



KTC



RESILIENCE

FORM 56-1 ONE REPORT 2020

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

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A professional portrait of a middle-aged man with dark hair and glasses, wearing a dark grey suit and a white shirt. He is smiling and looking slightly to the right of the camera. The background is a solid dark grey.

Message from the Chairman

“The COVID-19 pandemic in 2020 has severely affected global economy for the entire year and inevitably continued into 2021. KTC had become aware and was vigilant of such impacts, hence had properly adjusted its business strategies to continuously cope with the situation the whole year.”

Message from the Chairman

The COVID-19 pandemic in 2020 has severely affected global economy for the entire year and inevitably continued into 2021. KTC had become aware and was vigilant of such impacts, hence had properly adjusted its business strategies to continuously cope with the situation the whole year. Another factor also directly affecting the Company's operations was the reduction of interest rate ceiling following the announcement from the Bank of Thailand, effective since August 1, 2020. Nonetheless, as KTC has constantly developed itself to become an Agile Organization for the past several years, the Company has been able to swiftly deal with any competition as well as any changing situation including stakeholders' expectations and interests through 5 core components which are Strategy, Structure, Process, People and Technology. For "People", or human resource, which is one of KTC's key driving forces, the Company has continuingly laid out policies for human resource development for all levels of employees to own knowledges, capabilities, and competencies that are consistent with their responsibilities which in turn, will be able to promptly carry out the Company's business directions. For 2020, KTC continued to expand its receivables portfolio, effectively managed funding costs, efficiently processed debt collection as well as adequately controlled NPLs. In 2020, KTC earned a net profit of Baht 5,332 million with return on equity at 25%. In terms of sustainable development, KTC has proceeded accordingly in all 3 of economic, social and environmental dimensions which are presented in the Sustainability Report.

For business directions in 2021, KTC aims to persistently expand with the vision of becoming a membership company in payment services and retail lending businesses with sustainability as key element. KTC remains vigilant and cautiously allocates resourceful assets from past success to promptly cope with uncertainties in the economy and people's lifestyle. Credit cards and personal loans continue to be KTC's core businesses, yet the Company will place further significance to car title loan, "KTC P Berm", in order to expand retail lending in the market, while creating additional option for customers under this difficult situation.

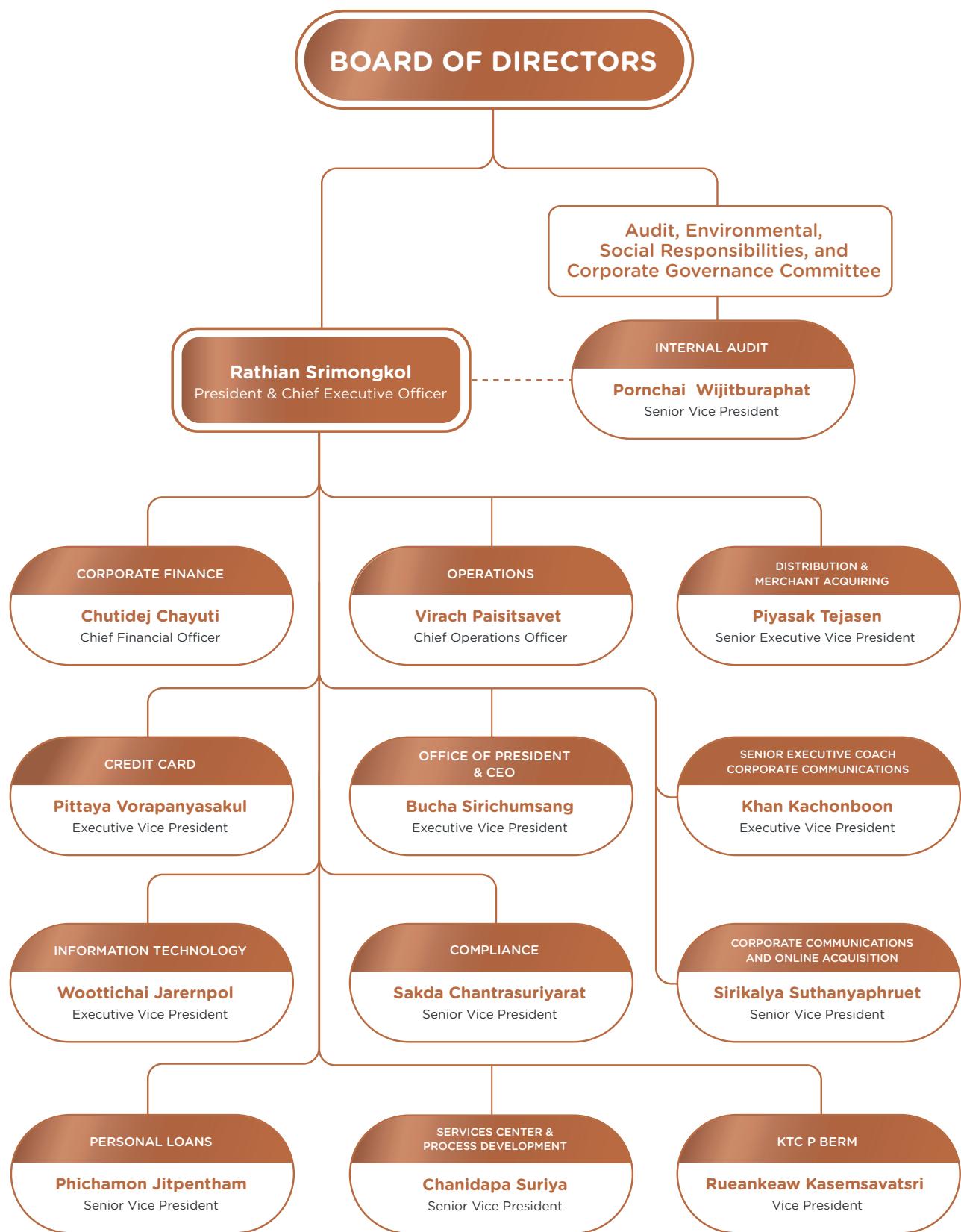
The Board of Directors places an emphasis on reviewing and approving corporate vision and missions on immediate-term, short-term and long-term, as well as key policies. The Board also monitors the implementation and the execution of these mandates to proceed in a timely manner as planned. The Company stringently complies with good corporate governance principles by conducting its businesses following the corporate governance guidelines defined by the Stock Exchange of Thailand. In addition, the Company always upholds the principles of impartiality, respect for human rights, fair labor treatment, the importance of data protection and cyber security as well as anti-corruption, while actively carrying out its corporate social and environmental responsibilities.

On behalf of the Board of Directors, I would like to express our sincere gratitude to all customers, business partners, shareholders, and every interested party for your continued support and trust you have placed in us, and for the opportunity to work together to the best of our ability. I would also like to commend the management team and all employees for their hard work and dedication. Lastly, I would like to assure all interested parties that we at KTC, will work diligently to achieve high standards of corporate governance principles whilst following strict operational guidelines in adhering to related laws and regulations with the aim of achieving sustainable growth and profits for KTC.



Mr. Parinya Patanaphakdee
Chairman of the Board of Director

Organization Structure



As of 31 December 2020

Board of Directors



Executives



Executives



Board of Directors



Mr. Parinya Patanaphakdee

Position

Chairman of the Board of Directors/ Chairman of Nomination and Remuneration committee

Date of Appointment

May 13, 2017

Age

62

Education

- M Pol Sc (Politics and Government), Sukhothai Thammathirat Open University
- MBA, National Institute of Development Administration
- Barrister-at-Law, Institute of Legal Education of the Thai Bar Association
- LLB (Honors), Ramkhamhaeng University

Training

Nov 2020 -	• Intermediate Certificate Courses-Good Governance for Medical Executives (Class No.9) King Prajadhipok's Institute & The Medical Council of Thailand	2013	• Class 6/2013 Training Course on Top Executive Program in Commerce and Trade (TEPCoT 6) Academic Service Center, University of the Thai Chamber of Commerce
Sep 2021	• The Rule of Law for Democracy (Class No.8) College of the Constitutional Court	2012	• Class 4/2013 Training Course on Advanced Security Management Program (ASMP 4) National Defence College
2020	• Advanced Master of Management Program (AMM 3) National Institution of Development Administration	2011	• Class 16/2012 Successful Formulation and Execution of Strategy (SFE) Thai Institute of Directors Association (IOD)
2019	• Role of the Chairman Program (RCP 43) Thai Institute of Directors Association (IOD)	2010	• Class 2/2011 Training Course on Administrative Justice for Executives (BYP) The Administrative Court
2018	• Energy Literacy for Sustainable Future (TEA 11) Thailand Energy Academy	2005	• Class 1/2010 Financial Institutions Governance Program (FGP) Thai Institute of Directors Association (IOD)
2017	• Director Certification Program (DCP 248) Thai Institute of Directors Association (IOD)		• Class 10/2010 Top Management Program, Capital Market Academy The Stock Exchange of Thailand
2015	• Class 4 (BPP.) Bhumipalung Phandin Chulalongkorn University		• Class 18 (NDC 2548) National Defence Course for the Joint State-Private Sectors National Defence College
	• Executive Leadership Development Program (ELDP) Krugthai Bank Public Company Limited		
	• Increasing Operational Effectiveness and Development of Emotional Maturity AQ & EQ Krugthai Bank Public Company Limited		

2004 • **Class 8/2004 Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives**
King Prajadhipok's Institute (KPI 8)

2003 • **Class 7/2003 The Programme for Senior Executives in Criminal Justice Administration**
National Academy of Criminal Justice, Office of the Judiciary (B.Y.S.7)

2002 • **Class 11/2002 Financial Executive Development Program (FINEX XI)**
The Thai Institute of Banking and Finance Association

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2020 - Present • **Oriented Specialist for Debt Restructuring and Related Fields**
Krungthai Bank Public Company Limited/ Banking

2017 - Present • **Chairman of the Board of Directors/ Chairman of Nomination and Remuneration Committee**
Krungthai Card Public Company Limited/ Consumer Finance

Oct 2019 - Present • **Chairman of the Board of Directors/ Independent Director**
Government Housing Bank/ Specialized Financial Institutions

Non-Listed Companies/ Other Organizations

2019 - Present • **Chairman of the Board of Directors**
Real Estate Information Center/ Real Estate

Oct 2019 - Present • **Specialist Attached to the Committee**
Committee on Economics/ Finance and Monetary Affairs Senate/ Parliament

2018 - Present • **Director's Pool**
State Enterprise Policy Office/ Ministry of Finance

Experience

2017 - Sep 2019 • **First Senior Executive Vice President -Managing Director**
Credit Restructuring & Asset Management Group/ Krungthai Bank Public Company Limited/ Banking

Oct 2010 - Mar 2019 • **Vice Chairman**
KTBLAW/ Business Law Firm

Dec 2016 - Jan 2019 • **Advisor to the Minister**
Ministry of Industry/ Government

May 2013 - May 2017 • **Director**
KTB General Services and Security Company Limited/ Service Business

Aug 2015 - Jul 2016 • **Advisor to the Minister**
Ministry of Information and Communication Technology/ Government

2013 - 2014 • **Academic to Committee on Monetary Financial Banking and Financial Institution, Senate**
The Secretariat of the Senate/ Parliament

2011 - 2012 • **First Executive Vice President- Managing Director**
Credit Restructuring & Asset Management/ Krungthai Bank Public Company Limited/ Banking

2010 - 2011 • **First Executive Vice President- Managing Director**
Compliance and Legal Management/ Krungthai Bank Public Company Limited/ Banking

Board of Directors



Mr. Praphaisith Tankeyura

Position

Independent Director/ Chairman of the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee/ Nomination and Remuneration Committee

Date of Appointment

August 11, 2017

Age

66

Education

- Master of Business Administration (MBA), Major-Finance, College of Business, Florida State University
- Bachelor of Statistics (B.S.), Major-Applied Statistics in Business, Faculty of Commerce and Accountancy, Chulalongkorn University

Training

2020	• Successful Formulation & Execution the Strategy Thai Institute of Directors Association (IOD)	1989	• Project Finance-Real Estate Citicorp/ Citibank
2019	• Board Matters & Trends Agenda Thai Institute of Directors Association (IOD)	1988	• Fundamentals of Real Estate Citicorp/ Citibank • Senior Corporate Finance Seminar Citicorp/ Citibank
2018	• Role of the Chairman Program (RCP) Thai Institute of Directors Association (IOD) • Advanced Audit Committee Program (AAPC) Thai Institute of Directors Association (IOD)	1987	• Real Estate Technical Workshop Citicorp/ Citibank
2017	• Director Certification Program (DCP) Thai Institute of Directors Association (IOD)	1986	• Regional Credit Seminar Citicorp/ Citibank • Communication, Assertiveness & Presentation Skills Citicorp/ Citibank
1994	• International Syndicated Loan Euromoney, Hong Kong	1985	• Bourse Game Citicorp/ Citibank • Basic Trade Finance Citicorp/ Citibank
1993	• Valuation & Restructuring Citicorp/ Citibank		
1991	• Performance Appraisal Workshop Citicorp/ Citibank • Customer Focus Management Process Citicorp/ Citibank		
1990	• Managing People Citicorp/ Citibank		

% of KTC Shares Held

0%

2007 - 2010 • **Director**
BT Asset Management
Company Limited/ Mutual Fund

Family Relationship

None

2004 • **Managing Director**
Prime Nature Villa Company Limited/
Real Estate Developer

Work Experience

Listed Companies

Aug 2017 - Present • **Independent Director/ Chairman of the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee/ Nomination and Remuneration Committee**
Krungthai Card Public Company Limited/ Consumer Finance

1997 - 2002 • **President/ Director**
Bank of Ayudhaya Public Company Limited/
Commercial Banking

Sep 2019 - Present • **Independent Director/ Audit Committee**
Thai Oil Public Company Limited/
Oil Refinery

1996 - 2003 • **Director/ CEO**
Ayudhaya Insurance Public Company Limited/ Insurance

Jul 2020 - Present • **Independent Director/ Chairman of the Audit Committee**
Meta Corporation Public Company Limited/ Property & Construction

1998 - 2000 • **Chairman**
Ayudhaya Development Leasing Co., Ltd./ Leasing

1993 - 1997 • **President/ CEO**
Ayudhaya Investment & Trust Public Company Limited/
Finance & Securities

1993 - 1995 • **Chairman & Managing Director**
Citicorp Finance & Securities (Thailand) Ltd./ Finance & Securities

1989 - 1993 • **Vice President & Real Estate Head**
Citibank N.A./ Banking

Non-Listed Companies/ Other Organizations

2014 - Present • **Chief Advisor**
JWS Construction Group/
Construction

2005 - Present • **Managing Director**
Boathouse Hua Hin Co., Ltd./
Real Estate developer

Experience

2015 - 2019 • **Director and Executive Director**
Small and Medium Enterprise Development Bank of Thailand/
Banking

2012 - 2018 • **Director & CEO**
Ma Boonyong Real Estate Co., Ltd./
Real Estate Developer

2010 - 2013 • **Property Fund Advisory Committee**
CIMB Principal Asset Management Co., Ltd./
Asset Management

Board of Directors



Mrs. Nampung Wongsmith

Position

Independent Director/ Audit, Environmental, Social Responsibilities, and Corporate Governance Committee

Date of Appointment

October 30, 2019

Age

62

Education

- Master of Business Administration (Finance),
Oklahoma State University, USA
- Bachelor of Economics (International Economics),
Chulalongkorn University

Training

2018	• Role of Chairman Thai Institution of Directors Association (IOD)	2001	• Investment Insurance Training Multilateral Investment Guarantee Agency (MIGA), USA
2017	• Corporate Governance for Directors and Senior Executives of Regulator State Enterprises and Public Organizations Public Director Institution (King Prajadhipok's Institute)	2000	• Syndicated Loans Euromoney, H.K. • Managerial Grid Seminar Grid International, Thailand
2016	• Advanced Audit Committee Program Thai Institute of Directors Association (IOD)	1998	• Financial Modeling for Project Finance Euromoney, H.K. • Advanced Project Finance Euromoney, H.K.
2011	• Formerly RMA Leadership and Risk Management RMA Risk Management School, Scottsdale, Arizona, USA	1997	• Project Finance in Asia Euromoney, H.K. • Trade and Investment Insurance Training Program APEC, China
2009	• Mergers and Acquisitions Wharton School of Finance, University of Pennsylvania, Philadelphia, USA	1996	• S.W.I.F.T. Trainings in Technical, Alliances ACCESS, Foreign Exchange Money Markets, Alliance ENTRY, Alliance-Advanced Australia, England, and Brussels
2008	• Leadership Program Capital Market Academy	1995	• Negotiation Skills Institute for International Research, Thailand • Operations Training Program Corestates Bank, USA
2007	• Director Certificate Program Thai Institution of Directors Association (IOD)		
2006	• Energizing People for Performance Kellogg School of Management, Northwestern University, Illinois, USA		

	<ul style="list-style-type: none"> • S.W.I.F.T. Trainings in Basics, Systems Operations, Payments and Cash Management, Documentary Credit, Collections Singapore and H.K. 	2005 - 2012	<ul style="list-style-type: none"> • President Sukhumvit Asset Management Co., Ltd./ Asset Management
1993	<ul style="list-style-type: none"> • Banking in Vietnam, H.K. 	2003 - 2005	<ul style="list-style-type: none"> • Chief Executive Officer Central Credit Information Co., Ltd./ Regulator
1990	<ul style="list-style-type: none"> • The Art of Negotiation in International Trade 	2001 - 2003	<ul style="list-style-type: none"> • Deputy Manager Financial Institutions Development Fund (FIDF)/ Bank of Thailand/ Regulator
1989	<ul style="list-style-type: none"> • Correspondent Banking Conference, Singapore • Effective Credit Analysis, Thailand 		

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Oct 2019 - Present	<ul style="list-style-type: none"> • Independent Director/ Audit, Environmental, Social Responsibilities, and Corporate Governance Committee Krungthai Card Public Company Limited/ Consumer Finance
2018 - Present	<ul style="list-style-type: none"> • Independent Director CP ALL Public Company Limited/ Convenience Store
2014 - Present	<ul style="list-style-type: none"> • Independent Director Christiani & Nielsen (Thai) Public Company Limited/ Construction

Experience

2017 - 2019	<ul style="list-style-type: none"> • Independent Director Bank for Agriculture and Agricultural Cooperatives/ Banking
2017 - 2018	<ul style="list-style-type: none"> • Independent Director The Transport Co., Ltd./ State Enterprise
2015 - 2017	<ul style="list-style-type: none"> • Risk Management Committee Sukhumvit Asset Management Co., Ltd./ Asset Management

Board of Directors



Mr. Nathporn Chatusripitak

Position

Independent Director/ Audit, Environmental, Social Responsibilities, and Corporate Governance Committee

Date of Appointment

April 20, 2018

Age

45

Education

- Master of Business Administration (Finance), The Wharton School, University of Pennsylvania, USA
- Bachelor of Science Magna Cum Laude, Electrical Engineering: Control Systems, Brown University, USA

Training

2020	<ul style="list-style-type: none">• Certificate, IT Governance and Cyber Resilience Program (ITG) Thai Institute of Directors Association (IOD)• Certificate, Advanced Audit Committee Program (AACP) Thai Institute of Directors Association (IOD)
2019	<ul style="list-style-type: none">• Top Executive Program on China Business Insights and Network (TEPCIAN) University of the Thai Chamber of Commerce• Certificate, Financial Statement for Directors (FSD) Thai Institute of Directors Association (IOD)
2018	<ul style="list-style-type: none">• Certificate, Director Certification Program (DCP) Thai Institute of Directors Association (IOD)

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2018 - Present	<ul style="list-style-type: none">• Independent Director/ Audit, Environmental, Social Responsibilities, and Corporate Governance Committee Krungthai Card Public Company Limited/ Consumer Finance
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Non-Listed Companies/ Other Organizations

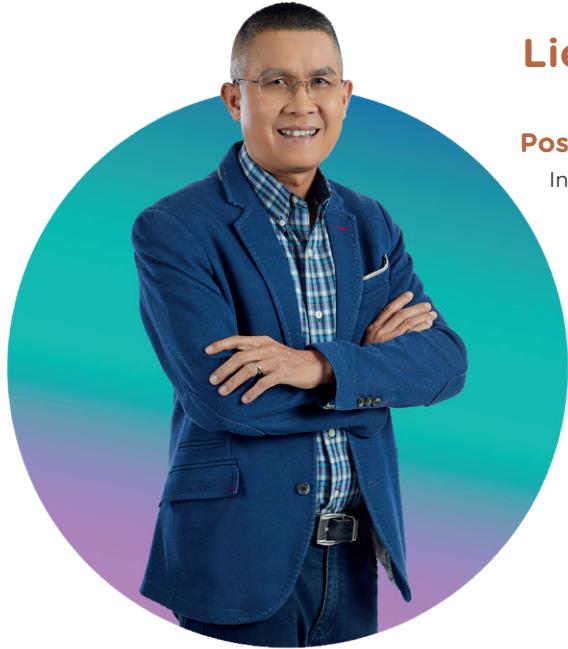
2019 - present	<ul style="list-style-type: none">• Member, National Economic and Social Development Council (NESDC)• Member, Competitiveness Promotion Subcommittee• Member, Broadening Opportunities and Promoting Equality in Society Subcommittee• Member, SMEs Development Subcommittee• Member, Economic Restructuring Subcommittee Office of National Economic and Social Development Council/ Government
2019 - present	<ul style="list-style-type: none">• Advisor to the Board Creative Economy Agency/ Public Organization

2019 - present	<ul style="list-style-type: none"> • Member, Program Promoting Committee, Spearhead Research and Innovation Program on Provincial and Regional Development <p>National Research Council of Thailand/ Government</p>	2017 – 2019	<ul style="list-style-type: none"> • Advisor to the Minister to the Office of the Prime Minister (Mr. Kobsak Pootrakool) <p>Office of the Prime Minister/ Government</p>
2018 - present	<ul style="list-style-type: none"> • Chairman, Thailand Future Foundation <p>Thailand Future Foundation/ Foundation</p>	2017 – 2019	<ul style="list-style-type: none"> • Advisor to the Minister of Commerce (Mr. Sontirat Sontijirawong) <p>Ministry of Commerce/ Government</p>
2018 - present	<ul style="list-style-type: none"> • Member, Creative Economy Policy Committee <p>Creative Economy Policy Committee/ Government</p>	2016 – 2017	<ul style="list-style-type: none"> • Advisor to the Minister to the Office of the Prime Minister (Mr. Suvit Maesincee) <p>Office of the Prime Minister/ Government</p>
2017 - present	<ul style="list-style-type: none"> • Member, National Economic Reform Committee <p>National Economic Reform Committee/ Government</p>	2015 – 2017	<ul style="list-style-type: none"> • Advisor to the Minister of Commerce (Ms. Apriradi Tantraporn) <p>Ministry of Commerce/ Government</p>
2017 - present	<ul style="list-style-type: none"> • Member, New Economy Academy board <p>Ministry of Commerce/ Government</p>	2014 – 2015	<ul style="list-style-type: none"> • Advisor to the Minister of Commerce (General Chatchai Sarikulya) <p>Ministry of Commerce/ Government</p>
		2012 - 2014	<ul style="list-style-type: none"> • Senior Strategist <p>Sasin Institute for Global Affairs/ Chulalongkorn University/ University</p>

Experience

2019 - 2020	<ul style="list-style-type: none"> • Advisor to the Deputy Prime Minister (Mr. Somkid Jatusripitak) <p>Office of the Prime Minister/ Government</p>
2018 - 2019	<ul style="list-style-type: none"> • Member, Country Reform Steering Committee <p>Country Reform Steering Committee/ Government</p>
2017 - Sep 2020	<ul style="list-style-type: none"> • Advisor to the Digital Economy Promotion Agency Director <p>Digital Economy Promotion Agency/ Public Organization</p>
2017 - 2019	<ul style="list-style-type: none"> • Spokesperson to the Deputy Prime Minister in charge of Economy <p>Office of the Prime Minister/ Government</p>
2017 - 2019	<ul style="list-style-type: none"> • Member, National Startup Committee <p>Office of the Prime Minister/ Government</p>

Board of Directors



Lieutenant General Apichat Chaiyadar

Position

Independent Director

Date of Appointment

December 16, 2016

Age

52

Education

- Master of Arts (International Relations), Chulalongkorn University
- Bachelor of Science, Chulachomklao Royal Military Academy

Training

2017 • Director Certification Program (DCP)
Thai Institute of Directors Association (IOD)

2003 • Diploma, Command and General Staff Officer Course Command and General Staff College, USA

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Dec 2016 - Present • **Independent Director**
Krungthai Card Public Company Limited/ Consumer Finance

Non-Listed Companies/ Other Organizations

Oct 2020 - Present • **Chief of office of Military Affairs Coordination to the MFA**
Office of the Permanent Secretary for Defence/ Ministry of Defence

Experience

2019 – Sep 2020 • **Deputy Director-General, Defence Energy Department**
Office of the Permanent Secretary for Defence/ Ministry of Defence

2018 - 2019 • **Chief of Staff, Defence Energy Department**
Office of the Permanent Secretary for Defence/ Ministry of Defence

2017 - 2018 • **Deputy Chief of Military Affairs Coordination officers to the MFA**
Office of the Permanent Secretary for Defence/ Ministry of Defence

2016 - 2017 • **Senior Expert**
Royal Thai Army/ Ministry of Defence/ Government

2015 - 2016 • **Senior Expert**
Office of The Permanent Secretary for Defence/ Ministry of Defence/ Government

2014 - 2015 • **Director**
Directorate of Intelligence/ Royal Thai Army/ Ministry of Defence/ Government

2011 - 2014 • **Military Attachés, Royal Thai Embassy, London**
Royal Thai Army/ Ministry of Defence/ Government

2003 - 2006 • **Instructor**
Command and General Staff College,
Royal Thai Army/ Educational Institute

Board of Directors



Mr. Pichit Jongsalismwang

Position

Director/ Nomination and Remuneration Committee

Date of Appointment

October 30, 2019

Age

39

Education

- Master of Business Administration, Majors in Management & Strategy, Finance, and Real Estate Management, Kellogg School of Management Northwestern University, Illinois USA
- Bachelor of Science in Commerce Majors in Finance, Accounting and Economics, McIntire School of Commerce University of Virginia, USA

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Oct 2019 - Present • **Director/ Nomination and Remuneration Committee**
Krungthai Card Public Company Limited/ Consumer Finance

2019 - Present • **First Executive Vice President Group Head**
Retail Banking Product and Strategy Group/ Krungthai Bank Public Company Limited/ Banking

Non-Listed Companies/ Other Organizations

2020 - Present • **Director**
Krungthai-AXA Life Insurance Public Company Limited/ Insurance

Experience

2018 - 2019 • **Co-Founder**
NestiFly Co., Ltd./ Fintech & Technology

2015 - 2017 • **Advisor to the President**
Head of Strategy and Projects/ Krungthai Bank Public Company Limited/ Banking

2013 - 2015 • **Executive Vice President**
Head of SME Segment/ TMB Bank Public Company Limited/ Banking

2011 - 2013 • **Vice President**
Strategy Group/ Total Access Communications/ Mobile Service

2005 - 2011 • **Engagement Manager**
McKinsey & Company/ Management Consulting

2003 - 2004 • **Certified Public Accountant (CPA), Auditor**
Deloitte & Touche LLP/ Audit & Professional Service

Board of Directors



Mrs. Praralee Ratanaprasartporn

Position

Director

Date of Appointment

April 5, 2019

Age

51

Education

- MBA (Finance), University of Alabama at Birmingham, USA
- BBA (Accounting) (Auditing), Thammasat University

Training

2019	<ul style="list-style-type: none">• Identify and Behavior Creation Krungthai Bank Public Company Limited• Strategy of Personal Data Protection Laws Chulalongkorn University	2016	<ul style="list-style-type: none">• Analytics Experience SAS Software, Italy• Asia Banking Analytics Roundtable McKinsey, Hong Kong• Director Certification Program (DCP) Thai Institute of Directors Association (IOD)
2018	<ul style="list-style-type: none">• Innovations Payment MasterCard, England• Fintech Strategy and Innovation Payment System Plug and Play and MasterCard, Singapore• SAS Global Forum 2018 (Executive Program) SAS Software, USA• Blockchain in Government Trueventus, Singapore• Singapore Fintech Festival 2018 Baker McKenzie, Singapore	2015	<ul style="list-style-type: none">• Executive Leadership Development Program (ELDP) 2015 Compass Institute, LEAD Business Institute with Cornell University
		2011	<ul style="list-style-type: none">• Advance Management Program 2011 INSEAD Business School-European Campus, France
2017	<ul style="list-style-type: none">• Co-Creation Workshop VISA International, Singapore• Innovations Payment MasterCard Asia/ Pacific, VISA International, MSI Global Private Limited, Singapore• Innovations Payment UnionPay International, China• Google Next 2017 Google Cloud Platform, APAC, USA		<p>% of KTC Shares Held 0%</p> <p>Family Relationship None</p>

Work Experience

Listed Companies

Oct 2019 - Present	<ul style="list-style-type: none">• Director Krungthai Card Public Company Limited/ Consumer Finance	2014 - 2016	<ul style="list-style-type: none">• First Executive Vice President Managing Director Retail Shared Services Group Krungthai Bank Public Company Limited/ Banking
2019 - Present	<ul style="list-style-type: none">• Senior Executive Vice President Head of Digital Solutions Group/ Acting Executive Vice President Business Innovation Team Krungthai Bank Public Company Limited/ Banking	2013 - 2014	<ul style="list-style-type: none">• Advisor to The President Krungthai Bank Public Company Limited/ Banking

Non-Listed Companies/ Other Organizations

Oct 2020 - Present	<ul style="list-style-type: none">• Director Infinitas by Krungthai Co., Ltd./ Digital Platform
2017 - Present	<ul style="list-style-type: none">• Director Krungthai-AXA Life Insurance Public Company Limited/ Insurance

Experience

2019 - Sep 2020	<ul style="list-style-type: none">• Director National Digital ID Co., Ltd.
2014 - Feb 2020	<ul style="list-style-type: none">• Chairman of Risk Management Committee/ Director KTB Leasing Co., Ltd./ Leasing
2018 - 2019	<ul style="list-style-type: none">• Senior Executive Vice President Managing Director Retail Shared Services Group, Data Innovation and Acting Business Innovation LAB Team Krungthai Bank Public Company Limited/ Banking
2016 - 2019	<ul style="list-style-type: none">• Senior Executive Vice President Managing Director Retail Shared Services Group and Data Innovation Krungthai Bank Public Company Limited/ Banking

Board of Directors



Mr. Rathian Srimongkol

Position

President & Chief Executive Officer/ Director

Date of Appointment

January 1, 2012

Age

61

Education

- Master's Degree, MBA, Thammasat University
- Master's Degree, M.P.A in General Administration, Suan Sunandha Rajabhat University
- Medical Degree, Faculty of Medicine Siriraj Hospital, Mahidol University
- Bachelor's Degree, Medical Science, Mahidol University

Training

2010 • Certificate, Leader Program (Class 11)
Capital Market Academy

2009 • Certificate, Financial Statements Demystified for Director (FDD)
Thai Institute of Directors Association (IOD)

2008 - 2009 • Diploma, National Defence College, The Joint State-Private Sector Course Class 51/21
National Defence College of Thailand

2008 • Certificate, Role of the Chairman Program (RCP)
Thai Institute of Directors Association (IOD)

• Public Director Certification Program (PDI)
King Prajadhipok's Institute

• Certificate, Economic Leader Forum (ELF)
The Thammasat Economics Association

2005 • Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9)
King Prajadhipok's Institute

2001 • Certificate, Directors Certification Program (DCP)
Thai Institute of Directors Association (IOD)

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2012 - Present • President & Chief Executive Officer/ Director
Krungthai Card Public Company Limited/ Consumer Finance

2018 - Present • Vice Chairman of the Board/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee/ Independent Director
Raimon Land Public Company Limited/ Property Development

2009 - Present • Vice Chairman of the Board/ Lead Independent Director/ Chairman of the Audit Committee/ Member of the Sustainability and Risk Management Committee
Indorama Ventures Public Company Limited/ Holding

Non-Listed Companies/ Other Organizations

Feb 2019 - Present • **Chairman**
Islamic Bank of Thailand/ Banking

2018 - Present • **Chairman**
Tobacco Authority of Thailand/
State Enterprise

2017 - Present • **Vice Chairman**
Thai Listed Companies Association/
Non-Profit Organization

Experience

2015 - 2017 • **Director**
Thai Listed Companies Association/
Non-Profit Organization

2013 - Nov 2020 • **Independent Director/ Chairman of
the Audit Committee/ Corporate
Governance Committee Member/
Nominating and Compensation
Committee Member**
One to One Contracts Public
Company Limited/ Service

2008 - 2010 • **Director**
TOT Public Company Limited/
Communication Business

2004 - 2012 • **Performance Agreement
Subcommittee Organization
Management (Internal Audit and
Internal Control)**
Ministry of Finance/ Government

2001 - 2012 • **Performance Agreement
Subcommittee (Energy Sector)**
Ministry of Finance/ Government

2001 - 2011 • **Executive Vice President**
Thanachart Bank Public Company
Limited (Siam City Bank Public
Company Limited)/ Banking

Executives



Mr. Rathian Srimongkol

Position

President & Chief Executive Officer/ Director

Date of Appointment

January 1, 2012

Age

61

Education

- Master's Degree, MBA, Thammasat University
- Master's Degree, M.P.A in General Administration, Suan Sunandha Rajabhat University
- Medical Degree, Faculty of Medicine Siriraj Hospital, Mahidol University
- Bachelor's Degree, Medical Science, Mahidol University

Training

2010	• Certificate, Leader Program (Class 11) Capital Market Academy
2009	• Certificate, Financial Statements Demystified for Director (FDD) Thai Institute of Directors Association (IOD)
2008 - 2009	• Diploma, National Defence College, The Joint State-Private Sector Course Class 51/21 National Defence College of Thailand
2008	• Certificate, Role of the Chairman Program (RCP) Thai Institute of Directors Association (IOD)
	• Public Director Certification Program (PDI) King Prajadhipok's Institute
	• Certificate, Economic Leader Forum (ELF) The Thammasat Economics Association
2005	• Certificate in Politics and Governance in Democratic Systems for Executives Course (Class 9) King Prajadhipok's Institute
2001	• Certificate, Directors Certification Program (DCP) Thai Institute of Directors Association (IOD)

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2012 - Present	• President & Chief Executive Officer/ Director Krungthai Card Public Company Limited/ Consumer Finance
2018 - Present	• Vice Chairman of the Board/ Chairman of Audit Committee/ Member of Nomination and Remuneration Committee/ Independent Director Raimon Land Public Company Limited/ Property Development
2009 - Present	• Vice Chairman of the Board/ Lead Independent Director/ Chairman of the Audit Committee/ Member of the Sustainability and Risk Management Committee Indorama Ventures Public Company Limited/ Holding

Non-Listed Companies/ Other Organizations

Feb 2019 - Present • **Chairman**
Islamic Bank of Thailand/ Banking

2018 - Present • **Chairman**
Tobacco Authority of Thailand/
State Enterprise

2017 - Present • **Vice Chairman**
Thai Listed Companies Association/
Non-Profit Organization

Experience

2015 - 2017 • **Director**
Thai Listed Companies Association/
Non-Profit Organization

2013 - Nov 2020 • **Independent Director/ Chairman of
the Audit Committee/ Corporate
Governance Committee Member/
Nominating and Compensation
Committee Member**
One to One Contracts Public
Company Limited/ Service

2008 - 2010 • **Director**
TOT Public Company Limited/
Communication Business

2004 - 2012 • **Performance Agreement
Subcommittee Organization
Management (Internal Audit and
Internal Control)**
Ministry of Finance/ Government

2001 - 2012 • **Performance Agreement
Subcommittee (Energy Sector)**
Ministry of Finance/ Government

2001 - 2011 • **Executive Vice President**
Thanachart Bank Public Company
Limited (Siam City Bank Public
Company Limited)/ Banking

Executives



Mr. Chutidej Chayuti

Position

Chief Financial Officer

The person taking the highest responsibility in finance and accounting

Date of Appointment

February 1, 2006

Age

58

Education

- Master's Degree, M.S. (Industrial Technology), Indiana State University, USA
- Master's Degree, MBA, Indiana State University, USA
- Bachelor's Degree, Commerce and Accountancy (Industrial Management), Thammasat University

Training

2020 • TLCA CFO: Data privacy law and cyber security law

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• TLCA CFO CPD: Update on taxes and foreign investment issues

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• TLCA CFO Professional Development Program: Capital structure and funding strategy

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• TLCA CFO Professional Development Program: Transfer pricing

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• Update on IFRS9 and other new standards

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

2019 • Deloitte Forum 2019: Future Accountant, Are You Ready?

Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd.
(Seven hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• TRFS Version 2019 and 2020 Practical Implication

Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd.
(Seven hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• TLCA CFO Professional Development Program

Thai Listed Companies Association
(Two hours of training for the person taking the highest responsibility in finance and accounting: CFO)

• Thai-Chinese Leadership Studies (TCL)

Huachiew Chalermprakiet University

• DJSI Corporate Sustainability Assessment (CSA) Coaching Program 2019 - 2020

The Stock Exchange of Thailand

2018 • Leadership Communication, Certificate Program 2018

Thailand Management Association (TMA)

2016	<ul style="list-style-type: none"> • Certificate, Capital Market Academy Leader Program Capital Market Academy (CMA) • Certificate, TLCA Leadership Development Program, (LDP) Thai Listed Companies Association • Certificate, TLCA Executive Development Program (EDP) Thai Listed Companies Association • Strategic Thinking PacRim Group • Crucial Conversation PacRim Group
2015	<ul style="list-style-type: none"> • Certificate, Thai Intelligent Investors Program Thai Investors Academy, Thai Investors Association

Experience

1998 - 2002	<ul style="list-style-type: none"> • Assistant Secretary General Financial Sector Restructuring Authority/ State Enterprise
1998	<ul style="list-style-type: none"> • Senior Vice President Financial Sector Restructuring Authority/ State Enterprise
1995 - 1998	<ul style="list-style-type: none"> • Vice President Planning and Financial Business Development Department and Office of The President/ Wall Street Finance and Securities Public Company Limited/ Financials and Securities

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2002 - Present	<ul style="list-style-type: none"> • Chief Financial Officer The person taking the highest responsibility in finance and accounting Corporate Finance/ Krungthai Card Public Company Limited/ Consumer Finance
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Non-Listed Companies/ Other Organizations

- None

Executives



Mr. Virach Paisitsavet

Position

Chief Operations Officer

Date of Appointment

February 16, 2012

Age

59

Education

- Master's Degree, Business Administration, Sripatum University
- MINI MBA, Chulalongkorn University
- Bachelor's Degree, Political Science, Ramkhamhaeng University
- Bachelor's Degree, Business Administration, Bangkok University

Training

2020 • Certificate, Advanced Master of Management (AMM) Class 5
Graduate School of Public Administration
National Institute of Development
Administration (GSPA NIDA)

2017 • Certificate, Digital Economy for Management (DE4M) Class 5
Institute of Research and Development for
Public Enterprises (IRDP)

2016 • Certificate, Leadership Succession
Program (LSP), Class 6
Institute of Research and Development for
Public Enterprises (IRDP)
• Certificate, Director Accreditation
Program (DAP)
Thai Institute of Directors Association (IOD)
• Certificate, Payment System
MasterCard University

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Jan 2017 - Present • Chief Operations Officer
Operations Control & Merchant
Service, Credit Acceptance,
Operations Support, Human
Resources/
Krungthai Card Public Company
Limited/ Consumer Finance

Non-Listed Companies/ Other Organizations

- None

Experience

2012 - Jan 2017 • Senior Executive Vice President
Operations/ Krungthai Card Public
Company Limited/ Consumer
Finance

2011 - 2012 • Senior Vice President
Lending Services Group/ Thanachart
Bank Public Company Limited/
Banking

2005 - 2011 • Senior Vice President
Card Operations Department/
Siam City Bank Public Company
Limited/ Banking

Experience

2002 - 2005 • **First Vice President**
Marketing and Retail Banking
Department/
Siam City Bank Public Company
Limited/ Banking

2001 - 2002 • **Senior Vice President**
Branch Administration Department/
Bangkok Metropolitan Bank Public
Company Limited/ Banking

Executives



Mr. Piyasak Tejasen

Position

Senior Executive Vice President-Distribution & Merchant Acquiring

Date of Appointment

August 15, 2005

Age

56

Education

- Master's Degree, Political Science, the School of Public Administration, University of Southern California, USA
- Bachelor's Degree, Political Science, Ramkhamhaeng University

Training

2019 • Processing and checking the vehicle/motorcycle analytical for credit approval
Watchararat Consultant Co., Ltd.

• Digital Sales Professional Training
dots.academy

• Personal Data Protection Act 2562 (2019)
Associate Professor
Kanathip Thongraweewong
-Privacy Laws Specialist

2018 • Leading Innovation with Design Thinking
SEAC

2016 • Thailand Insurance Leadership
Office of Insurance Commission,
Advance Insurance Institute

• Think on your Feet
Acomm & Image International

2015 • Leadership Program
PacRim Group

• Safety Officer at Executive Level
Pinthong Group Management and
Consultants Co., Ltd.

2000 • Global NPL Training
GE Commercial Finance Norwalk,
Connecticut, USA

1999 • Quality Training
GE Capital Thailand

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2002 - Present • Senior Executive Vice President
Distribution & Merchant Acquiring/
Krugthai Card Public Company
Limited/ Consumer Finance

Non-Listed Companies/ Other Organizations

- None

Experience

2019 -2020 • Board of Director and Chairman of
Nomination and Renumuration
Committee
Ampak Holding Co., Ltd.

