)	Gains (losses) from translating the financial statements			
Balance as at 1 January 2020	72,005,040	20,833,734	8,206,016	8,006,270	(1,877)	-	(115,736)	195,290,019	304,223,466	
Cumulative effects of changes in accounting policies	-	-	-	2,129,230	1,877	(29,786)	-	860,349	2,961,670	
Balance as at 1 January 2020 - as restate	72,005,040	20,833,734	8,206,016	10,135,500	-	(29,786)	(115,736)	196,150,368	307,185,136	
Dividends payment (Note 8.24)	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)	
Surplus on revaluation of assets	-	-	126,776	-	-	-	-	-	126,776	
Transfer to retained earnings	-	-	(44,206)	-	-	-	-	44,206	-	
Total comprehensive income (loss)	-	-	-	(740,831)	-	207,850	43,704	12,681,585	12,192,308	
Balance as at 31 December 2020	72,005,040	20,833,734	8,288,586	9,394,669	-	178,064	(72,032)	198,347,194	308,975,255	
Balance as at 1 January 2021	72,005,040	20,833,734	8,288,586	9,394,669	-	178,064	(72,032)	198,347,194	308,975,255	
Dividends payment (Note 8.24)	-	-	-	-	-	-	-	(3,845,779)	(3,845,779)	
Surplus on revaluation of assets	-	-	5,836,241	-	-	-	-	-	5,836,241	
Transfer to retained earnings	-	-	(119,414)	(1,783)	-	-	-	121,197	-	
Total comprehensive income (loss)	-	-	-	691,348	-	(110,582)	145,190	20,042,704	20,768,660	
Balance as at 31 December 2021	72,005,040	20,833,734	14,005,413	10,084,234	-	67,482	73,158	214,665,316	331,734,377	

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



(Kriyada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities				
Profit before income tax	30,531,455	23,879,698	23,832,166	16,076,108
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	5,354,721	5,026,305	3,609,124	3,358,426
Expected credit losses	32,523,779	44,902,881	27,066,079	38,427,695
Share of profit from investments accounted for under equity method	(1,046,430)	(2,060,328)	-	-
(Gains) losses on disposal of assets	2,224	5,830	(187)	386
(Gains) losses on disposal of investments	(710,835)	(950,926)	(511,674)	(950,926)
Unrealised (gains) losses on financial instruments measured at fair value through profit or loss	3,695,955	(1,642,048)	3,698,991	(1,704,855)
(Reversal) losses on impairment of properties for sale	2,084,358	1,538,442	2,066,281	1,541,377
(Reversal) losses on impairment of investment	-	-	(586,469)	9,669
(Reversal) losses on impairment of premises and equipment	(17,828)	-	(17,828)	-
(Reversal) losses on impairment of other assets	224,354	423,858	215,704	423,858
Amortisation of premium (discount) on investments	455,086	405,064	452,404	400,015
(Gains) losses on foreign currency translation	657,745	(2,294,508)	657,745	(2,294,508)
Increase (decrease) in provisions	2,392,578	1,305,238	2,193,056	1,131,291
(Increase) decrease in other accrued income	25,086	(748,321)	(211,417)	(513,822)
Increase (decrease) in other accrued expenses	1,784,770	(698,785)	221,007	145,172
	77,957,018	69,092,400	62,684,982	56,049,886
Net interest income	(83,371,809)	(88,342,723)	(70,563,667)	(74,898,333)
Dividend income	(379,054)	(375,896)	(2,941,351)	(2,348,887)
Proceeds from interest income	100,753,313	96,554,129	86,633,845	87,803,944
Cash paid on interest expenses	(21,222,817)	(27,674,972)	(19,810,503)	(26,166,611)
Proceeds from dividend income	948,070	658,286	2,941,938	2,348,436
Cash refunded for income tax	149,134	160,204	6,382	-
Cash paid on income tax expenses	(5,042,300)	(6,125,782)	(3,443,439)	(4,805,033)
Income from operating activities before changes in operating assets and liabilities	69,791,555	43,945,646	55,508,187	37,983,402
(Increase) decrease in operating assets				
Interbank and money market items	48,009,107	(179,596,485)	47,922,301	(179,621,960)
Financial assets measured at fair value through profit or loss	(4,443,497)	39,244,132	(4,249,968)	38,842,255
Derivatives assets	18,364,637	(12,358,244)	18,364,637	(12,358,201)
Loans to customers	(305,946,088)	(268,493,752)	(299,200,429)	(270,687,453)
Properties for sale	3,413,169	6,292,961	3,280,448	6,250,115
Other assets	566,041	(8,934,734)	495,339	(8,873,887)

