

Questions and Suggestions of Shareholder in the 27th Annual Ordinary General Meeting (Year 2020)

Questions of Shareholder

Mr. Rathaphum Suchartvejphum (Shareholder)

Question

1. How much does the Bank receive as the compensation for the projects that the Bank has collaborated with the government?
2. How does the Bank manage the information received from projects that the Bank has collaborated with the government?
3. In case the Bank closes the branch causing the Bank to lose income and customers to other commercial banks, what is the Bank's strategy to deal with this?

Answer

Head of the Digital Solutions Group

1. The government has been regarded as a large customer of the Bank. According to the Bank financial statements for the year 2019, the government sector and various government agencies have a high proportion of deposits and credits with Banks at the ratio of 35 and 9 percent respectively, compared to the Bank's overview. Therefore, the implementation of the project for the government is considered to be an extension of the service and to strengthen the relationship with the large customers as well as building up customer's engagement and maintaining the deposit-base of government customers with the Bank. In addition, the Bank has become a part of helping the government to solve problems and/or remedy people affected by various situations, including developing and improving government processes to be accurate, transparent and verifiable. This is the implementation of the Bank's strategic plan that has been specified to expand the ecosystem and the Government's operations was one of the 5 ecosystems that the Bank focuses on. With this, both current and potential customers have been drawn into the Bank's platform, which can be considered as the foundation to further expand the business from customers to Bank customers according to the X2G2X strategy. Additionally, the implementation of various projects also boosted up the Bank's positive image and strengthened the confidence of customers and third parties towards the stability and work of the Bank.

2. Project implementation according to government measures, the Bank has determined the responsibilities regarding the collection, use and disclosure of personal data that occur under the implementation of such project in compliance with Personal Data Protection Laws and other relevant laws. The Bank shall act as a data processor, which collected, used and disclosed personal information under the order or assignments from government agencies, which is a data controller. Thus, the Bank has requested consent from the project participants in order to use such personal information for the purpose of those mentioned projects only.

Group Head of Retail Banking Sales & Distribution Group

3. Group Head of Retail Banking Sales & Distribution Group explained that the Bank closed and merged branches in order to respond to customers' changing behaviors. Currently, customers go to Bank branches less frequently. They use services via electronic channels and Krungthai NEXT more often. Therefore, the Bank has adjusted the number of branches to be appropriate by taking into account various factors completely, whether branch distribution, overlapping area, business opportunity, productivity of employees in each branch, including customer behavior in moving to electronic channels. In addition, the Bank has adjusted the format of branches to be suitable, such as digital branches. Moreover, the Bank also upgraded the customer service to become the Omni-Channel characteristics.

Furthermore, on the Bank branch closure, the Bank had a strategy to maintain a customer base. Before closing and merging the branch, the Bank had communicated to customers in advance through various channels widely. Customers are able to request an account transfer to use the service at the destination branch that customers are convenient. Besides, the staff taking care of customers has been assigned to provide convenience while there was a process for transferring customer care from former staff to new staff to provide care to customers continuously. Consequently, after the closing and merging of the branch, the Bank had performed the follow-up and evaluation. The result showed that the Bank was still able to maintain a good customer base.

After reducing the number of branches to suit the context, condition and behavior of customers that have changed, the Bank has also implemented the Workforce

Rationalization project simultaneously. This project aimed to analyze productivity of the staff, arrange people to suit the skills and positions, including creating new positions and adjusting the business model to support the competition in terms of Future Banking. Such positions are namely the Customer Relationship Management or Financial Planner, who shall go visit customers to offer products and services that meet the needs of each group of customers. All of which will help improve the efficiency of the Bank's operations. Although the number of branches were reduced, the Bank has developed services via electronic banking and Krungthai NEXT to provide a variety of transactions, comprehensive solutions for customers so that customers are able to access banking transactions conveniently, easily, and feel that there are Banks everywhere and at all times.

Mr. Sathaporn Kotheeranurak (Shareholder)

Question

1. How much do audit fees of the Bank's subsidiaries?
2. How to consider and select an auditor?
3. Did the Wirecard case affect the consideration and selection of the auditor?

Royal Forest Department Savings and Credit Cooperative Limited (Shareholder)

Question

Did the Bank consider and select the auditor by comparing with other auditors?

Answer

Group Head of Financial Management Group

1. All audit fees of the Bank's subsidiaries is about Baht 5.5 million.
2. The Bank complied with Government Procurement and Supplies Management Act B.E. 2560 by inviting 4 large global audit companies to submit a bid.
3. Ernst & Young Global Limited (EY) sent a letter to inform that the case that EY Germany was sued over its work for Wirecard AG does not affect EY Thailand in any way because the member firms of Ernst & Young Global Limited are separate and independent legal entities. In addition, EY Thailand has established a special committee to closely monitor all updates on the Wirecard case.

Mr. Taweechai Anantawanitchayaya (Proxy)

Question

For the loan granting to the airline company. How does the Bank proceed with this case? Does it affect the Bank's capital fund?

Answer

Group Head of the Corporate Banking Group 2

Group Head of the Corporate Banking Group 2 explained that the Bank could not disclose information about the debt of the airline company. However, the Bank has taken the best efforts to reduce the loss of the Bank by setting aside a provision for such debt. For additional loans, the Bank must consider its debt rehabilitation plan, which must be in line with legal procedures.

Suggestions of Shareholder

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| Mr. Wijarn Chongbakdee (Shareholder) | 1. Major shareholders should reduce the Bank's shareholding. |
| | 2. Shareholders should be able to reimburse the expenses for attending the meeting. |
| Ms. Aeuaree Wutthiwat (Shareholder) | 1. The Bank should hold the AGM in the form of one stop service. |
| | 2. The Bank should provide a table for writing comments. |

In this regard, all suggestions of the shareholders have been delivered to the Management for the acknowledgement.