1999 - 2002 • Human Resources Director
Human Resources and
Administration Department/
Bangkok Capital Alliance Company
Limited/ Financials

Executives



Mrs. Pittaya Vorapanyasakul

Position

Executive Vice President-Credit Card

Date of Appointment

February 17, 2014

Age

59

Education

- Bachelor's Degree, Travel Industry Management, University of Hawaii, USA

Training

2020	• Developing Internal Coach “Coaching Essentials and Principles Certification Program” AcComm Group
2019	• TLCA Executive Development Program (EDP) Class of Year 2020: Building Regional Leaders The Thai Listed Companies Association (TLCA)
2017	• Design Thinking Khun May Sripattanasakul, Lookkid Co., Ltd.
2016	• Strategic Thinking Pure & Simple PacRim Group
2015	• Leader as a Coach PacRim Group
2009	• Successful Formulation & Execution of Strategy (SFE) Thai Institute of Directors Association (IOD) • Monitoring the System of Internal Control and Risk Management (MIR) Thai Institute of Directors Association (IOD)

2006	• Advanced Audit Committee Program (AACP) Thai Institute of Directors Association (IOD) • Finance for Non-Finance Directors (FND) Thai Institute of Directors Association (IOD) • Management (MIR) 6/2009 Director Certification Program (DCP) Thai Institute of Directors Association (IOD)
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% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

1997 - Present	• Executive Vice President Credit Card/Krungthai Card Public Company Limited/ Consumer Finance
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Non-Listed Companies/ Other Organizations

- None

Experience

2005 - 2010 • **Director and Member of Audit Committee**
Krungthai Asset Management Public Company Limited/
Fund Management

2004 - 2005 • **Director**
KTC World Company Limited/
Travel Management

1993 - 1995 • **Manager**
National Key Accounts Department/
American Express (Thai) Company
Limited/ Credit Card

Executives



Mr. Khan Kachonboon

Position

Senior Executive Coach-Corporate Communications

Date of Appointment

June 16, 2020

Age

58

Education

- Master's Degree, MBA, United States International University (USIU), USA
- Bachelor's Degree, Business Administration (Marketing),
- Assumption University

Training

<p>2020 • Developing Internal Coach “Coaching Essentials and Principles Certification Program” AcComm Group</p> <p>2019 • Fast Track Digital Marketing for Credit Card” Class 1 Econsultancy, Singapore</p> <p>• Facebook Training Facebook, Thailand</p> <p>2018 • Corp Comm ... in the digital age The Stock Exchange of Thailand</p> <p>• TLCA Leadership Development Program (LDP): “Crafting agile strategies to enhance competitiveness of your organization” IMD and Thai Listed Companies Association (TLCA)</p> <p>• Digital PR & Content Strategy The Stock Exchange of Thailand</p> <p>• Digital Channel for PR 4.0 The Stock Exchange of Thailand</p> <p>2016 • Think on your Feet Acomm & Image International</p> <p>• Strategic Thinking Pure & Simple PacRim Group</p>	<p>2015 • Debt Collection Act B.E. 2558 for Management Krungthai Card Public Company Limited</p> <p>• Safety Officer for Management Level batch 2 Pinthong Group Management and Consultants Co., Ltd.</p> <p>• Leader as a Coach PacRim Group</p> <p>2014 • Risk and control self assessment Krungthai Card Public Company Limited</p> <p>• Credit Bureau Information for management and employees Krungthai Card Public Company Limited</p> <p>• Corporate Governance for Management (1st & 2nd Line) Krungthai Card Public Company Limited</p> <p>• Business Process Improvement for Executive PEOPLE APPROACH Krungthai Card Public Company Limited</p> <p>• Corporate Social Responsibility Krungthai Card Public Company Limited</p>
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% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2020 - Present • **Senior Executive Coach**
Corporate Communications/
Krunghai Card Public Company
Limited/ Consumer Finance

2003 - 2020 • **Executive Vice President**
Corporate Communications/
Krunghai Card Public Company
Limited/ Consumer Finance

Non-Listed Companies/ Other Organizations

- **None**

Experience

1995 - 2003 • **Senior Vice President**
J Walter Thompson Company
Limited/ Advertising

Executives



Mr. Bucha Sirichumsang

Position

Executive Vice President-Office of President & CEO/
Secretary of the Board of Directors

Date of Appointment

November 1, 2007

Age

58

Education

- Master's Degree, Business Administration (International Business), Rosary College, River Forest, Illinois, USA
- Barrister - at - Law, Institution of Legal Education, The Thai Bar Under The Royal Patronage
- Bachelor's Degree, Law, Chulalongkorn University

Training

2019 • Personal Data Protection Act 2019 and Thai Digital laws Related: Principles of law and practice

2018 • Corporate Responsibilities and Practices in Anti - Corruption
Faculty of Law Chulalongkorn University

2016 • Board Reporting Program (BRP)
Thai Institute of Directors (IOD)

• Law of Banking and Financial Institution Management
The Thai Institute of Banking and Finance Association

• Collections Management
The Thai Institute of Banking and Finance Association

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2004 - Present • Executive Vice President/
Secretary of the Board of Directors
Office of President & CEO/ Krungthai
Card Public Company Limited/
Consumer Finance

Non-Listed Companies/ Other Organizations

Experience

1999 - 2004 • Vice President
Legal Consultant Department/
KTBLAW Company Limited/
Law Counsel

1996 - 1999 • Assistant Vice President
Capital Market Services Department/
Krungthai Bank Public Company
Limited/ Banking

1994 - 1996 • Vice President
Managing Director's Office/
Ekachart Finance and Securities
Public Company Limited (EFS)/
Finance and Securities

Executives



Mr. Woottichai Jarernpol

Position

Executive Vice President - Information Technology

Date of Appointment

December 17, 2015

Age

59

Education

- Bachelor's Degree, Statistic, Chulalongkorn University

Training

2020

- Developing Internal Coach
“Coaching Essentials and Principles
Certificate Program”
AcComm Group
- 2020 Gartner Executive Programs
Gartner (Virtual Conference)

2017

- IT Management Program
Cisco Systems Inc.
- VMware Executive Leadership Summit
VMware Inc.
- 2017 Gartner Symposium Majestic Program
Gartner

2019

- IT Management Program 2019
Cisco Systems Inc.
- VMware Executive Leadership Summit 2019
VMware Inc.
- 2019 Gartner Executive Programs
Gartner
- Executive Summit AWS re: Invent 2019
AWS
- Visa-China Market Immersion

2015

- Leadership Program
PacRim Group

2018

- IT Management Program 2018
Cisco Systems Inc.
- VMware Executive Leadership Summit 2018
VMware Inc.
- 2018 Gartner Executive Programs
Gartner
- Oracle Leaders Circle 2018
Oracle
- Executive Summit AWS re: Invent 2018
AWS

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2008 - Present

- Executive Vice President
Information Technology/ Krungthai
Card Public Company Limited/
Consumer Finance

Non-Listed Companies/ Other Organizations

- None

Experience

2006 - 2008 • **Operation Director**
Operation/ OPPC (Thailand)
Company Limited/ IT Outsource

2005 - 2006 • **Senior Vice President**
Operation/ BT Leasing Company
Limited/ Financial

1998 - 2004 • **Vice President**
Information Technology/
AIG Finance (Thailand) Public
Company Limited/ Financial

1995 - 1997 • **Vice President**
Information Technology/
Nithipat Finance Public Company
Limited/ Financial

1990 - 1995 • **Assistant Vice President**
Information Technology/
Citibank N.A./ Banking

1983 - 1990 • **System Analyst**
Information Technology/
Siam Commercial Bank Public
Company Limited/ Banking

Executives



Mr. Sakda Chantrasuriyarat

Position

Senior Vice President-Compliance/ Assistant Secretary
for Audit Environmental Social and Governance Committee

Date of Appointment

May 1, 2014

Age

58

Education

- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Training

2020	<ul style="list-style-type: none">• E-Signature Krungthai Card Public Company Limited• Land inspection criteria, and the rules for registration of land Krungthai Card Public Company Limited• Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing: AML/ CTPF Training 2020 Anti-Money Laundering Officer	2018	<ul style="list-style-type: none">• EU General Data Protection Regulation-EU GDPR Faculty of Law Chulalongkorn University• General Data Protection Regulation (GDPR) KPMG Phoomchai Tax Ltd.• Guidelines for receiving property or any other benefits that are incentives for the offense. Krungthai Bank Public Company Limited• Fintech & Cryptocurrency vs. Law Enforcement Thammasart University and Faculty of Law• National Credit Bureau member 2018 National Credit Bureau• Standard course anti-money laundering and combatting the financing of terrorism for reporter Anti-Money Laundering Office, Class 2
2019	<ul style="list-style-type: none">• Business Management for Sustainability Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.• Information Security Management Systems (ISMS) Lead Auditor Standard ISO/IEC 27001:2013 Business improvement organization (BSI)• Personal Data Protection Act, BE 2562 (Process & Procedure) Kasetsart University Research and Development Institute together with Digital Media Laws Institution• “1st THAILAND DIGITAL ID SYMPOSIUM 2019” National Credit Bureau• Personal Data Protection Act, BE 2562 & Digital Act Krungthai Card Public Company Limited	2017	<ul style="list-style-type: none">• Annual Audit Committee Conference KTB Group 2017: AACC 2017 (Regulatory Landscape in Cybersecurity and Cybercrime) Krungthai Bank Public Company Limited• Keep up with Technological crime Krungthai Card Public Company Limited
2016		2016	<ul style="list-style-type: none">• CSR for Child-Friendly Business Krungthai Card Public Company Limited and Thaipat Institute

2015	<ul style="list-style-type: none"> • Safety Officer: Management Level, Class1 Krungthai Card Public Company Limited • Leader as a Coach (Workshop) Krungthai Card Public Company Limited
2014	<ul style="list-style-type: none"> • Corporate Governance Krungthai Card Public Company Limited • Corporate Social Responsibility (CSR-in Process) Krungthai Card Public Company Limited
2013	<ul style="list-style-type: none"> • Compliance Training Program, Class 1 The Securities and Exchange Commission, Thailand • Anti - Money Laundering Act and Counter Terrorism Finance Act Anti - Money Laundering Office (AMLO)

Experience

1993 - 2004	<ul style="list-style-type: none"> • Assistant Director Investment Management Supervision Department/ The Securities and Exchange Commission/ Regulator
1987 - 1993	<ul style="list-style-type: none"> • Bank Examiner Onsite Examination/ Bank of Thailand/ Regulator

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2014 - Present	<ul style="list-style-type: none"> • Senior Vice President/ Assistant Secretary for Audit Environmental Social and Governance Committee Compliance/ Krungthai Card Public Company Limited/ Consumer Finance
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Non-Listed Companies/ Other Organizations

- None

Experience

2006 - 2014	<ul style="list-style-type: none"> • Department Head Compliance Department/ Thanachart Bank Public Company Limited/ Banking
2005 - 2006	<ul style="list-style-type: none"> • Assistant Managing Director Compliance Function/ MFC Asset Management Public Company Limited/ Fund Management

Executives



Ms. Phichamon Jitpentham

Position

Senior Vice President-Personal Loans

Date of Appointment

May 1, 2018

Age

45

Education

- Bachelor's degree of Art, Mass Communication, Kasetsart University

Training

<p>2020 • Developing Internal Coach “Coaching Essentials and Principles Certificate Program” AcComm Group</p> <p>2019 • Design Thinking Standford Center for Professional Development • Facilitator Certification The 7 Habits of highly effective people • Fast Track Digital Marketing Eu Gene Ang • Personal Data Protection Act 2019 and Thai Digital laws Related: Principles of law and practice</p> <p>2018 • Business Model Canvas Workshop Alexander Osterwalder • Machine Learning for Business Dr. Santitham Prom-on, Big Data Experience Center, King Mongkut's University of Technology Thonburi • Data Analytics Enablement Program Data Cafe Thailand Co., Ltd. • Digital Disruption Experience Oracle Corporation (Thailand) Co., Ltd.</p>	<p>2017 • Design Thinking Khun May Sripattanasakul, Lookkid Co., Ltd. • Digital Marketing Innovation Forum 2017 Asia Dyna Forum Co., Ltd.</p> <p>2015 • Leadership Program PacRim Group Limited • Safety Officer at Executive Level Pinthong Group Management and Consultants Co., Ltd.</p> <p>2014 • Corporate Governance Krungthai Card Public Company Limited • CSR in Process Krungthai Card Public Company Limited • RCSA Krungthai Card Public Company Limited • Credit Bureau Krungthai Card Public Company Limited</p> <p>2012 • Blue Ocean Strategy Strategic Business Development</p>
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% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2001 - Present • **Senior Vice President**
Personal Loans/ Krungthai Card
Public Company Limited/
Consumer Finance

Non-Listed Companies/ Other Organizations

- None

Experience

1998 - 2001 • **Account Director**
Customer Management/ Dentsu
Young & Rubicam Co., Ltd./
Advertising Business

1997 - 1998 • **Account Executive**
Customer Management/
Damask BBDO Co., Ltd./
Advertising Business

Executives



Ms. Sirikalya Suthanyaphruet

Position

Senior Vice President-Corporate Communications and Online Acquisition

Date of Appointment

June 16, 2020

Age

47

Education

- Master of Business Administration in Marketing, College of Notre Dame, USA
- Bachelor of Business Administration, Assumption University

Training

2020 • Mckinsey Management Program (MMP)
• Developing Internal Coach
“Coaching Essentials and Principles Certificate Program”
AcComm Group

2019 • Advance Digital Marketing
Econsultancy, London

2018 • Design Thinking Boot Camp
SEAC
• Fast Track Digital Marketing
Econsultancy, Singapore

Non-Listed Companies/ Other Organizations

- None

Experience

2001 - 2003 • Section Manager
Yum Restaurant International/
Marketing/ Restaurant

1999 - 2001 • Account Director
BBDO Bangkok Company Limited/
Advertising

1997 - 1999 • Account Executive
Thai Hakuhodo Company Limited/
Advertising

1996 - 1997 • Account Executive
AMEX team advertising/ Advertising

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Jul 2003 - Present • Senior Vice President
Corporate Communications and
Online Acquisition/ Krungthai Card
Public Company Limited/ Consumer
Finance

Executives



Ms. Chanidapa Suriya

Position

Senior Vice President-Services Center and Process Development

Date of Appointment

September 1, 2020

Age

48

Education

- Master of Business Administration in Marketing
Ramkhamhaeng University
- Bachelor of Nursing Science
Khon Kaen University

Training

2020 • Certificate, Leadership Succession Program (LSP)
Institute of Research and Development for Public Enterprises (IRDP)

2019 • Certificate, Directors Certification Program (DCP)
Thai Institute of Directors Association (IOD)
• Certificate, Executive Young Professional (EYP)
Fiscal Policy Research Institute Foundation
• Certificate, ISO/IEC 27001:2013 Information Security Management Systems Lead Auditor
BSI Training Academy

2018 • Design Thinking
SEAC

2017 • Certificate, Managing Investment Portfolio
The Thai bond market association

2014 • Certificate, SixSigma Blackbelt
Thailand Productivity Institute

2010 • Certificate, TQA Assessor
Thailand Quality Award

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

Sep 2017 - Present • Senior Vice President
Services Center and Process
Development/Krungthai Card Public
Company Limited/ Consumer
Finance

Non-Listed Companies/ Other Organizations

2019 - Present • Chairman of the Board of Directors
KTC PICO (Bangkok) Ltd./
Pico Finance Service Business

2019 - Present • Chairman of the Board of Directors
KTC NANO Ltd./ Nano Finance
Service Business

Experience

2017 - 2018 • First Vice President Team Leader
Wealth Management Team/
Krungthai Bank Public Company
Limited/ Bank

2016 - 2017 • Vice President
Retail Strategy Division/ Krungthai
Bank Public Company Limited/ Bank

Experience

2015 - 2016 • **Vice President**
Strategic Management Division/
Krungthai Bank Public Company
Limited/ Bank

2013 - 2015 • **Senior Manager**
Process Improvement Department/
CFG Services Company Limited/
Consumer Finance

Executives



Ms. Rueankeaw Kasemsavatsri

Position

Vice President-KTC P BERM

Date of Appointment

September 1, 2020

Age

42

Education

- Master Degree in Marketing (MIM), Thammasat University
- Bachelor of Business Administration, majoring in Marketing, Chulalongkorn University

Training

2020	<ul style="list-style-type: none">• Digital Disruption Program TLCA & IMD• Developing Internal Coach “Coaching Essentials and Principles Certificate Program” AcComm Group• McKinsey Management Program TLCA & McKinsey• Fundamental of Digital Marketing Google garage	2016	<ul style="list-style-type: none">• Leadership Program PacRim Group
2019	<ul style="list-style-type: none">• Working Backward AWS	2015	<ul style="list-style-type: none">• Learning How to Learn: Powerful mental tools to help you master tough subjects Coursera
2018	<ul style="list-style-type: none">• Design Thinking Boot Camp SEAC• Big Data Analysis Data Café• Customer Experience Masterclass e-Consultant, London UK	2012	<ul style="list-style-type: none">• Blue Ocean Strategy Strategic Business Development Center Co, Ltd.
2017	<ul style="list-style-type: none">• Customer Experience Management CIM, London UK• Design Thinking Innovation LUKKID• Lean Six Sigma Green Belt Primex• Mindshift: Break Through Obstacles to Learning and Discover Your Hidden Potential Coursera• Introduction to User Experience Design Coursera		<p>% of KTC Shares Held 0%</p> <p>Family Relationship None</p> <p>Work Experience Listed Companies</p> <p>Feb 2011 - Present • Vice President KTC P BERM/ Krungthai Card Public Company Limited/ Consumer Finance</p>

Non-Listed Companies/ Other Organizations

May 2019 - Present • **Managing Director**
KTC PICO (Bangkok) Ltd./
Pico Finance Service Business

May 2019 - Present • **Director**
KTC NANO Ltd./
Nano Finance Service Business

Experience

2009 - 2010 • **Marketing Manager**
Aquarius Estate Co., Ltd.

2005 - 2009 • **Senior Marketing Executive**
Vacances Siam
(Club Med Thailand) Ltd.

2004 - 2005 • **Asst. Business Development Manager**
Aview Group Worldwide Co, Ltd.
(Event Marketing)

2000 - 2002 • **Marketing Executive**
TMB Asset Management Co, Ltd.

Internal Audit and Compliance



Mr. Pornchai Wijitburaphat

Position

Senior Vice President - Internal Audit

Date of Appointment

October 16, 2001

Age

53

Education

- Master's Degree, Business Administration, Burapha University
- Mini MBA, Chulalongkorn University
- Bachelor's Degree, Business Administration (Accounting), Ramkhamhaeng University

Training

<p>2020</p> <ul style="list-style-type: none">• Personal Data Protection Act for Internal Audit (PDPA for IA) Political Science Association of Kasetsart University• Requirement: Privacy Information Management ISO/IEC 27701:2019 BSI Group (Thailand) Co., Ltd.• Implementation: Privacy Information Management ISO/IEC 27701:2019 BSI Group (Thailand) Co., Ltd.• Internal Auditor: Privacy Information Management ISO/IEC 27701:2019 BSI Group (Thailand) Co., Ltd.• IIAT Annual Conference 2020: IA's New Value Proposal During and After the Crisis The Institute of Internal Auditor of Thailand	<ul style="list-style-type: none">• Value Creation and Enhancement for Listed Companies with the New COSO 2017 Enterprise Risk Management (ERM) Thammasat Business School, Thammasat University with Stock Exchange of Thailand• IIAT Annual Conference 2018: Transforming IA for the Digital Age The Institute of Internal Auditor of Thailand• Cybercrime-The Looming Threat to Global Economy Thai Listed Companies Association• Inaugural Corporate Governance Conference 2018, Bangkok-Building Trust in a Transforming economy Securities and Exchange Commission• CAE FORUM 2018 "Digitalization: Empower IA New Gen" The Institute of Internal Auditor of Thailand with Stock Exchange of Thailand
<p>2019</p> <ul style="list-style-type: none">• Lead Auditor ISO/IEC 27001:2013 British Standards Institution• Implementing ISO/IEC 27001:2013 British Standards Institution• IIAT Annual Conference 2019: INDISPENSABLE IA INSIGHTFUL, AGILE & INNOVATIVE The Institute of Internal Auditor of Thailand• CAE Forum 2019: Winning 5G and the 4th Industrial Revolution The Institute of Internal Auditor of Thailand	<ul style="list-style-type: none">• Thailand 4.0, Thriving in the 21st Century Through Security, Prosperity and Sustainability: Internal Audit Perspective The Institute of Internal Auditor of Thailand• Internal Audit in Disruptive Technology Federation of Accounting Professions Under The Royal Patronage of His Majesty The King• CAE Forum 2017 "Leading IA In the Era of Digital Disruption" The Institute of Internal Auditor of Thailand• Corporate Innovation Through Design Thinking LUKKID Group
<p>2018</p> <ul style="list-style-type: none">• "Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance" Stock Exchange of Thailand	

2008 • Certified Professional Internal Auditors
of Thailand (CPIAT-9)
The Institute of Internal Auditor of Thailand

2006 - 2007 • Certificate Endorsed Internal Auditing
Program
The Institute of Internal Auditors,
Chulalongkorn University

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2001 - Present • Senior Vice President
Internal Audit/ Krungthai Card
Public Company Limited/
Consumer Finance

Non-Listed Companies/ Other Organizations

• None

Experience

2000 - 2001 • Assistant Vice President
Internal Audit/ Bangkok Broadcasting
& TV Company Limited/ Media

1998 - 2000 • Manager
Internal Audit/ TSFC Securities
Limited/ Securities

1996 - 1998 • Assistant Manager
Internal Audit/ Nava Financial Public
Company Limited/
Finance and Securities

1993 - 1996 • Supervisor
Lending & Treasury Department/
Ekachart Finance and Securities
Public Company Limited (EFS)/
Finance and Securities

1991 - 1993 • Internal Auditor
Internal Audit/ Siam Commercial
Bank Public Company Limited/
Banking

Internal Audit and Compliance



Mr. Sakda Chantrasuriyarat

Position

Senior Vice President - Compliance/ Assistant Secretary for Audit
Environmental Social and Governance Committee

Date of Appointment

May 1, 2014

Age

58

Education

- Master of Accountancy, Chulalongkorn University
- Bachelor of Accountancy, Chulalongkorn University

Training

<p>2020</p> <ul style="list-style-type: none">• E-Signature Krunthai Card Public Company Limited• Land inspection criteria, and the rules for registration of land Krunthai Card Public Company Limited• Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing: AML/CTPF Training 2020 Anti-Money Laundering Officer	<p>2018</p> <ul style="list-style-type: none">• EU General Data Protection Regulation - EU GDPR Faculty of Law Chulalongkorn University• General Data Protection Regulation (GDPR) KPMG Phoomchai Tax Ltd.• Guidelines for receiving property or any other benefits that are incentives for the offense. Krunthai Bank Public Company Limited• Fintech & Cryptocurrency vs. Law Enforcement Thammasart University and Faculty of Law• National Credit Bureau member 2018 National Credit Bureau• Standard course anti-money laundering and combatting the financing of terrorism for reporter Anti-Money Laundering Office, Class 2
<p>2019</p> <ul style="list-style-type: none">• Business Management for Sustainability Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.• Information Security Management Systems (ISMS) Lead Auditor Standard ISO/IEC 27001:2013 Business improvement organization (BSI)• Personal Data Protection Act, BE 2562 (Process & Procedure) Kasetsart University Research and Development Institute together with Digital Media Laws Institution• “1st THAILAND DIGITAL ID SYMPOSIUM 2019” National Credit Bureau• Personal Data Protection Act, BE 2562 & Digital Act Krunthai Card Public Company Limited	<p>2017</p> <ul style="list-style-type: none">• Annual Audit Committee Conference KTB Group 2017: AACC 2017 (Regulatory Landscape in Cybersecurity and Cybercrime) Krunthai Bank Public Company Limited• Keep up with Technological crime Krunthai Card Public Company Limited
	<p>2016</p> <ul style="list-style-type: none">• CSR for Child-Friendly Business Krunthai Card Public Company Limited and Thaipat Institute

2015	<ul style="list-style-type: none"> • Safety Officer: Management Level, Class1 Krungthai Card Public Company Limited • Leader as a Coach (Workshop) Krungthai Card Public Company Limited
2014	<ul style="list-style-type: none"> • Corporate Governance Krungthai Card Public Company Limited • Corporate Social Responsibility (CSR-in Process) Krungthai Card Public Company Limited
2013	<ul style="list-style-type: none"> • Compliance Training Program, Class 1 The Securities and Exchange Commission, Thailand • Anti-Money Laundering Act and Counter Terrorism Finance Act Anti-Money Laundering Office (AMLO)

Experience

1993 - 2004	<ul style="list-style-type: none"> • Assistant Director Investment Management Supervision Department/ The Securities and Exchange Commission/ Regulator
1987 - 1993	<ul style="list-style-type: none"> • Bank Examiner Onsite Examination/ Bank of Thailand/ Regulator

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2014 - Present	<ul style="list-style-type: none"> • Senior Vice President/ Assistant Secretary for Audit Environmental Social and Governance Committee Compliance/ Krungthai Card Public Company Limited/ Consumer Finance
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Non-Listed Companies/ Other Organizations

- None

Experience

2006 - 2014	<ul style="list-style-type: none"> • Department Head Compliance Department/ Thanachart Bank Public Company Limited/ Banking
2005 - 2006	<ul style="list-style-type: none"> • Assistant Managing Director Compliance Function/ MFC Asset Management Public Company Limited/ Fund Management

Company Secretary



Mr. Peerapong Pitrpibulpatit

Position

Vice President - Legal Consult & Service/ Company Secretary

Date of Appointment

May 16, 2007

Age

51

Education

- Master of Arts Executive Program in Public Affairs, Ramkhamhaeng University
- Bachelor of Laws, Ramkhamhaeng University

Training

2018 • **Corporate Responsibilities and Practices in Anti-Corruption**
Faculty of Law, Chulalongkorn University

2017 • **Law Course on Tax Planning**
Lawyers Council Under the Royal Patronage

2016 • **Advances for Corporate Secretaries**
Thai Listed Companies Association

2015 • **Safety Officer: Management Level, Class 1**
Krunthai Card Public Company Limited

2011 • **Against Corrupt Inside Thailand**

2010 • **Director Nomination Best Practices**

2009 • **Diploma, AML Computer Based Training**
Anti - Money Laundering Office (AMLO)

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2007 - Present • **Vice President/ Company Secretary**
Legal Consult & Service/ Krunthai Card Public Company Limited/
Consumer Finance

Non-Listed Companies/ Other Organizations

Aug 2020 - Present • **Independent Director and Audit Committee**
Green Resources Public Company limited

Experience

1995 - 2007 • **Attorney at Law**
KTBLAW Company Limited/
State-Owned Enterprise

1993 - 1995 • **Legal Officer**
Legal Execution Department/
Ministry of Justice/ Government

Financial Controller



Ms. Pranee Rattakam

Position

Senior Vice President - Finance and Accounting

The person supervising accounting (Chief Accountant)

Date of Appointment

November 1, 2003

Age

56

Education

- Master of Business Administration, Chulalongkorn University (Executive Program)
- Graduate Diploma in Auditing, Chulalongkorn University
- Bachelor of Accounting, Chulalongkorn University
- Certified Public Accountant (CPA)

Training

<p>2020</p> <ul style="list-style-type: none">• Insight into the core issues of financial reporting standards for accounting SMEs/ NPAEs/ PAEs Compare with the Revenue Tax Regulations Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Six hours of training for The person supervising accounting: Chief Accountant)• Budget for Planning and Profit Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Six hours of training for The person supervising accounting: Chief Accountant)• Business Combination and Advanced Consolidation Workshop for members and individuals Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Twelve hours of training for The person supervising accounting: Chief Accountant)• Update the latest e-Payment laws, criteria and methods for preparing e-Tax Invoice & e-Receipt, e-Withholding Tax and e-Filing. Dharmniti Seminar and Training Co., Ltd. (Six hours of training for The person supervising accounting: Chief Accountant)	<ul style="list-style-type: none">• Concept and adaptation of accountants and management. Auditing in the Digital - Covid era. Department of Business Development (Seven hours of training for The person supervising accounting: Chief Accountant)• Management Accounting for Planning and Decision Making Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Seven hours of training for The person supervising accounting: Chief Accountant)
<p>2019</p> <ul style="list-style-type: none">• Catch up with New Thai Financial Reporting Standards which are effective on 2019 and 2020 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Six hours of training for The person supervising accounting: Chief Accountant)• Understanding for the Fundamental of TFRS 9 (for Bank and Non-bank Industry) Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Six hours of training for The person supervising accounting: Chief Accountant)• Financial statement analysis and understanding of monetary values in order to create added value for the business Department of Business Development (Seven hours of training for The person supervising accounting: Chief Accountant)	

	<ul style="list-style-type: none"> • Deloitte Forum 2019: TFRS Version 2019 and 2020 Practical Implication Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Seven hours of training for The person supervising accounting: Chief Accountant) • TFAC Conference 2019: Future of Finance-Digital Disruption Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (Five hours of training for The person supervising accounting: Chief Accountant) • Deloitte Forum 2019: Future Accounting, Are You Ready? Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. (Seven hours of training for The person supervising accounting: Chief Accountant) • Development of accounting system in Digital economy Federation of Accounting Professions Under the Royal Patronage of His Majesty The King (Six hours of training for The person supervising accounting: Chief Accountant) 	
2018	<ul style="list-style-type: none"> • Business in the digital age and challenges for accountants 4.0 Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. • Financial accounting executives workshop value-added and business sustainability by Thailand 4.0 model Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Corporate Finance course 2/2018 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Keeping up with law and standards 1-TSA 250 course 1/2018 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • TFRS9 Workshop impairment of financial asset for leasing and Consumer Finance Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Get Ready for Robotic Process Automation (RPA) for Digital Accountants Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. • CPA conference 2018 - Future of Audit Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 	
2017	<ul style="list-style-type: none"> • E-tax invoice rules and procedure Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Auditing and issues to consider when computers are used to process data course 1/2017 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Integrated Reporting course 1/2017 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Business assessment via financial statements course 2/2017 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Best practice 2/2017 revenue and receivables management Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 	
2016	<ul style="list-style-type: none"> • Draft financial reporting standard for financial instruments course (TFRS 9, TFRS 7 and TAS 32) Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 	
2015	<ul style="list-style-type: none"> • Overview of Thai audit standard class 2/2015 Federation of Accounting Professions Under The Royal Patronage of His Majesty The King • Financial accounting disclosures via electronic filings Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 	
2014	<ul style="list-style-type: none"> • Financial reporting standard workshop Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. • XBRL for financial reporting in the digital age Federation of Accounting Professions Under The Royal Patronage of His Majesty The King 	
2009	<ul style="list-style-type: none"> • DAP 79/2009 course Thai Institute of Directors 	

% of KTC Shares Held

0%

Family Relationship

None

Work Experience

Listed Companies

2003 - Present • **Senior Vice President**
Finance and Accounting/ Krungthai
Card Public Company Limited/
Consumer Finance

2010 - Present • **Independent director/**
Audit Committee
Aqua Corporation Public Company
Limited/ Investment

Apr 2016 - Present • **Independent director/**
Audit Committee
Wiik & Hoeglund Public Company
Limited/ Construction material
business

Non-Listed Companies/ Other Organizations

- None

Experience

1999 – 2003 • **General Manager**
Robison Department Store Plc./
subsidiaries operate department
stores and shopping malls.

1997 – 1999 • **Vice President**
Office of President/ The Thai Bond
Dealing Centre/ Bond Trading Center

1993 – 1997 • **Vice President**
Finance and Accounting/ Ekkapat
Finance & Securities Plc./
Finance and Securities

Details about Directors of Subsidiaries Company

Details about Directors, Executives, persons with controlling power that are the Directors in Krungthai Card Public Company Limited, Subsidiaries and the Related companies.

NAME LIST	Krungthai Card Public Company Limited	SUBSIDIARIES		RELATED COMPANIES																
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Mr. Parinya Patanaphakdee	A,N			S														A,G		
Mr. Praphaisith Tankeyura	G,C,O				G,F	R	H												G,T	
Mrs. Nampung Wongsmith	G,E							G	G											
Mr. Nathporn Chatusripitak	G,E																			
Lieutenant General Apichat Chaiyadar	G																			
Mr. Pichit Jongsaliswang	I,O			J					I											
Mrs. Praralee Ratanaprasartporn	I			K,L					I	I										
Mr. Rathian Srimongkol	M,I										B,F, P,G	B,D, F,Q	A	A						
Ms. Chanidapa Suriya	V	A	A																	
Ms. Rueankeaw Kasemsavatsri	U	H	I																	
Mr. Peerapong Pittpibulpatit	U,W																		G,T	
Ms. Pranee Rattakam	V																	G,T	G,T	

Remark

A = Chairman of the Board of Directors	B = Vice Chairman of the Board	C = Chairman of the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee
D = Lead Independent Director	E = Audit, Environmental, Social Responsibilities, and Corporate Governance Committee	F = Chairman of Audit Committee
G = Independent director	H = Managing Director	I = Director
J = First Executive Vice President Group Head	K = Senior Executive Vice President Head	L = Acting Executive Vice President Business
M = President & Chief Executive Officer	N = Chairman of Nomination and Remuneration Committee	O = Nomination and Remuneration Committee
P = Member of Nomination and Remuneration Committee	Q = Committee/ Member of the Sustainability and Risk Management Committee	R = Chief Advisor
S = Oriented Specialist for Debt Restructuring and Related Fields	T = Audit Committee	U = Vice President
V = Senior Vice President	W = Company Secretary	

The Subsidiaries and the related companies name lists are shown in numbers as below.

1 = KTC PICO (Bangkok) Co., Ltd.	2 = KTC NANO Co., Ltd.	3 = Krungthai Bank Public Company Limited
4 = Meta Corporation Public Company Limited	5 = JWS Construction Group	6 = Boathouse Hua Hin Co., Ltd.
7 = CP ALL Public Company Limited	8 = Christiani & Nielsen (Thai) Public Company Limited	9 = Krungthai-AXA Life Insurance Public Company Limited
10 = Infinitas by Krungthai Co., Ltd.	11 = Raimon Land Public Company Limited	12 = Indorama Ventures Public Company Limited
13 = Islamic Bank of Thailand	14 = Tobacco Authority of Thailand	15 = Government Housing Bank
16 = Thai Oil Public Company Limited	17 = Aqua Corporation Public Company Limited	18 = Wiik & Hoeglund Public Company Limited
19 = Green Resources Public Company Limited		



Corporate Group Structure and Business Operations



Company Overview and Policy

Company Background

Krungthai Card Public Company Limited (“the Company” or “KTC”) operates a credit card business including credit card related business, merchant acquiring business, payment service as well as a personal loan business. KTC was registered as a juristic person on December 4, 1996, with an initial authorized capital of 50 million Baht, and was transformed into a public company limited under the name of Krungthai Card Public Company Limited on July 2, 2002. Later, on September 9, 2002, an extraordinary general meeting had resolved to increase the Company’s authorized capital with the addition of 950 million Baht by means of right offerings to Krungthai Bank Public Company Limited as a former shareholder for 44 million shares and public offerings for 51 million shares. Hence, the total authorized capital was raised to 1,000 million Baht with a total of 100 million shares. And, on October 28, 2002, the Company was listed in the Stock Exchange of Thailand.

On December 12, 2002, the extraordinary general meeting of the Company had a resolution to raise additional authorized capital of 50 million Baht, which was allotted for 5 million shares at par value of 10 Baht each, as a reserve for the exercising of stock warrants issued and offered to employees following the ESOP program. Afterwards, on November 3, 2003, the extraordinary general meeting had agreed on a resolution to increase another 1,530,162,000 Baht by right offerings of 150 million shares to existing shareholders with a ratio of 1:1.5 and had allocated 3,016,200 shares to prepare for the additional right-exercising of the warrant holders under ESOP program which was resulted from the change in warrant exercise ratio. Consequently, as of December 31, 2003, the Company had a total authorized capital of 2,580,162,000 Baht and paid-up capital totaling 2.5 million Baht. However, on March 17, 2008,

the 5-year stock warrants had reached its expiry date. As of December 31, 2008, total number of people who exercised the warrants was 4,885,950 contracts whereas 114,050 contracts were not exercised. Therefore, the remaining common shares after warrant exercising were at 182,793 shares.

On April 30, 2009, the General Annual Meeting had agreed to reduce its authorized capital from 2,580,162,000 Baht to 2,578,334,070 Baht by canceling 182,793 common shares which had already been registered but had not yet been publicly offered, with par value of 10 Baht per share. These were remaining shares from the right-exercising of stock warrants issued and offered to the Company’s management and employees under ESOP program which were already expired. And, the Company had already registered the decrease of authorized capital with the Ministry of Commerce on May 12, 2009.

On July 6, 2018, the General Annual Meeting had resolved to change the Company’s par value from 10 Baht per share to 1 Baht per share. The change was registered on July 9, 2018, resulting in an increase in total number of shares from 257,833,407 to 2,578,334,070 and had already been registered with the Ministry of Commerce.

As of December 31, 2020, the Company had a total registered capital and paid-up capital of 2,578,334,070 Baht with a total of approximately 3.4 million accounts which consisted of 2,575,684 credit card accounts and 814,329 personal loan accounts.

The Company had received business excellence awards for its credit card service during the past years as follows.

2018

- KTC received the “Champion Security Award South-East Asia” organized by Visa International to acknowledge Visa’s alliance members with outstanding performances and operations. The winners were nominated based on their exemplary efforts in risk management, along with their robust and steady performances, and those that shown strong commitments and cooperation of risk engagements as well as digital leadership. KTC was the sole Thai financial institution to receive such award.

2019

- KTC, for the second consecutive year, received the “Thailand’s Top Corporate Brand Value 2019” award jointly organized by the Master in Branding and Marketing Program under the Faculty of Commerce and Accountancy, Chulalongkorn University, the Stock Exchange of Thailand, and Manager Media Group. KTC’s brand value increased from 18,815 million Baht in 2018 to 45,363 million Baht in 2019.

2020

- KTC, in a 3-year streak, received the “Thailand’s Top Corporate Brand Value 2020” award under the Financial Business category with its brand value in 2020 of 57,060 million baht, higher from 45,363 million baht in 2019. KTC was granted this award at ASEAN and Thailand’s Top Corporate Brands 2020 event jointly held by Chulalongkorn University and the Stock Exchange of Thailand in which the corporate brand value is calculated based on the CBS Valuation (Corporate Brand Success Valuation) formula that incorporates marketing, finance, and accounting ideas together.

Apart from its credit card business, KTC also received other notable awards as follows.

2018

- KTC received the “Top Agent Award 2018” from Japan National Tourism Organization (JNTO).

2019

- KTC received ISO/IEC 27001:2013 Certificate for ISMS-Information Security Management System from BSI Group (Thailand) Company Limited.
- KTC received 2 honorary awards for the “Best CEO Awards” and the “Outstanding Company Performance Awards”. KTC was also granted an honorary plaque as KTC was selected for inclusion in Thailand Sustainability Investment (THSI) 2019 list at the SET Awards 2019 event jointly organized by the Stock Exchange of Thailand and Money & Banking Magazine. These are an extension of achievement 2019 received in 2016 in which KTC was granted, from the SET Awards event, 3 awards which were Outstanding Company Performance Awards, Outstanding Young Rising Star CEO Awards, and Outstanding Investor Relation Awards.
- KTC received a “100%” rating from the 2019 Annual General Meeting Quality survey conducted by the Thai Investors Association, Thai Listed Companies Association, and the Securities and Exchange Commission in which KTC was also granted this award in 2017.

2020

- KTC was selected for the second consecutive year for inclusion in Thailand Sustainability Investment (THSI) 2020 list at the event organized by the Stock of Exchange of Thailand. This affirms KTC’s commitment in its development of sustainable business.
- KTC was chosen for the fifth consecutive year from 2016 to 2020 by Thaipat Institute as one of the 100 listed companies with outstanding performance in Environmental, Social and Governance aspects.
- KTC received for the fifth consecutive year from 2016 to 2020 “Excellent” score in the Corporate Governance Report of Thai Listed Companies survey conducted by the Thai Institute of Directors Association (IOD).
- KTC was granted 2 international standard certificates, ISO/IEC 27701:2019 Personal Information Management System and ISO/IEC 27001:2013 Information Security Management System for the entire firm as a financial service provider, and the first and only company in Thailand to be accredited. Customers can be assured that all information of KTC customers and users of all sectors will be secured under an efficient management system. In addition, KTC received ISO/IEC 27001:2013 Certificate for ISMS-Information Security Management System for the second consecutive year.
- KTC received the “ASEAN CG Scorecard 2020” award under the ASEAN Asset Class PLCs category which was rewarded to registered Thai companies with an average score of 97.50 or above in the ASEAN region. Out of 135 companies, KTC is one of 42 registered Thai companies with the most accolades in the ASEAN community, as declared in the 2020

2020

ASEAN CG Scorecard (ACGS) prize announcement ceremony held at the end of 2020. The event was sponsored by the ASEAN Capital Markets Forum (ACMF) and the Asian Development Bank (ADB) to honor and commemorate ASEAN listed companies that have undertook their businesses adhered to the principles of excellent corporate governance. The assessor is the corporate governance expert of each country. The evaluator in Thailand was the Thai Institute of Directors Association (IOD).

Company Visions, Objectives, and Strategies

Visions: KTC is a membership company in payment and retail lending business with sustainability as key element.

KTC places great importance on the continuous improvement of product and services quality. Supporting the advancement of changing financial technology to create a good experience for all stakeholders. The reason that made KTC successful for more than 24 years is due to the cooperation of employees of all levels that recognize the value of the brand and involvement with the organization through the creation of a long company culture.

KTC also provides support and opportunity for employees to learn and develop systematic thinking skills, together with the use of technology as a part of working process and data analysis, as well as the maintenance of the member database to be up to date and secure according to international standards. Thus, KTC's products and services has gained trust and respond to the expectations of members as needed and very quickly.

In addition, the management also pays attention to the development and improvement of working process continuously by focusing on coordination and harmony. This resulted in flexibility in work and cooperation, as well as engaging both inside and outside effectively, which can be seen from an example of coordinating the debt collection process.

Above all, we believe that success does not happen from only inside the company. KTC therefore has the determination to build friendship and take care of all stakeholders, as well as business partners at all levels to grow and have sustainable profits together, to build confidence and create appropriate returns for investors under business operations that are transparent and in accordance with the good governance principles.

Key Events and Developments 2018 - 2020

2018

- In October 2018, KTC developed a system to support a connection between its mobile application "TapKTC" and Krungthai Bank's mobile application "Krungthai Next" to enhance convenience for cardmembers. Cardmembers are able to view information of their KTC cards via Krungthai Next mobile application whereas their Krungthai Bank's savings/ current accounts can be viewed via TapKTC mobile application. Also, a KTC credit card payment menu was added to TapKTC application. By doing so, KTC cardmembers with accounts in Krungthai Next application will be able to make payment for their KTC credit cards directly via TapKTC application without having to switch to Krungthai Next application.
- In November 2018, KTC has changed its mobile application name from "TapKTC" to "KTC Mobile" for more practical name.
- KTC was one of the three financial institutions in Thailand to promote new format of credit card payment via wearable devices "Fitbit Pay" and "Garmin Pay", which have been effective since October 11 and November 15, 2018, respectively, and support credit cards issued by 3 financial institutions: KTC, SCB and Kbank.
- In November 2018, to celebrated their 13th partnership anniversary and Bangkok Airway's 50th anniversary, KTC and Bangkok Airways jointly issued 5 new credit card designs, KTC X- BANGKOK AIRWAYS VISA SIGNATURE, KTC-BANGKOK AIRWAYS VISA SIGNATURE, KTC X- BANGKOK AIRWAYS WORLD REWARDS MASTERCARD, KTC-BANGKOK AIRWAYS WORLD REWARDS MASTERCARD, and KTC-BANGKOK

2018

AIRWAYS JCB PLATINUM, and enhanced privileges for cardmembers of KTC-BANGKOK AIRWAYS VISA PLATINUM and KTC-BANGKOK AIRWAYS PLATINUM MASTERCARD. Such actions were done to ensure more special privileges and cover all network alliances including MasterCard, Visa, and JCB in order to suit any of member choosing. Special privileges were also offered to satisfy various member demands and lifestyles such as receive KTC FOREVER points up to 4 times, fly faster with the redemption of 1.5 KTC FOREVER points for 1 Flyer Bonus point, gain access of Blue Ribbon Club Lounge up to 4 times, and free additional 10 kg baggage allowance.

2019

- KTC changed the names of the following products, effective from February 1, 2019
 - KTC PROUD was changed to “KTC PROUD Cash Card”
 - KTC FOREVER REWARDS was changed to “KTC FOREVER point”
 - KTC FLEXI was changed to “Installment payment with KTC card”
 - ClickKTC was changed to “KTC Online”
- KTC extended its CSR projects by organizing “KTC LEARN & EARN” for the 16th consecutive year. This program provides the opportunity for undergraduate students from universities throughout the country to spend fruitful time by working part time with KTC in order to discover and develop their potentials.
- In April 2019, KTC redesigned its websites, www.ktc.co.th, www.ktc.co.th/ktcworld, and www.ktc.co.th/onlineservice to improve user experience, enhance search engine, and respond to changes in consumer behavior. This was done by improving the speed of data display and focusing more on mobile access than computer access (Mobile First). Mobile access accounted for over 80% of total access on the website, and was likely to increase further.
- In April 2019, KTC developed “KTC Promo” application to connect with “KTC Mobile” application to conveniently enable cardmembers to easily search for every KTC promotion as well as to be able to 2019 directly register for special privileges via the application. E-Coupon display was also improved for more practical use.
- In April 2019, KTC redesigned KTC Online to enhance cardmembers experience for services such as total spending balance, points redemption, payment for goods and other services by offering another alternative with easy access thru website <http://www.ktc.co.th/online> which support every access devices including computers, tablets, mobile phones or devices with any operating systems, and is designed for Mobile Responsive.
- In June 2019, KTC and UnionPay who is the leader of global payment network jointly offered unforgettable experience to KTC members travelling to Greater China by launching “KTC UNIONPAY” credit card with 3 card types which are KTC UNIONPAY PLATINUM (for those with an income of 15,000 Baht or more), KTC UNIONPAY DIAMOND (for those with an income of 50,000 Baht or more), and KTC UNIONPAY ASIA PRESTIGE DIAMOND (by invitation only). All three credit cards were distinctively designed based on the concept of elegant modern china. KTC UNIONPAY cardmembers can enjoy privileges when spending in China, Hong Kong, Macau and Taiwan, and simultaneously earn up to 3 times of KTC FOREVER points. KTC UNIONPAY also support contactless payments at UnionPay merchants worldwide.
- In September 2019, KTC was the first in Southeast Asia to jointly launch with MasterCard a tokenized e-Commerce payment using the technology “Mastercard Digital Enablement Services (MDES) for Merchants”. Such technology provides consumers with more secured e-Commerce transactions and strengthens trust between online merchants and consumers. It is also capable of transforming all connected devices into payment-capable devices such as Apple Pay, Google Pay, and Samsung Pay, including wearable devices like Fitbit and Garmin. Meanwhile, MDES for Merchants extended its industry leading tokenization technology to all types of online transactions, allowing card issuers to replace sensitive account numbers displayed on a merchant website or payment application with a unique token code. Furthermore, a token code provides an extra layer of protection by applying dynamic Cryptogram which yields a unique number for each transaction, hence minimizing the risk of data theft and simultaneously offering comfort to consumers and merchants.

2019

- KTC organized “KTC OFFER Education for Self-Empowerment and Sustainable Growth” project to collectively improve financial literacy of Bachelor of Economics students at Srinakarinwirot University Prasarnmit. KTC executives were guest speakers to share their financial knowledge to benefit students’ education, personal life, and future careers.
- KTC was granted a license to operate provincial retail lending under supervision of Pico Plus business for KTC Pico Company Limited (Bangkok)/ (Chonburi)/ (Pathum Thani)/ (Samut Prakarn)/ (Samut Sakhon). KTC was also granted a license to operate retail lending for the purpose of business undertaking under supervision for KTC Nano Company Limited.
- The Annual General Meeting of Shareholders held on April 5, 2019 had resolved to appoint Mrs. Praralee Ratanaprasartporn as a Director in place of Mrs. Sriprabha Pringpong who notified not to extend her term due to her other important commitments.
- The Board of Directors’ Meeting No. 12/2562, held on October 30, 2019, had a resolution to appoint Mrs. Nampung Wongsmith and Mr. Pichit Jongsalismwang as members of the Board of Directors, effective since October 30, 2019.
- KTC received membership renewal certificate for Thailand’s Private Sector Collective Action Coalition Against Corruption with a duration from May 21, 2019 to May 21, 2022.
- In 2019, KTC issued its debentures 4 times, 5 series with a total value of 6,115 million Baht, maturing between 2 to 10 years with annual interests ranging from 2.40% to 3.20%.

2020

- KTC handed over 10,777 Isolation Gowns or single-use gowns made from plastic and waterproof Spunbond fabric with a grand total value of 555,302 Baht to Ramadhibodi Chakri Naruebodindra Hospital to pass over to medical personnel for use to prevent infection from COVID-19 patients and reduce contamination during work.
- KTC handed over 2 million Baht into “COVID-19 Transmission Prevention and Aid” special fund, which was established by the Faculty of Medicine Ramathibodi and Ramathibodi Foundation in support of the purchase of special Continuous Renal Replacement Therapy machines (CRRT) specifically for COVID-19 patients. Besides extracorporeal membrane oxygenation and respirator devices, the CRRT is a crucial medical device necessary to prevent against and combat the COVID-19 outbreak that is rapidly spreading.
- KTC reduced its interest rate ceiling and credit line usage fee according to the standard set by the Bank of Thailand without notification from cardmembers. For all KTC credit card types, interest rate plus credit usage fee rate is up to 16% annually. For “KTC PROUD” Revolving Loan and “KTC CASH” Multipurpose loan cards, overall interest and credit usage fee is at maximum rate of 25% annually. KTC also lowers its installment rates for credit cards from originally 10% to 5% from April 2020 to 2021, to 8% in 2022, and back to 10% in 2023 onwards. Meanwhile, “KTC PROUD” Revolving Loan debtors currently receive a minimum installment payment rate of 3% which is already within the relief guideline. In addition, KTC provides relief programs for retail debtors who have been directly affected by the COVID-19 outbreak such as restructuring debt to long term loan, reducing installment payment by 30% etc., in which the ending of relief period has extended to June 30, 2021.
- KTC organized “Education for Self-Empowerment and Sustainable Growth” project to build a mushroom packing nursery for hearing impaired students at Setsatian School for the Deaf under the Royal Patronage of His Royal Highness Crown Prince Maha Vajiralongkorn in 2019, and further broaden this knowledge sharing to Thungmahamek School for the Deaf in 2020. The program consisted of 12 afterschool classes with both theoretical and practical lessons on full process of organic mushroom cultivation, including branding techniques, packaging design, along with financial management. Such

program was offered as an alternative for students to develop the knowledge gained into a career, to generate income and to manage finances so as to achieve sustainable and comfortable life. This program also helped the schools reduce their lunch costs. In addition, such knowledge of self-sufficient agriculture was passed on and shared to “KTC PROUD” cash cardmembers in which the students of Setsatian School who passed the first year of this project training joined as guest speakers.

- KTC has consecutively organized “KTC PR Press Club” event for over 10 years to affirm its stance as a Thai financial institution by promoting to reserve Thai cultures as well as traditional communities with historical values that are possibly forgotten. By acting as an intermediary to attract attention and raise awareness in the Thai society, the Company has organized exclusive trips to present interesting stories via the press.
- KTC organized the “KTC FIT Talks 6: Delve into the effects of TFRS 9 implementation”, by having Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as a guest speaker, to foster proper knowledge and understanding about the reactions from Thai financial institutions including related changes, risks and impacts when the Thai Financial Reporting Standards: TFRS 9 came into implementation on January 1, 2020. The event was also live streamed on Facebook page “KTC SD Club”.
- KTC hosted the “KTC Supplier’s Day” to exchange knowledge with over 60 suppliers and business partners. Topics included sustainable business development in accordance with the SDGs (Sustainable Development Goals), the significance of human rights, as well as the preparation to comply with the Personal Data Protection Act B.E. 2562 which will become effective in June 2021. The event was joined by KPMG Phoomchai Business Advisory Ltd. and Pricewaterhouse Coopers Consulting (Thailand) Limited as guest speakers.
- KTC held a knowledge sharing session with Right Protection Volunteer Club members including a lecture on the vision regarding financial cost management amidst emerging technology competition and changing consumer behaviors.