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



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

For the year ended 31 December 2021

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from operating activities (continued)				
Increase (decrease) in operating liabilities				
Deposits	151,522,075	307,360,296	152,285,513	308,320,467
Interbank and money market items	21,858,948	58,642,059	24,054,316	60,083,053
Liabilities payable on demand	(521,824)	(12,301)	(521,824)	(12,301)
Derivatives liabilities	(15,059,908)	13,730,719	(15,059,908)	13,730,719
Other liabilities	(1,278,369)	4,410,562	1,002,580	4,611,189
Net cash provided by (used in) operating activities	(13,724,154)	4,230,859	(16,118,808)	(1,732,602)
Cash flows from investing activities				
Purchase of debt and equity securities measured at fair value through other comprehensive income	(161,396,728)	(185,120,810)	(161,730,728)	(184,969,210)
Proceeds from disposal of debt and equity securities measured at fair value through other comprehensive income	139,432,525	211,772,115	139,432,567	211,057,548
Purchase of debt securities measured at amortised cost	(2,264,851)	(2,155,981)	(746,654)	(512,171)
Proceeds from disposal of debt instruments measured at amortised cost	2,402,709	1,487,444	1,047,327	633,970
Purchase of investments in subsidiaries/associates	(2,571)	(635)	(2,571)	(383,331)
Proceeds from disposal of investments in subsidiaries/associates	-	-	551,338	-
Purchase of intangible assets	(4,974,184)	(2,963,389)	(4,958,044)	(2,734,296)
Purchase of land, premises and equipment	(1,273,952)	(2,893,044)	(625,943)	(1,854,403)
Proceeds from disposal of land, premises and equipment	643	10,386	467	6,793
Purchase shares from non-controlling interests	-	(169,746)	-	-
Net cash provided by (used in) investing activities	(28,076,409)	19,966,340	(27,032,241)	21,244,900
Cash flows from financing activities				
Proceeds from debt issued and borrowings	53,309,324	3,970,745	44,278,434	470,745
Repayments of debt issued and borrowings	(9,037,075)	(14,540,345)	(117,875)	(7,793,645)
Repayments of lease liabilities	(2,385,105)	(2,264,173)	(1,909,264)	(1,950,339)
Dividend paid for ordinary share	(3,843,417)	(10,523,974)	(3,843,417)	(10,523,974)
Dividend paid for preferred share	(2,362)	(4,991)	(2,362)	(4,991)
Dividend paid to non-controlling interests	(1,150,410)	(1,150,528)	-	-
Increase in non-controlling interests	147,000	-	-	-
Net cash provided by (used in) financing activities	37,037,955	(24,513,266)	38,405,516	(19,802,204)
Gains from translating the financial statements of foreign operations	145,190	43,703	145,190	43,703
Decrease in cash and cash equivalents	(4,617,418)	(272,364)	(4,600,343)	(246,203)
Beginning balance of cash and cash equivalents	68,161,357	68,433,721	68,115,583	68,361,786
Ending balance of cash and cash equivalents	63,543,939	68,161,357	63,515,240	68,115,583

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



(Krisada Chinavicharana)
Chairman



(Payong Srivanich)
President



This Report contains forward-looking statements concerning analysis and other information (as well as the Bank's prospects, plans and business strategies). The Bank has based those forward-looking statements on the current view of the Bank with respect to future events, but it does not guarantee future results. The actual results in the future may differ materially from those

anticipated in this report. Investors should consider the information carefully and must not place undue reliance on the forward-looking statements.

Hence, investors are cautioned to be particularly careful and exercise individual judgement in studying the Bank's information stated in this report.