2020

- KTC and the Bank for Agriculture and Agricultural Cooperatives (BAAC) has jointly signed the business cooperation agreement, “QR Code and e-Commerce Merchant Service Project”, to expand payment service for goods and services to include QR Code via Alipay’s E-Wallet for agricultural entrepreneurs 2020 who are members of BAAC’s Nong Homchang Shop covering Thai community shops, accommodations, homestays, restaurants, souvenir shops, coffee shops, retail stores, tourism communities, rental cars, buses, and tour buses in which a pilot launch is set with 500 leading merchants nationwide.
- KTC launched its new loan business, “KTC P BERM”, a result of a startup by new generations. This product covers car title loans and motorcycle title loans which are offered as options for perseverant individuals of all occupations to gain access to funds in a legitimate, transparent and fair manner and be able to live their lives as wishes. High credit limit, on the spot approval, and instant cash are three core strengths of this product in which technology coupled with manpower will be used to approve such loans.
- KTC launched the revamped “KTC PROUD-UNIONPAY” cash card, boosting convenience with 4-in-1 function, Withdraw-Transfer-Swipe-Pay, in one card, with even more convenience if used together with “KTC Mobile” application and immediately receive money transfer into all bank accounts with no fees.
- In order to face and overcome the challenges of the COVID-19 era, KTC organized the project to develop career skills to help generate income and manage financials for “KTC PROUD” cardmembers.
- To foster spending discipline, KTC organized “11th Season of Debt-Clearing” campaign for “KTC PROUD” Revolving Loan cardmembers with good payment records to earn chances to alleviate their existing debt burdens with only one registration required throughout the entire year.

2020

- KTC created a #CreditcardIsFor...30 days 30 stories video clips to invite consumers and cardmembers to ponder on “Thoughts and Realities”, highlighting 30 credit card functions and special privileges in support of cashless society, the new normal lifestyle, in which many people hardly think of or have no clues. Each video clip is concise and lasts less than a minute. Video's contents are straightforward, easy to understand, informative and valuable in accordance with KTC's brand values. These videos were produced by a promising crew of a film director, a production team, and Gen Y actors and actresses, and were broadcasted on popular social media platforms: Facebook, YouTube and Twitter.
- TRIS Rating has upgraded the Company's rating to A+ since 2016.
- In 2020, KTC issued its debentures 2 times, 3 series with a total value of 3,500 million Baht, maturing between 2 to 10 years with annual interests ranging from 1.93% to 2.65%.
- As of December 31, 2020, KTC had a total of 17 KTC TOUCH service points with 13 in Bangkok, 3 in metropolitan area, and 1 in Chiang Mai. KTC TOUCH service points provide services for credit card application, personal loan application, payment services, as well as provide information related to KTC's financial products.

Details of fundraising utilization according to the purposes filing in registration statement for offer for buy or for sale of securities

Utilization of funds raised from the offer for sale of equities or debt securities

In 2020, KTC had not issued and offered for sale of any additional equities. However, the Company had issued and offered for sale of debt securities in which the Company had utilized funds raised each time according to the purposes filing in the registration statement for offer for sale of debt securities. Further details can be found in the section of “Corporate Group Structure and Business Operations” with a subsection of “Issuance of other securities”.

Applicable Law

Applicable laws for securities issuance and offer for sale are Thai laws including Securities and Exchange Act B.E. 2535, and other regulations or announcements related to such laws.

Company Contact Information

KTC Investor Relations Contact Information

Address	: 591 UBC II Building, 14 Floor, Sukhumvit 33 Road, North Klongton, Wattana, Bangkok 10110
Telephone	: 02 828 5067, 02 828 5059
E-Mail	: irktc@ktc.co.th

Contact Information for KTC and KTC's Subsidiaries

Krungthai Card Public Company Limited (“The Company” or “KTC”)

operates a credit card business including credit card related business, merchant acquiring business, payment service as well as a personal loan business.

Address	: 591 UBC II Building, 14 Floor, Sukhumvit 33 Road North Klongton, Wattana, Bangkok 10110
Tax Identification Number	: 0107545000110
Homepage	: www.ktc.co.th
Customer Contact Center	: 02 123 5000
Telephone	: 02 123 5100

KTC Pico (Bangkok) Co., Ltd.

Address : 591 UBC II, G FL., Room G102 (G4),
Sukhumvit Rd, North Klongton,
Wattana, Bangkok

Telephone : 02 123 5300

KTC Pico (Pathum Thani) Co., Ltd.

Address : 94 Future Park Rangsit 2nd Floor
Room PLZ.2SHP012B/2,
Paholyothin Road, Tumbon Prachatipat,
Thanyaburi, Pathum Thani

Telephone : 02 123 5300

KTC Pico (Samut Sakhon) Co., Ltd.

Address : 322/90 Ekachai Rd, Mahachai,
Muang Samut Sakhon, Samut Sakhon

Telephone : 02 123 5300

KTC Pico (Chonburi) Co., Ltd.

Address : 89/457 Moo 6, Borwin, Sriracha,
Chonburi

Telephone : 02 123 5300

KTC Pico (Samut Prakan) Co., Ltd.

Address : 200/63 Moo 1, Tumbon Bang Sao
Thong, Bang Sao Thong, Samut Prakan

Telephone : 02 123 5300

KTC Nano Co., Ltd.

Address : 591 UBC II, G FL., Room G102 (G3),
Sukhumvit Rd, North Klongton,
Wattana, Bangkok

Telephone : 02 123 5300

Relationships with major shareholder's subsidiaries

KTC has given its priority in expanding its product base for credit card and personal loan in order to achieve sustainable growth, which has been well supported by Krungthai Bank as a major shareholder of the Company. With its several branches both in Bangkok and provincial areas, Krungthai Bank is the main distribution channel to introduce KTC's products to the bank's customers, the same way the bank has offered other products of its subsidiaries.

Hence, KTC has collaborated with Krungthai Bank in every aspect to create strategies, develop marketing campaigns as well as introduce unique activities that are responsive to customer needs in various formats. The Company has also cooperated with KTB in term of new member acquisition, usage marketing, merchant acquiring, and mobile application, with brief details as follows.

ACQUISITION

- In order to effectively achieve member base expansion as planned, KTC established the Bank Relation division with assigned staffs specifically to facilitate the Bank's personnel in various aspects such as product training and other related issues on selling techniques, document approval process, credit card and product advisory that meet the needs of target audience that comply with the market conduct guidelines, as well as promotional campaigns offered for first-entry applications, which in turn will help sales personnel be able to swiftly and effectively enhance product expansion performance. KTC also established the Government Services Card sub-division to coordinate with government business sections in providing credit card services to facilitate government agencies regarding their budget disbursement management, seminars and travels with convenience and safety. Such coordination was in a form of knowledge sharing, along with building and strengthening relationship with one another in order to reach sustainable growth. In addition, the Company can expand its member base through KTB's online channels, KTB Next, KTB Line Official, and KTB Facebook, which are new channels besides the main network channels. Customers interested in KTC products can leave their names and contact details via those 3 online channels in which KTC Telesales will return contacts to offer KTC products that customers have the interest.
- KTC had collaborated with KTB on the project "KTB Wealth Customer Base Expansion" throughout 2019 by introducing and extending applications for KTC-KTB PRECIOUS PLUS VISA INFINITE, KTC-KTB PRECIOUS PLUS VISA SIGNATURE, and KTC-KTC PRECIOUS VISA SIGNATURE credit cards, with total of over 33,000 credit cards achieved at the end of 2020.
- KTC has coordinated with KTB on the project to receive applications for KTC P BERM vehicle title loan through KTB branches. Customers are able to leave their application information with branch officer. Then, KTC personnel will return contact within 30 minutes to make an appointment and proceed with application and credit approval processes in which customers can know approval results and receive money transfer within 2 hours. The Company has planned to start this project in the beginning of 2021, initially with KTB branches in Bangkok and metropolitan areas of over 300 branches and will later expand to KTB branches in other provincial areas.

In addition, Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited give their priority in supporting KTC Pico (Bangkok) Co.,Ltd. for product expansion of provincial retail lending under supervision (Pico Finance). With the license to conduct such business, the Company has created a variety of financial products in order to develop strategies and marketing campaigns for new member acquisition, with brief details as follows.

- The KTC P Berm Auto Title Loan program at KTC TOUCH service points. Customers are able to know approval results within 60 minutes and receive money transfer within 24 hours. In the initial phase, this project will be tried out at KTC TOUCH service points in Bangkok area, which has started since the end of 2019.
- The project of car title loan and motorcycle title loan applications at KTC TOUCH service points and through KTC's sales representatives. Customers can know approval results and receive money transfer within 2 hours. In the initial phase, this project will be tried out at KTC TOUCH service points in Bangkok area, which has started since the beginning of 2020.
- The project of car title loan and motorcycle title loan applications at KTB's branches. Customers are able to leave their application information with branch officer. Then, KTC Pico representatives will return contact within 30 minutes to make an appointment. The service can be provided at the branch as well as allowing the staff to provide service in the form of Delivery Service, then proceed with application and credit approval processes in which customers will know approval results and receive money transfer within 2 hours. This service has already started with KTB's branches in Bangkok and metropolitan area in 2020 and will expand the service area further in 2021, which the service will be provided by the Company's product advisor.

KTC Pico (Bangkok) Co., Ltd. believes that the aforementioned actions are able to serve and achieve both quantitative and qualitative goals, and most importantly, to enhance potentials in market competition for the Company's utmost benefit in sustainable growth as well as for customer's highest satisfaction on products and services.

For KTC Nano Co., Ltd. which operates business in retail lending for the purpose of business undertaking under supervision (Nano Finance), the Company had planned to start the lending in 2020. Nevertheless, as current economic situation is highly uncertain especially with small-business owners who are more sensitive to economic situation than other groups of customers. Thus, the Company decided to postpone Nano Finance lending until economic situation can provide clearer picture.

USAGE MARKETING

- The project to provide special privileges for KTB Wealth customers who hold KTC-KTB PRECIOUS PLUS VISA INFINITE, KTC-KTB PRECIOUS PLUS VISA SIGNATURE and KTC-KTB PRECIOUS VISA SIGNATURE credit cards. Various privileges from the Company's business partners are offered such as credit cash back when shopping online at Shopee and Lazada with certain amount of spending, credit cash back when paying for life insurance or health insurance premium of Krungthai-AXA Life Insurance PCL. at KTB branch, special privileges in the seminar "Unlocking Secrets to Sustainable Wealth" for customers who get invited to attend such seminar when purchase life insurance and health insurance products of Krungthai-AXA Life Insurance PCL. etc.
- The joint marketing campaign project in the Money Expo exhibition at KTB booth for KTC cardmembers who make payment for life insurance or health insurance premium of Krungthai-AXA Life Insurance PCL with KTC credit cards.
- The project of KTB easy home loan payment via KTC credit card. Cardmembers can pay their housing loan installments with their cards throughout the loan contract period while receiving the same interest rate as cash installment payment, together with collect KTC FOREVER reward points for home loan payment.
- The project "KTB Foreign Currency Exchange". Cardmembers are able to exchange foreign currencies through credit cards without surcharges.

MERCHANT ACQUIRING

- The project “Online Merchant Acquiring”. This is to support the growing online business as well as to keep up with transactions via e-Commerce, including Social Commerce and m-Commerce. Merchants are able to conveniently receive payments for goods and/or services both via website with KTC Gateway and via link with KTC Link Pay.
- The project “Alipay Merchant Acquiring”. This is to continuously expand Alipay merchants with leading merchant business partners to facilitate goods and services payment for Chinese tourists traveling to Thailand and Chinese expats living in Thailand.
- The project “KTC QR Code Payment”. This is to provide payment service for goods and/or services via QR Code scanning, instead of via Electronic Data Capture (EDC) machines. Cardholders (customers) can themselves make payments by scanning QR Code at a merchant store thru an application of any commercial banks that support QR Code Payment, including KTC Mobile application. In addition, KTC has jointly collaborated with KTB in applying PromptPay account numbers that merchants have registered with KTB to link with KTC QR Code. By doing so, customers and

merchant partners are given more options to make and receive payments of goods and/or services either via KTC credit cards or via PromptPay account. Such coordination is considered a joint effort of both KTC and KTB in member base and merchant base expansion.

- The project to collaborate with alliance bank, the Bank for Agriculture and Agricultural Cooperatives (BAAC). This is to create marketing opportunities for agricultural entrepreneurs by adding more channels of receiving payments for goods and services via QR Code and e-Commerce with BAAC's Nong Homchang Shop covering Thai community shops, accommodations, homestays, restaurants, souvenir shops, coffee shops, retail stores, tourism communities, rental cars, buses, and tour buses.

MOBILE APPLICATION

- The project of a system connection between “KTC Mobile” application and “Krungthai Next”, KTB's mobile application. This is to enhance convenience for cardmembers to be able to view information of their KTC cards via Krungthai Next mobile application whereas their Krungthai Bank's savings/ current accounts can be viewed via KTC Mobile application.

Also, a KTC credit card payment menu was added so that KTC cardmembers with accounts in Krungthai Next application will be able to make payment for their KTC credit cards directly via KTC Mobile application without having to switch to Krungthai Next application.

KTC believes that the aforementioned actions are able to serve and achieve both quantitative and qualitative goals, and most importantly, to enhance potentials in market competition for utmost benefit of both companies in sustainable growth as well as for highest satisfaction on products and services of both companies' members.

Nature of Business

Description of products or services

Krungthai Card Public Company Limited operates credit card business and other businesses related to credit card business as well as merchant acquiring business, proxy payment service, and personal loan businesses. As of 31 December 2020, total membership reached 3.4 million accounts, and 52% of its members reside in the Bangkok Metropolitan Region.

Revenue Structure

In terms of revenue structure, KTC revenue consists of interest income and fees generated from its two core businesses, including credit card and personal loan. As for fee income, the Company also records credit usage fee as an income by calculating this income from the total amount of outstanding debts. Notably, under the Civil and Commercial Code, non-bank consumer credit providers are permitted to charge a maximum interest rate of only 15%. Nevertheless, formerly under the Bank of Thailand's regulation, the Company can charge an interest rate, inclusive of credit line usage fee, up to 18% per annum for credit card. However, from 1 August 2020 onwards, the Company could charge an interest rate, inclusive of credit line usage fee, up to only 16% per annum.

For regulated personal loans and the type of regulated personal loan using vehicle registration as collateral, the Company can formerly charge an interest rate, inclusive of credit line usage fee, up to 28% per annum. However, from 1 August 2020 onwards, the Company could charge an interest rate for personal loans, inclusive of credit line usage fee, up to 25% and 24% per annum for Auto Title Deed Lending. The difference between interest rates and incurred fees stipulated in the Civil and Commercial Code and the Bank of Thailand's regulation are recorded as credit usage fee income. In addition, KTC also has other sources of income, such as forex gains, and so forth.

Three-year revenue structure as shown in the financial statements during 2018-2020

REVENUE STRUCTURE	2020		2019		2018	
	MILLION BAHT	%	MILLION BAHT	%	MILLION BAHT	%
Credit Card Revenue	12,587	57.1%	13,068	57.8%	12,363	58.3%
1. Interest Income ⁽¹⁾	6,611	30.0%	6,255	27.6%	5,820	27.5%
2. Fee Income	4,294	19.5%	4,846	21.4%	4,602	21.7%
3. Recovery Income	1,681	7.6%	1,967	8.7%	1,942	9.2%
Personal Loan Revenue	9,177	41.6%	9,069	40.1%	8,414	39.7%
1. Interest Income ⁽¹⁾	7,556	34.3%	7,351	32.5%	6,821	32.2%
2. Fee Income	183	0.8%	187	0.8%	192	0.9%
3. Recovery Income	1,437	6.5%	1,530	6.8%	1,400	6.6%
Other Income	293	1.3%	489	2.2%	420	2.0%
Total Revenue	22,056	100.0%	22,625	100.0%	21,198	100.0%

Source : 2018-2020 financial statements audited by Deloitte Touche Tohmatsu Jaiyos Co., Ltd.

Note : ⁽¹⁾ Credit Usage fee is included in interest income.

Credit Card business

The **credit card business** consists of two components, including card issuing and merchant acquiring businesses. The card issuing business ranges from recruiting prospective credit card customers, approving a credit limit for cardholders, regulating credit card spending, receiving debt payment, and pursuing debts. In this regard, an issuing bank/card issuer can earn income from transaction fees and interest charges. As for merchant acquiring business, it is a business that deals with merchants that accept credit card payment for goods and services. In the process, the Company will select and install card swipe machines and/or set up a payment gateway system at stores so that it can oversee credit card acceptance for payment of goods and services by cardholders, whereby it generates fee income from this business.

Issuing Business

The **issuing business** is part of KTC operation. As an issuing bank/card issuer, the Company is authorized to issue credit cards with  and  logos. Visa International Service Association ("Visa"), Mastercard Asia/Pacific Pte., Ltd ("Mastercard"), JCB International Co., Ltd. ("JCB"), and UnionPay International Co., Ltd. ("UnionPay") act as an intermediary that facilitates payment settlement between an issuing bank/card issuer and an acquiring banks/merchant acquirer. Cardholders can selectively use cards jointly issued with Visa, Mastercard, JCB or UnionPay and can use their credit cards in lieu of cash at merchants that display with  and  and  and  logos.

With regard to credit card loan of issuing business, the Company has a fee waiver policy that waives the first-year annual fee and lifetime annual membership fee for generic credit cards (only the first two cards). Moreover, it levies 500 Baht annual fee only for the first year for the third card onwards, in case such card has the same brand as that of currently held credit cards.

The Company consistently focused on development of business and marketing plans to foster business growth by increasing the number of cards and expanding the customer base. In collaboration with its partners, the Company jointly promoted spending via KTC credit cards and established long-term relationship. KTC implemented six core strategies as follows:

1. Focused on development and introduction of fully integrated products and services.
2. Responded to the needs of every target group by offering benefits and privileges in all categories of spending.
3. Highlighted the importance of KTC Forever point collection to boost the value of these points.
4. Implemented brand building activities to foster strong relationship with members.
5. Adhered to the customer-centric principles and conducted data analysis to understand customer needs.
6. Exploited digital marketing that attaches importance to security and great customer experience.

Finally, the Company still recognized the importance of market research and new business opportunities in order to offer benefits and privileges that best match the needs and lifestyles of cardholders. This approach represents another growth strategy. Over the year, the Company issued the credit cards to customers as follows.

NUMBER OF CREDIT CARDS AND CREDIT CARD RECEIVABLES	2020	2019	2018
Total Number of Credit Cards (Cards)	2,575,684	2,510,914	2,387,659
Growth (%)	2.6%	5.2%	10.1%
Credit Card Receivables - net (Million Baht)	56,017	53,507	47,937
Growth (%)	4.7%	11.6%	6.4%

The Company offers several types of credit cards as follows:

- 1. Generic Credit Card** in a form of KTC, VISA/ MASTERCARD/ JCB/ UNIONPAY credit cards can be used by cardholders to pay for goods and services in lieu of cash at any service outlets or stores displaying    and  logos throughout the world. In addition, cardholders can also withdraw a cash advance, jointly issue credit cards for three coregroups of customers: Super-Premium, Premium and General.
- 2. Co-branded card** is a credit card jointly issued by KTC and its commercial partners. Cardholders can use a co-branded card for payment of goods and services in lieu of cash to any merchants. In addition, the credit card holders will receive more privilege if they use this card is at the merchants that are joint card issuers.
- 3. Affinity Credit Card** is a credit card jointly issued in partnership with an alumni association or a non-profit organization, such as Thai Pilots Association, Chiang Mai University Alumni Association, and Chulalongkorn University's Faculty of Commerce and Accountancy Alumni Association.
- 4. Government Services Credit Card** is a credit card for government agencies that helps facilitating the government budget spending, and reduces the burden and risks of holding cash for government entities.
- 5. Corporate Credit Card** is a credit card for entities such as public corporations, independent organizations, and private companies, which helps in facilitating the corporate spending.

(A) Types of services offered by card issuing business

The Company offers cardholders a multitude of services and benefits as follows:

1) Payment of goods and services in lieu of cash payment

The Company's cardholders can make payment for goods and services at any merchants displaying    and  logos in Thailand and over 200 countries throughout the world, depending on approved credit limit of each cardholder. In the process, the Company will make payment for goods and services to these merchants through bank. At the end of billing cycle of each cardholder (around one month), the Company will proceed to collect money from cardholders who can choose to pay off the outstanding balance in full or opt for minimum installment payment set out in the Bank of Thailand's notification. To alleviate financial burden of credit card members affected by COVID-19 outbreaks, KTC implemented credit relief measures for its members during 26 March 2020 - 31 December 2022 as follows:

KTC automatically reduces the minimum installment amount for its cardmembers without having to make a request, from formerly at 10% to

- 5% for credit card billing cycles from 26 March 2020 to 31 December 2021
- 8% for credit card billing cycles from 1 January 2022 to 31 December 2022
- 10% for credit card billing cycles from 1 January 2023 onwards

As for installment payment plan, the Company charges an annual interest rate of 15% plus an annual credit usage fee of 1% of the outstanding balance from the date of when each transaction is recorded by the Company until the repayment date.

2) Cash advance

is a service that enables cardholders to withdraw cash by deducting a withdrawn amount from their approved credit lines. Cardholders can withdraw cash advance in Thailand and abroad. In case of domestic cash advance, cardholders can either withdraw cash advance from any bank ATMs with   or  logos or withdraw from any Krungthai bank counters displaying "we accept credit cards" sign of VISA/ MASTERCARD/ JCB/ UNIONPAY. In case of overseas withdrawal, cardholders can either withdraw cash advance from ATMs      and  logos or withdraw from bank counters or any exchange booth displaying "we accept Visa, MasterCard, JCB and UnionPay" sign. Moreover, cardholders can also make online cash withdrawal on the website (via KTC Online) and any iOS, Android, and Huawei's Harmony OS for smartphones/ tablets (via KTC Mobile Application). The 24-hour online service will promptly transfer money to a Krungthai bank account once the transaction is completed. For this cash advance service, the Company receives a cash advance fee of 3% of the withdrawn amount from service users, but a minimum withdrawal amount must not be less than 500 Baht. Furthermore, the Company can earn income from credit card interest, whereby it charges interest and credit usage fee from the date of cash withdrawal until the date of repayment of the entire outstanding amount.

3) Other supplementary services

constitute extra services or privileges offered to cardholders, including

- KTC Phone: Call 02 123 5000 for 24/7 customer service
- KTC Personal Assistance: Personal assistant service for all types of credit card members of KTC VISA INFINITE, KTC WORLD MASTERCARD and KTC UNIONPAY ASIA PRESTIGE DIAMOND, which the members can directly contact KTC VIP service at 02 123 5555 extension 3 to reach 4 following assistances worldwide:
 - Worldwide medical emergency assistance
 - Domestic roadside emergency assistance
 - Home emergency assistance
 - Worldwide personal secretary service
- JCB Platinum Services for KTC JCB PLATINUM credit cardholders: To serve information needs of customers, more than 71 Concierge Service centers are located worldwide to provide credit card membership services as follows:
 - 2 JCB Plaza in Japan
 - 9 JCB Plaza Lounges
 - More than 60 Airport Lounges in 40 airports for a total of 10 countries.
- Automatic payment for monthly bills: The customers are able to pay bills through all types of credit cards, such as landline and mobile phone services.
- KTC newsletter: The monthly newsletter updates card members with news and information about latest privileges and services.
- “My World” bimonthly travel magazine: Provides news and information about domestic and international travel as well as benefits and privileges offered by our partners.
- “KTC Guideline” travel guide: Suitable for independent travelers with popular destinations information provided.
- Travel insurance: Our travel insurance plans provide coverages for cardmembers as well as their spouses and children under 23 years old if the member use the card to pay for transportation tickets and public transportation, both in Thailand and abroad. Below are the details of maximum insurance coverages:

1 million Baht For all credit card types that belong to KTC VISA CLASSIC/ KTC MASTERCARD CLASSIC

4 million Baht For all credit card types that belong to KTC VISA GOLD/ KTC MASTERCARD/ KTC TITANIUM MASTERCARD

8 million Baht For all credit card types that belong to KTC VISA PLATINUM/ KTC PLATINUM MASTERCARD/ KTC JCB PLATINUM/ KTC UNIONPAY PLATINUM, with a maximum coverage for lost or damaged luggages of 40,000 Baht per claim.

20 million Baht For all credit card types that belong to KTC X VISA SIGNATURE/ KTC VISA SIGNATURE/ KTC X WORLD REWARDS MASTERCARD/ KTC WORLD REWARDS MASTERCARD/ KTC UNIONPAY DIAMOND, with a maximum coverage for lost or damaged luggages of 40,000 Baht per claim.

40 million Baht For all credit card types that belong to KTC VISA INFINITE/ KTC WORLD MASTERCARD/ KTC UNIONPAY ASIA PRESTIGE DIAMOND, with a maximum coverage for lost or damaged luggages of 100,000 Baht per claim.

- KTC FOREVER point accumulation program: One KTC FOREVER Reward point is earned for every 25 Baht spent on the credit card. Reward points have no expiry date, so they can be accumulated to redeem for discounts and/or prizes and services at participating merchants.
- KTC installment payment: This service facilitates payment for goods and services in installments with a special monthly interest rate of 0 - 0.74% up to 10 months at participating merchants.
- Installment Payment Service via KTC Phone 021235000: Cardholders can request for installment payment by phone for outstanding balance due in the following month. Normally, the Company charges a monthly interest rate of 0.74%, but interest rate may vary, depending on promotional offers in each period.
- KTC U Shop: This online shopping service offers free delivery of various products from more than 300 merchant partners. Cardholders can choose to purchase over 5,000 items in the catalogue or place an online order on the website www.ktc.co.th/USHOP or LINE@KTCUSHOP or at KTC TOUCH service counters. Payment can be made with all types of KTC credit cards or KTC FOREVER points.

- KTC Real Privileges: Our website www.ktc.co.th provides a compilation of news and information about benefits and privileges for all spending categories, such as restaurant, hotel, and department stores. These benefits and privileges are also announced via KTC LINE Official Account. In addition, the Company launched extra channels of communication between cardmembers and KTC on Facebook at www.facebook.com/KtcRealPrivilege Twitter at twitter.com/KtcRealPrivilege Instagram at @ktccard and Youtube at www.youtube.com/c/KTCCard1. The purpose is to promote exchange of interesting knowledge and tidbits of information among cardmembers and social network users and to publicize PR news and KTC privileges.
- KTC World Travel Service: Our website www.ktcworld.co.th provides travel-related information, benefits in travelling with various partners both in local and international routes. Cardmembers also can access this news and information on Facebook at www.facebook.com/ktcworld.
- Secured e-pay: The e-pay service provides a secure platform for payment of goods and services via the internet network. This platform, which conforms to international cyber security standards, is compatible with Visa International's VbV system , Mastercard International's MCSC system , and JCB International's J/Secure system  and UnionPay Online Payment of UnionPay International.
- KTC Online Service: KTC cardmembers can either make online transactions via KTC mobile app that is supported by various systems including iOS, Android, and Huawei's HarmonyOS or at www.ktc.co.th/onlineservice.
- Samsung Pay: Cardmembers can make payment for goods and services with all types of KTC Visa and KTC Mastercard credit cards at participating stores via  app on a Samsung phone. This highly secure service is easy and convenient to use.
- Fitbit Pay: Cardmembers can make payment for goods and services with all types of KTC Visa and KTC Mastercard credit cards via a Fitbit smartwatch at participating stores that accept contactless payment. This secure service is easy and convenient to use.
- Garmin Pay: This payment service via Garmin smartwatch with all types of KTC Visa and Mastercard credit cards is available for payment of goods and services at participating stores that accept contactless payment.

(B) Step-by-step service delivery process of card issuing business

1) Acquiring cardholders

The Company recruits cardholders through the principal channels listed below:

- KTC TOUCH is a service point for credit card and personal loan where KTC service staff facilitate the credit card application process and provide consultation and various services.
- Krungthai bank branches and employees: There are more than 1,000 branches across the country.
- Outsource sales channel: The Company engages third-parties, both individuals and juristic persons, to introduce KTC financial products. There are over 2,500 independent financial product consultants nationwide.
- Partner engagement channel: This channel consists of co-branded card partners, business partnerships, and alumni associations or non-profit organizations (affinity), which collaborate with the Company in new cardmember acquisition efforts. The Company also conducts trials to seek new channels by forming synergistic relationships with retail partners like J-Mart, expanding credit card customer base, and selling various products under an installment payment plan at the same time and by jointly issuing credit cards for independent contractors with SCG.
- Digital channel: In response to changing consumer behaviors as we are moving further toward a digital society, KTC has developed online channels and digital

platforms to facilitate product application process. Customers can complete and submit an application form through our main website www.ktc.co.th, KTC online platforms, or online platforms of our partners. Through our 24/7 services, customers can send service staff any messages at any time so that our staff can revert back as soon as possible.

- Telesales channel: The Company administers direct telesales and customer service operations by developing in-house telesales platform to satisfy the needs of customers who prefer to submit an application through digital channels.
- Government card department: This department is responsible for expanding organization customer base under the "KTC Government Service Card" and "KTC Visa Corporate Card" schemes to specifically serve government entities, state enterprises, public organizations, independent organizations, and private companies. Its mission is to stimulate spending on credit cards and provide after-sales services.
- Contact center: The 24/7 service center assists prospective customers who desire to apply for membership and call member service center at 02 123 5000 to inquire for more details.

2) Credit acceptance

The Company establishes a standard step-by-step process and standard operating procedure for consideration and approval of a credit limit and performs verification of customer data and applicant identity. This process can ensure that the Company receives accurate, up-to-date and complete customer personal and eligibility information which conforms to the Bank of Thailand's guidelines and other regulatory provisions, such as the counter-terrorism financing law.

Approval of credit card and credit limit takes into account two major factors: willingness to pay and ability to pay. The Company will evaluate information provided by customers and other supplementary information, such as credit history from National Credit Bureau Co., Ltd. for applicant screening based on its customer segmentation criteria and credit scoring system. Credit analysts use this system as a tool to determine a more accurate overall risk assessment profile of each customer.

Customers will know of their application consideration outcomes quickly within the standard time frame. The Company will then send verified information of each approved application to a third-party card manufacturer certified by Visa, Mastercard and UnionPay. Later, it will deliver a credit card to each customer-specified address.

To satisfy existing cardholders, the Company is determined to identify and manage a sufficient line of credit and respond to customer needs promptly by providing facilities for cardholders to request for a higher credit limit – for both permanent credit limit and temporary credit limit increase in case of emergency – such as KTC Phone and KTC Online Service. Moreover, cardholders can also manage a temporary credit limit increase by themselves via KTC Mobile Application. For this purpose, the Company assigns an initial credit limit that suits behavior and risk profile of each customer.

3) Authorization

In case of issuing business, when a cardholder pays for goods and services with credit card at a merchant, the merchant will contact an acquiring bank/merchant acquirer, in its role as intermediary, that promptly requests the Company, in its role as issuing bank/card issuer, to consider approving the payment transaction via the authorization system according the Company's stipulated criteria. Then, the merchant will be notified of a consideration outcome.

To facilitate payment at card-accepting merchants, the Company installs a network of sales support device or electronic data capture (EDC) device at merchant members by establishing linkages between the systems of issuing banks/card issuers and acquiring banks/merchant acquirers via landline, leased line, GPRS and so forth. Therefore, a request for credit approval can be activated promptly after the Company's cardholders use a credit card without having to make a phone call to its IT system. Moreover, the Company also undertook improvement of the line encryption system, which is a work system developed on EDC device, by decrypting data from EDC device to enhance the security of data transmission and reception. Furthermore, it continued to develop and improve the sales support device to make it compatible with QR Pay system in response to changes in payment system, whereby the trend is shifting

towards cardless society, as well as changing social contexts due to the spread of COVID-19.

In case of e-commerce business, payment gateways have been installed to establish linkages between the systems of issuing banks/card issuers and acquiring banks/merchant acquirers as well. In addition, the Link Pay system was developed to accommodate e-commerce transactions for small merchants that do not have any e-commerce payment system. To enhance the security for approval of online payment transactions, the Company has also developed its system to support issuing business and card accepting merchants to ensure that such system can accommodate 3D-Secure transactions by verifying cardholder identity through the use of cardholder PIN or OTP (one-time password). To enhance the security in online transactions, the system of card issuer will generate a new PIN every time a cardholder performs an online transaction at any online store that can accommodate 3-D Secure system. Furthermore, to support online transactions performed by KTC's cardholders and e-commerce stores, the Company has been upgrading the 3-D Secure system to a new version, which will achieve a higher efficiency in the management of service delivery risks and impacts.

4) Payment

The Company delivers credit card statement to the address of each cardholder at the end of billing cycle. Cardholders may choose any of the following payment channels.

- Cash or cheque payment via KTC Touch
- KTC Mobile app
- Krungthai Next app
- Bank counter
- Direct debit
- Automatic telephone payment system
- Cheque payment via regular mail
- Cash deposit machine
- ATM
- Payment service counter
- Internet banking/ mobile banking/ mobile application systems

Inquiries about payment channels can be made by calling KTC Phone Member Service Center at 02 123 5000 or through KTC website <https://www.ktc.co.th/sties/ktc/support/index.html>.

After receiving a credit card statement, if any cardholder has some doubt or wishes to object some payment transactions, he or she can notify the Company so as to suspend these transactions and halt debt collection during that period. Then, the Company will conduct a fact-finding investigation and determine which party must be liable for these expense transactions and will send a debt collection notice to the liable party within 45-80 days according to the standards of Visa, Mastercard, JCB and UnionPay. To deal with this issue, the Company has a monitoring system that keeps track of these transactions and prepares reports on the number of transactions objected by cardholders on a regular basis in order to avoid forfeiting the right to collect debts from liable parties.

5) Collection

The Company outsources debt collection to Win Performance Co., Ltd. as stipulated in its management policy, the Personal Data Protection Act, and the Debt Collection Act 2015. The agency will pursue overdue debt immediately after a customer defaults on a payment. As for debt collection management approach, credit card and personal loan businesses as well as lending business using vehicle registration as collateral adopt similar standards and practices but the frequency of contact and debt collection procedures may differ in terms of default or aging period of each customer. Moreover, a suitable number of collectors will be deployed to correspond with customer accounts and default periods. Debt collectors are required to take the following actions:

- Less than 90 days past due: Debt collector may send the customer a debt collection letter or contact the customer by phone call, voice broadcasting, and SMS message so as to remind him or her to pay off the overdue debt. The intensity of debt collection efforts will correspond to the default period. Moreover, in case delinquent customer account requires special attention, the Company will assign an FCR collector to follow up with specific customers on a case by case basis in order to pursue debt repayment or check customer information and keep track of delivery and receipt of cars or motorcycles from delinquent customers in case of loans that use vehicle registration as collateral. The Company will temporarily suspend the use of credit line after a customer's debt becomes past due. In this case, the delinquent customer will not be able to use his or her credit card's credit line until the outstanding debt is settled according to the stipulated terms and conditions. In case of over 90 days past due, if the delinquent customers do not pay off the debt, the Company will cancel his or her credit card and

credit line permanently. In case customer behaviors are indicative of their inability to repay the debt or repayment risk, the Company may consider such cancellation before the 90-day period lapses.

- Over 90 days past due: The Company will offer assistance and reach a compromise settlement with debtors according to its stipulated criteria in order to encourage them to repay debts quickly. If any debtors intentionally avoid repaying their debts, the Company will further consider taking legal action.

The Company uses IT system for debt management. The system classifies each group of customers based on aging, amount of outstanding debt, account status, credit usage behavior, and so forth. The debt collection system automatically assigns customer accounts to collectors immediately when any customers initially become delinquent, and the system also generates reports for debt management purposes.

6) Fraud control

As a card issuer, the Company may be liable for damages in case cardholders become a fraud victim or the Company's cards are forged. Therefore, the Company set up a fraud control unit to mitigate its liability exposure to fraud and forgery risks.

The fraud control division is responsible for monitoring information derived from various sources so as to determine which purchase of goods and service are considered to be a fraudulent transaction. Available sources of information include the following:

- Visa, Mastercard, JCB and UnionPay
- Credit card club (under the Thai Bankers' Association)
- The Company invested in an anti-fraud system to prevent application fraud. This system can detect trending changes in card usage patterns that are indicative of online real-time application fraud. In addition, a dedicated team is responsible for monitoring suspicious transactions indicative of application fraud.
- The Company designates a team to monitor card usage of cardholders and members on a 24/7 basis, and it operates a highly efficient online fraud detection system to constantly monitor risky or suspicious card usage activities. When a transaction is made, cardholders will be notified immediately by phone or SMS messaging. Currently, the online fraud detection system is being upgraded with a more advanced technology to enhance the efficiency and effectiveness in monitoring card usage activities of cardholders and merchant members.

- The Company developed a mobile application so that customers can use it as a self-assessment risk management tool (customer empowerment), whereby customers can temporarily freeze and unfreeze credit cards by themselves and determine a credit limit for e-commerce transactions so as to mitigate burgeoning e-commerce fraud risk. In addition, customers can also determine a credit limit and an amount that triggers alert notification and choose a preferred Push Notification channel.

Furthermore, to minimize fraud, the Company regularly sends employees to training programs organized by Visa, Mastercard, JCB and UnionPay, and it also partners with other entities to offer training programs for third parties, such as merchants, police, issuing banks/ card issuers, and other acquiring banks/ merchant acquirers stores. These training programs will enable all concerned parties to prevent fraud and halt suspicious transactions in a timely manner. As of 31 December 2020, the Company's losses from credit card frauds and personal loan scams amounted to 3.04 million Baht, or 0.001% of the total amount of credit card spending.

Acquiring Business

This business aims to build a network of merchant partners where the Company acts as an acquiring company. Merchant members will submit transactions summary of products and services purchased with credit card (only Visa, Mastercard, JCB, UnionPay and Alipay including the Company's cards, bank's cards, or cards issued by other companies) and bill the Company, where service fees are deducted and kept as the Company's revenue. After that, the Company will charge the bank / card issuer to have them collect from their cardholders.

In 2018, the Company had 26,283 units of Electronic Data Capture (EDC) device. In 2019, the Company had 26,690 units, and in 2020, the Company had 27,691 units.

(A) Types of Acquiring Business services

There are 4 types of acquiring businesses as follows;

1) Payment via Electronic Data Capture (KTC EDC)

currently the Company offers (1) EDC for Visa, Mastercard, JCB and UnionPay and (2) EDC for Alipay O2O payment.

2) Payment via QR Code (KTC QR PAY)

a Push Payment that the cardholder (customer) can process the payment himself/ herself by scanning the merchant's QR Code via banks' applications, as well as "TapKTC MERCHANT" application, that support QR Code Payment (including KTC Mobile).

3) Receiving Payment Online (KTC GATEWAY/ KTC Link Pay)

a service that allows merchants to process online payment via the internet or e-commerce via KTC GATEWAY which is suitable for merchants who provide products or services on the website. For KTC Link Pay, it is suitable for merchants providing products or services on social commerce platform. At present, the Company uses 3D Secure 2.0 system which requires cardholder' confirmation: a password set by the cardholder with the issuing bank (PIN) or One Time Password (OTP) during online payment process.

4) Automatic Payment Collection (RECURRING)

merchants send settlement in electronic form to the Company which will automatically deduct money from members' credit card on a monthly basis.

Merchants can offer customers with credit/ debit cards and Alipay to make a payment with aforementioned methods which are convenient and quick for customers.

Merchants must open deposits account with Krungthai Bank or other banks via Media Clearing system. Transactions summary will be submitted to the Company for settlement through automatic information technology system every day. An installation of EDC will be mainly considered from sales value of credit card/ debit card/ Alipay, expense related to the EDC, and cost-effectiveness. In case of small to medium merchants, QR Code Payment is a new channel to increase their business opportunity.

The Company makes a contract with merchants without expiration which includes guidelines for merchants as well as actions that can be considered as fraud based on the standards set by Visa, Mastercard, JCB, UnionPay, and Alipay. The guidelines are adjusted to align with the operation of the Company and credit card business conditions in Thailand. The Company revises contract together with merchants from time to time. The contract also mentions the Company's right to claim from merchants in case they breach the contract, as well as service fees the Company collects from merchants. As of 31 December 2020, the Company had total of 42,050 merchants.

(B) Steps in Acquiring Business

1) Appoint Merchants

The Company contacts merchants to become members based on the identification standards and the Know Your Merchant (KYM) process. Their list of directors and shareholders is reviewed periodically according to the Anti-Money Laundering Act, and the Terrorism and Proliferation of Weapons of Mass Destruction Financing Act. Merchants must not sell inappropriate products and not conduct any transactions that are prohibited by the Company such as procurement transactions that are prohibited by law, etc. For Merchants' appointment, the Company also takes into account of business type, transactions value, and their growth potential. The Company sets fees according to merchants' business type. Moreover, not only the Company contacts merchants directly, but merchants can also apply as the Company's member by themselves.

When merchants are approved and become members, they will open bank account with Krungthai bank, or with other banks via Media Clearing System. The Company will install Payment Solutions that suit their businesses, for example, EDC, mPOS, or KTC GATEWAY/ KTC Link Pay, or sending QR Code Poster to them, along with instructions on how to create QR Code from the KTC MERCHANT application so that customers can scan when making a payment.

2) Approve Merchants Payment

For merchants with Payment Solutions, they must connect to the Company's system via communications system network every time credit card payment is made.

The Company may reject the payment by merchants in case of fraud or breaching of agreement between merchants and cardholders.

However, the Company is responsible for loss caused by merchants' fraud to the banks/ card issuing companies. The Company will advance the payment first and claim it back from the fraudulent merchant later.

3) Make Payment to Merchants

The Company pays merchants according to their daily settlements that submitted automatically via information technology system. The Company charges fees as specified in the contract. In addition, if cards of other companies or other issuing banks are used at merchants' premises, the Company has to pay Interchange fee to that companies or issuing banks through Settlement system of Visa, Mastercard, JCB, UnionPay, ITMX, TPN, and Alipay.

4) Fraud Control

To reduce the chance of fraud, the Company requires merchants to verify the card's authenticity. If merchants do not conduct the verification as they should and the fraud occurred, merchants are responsible for any damages incurred.

When a payment is made via EDC, data in Chip Card will be transmitted to verify the card's status at the issuing bank. In case card is blocked or cancelled, the Company may set up procedures and informs merchants on how to proceed with each type of cards, for example, destroy the card, or apprehend the card user.

In addition, the Company has a team to take care of merchants' daily card acceptance. The Company also has a highly efficient Online Fraud Detection system which tackles suspicious cards and coordinates with issuing banks both domestic and international for immediate verification by officers via phone call, email, or fax. If the card is found to be fraudulent or the process is wrong or suspicious, the Company will inform the merchant immediately to proceed as seen appropriate to mitigate damage and loss that might occur in the future. If the issuing bank confirms an action to be fraud, and upon investigation the Company finds that it is due to merchant's negligence or finds that the merchant is an accessory to this fraud, the Company's team will suspend the payment immediately.

Personal Loan Business

The Company started Personal Loan Business in 2003. It is an unsecure loan with 2 types of services which are KTC Cash Personal Loan and KTC PROUD Cash Card.

A multi-purpose loan KTC CASH launched in October 2003. In 2006, the Company introduced a ready credit and rebranded to KTC PROUD Cash Card. In 2014, KTC PROUD Cash Card was launched as a revolving loan. KTC recognizes revenue of these personal loans based on effective interest rate, credit limit fee, and debt collection expense, etc.

For personal loan business operations, the Company sets interest based on the Risk Base Pricing method which depends on the rate specified by Bank of Thailand and also uses a Credit Scoring system to process and analyze data.

(A) Types of Personal Loan Services

There are 3 types of KTC personal loan which are suitable for people with regular income. Customers can choose according to their needs as follows;

1) KTC Cash Personal Loan

is suitable for people with an income over 15,000 Baht. This type of loan offers cash. The loan is to be repaid in equal installments. Applicant gets cash in his/ her bank account within 2 days after approval. It is not a revolving credit. Installation period is ranged from 12 - 60 payments depending on approved credit limit.

2) KTC PROUD Cash Card

is suitable for people with an income over 12,000 Baht. It is a revolving loan. After approval, the first portion of the loan will be transferred into applicant's bank account. It is a convenience cash card with 4 in 1 function "Withdraw-Transfer-Swipe-Pay" in one card. Customer may swipe for purchase of goods and services at any leading merchants that support transactions with UnionPay cards nationwide with a 6-digit PIN to confirm the transaction for both convenience and safety. Furthermore, the card supports the Contactless Payment system that makes payments easier simply with a single touch; just simply search for the Contactless symbol on the EDC device. Customer can use the card to withdraw cash from ATM machines across the country, at "KTC TOUCH" service branches, or online on the "KTC Mobile" application or on the "KTC Online" website real-time into Krungthai bank account and into Kasikorn Bank site real-time with no fee. Moreover, customer can use the card for installment payment with 0% interest rate or special interest rate up to 36 installments, which customers can choose to pay back at least 3% of the total outstanding balance, but not less than 300 Baht, at participated merchants across the country.

3) Auto Title Loan

is a loan paid in installments with maximum interest rate of 24% per annum. The credit limit is determined by the age of the car, brand, model, and its conditions.

NUMBER OF ACCOUNTS AND PERSONAL LOANS RECEIVABLES	2020	2019	2018
Number of Personal Loan Accounts (Accounts)	814,329	888,342	951,882
Growth (%)	(8.3%)	(6.7%)	11.6%
Personal Loan Receivables - net (Million Baht)	26,777	27,248	24,776
Growth (%)	(1.7%)	10.0%	9.1%

(B) Personal Loan Process

1) The applicant submits loan application to the Company

The applicant can apply for personal loan through the same channels as credit card application and they must fill in the form provided by the Company.

(Please see details about application channels in “credit card service process of credit card issuing business” sub-section 1) Cardholder application)

2) The Company checks applicant's qualifications and risk profile

After the application form is received, the Company will evaluate the information in the application and its supporting documents. Personal verification in accordance with the law on Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and personal information checking from the National Credit Bureau Co., Ltd. were conducted. The risk analysis is performed by using the Credit Scoring system and the credit analyst reviews and sets criteria, qualifications, credit limit, and interest rate, including fees according to the Bank of Thailand announcement.

3) The Company notifies application results (either approve or reject) to the applicant

The Company sends approval letter or rejection letter to applicant. Table showing installment rate is enclosed in the letter of approval. Once approved, the Company will transfer cash to applicant's bank account within the day of approval for Krungthai Bank, Kasikorn Bank, and Bangkok Bank. For other banks, the cash will be transferred within 1 working day after approval.

4) The Company sends installment statement and collects payment from the applicant

The Company will send billing statement to customer every month before the due date. The customer brings monthly statement to pay via various channels provided by the Company, such as

- Pay at any KTC TOUCH
- Pay via Cash Deposit Machine (CDM) at Krungthai Bank, Siam Commercial Bank, and TMB bank
- Pay at point of service
- Pay via automatic telephone system
- Pay via Internet Banking/ Mobile Banking
- Pay via ATM
- Pay by deduction from deposits account
- Pay at the bank counter
- Pay via KTC Mobile application
- Pay via Krungthai Next application

For more information on payment channels, please contact KTC PHONE 02 123 5000 or visit <https://www.ktc.co.th/sites/ktc/support/index.html>

5) Follow up in case of delinquency

In case customer fails to make payment within the due date, the Company will follow up the payment and offer late payment extension to customer by considering customer's needs and rationales. Under the closely monitored risk control system, the debt collection process for this personal loan business is done the same way as the credit card business.

(Please see details of Debt Collection in “Process of credit card service of credit card business” sub-topic 5) Debt Collection)

Auto Title Loan Business - KTC P BERM

The Company launched auto title loan business, “KTC P BERM” in 2019. It is a loan with vehicle title as collateral. There are 2 main products, car title loans and motorcycle title loans.

The Company offered car title loans since October 2019 and motorcycle title loans since July 2020. It is a loan paid in installments. Customers must bring a burden-free vehicle booklet with a vehicle ownership under their name as collateral. KTC recognizes revenue of both types of loans based on effective interest rate, vehicle assessment fee, and debt collection expense, etc.

For auto title loan business operations, the Company sets interest based on the Risk Base Pricing method which depends on the rate specified by the Bank of Thailand. The Company also analyzes risk based on customers' qualifications and debt repayments ability. This also includes cars or motorcycles' qualifications that customers use as collateral.

(A) Types of Auto Title Loan Business – KTC P BERM

The Auto Title Loan business - KTC P BERM offers 2 main types of services which is suitable for people of all occupations, whether they are permanent employees, small business owners, or freelancers. Customers can choose product according to their credit limit needs or types of vehicle title that will be used as collateral as follows;

- 1) **Car Title Loans** for customers with earnings of 8,000 Baht or more (or business owners with turnover of 40,000 Baht or more). It is a loan paid in installments with equal payment amount every month. The maximum effective interest rate is 24% per annum or about 1.13% per month. The maximum credit limit is 700,000 Baht with up to 60 months installation period. The credit limit is determined by customers' qualifications, the age of the car, brand, model, and its conditions.
- 2) **Motorcycle Title Loans** for customers with earnings of 8,000 Baht or more (or business owners with turnover of 40,000 Baht or more). It is a loan paid in installments with equal payment amount every month. The maximum effective interest rate is 24% per annum. The credit limit is determined by the age of the motorcycle, brand, model, and its conditions.

AUTO TITLE LOAN BUSINESS	2020
Number of Accounts (Accounts)	209
Auto Title Deed Receivable (Million Baht)	162

(B) Auto Title Loan “KTC P BERM” Process

1) The Applicant contacts the Company for loan application

The applicant contacts or registers to express their needs for auto title loan by contacting the Company via the following channels;

- Register via the Company Website (www.ktc.co.th)
- Call Center: P BERM Service 02 123 5300 or KTC Phone 02 123 5000
- Loan sales representative
- Business partners' channels that acts as the loan sales representative

The applicant must register or provide information according to the Company's loan application form.

2) The Company makes an appointment to get loan application

After the Company received loan application form, a loan officer will contact applicant to process an appointment at their convenient date, time and place so they can prepare application documents and bring the vehicle to check its condition according to the consideration processes.

3) The Company checks applicant's qualifications, vehicle's qualifications, and risk profile

After applicant submitted application and supporting documents and brought the vehicle to check its condition at the appointed date, time, and place with the Company's officer, the Company will evaluate from information in the application and its supporting documents. Personal verification in accordance with the law on Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and personal information checking from the National Credit Bureau Co., Ltd. were conducted. The risk analysis is performed according to applicant's qualifications, alongside with a collateral

vehicle's qualifications according to the Company's terms and conditions. The credit limit, interest rate, including fee are set according to the Bank of Thailand Regulations and Notification.

4) The Company notifies application results (either approve or reject) to the applicant

The Company notifies credit limit approval or reject to grant credit to the applicant as soon as the consideration result is finalized through the Company's representatives who taking care of the application. Once the application is approved, the Company will prepare a loan contract with enclosed table showing installment payment amount. And when the contract is signed by the applicant, the Company will transfer cash to the applicant's bank account within the day of approval.

5) The Company sends Payment Card to customers

The Company will send the Payment card to customer within 7 days after the loan is approved so customer can use the card for loan payment via various payment channels provided by the Company as follows;

- Pay at any KTC TOUCH (no service fee)
- Pay at Krungthai Bank counter, or via Automated Teller Machine (ATM), or via Cash Deposit Machine (CDM) at Krungthai Bank (no service fee)
- Pay via Mobile Banking of any banks

6) Follow up in case of delinquency

In case customer fails to make payment within the due date, the Company will follow up the payment and offer late payment extension to customer by considering customer's needs and rationales. Under the closely monitored risk control system, the debt collection process for this personal loan business is done the same way as the credit card business.

(Please see details of Debt Collection in "Process of credit card service of credit card business" sub-topic 5) Debt Collection)

Subsidiary businesses (which are KTC PICO (Bangkok) Company limited / KTC Nano Company Limited / KTC Prepaid Company Limited / Krungthai Advisory Company Limited)

1.) KTC PICO (Bangkok) Company Limited plays a major part in ridding of the informal debt problems by providing loan services in the provincial level (PICO Plus) which approves loans of up to 100,000 Baht for any individual with home registration document and/ or residing or working in the vicinity of the Company's head office in that province. Loans can be approved without collateral and/or with in the form of car title or motorcycle title as a collateral. The maximum interest rate together with penalty, service fee, and other related fees is no more than 36% per annum for credit limit not over 50,000 Baht and no more than 28% for credit limit over 50,000 Baht. As of 31 December 2020, total sum of loans stood at 3.8 million Baht. KTC PICO (Bangkok) currently holds shares in KTC PICO Company Limited in 4 provinces namely Chonburi, Samutprakarn, Samutsakorn, and Patumthani. The Company plans to approve more loans in 2021.

KTC PICO (Bangkok) Company Limited

1) Application Channels

Applicant can apply for personal loan via the same channel as credit card application. The process of which depends on application channels specified by KTC PICO (Bangkok) Company Limited. (Please see details about application channels in "credit card service process of credit card issuing business" sub-section 1) Cardholder application). In addition, customer can also apply for KTC P BERM loan at KTC PICO's provincial offices.

2) The Company checks applicant's qualifications and risk profile

The Company evaluates applicant's qualifications from information in the application and its supporting documents. Personal verification in accordance with the law on Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and personal information checking from the National Credit Bureau Co., Ltd. were conducted. The risk analysis is performed by using the Credit Scoring system, along side with the consideration of collateral (if any) to set credit limit, and interest rate, including fee in accordance with business operation requirements.

3) The Company notifies application results (either approve or reject) to the applicant

In case customer applies for loans via KTC Touch and Outsource Sales channels, the Company will notify results as soon as his/ her qualifications have thoroughly been checked at the service center. As for applying through other channels, the Company will notify customers via SMS and mail the loan approval letter to them. The approved loans amount will be transferred directly to customers' Krungthai Bank account on the day of approval.

4) The Company sends installment statement and collects payment from the applicant

The Company will send SMS to notify customers the installment amount every month before the due date so they may choose to pay via various channels provided by the Company, such as

- KTC Touch Branches
- Krungthai Bank
 - Bank counters
 - Krungthai Next (Mobile Banking)
 - Internet Banking (www.ktbnetbank.com)
 - ATMs machine
 - Automatic Cash Depositing Machine
 - Cross-Bank Bill Payment

5) Follow up in case of delinquency

In case customer fails to make payment within the due date, the Company will follow up the payment and offer late payment extension to customer by considering customer's needs and rationales. Under the closely monitored risk control system, the debt collection process for this personal loan business is done the same way as the credit card business.

2.) **KTC Nano Company Limited** offers personal loans to freelancers or individuals with irregular income such as mom-and-pop store owners, traders, any typical registered merchants, or regular employees with monthly salary less than 15,000 Baht. Key purpose of getting loans must be occupationally related such as to expand businesses, or to relieve burdens from informal debts. Each individual can get a loan for up to 100,000 Baht at an effective interest rate of no more than 33% per annum. But due to the current economic conditions with high uncertainty, especially in small business operators group, the Company therefore considers postponing the nano finance launching plan until the economic situation becomes clearer.

3.) **KTC Prepaid Company Limited** is established to operate E-payment services, such as acquiring services, bill payment services, and money transfer services via electronic channels which the permission is to be granted from the business governing bodies. Krungthai Bank holds 24.95% of total shares while KTC holds 75.05% of total shares.

4) **Krungthai Advisory Company Limited (KTBA)** conducts business as a holding company where KTC and Krungthai Bank made a joint venture agreement on 30 October 2020. KTC purchased ordinary shares in KTBA from Krungthai Bank. As a result, Krungthai Bank holds 76.00% of total shares while KTC holds 24.00% of total shares.

Legislation relating to the Company's business operations

The Finance Ministry declared a permission to conduct credit card business and personal loan business under the Announcement of the National Executive Council No. 58. The Bank of Thailand acts as the regulator who issues notification regarding to rules and guidelines of business operations, as well as specifies interest rate and fees that are collected from customers, and sets credit card holders and personal loan customers' qualifications. The Company is granted a permission to conduct credit card business and personal loan business under required regulations. The Company is also granted a permission to conduct payment business under the Payment System Act, B.E. 2560. The Bank of Thailand, as the regulator, has issued regulations, rules, and guidelines for business which the Company has followed entirely. Should there be any new regulations and guidelines, the Company will strictly follow as well.

Apart from the Civil and Commercial Code and the Criminal Code, the Company is subjected to follow the Bank of Thailand Notification and the Electronic Transactions Committee Notification as mentioned above, as well as legislations concerning the Company's business operations, such as, the Public Limited Companies Act, B.E. 2535, the Securities and Exchange Act, B.E. 2535, the Credit Information Business Operation Act, B.E. 2545, the Consumer Protection Act, B.E. 2522, the Unfair Contract terms Act B.E. 2540,

the Anti - Money Laundering Act, B.E.2542, the Debt Collection Act, B.E. 2558, the Terrorism and Proliferation of Weapons of Mass Destruction Financing Act, B.E. 2559, and the Personal Data Protection Act, B.E. 2562.

Since the Company is part of the financial business of Krungthai Bank Public Company Limited; therefore, the Company must comply with the Financial Institution Businesses Act, B.E. 2551, regulations that consolidated supervision of financial business. The Company must follow rules, regulations, terms and conditions, processes, and principals in consolidated supervision.

Moreover, the Company's business operations may be controlled and regulated by government agencies or various organizations. Should rules, regulations, conditions, processes and/ or principals, such as, the Electronic Transactions Act, B.E. 2544, the Computer - related Crime Act B.E. 2550, the Gambling Act B.E. 2478, the Direct Sales and Direct Marketing Act, B.E. 2545, the Trademark Act B.E. 2534, and the Copyright Act B.E. 2537, be introduced to regulate business operations, the Company may adjust its business operations accordingly in the future. Nevertheless, the Company is confident that it will be able to comply effectively in accordance with these regulations.

Situation in consumer credit industry

Overview of consumer credit industry

In 2020, Thailand's gross domestic product (GDP) shrank -6.1%, compared to 2.3% growth in 2019. The decrease in GDP was attributed to -6.6%, -1.0% and -4.8% decline in export value, private consumption, and total investment respectively. However, government spending and public investment still expanded at a rate of 0.8% and 5.7% respectively. The most affected industries were the hotel and food service industry and the transportation industry. In terms of economic stability, in 2020 the average inflation rate stood at -0.8%, and the unemployment rate of 1.86% was higher than the rate of 1.0% in the same period a year before.

In general, there was a slight slowdown in the consumer credit industry, compared to the previous year. As of 31 December 2020, total credit card debt amounted to 449.733 billion Baht, down -1.6% from 2019, whereas in 2019 the industry grew 9.2% to 457.090 billion Baht. Moreover, this year total personal loan balances reached 580.454 billion Baht while total credit card spending shrank -12.8% to 1,643.709 billion Baht, compared to a growth rate of 9.0% in 2019. This decline was attributed to a general slowdown of Thai economy due to COVID-19 pandemic.

Growth of Consumer Finance Receivables

YEAR	2020	2019	2018	2017	2016
Consumer Finance Receivables (Million Baht)	1,030,187	1,037,001	802,050	748,366	693,092
Growth (%YoY)	(0.7%)	29.3%	7.2%	8.0%	6.3%

Source: The Bank of Thailand

Note: ⁽¹⁾ Consumer finance receivables is calculated by combining credit card receivables and personal loan receivables.

⁽²⁾ In 2018 and 2019, the Bank of Thailand adjusted the historical data in year 2016 - 2017.

⁽³⁾ For the industry data since February, 2019 (BOT published on April, 10 2019), the Bank of Thailand has included auto title loan into personal loan receivables.

Consumer debt consists of credit card debt and personal loan. The Bank of Thailand's reports publish information primarily collected from the two major types of consumer credit provider described below:

1. Commercial bank consists of Thai commercial banks and foreign bank branches, which are regulated by the Bank of Thailand, that engage in consumer credit business, such as Bangkok Bank, Kasikorn Bank, Siam Commercial Bank and Citibank.

2. Non-bank operator constitutes a business operator recorded with the Ministry of Commerce whose objective is to operate a regulated retail loan business, including credit card debt and personal loan. Two types of retail loan business include lenders that require no security and use vehicle registration as collateral, but non-bank lenders are not permitted to provide deposit services. These types of lenders are instrumental in helping further divert borrowings of low-income customers into the system. Low-income households represent a large group of borrowers.

As of the third quarter of 2020, Thailand's household debt accounted for 86.6% of GDP – the highest level in 18 years. At the end of 2019, the ratio of household debt to GDP stood at 79.9%. These ratios evidently indicated the general population's risky behavior and high propensity to incur debts. According to the Bank of Thailand's data, it was found that a higher ratio of household debt was heavily skewed towards mortgage loan. Moreover, rising household

debt ratio could be mainly attributed to mortgage loans, and other types of borrowing were related to nano finance, vehicle hire purchase, credit card, personal loan, and so forth.

If household debt still remains disproportionately high relative to household income for a long time, the ability of households to repay their debts may be affected, thereby leading to credit risk problems among lending institutions and rising non-performing loans (NPLs). Therefore, financial institutions have taken a more prudent stance in screening prospective debtors and approving new loans so as to keep a bad debt ratio at a comfortable level.

According to the Bank of Thailand's reports, COVID-19 pandemic and lockdowns increased financial vulnerability in the household sector due to decreased employment and reduction in working hours in the business sector. As a result, household income fell suddenly. Even though lockdown measures have been lifted and employment have picked up, several businesses, especially hotel and tourism-related businesses, were only slowly recovering. Despite having income support and liquidity boosting measures, after these measures expired the household sector might face debt repayment problems. So, the government sector still needs to issue additional relief measures and closely monitor household debt situation.

The Bank of Thailand launched the first phase of debt relief measures specifically for debtors affected by COVID-19 pandemic to reduce debt burden of the general population – for example, reducing minimum installment payment of credit card and revolving credit, offering 3-month moratorium on principal and interest payments, or lowering monthly installment to at least 30% of an original installment amount for a period of six months. Nonetheless, the Bank of Thailand discerned that debt relief measures in the first phase which would begin to gradually expire in December 2020 might not be enough to help individual debtors through this period of high uncertainty. Consequently, it has issued additional debt relief measures in the second phase – for example, permanently reducing interest rate ceilings on credit card credit and personal loan to 16% and 25% respectively, extending term loans to 48 installments, or considering imposition of interest rate ceilings of 12% and 22% on credit card credit and personal loan with a revolving line of credit on a case-by-case basis.

Thailand's Household Debt

THAILAND'S HOUSEHOLD DEBT	Q3 2020	2019	2018	2017	2016
Household Debt (Million Baht)	13,766,209	13,489,739	12,829,199	12,101,463	11,583,911
Household Debt to GDP (%)	86.6%	79.9%	78.6%	78.3%	79.6%

Source: The Bank of Thailand

Overview of credit card industry

1. Competition and competitors in credit card business

By year end, in credit card industry the number of credit card accounts grew 2.3% while outstanding debt, credit card spending (excluding cash advance), and cash advance shrank -1.6%, -11.3% and -28.7% respectively due to a slowdown in Thai economy caused by COVID-19 pandemic, which evidently impacted employment sectors and household consumption.

As of 31 December 2020, there was a total of 24.2 million credit card accounts in the system, and 2.3% growth rate of credit cards in circulation indicated a slowdown from 6.9% growth in the previous year. The credit card business would still continue to grow in the future as consumer behavior trends have been shifting towards increased e-payment and online transactions. In addition, e-commerce expansion

is picking up the pace. Meanwhile, credit card business operators have to make adjustments to accommodate these transactions.

As for credit card market share in terms of credit card accounts, non-bank operators held 12.4 million accounts or 51.4% share, an increase of 3.6% from the same period a year before. The remaining market share of 48.6% was captured by commercial banks, which held 11.7 million accounts, up 1.0% from the previous year. As of 31 December 2020, outstanding debt balances in the credit card business totaled 449.733 billion Baht, down -1.6% from the previous year which achieved a growth rate of 9.2%. Commercial banks and non-bank operators commanded a market share of 60.7% and 39.3% respectively. Please refer to more details about the industry in this table.

Number of Credit Cards

Number of Credit Card (Cards)	As at Dec 31, 2020			2019	2018	2017	2016
	Number of Accounts	Portion (%)	Growth (%YoY)				
Commercial Bank	11,732,994	48.6%	1.0%	11,618,919	10,593,555	9,665,858	10,313,291
Non-Bank	12,430,927	51.4%	3.6%	12,001,455	11,511,999	10,668,922	9,823,050
Total	24,163,921	100.0%	2.3%	23,620,374	22,105,554	20,334,780	20,136,341

Source: The Bank of Thailand

Note: ⁽¹⁾ In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

Credit Card Receivables

Credit Card Receivables (Million Baht)	As at Dec 31, 2020			2019	2018	2017	2016
	Amount	Portion (%)	Growth (%YoY)				
Commercial Bank	272,918	60.7%	(2.3%)	279,429	253,434	236,029	218,220
Non-Bank	176,814	39.3%	(0.5%)	177,661	165,313	158,094	141,876
Total	449,733	100.0%	(1.6%)	457,090	418,747	394,123	360,096

Source: The Bank of Thailand

Note: ⁽¹⁾In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

In 2020, total credit card spending amounted to 1,643.709 billion Baht, a decrease of -12.8% from the previous year. Commercial banks recorded a total spending of 1,073.488 billion Baht, down -12.9%, accounting for 65.3% of total industry spending. In 2020, non-bank operators recorded a total spending of 570.221 billion Baht, down -12.8%, accounting for 34.7% of total industry spending.

Total Credit Card Spending

Total Credit Card Spending (Million Baht)	As at Dec 31, 2020			2019	2018	2017	2016
	Amount	Portion (%)	Growth (%YoY)				
Commercial Bank	1,073,488	65.3%	(12.9%)	1,231,979	1,128,330	1,026,329	984,294
Non-Bank	570,221	34.7%	(12.8%)	653,746	602,158	546,270	503,978
Total	1,643,709	100.0%	(12.8%)	1,885,725	1,730,488	1,572,599	1,488,273

Source: The Bank of Thailand

Note: ⁽¹⁾In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

In 2020, total credit card spending (excluding cash advance) amounted to 1,527.013 billion Baht, down -11.3% from the same period a year before. Out of the total amount of spending, 66.3% share or 1,011.706 billion Baht derived from credit cards issued by commercial banks. Another 33.7% share or 515.306 billion Baht derived from credit cards issued by non-bank operators.

Credit Card Spending (excluding Cash Advance)

Credit Card Spending (Million Baht)	As at Dec 31, 2020			2019	2018	2017	2016
	Amount	Portion (%)	Growth (%YoY)				
Commercial Bank	1,011,706	66.3%	(11.7%)	1,145,498	1,053,131	955,178	911,736
Non-Bank	515,306	33.7%	(10.6%)	576,535	531,352	482,371	443,928
Total	1,527,013	100.0%	(11.3%)	1,722,033	1,584,483	1,437,549	1,355,664

Source: The Bank of Thailand

Note: ⁽¹⁾In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

In 2020, there was a whopping decline of cash advance in the industry due to a slowdown in Thai economy. The total amount of cash advance stood at 116.696 billion baht, down -28.7% from the same period a year before. Commercial banks recorded 61.781 billion baht of cash advance, accounting for 52.9% of the industry; the total amount of cash advance plunged -28.6%. Non-bank operators recorded 54.914 billion baht of cash advance, accounting for 47.1% share; the total amount of cash advance plunged -28.9%.

Cash Advance in Credit Card Business

Cash Advance (Million Baht)	As at Dec 31, 2020			2019	2018	2017	2016
	Amount	Portion (%)	Growth (%YoY)				
Commercial Bank	61,781	52.9%	(28.6%)	86,481	75,199	71,152	72,558
Non-Bank	54,914	47.1%	(28.9%)	77,211	70,806	63,899	60,050
Total	116,696	100.0%	(28.7%)	163,692	146,005	135,050	132,609

Source: The Bank of Thailand

Note: ⁽¹⁾ In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

2. KTC credit card business compared to the industry

In 2020, a slowdown in Thai economy caused by COVID-19 unavoidably impacted every business sector, particularly hotel, airline and tourism-related businesses, and nationwide lockdowns from March until May evidently triggered a general decline in economic activity, adversely impacted employment, and drastically reduced household spending, compared to the previous year. Certainly, the credit card business was not spared from the impacts, particularly in terms of reduced spending and rising default rate. Consequently, financial institutions adopt more stringent practices for considering and granting credit approval and focused the efforts to maintain a high quality of their debtor portfolios.

When comparing KTC credit card business to the industry, it was found that in 2020 the Company's credit card spending totaled 197.087 billion baht, dipping -7.7% from the total spending amount of 213.629 billion baht in 2019. However, this rate of decrease was less than -12.8% decline of the industry (reduced from 1,885.725 billion baht to 1,643.709 billion baht). The Company captured 12% market share, up from 11.3% share in 2019.

In terms of credit card debt, as of 31 December 2020 the Company's credit card debt totaled 60.235 billion baht, and its market share stood at 13.4%, up from 12.4% share in 2019. Moreover, the Company's credit card debt grew 6.3% while the industry registered a dip of -1.6%.

The Company, in collaboration with Visa, Mastercard, JCB and UnionPay, jointly expanded the cardmember base, boosted spending across various categories of products and services, which fulfill lifestyles of cardmembers, and also expanded the partnership base to offer additional benefits and privileges in new categories for cardmembers. As a result, in 2020 the number of credit cards rose to 2.6 million accounts, up 2.6% from the previous year. In terms of market share, the Company captured 10.7% share, up slightly from 10.6% in the previous year.

As of 31 December 2020, the industry's NPL ratio stood at 1.9%, the same level as 2019. After scrutinizing NPL ratio of each group in 2020, it was found that commercial bank's NPL ratio stood at 1.8% of total credit card debt while non-bank operator's NPL ratio stood at 2.0% of total credit card debt. As of 31 December 2020, KTC's NPL ratio stood at 1.3% of total credit card debt, which was lower than the industry ratio.

Comparison between KTC Credit Card Business and the Industry

	2020	2019	2018	2017	2016
Industry Number of Credit Card Accounts (Million Accounts)	24.2	23.6	22.1	20.3	20.1
KTC Number of Cards (Million Cards)	2.6	2.5	2.4	2.2	2.1
KTC Number of Cards to Industry (%)	10.7%	10.6%	10.8%	10.7%	10.4%
Industry Credit Card Spending (Million Baht)	1,643,709	1,885,725	1,730,488	1,572,599	1,488,273
KTC Credit Card Spending (Million Baht)	197,087	213,629	193,101	176,777	165,404
KTC Credit Card Spending to Industry (%)	12.0%	11.3%	11.2%	11.2%	11.1%
Industry Credit Card Receivables (Million Baht)	449,733	457,090	418,747	394,123	360,096
KTC Credit Card Receivables (Million Baht)	60,235	56,653	51,062	48,338	46,195
KTC Credit Card Receivables to Industry (%)	13.4%	12.4%	12.2%	12.3%	12.8%
Industry - NPL Ratio (%)	1.9%	1.9%	1.8%	1.9%	2.8%
KTC - NPL Ratio (%)	1.3%	0.9%	1.0%	1.1%	1.2%

Source: The Bank of Thailand

Note: ⁽¹⁾ Credit card spending includes cash advance

⁽²⁾ In 2017 and 2018, the Bank of Thailand adjusted the historical data in year 2016 - 2017

Overview of personal loan business

1. Competition and competitors in personal loan business

For the past year, overall personal loan under supervision remained expanding but at a slower pace compared to the previous year. By looking into further details, personal loans without collateral contracted from the year before due to the COVID-19 pandemic. Financial institutions were more prudent in credit lending and focused on assisting debtors affected by the COVID-19 outbreak following the Bank of Thailand's forbearance measures, including the reduction in maximum personal loan interest rate from 28% to 25%. As a result, financial institutions needed to appropriately adjust their criteria for credit approval. Meanwhile, vehicle title loans

continued to considerably grow as its risk can be managed more effectively than unsecured loans and demands for such loan still persisted.

As of 31 December 2020, the number of personal loan accounts in the industry totaled 17 million accounts, up 4.5% from 16.2 million accounts in the same period a year before. Non-bank operators held 13.9 million accounts, up 8.4% from the same period a year before and accounting for 80.6% market share. Meanwhile, commercial banks held 3.3 million accounts, down -9.1% and accounting for 19.4% of the industry.

Number of Personal Loan Accounts

Number of Personal Loan Account (Accounts)	As at Dec 31, 2020			2019	2018	2017	2016
	Number of Accounts	Portion (%)	Growth (%YoY)				
Commercial Bank	3,283,407	19.4%	(9.1%)	3,611,409	2,507,964	2,413,331	2,489,486
Non-Bank	13,682,599	80.6%	8.4%	12,612,337	10,901,127	10,324,608	9,687,424
Total	16,966,006	100.0%	4.5%	16,223,746	13,409,091	12,737,939	12,176,910

Source: The Bank of Thailand

Note: ⁽¹⁾ Number of accounts means number of personal loan accounts under supervision with outstanding loans at the end of the reporting month.

⁽²⁾ In 2017, 2018 and 2019, the Bank of Thailand adjusted the historical data in year 2016 - 2018

⁽³⁾ For the industry data since February 2019 (BOT published on April 10, 2019), BOT has included car title loan into personal loan.

In 2020, total outstanding personal loan balances rose 0.1% to 580.454 billion baht, compared to 579.788 billion baht in the same period of 2019. Total outstanding loan balances of commercial banks amounted to 225.325 billion baht, down -11.4% and accounting for 38.8% market share. Meanwhile, total outstanding loan balances of non-bank operators amounted to 355.129 billion baht, up 9.1% and accounting for 61.2% share of the industry.

Outstanding Balance of Personal Loan Business

Personal Loan Outstanding Balance (Million Baht)	As at Dec 31, 2020			2019	2018	2017	2016
	Amount	Portion (%)	Growth (%YoY)				
Commercial Bank	225,325	38.8%	(11.4%)	254,345	166,942	155,557	156,386
Non-Bank	355,129	61.2%	9.1%	325,443	216,361	198,686	176,610
Total	580,454	100.0%	0.1%	579,788	383,303	354,243	332,996

Source: The Bank of Thailand

Note: ⁽¹⁾ Only principal (after deducting deferred income) is accounted in Outstanding Balance.

⁽²⁾ In 2017, 2018 and 2019, the Bank of Thailand adjusted the historical data in year 2016 - 2018

⁽³⁾ For the industry data since February 2019 (BOT published on April 10, 2019), BOT has included car title loan into personal loan.

2. KTC personal loan business compared to the industry

As of 31 December 2020, KTC held 814,329 billion personal loan accounts, dipping -8.3% primarily due to closure of inactive accounts, while the industry recorded a growth rate of 4.5%. The Company's share of personal loan accounts dropped from 5.5% to 4.8%. At the end of 2020, KTC's outstanding personal loan balances amounted to 29.915 billion baht, an increase of 3.4%, and the Company's total outstanding debt accounted for 5.2% of the industry. However, the Company aims to expand the new membership base and tailor marketing to specific population groups according to demographic data and cash withdrawal behaviors while maintaining debtor quality at a standard level.

When scrutinizing non-performing loans, it was found that in 2020 the industry's NPL ratio rose from 3.0% to 3.1%. As of 31 December 2020, the Company's NPL ratio jumped to 2.7% from 0.9% in 2019 mainly due to the adoption of the new accounting standard TFRS9 since early 2020 and the impacts of COVID-19 epidemic, which directly affected the debt paying ability of the household sector. Nevertheless, the Company still focused the efforts on controlling the quality of its debtor portfolio and expanding the debt portfolio carefully.

Comparison between KTC Personal Loan Business and the Industry

	2020	2019	2018	2017	2016
Number of Personal Loan Accounts – Industry (Accounts)	16,966,006	16,223,746	13,409,248	12,737,939	12,176,910
KTC Number of Personal Loan Accounts (Accounts)	814,329	888,342	951,882	852,915	818,068
KTC Personal Loan Accounts to Industry (%)	4.8%	5.5%	7.1%	6.7%	6.7%
Industry Personal Outstanding Loan (Million Baht)	580,454	579,788	383,303	354,243	332,996
KTC Personal Loan Receivables (Million Baht)	29,915	28,933	26,821	24,757	21,959
KTC Personal Loan Receivables to Industry (%)	5.2%	5.0%	7.0%	7.0%	6.6%
NPL Industry (%)	3.1%	3.0%	2.5%	2.5%	3.2%
KTC NPL Ratios (%)	2.7%	0.9%	0.8%	0.8%	0.9%

Source: The Bank of Thailand

Note: ⁽¹⁾ Number of accounts means number of personal loan accounts under supervision with outstanding loans at the end of the reporting month.

⁽²⁾ Personal loan without assets or property as collateral, including lending originated from hire purchase and lease of goods that are not normally sold by operator except for cars and motorcycles, but excluding loan for education, traveling loan for overseas employment, loan for medical treatment, loan for staff welfare where the employer has signed contract with the personal loan operator and other loans as prescribed by the Bank of Thailand.

⁽³⁾ In 2017, 2018 and 2019, the Bank of Thailand adjusted the historical data in year 2016 - 2018

⁽⁴⁾ For the industry data since February 2019 (BOT published on April 10, 2019), BOT has included car title loan into personal loan.

Overview of auto title loan business

1. Competition and competitors in auto title loan business

Auto title loan business last year had continuously expanded. Considering the number of accounts and the amount of credit lending, the main lending proportion came from other lending corporations apart from financial institutions whose competitive edges arose from the increase in branch numbers to cover wider service areas. In spite of the Bank of Thailand's regulation for the cap on maximum interest rate of auto title loans, the impact was insignificant that other financial corporations except financial institutions still could be in competition. For risk management, other financial corporations prioritized on collateral whereas financial institutions focused on the quality of credit borrowers.

As of 31 December 2020, the number of auto title loan accounts in the industry stood at 3.8 million accounts, surging 38.6% from 2.7 million accounts in the same period a year before. Non-bank operators held 3.6 million accounts, accounting for 95.5% market share; the number of accounts in this sector jumped 40.9%, compared to the same period a year before. Meanwhile, commercial banks held 170,755 accounts, registering 3.0% growth and accounting for 4.5% share of the industry.

Number of Auto Title Loan Accounts

Number of Auto Title Loan Account (Accounts)	As at Dec 31, 2020			2019
	Amount	Portion (%)	Growth (%YoY)	
Commercial Bank	170,755	4.5%	3.0%	165,845
Non-Bank	3,587,443	95.5%	40.9%	2,545,967
Total	3,758,198	100.0%	38.6%	2,711,812

Source: The Bank of Thailand

As of 31 December 2020, the outstanding auto title loan balances in the industry totaled 150.550 billion baht, expanding at a rate of 21.3% from the same period a year before. The outstanding loan balances of commercial banks totaled 32.283 million baht, dipping -3.9% and accounting for 21.4% market share. Meanwhile, the outstanding loan balances of non-bank operators totaled 118.267 billion baht, surging 30.6% from the same period a year before and accounting for 78.6% share of the industry.

Outstanding Balance of Auto Title Loan Business

Auto Title Loan Outstanding Balance (Million Baht)	As at Dec 31, 2020			2019
	Amount	Portion (%)	Growth (%YoY)	
Commercial Bank	32,283	21.4%	(3.9%)	33,605
Non-Bank	118,267	78.6%	30.6%	90,557
Total	150,550	100.0%	21.3%	124,162

Source: The Bank of Thailand

2. KTC auto title loan business compared to the industry

As the auto title loan business was a new business that KTC commenced in 2019, as of 31 December 2020 the Company held 209 auto title loan accounts, and the outstanding loan balances at yearend amounted to 162 million baht. Meanwhile, the auto title loan balances in the industry totaled 150.550

billion baht, surging 30.6%. Currently, the Company aims to expand this business by seeking target customers with financial needs who own a vehicle and maintaining a high quality of its debtors.

Overview of Pico Finance Industry

1. Competition in Pico Finance Business

The business of Provincial Retail Credit under Supervision (Pico Finance) is to provide loans with vehicle registration book for either car, motorcycle, or agricultural vehicle as collateral, or generally called 'Auto Title Loan', and can be classified into 2 categories as follows.

1) Pico Finance Business : requires a minimum paid-in capital of Baht 5 million, able to grant credits up to Baht 50,000 per individual, and can charge total of interests, lending profits, fines, service fees and other charges of no more than 36% per year (effective rate).

2) Pico Plus Business : requires a minimum paid-in capital of Baht 10 million, able to grant credits up to Baht 100,000 per individual, and can charge total of interests, lending profits, fines, service fees and other charges of no more than 36% per year (effective rate) for credits of the first Baht 50,000 and no more than 28% per year (effective rate) for credits over Baht 50,000.

2. Overview of Pico Finance Business

From December 2016 to the end of December 2020, the numbers of legal entities who had applied for licenses to conduct Pico Finance business were 1,243 in total which can be categorized into

1) Pico Finance Business : A total number of applicants were 1,056 of which 870 in 74 provinces were already granted licenses and 807 of those in 74 provinces have already been in service.

2) Pico Plus Business : A total numbers of applicants were 187, of which 136 in 45 provinces were granted licenses and 110 of those in 36 provinces have already been in service.

3) Total cumulative approved loans and outstanding loans

(3.1) At the end of November 2020, total cumulative approved loans amounted to Baht 9,538.59 million with 387,706 accounts, of which 171,870 accounts with total value of Baht 4,844.10 million were secured loans and 215,836 accounts with total value of Baht 4,694.49 million were unsecured loans.

(3.2) At the end of November 2020, total outstanding loans amounted to Baht 3,878.96 million with 172,974 accounts. Of the total outstanding loans, 14.87% or Baht 576.94 million granted to 24,745 accounts were loans past due 1-3 months, whereas 16.65% or Baht 645.94 million granted to 28,092 accounts were loans past due over 3 months (NPL).

Overview of Nano Finance Industry

1. Competition in Nano Finance Business

Overall competition in Nano Finance business has not yet been extreme even though many target customers still need working capitals for their business operations. This is because Nano finance business is credit lending for low-earning individuals and small-scale business owners with no proof of income and no asset or property as collateral. Nano Finance business, therefore, is riskier than other types of lending in which experienced credit lenders and strict credit approval criteria are required.

Number of Nano Finance Accounts and Outstanding Loans of Nano Finance Business

Year	As at Dec 31, 2020		2019	2018	2017	2016
	Number of Accounts	Growth (% per year)				
Number of Accounts (Accounts)	774,316	(34.0%)	1,172,889	2,038,841	191,155	55,454
Total Outstanding Balance (Million Baht)	17,441	(9.7%)	19,318	35,635	4,777	1,433

Source: The Bank of Thailand

As of December 31, 2020, a total number of Nano Finance accounts in the industry were 774,316, decreased by -34.0% compared to the same period of 2019 (1,172,889 accounts). Regarding total outstanding balance, Nano Finance value is 17,441 million baht, decreased by -9.7 compared to the same period of 2019 (19,318 million baht).

KTC business trends and strategy in 2021

1. Credit card business trends and strategy in 2021

In 2020, credit card business had been severely impacted by the COVID-19 pandemic. As a result, total credit card spending substantially declined particularly in tourism sector. Nonetheless, card spending in other sectors gradually recovered for the second half of last year. For business trend in 2021, the intense marketing competition in credit card business is expected to continue. The Company, therefore, plans not just to provide compelling products and marketing campaigns that truly satisfy customers, but to focus on applying technologies to create impressive experience with security, simplicity and convenience for customers both thru merchants and via online. Such action is believed to crucially create differentiation among credit card companies. In addition, in order to support current competition and ongoing changes in consumer digital lifestyle as well as to aim for KTC's sustainable growth,

determining competitive advantages and differentiations will be the key strategies for the Company to further strengthen its market shares in 2021. The Company will continue to increasingly expand its new member base via various channels especially via online. It will also manage sound relationship with existing members by positioning on building simple and not complicated experience. Furthermore, the Company will emphasize in applying digital technologies in every dimension including the offers of products, services and privileges that truly meet customer demands and differentiate for each segment. Loyalty management, public relation, business alliance expansion, relationship management with business partners, as well as efficient operating procedures will also be prudently considered so that marketing campaigns and budget planning can be administered at best.

The Company's business strategies for 2021 can be summarized as follows.

- Marketing strategy for continuing and substantial growth in new member base. The Company will provide credit card products that precisely satisfy general and premium groups of customers, as well as young generation base with distinctive lifestyle. The Company will also focus on increasingly expanding its member base not only thru online communication and application but also thru its merchants and its partners. Additionally, the Company will collaborate with co-branded partners to enhance and offer additional privileges, along with coordinate develop strategies in member base expansion which in turn will lead to long-term relationship between KTC and co-branded partners.
- Marketing strategy for the recognition in the difference of customer demands in each lifestyle group, along with the offers of products and services that satisfy new lifestyles. The Company has continuously improved its service channels including its existing digital communication as well as constantly offered new diversified services to suitably meet with consumer behavior in current era for their preference to perform online self-service transactions. To create customer's superior experience with simplicity, convenience yet maximum security, KTC has provided members with its mobile application KTC Mobile which has been consistently enhanced and promoted new services and various marketing campaigns. In 2020, marketing campaigns via KTC Mobile channel had been well received with increasing number of card members accessing KTC Mobile application. As members began to be more accustomed to this KTC Mobile channel, new variety of marketing campaigns were able to be developed to truly satisfy members and partners. In addition, the Company owns other online service via its website www.ktc.co.th/online which supports every access devices including computers, tablets, mobile phones or devices with any operating systems. This website can provide members with full featured and convenient functions, and most importantly maximum security in which the website will be continuously improved for its simple and modern use so that members can achieve seamless experience, along with utmost satisfaction.
- Marketing strategy focusing on providing members with diversified and comprehensive privileges. The Company recognizes the importance of not only offering privileges in all categories to help urge member's continuous spending, leading KTC to become their brand preference, but also covering nationwide merchants with the emphasis on 21 major provinces. The Company also plans to collaborate with its business partners, merchants, and organizations including various associations to design marketing campaigns and privileges with KTC's unique corporate identities of originality, creativity and diversity in order to simultaneously achieve benefits for both business partners and cardmembers. In addition, KTC has continuously expanded its online business partners in term of both quantity and diversity of products and services to be in accordance with consumer behaviors in digital era. Due to excellent growth last year in total online spending, leading to member's ongoing credit card use, KTC will continue to give its top priority in promoting marketing campaigns with its online partners in 2021. Building superior experience thru various marketing activities and events will also be arranged to promote KTC's brand recognition as well as to create opportunities for new member base expansion. Regardless, KTC's overall marketing campaigns either via online or thru merchants will exercise KTC Forever reward points and installment plan as key marketing tools.
- Differentiation marketing strategy with KTC World service. Thru KTC World, the Company provides travel information service for KTC credit cardmembers with its strengths of not just value for money but also exceptional service from professional team with daily business hours from 8.00 to 20.00. To support current digital lifestyle, travel information service and online plane ticket booking are also available at www.ktcworld.co.th. In addition, travel community has been created thru various social medias like KTC World Facebook, Instagram and Twitter. Furthermore, the Company has jointly developed marketing campaigns with local and foreign travel business partners, as well as local and foreign tourism organizations to promote travel industry and offer

exclusive travel programs and privileges only for KTC's cardmembers.

- Marketing strategy concentrating on building partner relationships with holistically sustainable approach. KTC will connect, further develop and synchronize every business of its groups under the concept of maximizing benefits for all related parties, yet not foregoing member's satisfaction and demands. The Company will also continue to explore new business opportunities from any business that is currently in public favor or in global trend or has high potential or is able to connect more closely with member's lifestyle.
- Marketing strategy to build brand loyalty and Segmentation. The Company plans to manage its portfolio at utmost efficiency, along with repetitively promote its marketing campaign of KTC FOREVER points redemption which is one of KTC's strengths by emphasizing the concept of value for money and minimum points to redeem with diversified products and services. The Company will also focus on urging members with more online redemption experience. Additionally, the Company will organize the campaign aiming at frequency of card utilization to ensure KTC as member's default card.
- To expand the merchant acquiring business, KTC plans to provide suitable payment services that address the needs of merchants in different business categories in order to deliver a great service experience to them and sustain a long-term business growth. The Company will attach importance to marketing of KTC installment payment schemes, KTC Forever

point redemption, and a full repayment plan. Moreover, it will implement a strategy to expand the merchant base in partnership with bank and business partners in order to promote fully integrated services for merchants through payment acceptance facilities and sales management system. In addition, it will equip online stores with facilities that can accommodate a skyrocketing growth of e-commerce and social commerce businesses and will develop novel payment services and products in order to serve growing businesses that will still accept cash payment so as to shift them from accepting cash payment towards credit card payment. This strategy is instrumental in helping propel Thailand towards cashless society as set out in the government policy. Furthermore, the Company will continue to highlight the importance of the development of the collaborative partnership between Krungthai Bank and KTC in order to build joint business opportunities that will lead to broadening of its revenue base.

- Other marketing programs. The Company has never overlooked other types of marketing campaigns that can promote member's satisfaction and build brand loyalty such as the offer of various types of insurance plans or KTC USHOP service. Through KTC USHOP which can be regarded as another marketing channel for its business partners, the Company has organized quality products meticulously selected from reliable merchants, focused on market segmentation strategy, and provided members with convenient payment via KTC card or via KTC Forever points redemption.

2. Business Trend and Strategies of Personal Loan Business for 2021

The Company foresees that personal loan business in 2021 will possibly slow down due to the Bank of Thailand's measure of the interest rate reduction to 25%. The decline in credit approval rate is expected as credit quality is required to be cautiously monitored. KTC's strategies of personal loan business in 2021 aim at maintaining good quality of receivables portfolio, building brand loyalty with existing members and encouraging the idea of KTC as their brand preference for financing needs, as well as alleviating debt burden for members with good financial discipline through all-time favorite marketing campaigns such as Debt-Clearing campaign. Meanwhile, the Company continues to target new members with credit demands to improve their quality of life

for promising future and with sound financial discipline by aiming more member acquisition through business partners in education loan sector. The Company has also unceasingly developed its products and services for member's utmost convenience and satisfaction by highlighting a distinctive feature of "Withdraw-Transfer-Swipe-Pay" all in one card. Furthermore, the Company focuses on improving member's quality of life for sustainable and simultaneous growth by promoting financial discipline thru seminars of Financial Literacy and thru useful articles with simple format medias. Knowledge sharing workshops for career and investment advice have also been arranged to help enhance member's future income.

3. Business Trend and Strategies of Auto Title Loan Business for 2021

The Company believes that auto title loan business which is its recent business has a potential to substantially expand in 2021. Due to current economic situation, along with the COVID-19 pandemic, credit demands are increasingly required. Nonetheless, financial institutions still need to emphasize credit quality control, as a result lending amount is more limited and credit approval criteria are further strictly adjusted. This has led overall industry to divert attention to

credit lending with vehicle registration as collateral since target audiences with their own vehicles are capable of loan repayment as well as possess potentially low risk.

The Company's strategies of auto title loan business, KTC P Berm, for 2021 are to aim for member base expansion in order to achieve continuous growth, with core strategies summarized as follows.

- **Brand awareness.** Create brand recognition for business industry and target audiences. In order for its products to be well recognized, receive attentions as well as gain wider access of target audiences, the Company will focus on communicating product name of KTC P Berm through main media channels both online and offline particularly influential medias with direct connection to target audience's behaviors.
- **Partnership.** Emphasize the Company's strengths in collaboration with its business partners. The Company will coordinate with Krungthai Bank and other business alliances to expand members through its partners' customer bases and channels.
- **Strategic location.** Concentrate on extending service areas, along with continuously highlight sales channel of "P Berm Delivery" so as to thoroughly provide KTC P Berm products and services for target audience's needs as well as increasingly create superior experience for customers in broader areas.

4. Business Trend and Strategies of Pico Finance Business for 2021

Pico Finance business is expected to remain expanding at a healthy rate in 2021 due to continued growing demands from both business entrepreneurs and individuals with credit needs. In 2020, legal entities had consistently applied for licenses to conduct business of provincial retail lending in which at the end of November 2020, a total number of applicants were 1,240 in 75 provinces, of which 868 in 75 provinces were granted licenses to operate Pico Finance business, and 122 in 40 provinces were granted licenses to operate Pico Plus business. Total outstanding loans in the system at the end of November 2020 was approximately Baht 3,654.89 million.

To align with strategies of personal loan business, the Company's strategies for Pico Finance business in 2021 will focus on new product development that can satisfy demands for small segments consumer, and simultaneously aim for efficient quality control of receivables to reduce risk of rising

bad debts. The Company intends to develop credit products suitable for customers in each segment according to their demands, their features as well as their loan repayment capabilities. The Company's products will include loans with collateral (car title loan and motorcycle title loan), loans for low-income earners, and special loans in collaboration with the Company's alliances or business partners.

In addition, the Company's strategies of Pico Finance business for 2021 will aim to expand service areas and service channels so that the Company can increasingly and comprehensively provide its credit products and services. To provide its target audience with convenient and quick access to its services as well as to create impressive experience and utmost satisfaction, the Company will offer services thru either KTC's direct sales for Pico Finance, KTC's outsource sales, KTC TOUCH's branches, KTB's branches or KTC's business alliances.

5. Business Trend and Strategies of Nano Finance Business for 2021

Nano Finance business in 2021 is expected to slightly grow due to current economic condition and the COVID-19 pandemic. Financial institutions need to focus on quality control of receivables. As a result, lending amount is more limited and credit approval criteria are further strictly adjusted especially for small business owners or vendors who are target audiences of Nano finance business and have been greatly impacted by present economic situation.

Despite the increase of Nano Finance operators in 2020 for approximately 12.5%, its business growth turned to different direction with the 10% decline in total outstanding loans as of the end of November 2020, compared to the one as of November 2019.

Due to high uncertainties in economic situation particularly for small entrepreneurs, the Company's strategies of Nano

Finance business for 2021 will emphasize in efficient credit quality control by taking precautions in both developing products and defining credit approval criteria in order to achieve high quality of receivables as well as reduce risk from rising bad debts.

The Company aims to create sustainable satisfaction and relationships with both its members and its business partners by developing its 3 Core Values which are Courageous, Smart Simplicity and Meaningful, along with conducting its businesses based on differentiation concepts with transparency, good corporate governance, and a goal to achieve sustainable profits for investors.

Acquisition of Products and Services

Credit card Acquisition

As The Company needs to obtain plastic card to produce various kinds of its credit cards, along with store cardholder's data into both microchips embedded in front of the card and magnetic stripe at the back, The Company has decided to use outsourcing services certified by Visa, Mastercard, JCB, and UnionPay for the whole process of credit card production which can be described as follows

- Order of Blank Cards. Outsourcing providers will manufacture plastic cards according to the amount and the formats that the Company has ordered in which each order will be estimated for sufficient use. When plastic cards in inventory reach a reorder point, the Company will proceed with the additional order to ensure that outsourcing providers can produce cards in time.
- Embossed printing and data storage in magnetic stripe and microchips. Plastic card will be embossed in its front with cardholder's name and surname according to the format or type of the credit card that cardholder chooses. Cardholder's data will also be stored into microchips and magnetic stripe with outsourced manufacturing standards certified by Visa, Mastercard, JCB and UnionPay.
- Credit card packaging and delivery to cardholders. Manufactured credit card will be filled in the envelope together with credit card's terms and conditions and any other privileges documents. Then, the Company will deliver the card through the channel cardholder selects such as via postal mail per the address indicated by cardholder, or via KTC TOUCH service point, or via KTB branch as identified by cardholder etc.

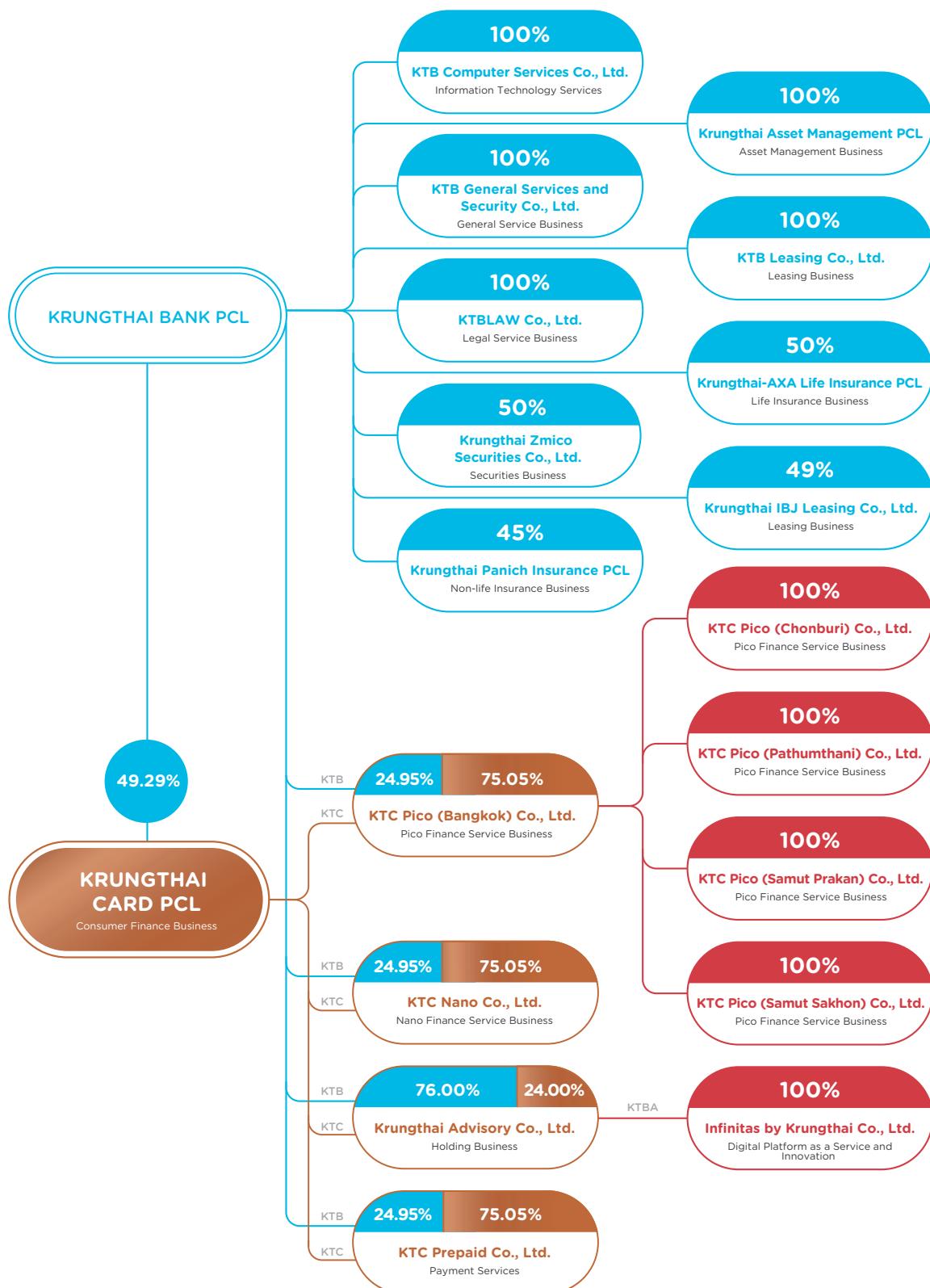
Procurement of EDC device/ credit card reader

The Company will procure EDC devices/ credit card readers for every merchant that meets approval criteria by leasing or purchasing these devices from selected equipment distributors. These distributors must have well-known, modern products that can accommodate payment technologies and conform to international payment and data security standards. Moreover, the Company also has a policy relating to after-sales service level. Therefore, it must carefully select the services offered by distributors that have stable business and professional management and capable teams as well as nationwide distribution and service networks, which can ensure that they will be able to maintain a service level that the Company is committed to provide to its merchant members. The purpose is to provide fast services to merchants and minimize opportunities to commit frauds by merchant members.

Company's Shareholding Structure

Shareholding structure of Krungthai Card Public Company Limited

On December 31, 2020, the major shareholder of Krungthai Card Public Company Limited is Krungthai Bank Public Company Limited with 49.29% holding. Thus, the shareholder structure of the Company can be shown as follows.



Shareholding structure of KTC PICO (Bangkok) Company Limited

KTC Pico (Bangkok) Company Limited engages in provincial multipurpose loan under supervision (Pico Plus) with Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited as shareholders. Furthermore, KTC Pico (Bangkok) Company Limited owns 100% stake in KTC Pico (Chonburi)/ (Pathum Thani)/ (Samut Prakan)/ (Samut Sakhon).

Shareholding information at the book closing date on December 31, 2020 consisted of 2 shareholders as follows.

NO.	NAME	NUMBER OF SHARES	SHAREHOLDING (%)
1.	Krungthai Card Public Company Limited	4,503,000	75.05%
2.	Krungthai Bank Public Company Limited	1,497,000	24.95%
TOTAL		6,000,000	100.00%

Shareholding structure of KTC Nano Company Limited

KTC Nano Company Limited engages in a nationwide business-related loan under supervision with stakes own by Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited.

Shareholding information at the book closing date on December 31, 2020 consisted of 2 shareholders as follows.

NO.	NAME	NUMBER OF SHARES	SHAREHOLDING (%)
1.	Krungthai Card Public Company Limited	3,752,500	75.05%
2.	Krungthai Bank Public Company Limited	1,247,500	24.95%
TOTAL		5,000,000	100.00%

Shareholding structure of Krungthai Advisory Company Limited

Krungthai Advisory Company Limited is a holding company owned by Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited. On November 6, 2020, Krungthai Advisory Company Limited purchased the capital increase issued by Infinitas by Krungthai Company Limited and held 100% of its registered capital.

Shareholding information at the book closing date on December 31, 2020 consisted of 2 shareholders as follows.

NO.	NAME	NUMBER OF SHARES	SHAREHOLDING (%)
1.	Krungthai Card Public Company Limited	7,200,000	24.00%
2.	Krungthai Bank Public Company Limited	22,800,000	76.00%
TOTAL		30,000,000	100.00%

Shareholding structure of KTC Prepaid Company Limited

KTC Prepaid Company Limited engages in payment service under supervision which consisted of electronic payment, electronic money transfer, acquirer service, and payment gateway. Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited hold the company's stock.

Shareholding information at the book closing date on December 31, 2020 consisted of 2 shareholders as follows.

NO.	NAME	NUMBER OF SHARES	SHAREHOLDING (%)
1.	Krungthai Card Public Company Limited	7,505,000	75.05%
2.	Krungthai Bank Public Company Limited	2,495,000	24.95%
TOTAL		10,000,000	100.00%

Shareholders

Major Shareholders

Top 10 shareholders of the Company as of December 31, 2020 consisted of

NO.	NAME	NUMBER OF SHARES	SHAREHOLDING (%)
1.	KRUNGTHAI BANK PUBLIC COMPANY LIMITED	1,270,908,500	49.29%
2.	MR. MONGKOL PRAKITCHAIWATTANA	388,020,500	15.05%
3.	THAI NVDR	213,846,359	8.29%
4.	MS. CHANTANA JIRATTITEPAT	128,673,000	4.99%
5.	UOB KAY HIAN PTE LTD A/C - RC	50,000,000	1.94%
6.	UBS AG SINGAPORE BRANCH	49,300,000	1.91%
7.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LTD ⁽¹⁾	46,394,116	1.80%
8.	MORGAN STANLEY & CO. INTERNATIONAL PLC	30,000,000	1.16%
9.	MAYBANK KIM ENG	25,823,000	1.00%
10.	MR. KIATTINAN DENPAISAN	20,143,700	0.78%
TOTAL		2,223,109,175	86.22%

Source: Thailand Securities Depository Co., Ltd. (TSD)

Remark: ⁽¹⁾ Shareholder No. 7 is a Nominees Account, in which the actual shareholders cannot be known.

In compliance to the rules and disclosure policies of The Securities and Exchange Committee that mandates security issuing companies to disclose ultimate shareholders, the Company reports 2 representatives from Krungthai Bank Public Company Limited who are appointed as directors namely, Mr. Pichit Jongsaliswang as director and member of the nomination and remuneration committee and Ms. Praralee Ratanaprasartporn as director of Krungthai Card Public Company Limited.

Shareholder of Infinitas by Krungthai Company Limited

Infinitas by Krungthai Company Limited engages in research and development for Digital Platform as a Service and Innovation, with Krungthai Advisory Company Limited holding 100% of the Company's registered shares. On November 6, 2020, the Company issued an additional capital increase amounted to 260 MB, resulted in the total value of registered shares to increase to 300 MB with par value of 10 Baht per share.

Shareholder information at the book closing date as of December 31, 2020 is shown as follows.

NAME	NUMBER OF SHARES	SHAREHOLDING (%)
Krungthai Advisory Company Limited	30,000,000	100%

Major Shareholders Agreement

None

Registered Capital and Paid Up Capital

As of December 31, 2002, the Company had 1,050 MB registered capital, 1,000 MB of which was duly paid up that represented 100 million ordinary shares of 10 Baht each, which the Company had listed its ordinary shares with The Stock Exchange of Thailand since October 2002.

Moreover, the Company's Extraordinary Shareholders Meeting No. 4/2002 held on December 12, 2002 had approved the Company's offering for sale of newly issued ordinary shares under ESOP-Warrants to its directors and employees of not exceeding 5 million units at 10 Baht each, with a term of not exceeding 5 years. The exercising ratio was 1 unit of ESOP-Warrant entitled to buy 1 newly issued ordinary share at Baht 16.33. On March 18, 2003, the Company had allocated 5 Million units of ESOP-Warrant to its directors and employees, half of which could be exercised on or after March 17, 2004 whilst the remaining half could be exercised on or after March 17, 2005 according to the ESOP-Warrant's terms and conditions.

On November 3, 2003, the Company's Extraordinary Shareholders Meeting had approved the Company's increase of registered capital for another Baht 1,530,162,000 divided into 153,016,200 newly issued shares of Baht 10 each, with resolutions to allocate 150,000,000 newly issued shares to the Company's former shareholders at 1 share held per 1.5 newly issued share, and spare 3,016,200 newly issued shares for the directors' and employees' additional exercising of ESOP-Warrants due to the changes of pricing to 10.185 Baht and exercising ratio from 1 unit to 1.60328 unit.

Since March 17, 2008 was the very last due date for exercising ESOP-Warrants, the total units exercised in the 1st and 2nd rounds as on the Company's fiscal year ended December 31, 2008 was 4,885,950 units from the duly allocated 5 million units of ESOP-Warrant. The remaining newly issued ordinary share from ESOP-Warrant exercising that must be cancelled was 182,793 shares. Further, on April 30, 2009, the Company's Annual General Meeting No. 7 had approved the Company's decrease of registered capital from 2,580,162,000 Baht to 2,578,334,070 Baht by cancelling the remained unsold 182,793 shares from ESOP-Warrant exercising, and the Company had completely and officially reduced its registered capital accordingly on May 12, 2009.

On July 6, 2018, the Company's Extraordinary Shareholders Meeting had approved the Company's change of its shares' par value from 10 Baht per share to 1 Baht per share, and the Company had duly registered the change of its shares' par value with the Department of Business Development, the Ministry of Commerce on July 9, 2018. Such change resulted an increase of the Company's number of shares for another 257,833,407 shares, or totaling 2,578,334,070 shares, ever since.

As of December 31, 2020, the Company had registered capital and paid up capital of totaling 2,578 million Baht, divided into 2,578,334,070 ordinary shares of 1 Baht each.

Issuing of other Securities

Source of Fund

The Company raised funds from 2 sources, namely, shareholders' equity and liability, which on December 31, 2020 the Company had shareholders' equity of totalling 22,850 million Baht, consisting of duly paid up capital of 2,578 million Baht and premium on par value of ordinary shares of 1,892 million Baht, plus retained earnings (appropriated retained earnings according to law and unappropriated retained earnings) of 18,329 million Baht and non-controlling interests of 51 million Baht, and total liabilities of 65,553 million Baht.

Key sources of liabilities as of December 31, 2019 were as follows:

From the issuances of debentures and bills of exchange of totalling 57,439 million Baht.

Undue debentures of totalling 43,480 million Baht, all of which are unsecured debentures with credit rated A+ by Tris Rating and Information Services Co., Ltd., as follow.

NO.	TYPE	INTEREST RATE	MATURITY DATE	BALANCE AS OF DECEMBER 31, 2020 (MILLION BAHT)	DEBENTURE HOLDER REPRESENTATIVE
1	Debenture of Krungthai Card Public Company Limited No. 5/2015 Due 2025	4.00%	Sep 16, 2025	1,000	-
2	Debenture of Krungthai Card Public Company Limited No. 7/2015 Due 2022	3.68%	Nov 11, 2022	700	-
3	Debenture of Krungthai Card Public Company Limited No. 8/2015 Due 2025	3.90%	Nov 20, 2025	1,000	-
4	Debenture of Krungthai Card Public Company Limited No. 1/2016 Series 1 Due 2026	3.85%	Feb 17, 2026	200	-
5	Debenture of Krungthai Card Public Company Limited No. 1/2016 Series 2 Due 2026	3.85%	Feb 17, 2026	300	-
6	Debenture of Krungthai Card Public Company Limited No. 2/2016 Series 3 Due 2021	2.64%	Feb 26, 2021	800	-
7	Debenture of Krungthai Card Public Company Limited No. 3/2016 Series 2 Due 2021	2.12%	May 11, 2021	1,500	-
8	Debenture of Krungthai Card Public Company Limited No. 4/2016 Due 2021	2.54%	Jul 22, 2021	3,000	-
9	Debenture of Krungthai Card Public Company Limited No. 5/2016 Due 2024	3.00%	Jul 5, 2024	100	-
10	Debenture of Krungthai Card Public Company Limited No. 7/2016 Due 2026	3.50%	Sep 22, 2026	200	-

NO.	TYPE	INTEREST RATE	MATURITY DATE	BALANCE AS OF DECEMBER 31, 2020 (MILLION BAHT)	DEBENTURE HOLDER REPRESENTATIVE
11	Debenture of Krungthai Card Public Company Limited No. 8/2016 Series 1 Due 2021	2.86%	Nov 30, 2021	630	-
12	Debenture of Krungthai Card Public Company Limited No. 8/2016 Series 2 Due 2023	3.50%	Nov 30, 2023	1,140	-
13	Debenture of Krungthai Card Public Company Limited No. 8/2016 Series 3 Due 2026	4.00%	Nov 27, 2026	3,030	-
14	Debenture of Krungthai Card Public Company Limited No. 9/2016 Series 1 Due 2023	3.50%	Dec 29, 2023	600	-
15	Debenture of Krungthai Card Public Company Limited No. 9/2016 Series 2 Due 2026	4.00%	Dec 29, 2026	2,500	-
16	Debenture of Krungthai Card Public Company Limited No. 1/2560 Due 2022	3.03%	Apr 5, 2022	1,500	-
17	Debenture of Krungthai Card Public Company Limited No. 2/2560 Due 2022	3.00% - 3.50%	Jun 1, 2022	2,500	Bank of Ayudhya
18	Debenture of Krungthai Card Public Company Limited No. 3/2560 Due 2027	3.80%	Aug 3, 2027	1,500	-
19	Debenture of Krungthai Card Public Company Limited No. 4/2560 Due 2027	3.65%	Aug 25, 2027	1,000	-
20	Debenture of Krungthai Card Public Company Limited No. 5/2560 Series 1 Due 2022	2.46%	Oct 19, 2022	2,000	-
21	Debenture of Krungthai Card Public Company Limited No. 5/2560 Series 2 Due 2027	3.50%	Oct 19, 2027	1,000	-
22	Debenture of Krungthai Card Public Company Limited No. 6/2560 Due 2027	3.50%	Nov 16, 2027	2,000	-
23	Debenture of Krungthai Card Public Company Limited No. 1/2561 Series 1 Due 2023	2.35%	Feb 16, 2023	1,000	-
24	Debenture of Krungthai Card Public Company Limited No. 1/2561 Series 2 Due 2028	3.43%	Feb 16, 2028	1,250	-
25	Debenture of Krungthai Card Public Company Limited No. 2/2561 Series 2 Due 2021	2.48%	Aug 11, 2021	1,350	Bank of Ayudhya
26	Debenture of Krungthai Card Public Company Limited No. 2/2561 Series 3 Due 2028	3.83%	Aug 16, 2028	2,065	Bank of Ayudhya

NO.	TYPE	INTEREST RATE	MATURITY DATE	BALANCE AS OF DECEMBER 31, 2020 (MILLION BAHT)	DEBENTURE HOLDER REPRESENTATIVE
27	Debenture of Krungthai Card Public Company Limited No. 1/2562 Series 1 Due 2021	2.40%	Mar 11, 2021	1,500	-
28	Debenture of Krungthai Card Public Company Limited No. 1/2562 Series 2 Due 2022	2.65%	Mar 11, 2022	1,000	-
29	Debenture of Krungthai Card Public Company Limited No. 2/2562 Due 2029	3.20%	Jul 25, 2029	1,500	-
30	Debenture of Krungthai Card Public Company Limited No. 3/2562 Due 2029	2.80%	Oct 31, 2029	1,700	-
31	Debenture of Krungthai Card Public Company Limited No. 4/2562 Due 2024	2.60%	Nov 8, 2024	415	-
32	Debenture of Krungthai Card Public Company Limited No. 1/2563 Due 2030	2.65%	Jan 31, 2030	1,000	-
33	Debenture of Krungthai Card Public Company Limited No. 2/2563 Series 1 Due 2022	1.93%	Sep 15, 2022	1,800	Bank of Ayudhya
34	Debenture of Krungthai Card Public Company Limited No. 2/2563 Series 2 Due 2023	2.23%	Sep 15, 2023	700	Bank of Ayudhya

Remark: The above debentures do not have an early redemption condition (Put/ Call Option).

Debentures No. 2, 3, 7, 8, 11-15 are intended to use funds for business operations and the Company's business expansion, including repayment of the Company's debt (Refinance).

Debentures No. 16, 17 and 20-24 are intended to be used for business operations and the Company's business expansion.

Debentures No. 25-26 are used to repay existing debts of approximately 7,000 million Baht and/ or to operate and expand the Company's business during August.

Debentures No. 27-28 are used to repay the existing debt approximately 2,500 million Baht within March 2019.

Debenture No. 29 is used to repay the existing debt approximately 1,500 million Baht within July 2019.

Debenture No. 30 is used to repay the existing debt approximately 1,700 million Baht within November 2019.

Debenture No. 32 is used to repay the existing debt of approximately 1,000 million Baht by February 2020.

Debenture No. 33-34 are used to repay the existing debt approximately 2,500 million Baht within September 2020.

Debentures 1, 4-6, 9-10, 18-19 and 31 are limited group offerings of no more than 10 persons (PP-10).

Undue bills of exchange of totaling 13,959 million Baht, divided into:

- Bills of exchange for short term loans from related financial institutions of 7,660 million Baht.
- Bills of exchange for loans from other financial institutions of 6,299 million Baht.

The abovementioned bills of exchange bear interest at Money Market Rate that varied between 0.80% - 0.95% annually, due on call up to 1 year and unsecured.

The Company had Total Credit Line of 29,940 million Baht, consisting of 18,030 million Baht from Krungthai Bank Public Company Limited and 11,910 million Baht from other commercial banks. The Company, however, had duly utilized parts of the Total Credit Line with Available Credit Line remained at 16,979 million Baht.

As of December 31, 2020, the Company had utilized 7,660 million Baht loan facility approved by Krungthai Bank Public Company Limited.

Dividend Payment Policy

The Company's Annual General Meeting No. 1/2546 held on March 25, 2003 resolved to approve dividend payment approximately 40% of the Company's net profit after tax and legal reserve from 2003 onwards.

For the 2018 operational result, the Company paid Baht 0.82 dividend per share, which was 41.4% of net profit, as approved by the Company's Annual General Meeting No. 17 held on April 5, 2019. For the 2019 operational result, the Board of Directors approved the payment of interim dividend at Baht 0.88 per share, a 41.1% of net profit, as well as postponed the schedule Annual General Meeting from April 3, 2020 to July 3, 2020. The interim dividend of Baht 0.88 per share was paid to shareholders on April 30, 2020.

Business Assets and Details of Asset Valuation

Key Fixed Assets

Lease Agreement and the Right-of-Use Asset

KTC owns a lease agreement for its headquarter office at 591 UBC II Building, Sukhumvit Road, North Klongton, Wattana, Bangkok, together with other lease agreements for the office premises of KTC's subsidiaries which consist of 4 locations in total for KTC Pico (Bangkok) Co., Ltd. of which three branches are in Bangkok and its vicinity and another is in the provincial area, and one location each for KTC Nano Co., Ltd. and KTC Prepaid Co., Ltd. The Company also owns lease agreements for KTC Touch office premises in total of 17 service points with 13 locations in Bangkok, 3 locations in the Bangkok Metropolitan area and one location in Chiang Mai.

KTC and its subsidiaries have adopted the new financial reporting standard ("TFRS 16: Lease"), without backward adjustment of new comparative data and first recognized cumulative impact from applying the TFRS 16 standard on January 1, 2020.

Since January 1, 2020, KTC and its subsidiaries have recognized the right-of-use asset except for short-term leases and leases for low value assets. As of December 31, 2020, KTC and its subsidiaries owned the right-of-use asset (for buildings and vehicles) for total value of 457 million Baht.

As of December 31, 2020, December 31, 2019, and December 31, 2018, KTC and its subsidiaries owned long-term leases which are lease agreements for office premises, service lease agreements for other facilities, and vehicle lease agreements, with details as follows.

(UNIT: MILLION BAHT)	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2018
Within 1 year	3,191	179,372	242,342
Over 1 year to 5 years	2,867	111,462	246,548
Total	6,058	290,834	488,890

Loans to customers

As of January 1, 2020, KTC and its subsidiaries had adopted the new financial reporting standard, "TFRS 9: Financial Instruments", by adjusting related impacts according to applicable requirements, but backward adjustment of new comparative data was not required.

KTC and its subsidiaries classify loans to customers into 3 categories based on changes in credit risk since initial recognition as follows.

- Stage 1 : No significance increase of credit risk (Performing)
- Stage 2 : Significant increase of credit risk (Under-Performing)
- Stage 3 : Impairment of credit (Non-Performing)

Loans to customers and accrued interest receivables are categorized into 2 types which are (1) loans to credit card customers and (2) loans to personal loan customers. As of December 31, 2020, the Company's net loans to credit card customers valued 56,017 million Baht and its net loans to personal loan customers valued 26,777 million Baht.

Loans to credit card customers

For 2020, details of loans to credit card customers are as follows.

	DECEMBER 31, 2020	
	MILLION BAHT	%
Credit Card Receivables	59,989.65	100.00
Stage 1	53,402.21	89.02
Stage 2	5,796.81	9.66
Stage 3	790.64	1.32
<u>Add</u> Accrued interest receivables and undue interest receivables	244.93	
Total loans to customers and accrued interest receivables	60,234.57	
<u>Less</u> Allowance for expected credit loss	(4,217.54)	
Credit Card Receivables - net	56,017.04	

Source: 2020 financial statement audited by Deloitte Touche Tohmasu Jaiyos Co., Ltd.

For 2018 and 2019, details of loans to credit card customers are as follows.

	DECEMBER 31, 2019		DECEMBER 31, 2018	
	MILLION BAHT	%	MILLION BAHT	%
Credit Card Receivables	56,652.53	100.00	51,061.97	100.00
Not over 90 days	56,123.43	99.07	50,553.92	99.00
91 - 180 days	134.03	0.23	110.94	0.22
180 days and over	395.08	0.70	397.10	0.78
<u>Less</u> Allowance for doubtful accounts	(3,406.37)		(3,125.01)	
Credit Card Receivables - net ⁽¹⁾	53,507.37		47,936.96	

Note: ⁽¹⁾ Net credit card receivables as of December 31, 2019 included accrued interest receivables.

Source: 2018-2019 financial statements audited by Deloitte Touche Tohmasu Jaiyos Co., Ltd.

Loans to personal loan customers

For 2020, details of loans to personal loan customers are as follows.

	DECEMBER 31, 2020	
	MILLION BAHT	%
Personal Loan Receivables	29,617.16	100.00
Stage 1	23,618.11	79.75
Stage 2	5,192.11	17.53
Stage 3	806.94	2.72
<u>Add</u> Accrued interest receivables and undue interest receivables	297.63	
Total loans to customers and accrued interest receivables	29,914.78	
<u>Less</u> Allowance for expected credit loss	(3,137.75)	
Personal Loan Receivables - net	26,777.04	

Source: 2020 financial statement audited by Deloitte Touche Tohmasu Jaiyos Co., Ltd.

For 2018 and 2019, details of loans to personal loan customers are as follows.

	DECEMBER 31, 2019		DECEMBER 31, 2018	
	MILLION BAHT	%	MILLION BAHT	%
Personal Loan Receivables	29,181.28	100.00	26,821.31	100.00
Not over 90 days	28,799.18	98.69	26,616.81	99.24
91 - 180 days	92.46	0.32	64.13	0.24
180 days and over	289.65	0.99	140.37	0.52
<u>Less</u> Allowance for doubtful accounts	(2,263.59)		(2,176.98)	
Personal Loan Receivables - net ⁽¹⁾	27,248.18		24,644.33	

Note: ⁽¹⁾ Net personal loan receivables as of December 31, 2019 included accrued interest receivables.

Source: 2018-2019 financial statements audited by Deloitte Touche Tohmasu Jaiyos Co., Ltd.

Investment Policy in Subsidiaries and Affiliates

The Company's investment policy in its subsidiaries and affiliates is to enhance support for its core businesses with full scale service. The Bank of Thailand has approved the Company to establish new companies considered as new financial subsidiaries of Krungthai Bank PCL to conduct businesses in retail lending for the purpose of business undertaking under supervision (Nano Finance) and in provincial retail lending under supervision (Pico Finance) in Bangkok, Samut Prakan, Samut Sakhon, Pathum Thani and Chonburi.

On May 24, 2019, Krungthai Card Public Company Limited and Krungthai Bank Public Company Limited had jointly registered to establish two new subsidiaries which are KTC Pico (Bangkok) Co., Ltd. for operations in Pico Finance with a registered capital of 20 million Baht (2 million ordinary shares at a par value of 10 Baht per share), and KTC Nano Co., Ltd. for operations in Nano Finance with a registered capital of 50 million Baht (5 million ordinary shares at a par value of 10 Baht per share). On September 26, 2019, KTC Pico (Bangkok) Co., Ltd. had raised its registered capital for an additional 40 million Baht, hence total new registered capital of 60 million Baht (6 million ordinary shares at a par value of 10 Baht per share). Pursuant to such capital increase, the shareholding proportions of KTC and KTB remain the same at 75.05% and 24.95% respectively. Business license approval for KTC Pico (Bangkok) Co., Ltd. was granted on August 29, 2019 while the one for KTC Nano Co., Ltd. was granted on September 11, 2019.

Afterwards, on August 29, 2019 KTC and KTB had jointly registered to form additional 4 subsidiaries which are KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., and KTC Pico (Samut Sakhon) Co., Ltd. with a registered capital of each company at 10 million Baht (1 million ordinary shares at a par value of 10 Baht per share) to conduct Pico finance business at provinces of each head office located. And, on September 26, 2019, KTC Pico (Bangkok) Co., Ltd. had acquired 100% shares of aforementioned four companies in which their license approvals for Pico finance business were granted on December 18, 2019.

Subsequently, on October 28, 2020, KTC and KTB had jointly registered to establish a new subsidiary, KTC Prepaid Co., Ltd., to operate business in electronic money service with a registered capital of 100 million Baht. Regarding shareholding structure, KTC and KTB hold 75.05% and 24.95% of total shares, respectively.

As of December 31, 2020, the Company had already conducted businesses in Pico finance and Nano finance. For electronic money service business, its business licenses are still under approval process from related authorities.

Details of Asset Valuation

- None -

Risk management

Risk management

The Company recognizes the importance of risk management, thereby formulating the risk management policy which is primarily concerned with the development of risk management system under an approach to good corporate governance that ensures comprehensive management of critical risks in a systematic and continuous manner. The Risk Management Committee (RMC), which is composed of an executive from each line function, is responsible for overseeing organizational risk management and ensuring that the organization can reach an acceptable achievement of its goals. Moreover, the Committee set up a compliance unit to perform supervisory functions and ensure that the Company's operations conform to the rules prescribed by the regulatory authority and the good corporate governance approach.

Risk factors

The Company determines risk management approaches and regularly reviews and improves its work processes so that it is well prepared to deal with potential risks. A risk management unit was set up to formulate a comprehensive risk management policy which must be deliberated by the Risk Management Committee. Subsequently, the policy must be proposed to the Board for consideration, approval and further announcement to employees for acknowledgment and compliance. This policy is reviewed annually and whenever any significant changes occur. The Risk Management Committee is responsible for controlling, monitoring, assessing risk management performance, and overseeing the Company's implementation of the risk management policy and approaches in conformity with the overall risk management approaches of the financial business group of Krunthai Bank Public Company Limited and in compliance with the consolidated supervision regulation of the Bank of Thailand.

The Company's risk management process begins with environmental analysis and assessment, which takes into

account relevant risk factors, including internal and external environmental factors. This process identifies a likelihood of adverse events that may cause failure to achieve the objectives and develops a risk map that shows interconnected risk factors and causal relationships between risk factors by identifying environmental, social and governance (ESG) factors and pertinent causes. Then, the process identifies key risk indicators (KRIs), which consist of leading and lagging indicators, to reflect past occurrence of risk events and also determines levels of risk appetite and risk tolerance. An annual review of this risk-related information is undertaken regularly so that it can be used as a tool for assessing risks and monitoring risk management performance to maintain an acceptable level of risk according to the stipulated risk management goals. Then, risk management performance will be reported to the Risk Management Committee and the Board of Directors of Krunthai Card Public Company Limited and further reported to the Risk Management Committee of Krunthai Bank Public Company Limited.

Strategic risk

Strategic risk is a risk arising from improperly formulating and executing strategic and operational plans which are inconsistent with internal factors and the external environment. Consequently, the Company cannot achieve its objectives, and such circumstances may adversely affect its revenue, operation or existence. At present, credit card and personal loan business environment has been changing rapidly and under intense competition, so the Company must transform itself to enhance its competitiveness. Brainstorming sessions for top-level executives from every operating unit were held to formulate and review strategies and determine business directions upon consideration of risk factors that adversely affected business operations. The annual operational plan must be approved by the Board, and the

operating performance was monitored and compared with the goals and presented to the Board on a regular basis.

Even though the situation of COVID-19 outbreaks throughout 2020 until present has been adversely affecting the economic system, behaviors of people's daily lives, and customers' ability to repay debts, the Company introduced relief measures to help affected customers as stipulated in the government's policy, changed its business strategy to suit the ongoing situation, raised the level of security for digital technologies, expanded the car title loan business, and implemented various social support programs. Consequently, the Company could maintain the level of its net profit near that of last year.

Operational risk

Credit rating risk

The Company attaches importance to high-level risk management. With regard to credit rating related to loan approval, certain policies and regulations were prescribed for controlling various work processes to ensure that the Company operated under the framework and standards according to the international standards and its operations were overseen in a transparent and auditable manner.

The Company developed credit risk models for determining a credit rating or risk level of each customer. This information is vital for credit analysis, credit card issuance, customer

management, risk management, and provision calculation. Credit risk models were developed based on customer database to ensure that credit risk models could reflect customer behaviors and risk levels adequately. Typically, the Company's credit risk model is developed under the model risk management framework that encompasses model design, development and deployment as well as monitoring, validation, efficiency testing, and continuous improvement to enhance the efficiency of credit risk model. These processes are subjected to oversight of the Risk Management Committee.

The main credit risk models currently used include

- Application score: Developed from up-to-date customer data, including credit information, and credit history from National Credit Bureau Co., Ltd. (NCB). The application score is used for assessing/ assigning a level of credit risk in the process of customer screening and new loan approval.
- Behavior score: Developed from spending behavior and debt repayment history information of existing customers in the portfolio. The behavior score is used for assessing/ assigning various levels of risks of existing customers for the purpose of credit line management, relationship management, and provision setting according to the new Thai Financial Reporting Standard (TFRS 9 or IFRS 9), which has been put into effect since January 2020.

Default risk

Due to outbreaks of the novel coronavirus 2019 (COVID-19) which wreaked widespread havoc with direct and indirect economic impacts on businesses and the general public and would have a tendency to linger unpredictably, the lockdown measures in the second quarter of 2020 halted the overall economy, and limited economic activities created an income shock that incessantly caused shrinking income of business operators and employees as well as declining employment.

- Helped relieve liquidity pressure for debtors affected by COVID-19 – for example, relaxing debt repayment terms, reducing a minimum repayment amount, granting a temporary, emergency/ permanent credit line increase, and changing types of debt to suit debt repayment ability.
- Pursued swift and quality debt collection measures to ensure that the Company has been kept abreast of the most updated information concerning debtors' situation so that it could help them promptly upon request.
- Stipulated an approach to grant credit approval in a more prudent and stringent manner as the situation permitted so as to ensure that the Company could sustain quality growth and provide sufficient liquidity to customers within an acceptable level of risk (risk appetite).
- Constantly assessed the quality of credit portfolio in various scenarios so as to ensure that the Company set aside adequate provision to suit portfolio quality that might decline in tandem with worsening economic situation.
- Adapted key performance indicators for risk management to suit changing situation by maintaining overall risk at a manageable level.

These factors significantly affected the Company's operating performance and credit quality due to default risk.

Nevertheless, the Company conducted business impact analysis to regularly assess and formulate its management strategy under highly uncertain and risky circumstances. The following is a summary of the approaches already implemented:

The implementation of the aforementioned strategy could maintain the default risk at a low level. As of 31 December 2020, under the new Thai Financial Reporting Standard (TFRS 9), total accounts receivable (including accrued interest) amounted to 90,149 million Baht. After deducting the allowance for doubtful accounts of 7,355 million Baht, the Company's net accounts receivable stood at 82,794 million Baht. As of 31 December 2020, NPL ratios for credit card and personal loan debtors stood at 1.3% and 2.7% respectively.

The Company will continue to assess potential risks and impacts and formulate management approaches that are flexible enough to cope with changing internal and external factors and to respond to potential situations in an appropriate and prompt manner.

Regulatory risk

The Ministry of Finance announced the licensing of credit card and personal loan businesses under supervision regimes by permitting these businesses to operate under the Revolutionary Council Notification No. 58. Therefore, the Ministry mandated the Bank of Thailand to perform regulatory roles by issuing notifications of rules and regulations governing the operations of these businesses. In addition, the Bank of Thailand also prescribed interest rates and service fees applicable to their customers and eligibility criteria of credit card holders and personal loan customers. Accordingly, the Company acquired a credit card and personal loan business license and received permission to operate its businesses as a payment service provider in accordance with the Payment Systems Act 2017. In its capacity as regulator, the Bank of Thailand issued notifications of rules and regulations governing business operations of payment service providers. In addition, the Company must also comply with other pertinent laws: the Securities and Exchange Act 1992, the Anti-Money Laundering Act 1999, the Credit Information Business Operation Act 2002, the Consumer Protection Act 2009, and the Unfair Contract Terms Act 1997, and the Personal Data Protection Act 2019, which are enforceable with these business operators.

The Company strictly complied with enforceable laws, notifications, rules and regulations – for example, the Bank of Thailand's notification concerning the revision of supervisory regulation governing credit card and personal loan businesses, which encompasses eligibility criteria for loan or credit card applicant as well as stipulations on credit line and interest

rate. Objectively, this revised regulation was issued to complement the policy for addressing household debt issues and to suit debt repayment ability. This regulation has been put into effect since 1 August 2020, but old customers prior to 1 September 2017 would not be affected – for example, determining a credit line for approval of credit card loan and personal loan or determining a temporary emergency credit line. To conform to the revised regulation, the Company developed regulatory compliance approaches and processes and scrutinized potential impacts of the revised rules on the Company and its customers. Furthermore, the Company set up a compliance unit to liaise with the regulatory authority and keep abreast of legal provisions, notifications and directives concerning its business conducts and operations as well as its fulfillment of specific duties, such as compliance oversight of the anti-money laundering law. Moreover, the Company disseminated relevant information among employees for better understanding and performed oversight to ensure proper business conducts and operations. In the process, relevant performance must be reported to CEO directly, and it is incumbent upon the legal unit to provide advice on legal provisions and preparation of standard agreements or contracts, which do not conform to relevant legal provisions. If the amendment of the regulations was rigid and inappropriate under existing circumstances, the Company's operations would be affected significantly. However, the regulatory authority was flexible enough with the amendment of these regulations, which was consistent with the market environment at that time. So, the Company was confident that this risk would be managed appropriately.

Issues considered a high risk are as follows:

1. Business operations related to the Anti-Money Laundering Act, the Ministerial Regulation on Customer Identity Verification, and the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act: Since these laws and this regulation affect the fulfillment of the Company's duties pertaining to Know Your Customer, customer identity verification, and monitoring of unusual customer transactions, particularly of high-risk customers, the Company thus conducted training programs to impart knowledge to frontline staff on a continuous basis via various learning media and regularly held testing to evaluate knowledge and understanding of legal requirements among management executives and employees.
2. The Company recognizes the importance of complying with the credit information business law because credit information of its customers is critically important, and the Company must keep such information confidential. Therefore, the Company developed a work system to facilitate searching of support information needed for consideration of loan approval. In this process, only credit analysts are granted access to such information.
3. Compliance with the Debt Collection Act 2015 which has been effective since 2 September 2015: As a business operator that must comply with this Act, the Company made the necessary preparations by offering knowledge training for debt collection staff. Moreover, the Company oversaw outsourced debt collection agencies to ensure strict compliance with the Debt Collection Act. Therefore, it is believed that the compliance with the Debt Collection Act 2015 would not pose an obstacle to the Company's business operations.
4. Equitable service management or fair market conduct which was announced by the Bank of Thailand to encourage financial service providers to undertake service management in a fair and responsible manner in terms of fair prices and conditions so that service users can be confident that they will obtain honest service provision without being taken advantage of and receive appropriate and clear recommendations. As a result, customers can use services conveniently and receive appropriate assistance when trying to solve problems. It is incumbent upon directors, executives, and employees at all levels to ensure that customers understand their rights and duties. In this regard, the Board approved the equitable service policy and appointed a committee to perform oversight roles to ensure that

customers understand their rights and duties. In this regard, the Board approved the equitable service policy and appointed a committee to perform oversight roles to ensure the compliance with the Bank of Thailand's notifications. Furthermore, the Company submitted pertinent compliance reports to the Board, and the designated committee monitored the issuance of notifications for supervision and communication purposes to ensure compliance therewith and improvement of the process to ensure compliance with regulatory provisions under these notifications.

5. With regard to the compliance with the Personal Data Protection Act 2019, a royal decree was later promulgated to stipulate a list of entities and enterprises whose personal data controllers are not subject to the Personal Data Protection Act 2019 and 2020. Subsequently, the enforcement of Chapter 2 Personal Data Protection, Chapter 3 Rights of Data Owners, Chapter 5 Grievance, Chapter 6 Civil Liability, and Chapter 7 Penalties as well as Section 95 has been postponed to 1 June 2021. This law was promulgated to protect personal data and provide remedial measures for individual data owners. This is because data controllers or data processors collect, use or disclose personal data of data owners. The Company thereby implemented measures to prevent or mitigate risks stemming from this law while the General Data Protection Regulation (GDPR) has been put into effect by the European Union. Moreover, the Company undertook further steps by analyzing the impacts from work procedures or processes and the manners in which the Company's transactions, juristic acts or contracts were executed in order to determine possible impacts and approaches for protection against non-compliance risks. Furthermore, the Company also prepared a letter of consent permitting data collection, use or disclosure to ensure compliance with its objectives as the data controller or data processor so that it could comply with the legal requirements.

Contract non-compliance risk due to failure to honor contracts of Krungthai Bank Public Company Limited (“Bank”)

When the back office services contract expired at the end of the service provision period on 31 March 2018, the Company and Krungthai Bank adopted a mutual cooperation policy to support one another in various areas of business operations.

On 30 March 2018, both parties entered into a five-year business cooperation contract, which has been effective since 1 April 2018. Under this contract, both parties further made separate agreements, contracts or service requests for mutual supports in various functional areas – for example, recruitment of credit card members and personal loan customers through branches of the Bank, payment services to receive credit card expenses and personal loan repayments through the Bank's service channels, and access to some components of the Bank's information system. Moreover, a contractual period was specified for each type of transaction, and the Company is required to pay a service fee for each service to the Bank at

a market rate. In this regard, the Company discerned that its contract risk due to the Bank's non-compliance was quite low because the execution of this contract would be contemplated by the Bank's committee. As for member recruitment, the Company recruited new members through various channels and also received supports from other business operators by acting as payment channels for its customers, thereby helping enhance customer convenience. However, if the Bank failed to honor the contract, the Company could seek a new service provider to run these operations. As for the information system, the Company only had shared access to a small component of the Bank's information system.

Therefore, there was a very low probability of the Bank's non-compliance, and any non-compliance would not have any significant impacts on the Company's operations.

Competitive risk due to heightened competition arising from an increasing number of business operators

The Company recognized that competition has been getting more intense, resulting in price competition, customer snatching, or balance transfer which might give rise to the risk that could adversely affect the Company's operations and operating performance. However, the Company has gained extensive expertise in running consumer loan business in Thailand over a long period of time and undertaken investment and development of novel products and services to maximize customer value on a continuous basis. Moreover, the emergence of a new entrant typically requires some time to complete market surveys and develop a suitable approach to operate this distinctive form of business. To a certain extent, the Company thus has a certain degree competitive edge over other business operators. With over 20 years of business experience, the Company is confident that it can sustain business operations amid more intense competition, and it is not likely that heightened competition will have any significant impacts on the Company's operations in the short run and long run. As of 31 December 2020, the ratios of gross credit card receivables and gross personal loan receivables of KTC, compared to industry averages, were 13.4% and 5.2% respectively. As of 31 December 2019, these ratios stood at 12.4% and 5.0% respectively.

Operational risk

Operational risk is the risk of losses stemming from the lack of corporate governance and good governance in the organization or the lack of adequate operational control over internal processes, personnel, work systems, or external events, thereby affecting operating revenue of the Company. Operational risk also includes legal risk – for example, a fine imposed by the regulator. Moreover, operational risk may adversely affect other types of risk, particularly strategic risk and reputational risk.

The Company formulated operational risk management policy and approaches with an emphasis on risk prevention and monitoring so as to have an adequate internal control system – for example, developing organizational structure equipped with a check and balance mechanism, developing SOP manuals for operating units, implementing the risk control self-assessment (RCSA), which is inclusive of corruption risk, collecting and compiling operational loss

data, and monitoring risks by determining key risk indicators (KRIs). These matters were regularly reported to the Risk Management Committee and the Board so that such information could be used for formulating a risk management policy and developing a suitable risk management system as a tool for assessing the adequacy of the internal control system. Moreover, the Company also developed a business continuity plan (BCP) and emergency preparedness plans for natural disasters or other predetermined events – for example, fire and earthquake preparedness plan, flood preparedness plan, demonstration preparedness plan, and epidemic preparedness plan – to ensure that it had comprehensive preparedness plans and business operations could be sustained during a crisis in order to build confidence among all stakeholder groups. The Company's key operational risks include the followings:

Data loss risk

The Company's business operations require a huge database related to customers and various transactions, so it faces potential risks of critical data leakage – whether data loss is caused by accidental, intentional or unintentional acts; intentional data destruction; careless handling or mishandling of data; or network and system security gaps. To prevent risks of critical data leakage, the Company thus adopted stringent data security measures that conform to international standards, such as PCI-DSS, ISO/IEC 27001:2013 and ISO/IEC 27701:2019. These measures stipulate duties and responsibilities of and the right to access work systems and information specifically granted to certain individuals who can access critical data of customers. Moreover, the Company conducted training to raise employee awareness about data security measures, installed access control in every work system according to minimum access rights of authorized users, and arranged collection of data access information by every work system. Furthermore, it set up an administration system, regularly reviewed the rights to access work systems, installed software to prevent critical data leakage, regularly checked and closed security gaps in the network and work systems, stipulated requirements for regular backup of data exported to the backup data center, established the data recovery process to address data alteration and destruction issues, and organized an annual drill to test the IT emergency plan.

Credit card/personal loan fraud risks

The Company attaches importance to prevention and monitoring of credit card fraud losses. At present, the Company is using chip card and EMV technology, which is the most secured system, to replace the magnetic stripe system, and it also has a work plan for launching the application of the chip technology with personal credit cards in order to enhance security of cash withdrawal via ATMs, where fraud trend has been on the rise. The chip technology has been used in newly issued credit cards or for renewal of credit cards and issuance of replacement credit cards. In 2015, the Company began changing all newly issued cards to chip cards, and gradual replacement of existing cards has been ongoing. In addition, it invested in a highly efficient online fraud detection system, which is applicable to credit cards and merchants. A team of staff engages in 24 hour fraud monitoring every day. Besides, the Company also introduced the 3D-Secure encryption system for e-commerce transactions and the one-time password (OTP) system to enhance confidence and security among cardholders and participating merchants. These systems are technologies that have gained wide acceptance in many countries. Furthermore, the Company also provides SMS alert service to notify cardholders when a spending amount exceeds 10,000 Baht. In case of e-commerce transactions, the SMS alert service will notify cardholders when a spending amount exceeds 100 Baht. The SMS alert service also notifies cardholders when any changes to personal data occurs, such as phone number, home address, and email address. All these are standard offers for every customer. In addition, the Company also attaches importance to customer empowerment by developing a mobile application as a personal risk management tool which can be used to temporarily freeze a credit card by themselves, set credit limit of a plastic card for e-commerce transactions to minimize a growing risk of data breach that steals personal data for use in fraudulent e-commerce transactions without cardholders' knowledge. Furthermore, customers can choose desired amounts and alert notification channels by themselves. In 2019, credit card and personal loan fraud losses amounted to 1.65 million Baht, accounting for 0.0007% of the total spending amount. In 2020, credit card and personal credit fraud losses amounted to 3.04 million Baht, accounting for 0.001% of the total spending amount.

Financial risks

Liquidity risk

Liquidity risk is the risk arising from inadequate working capital or capital acquisition carrying a funding cost higher than an acceptable level, which may affect the Company's revenue. The Company recognizes that liquidity risk may be caused by global economic uncertainty, which has repercussions on Thai economy, and by the volatility in financial markets, which affects both debt securities market and capital market. To prevent liquidity risk, the Company thereby formulated short-term and long-term loan acquisition approaches and adjusted the ratio of each type of loan based on its accounts receivable aging by focusing its financing efforts on the issuance of debentures and bills of exchange and seeking sources of financing from several financial institutions while avoiding over-reliance on a single financial institution. Moreover, key liquidity risk indicators were developed and stress testing was conducted for monitoring and evaluation purposes, and the Company's liquidity risk status was reported to the Risk Management Committee on a regular basis. In addition, the Company also developed a liquidity contingency plan for implementation in case liquidity risk exceeds an acceptable level. As of 31 December 2020, the Company's total borrowings amounted to 57,439 million Baht, including borrowings from affiliated financial institutions, other financial institutions, and corporate bonds amounting to 7,660 million Baht, 6,299 million Baht and 43,480 million Baht respectively. The Company's total receivables (inclusive of accrued interest) amounted to 90,149 million Baht. Its total credit line of 29,940 million Baht consisted of Krungthai Bank's credit line of 18,030 million Baht, and the remaining amount of 11,910 million Baht was obtained from other commercial banks. Over the year, the Company used these credit lines, and an available credit line of 16,979 million Baht remained outstanding.

As of 31 December 2020, the Company's D/E ratio stood at 2.87 times. This ratio was still lower than the level of debt obligations stated in the debenture prospectus requiring that the Company must maintain D/E ratio at the level not greater than 10 times.

In 2020, the Company supported the government by introducing relief measures to help its customers affected by COVID-19 as set out in the Bank of Thailand's policy by reducing a minimum installment payment amount on a credit card and offering alternatives that enable debtors to change the amount of outstanding debt on a credit card and KTC PROUD cash card to a long-term loan. In this regard, the Company closely monitored cash inflows and outflows and changed its assumptions for liquidity stress testing according the Bank of Thailand's guidelines, which account for COVID-19 situations, in order to assess the level of liquidity risk in advance.

Interest rate risk

Interest rate risk is the risk arising from changes in interest rates of rate-sensitive items in the list of assets and liabilities, which may have negative impacts on net interest income. To mitigate the effects of changing interest rates on financing cost, the Company thus sought short-term and long-term loans with fixed and floating interest rates by adjusting the ratio of each type of loan to correspond with interest rate trends and its asset structure. Such ratio adjustment must always take into account liquidity risk. Moreover, the enterprise risk management unit developed indicators for interest rate risk in the banking book and stress testing for assessing, monitoring, controlling and reporting the status of interest rate risk to the Risk Management Committee on a regular basis, and it also developed a contingency plan to deal with interest rate risk that exceeds an acceptable level.

Information technology risk

Information technology risk is the risk arising from the use of information technology in business operations, which adversely affects work systems, IT system or operations of the Company. For instance, risks related to cyber threat and the effects of epidemics can have adverse impacts on employee work performance and customer service and cause financial losses or loss of reputation of an organization.

The risk management process related to information technology risk is thereby instrumental in controlling and managing cyber threat and data security, starting from identifying risks (such as cyber threat risk, IT operational risk or IT project risk), risk analysis and assessment, risk control

and management, risk monitoring and review to reporting of risk management performance.

The Company adopted an approach for managing risks stemming from the effects of COVID-19 pandemic by introducing digital workplace technology - for example, virtual desktop infrastructure (VDI) system which can accommodate remote work and work from home - to efficiently support the operations of its critical operating units and enhance employee safety amid the pandemic.

The Company adopted ISO/IEC 27001:2013 and ISO/IEC 27701:2019 as organization-wide standards for its information

security management system (ISMS) and privacy information management system (PIMS). The objective is to ensure confidentiality, integrity and availability of internal information and personal data of the organization. Both ISMS and PIMS apply a risk management process to build confidence among the Company's stakeholders by ensuring that information technology risk and specific personal data will be controlled and managed appropriately.

The Company has a backup data center whose operational efficiency is comparable to that of the primary data center, and the backup data center can be activated promptly when an emergency situation occurs. Moreover, it also has an emergency response plan and regularly conducts emergency response exercises every year.

Reputational risk

The credit card and personal loan business primarily offers microfinance services and engages with the general public. Nowadays technology is near and dear to consumers who have easy access to news and information. Due to the ease and speed of communication, positive and negative news, rumors, criticism, or recommendations about the Company from the general public can spread widely and affect the organization's image and reputation. Moreover, reputational risk may also arise from actions that breach the code of conduct or do not conform to service standards or social expectations.

The Company undertakes reputational risk management by determining risk indicators that refer to the factors in risk assessment set out by the Bank of Thailand, identifying existing control measures, and evaluating efficiency and adequacy of the risk control measures. Moreover, the Company also has appropriate management measures, such as complaint handling process, public relations process, and processes to promptly monitor incidents that tarnish its reputation, to monitor and keep risks at an acceptable level and report risk management performance.

Investment risk of security holders

Debt security

A debt security does not have any special features and does not carry any special types of risk. This means debt securities spell out clear and precise information, whether it be interest-bearing bond, zero-coupon bond or bill of exchange with a discount rate. An issuer of debt security agrees to repay a full amount of principal, whatever the case may be, without stipulating a condition for converting the debt security into equity shares or other assets or without stipulating any event or condition that permits withdrawal before maturity. Moreover, debt security holder's entitlement to repayment is not subordinated to that of ordinary shareholders (except, under protection of the law, some debts are entitled to receive repayment before other types of security). Such information is made available through the debt security offering disclosure form (Form 69-BASE-II&HNW), the prospectus supplement form (Form 69-Supplement), and Form 69-Pricing of debt securities.

Equity security

The Company issues and offers equity securities in the Stock Exchange of Thailand, where investors or shareholders are essentially owners of the Company. Shareholders have the right to fully receive news and information about the Company over a period of time stipulated by the law, and they have the right to attend annual general shareholders' meeting to exercise their rights to cast votes in agenda items on an equitable basis. Each shareholder is entitled to one vote when casting votes in various agenda items, such as election of directors, dividend payment, payment of various types of remuneration that the law requires submission to a shareholders' meeting for consideration. Moreover, if the Company can generate a decent operating profit, shareholders will be eligible to receive a high dividend. However, if the operating performance is poor, shareholders will receive a small return or none at all. The Company will pay dividends when it can generate operating profit. However, if the Company must be dissolved, investors will be the last ones to be paid back their investment according to the order of priority as prescribed by the law, and eventually shareholders may not be paid back at all if the business does not have enough assets.

Foreign investment risk

None

For further information, please refer to the topic "Risk and Crisis Management" in the 2020 Sustainability Report, which is presented in a separate document on the company website <https://www.ktc.co.th/en/sustainability-development>

Sustainability Development

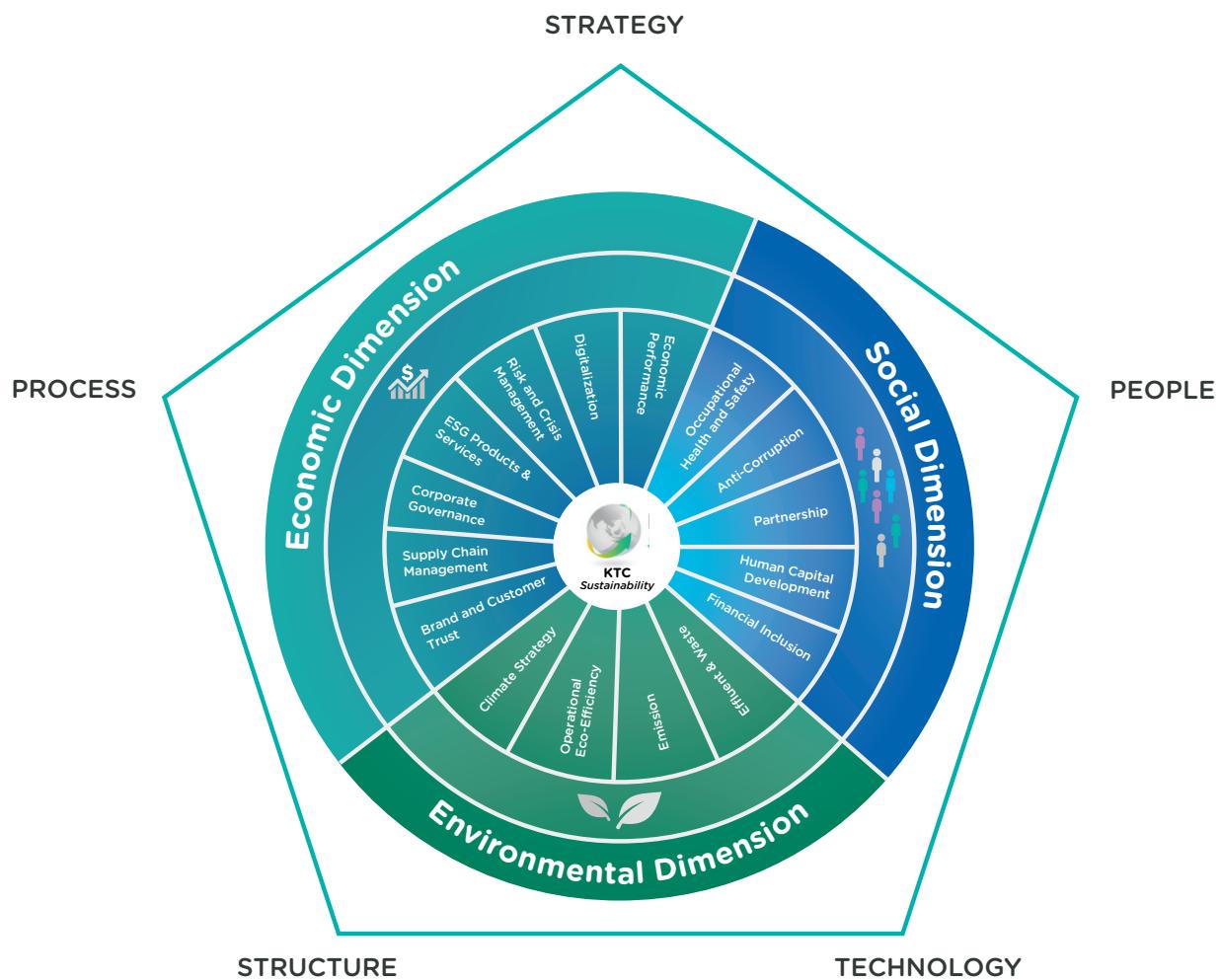
With the vision that "KTC is a membership company in payment and retail lending business with sustainability as key element". KTC has adopted the sustainability concept in both economic, social and environmental dimensions to integrate with the organizational development to become an agile entity. Furthermore, the strategic planning of organization structure, information systems and technology as well as processes that grant personnel to create quality work and deliver value through products and services. Hence, established the KTC a brand in the hearts of members and strengthening the Company amidst these rising challenges to reward and grow along with stakeholders.

The Company's board of directors plays a crucial role in making decisions for the best interest of the Company and the stakeholders. Audit Environmental Social and Governance Committee was assigned to oversee sustainability operations by approving visions, missions, and operational framework. The Company's CEO is the leader who steers the Company with determination. Furthermore, senior executives partake since the beginning in order to understand the importance of sustainability in business operation, as well as to provide support through the sustainability working teams, who were selected representatives from each line of work. These representatives jointly studied both national and international sustainability framework, exchanged views among departments, and emphasized on internal communication, as well as educating and giving examples of sustainability guidelines, to promote awareness and understanding for personnel not only to put into practice but to maintain sustainable operations. Everyone in the organization is involved in pushing and driving sustainable development to best benefit all interested parties.

Sustainability Development Policy and Goals

The Company considered relevant sustainability issues at the industrial, national, and international levels by inquiring opinions from executives and CEO, as well as surveying from all 10 groups of stakeholder - shareholders, customers, creditors, business partners, alliances, competitors, society and environment, Board of Directors, employees, and government sector since 2019 which is a 3-year long-term goal. Such opinions were applied to prioritize sustainability issues important for business operation and stakeholders. Materiality Matrix comprised of 16 topics was conducted to specify framework for sustainability operation that is consistent and support United Nation's Sustainability Development Goals (SDGs). The 10 goals are:





Management of impacts to stakeholders in the value chain

The Company disclosed the management of the impact to stakeholder in the value chain which includes business value chain the analysis and the involvement of stakeholders in the value chain in the Sustainability Report 2020 in the “KTC and Sustainable Development”.

Economic Sustainability Management

Economic Policies and Guideline

KTC conducts business with fair and transparent process in accordance with good corporate governance principles and suitable risk management. Achieved through the development of products and services that offer a variety benefits and perks as well as enhancing digital security to create satisfaction and provide good experience for members. In 2020, KTC has continuously supported the Company's members that were affected by the COVID-19 pandemic in accordance with the Bank of Thailand's relief measures on the basis of responsible lending and yet maintains portfolio quality at a good level.

Economic Performance

The economic performance is disclosed in “Economic Dimension” topic in the Sustainability Report 2020.

Social Sustainability Management

Social Policies and Guideline

KTC business was operated in tandem with the support for strong and broad social growth. In 2020, the Company has adjusted its business model to highlight focusing on the auto title loan "KTC P Berm" to expand the retail lending market and increases access to financial service along with financial literacy. Also provides relief to members who have been affected by the COVID-19 pandemic amplified through medical support to further aid society. The Company also donate goods to support the Wattana community. Human rights were recognized, digital technology were integrated into work processes, and human resource were developed to boost potential and further support society.

Social Performance

The social performance is disclosed in "Social Dimension" topic in the Sustainability Report 2020.

Environmental Sustainability Management

Environmental Policies and Guideline

KTC conducts business with care for the environment through operations or channels such as the development of KTC Mobile application answer the needs of users. The Company promoted and invited employees and customers to reduce paper usage and switch to electronic channels. Furthermore, employees were encouraged to be aware of the environment issues that arises in their work processes or their daily routines. KTC participated in the "Care the Bear: Change the Climate Change by Eco Event" with the Stock Exchange of Thailand to help reduce global warming by reducing greenhouse gases.

Environmental Performance

The environmental performance is disclosed in "Environmental Dimension" topic in the Sustainability Report 2020.

Awards and Prizes

From the aforementioned sustainability operations in 2020, KTC received various prestigious awards as revealed in "Honourable Awards" topic in the Sustainability Report 2020.

Please find further details on sustainability operation from the Sustainability Report 2020, which is disclosed on the Company's website at <https://www.ktc.co.th/en/sustainability-development>

Corporate Governance Policy

Overview

The Company's Board of Directors recognizes the importance of good corporate governance and thus the Corporate Governance Policies and the business code of conduct have been written and reviewed at least once every year. In 2020, the Board of Directors have reviewed the policies and business code of conduct to comply with Thai and international criteria regarding to good Corporate Governance and Sustainability, as well as the Principles of Good Corporate Governance for listed Companies (CG Code) by Securities and Exchange Commission (SEC), including various changes within the Company to set up a framework for employees to follow. Accordingly, in the implementation of the CG Code, the Board of Directors uses the Apply or Explain method, which apply the appropriate CG Code to be suitable for the business environment. For the matters that the Board of Directors

had considered to be inconsistent with the nature of the company's business, the Board of Directors had resolved to disclose the reasons in the Form 56-1 One Report. The Board of Directors has formed sub-committees consisted of the Audit Environmental Social and Governance and the Nomination and Remuneration Committee to maintain the effectiveness of internal control, internal audit, and risk management. Every sub-committee possesses qualifications and responsibilities in accordance with roles and responsibilities as written in charter of the Audit Environmental Social and Corporate Governance Committee, and charter of the Nomination and Remuneration Committee, which the information can be found on the website www.ktc.co.th.

Corporate Policies and Operational Guidelines for the Board of Directors

Details pertaining to the Board of Directors shall be stated separately in Section Board of Directors' Information and Section Corporate Operational Performance and Governance Report of the Form 56-1 One Report.

Corporate Policies and Operational Guidelines for the Shareholders and Stakeholders

The Company's Guidelines for Good Corporate Governance Practice are based on the Corporate Governance Code published by the Stock Exchange of Thailand (SET). These, including CG Code, have recently been revised and they are comprised of five sections as follows:

Section 1: Rights of Shareholders

1.1 Shareholders' Rights Policy and Protection

The Company is committed to fulfilling its responsibilities to respect and protect the right of shareholders equally, by not violating the rights of shareholders regardless of the nationalities whether they are Thai or foreigner and encourages them to exercise their rights properly, which include the Basic rights of shareholders composed of buying, selling, and transferring outstanding shares and to receive dividend payment; making decisions on important matters of the company, such as the approval of important transactions that affects the direction of the business operation, the amendments to the Memorandum of Association including the Company's Articles of Association, the right to vote, appoint and determine auditor's remuneration, the right to propose AGM agenda, the right to elect directors, and the right to attend annual general meetings.

In addition to the basic rights specified by law, the Company follows best practices that go beyond shareholders' expectations in order to encourage and facilitate their activities. The shareholders shall be entitled to obtain relevant and adequate information i.e., quarterly result, and Management Discussion and Analysis of the Company, and charity social activities in a timely manner and on a regular basis, which are made available conveniently via the Company's websites, the Securities and Exchange Commission (SEC), or the Stock Exchange of Thailand (SET).

1.2 Annual General Meeting of Shareholders

- The Company recognizes the significance of the shareholders general meeting. Hence, the Annual General Meeting of Shareholders is held annually within four months after the Company's fiscal year end and is appropriately performed following principles of good corporate governance as well as strictly defined by laws. The shareholders are also allowed to propose agenda items for the Annual General Meeting before its commencement. The Company is obliged to collect, along with organize all information regarding meeting agendas and distributes them through its online website at www.ktc.co.th around 30 days in advance ahead of the meeting, as well as publishes them in daily newspapers for at least 3 consecutive days to ensure that shareholders are thoroughly summoned. In addition, the Company has appointed Thailand Securities Depository Co., Ltd. as a common stock registrar to distribution invitations to shareholders. The invitation attached with all meeting agendas, together with explanations and rationales of supporting documents for each agenda and other related details will be provided to shareholders at least 28 days ahead of the meeting so that shareholders would have enough time to learn all information essential to their decision making and voting. Should they have any concerns, they can send their questions to the Board of Directors prior to the meeting date through the Company's website or directly post mail to the Board of Directors, or they can share their comments, feedbacks and questions of the agendas on the date of the meeting. The Company determines to hold the meeting at an easy to access venue and encourages all groups of shareholders especially institutional ones to attend the meeting.
- On the meeting date, the Company shall facilitate shareholders participation and voting with Barcode system in recording registration and processing voting results. Tax stamps will also be available for the convenience of any proxy holders attending the meeting.
- The Company shall commence the registration at least two hours prior to the meeting. Any shareholders with late attendance shall be allowed to cast votes on the next agenda items not yet considered and shall be treated as the quorum votes.
- Invitations to the Annual General Meeting of Shareholders, meeting documents, as well as various proxy forms shall be made available through the Company's website, www.ktc.co.th, to enable shareholders to select any forms suitable to their purpose. The Company shall also appoint at least one independent director as a proxy holder in case that some shareholders cannot attend the meeting in person. In addition, the Company will provide explanations and rationales concerning each agenda item or resolution as specified in the invitation of the Annual General Meeting, together with present facts and comments of the committee in each agenda item that differ from those of the Board of Directors so that shareholders are sufficiently and equally informed for further consideration. All of such information will be available to shareholders in both Thai and English.
- In participation of the Company's Annual General Meeting of Shareholders, it requires the presence of the Chairman of the Board of Directors, Directors, Chief Executive Officer and all other Company executives to address the company's performance and policies as well as to timely respond to any queries and promptly provide any supporting information to shareholders.
- To enable accuracy and transparency of vote counting in each agenda item, other than its internal auditor, the Company shall include either independent auditors or representatives from audit firms to jointly verify the vote counting process.
- Before the meeting begins, the chairperson shall explain the meeting's rules and regulations, voting procedures, including voting rights for each type of shares and vote counting methods for each agenda item according to the Company's article of association. During the meeting, all shareholders will have equal rights to question and comment as well as voice any unlimited feedbacks in which the Board of Directors will pertinently answer all questions on each agenda item. With accuracy and completeness, the minutes of the meeting will be recorded with a description of the voting and vote tabulation procedures used, declaring both before the meeting proceeds. The minutes will also include records of questions and answers when shareholders are given the opportunity to raise issues and concerns, along with voting results of each agenda item with details of how shareholders have voted for, against and abstained, and a list of the board members attending and absenting from the meeting. At the end of the meeting, all resolutions and votes will be made available on the same date through SETLink system of the Stock Exchange of Thailand (SET) for investors and shareholders in both Thai and English. Copies of the full meeting report will be submitted to SET and the Securities and Exchange Commission within 14 days after the meeting finishes and will also be available on the Company's website in both Thai and English.
- The Company will not add additional agenda items without prior notice to shareholders, especially ones that are essential and require ample time to study ahead of any decision-making. The Company will conduct the meeting in a correct sequence of agendas as mentioned in the meeting invitation.
- During the shareholders meeting, for speed and accuracy, the Board of Directors shall encourage using advanced technology to count votes and display voting results.
- For the sake of transparency and future reference in case of later dispute, the Board will encourage the use of voting cards for significant agenda items such as related party transactions, acquisitions or disposal of assets.
- The chairman of the meeting shall allocate adequate time for discussion and encourage shareholders to express their opinions and ask any questions related to the Company.

The Annual General Shareholders' Meeting

Due to the spreading of the CORONAVIRUS (COVID-19) pandemic, the Company had postponed the 2020 Annual General Shareholders' Meeting from 3 April 2020 to 3 July 2020. The Company concerns about shareholders' safety and hygiene and conducts its procedures according to the Securities and Exchange Commission's guideline and notifies shareholders via www.ktc.co.th such as shareholders who considered as a potential risk can give a proxy to others or independent director to attend the meeting instead or arrange a screening point in front of the meeting room. The meeting was held in accordance with the law, the restrictions, and the principle of good corporate governance as follows;

Prior to the meeting: The Company distributed the invitation of the meeting both in Thai and English, stating date, time, venue and meeting agendas, together with comprehensive descriptions and rationales for each agenda item sufficient enough for shareholders decision-making and published them in advance ahead of the meeting through various channels such as

- **SET News:** Published on May 11, 2020, the resolution of the Board of Directors meeting on the subject of the invitation to the 2020 Annual General Meeting.

The Company also enables its shareholders to propose matters via the Company's website or the SETLink such as additional matters that should be included as an agenda, and to propose other related matters regarding the Company's operations, including nominate qualified persons for directorship in both Thai and English. Rules, procedures, proposing channels, and meeting notice were prepared and processed 3 months prior to the meeting date from 1 October 2019 to 31 January 2020.

Attached with the meeting invitation and also available on its website, the Company published the proxy letter form Khor as specified by the Public Company Limited registrar and identified a barcode to facilitate meeting registration so that any shareholders who cannot attend the meeting could appoint their proxy holders. The proxy letter form Kor was also posted on the Company's website to enable general shareholders as well as shareholders who are securities administrators to grant proxy according to the amount notified by the shareholders.

The Company nominated two independent board members with their backgrounds and interests attached in the meeting invitation as an option for shareholders' proxy.

The day of the Annual General Meeting (July 3, 2020)

The Company held the meeting at The Athenee Hotel Bangkok, A Luxury Collection Hotel, located on Wireless Rd, Lumpini, Pathum Wan District, which can be conveniently accessed both by cars and by BTS as well as strict preventive measures to best contain the COVID-19 spread. Various facilities including the venue and receptionists were provided. Information technology system and barcode system were also utilized for registration and voting to ensure speed and accuracy. Ballots for each agenda were printed for shareholders to ease the registration process which was opened 2 hours prior

- **The Company's Website:** to post a notice of the Annual General Shareholders' Meeting and ancillary documents together with notify via the SETLink. The same information posted to shareholders by mail also available on the website as follows; 1) date, time and venue of the meeting 2) meeting agendas with explanations or rationales for each agenda or requested resolution as specified in the invitation letter 3) guidelines for appointment of proxy registration, list of documents required for meeting attendance, and meeting rules 4) casting vote procedure and proxy form.

- **Post Delivery:** Distributed all to the post office 29 days in advance of the meeting on 4 June, 2020, the meeting invitation including supplementary documents, and the Annual Report in the form of QR Code.

- **Newspaper Advertisement:** to advertise a notice of the Annual General Shareholders' Meeting in daily newspapers in both Thai and English for 3 consecutive days and at least 9 days prior to the meeting date.

to the meeting. In addition, the Company invited volunteers from minority shareholders to witness the vote counting.

Before the meeting proceeds, the chairperson of the meeting assigned the Company's secretary to clearly inform shareholders regarding the meeting's rules and regulations, casting vote procedures, voting rights, and vote counting process. During the meeting, the presentation was done in the video format for shareholders to easily and clearly access information.

and answers and voting results of each agenda item detailing the number of approving, dissenting, abstaining votes and voided ballots. Copies of the entire meeting report for 2020 were submitted to SET and published through the Company's website within 14 days after the meeting as mandated by the law.

After the Meeting

The Company disclosed voting results of each agenda through its website and SET News right after the meeting on the same day. The Company also recorded the minutes of meeting containing a list of the board members attending, a description of the voting process, voting rights and vote tabulation procedures used, as well as records of questions

Section 2: Equitable Treatment of Shareholders

2.1 Equitable treatment of minority shareholders

The Company's policy is to treat all shareholders equally and fairly, whether they are institutional investors, foreign investors or minor shareholders, regardless of sex, gender, color, race, nationality, or religion. All shareholders will be equally treated when exercising their rights as described in the Shareholder Rights section. In casting votes, one ordinary share shall have one vote, and all resolutions of shareholders shall be adopted by the affirmative vote of the majority of the shareholders, unless otherwise provided for in the Company's Articles of Association or by law. Besides, the Company allows the minority shareholders to nominate any person they think suitable for directorship in advance. In addition, the Company shall not have any contracts or agreements with major shareholders and no cross holding.

2.2 Procedures for proxy authorization

In case that a shareholder is unable to attend any meeting in person, the Company allows the shareholder to authorize a proxy to cast the votes instead. With the meeting invitation sent to shareholders, the Company will attach a proxy form and detailed procedures, together with the nomination of at least one independent director serving as an option for shareholders proxy. The Company also encourages shareholders or their proxy to use ballot cards in every agenda.

2.3 Measures preventing and abuse of inside information

To prevent any possible conflicts of interest and prevent misuses of insider information for self-benefit and or related-party, the Company has established measures in written form and included in Corporate Governance Guidelines as follows:

Definition

Management is the President and CEO and the top four individuals ranking next to the CEO, including all other persons whose rank is equivalent to the last rank in the top four⁽¹⁾. Head of Finance and Accounting is also included in management.

Employee is the Permanent employee, Temporary employee, and contractual employee.

Confidential or Internal Information are significant material facts that have been received or acknowledged in writings or any other forms by the Board members, management, or employees such as financial statements, the Company's performance, joint ventures, changes in dividend policies, acquisition of significant business partners, and etc. Such information is not ready for disclosure, has not yet been announced to the public, and can influence the Company's Securities price.

Requirements for approval of the mutual transactions

1) Directors and executives must disclose transactions that may cause conflicts of interest, related transactions or mutual transactions in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Director having conflict of interest is prohibited from approving a particular transaction. In conducting any related-party transactions, the Audit, Environmental, Social and Governance Committee shall participate and give opinions under the Principle of Good Governance for Listed Companies as well as rules and regulations prescribed by the Stock Exchange of Thailand.

3) Lending or investing in any business in which the Director might have a potential conflict of interest must be unanimously approved by the Board of Directors, without the affected Director being present in such meeting. To further prevent a potential conflict of interest, pricing and terms and conditions must be determined in accordance with the Company's normal course of business and equal treatment given to regular clients. Moreover, the Company has taken measures to oversee the use of inside information, which is clearly specified.

Section 3: Roles of Stakeholders

3.1 Fair treatment to stakeholders

The Company recognizes the rights and roles of all stakeholders, internally and externally, and has included it as part of the Corporate Governance Guideline and the Business Code of Conduct, which are published across a variety of media such as the Company's website. This is to keep all stakeholders informed and encourage them to strictly follow the Guidelines for sustainable business operations of the Company. The Guidelines are as follows:

Note : ⁽¹⁾ All executive officers report directly to the president in accordance to the Company's structure.

Shareholders

The Company is committed to achieving the best possible business performance and enabling the continuous and sustainable growth of profits. This can be realized through prudence and transparency, enhancing competitive potential to create added value to the shareholders in the long run.

Customers

The Company aspires to serve its customers attentively and with the best possible effort. Every customer shall be equitably and fairly treated, and courteously advised and supported with respect and good manner. The Company is willing to listen to their problems and concerns, identify causes and find the most appropriate solutions without disclosing their personal data or confidential information – unless it is required by laws or with written consent by the affected customers. Besides, advertisements and announcement must be implemented responsibly and accurately; without taking advantage of customer's misinformation.

Creditors

It is the Company's policy to treat its creditors, including suppliers, debenture holders and other creditors, equitably and fairly based on the mutual benefits, and strictly honor agreements and conditions agreed by both sides. In case of failure to do so, in any circumstances, the affected creditors shall be notified in advance so that both parties could be able to find the most possible solutions and start further business negotiations. The Company shall refrain from requesting, accepting or commissioning dishonestly in any case to gain business benefits, and be responsible for reporting correct and complete financial data to the creditors on regular and timely basis.

Business partners

The Company requires its employees, who are involved in buying/ selling assets as well as any products and services of the Company, to act in the best interests of the Company instead of one's personal interest or interest of their peers. In this regard, the employees shall be responsible to provide accurate information based on truthful facts, and shall not mislead or provide incomplete information to buyers or sellers of assets / products and services. Importantly, the employees should avoid accepting gifts or rewards, or attending private functions or receptions hosted by buyers or sellers of assets/products and services, or by a group of particular interest, so as to avoid any possible accusations and prevent an inclination to show favor in return for such special treatment on later occasions. Procurement process, condition, and agreement are made fairly. Business partners are also provided knowledge, and skills to improve their potential, service, and production to the industries standards. Business partners are also convinced to respect human rights and treat their labor fairly, as well as taking responsibility in monitoring, assess the social and environmental aspects of business to develop a sustainable business relationship.

Business alliances

The Company is firmly determined to comply with agreements made with its business alliances and provide assistance in a manner, which allows mutual business benefits.

Competitors

The Company has no policy to falsify or distort competitors' facts or cause damage to reputation of its competitors. At the same time, it avoids making deals or discussions with employees of other agencies or financial institutions on issues concerning geographical locations, marketing, customer segmentation, interest rates, fees, products, services or business plans, which might affect the Company's business competition.

Corporate social and environmental responsibility

The Company strives to be a good corporate citizen by conducting its business with best interests to the society and the country. The Company also contributes to various social service activities and participates in social, community and environmental development projects as well as aims to create and preserve natural resources.

In order for their social and environmental responsibility projects and initiatives to achieve tangible results and truly benefits the society and environment, the Company's Board of Directors and executives with their recognition of such importance not just raise awareness of the social and environmental responsibility but also include it as one of the Company's missions in which additional details can be found in the 'Sustainability Report 2020' or through www.ktc.co.th.

Board of Directors and Management

The Company's Board of Directors and management are well aware of their rights, and strive to be a role model in exercising the rights and performing their duties as specified by the Company. At the same time, they recognize equitable and fair treatment of the rights of all Company's stakeholders.

Employees

The Company realizes the value of its human resources as a significant driving force for its organization, hence its effort of recruiting and hiring people with qualified skills and experiences regardless of their sex, gender, color, race, national origin, religion, or other status irrelevant to their performance. The Company offers employees salary rates and remuneration packages at the level comparable to other leading companies and takes also into its consideration of employees annual KPI (Key Performance Indicator) and economic trends. At the same time, the Company recognizes the significance of its personnel potential development by organizing various trainings on a regular basis to keep up with rising competition in financial industry. Training programs include management skills, sales and marketing, customer service, commercial lending, corporate governance, and information technology risk management.

In addition, other than those required by law, the Company provides employees with additional benefits in order to improve their quality of life and well-being. The Company also aims to ensure safety to life and property as well as a healthy working environment. A clear policy of not violating human rights is as well enforced.

In doing its business, the Company has a clear policy on not infringing any intellectual properties or copyrights and has set a guideline regarding to the infringement. Moreover, the Company's directors emphasize on customers' safety and privacy, so the Company outlines information technology policy, information technology security policy, and personal information protection policy for executives and employees as a guideline to protect information system security. In addition, the

Company has allocated budgets and resources for information technology security and cyber security work to be appropriate and sufficient to accommodate changes that may incurred in the future.

Please refer to the details in the Sustainability Report 2020 under section "Human Capital Development"

Government sector

The Company supports operations of the public sector and acts in compliance with rules and regulations established by regulatory organizations, working in conjunction with them to promote and support collaboration in activities run by related governmental agencies in order to preserve national stability and growth.

3.2 Anti-Corruption Policy

The Company's ideal is to conduct business with professional ethics and commitment to social responsibility and to every group of stakeholders on the principle of good governance and in accordance with the Company's policy on stakeholder treatment. In 2013, the Company participated in the "Thai Private Sector's Anti-Corruption Front" to express its intention and determination to fight corruption in every way possible. To ensure that the Company's anti-corruption policy defines responsibilities, guidelines and requirements suitable and sufficient for preventing and fighting corruption in all business activities of the Company and in order for the Company to be able to make prudent decisions on any business dealings that risk involving corruption, the Company has prepared a written "Anti-Corruption Policy" under the Corporate Governance Policy to serve as guidelines for conducting business and achieving its goal of becoming a sustainable organization. On 18 May 2019, the Company was certified and extended its membership of "Thai Private Sector's Anti-Corruption Front" according to the Thai Private Sector's Anti-Corruption committee's resolution of Quarter 1/2562 and its membership duration is 3 years.

Definition

Corruption (herein) means all forms of bribery including an offer of, request for, promise of, commitment to do or authorization or receipt of "anything of value" (money, assets or other improper benefits) to/ from any government official or any other person or entity including persons or entities in the private or commercial sector, directly or indirectly, where it is intended to induce the recipient to misuse his or her position or to obtain an improper "business advantage" or to refer business to the Company in particular or to acquire/ maintain any other improper business advantage unless otherwise specified by law, rules and regulations, announcement, local tradition or customary business practice.

Anti-Corruption Policy

No Company's Director, management or employee shall commit or accept corruption in any form, directly or indirectly.

Roles and Responsibilities

1) The Company's Board of Directors share a responsibility of putting an emphasis on developing a policy and ensuring that anti-corruption system is efficiently supported and implemented. This is to guarantee the Company's management is aware of the anti-corruption's importance, and eventually makes it a corporate culture.

2) The Audit Environmental Social and Governance Committee is responsible for reviewing the financial reporting and accounting system, the internal audit system and the risk management system to ensure that these are concise and are carried out in compliance with international standards in an efficient way.

3) The Company's chief executive officer and management team are responsible for establishing systems as well as encouraging and promoting the anti-corruption policy in order to communicate with the Company's staff and stakeholders. They also share a responsibility to review the appropriateness of standard and procedure to ensure conformity with changes in the business environment, rules and regulations, and applicable law.

4) The internal audit function of the Company has a responsibility to monitor and review operations, and reassure a compliance with the established policy, guidelines, authorizations, rules and regulations, applicable law and requirements of regulatory bodies, which is sufficient for dealing with possible risks associated with corruption, along with an ability to report effectively to the Audit Committee.

5) The Enterprise Risk Management department is responsible for the development of tools that evaluates corruption risk, as well as perform the evaluation of corruption risk, and summarize the evaluation results and report to the risk committee. The department must re-evaluate the corruption risk annually.

Operational Guidelines

- 1) The Company's Board of Directors, management and staff at all levels shall comply with the Anti-Corruption Policy without getting involved in scandals, directly or indirectly.
- 2) The Company's staffs shall not ignore any corrupt practices in association with the Company. They shall cooperate closely on the investigation of facts. In the event of a concern or enquiry, they shall consult with their superiors or designated persons responsible for monitoring the compliance with rules and regulations, or through various channels as specified by the Company.
- 3) The Company treats its employees equitably and extends protection to those opposing or reporting corruption cases in association with the Company. The Company has developed measures to safeguard whistleblowers or those who cooperate in the investigation, fact finding or the reporting of corruption cases, as specified by the Company.
- 4) Any action that is carried out as per Anti-Corruption policy, should follow the related practices described in Corporate Governance Policies, Business Ethic Guideline and Standard Operating Procedure (SOP), including other practices that the Company see fit to keep this policy. Therefore, all executives, managements and employees in all level should take extra care in the following actions;
 - 4.1) Giving or receiving gifts, presents, feasts or other kind of benefits. Any expenses related to giving or receiving of gifts, presents or other kind of benefits should be in accordance with the Business Ethic Guideline or the Company's regulation.
 - 4.2) All form of money or assets donated for the charity or public benefit purpose, including the sponsorship of any kind, should be backed with intention statement, or donation request documents, or with receipt of payment or official thank you letter.
- 4.3) There must be no kind of bribery in business relations and procurement contract procedure. The procurement contract procedure should be carried out as per procurement and outsourced guideline. Moreover, the operation and business contact of the Company should be conducted with honesty and with transparency, and in accordance with related laws and business regulations.
- 4.4) The Company has no policy to support financially, or donate any kind of asset for the political purposes to any political party, political group, or politician, anyone or any party that has been found guilty of corruption charge, such action will be considered guilty in violation of company's operation regulation, and could be faced with criminal justice if such action violates the law.
- 5) Corruption is deemed to be a violation of operational rules and regulations established by the Company. Committing corruption should be subject to legal punishment if that practice is considered illegal.
- 6) The Company attaches importance of publicizing, educating and promoting a better understanding among any other persons concerned or engaged in or associated with the Company, or work on issues that might have impact on the Company with regard to operating in compliance with this anti-corruption policy.
- 7) The Company is committed to building and preserving a corporate culture that considers corruption an unacceptable practice, regardless of any corrupt or wrongful practices for one's own benefit or the benefit of others.
- 8) The Company established human resource management process starting from the recruitment, training, evaluation, remuneration, and promotion with emphasis on anti-corruption.

3.3 Whistle blowing and Filing a Complaint

It is the Company's policy to encourage customers and the general public to lodge their complaints or comments through the following channels:

- Call Center: 02 123 5000 (24 hours)
- Complaint Center: 02 123 5000
- Website: <http://www.ktc.co.th>
- E-Mail: CService@ktc.co.th
- Facsimile: 02 123 5190
- Mailing Address: Krungthai Card Public Company Limited, 591 United Business Centre II, 14th FL., Sukhumvit 33 Rd, North Klongton, Wattana, Bangkok 10110

Staff members are able to submit complaints or send feedback and comments to the Company's Board of Directors and management directly via E-mails.

Please refer to the details of the Anti-Corruption process in the Sustainability Report 2020: Social dimension, sub-topic "The Anti-Corruption and the Bribery".

Section 4: Disclosure of Information and Transparency

4.1 Disclosure of Information as prescribed in the Disclosure Guidelines for Listed Company

4.1 Mandatory Disclosure

The Company ensures that the disclosure of material information regarding to its business, including financial and other information, is complete, transparent and timely, in accordance with the requirements of the Securities and Exchange Commission Office (SEC Office) and the Stock Exchange of Thailand (SET). In addition to being disclosed through the Form 56-1 One Report or the Sustainability Report, such information is mainly available on the Company's website in both Thai and English and, therefore, the shareholders, the customers and those interested can access the information easily, fairly and reliably.

The material information that is disclosed, for instance, the work done by the Board of Directors in the past year, the training courses taken by the directors, the roles and duties of the Board of Directors and the Sub-Committees, the number of meetings held in the past year and the number of times each director attended those meetings, the directors' opinions on performance of duties and policies, the remuneration of the directors and the executives commensurate with their obligations and responsibilities, the shareholding structure, the business conduct, the results of operation, the Corporate Governance Policy, the Code of Conduct, the business goals, and the policy or conduct on economic, social and environmental dimension.

4.2 Disclosure of Company and Customer Information to Requesting Agencies and Third Parties

Government agencies or private enterprises, with or without legal authority, are able to request or verify company's information under the following terms and conditions:

1) Agencies with legal authority to request information, documentary evidences for verification or request the Company's employees to testify or appear as witness in court of law, Legal Execution Department (LED), Revenue Department, Department of Special Investigation (DSI), Royal Thai Police, Office of the National Counter Corruption Commission (NCCC), Anti-Money Laundering Office (AMLO), Office of the Narcotic Control Board (ONCB), Office of the Securities and Exchange Commission of Thailand (SEC), Social Security Office (SSO), Office of the

Consumer Protection Board (OCPB), Office of the Auditor General, Ministry of Finance Inspector General, Office of the Ombudsman and Bank of Thailand, for instance. Such agencies are able to request information and documentary evidences concerning application for credit card/ personal loan account, spending and payment information, and available credit balance for instance, for further verification.

2) The Company shall not disclose information to agencies and persons without legal authority to request for verification of information, which includes government agencies and private enterprises as well as the general public, who generally request for verification of personal data.

4.3 Investor Relations

The Company has established Investor Relations Department to be responsible for providing and disseminating the Company's information and updates on its activities. This is to ensure a better understanding as well as foster and maintain a good relationship between the Company and all groups of stakeholders, including all types of investors (retail, institutional and general investors), stock analysts, local and foreign fund managers, customers, regulatory government agencies, others concerned, and the general public. All stakeholders shall be provided with the Company's information on equal and fair basis.

The Company distributes such information through diverse channels and in various formats, including one-on-one meetings, Opportunity Day, SET Digital Roadshow, analyst briefings, local and international road shows, disclosure in Form 56-1 One Report or other reports, website (www.ktc.co.th) or other forms of electronic communications (such as E-mail or SETLink), for example.

Contact Information:

Contact Person	: Ms. Apisama Na Songkhla
Phone	: 02 828 5067, 02 828 5059
Facsimile	: 02 828 5064
Address	: Krungthai Card Public Company Limited 591 United Business Centre II, 14 th FL., Sukhumvit 33 Rd, North Klongton, Wattana, Bangkok 10110
E-Mail	: irktc@ktc.co.th
Website	: http://www.ktc.co.th/ and click on "Investor Relations"

Moreover, the Company has assigned its Corporate Communications Department to distribute all the latest news and information through a variety of mass media on many occasions.

In 2020, the Company has presented performance to analysts, investors, employees, and related parties on a regular basis as shown in the table below:

ACTIVITIES	ACTIVITIES IN 2020 (TIMES)
Roadshow abroad	-
Roadshow in Thailand	8
Press Meeting	18
Credit Rating Review	1
Conference Call	49
Company Visit	4
Site Visit	1
Participation in the SET Opportunity Day and Analyst Briefing	4
SET Digital Roadshow	2
Activities for Bondholder relations	12
CEO Talk to communicate with employee	4

Section 5: Responsibilities of the Board of Directors

5.1 Independence from the Management of the Company

The Board of Directors assumes responsibility for the stewardship of the Company and is truly independent from the management team, and as part of this stewardship, has an obligation to act in the best interest of the Company and its shareholders. By clearly separating the duty and responsibility between the Board of Directors and management, the

Board of Directors shall develop policies and supervise the Company's work process to ensure full compliance with the respective policies, lawfully and ethically. Moreover, for proper check-and-balance, the Chairman of the Board of Directors and the Chairman Executive Officer are all different persons.

5.2 Appropriateness of the Board of Directors

The number of Directors is in accordance with the Company's Articles of Association, Article 11, which requires that "The Board of Directors has at least 5 and at most 15 members as determined by law. No less than half of the total number of elected directors must reside in the Kingdom of Thailand". Moreover, every director must possess qualifications as required by laws and regulations.

The Board at present consist of 8 Directors; 4 are Independent Directors, 3 Non-executive Directors, and 1 Executive Director who also holds a position of Chief Executive Officer.

5.3 Terms of Office of Directors

Terms of office of Directors will be in accordance with the respective charters governing each committee and the Company's Articles of Association, Article 13, which requires that one-third of the directors shall retire at the next Annual General Meeting of Shareholders. In the event that the whole number of directors cannot be exactly divided into three groups, the number of retiring directors must be closest to one-third. Unless otherwise agreed among themselves, the directors to retire for the first and second time shall be drawn by lots and for going forward, the directors with longest

serving shall retire next. Nonetheless, retiring directors who complete their terms of office are eligible for reappointment.

In addition, following good corporate governance, terms of office of independent directors are limited to no more than 9 years.

In 2020, the average term of office of directors was 3.36 years.

5.4 Transparency in Nomination and Appointment of Board Members and Chief Executive Officer

The Board of Directors Appointment Process

The Company appoints the Nominating and Remuneration Committee to review and select candidates for the board of directors' appointment. Candidates shall be qualified individuals without prohibited characteristics according to the rules and regulations defined by the Stock Exchange of Thailand, the Securities and Exchange Commission or other related authorities. Each candidate must own qualified characters of transparency and integrity, along with possess suitable knowledge, skills and experience as required by the Company regardless of right, sex, gender, race, or religion, by taking proportion, number, and diversity of the board of directors into account as seem appropriated in each division. Moreover, the Company considers existing directors' knowledge and specialize expertise in order to look for directors who possess additional skills and knowledge that

considered necessary to nominate that candidate for the board of directors appointment to the Company's shareholders, together with register and report the change to any related parties within specified period. The board of directors also set up the Board Skill Matrix as a tool to consider existing directors' qualification and as a tool to search for new directors in the future which existing board of directors possesses knowledge, skills and experiences that are beneficial to the Company's management. In addition, retiring directors who completed their terms of office are eligible for reappointment. Moreover, the Company also arranges an orientation for the board of directors to acknowledge their roles, duties, and responsibilities as well as the Company's rules and policies to ensure that they understand the Company's business operations.

Appointment of Directors

Directors are generally appointed in two cases as follows:

Case #1: New directors are appointed to replace retiring directors. These persons stand for election by shareholders at the next Annual General Meeting to fill the vacant position(s). Upon completing the term of office, retiring directors may stand for re-election.

Case #2: In case of appointment of new directors to replace those stepping down prior to completing the term of office, the Company's Board of Directors, no less than three-fourth of the total votes of the remaining directors, elects highly qualified candidates, and are not prohibited persons, to fill up the vacant directorship position(s), whose term of office lasts for the same period of time as the remaining term of office of the resigned director(s).

Shareholders' Right to Elect Directors

The Annual General Meeting of Shareholders shall elect the Director based on the following criteria:

- 1) For each shareholder, one (1) share equals one (1) vote (One Share One Vote) unless the shareholder holds preferred stocks, of which holders are destined to have inferior rights to vote than common shareholders.
- 2) Each shareholder is allowed to use all his/her existing votes (as specified in 1.) to elect one or more directors. However, the shareholder is not allowed to transfer a portion or all of the votes to any other person.
- 3) Top candidates with the highest votes shall be appointed as directors. The number of directors equal to what is required or intended to fill vacancies. In the event that number of the candidates receiving the most votes is more than the seats available at that time, then the Chairman of the meeting shall have the final vote.

Additionally, shareholders are allowed to add items to the meeting agenda, and nominate qualified candidates for the directorship prior to the Annual General Meeting of Shareholders through the Company's website between November 30 and January 31 of each year. The nominated candidates for the directorship shall be reviewed by the Nomination and Remuneration Committee/ the Company's Board of Directors. The result is to be notified to shareholders through the Company's website and the website of Stock Exchange of Thailand by March each year and once again to those attending the next Annual General Meeting of Shareholders.

Appointment of Directors

The Board of Directors give thorough consideration towards the criteria used in the selection of the Chairman of the Board of Directors of the Company in case that the position is vacated. The Board of Directors is authorized to nominate an individual to hold a position of the Chairman of the Board providing that he/she possess required qualifications, knowledge, capability, and experience in the management of Credit Card business or Financial/Banking institutions and/or other businesses related to Credit Cards. He/she must also have total vision suitable to manage the organization.

5.5 Performance of the Board of Directors

Setting Policies and Overseeing the Management

With integrity and prudence, the Company's Board of Directors is obliged to promote the best interest of shareholders, especially in terms of approving the Company's vision, mission, strategies, and significant matters concerning the Company's business directions and policies as well as its business plans and annual budget – based on logical reasoning, comprehensive business environment and social analysis, and social responsibility. At the end of the second quarter of each year, the Company's Board of Directors shall convene a meeting to review the policies and goals. In the last quarter, they shall set up a business plan for the upcoming year in order that it can be forwarded to the management for a brainstorming session with members of the management team from various functions, to set effective business strategies in order to achieve common goals.

Additionally, the Company's Board of Directors is responsible to ensure that performance of the management team is fully aligned with the Company's goals by using key specified performance indicators (KPIs). The performance shall be evaluated from the beginning of the year, on monthly and quarterly basis, in order that the operational status can be monitored at all stages. In the event that the performance has fallen below the target, the Board is responsible for identifying causes and finding solutions to problems. At the end of the year, the Board shall evaluate the performance of management team in comparison with the KPIs defined in the Company's Performance Agreement (PA). The Company determines those KPIs based on a performance measurement of the Balance Scorecard model which considers four perspectives of business as follows

- Financial perspective. Each department use its financial data such as income, expense or customer's spending to create its KPIs.
- Customer perspective. Any departments providing services to customers such as Contact Center determine their KPIs according to their service performance such as numbers of calls requesting for service, referrals of the Company's services from satisfied customers and numbers of complaints etc.

- Internal process perspective. Any departments relating to the Company's working process improvement or internal process determine their KPIs according to efficiency in their internal management such as average of service score as indicated in SLA or enhancement of working system or process beneficial for customer services etc.
- Learning and Growth perspective. Any departments relating to human resource development or corporate governance set their KPIs according to learning results or development results such as human resource and skill development for better performance, no warnings or no official remarks from any regulatory bodies etc.

Moreover, the Board has responsibility to control and monitor the performance of the management team to ensure transparency, proper corporate governance, and risk management.

Guidelines for serving as a director at other companies:

1) Director: A director shall serve as director of no more than 5 of the listed companies unless otherwise approved by the Board of Directors.

2) Chief Executive Officer: Regarding the Company's CEO who serves as director at other companies, he/ she is allowed to serve other listed companies as long as it does not affect his/ her performance at the Company, and they do not use his/ her authority or position at the Company to do anything in association with such companies. It is also required to seek approval by the Board of Directors before serving as director at other companies, and disclose information concerning that directorship to shareholders in the Annual Registration Form 56-1 One Report.

3) All other positions follow the Company's Employee Handbook.

Other Board Committees

The Board of Directors may set up additional committees and other related sub-committees, as they see appropriate and relevant to a specific circumstance, in order to assist in studying and reviewing tasks as needed and to ensure operational efficiency and effectiveness of the Board of Directors. (See details regarding other sub-committees on "Management Structure" section under "Sub-Committees" topic)

Director Self-assessment

The Company proposes that self-assessment of the Board should be done twice a year to reflect levels of performance in accordance with the Company's Guidelines for Good Corporate Governance Practice. This can be divided into four categories, including the assessment of the entire Board of Directors, the assessment of individual director, cross-evaluation or assessment of other board members, and subcommittee assessment. Areas of evaluation cover the following:

- 1) The assessment of the entire Board of Directors has six key areas to be evaluated, including the composition of the board and qualifications of Board members, roles and responsibilities of the Board, Board of Directors' code of conduct, Communication of the Board of Directors, relationship between the Board of Directors and the Company's management, and preparation and organization of meetings.

2) The assessment of individual director (self-assessment) has six key areas to be evaluated, which covers core competencies, independence, preparedness, roles and responsibilities as a Director, practice as a Director and vision for long-term value creation.

3) Individual cross-evaluation has six key areas to be evaluated, consisting of the composition of the sub-committee and qualifications of the members, roles and responsibilities of the sub-committee, its code of conduct, communication skills, relationship with the Company's management, and preparation and organization of meetings.

4) Subcommittee assessment has six key areas to be evaluated, covering structure and qualification of the subcommittee, role, responsibilities, guideline, communication, relationship, and the preparation and the handling of meetings.

Each assessment form contains a comments section to allow the directors and the sub-committees to give feedbacks or suggestions to the Board members. In addition, results of the evaluation shall be forwarded to all the Company's board members in order to lead to performance optimization and then to promote good corporate governance within the Company. This enables the Company to do business in a way that helps achieve continued and stable growth based on efficiency, transparency and justification that give confidence to all stakeholders.

In 2020, the Company mandated that the Board of Directors and every sub-committee member hold an assessment session whose results were further submitted to the Board of Directors for consideration in the first meeting of 2021 dated 19 January 2021. The assessment details are listed as follow;

EVALUATION TOPICS	AVERAGE (MAX SCORE IS 5)
The assessment of the entire Board of Directors	4.95
The assessment of individual director	4.87
Individual cross-evaluation	4.94
Subcommittee assessment (Audit Environmental Social and Governance Committee)	4.98
Subcommittee assessment (Nomination and Remuneration Committee)	5

The Performance Appraisal of the Chief Executive Officer

The Company arranges annual performance appraisal of the Chief Executive Officer ranging procedurally from January - December. The Nominating and Remuneration Committee will setup the evaluation criteria, review and evaluate base on the Key Performance Indicator (KPI) that is consistent to the target, strategy, and management skills of each year. However, the performance appraisal of the Chief Executive Officer is exclusive and confidential, and therefore undisclosed.

Development of Directors and Executives

The Company encourages and provides training and educational programs for board members and management on regular basis. Additionally, when the new board members are appointed, the Company provides an induction program for newly elected directors to get fully informed about the business plan of existing products and services, capital and shareholding structure, organization structure, legal considerations for serving as director at a listed company. The training and induction programs are designed to cover the following:

- 1) Board composition and board meetings
- 2) Board meeting calendar and agendas
- 3) Standard agendas
- 4) Scope of business permitted from regulators and related laws
- 5) Capital and shareholding structure, affidavit, memorandum of association, Articles of Association, and the minutes of Annual General Meeting
- 6) Corporate governance policies, and business ethics handbook
- 7) Related party transaction
- 8) Management and usage of inside information
- 9) Directors & Officers Liability Insurance
- 10) The Bank of Thailand and related regulatory agencies inspection results
- 11) Status of actions resulting from the inspection results of the Bank of Thailand and related regulatory agencies.
- 12) Vision Mission and company's strategies
- 13) Directorship in subsidiary, ventures, and related companies
- 14) Organization structure and list of executives
- 15) Lay out of the head quarters

The Company not only organizes a presentation for newly elected directors to have a clear picture of the Company's policies, its overall business operations and performance, as well as other related matters, but the Company also reports the new director's appointment to related authorities. Moreover, the board of directors also encourages board members, executives, and company secretary to participate in various seminars and training programs that enhance their knowledge and experience which leading to the Company's operating efficiency. Furthermore, the Securities and Exchange Commission and the Stock Exchange of Thailand stated the qualifications of the Chief Financial Officer (CFO) and the person supervising accounting that they must attend the continuing development training course in accounting knowledge.

In 2020, lists of directors, CFO, and person supervising accounting seminar and training course related to good corporate governance are as follows;

NO.	NAME	POSITION	TRAINING	INSTITUTION
1	Mr. Praphaisith Tankeyura	Independent Director/ Chairman of the Audit, Environmental, Social Responsibilities, and Corporate Governance Committee	Successful Formulation & Execution the Strategy	Thai Institute of Directors Association (IOD)
2	Mr. Nathporn Chatusripitak	Independent Director/ Audit, Environmental, Social Responsibilities, and Corporate Governance Committee	Certificate, Advanced Audit Committee Program (AACP)	Thai Institute of Directors Association (IOD)
			Certificate, IT Governance and Cyber Resilience Program (ITG)	Thai Institute of Directors Association (IOD)
			Top Executive Program on China Business Insights and Network (TEPCIAN)	University of the Thai Chamber of Commerce

NO.	NAME	POSITION	TRAINING	INSTITUTION
3	Mr. Chutidej Chayuti	Chief Financial Officer	TLCA CFO : Data privacy law and cyber security law	Thai Listed Companies Association
			TLCA CFO CPD : Update on taxes and foreign investment issues	Thai Listed Companies Association
			TLCA CFO Professional Development Program: Capital structure and funding strategy	Thai Listed Companies Association
			TLCA CFO Professional Development Program: Transfer pricing	Thai Listed Companies Association
			Update on IFRS9 and other new standards	Thai Listed Companies Association
4	Ms. Pranee Rattakam	Senior Vice President Finance and Accounting The person supervising accounting (Chief Accountant)	Insight into the core issues of financial reporting standards for accounting SMEs/ NPAEs/ PAEs Compare with the Revenue Tax Regulations	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
			Budget for Planning and Profit	
			Business Combination and Advanced Consolidation Workshop for members and individuals	
			Update the latest e-Payment laws, criteria and methods for preparing e-Tax Invoice & e-Receipt, e-Withholding Tax and e-Filing	Dharmniti Seminar and Training Co.,Ltd
			Concept and adaptation of accountants and management. Auditing in the Digit - Covid era.	Department of Business Development
			Management Accounting for Planning and Decision Making	Federation of Accounting Professions Under The Royal Patronage of His Majesty The King

5.5 The Board of Directors Meetings

The Company's Board of Directors meets regularly at least 12 times a year. Members of the Board are required to attend of no less than 75% of total number of annual meetings and all members must follow this guideline. The meetings are held monthly and scheduled in advance for the whole year. Additional meetings can also be arranged based on appropriate circumstances. Meeting agenda items are clearly categorized such as chairman's report, approval of minutes of the previous meeting, matters arising from the last meeting, policies, lending, debt restructuring, investment, assets acquiring and disposing, procurement, human resources, matters to be considered, matters to be notified, and other matters. For any agenda items required the meeting resolution, the number of attending Board members needs to be at least two-third of total Board members. The secretary of the Board of Directors will distribute the meeting invitation, along with meeting agendas and ancillary documents to the Board members no later than 7 days prior to the meeting date both in electronic format via email and/or in hard copies for convenience and paper saving. The secretary will also record

the minutes of meeting in written form and file the minutes approved by the Board of Directors for further review.

In 2020, an average meeting attendance of the Board members was 94.5% of total number of annual meetings in 2020 (more than two-third of total Board members attended the meeting). For the annual budget approval and the Company's annual business strategy meetings, an average meeting attendance of the Board members was 100%.

In addition, the Board of Directors requires that at least once a year, non-executive directors organize the meeting among themselves without any executive directors attending to openly discuss issues concerning the Company's business, matters of interest, as well as to evaluate CEO performance. And the meeting results shall be notified to the CEO.

In 2020, non-executive directors arranged the meeting among themselves twice on 20 July 2020 and on 17 December 2020 in the beginning period before the Board of Directors meeting.

Governance of Inside Information

The Company attaches great importance to transparency and equitable treatment to all stakeholders, including institutional investors, analysts, retail investors, as well as local and international investors, regarding the provision of information related to the Company's operations. It is the Company's policy to provide information to outsiders and identify specific persons who may provide the information. To ensure that investors receive accurate and relevant information, the Company has established measures to prevent the use of internal information by providing important information undisclosed to the public and is significant to changes in the Company's operations. A restricted disclosure is made only to a limited audience, and information shall be disclosed to persons or authorities concerned.

The Company also requires that Board members, management and employees to sign a confidentiality agreement and/or agreement on the use of insider information. The Company has also established measures to prevent Board members, management and employees from using the Company's confidential information for personal gain. Violations of these rules may lead to disciplinary action by the Company as well as serious criminal and civil penalties as follow:

1. Directors, management, and employees are prohibited from publishing or disclosing any internal or confidential Company information to outsiders or non-affiliated parties in any way, knowing that those individuals may use the information for their personal gain in trading of Company's securities, unless the disclosure is under the responsibilities as stated by law.
2. Directors, management, and employees are prohibited from using the Company's internal or confidential information to trade Company's securities for the interest of personal or related parties.
3. Directors, management, or employees with internal or confidential information must be careful when storing and disposing documents (original and copies), including confidential electronic files that may be inappropriately exposed. This can be prevented by installing passwords on the files, for example.
4. Directors, management, or employees with internal or confidential information must be careful when engaging in conversations with both insiders and outsiders in order to prevent unrelated individuals from acquiring any information.
5. In order to set up an effective control system to prevent leakage of internal or confidential information, the Company has assigned a group of employees/ departments responsible for handling such information. By doing so, only limited employees/ departments can access internal or confidential information.

6. Directors, management, or employees are prohibited from sharing financial statements or any other information significant to changes in stock prices, or allowing any other persons to use such information 15 days prior to the public announcement of financial statements and/or any other information that impact stock prices of the Company and/or its subsidiaries (if any). Also, trading of the Company's securities are prohibited during the first 24 hours after all of such information has been disclosed to the public, in which the timeline is announced by the Company. This is to prevent the use of financial or confidential information for any other benefits for oneself or others due to the information one obtained.

7. The boards or working committees that concurred, acknowledged, or approved special projects that may have an effect on the decision to invest in the Company's securities are prohibited to reveal, disclose, or use the information for trading the Company's securities until such projects have been publicly disclosed, no longer in effect, or terminated. The trading can only take place after the first 24 hours of public disclosure have passed. The working committees may choose to sign Confidential Agreement with outsourced consultants prior to launching the projects.

8. In case that any directors, management, or employees wish to trade the Company's securities, the below procedures must be followed:

8.1) the Board of Directors and First line level management with the names listed on the SEC's director and management data system, as well as their spouses, legal or de facto and minor children (individuals required to report) are to file the report on Change of Securities and Derivatives Holding (Form 59) to SEC via SEC online system within 3 business days from the date of purchase, sales, transfer, acceptance of transfer of securities or derivatives.

Directors and First line level management with the names not listed on the SEC's director and management data system are to submit the Form 59 via SEC online system within 7 business days from the date of purchase, sales, transfer, acceptance of transfer of securities or derivatives.

In addition, directors and management are required to notify the Corporate Secretary department who then will present the information to the Company's secretary. The record of the changes, along with total number of securities owned by those required to report will be summarized and presented to the Board of Directors on a monthly basis.

8.2) Management and employees not included in section 8.1) are to report to the Compliance Department within 3 business days from the date of purchase, sale, transfer, or acceptance of transfer of Krungthai Card Public Company Limited securities.

9. All Directors, managements and employees shall strictly follow these requirements.

Failure to comply with these requirements maybe liable and be subjected to the penalties under the related Laws. In addition, any employee failure to comply with these requirements also constitutes a breach of disciplinary on the disclosure of the key internal information shall be subjected to disciplinary actions ranging from a warning, wage cutting, suspension without pay to termination as the case maybe depending on cases seriousness.

According to the guideline of Company's internal information usage, in 2020, there was an employee below first line level purchased KTC securities and reported changes in securities holding as required by the Company. However, the transaction was done during the prohibited period. Thus, the Company made a punishment according to the disciplinary actions specified by the Company and the employee sold KTC securities immediately after the Company notified his breach of disciplinary.

Code of Conduct

The Company's Board of Directors has established Code of Conduct. The Code of Conduct was to be reviewed regularly to ensure that the guidelines comply with the laws or the Company's internal changes. The Code of Conduct was constructed in accordance with international standards, in which every level of employees can easily access these guidelines through the Company's website and intranet system. Directors, management, and employees are to uphold these guidelines with the following main topics:

1. Message from the Chairman
2. Business Practices
3. Key topics in Business Practices are as follow:
 - Keep control of corporate assets and the Company's interests
 - Conflicts of interest
 - Confidentiality
 - Giving or receiving gifts, presents, feasts or other kinds of benefits
 - Rights of Shareholders
 - Disclosure of information and relationship with investors
 - Prevention of money laundering
 - Treatment to Stakeholders
 - Corporate social and environmental responsibility
 - Safety and Sanitation
 - Respect for human rights
4. Monitoring and Supporting Practices

To ensure that directors, executives, and employees possess the knowledge and understand the principles of corporate governance, the Anti-Corruption policy, and business code of conduct, the Company has set up training through the orientation program, incorporated with a signing to acknowledge and comply with the policy and business. Moreover, the Company also organizes knowledge and understanding review session annually.

In 2020, there are no directors, executives, or employees taking any actions that violate the Company's business ethics.

Succession Plan

The Company initiates the Succession Planning program to outline and search for personnel who possess adequate qualifications with knowledge and capacity that match the Company's operational direction for a sustainable growth in the future. The person who will replace or hold a senior executive position called Key Position while another position highly impact the organization's operation, there must be someone holding this position all the time in order to prevent business interruption, called Critical Position. The procedures and selection processes needed to be systematically laid out with proper principles and well agreed upon so that successors will be ready to carry on the Company's mission. It is also regarded as good management practice to protect all stakeholders, business partners, and customers' interests.

The Board of Directors has reviewed the Corporate Governance Policy for 2020 to align with the Corporate Governance Code (CG-Code) of the Securities and Exchange Commission and the Stock Exchange of Thailand or other related regulatory bodies. The Company had appropriately applied changes to its business following good corporate governance guidelines. The Company has rationally explained reasons for not being able to comply with the aforementioned policy. The Company has followed all good governance practices except the followings.

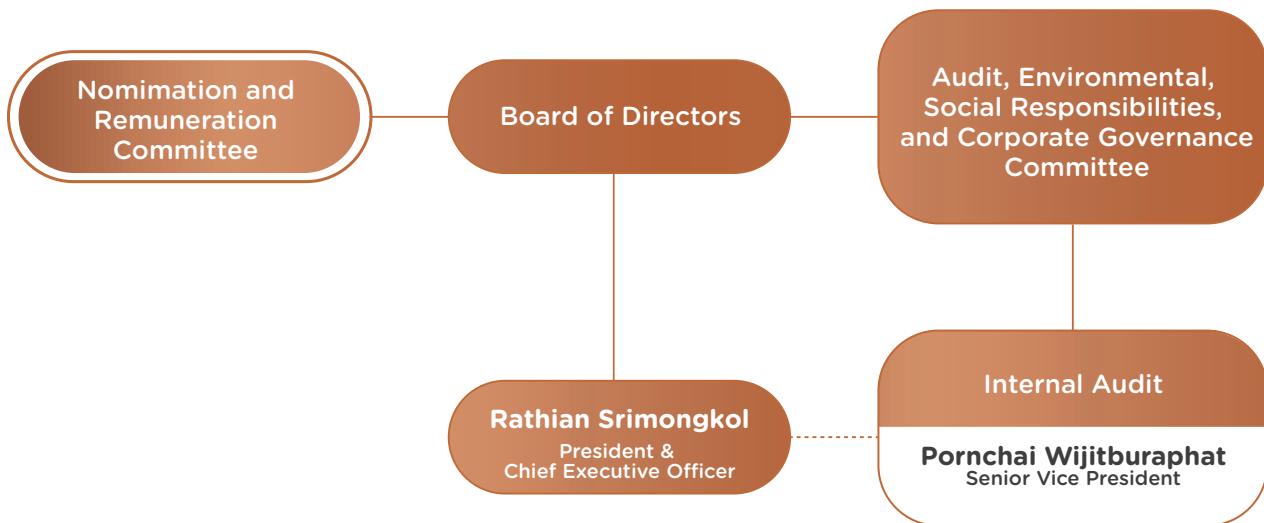
TO BE PRACTICED	REASONS
<p>1) The Company's Chairman and the Chairman of Nomination and Remuneration Committee is not an independent director</p>	<p>The Board members has considered the Company's structure and expressed opinion toward the independence of the Chairman, although the Chairman is not an independent director according to the definition of "Independent Director" of the Securities and Exchange Commission and the Stock Exchange of Thailand, as he was KTB employee with controlling power over the Company and retired for less than 2 years from the specified period. Moreover, he is currently hold a position as debt restructuring specialist and other related positions in KTB and his terms of office in the company has not ended yet. But his duty as the Chairman of the board deemed appropriate with the following reasons;</p> <p>1) The Company is a business operator under the supervision of the Bank of Thailand (BOT), with strict regulations as required by BOT.</p> <p>2) The Company is under the Krung Thai Bank conglomerate, which means that KTB is to closely supervise its subsidiaries to operate in accordance with policies and regulations as stated by BOT.</p> <p>3) The Chairman and the board of directors, who are KTB representatives, have no ownership in the Bank or the Company's share, and therefore, display no conflicts of interest.</p> <p>4) Transactions between KTB and the Company have been performed under normal business conditions based on market prices. If there are special transactions, approvals from the Board of Directors according to the rules stated by the Securities and Exchange Commission and the Stock Exchange of Thailand are required.</p> <p>5) KTB has always been supportive of the Company, for example, approval of the Company's good committed and uncommitted credit lines, supplying the Company with customers, and providing payment channel services. Such supports are directly beneficial to the Company and minor shareholders.</p> <p>In conclusion, although the Chairman is not qualified as an independent director, but comments and policy makings made by various committees are free from interventions and manipulations. On the contrary, KTB has always been supportive of the Company's business operations. Moreover, the Company's selection process of the new Board members has been in accordance with the rules stated by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), from the qualification checking process to being approved by the Nomination and Remuneration Committee, the Board of Directors, as well as the shareholders.</p>
<p>2) The number of independent directors is less than half of the members of the Board of Directors and the Nomination and Remuneration Committee.</p>	<p>The Board of directors have considered the independence of the independent directors and agreed that the present number of the Company's independent directors at 50% is comply with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand, meaning having one third of independent directors from total number of directors but no less than 3 independent directors. In addition, the duties of independent directors or the Company's board of directors are performed independently from the influences of the management. They can express opinions on various matters independently so they conclude to keep the Board of Directors' roles and responsibilities as it is.</p>

Major changes and development of the Company's policies, guidelines, and corporate governance principles in the past year

The Company commits to develop various projects in accordance with good corporate governance for Listed Companies, including good corporate governance assessment criteria both domestically and internationally where the Company's board of directors has considered and adapted appropriately to suit environmental and corporate governance framework. In 2020, the Company has developed many business operations such as reviewing corporate governance policy and business ethics handbook, reviewing the Charter of sub-committees, reviewing the Chief Executive Officer's selection criteria as a guideline when the position is vacant, setting up the Board Skill Matrix as a tool to evaluate existing directors' qualification and as a tool to search for new directors in the future which existing board of directors possesses knowledge, skills and experiences that are beneficial to the Company's management, and tax policy preparation. As a result of its commitment, the Company has received numerous excellent corporate governance awards. For more information, please refer to the details in the Sustainability Report 2020.

Corporate Governance Structure and Significant Information regarding to the Board of Directors, Sub-Committees, Executives, Employee and others

Corporate Governance Structure as of December 31, 2020



Information of the Board of Directors

Board of Directors Structure

As of December 31, 2020, the Board of Directors comprised of eight members, including one Chief Executive Officer, three Non-executive Directors, and four Independent Directors. This composition ensures that the board can fulfil their duties independently without unwarranted guidance, thereby supporting efficient decision-making process.

The Company selectively recruits directors who are a qualified individual with diverse background and expertise, leadership qualities, farsighted vision, morality and ethics, transparent work experience, and the ability to express own opinions freely.

Chairman and Chief Executive Officer must not be the same person, and there is a clear separation of powers and responsibilities between them. The Company stipulates that a person holding the position of board chairman is a policy leader and that a person holding the position of Chief Executive Officer is a management leader. This philosophy creates a balance of power in the Company's operations.

The structure of the Company's board and sub-committees consists of the Board of Directors, the Audit Environmental Social and Governance Committee, and the Nomination and Remuneration Committee. The Company stipulates provisions on powers and duties as well as appointment and removal of its board or sub-committees in The Company regulations, which were registered with public company limited registrar at the Department of Business Development, Ministry of Commerce and are prescribed in the charters of these committees.

Please refer to the details of the Board of Directors in Topic: Corporate Governance Policy, Section 5: The Board of Directors' responsibilities

Board of directors

Board of Directors

Information of the Board of Directors, the Board Secretary, the Company Secretary, and the Report of changes in common shareholding ownership and forward contracts of Krungthai Card Public Company Limited are as follows:

NAME	POSITION	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2020	HISTORICAL TRADING FROM JAN - DEC 2020	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2019
1. Mr. Parinya Patanaphakdee Spouse and Minor Children	Chairman / Chairman of Nomination and Remuneration Committee	0 0	- -	0 0
2. Mr. Praphaisith Tankeyura Spouse and Minor Children	Independent Director / Chairman of Audit Environmental Social and Governance Committee / Nomination and Remuneration Committee	0 0	- -	0 0
3. Mrs. Nampung Wongsmith Spouse and Minor Children	Independent Director / Audit Environmental Social and Governance Committee	0 0	- -	0 0
4. Mr. Nathporn Chatusripitak Spouse and Minor Children	Independent Director / Audit Environmental Social and Governance Committee	0 0	- -	0 0
5. Lieutenant General⁽¹⁾ Apichart Chaiyadar Spouse and Minor Children	Independent Director	0 0	- -	0 0
6. Mr. Pichit Jongsalismwang Spouse and Minor Children	Director / Nomination and Remuneration Committee	0 0	- -	0 0
7. Mrs. Praralee Ratanaprasartporn Spouse and Minor Children	Director	0 0	- -	0 0
8. Mr. Rathian Srimongkol Spouse and Minor Children	Director / President & CEO	0 0	- -	0 0
9. Mr. Bucha Sirichumsang Spouse and Minor Children	Secretary of the Board of Directors	0 0	- -	0 0
10. Mr. Peerapong Pitrpbulpitat Spouse and Minor Children	Company Secretary	0 0	- -	0 0

Source: The Bank of Thailand

Note: ⁽¹⁾ Lieutenant General Apichat Chaiyadar received a royal title from Major General to Lieutenant General in accordance with the announcement of the Office of the Prime Minister on 18 September 2020

Throughout 2020, it was not found that any Directors, the Company Secretary, or the Board Secretary committed any misconducts regarded as use of internal or confidential information of the Company to engage in securities trading for personal gain or third party's benefits.

Please refer to the details of backgrounds and work experiences of the Company Executives in Attachment 1: Details about directors, executives, person with controlling power, and company secretary.

Duties of the Board of Directors

Chairman's duty and responsibility

1. The Chairman must not be the President or the CEO.
2. Direct, monitor, and ensure that the sub-committees performed their duties efficiently consistent to the target and objective of the organization.
3. Ensure that all directors engaged in the promotion of ethical organization culture, and good governance principle.
4. Act as the Chairman of Shareholder's meeting and oversees that the meeting is in accordance with stated regulation and agenda.
5. Convene Board of Director's meeting and deliver the meeting notice including related document so that the Board of Directors can receive adequate information in time.
6. Allocate sufficient time for executives to submit proposal and sufficient time for directors to discuss the proposed issue thoroughly; promoting critical and independent thinking among the directors.
7. Develop and improve good governance principle within the Board of Directors.

Issues to be considered by company's Board of Directors

1. Issues required by law to be approved by Board of Directors.
2. Issues required by company's regulation to be approved by Board of Directors.
3. Issues that management considered appropriate to request approval or issues qualified by Board of Director's regulation to request approval, such as company's business expansion etc.

Scope of authorities and duties

1. Each director has one vote on each matter of meeting resolution, which is subject to majority vote of the board members present. If votes in such are equal, it shall be decided by the chairman of the meeting who casts the final vote.
2. Should any meeting committee has a direct personal interest concerning with the meeting issue, he/ she can't vote on such issue. In such case, the chairman has the right to ask that committee to temporarily leave the meeting.
3. All of the Company's businesses are subject to the authority of the Board of Directors to perform. The authority of the Board of Directors registered with the Department of Business Development, Ministry of Commerce, requires that two⁽²⁾ Directors put their signature as well as by the Company's official stamp when undertaking actions on its behalf.
4. Directors may assign a director or directors to perform any actions on behalf of the Board of Directors.
5. Directors may determine the name of authorized signatory directors of the Company who can sign and affix the seal to bind the Company.
6. In case of a vacancy in the Board of Directors or Independent Director for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has qualifications and is not prohibited by law from acting as such, as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The resolution of the Board of Directors shall be by a vote of not less than three-fourths of the number of directors remaining. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces remaining term of office of the director whom he or she replaces.
7. The Board of Directors may appoint any person to conduct the Company's operation under the control of the Board of Directors or authorize that person to perform any action, within the certain period which the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change or amend such authorities as appropriate.
8. Any Director who has a conflict of interest in any transaction shall not be allowed to participate in the consideration and approval of such transaction.
9. The Board of Directors may approve payment of interim dividends for shareholders from time to time as the Board of Directors may recommend if appropriate considering the profits and retained earnings position of the Company. This payment should be reported to the next Shareholders' Meeting.
10. Any transaction which requires approval from the Company's Shareholders pursuant to the Public Company Limited Act B.E.2535 (1992), the Board of Directors must obtain prior approval from the Shareholders' Meeting e.g. considering and approving balance sheet and profit and loss statements, allocation of profit and capital reserve, the election of a director to replace a director who retired by rotation and specifying remuneration, appointing all or some of auditors and fixing the auditing fee, the sale or transfer of the whole or important parts of the business of the Company to other persons, the purchase or acceptance of transfer of the business of other companies by the Company, the making, amending or terminating of contracts with respect to the granting of a hire of the whole or important parts of the business of the Company, the entrustment of the management of the business of the Company to any other person or the amalgamation of the business with other persons with the purpose of profit and loss sharing.

Assignment of Executive Power to the Managing Director and President & CEO

The Board of Directors' Meeting No.16/ 2005 held on December 16, 2005 passed a resolution to amend the power of attorney dated July 5, 2002 to be suitable and in accordance with the Company's operations. The power of attorney dated December 16, 2005 is based on the same principle as the previous power of attorney that authorized the Managing Director (currently, the President and Chief Executive Officer) to conduct and manage the Company's operation, to specify the value of transactions which the Company's officer may be authorized to approve and to consider and approve the operations of each department of the Company.

However, the President & CEO is not authorized to approve connected transactions, the acquisition or disposition of important assets of the Company, and/ or any transaction that the President & CEO or any person has an interest or has a conflict of interest in. These are required to receive the approval from the Audit Committee and/ or the Board of Directors, and/ or the Shareholders' Meeting as the case may be. As such and in order to conform with the requirement stipulated in Article 89/12 of the Securities and Exchange Act B.E. 2535 (No. 4), the Management has proposed to the Board of Directors, In Meeting No. 13/ 2551 which was held on September 19, 2008, to give consideration and approval in cases where related persons are to enter into commercial transactions. A resolution was passed therefore requiring the Management to evaluate any commercial agreements or transactions or business deals with the Related Persons as stipulated in the Securities and Exchange Laws. Such commercial agreements, transactions or business deals shall be executed in prudent manner with the business partners. Provided that a director, executive officer or Related Persons (in general business transactions) shall enter in such commercial agreements, transactions or business deals or with the same bargaining power with ordinary business partners. This provision extends to any existing transactions or transactions that may be constructed in the future. The Management shall specify the requirements and framework as a guideline for implementing and prepare such transaction reports to propose in the reasonable time to the Audit Committee and the Board of Directors.

Further, the Board of Directors' Meeting No.15/ 2011 held on December 6, 2011 resolved that Mr. Rathian Srimongkol be appointed as the President & CEO in place of Mr. Niwatt Chittalarn, who retired on December 31, 2011. The Board of Directors' Meeting No.1/ 2012, later on, resolved that Mr. Rathian Srimongkol be appointed as a director replacing Mr. Niwatt Chittalarn.

The Chief Executive Officer is responsible for the governance, and management of the Company to be consistent with the strategy, policies, and target in accordance to which was established by the Board of Directors. The Chief Executive Officer's main responsibilities are as follows:

- 1) Direct the Company in accordance to the Board of Directors' established strategies, policies, guideline, and target.
- 2) Manage the business in line with the strategy and budget approved from the Board of Directors, and protect the Company's and shareholders' interests.
- 3) Provide guidance and direction to employees to meet their objective and duties.
- 4) Create relation and cooperation's between firm, business units, and organizations both domestic and foreign
- 5) Act as representatives of the Company to conduct business with external organization, regulators, or any legally binding actions assigned by the Board of directors, within the Company's objective.
- 6) Review other functions assigned by the Board of Directors and Subcommittees

Hence, as of December 31, 2020, the Company's authorized signatories were composed of eight persons as follows :

1. Mr. Parinya Patanaphakdee	2. Mr. Praphaisith Tankeyura
3. Mrs. Nampung Wongsmith	4. Mr. Nathporn Chatusripitak
5. Lieutenant General Apichart Chaiyadar ⁽¹⁾	6. Mr. Pichit Jongsariswang
7. Mrs. Praralee Ratanaprasartporn	8. Mr. Rathian Srimongkol

Signing Conditions: Two of directors can jointly sign and affix the Company's seal.

Remark : ⁽¹⁾ Lieutenant General Apichat Chaiyadar received a royal title from Major General to Lieutenant General in accordance with the announcement of the Office of the Prime Minister on 18 September 2020

Therefore, the Company issued a power of attorney dated December 25, 2020 to be suitable and in accordance with the above mentioned amendments of the authorised signatories. The power of attorney incorporates the same principles, contents and significant matters according to the resolution of the Board of Directors No. 16/ 2005 in all respects.

Sub-committee

Independent Directors and Audit Environment Social and Governance Committee

Independent Director

As of December 31, 2020, The Company has a total of four independent committee members, including Mr. Praphaisith Tankeyura, Mrs. Nampung Wongsmith, Mr. Nathporn Chatusripitak and Lieutenant General Apichart Chaiyadar. These individuals possess qualifications of an independent committee member as prescribed in the SEC rules. Moreover, the Company also defines independence of independent committee members in the charter of the Audit Committee.

Definition of the independence of independent directors consists of;

1. Does not hold more than one percent of the total voting shares of the Company, parent company, subsidiary, associated company or juristic person that may have a conflict of interest. This includes the shares held by the related parties
2. Is not or has been a director who is involved in management, staff, employees, consultants who receive a regular salary, a controlling person of the Company, parent company, subsidiary, associated company, same level subsidiary or juristic person that may have conflicts of interest (at present and 2 years prior to the appointment)
3. Is not related by blood or legal registration in the form of a father, mother, spouse, sibling and children, including children's spouse with executives, major shareholder, controlling person, or person who shall be nominated as an executive, or controlling person of the Company or subsidiary.
4. Does not have a business relationship with the Company, parent company, subsidiary, associated company, or a juristic person that may have conflicts of interest (at present and 2 years prior to the appointment)
5. Is not a director appointed as a representative of a director of the Company, a representative of a major shareholder of the Company, or a representative of a shareholder of the Company which is a related person of the major shareholder of the Company;
6. Is not a director appointed by the Board of Directors to make decisions on the operations of the Company, parent company, subsidiary, associated company, same level subsidiary or juristic person that may have conflicts of interest
7. Is not a director of the Company's parent company, subsidiary, or a subsidiary of another company at the same level as the Company which is a public company limited.
8. Does not have any characteristics that hinder the capability to express independent opinions

The Audit Environmental Social and Governance Committee

As of December 31, 2020, the Company's Audit Environmental Social and Governance Committee comprised of three members, one chairman of the audit committee and two audit committee members as follows;

Mr. Praphaisith Tankeyura

Chairman of Audit Environmental Social and Governance Committee

Mrs. Nampung Wongsmith

Audit Environmental Social and Governance Committee

Mr. Nathporn Chatusripitak

Audit Environmental Social and Governance Committee

Scope of Work of the Audit Environmental Social and Governance Committee

The Board of Directors or the Shareholders' meeting is in charge of appointing at least three audit committee members from independent directors. And every audit committee members have passed either one of the training programs held by the Thai Institute of Directors Association (IOD): Audit Committee, Finance for Non-Finance Director, Director Certification Program, Roles of the Compensation Committee, or Director Accreditation Program. Also, Mr. Praphaisith Tankeyura, chairman of the audit committee, is a competent person with sufficient accounting and finance knowledge and experience to review the reliability of financial statements, and has knowledge about cause of changes in financial report and its consequences.

The Audit Environmental Social and Governance Committee must be independent and impartial without conflict of interest, directly or indirectly, in order to perform duties at its own discretion and provide independent advice.

Authorities and duties of the audit committee are stated in the charter on the rules and guidelines of the audit committee, corporate governance: social and environmental responsibility, and also published on www.ktc.co.th

Duties of the Audit Environmental Social and Governance Committee

The Audit Committee's duties are divided into

Audit responsibilities

1. Conduct review to ensure that the Company has accurate and adequate financial reporting.
2. Conduct review to ensure that the Company has appropriate and effective internal control system and internal audit system, determine the autonomy of the internal audit unit, and endorse appointment, transfer or dismissal of a head of the internal audit unit or other units responsible for internal audit.
3. Conduct review to ensure that the Company complies with the securities and exchange law, SET requirements, and other relevant laws.
4. Selectively recruit, nominate and appoint an independent individual to fulfill the duties of company auditors, propose auditor compensation, and attend meetings with auditors without the presence of management at least once a year.
5. Review connected and conflict of interest transactions to ensure compliance with relevant laws and SET requirements in order to ensure that these transactions are reasonable and executed with utmost regard for the Company's interests.
6. Prepare the Audit Committee's oversight report which is disclosed in an annual report of the Company. This report must be signed off by the chairman of the Audit Committee and must contain at least the following information:
 - 6.1) Opinions on the accuracy, completeness and credibility of financial statements of the Company;
 - 6.2) Opinions on the adequacy of the internal control system of the Company;
 - 6.3) Opinions on the compliance with the securities and exchange law, SET requirements, and relevant laws;
 - 6.4) Opinions on the suitability of auditors;
 - 6.5) Opinions on potential conflict of interest transactions;
 - 6.6) Number of audit committee meetings and attendance record of each member;
 - 6.7) Overall opinions or observations regarding the fulfillment of duties under the charter of the Audit Committee;
 - 6.8) Other matters within the scope of duties and responsibilities designated by the Board of Directors that general shareholders and investors should be informed.
7. Review the accuracy of referred documents and the self-assessment form relating to anti-corruption measures in businesses of the Private Sector Collective Action Coalition Against Corruption.
8. Perform other duties designated by the Board of Directors and endorsed by the Audit Committee.

Environmental, social and governance responsibilities

1. Review environment, social and governance policies of the Company to ensure compliance with international standards and recommendations of concerned institutes or agencies.
2. Propose company guidelines that conform to the principles of corporate governance with social responsibility.
3. Perform oversight of the Company's operations to ensure compliance with the principles of corporate governance.
4. Review best practices of corporate governance for the Board of Directors or sub-committees.
5. Foster corporate governance culture and engage in corporate social responsibility activities for sustainable development, promote proper understanding among employees at all levels, and ensure practical outcomes.
6. Propose a guideline on the Company's code of business conduct and the code of good practice with various stakeholder groups.
7. Impart environmental, social and governance policies to environmental, social and governance working groups.
8. Perform other duties designated by the Board of Directors.

The Nomination and Remuneration Committee

As of December 31, 2020, the Nominating and Remuneration Committee comprised of three members, one chairman of Nominating and Remuneration Committee and two Nominating and Remuneration Committee members as follows;

Mr. Parinya Patanaphakdee

Chairman of Nomination and Remuneration Committee

Mr. Praphaisith Tankeyura

Nomination and Remuneration Committee

Mr. Pichit Jongsaliswang

Nomination and Remuneration Committee

The Company's Board of Directors appoints at least three non-executive directors as members of the Nomination and Remuneration Committee. Their qualifications are as follows:

- 1) Possess core competency, experience, knowledge and understanding of qualifications, roles and responsibilities of the Nomination and Remuneration Committee
- 2) Chairman of the Nomination and Remuneration Committee should be independent director in order to enable the Committee to perform independently.

Authorities and duties of the Nominating and Remuneration Committee are stated in the Charter on the Nominating and Remuneration Committee, and also published on www.ktc.co.th

The Board of Directors approved the Charter of rules and guidelines for the Nominating and Remuneration Committee which set out the duties of the Nominating and Remuneration Committee as follows:

1. Determine the qualifications of the Directors, Executives Directors and Chief Executive Officer according to the structure, size and complements as required by law, directors and/ or the resolutions of the Shareholders' Meeting
2. Find, select and nominate qualified persons who have qualifications as described for the position of Directors, Independent Directors, Executive Directors, as well as Directors in various sub-committees whose authorities and responsibilities are directly designated by the Board of Directors. These candidates shall be proposed to the Board for consideration and approval by the Board Meeting according to the Company's Articles of Association to be considered according to the Company's regulations upon each case.
3. Review criteria and guidelines for performance appraisal of the Committees and Chief Executive Officer and propose them to the Board of Directors for approval. In the performance appraisal process, performance of Chief Executive Officer shall be reviewed by the Nomination and Remuneration Committee.

As for the review of criteria and guidelines for performance appraisal of management executives, except Chief Executive Officer, the Chief Executive Officer shall conduct such review and present evaluation results to the Nomination and Remuneration Committee for endorsement.

4. Recommend criteria, policies and guidelines on compensation and benefits for company directors, management executives, and sub-committee members who carry out their powers, duties and responsibilities directly designated by the Board of Directors, and determine extension of retirement age and early retirement age of management executives for consideration and approval by the Board of Directors, whatever the case may be. For such consideration, the Nomination and Remuneration Committee shall take into account duties and responsibilities, practices of peer companies, the Company's operating performance, and general market conditions.
5. Prepare a management succession plan to proactively groom a candidate to replace management executive who is due to retire or cannot perform his or her duties so as to ensure business continuity.
6. Ensure that committee's size and composition are appropriate for the organization, and propose adjustments to suit changing environment.
7. The Nomination and Remuneration Committee may appoint any person to assume the position of secretary to the Nomination and Remuneration Committee.
8. Perform any acts related to nomination and remuneration as assigned by the Board of Directors of the Company.

Sub-Committee

The Company has appointed various sub-committees which comprise of the Management Sub-Committee, the Risk Management Sub-Committee, the Information Security Sub-Committee, and the Market Conduct Sub-Committee. The sub-committee comprises of directors from various departments where every sub-committees are appointed by the Chief Executive Officer. Their roles are to refine operations in accordance with the good corporate governance as well as to enhance the Company's work system and to achieve the goals efficiently, and also to promote good connections and coordination in the Company's business operations.

Management Executives

Management Executives

As of December 31, 2020, the information about company executives and the report on changes in common shareholding ownership and forward contracts of Krunthai Card Public Company Limited are as follows:

NAME	POSITION	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2020	HISTORICAL TRADING FROM JAN - DEC 2020	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2019
1. Mr. Rathian Srimongkol Spouse and Minor Children	President & CEO	0 0	- -	0 0
2. Mr. Chutidej Chayuti Spouse and Minor Children	Chief Financial Officer	0 0	- -	0 0
3. Mr. Virach Paisitsavet Spouse and Minor Children	Chief Operations Officer/ Senior Executive Coach - Services Center & Process Development and KTC P BERM	0 0	- -	0 0
4. Mr. Piyasak Tejasen Spouse and Minor Children	Senior Executive Vice President – Distribution & Merchant Acquiring	0 0	- -	0 0
5. Mrs. Pittaya Vorapanyasakul Spouse and Minor Children	Executive Vice President – Credit Card	0 0	- -	0 0
6. Mr. Khan Kachonboon Spouse and Minor Children	Senior Executive Coach – Corporate Communications	0 0	- -	0 0
7. Mr. Bucha Sirichumsang Spouse and Minor Children	Executive Vice President – Office of President &CEO	0 0	- -	0 0
8. Mr. Woottichai Jarernpol Spouse and Minor Children	Executive Vice President – Information Technology	0 0	- -	0 0
9. Mr. Sakda Chantrasuriyarat Spouse and Minor Children	Senior Vice President – Compliance	0 0	- -	0 0
10. Ms. Phichamon Jitpenthram Spouse and Minor Children	Senior Vice President – Personal Loans	0 0	- -	0 0
11. Ms. Sirikalya Suthanyaphruet Spouse and Minor Children	Senior Vice President – Corporate Communications and Online Acquisition	0 0	- -	0 0

NAME	POSITION	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2020	HISTORICAL TRADING FROM JAN - DEC 2020	HOLDING AMOUNT (KTC STOCK & DERIVATIVES) AS OF DEC 31, 2019
12. Ms. Chanidapa Suriya Spouse and Minor Children	Senior Vice President – Services Center & Process Development	0 0	- -	0 0
13. Ms. Rueankeaw Kasemsavatsri Spouse and Minor Children	Vice President – KTC P BERM	20,000 0	- -	20,000 0

Throughout 2020, it was not found that any executive committed misconduct regarded as use of internal or confidential information to benefit from trading of company securities for personal gain or third party's benefits.

(Please refer to the details of backgrounds and work experience of management executives in Details about directors, executives, and company secretary)

Compensation of committee members and executives

The Company's policy is to maintain compensation of directors and sub-committee members at a suitable level. In the process, the Company proposes compensation rates determined by the Nomination and Remuneration Committee determines to be suitable pay rates which commensurate with responsibilities of committee members. Then, compensation rates are proposed to the Board of Directors for consideration before presenting the proposed compensation to the 2020 general shareholders' meeting for consideration. On July 3, 2020, the shareholders' meeting resolved to approve compensation of committee members, which would be effective until a shareholders' meeting resolved to change the resolution. A brief summary is presented below:

(A) Remuneration for the Board of Directors is paid as monthly flat rate as follows.

- The Chairman 25,000 Baht per month
- The Vice Chairman 22,500 Baht per month
- Other Members 20,000 Baht per month

If the board convenes more than once a month, attending directors shall be entitled to receive an extra compensation at 1.5 times their monthly base rate.

(B) Remuneration for the Audit Environmental Social & Governance Committee is paid as monthly flat rate as follows.

- The Chairman 25,000 Baht per month
- Other Members 20,000 Baht per month

(C) Remuneration for the Nomination and Remuneration Committee is paid as monthly flat rate as follows.

- The Chairman 20,000 Baht per month
- Other Members 16,000 Baht per month

The Board of Directors Meeting No. 2/2563 on February 7, 2020, resolved to submit a proposal of a bonus payment to directors amounting to 22,690,000 baht for the 2019 operating performance, aside from monthly compensation for consideration and approval. The Nominating and Remuneration Committee is appointed to allocate aforementioned bonus amount to directors. After the allocation, some directors who are entitled to receive a bonus request for a waiver or not to receive total amount of bonus he entitles to receive. Thus, the Board of Directors Meeting No. 13/2563 on October 15, 2020, resolved to approve the directors' bonus payment policy in case there are directors request for a waiver or not to receive total amount of bonus he entitles to receive. The Nominating and Remuneration Committee is responsible for returning those amounts of bonus to the Company. Therefore, total actual allocated bonus amounted to only 20,649,350 baht.

For the directors' remuneration policies, the Nominating and Remuneration Committee is responsible for proposing remuneration guidelines and policies which include salaries, bonuses, and other benefits to the Board of Directors for consideration to be in line with performance evaluation, roles and responsibilities, an industry's guidelines and practices, operating performance, and market conditions.

Executive Compensation

REMUNERATION	DECEMBER 31, 2020		DECEMBER 31, 2019	
	PERSONS	REMUNERATION (BAHT)	PERSONS	REMUNERATION (BAHT)
Salary ⁽¹⁾	13	76,223,469	10	70,430,760
Bonus ⁽²⁾	13	101,220,210	10	99,564,740
Provident Fund	13	4,507,408	10	4,186,246
Social Security Contribution	13	65,325	10	90,000
Long-term management remuneration for the post employment benefit ⁽³⁾	13	4,145,200	10	4,202,000
Total		186,161,612		178,473,746

Note: ⁽¹⁾ Executive compensation does not include director's compensation of Mr. Rathian Srimongkol.

⁽²⁾ Executive bonus does not include director's bonus of Mr. Rathian Srimongkol.

⁽³⁾ Long-term executive compensation constitutes executive benefits which are estimated from a present value of cash flow projection of future benefits as stipulated in the Thai Accounting Standard No. 19 Re: Employee Benefits which has been adopted by The Company since January 1, 2011. Accordingly, The Company recognizes employee benefit expenses as an employee expense in the profit and loss statement.

Human Resource

Personnel

Number of Employees

	2020	2019	2018
Number of Employee	1,597	1,580	1,548
Growth Rate	1.1%	2.1%	2.3%

As of December 31, 2020, the Company employed 1,597 employees, up 1.1% from the same period last year. The Company's compensation policy is fair and transparent. Total compensation for the Company's personnel consists of executive compensation and employee expenses, including salary, overtime, social security contribution by the Company, bonus, and provident fund contribution for the year 2020 amounted to 2,278 million baht, down 7.0% from the total compensation of 2,450 million baht in the same period last year.

Table showing the number of employees in each key function

DEPARTMENT	NUMBER OF EMPLOYEES AS OF DECEMBER 31, 2020
President & Chief Executive Office	3
Chief Financial Officer	2
Chief Operations Officer	2
Compliance	6
Corporate Communications and Online Acquisition	47
Corporate Finance	78
Credit Acceptance	131
Credit Card	105
Distribution & Merchant Acquiring	340
Human Resources	26
Information Technology	67
Internal Audit	13
Office of President & CEO	269
Operations Control & Merchant Services	105
Operations Support	45
Personal Loans	7
Services Center & Process Development	345
KTC P BERM	6
Total	1,597

The Provident Fund and the fund manager's selection policy

The Company set up a registered provident fund called Thaimhankong, Krungthai Card Public Company Limited (Provident Fund) so that employees can have savings for retirement, resignation, or disability. The employees can choose to apply for the Provident Fund member. The Company as an employer shall pay the contribution into the fund at the rate of 6% while employees can choose to contribute to the fund at the rate of 3% to 15% of their salary. Moreover, employees can elect the proportion of investment in mutual funds under the Provident Fund freely according to the investment policy they selected. The Company notifies employees quarterly that they can choose the proportion they want to contribute to the fund as they wish. The Company also encourages the provident fund committee to select fund managers who adopt a good Investment Governance Code (I Code) as it is an investment guideline that provides the best benefits for the Provident Fund members which are employees in the long run.

NUMBER OF EMPLOYEES WHO ARE MEMBERS OF THE PROVIDENT FUND (EMPLOYEES)	PROPORTION OF EMPLOYEES WHO ARE MEMBERS OF THE PROVIDENT FUND / TOTAL NUMBER OF EMPLOYEES (%)
1,390	87.04%

Note : Employees who join the Provident Fund are permanent employees

Human Resource Policy

Employee recruitment and motivation

The Company has a policy to recruit employees deemed necessary and appropriate for job openings. A hired candidate must have suitable qualifications, experience and competence for the job regardless of origin, colour, gender, orientation, race, religion, beliefs, political opinions, family status or any other non-related operational factors. If there is a vacant position, the Company will focus on internal recruitment and offer additional training for personnel development. This is because internal recruitment enables the Company to find an employee who is already familiar with the operations, and it can help boost employee morale and motivate employees to work with the Company for a long period of time. As for employee compensation, the Company compares compensation and benefits with similar businesses in the same industry. In case the Company cannot recruit an internal candidate within the Company, it will initiate the external recruitment and hiring process, whereby the Company buys online media in various websites, places a classified ad in social media such as Facebook, LinkedIn, Line@, and sends SMS messages to candidates or internal employees or makes an announcement in PR media on KTC website. In addition, executive referral can enhance the efficiency of the recruitment of candidates for key positions. Furthermore, to assist stakeholders who may be impacted by the COVID-19 situation, the Company has participated in the government employment promotional program. This program aims to promote and enhance employment, and help new graduates during 2019-2020 to get a job, have an income, have a good quality of life, and to reduce unemployment problems. The Company posted job vacancies via the program's channel. The new graduates who possess qualifications and direct experiences as specified by the program and the Company can apply for a job via this channel in addition to the Company's normal job application channels.

Human resources development

The Company has a policy to pursue capacity development for employees at all levels on a continuous basis, thereby ensuring that employees have suitable knowledge, skills and competencies deemed necessary for their duties and responsibilities and are responsive to changes in business direction, particularly changing social and business environment in the digital era.

Throughout 2020, The Company organized in-house training programs and seminars, sent employees to external training programs and seminars, and arranged study tours to local and overseas institutions. Moreover, it also arranged learning programs and knowledge sharing activities, offered coaching, and set up communities of practice. In addition, it utilized electronic channels by offering e-Learning programs which enabled employees to have convenient access to sources of knowledge and self-development. Accordingly, The Company laid out development approaches to become a learning organization by opening up a wide array of learning channels. In 2020, the average training hours per employee per year (January - December 2020) stood at 45.65 hours.

Please refer to the details in the Sustainability Report 2020, Topic: Human Resource Management

Development of personnel management system

To raise the level of quality and internal standards, The Company had a policy that required the core function support unit to develop a standard operating procedure (SOP) manual, whereby an internal unit of human resources department developed these standards, completed 100% implementation, and set KPIs and goals for every task.

Moreover, The Company also placed emphasis on the development of Human Resources Information System (HRIS) which covers applying for a job, personnel selection, transfer, working hours record, overtime, performance appraisal, and various types of leave, request for training approval, records of personal data of every type of employees, and data processing and analysis. The aim is to ensure compatibility with various devices, including smart phone, so as to accommodate changing technologies and provide convenience and flexibility for employees, internal customers, and job applicants, who are an external customer, such as employee recruitment, testing, signing of employment contract, and resignation. In addition, the application of QR code is also beneficial to the recruitment process and training assessment, thereby enhancing flexibility when carrying out various tasks. The HRIS implementation also conforms to organizational transformation toward digital workspace system.

Guidelines on employee compensation and benefits

Under the guidelines on employee compensation and benefits, The Company has salary and benefits adjustment approaches that involve participation in surveys of an HR consulting firm to obtain guidance on salary and benefits adjustment which takes into account key performance indicators of each employee and economic trends on an annual basis. However, when The Company reviews salary and benefits packages, it compares its packages with those of peer companies in the same industry to ensure that its salary and benefits packages are competitive in the market. Regarding benefits packages, The Company offers employee benefits by taking into account comprehensive benefits packages that address employee needs throughout the organization, and its benefits packages are regularly adjusted to suit changing economic conditions and to assure employees of job security so that they can help achieve sustainable success for the organization. Besides, The Company also embeds its core values, which reflect organizational mindset and operational approaches, in employee performance appraisal so that every executive and employee in the organization can adhere to these core values and help create organizational culture that will lead to the achievement of work plans, missions, and strategies of the Company.

Respect for human rights

Under a clear policy, The Company shall not engage in activities that infringe human rights relating to employee recruitment and personnel selection by refraining from hiring a child below 15 years old on a regular or contractual basis to perform regular or overtime work, irrespective of whether it is a paid or unpaid job. Moreover, The Company shall not discriminate based on similarities or differences in terms of native origin, color, gender, nationality, religion, belief, political views, family status, and so forth which are not related to work performance. Furthermore, The Company also respects the right to personal freedom and personal data protection. In case of services rendered by an external service provider, The Company shows respect for human rights of external service provider as prescribed in legal provisions.

Moreover, as The Company developed the corporate governance policy and the code of conduct manual, which provides a safe channel for any employees or stakeholders to give tip-off information or file a complaint about corruption or non-compliance with the code of conduct with a concerned entity. The Company will protect whistleblower's identity by concealing names or personal information of the whistleblower or a person who cooperates in the investigation. Besides, it will not demote or punish the accused person and will not treat him or her unfairly. In 2020, no complaint about infringement of human rights was filed by any employee, trade partner or person residing in the vicinity of the Company. Such conducts can assure that the Company's business conducts do not or are not likely to affect local communities.

Please refer to the details in the Sustainability Report 2020, Topic: Supply Chain Management and Human Resource Management

Occupational health, safety and environment and support facilities

Due to the Company's concern over health and safety of employees, it is committed to fostering and implanting occupational health and safety consciousness among employees and to maintaining a safe and healthy workplace in order to prevent work-related accidents, injuries or illnesses. Therefore, The Company provides a suitable workplace environment and designates a person in charge of each floor, lighting, and clean water in a responsible work area. Moreover, The Company also provides rest and leisure areas where employees can have casual conversation, and it sets up an on-site clinic with nurse staffing during office hours to provide first aid treatment to employees. In addition, bathrooms are always kept clean and mainlined in good hygienic conditions, and annual emergency drill is conducted to raise safety consciousness among employees when an incident occurs. Furthermore, The Company made a list of phone numbers in case of emergency and created a communication tree for communication across the chain of command.

Please refer to the details in the Sustainability Report 2020, Topic: Occupational Health and Safety Environment

Other Important Information

Company secretary and a designated person directly responsible for overseeing bookkeeping duties

The Company's Secretary

To comply with the 2017 corporate governance principles for listed companies (CG Code) and the provisions of the Securities and Exchange Act 1992 (Code of Law Edition), the Board of Directors Meeting No.12/2551 held on August 13, 2008 resolved to appoint Mr. Peerapong Pitrpibulpatit as company secretary. The Company secretary's scope of responsibilities includes the following:

- 1) Ensure the Company's activities are in compliance with applicable laws, rules and regulations;
- 2) Support the Board of Directors regarding Board meetings and the Annual General Meeting of Shareholders, and ensure these are conducted with accuracy on a regular basis and in compliance with laws, rules and regulations;
- 3) Prepare and File the following documents:
 - Registers of Directors
 - Board of Directors meeting invitation, minutes of board meetings, company's Annual Report
 - Annual general meetings invitation (AGM), minutes of annual general meetings
- 4) Filing Conflict of Interest Report disclosed by Directors and management
- 5) Follow up the result of the implementation of resolutions of Board meetings and the Annual General Meeting of Shareholders;
- 6) Giving legal opinion regarding any company-related law and regulations
- 7) Oversee matters regarding Corporate Governance;
- 8) Advise and cooperate with secretaries of board committees;
- 9) Contact and communicate with shareholders to keep them informed of the rights of shareholders and updates on the Company's operations.
- 10) Perform any activity as regulated by The Securities and Exchange Commission (SEC)

The Company's Internal Audit Supervisor and the Compliance Supervisor

The Company's Internal Audit Supervisor is Mr. Pornchai Wijitburaphat and the Compliance Supervisor is Mr. Sakda Chantrasuriyarat. Their roles are to perform the audit function, to supervise the business operations to have a good internal control system and appropriate risk management system in accordance with the government bodies or the Company's laws or regulations.

Designated person directly responsible for overseeing bookkeeping duties

Ms. Pranee Rattakam is the designated person who is directly responsible for overseeing bookkeeping duties and accounting functions and liaising with auditors and concerned entities to ensure compliance with Thai accounting standards.

Please refers to the details in topics: Profiles of Internal Audit Supervisor, Compliance Supervisor, and Accounting Supervisor

Investor Relations

The Company has established Investor Relations Department to be responsible for providing and disseminating the Company's information and updates on its activities. This is to ensure a better understanding as well as foster and maintain a good relationship between the Company and all groups of stakeholders, including all types of investors (retail, institutional and general investors), stock analysts, local and foreign fund managers, customers, regulatory government agencies, others concerned, and the general public. All stakeholders shall be provided with the Company's information on equal and fair basis.

Please refers to the details in Topic Corporate Governance Policy, Section 4: Information disclosure and transparency

Remuneration to the Auditor

Audit Fee

The Company paid the audit fee for audit period of 2019 to Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. for total amount of THB 4,800,000.

Corporate Governance Policy and Code of Conduct

The full details of Corporate Governance Policy and Code of Conduct are available on the Company's website on the "Corporate Governance" topic under "Sustainable Development" at link



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**SUSTAINABILITY DEVELOPMENT/
CORPORATE GOVERNANCE**

<https://www.ktc.co.th/sustainability-development/corporate-governance>



Report of Corporate Governance

Summary of the Board's Performance in the Past Year

In 2020, the Board of Directors held 16 board meetings and 2 board meetings without the presence of management in accordance to the Company's corporate governance under the responsibility of directors. The Board of Directors defined business directions and policies, including its business plans and annual budget, based on comprehensive business environment and social analysis, and social responsibility. At the end of the second quarter of each year, the Company's Board of Directors shall convene a meeting to review the policies and goals. In the last quarter, they shall set up a business plan for the upcoming year in order to forward it to the management for a brainstorming session with members of the management team from various functions, to set effective business strategies in order to achieve common goals, as well as focusing on managing various risks and internal control with measures and management approaches to close the risk gaps. In addition, the directors attended training courses to develop relevant knowledge and skills. Due to the COVID-19 pandemic, the directors were well aware of the safety

concerns and gave full cooperation with the government such as assisting debtors under the measures stated by the Bank of Thailand, holding shareholder meetings with strict measures, social distancing, limiting the number of meeting attendees, setting screening points, and working from home, etc.

Additionally, the directors who are representatives from the Bank also played an important role in giving opinions, including lay down policies that are independent without interfering or controlling the Company's business operation, and of no conflicts of interest. The Bank's various policies that are positively supportive of the Company are passed on under the rules that must be followed.

At the end of 2020, the Company conducted self-assessment of the directors once a year to reflect levels of performance in accordance with the Company's guidelines for good corporate governance principles. The Board's performance in 2020 was excellent.

Nomination, Development and Evaluation of the Board of Directors

The Company selectively recruits directors who are a qualified individual with diverse background and expertise, leadership qualities, farsighted vision, morality and ethics, transparent work experience, and the ability to express own opinions freely.

The Company's Board of Directors has established a Board Skill Matrix to define qualifications, skills, and past experiences of directors necessary for business operation. The Matrix is used as a guideline for nominating potential directors to replace resigning or retiring directors.

Nomination, Appointment, and Removal of the Board of Directors

- 1) The Nomination and Remuneration Committee will find, select and nominate qualified persons who have qualifications as described for the position of directors and independent directors and propose them to the Shareholders' Meeting for further approval.
- 2) The Shareholders' Meeting shall pass a resolution to appoint directors; each shareholder shall have one vote for one share and vote for each candidate individually. After the vote, the candidates shall be ranked in order descending from the highest number of votes received to the lowest, and shall be appointed as directors in that order until the positions are filled, where there is an equality of votes cast for candidates in descending order causing the number of directors to be exceeded, the chairman shall make the final decision. The number of the directors of the Company must not be less than 5.
- 3) The Board of Directors shall elect one of the directors to be the chairman of the Board. In the case where the Board of Directors deems it expedient, the Board of Directors may elect one or several directors to be vice-chairman.
- 4) In every Annual General Meeting, at least or the closest number of one-third of total directors shall be resigned from the Board. The resigned directors shall be re-appointed by the Shareholders' Meeting.
- 5) The meeting of shareholders may pass a resolution removing any director from office prior to vacancy as a result of the termination of the term of office of the director, by a vote of not less than three-fourths of the number of shareholders attending the meeting and having the right to vote and the total number of shares being not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote.
- 6) In case of a vacancy in the Board of Directors or Independent Director for reasons other than the termination of the term of office, the Board of Directors shall elect a person who has qualifications and is not prohibited by law from acting as such, as the substitute director at the next meeting of the Board of Directors, unless the remaining term of office of the said director is less than two months. The resolution of the Board of Directors shall be by a vote of not less than three-fourths of the number of directors remaining. The substitute director shall hold office only for the remaining term of office of the director whom he or she replaces.

More information on the criteria for nominating directors, independent directors, and the chief executive officer, including performance evaluation of such individuals, can be found in section 5 “Responsibilities of the Board of Directors” under the “Corporate Governance Policy” topic.

Meeting Attendance and Remuneration for Individual Directors

Board of Directors Meeting

Each year the Board of Directors shall convene at least 12 times on a regular basis. Throughout the year, directors are required to attend at least 75% of all board meetings. The Company predetermines meeting schedules of the board and sub-committees throughout the year. However, a special meeting may be arranged when deemed appropriate. Generally, main meeting agenda items include quarterly review of financial statements, monitoring progress of operational improvement projects, review of key policies, and monitoring operating performance of the Company. In any agenda that the Board of Directors has to cast their votes in a meeting, there must be at least two-thirds of the directors present. The Office of Chief Executive Officer distributes the meeting invitation, agendas, and documents to the directors 7 days prior to the meeting via email and/or in hard copy, when requested. Thus, it is more convenient and can significantly reduce meeting documents, allowing the directors to consider the meeting’s agenda and its documents beforehand.

In each meeting, notetaking and minutes of meeting must be arranged, and draft meeting minutes must be presented to the committee before receiving endorsement in the next meeting. Minutes of committee meetings endorsed by committees are retained for examination by committees and concerned entities.

As of December 31, 2020, the Board of Directors convened 16 times; the Audit Environmental Social and Governance Committee convened 11 times; and the Nomination and Remuneration Committee convened 7 times; and the 2020 Annual General Meeting. The details of meeting attendance of each director are as follows:

NAME	BOARD OF DIRECTOR'S MEETING TOTAL 16 MEETINGS	AUDIT ENVIRONMENTAL SOCIAL & GOVERNANCE COMMITTEE'S MEETING TOTAL 11 MEETINGS	NOMINATING REMUNERATION COMMITTEE'S MEETING TOTAL 7 MEETINGS	2020 ANNUAL GENERAL MEETING TOTAL 1 MEETING
1 Mr. Parinya Patanaphakdee	16/16	-	7/7	1/1
2 Mr. Praphaisith Tankeyura	16/16	11/11	7/7	1/1
3 Mrs. Nampung Wongsmith ⁽¹⁾	16/16	11/11	-	1/1
4 Mr. Nathporn Chatusripitak	16/16	11/11	-	1/1
5 Lieutenant General Apichart Chaiyadar	15/16	-	-	1/1
6 Mr. Pichit Jongsaliswang ⁽¹⁾	14/16	-	7/7	1/1
7 Mrs. Praralee Ratanaprasartporn	12/16	-	-	1/1
8 Mr. Rathian Srimongkol	16/16	-	-	1/1

Note: ⁽¹⁾ Lieutenant General Apichart Chaiyadar received a royal title from Major General to Lieutenant General in accordance with the announcement of the Office of the Prime Minister on 18 September 2020

Furthermore, last year the Board of Directors held two board meeting without the presence of management on July 20, 2020 and December 17, 2020 in order to comply with the corporate governance policy of the Company. At this meeting, the board reviewed and commented about its roles and responsibilities.

Compensation of the Board of Directors

As of December 31, 2020, total monthly compensation and bonus of the Board of Directors which were paid to committee members in the capacity of director amounted 24,083,350 Baht (including director compensation for Mr. Rathian Srimongkol and a bonus for the Board of Directors), and total executive compensation amounted to 186,161,612 Baht. Therefore, total compensation for directors and executives amounted to 210,244,962 Baht. This adheres to the remuneration for directors and executive policy, with the following details:

NAME	POSITION	REMUNERATION DETAILS THAT DIRECTORS/ EXECUTIVES RECEIVED IN YEAR 2020 (BAHT)
1 Mr. Parinya Patanaphakdee	Chairman of the Board of Directors/ Chairman of Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Compensation for board chairman 350,000 Baht - Chairman of the Nomination and Remuneration Committee 240,000 Baht - Bonus 3,435,600 Baht - Total compensation 4,025,600 Baht
2 Mr. Praphaisith Tankeyura	Independent Director / Chairman of Audit Environmental Social and Governance Committee / Member of Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Compensation for independent director 280,000 Baht - Chairman of the Audit Environmental Social and Governance Committee 300,000 Baht - Member of the Nomination and Remuneration Committee 192,000 Baht - Bonus 2,748,480 Baht - Total compensation 3,520,480 Baht
3 Mrs. Nampung Wongsmith ⁽¹⁾	Independent Director / Member of Audit Environmental Social and Governance Committee	<ul style="list-style-type: none"> - Compensation for independent director 520,000 Baht - Bonus 466,860 Baht - Total compensation 986,860 Baht
4 Mr. Nathporn Chatusripitak	Independent Director / Member of Audit Environmental Social and Governance Committee	<ul style="list-style-type: none"> - Compensation for independent director 280,000 Baht - Member of the Audit Environmental Social and Governance Committee 240,000 Baht - Bonus 2,748,480 Baht - Total compensation 3,268,480 Baht
5 Lieutenant General Apichart Chaiyadar ⁽³⁾	Independent Director	<ul style="list-style-type: none"> - Compensation for director 280,000 Baht - Bonus 2,748,480 Baht - Total compensation 3,028,480 Baht

NAME	POSITION	REMUNERATION DETAILS THAT DIRECTORS/ EXECUTIVES RECEIVED IN YEAR 2020 (BAHT)
6 Mr. Pichit Jongsaliswang ⁽¹⁾	Director/ Member of Nomination and Remuneration Committee	<ul style="list-style-type: none"> - Compensation for director 280,000 Baht - Member of the Nomination and Remuneration Committee 192,000 Baht - Bonus 466,860 Baht - Total compensation 938,860 Baht
7 Mrs. Praralee Ratanaprasartporn ⁽²⁾	Director	<ul style="list-style-type: none"> - Refrained from receiving any compensation.
8 Mr. Rathian Srimongkol Director resigned	Director	<ul style="list-style-type: none"> - Compensation for director 280,000 Baht - Bonus 2,748,470 Baht - Total compensation 3,028,470 Baht
1 Mr. Cherdchai Chompoonukulrut	Director	<ul style="list-style-type: none"> - Bonus 715,360 Baht - Total compensation 715,360 Baht
2 Mrs. Sriprabha Pringpong	Director	<ul style="list-style-type: none"> - Bonus 715,360 Baht - Total compensation 715,360 Baht
3 Mrs. Pantip Sripimol ⁽⁴⁾	Independent Director	<ul style="list-style-type: none"> - Bonus 2,281,610 Baht - Total compensation 2,281,610 Baht
4 Mr. Kosol Chamchuen ⁽⁵⁾	Director	<ul style="list-style-type: none"> - Bonus 1,573,790 Baht - Total compensation 1,573,790 Baht

Note:

⁽¹⁾ The Board of Directors Meeting No.12/2562 held on October 30, 2019 resolved to appoint Mrs. Nampung Wongsmit and Mr. Pichit Jongsaliswang as company directors to replace resigning directors. Both appointments have been effective since October 30, 2019.

⁽²⁾ The 2019 shareholders' meeting held on April 5, 2019 resolved to appoint Mrs. Praralee Ratanaprasartporn to assume the office of Mrs. Sriprabha Pringpong as company director. Due to important engagement, Mrs. Sriprabha expressed her desire to abstain from holding the office of director for the next term.

⁽³⁾ Lieutenant General Apichat Chaiyadar received a royal title from Major General to Lieutenant General in accordance with the announcement of the Office of the Prime Minister on 18 September 2020

⁽⁴⁾ Mrs. Pantip Sripimol resigned from the office of director, and her resignation has been effective since October 29, 2019.

⁽⁵⁾ On April 5, 2019, the 2019 general shareholders' meeting resolved to appoint Mr. Kosol Chamchuen as director to replace Mr. Cherdchai Chompoonukulrut, who was due to retire by rotation. However, Mr. Kosol Chamchuen has resigned from the office of director since October 29, 2019.

Corporate Governance of the Company's Subsidiaries and Affiliates

To ensure the best interest of its investment, the Company has assigned its representatives to sit on the Board of Directors of its subsidiaries and affiliates according to the Company's shareholding proportion. Such representatives possess qualifications as required by the corporate governance guidelines of subsidiaries and affiliated companies for the benefit of conducting business properly, seamlessly, and in compliance with the Company's policies and business operations.

The Company requires its subsidiaries to quarterly present their performance to the Company's Management Committee, as well as to report risks to the Company's Risk Management Committee on a monthly basis. As the Company conducts financial business, managing directors are responsible for determining strategies of subsidiaries to be

in support and in compliance with those of the Company's, as well as for ensuring corporate governance of subsidiaries operations to be in accordance with defined strategies.

In addition, for any transactions occurred between its subsidiaries and affiliates, the Company has established transactional authorization limits which are in accordance with good governance practice and accounting standards. Information regarding transactions among subsidiaries and with related parties is also collected regularly to be reported to the Audit Environmental Social and Governance Committee and the Board of Directors, respectively.

Remark: an affiliated company is a Holding Company, which entered into a joint venture on November 6, 2020. Currently, it is in the process of appointing a representative director.

Monitoring on compliance with corporate governance policies and practices

The Company recognizes the importance of adhering good corporate governance and thus the details are written in the corporate governance policy, including anti-corruption policy and code of conduct manual, for the directors, executives, and employees to use as a guideline for performing their duties properly and in compliance to the specified principles. The policy or the manual are reviewed annually, and create awareness of the employees through educational materials every year.

In addition to defining the operational rules in the corporate governance policy, the Company has additional guidelines as follows:

1. In order to prevent conflicts of interest, the Company has set guidelines for approving related parties transactions in which the directors and executives with conflicts of interest are prohibited from making approvals, or they are to disclose information that might bear any conflicts of interest or related parties transactions, etc.
2. For the use of internal information for personal gain, the Company has maintained the use of internal information in accordance with the laws or good corporate governance such as securities trading hours.
3. For anti-corruption, the Company has established the anti-corruption policy as part of the corporate governance policy, as well as the channels for receiving tip-off information or measures to protect whistleblower's identity. The Company also became a member of Thailand's Private Sector Collective Action Coalition against Corruption.

In this regard, details of monitoring on compliance with corporate governance policies and code of conduct manual can be found in Form 56-1 One Report, under the "Report from the Audit Environmental Social and Governance Committee, Corporate Governance Policy, and Sustainability Report" topic.

Report of the Audit Committee's performance in the past year

The Board of Directors appointed the Audit Environmental Social and Governance Committee to be responsible for audit and corporate governance. For more information on this sub-committee, please see Form 56-1 One Report, under the "Corporate Governance Structure and Report from the Audit Environmental Social and Governance Committee" topic.

Summary of the performance of other sub-committees

In addition to the appointment of the Audit Environmental Social and Governance Committee, the Board of Directors has appointed the Nomination and Remuneration Committee to be responsible for various aspects of work such as determining qualifications of committee members, including performance evaluation guidelines and remuneration policy for directors or executives, etc.

More details on sub-committee can be found in Form 56-1 One Report, under the "Corporate Governance Structure and Report on the Nomination and Remuneration Committee's Performance" topic.

Report from the Audit, Environmental, Social and Governance Committee

Dear Shareholders of Krungthai Card Public Company Limited

The Audit, Environmental, Social and Governance Committee (Audit Committee) is composed of three independent directors with diverse areas of expertise. The Audit Committee fulfills its duties under the scope of responsibilities designated by the Board of Directors, which correspond to the notifications of the Capital Market Supervisory Board and the stipulations of the Stock Exchange of Thailand. The current Audit Committee consists of

1. Mr. Praphaisith Tankeyura	Chairman of the Audit Committee
2. Mrs. Nampung Wongsmith	Member of the Audit Committee
3. Mr. Nathporn Chatusripitak	Member of the Audit Committee

The Assistant to CEO responsible for the internal audit unit acts as secretary to the Audit Committee, and the Assistant to CEO responsible for the oversight unit acts as assistant secretary to the Audit Committee.

Audit Responsibility

In 2020, the Audit Committee convened 11 times to duly perform its duties under the scope of duties and responsibilities set forth in the audit committee charter concerning rules and guidelines of the audit committee. Accordingly, the Audit Committee adhered to the principle of independence in the exercise of its discretionary power for the best interest of the organization and encouraged full and transparent disclosure of information about the Company's business affairs. In addition, the Audit Committee conducted review of the Company's operations to ensure compliance with business policies and relevant legal and regulatory requirements, and it also regularly scrutinized outcomes of its compliance oversight with respect to relevant rules and regulations of the regulatory authorities. In audit committee meetings where the Committee and the management conducted a joint review of quarterly and annual financial statements for the year 2020, the Committee routinely invited auditors to attend these meetings so as to endorse that these financial statements were prepared accurately in all material respects according to the generally accepted accounting principles. In addition, attending auditors also reviewed disclosure of material information, connected transactions and transactions that might lead to potential conflicts of interest in a sufficient and reliable manner. Furthermore, the Committee also held discussions with auditors at quarterly meetings without the presence of management to be informed about operational issues uncovered during routine audits and to consider and share their opinions about the audit plan and audit findings before making a presentation to the Board for consideration.

The Audit Committee considered the selection of auditors from Deloitte Touche Tohmatsu Jaiyos Co., Ltd. as the Company's auditors for the year 2020 based on their knowledge, competence, experience, reliability and independence as well as the quality of their audit works over the past year. Moreover, the Committee also determined a suitable audit fee and presented it to the Board for consideration before proposing it to the shareholder meeting for deliberation and appointment. In the process, the Committee rendered its opinions and advice to the Board.

Furthermore, the Audit Committee reviewed and assessed the Company's key risks and the internal control system and monitored the performance through the internal control unit and discussions with auditors and senior executives. Based on the assessment of the internal control system, operational control processes and approaches, financial reporting, and risk management, it was found that the operational control system was adequate, appropriate and subject to continuous improvement. In 2020, the Company attached importance to protection of internal information and personal information of data owners. As such, the Company obtained ISO/IEC 27001:2013 certification for information security management system standard and ISO/IEC 27701:2019 certification for personal information management standard, both of which are internationally recognized standards for organization-wide information and personal information security.

Corporate Governance, Social and Environmental Responsibilities

The Board attaches special importance to corporate governance promotion, whereby it is committed to ensure that the Company's operations conform to the principles of good corporate governance in order to develop a more efficient corporate governance system and build confidence among all stakeholder groups.

In 2020, the Audit Committee performed its duties designated by the Board fully and efficiently to keep track of business operations according to the principles of good corporate governance. The outcomes are summarized below:

Shareholder Rights

- Due to the situation of the novel coronavirus (COVID-19) outbreaks, the Company postponed the 2020 Annual General Shareholders' Meeting from 3 April 2020 originally scheduled to 3 July 2020. As personal safety and hygiene of shareholders are of utmost importance, the Company thus conformed to the guidelines of the Securities Exchange and Commission and the Stock Exchange of Thailand and published these guidelines on its website www.ktc.co.th – for example, allowing shareholders in vulnerable groups to appoint another person or an independent director as a proxy to attend the meeting on their behalf, or setting up a screening station in front of the meeting room.
- For the 2020 (18th) Annual General Shareholders' Meeting held on 3 July 2020, the Company adequately provided shareholders with information about date, time, venue and agenda as well as supplementary information regarding the matters requiring any decision or request for approval resolution beforehand for their consideration within a time frame stipulated in its regulation or policy or relevant legal provisions.
- The Company informed shareholders about the meeting rules and published this information on the Company's website prior to delivery of the document so that shareholders would have an opportunity to digest meeting information well beforehand. It also facilitated the exercise of shareholder rights to fully participate and cast their votes in the meeting.

Equitable Treatment of Shareholders

- The Company attaches utmost importance to protecting and safeguarding shareholder rights, while disregarding the number of shares held by shareholders, and also encourages shareholders to exercise their statutory rights.
- The Company recognizes statutory rights and thereby grants every shareholder – irrespective of whether they are a large or small shareholder, a local or foreign shareholder, or an institutional shareholder – the right to participate and cast their votes in annual general shareholders' meeting, the right to cast their votes to appoint or remove an individual director, and the right to cast their votes to appoint auditors and determine annual audit fee. As such, the Company allowed small shareholders to propose an agenda item and submit a name of nominated candidate for director election for consideration beforehand during 1 October 2019 – 31 January 2020 on its website and the Stock Exchange of Thailand's website. As it turned out, no minority shareholder proposed any agenda item for inclusion in the agenda of this general shareholders' meeting. Moreover, shareholder rights also include the right to a dividend, the right to express opinions, and the right to inquire about the Company's business operations.
- The Company recognizes that shareholders are entitled to receive complete, accurate and adequate news and information in a timely manner for their decision making, and it will always be committed to this undertaking.
- The Company did not have any contract or agreement with a large shareholder. Thus, the Company organized the shareholding structure of its subsidiaries and associated companies, where there was no cross shareholding in the structure of its group of companies. This information was published on its website www.ktc.co.th.
- It is stipulated that directors and first-line managers must dutifully report their possessed securities as required by Section 59 of the Securities and Exchange Act 1992, and the company secretary must collect this information and regularly present a report in monthly board meetings. Moreover, it is also stipulated that employees below the ranks of first-line managers are required to dutifully prepare a report on trading of the Company's securities for submission to the compliance unit within three business days.
- A summary report of connected transactions between the Company and Krungthai Bank Public Company Limited or any affiliated companies in the financial business group of Krungthai Bank Public Company Limited was prepared and presented to the Audit Committee for comments before the report was presented to the Board for acknowledgment.

Board's Responsibilities

- The Board reviewed the conformity of corporate governance policy, anti-corruption policy, and the code of conduct handbook with the principles of the Corporate Governance of Listed Companies (CG code) of the Office of the Securities and Exchange Commission, the Corporate Governance Report of Thai Listed Companies (CGR), international surveys of corporate governance, and statutory provisions as well as sustainability assessment forms of various entities in order to ensure conformity with the Company's business characteristics. The Company reviewed the charter of the Audit, Environmental, Social and Governance Committee by adding details in the review framework for the charter thereof.
- Directors and members of every committee engaged in the assessment of the Audit, Environmental, Social and Governance Committee's performance. It was found that the Committee's performance was satisfactory.
- Attended various training courses to enhance knowledge, competence and expertise in the discharge of directors' duties, such as training programs of the Thai Institute of Directors Association.
- Convened two board meetings without the presence of management on 20 July and 17 December 2020.
- Convened two meetings between audit committee members and CEO on 18 June and 17 December 2020.

Recognizing the Importance of Stakeholders

- The Company attaches equal importance to all internal and external stakeholder groups, including shareholders, personnel, customers, business partners, competitors and creditors as well as the public sector, society and environment, and it recognizes the interest of every stakeholder group within the scope of relevant laws and under relevant contracts, agreements and regulations.
- Conducted oversight to ensure compliance with the guideline concerning use of internal information by issuing an announcement concerning use and disclosure of internal information to prohibit directors, executives or concerned parties acquiring internal information from trading securities or futures contract of the Company during a trading suspension period announced by the Company. Aside from such period, if any trading of securities or futures contract occurred, the guidelines set out and announced by the Company must be followed.
- Monitored performance of the anti-corruption compliance, whereas the anti-corruption policy was formulated under the corporate governance policy, such as the risk and control self-assessment (RCSA) for the year 2020, including operating procedures susceptible to corruption.
- The Company undertook preparations to ensure compliance with the Personal Data Protection Act 2019, including designing and announcing communication messages to various groups of data owners for acknowledgement of the pertinent policy and announcements concerning the protection of personal information of data owners as required by the law and reviewing the necessity of storage of personal information in work procedures. At present, the Company's practices are in compliance with statutory requirements. Moreover, the Company obtained ISO/IEC 27701:2019 certification by complying with the personal information management standard, which is the international standard for organization-wide information and personal data security.

Information Disclosure and Transparency

- The Company has a policy on disclosure of its financial and non-financial material information, which may adversely affect the interest of shareholders or influence any decision to invest in the Company. Accordingly, the Company undertakes adequate, accurate and complete disclosure of information in a timely manner through the Stock Exchange of Thailand and the Office of Securities and Exchange Commission as set out in the prescribed rules.
- The Company has several communication channels - for example, the Information Disclosure Report (Form 56-1 One Report), management explanation and analysis, public relations news, company website, shareholder meeting and the Stock Exchange of Thailand's website as well as roadshow and the Opportunity Day.

- The Company designates certain individuals to impart its news and information, such as CEO, executives of key operating units, and the investor relations department.
- The Company updated Thai and English versions of the information disclosed on its website, such as company regulations or objectives, vision, mission, financial report, analysis report, significant policies, committee charters, sustainability report, business group structure or organizational structure, and internal control, for scrutiny by investors or interested persons.

Social Responsibility and Sustainable Development

- Formulated sustainability approaches and strategy as well as organizational policy and goals for enhancing efficiency of sustainability implementation.
- Fostered social and environmental responsibilities following the implementation of CSR-after-process activities, such as charitable donation.
- Conducted training programs to impart knowledge on approaches to sustainable business development according to SDGs (Sustainable Development Goals), importance of human rights, and the organization's preparation for compliance with the Personal Data Protection Act 2019 to trade and business partners.
- Fostered compliance with the corporate governance policy so as to build a positive mindset among directors, executives and employees by regularly enhancing knowledge about the principles of good corporate governance through various learning media as follows:
 - 1) Conducted training programs to impart knowledge to directors assuming their positions during the year as well as new executives and employees attending monthly orientation programs. The aim is to ensure that they are informed about the Company's businesses and the corporate governance principles as well as guidelines set out in the code of conduct, anti-corruption, and social and environmental responsibility handbooks, and relevant laws.
 - 2) Developed learning and teaching media on corporate governance principles, anti-corruption, and the code of conduct handbook. Also arranged testing to assess knowledge and understanding and to build awareness about these matters.

With collective efforts of every director, executive, and employee committed to operating our business with transparency and fairness on the foundation of good corporate governance and social and environmental responsibility and with recognition of the roles of every stakeholder, the Company thereby earned corporate governance recognition awards as follows:

1. The Company earned the “excellent” level of recognition in the 2020 Corporate Governance Report of Thai Listed Companies, for which the corporate governance survey was conducted by the Thai Listed Companies Association and advocated by the Stock Exchange of Thailand and the Securities and Exchange Commission. In this survey, the excellent level means a score of 90-100, and the Company received a score of 94% for the second year in a row.
2. The Company received a score of 98 from the Thai Investors Association's assessment of the quality of 2019 general shareholders' meeting.
3. The Company earned selection to the 2020 Thailand Sustainability Investment (THSI) list of companies by the Stock Exchange of Thailand.
4. The Company earned selection to the list of top 100 listed securities with outstanding sustainable business implementation (ESG 100).

5. The Company earned selection as a member of the FTSE4 Good Index Series with a score of 3.2 for Environment, Social and Governance (ESG) practices for the first year.
6. The Company received a rating of A in MSCI ESG Rating for the first year.
7. The Company earned a score of 98 based on the assessment of the ASEAN Corporate Governance Scorecard Project. The Company was one of the 20 Thai companies that obtained ASEAN Asset Class Publicly Listed Companies Award.

The Board of Directors, executives and employees discern that good corporate governance is a key driver of efficient and sustainable business operations. To conform to the Company's policy directions, the Audit, Environmental, Social and Governance Committee thus places a strong emphasis on corporate governance and the development of work processes so as to reach the same level of economic, social and environmental sustainability as the internationally recognized standards.

As the Audit Committee received valuable cooperation from the management, we are confident that the Company duly performed its duties in a prudent and efficient manner in the effort to foster and develop the corporate governance system throughout last year.

On behalf of the Audit Committee



(Praphaisith Tankeyura)

Chairman of the Audit, Environmental, Social and Governance Committee
Krungthai Card Public Company Limited

Report of the Nomination and Remuneration Committee's Responsibilities

Dear Shareholders of Krungthai Card Public Company Limited

The Nomination and Remuneration Committee of Krungthai Card Public Company Limited is composed of 3 members, in which 1 is an independent director. The Nomination and Remuneration Committee's roles and responsibilities are regulated according to its charter, which mainly are determining qualifications of committee members and executives, determining remunerations, and establishing performance evaluation. The current Nomination and Remuneration Committee members are:

1. Mr. Parinya Patanaphakdee Chairman of the Nomination and Remuneration Committee
2. Mr. Praphaisith Tankeyura Member of the Nomination and Remuneration Committee
3. Mr. Pichit Jongsalismwang Member of the Nomination and Remuneration Committee

In 2020, the Nomination and Remuneration Committee convened 7 times. The matters considered by board meetings and/or the general shareholders' meeting according to the charter of the Nomination and Remuneration Committee include the followings:

1. To appoint potential directors to replace retiring directors by using various information. For example, such individuals must be qualified and must not possess disqualifying attributes set out in the guidelines of the Stock Exchange of Thailand, the SEC, or related regulatory agencies. The nominees must possess attributes, skills, knowledge, expertise, or experiences befitting the Company's operations; while taking into account the proportion, quantity, and diversity regardless of any other aspects not related to the management of the affairs such as gender, sexual orientation, race, or religion. In addition, the nominee's qualification will be compared to the knowledge composition of the current directors in order to select nominees with appropriate skills supplementary to the board of directors. To adhere to the corporate governance principles, the Company disclosed announcements on the Company's and the Stock Exchange of Thailand's websites during October 1, 2019 to January 31, 2020. By doing so, allows minority shareholders the opportunities to propose nominees for the directorship in advance. It appeared, however; no list of candidates for directorship was proposed by the minority shareholders. Therefore, the Nomination committee proposed directors who had already completed their terms to the shareholders' meeting for consideration. The nominees are:

- (1) Mr. Praphaisith Tankeyura: an independent director and the Chairman of the Audit Environmental Social and Governance Committee.
- (2) Mrs. Nampung Wongsmith: an independent director and a member of the Audit Environmental Social and Governance Committee.
- (3) Lieutenant General Apichart Chaiyadar: an independent director.

Subsequently, the annual general meeting approved the reappointment of the 3 nominees to serve as directors for another term.

2. To consider the criteria and guidelines for evaluating Chief Executive Officer's performance in 2020. Such criteria and guidelines are proposed for the Board of Director's approval.
3. To consider remuneration criteria and policy, including other benefits for directors, executives, and committee members for the year 2020, which were proposed to the Board of Directors or shareholders for consideration and approval. Such consideration ensured that remunerations would be suitable and commensurate with roles, duties, responsibilities, individual performance, practices being implemented by companies in the same business, as well as reflecting the company's performance and market conditions in accordance with the corporate governance principles.
4. To propose a budget for salary adjustments and employees' performance incentive for the year 2020 to the Board of Directors for approval.

5. To consider the results obtained from the board skill matrix based on knowledge, skills, and experiences of the current board members, which are to be used as guidelines for nominating potential directors to replace resigning or retiring directors.
6. To consider setting criteria for recruiting the Chief Executive Officer to support the sustainability assessment conducted by the Stock Exchange of Thailand.
7. To establish a succession plan for recruiting and selecting qualified candidates with knowledge and capabilities in line with the business direction to ensure sustainable growth. Key positions are for senior executives; and critical positions are positions that have impact on business operations. Therefore, it is crucial that these positions are continuously fulfilled as they may cause business disruption. It is necessary for the selection processes to be systematic, orderly, and consensual in order to ensure manpower readiness required for business continuity as well as building confidence in business management to protect the interests of the Company's stakeholders, affiliates, and customers.
8. To review and revise the charter of the Nomination and Remuneration committee for the year 2020 by adding explicit details on the review cycle of the committee's charter.
9. To assess the performance of the Nomination and Remuneration committee. The results were satisfactory.
10. To review criteria and guidelines concerning bonuses for directors. In the event that certain directors waive their rights to receive all or part of their bonuses before or after the Board of Directors convene, the Board of Directors are to refund bonuses of such directors to the Company.

On behalf of the Nomination and Remuneration committee



(Mr. Parinya Patanaphakdee)
 Chairman of the Nomination and Remuneration committee
 Krungthai Card Public Company Limited

Note: "Executive" refers to the Chief Executive Officer, the first four senior executives ranked below the Chief Executive Officer, all other positions equivalent to the fourth ranking senior executive⁽¹⁾, and including executive positions in the accounting or finance department at the department head level and above or equivalent.

⁽¹⁾ Every First Line executive who is under the direct line of command to the Chief Executive Officer according to the company's organizational structure, including deputy Chief Executive Officer or equivalent.

Report of the Board of Directors' Responsibilities for the Financial Reports

Dear Shareholders of Krungthai Card Public Company Limited

The Board of Directors of Krungthai Card Public Company Limited recognizes the importance of fulfilling its duties and responsibilities in accordance with corporate governance principles and its responsibility for the Company's financial statements and financial information presented in Form 56-1 One Report. In addition, the Board of Directors also provides for appropriate and effective risk management, internal control system, and corporate governance to ensure accurate financial information for sustenance of its assets and protection of risks arising from significantly aberrant operations. The Company, under the directive of the Board of Directors, appointed the Audit, Environmental, Social and Governance Committee (Audit Committee), which is wholly composed of independent directors, to oversee the quality of financial statements, internal control system, information disclosure while adhering to good corporate governance principles and sustainable development framework-nationally and internationally-as well as various processes in a complete, adequate and appropriate manner. To this end, the Audit Committee expresses its opinions about these matters in the Audit Committee's report presented in Form 56-1 One Report.

Furthermore, the Board of Directors concludes that the overall system of internal control is adequate and appropriate; and able to provide reasonable confidence that the Company's financial statements as of December 31, 2020 are accurate and complete according to the financial reporting standards. For this purpose, the Company has opted for suitable accounting policies and adhered to them consistently and has exercised its discretion in the preparation of financial statements in a prudent and reasonable manner in order to accurately and transparently reflect financial position, operating performance, and financial information for the benefits of shareholders and general investors. It is noted that the financial statements have been audited and commented unconditionally by independent certified public accountants.



(Mr. Parinya Patanaphakdee)
Chairman of the Board of Directors
Krungthai Card Public Company Limited



(Mr. Rathian Srimongkol)
President & Chief Executive Officer
Krungthai Card Public Company Limited

Internal Control and Related Parties Transactions

Internal Control

Summary of the Board of Directors' Opinion Regarding the Company's Internal Control System

The Company's Board of Directors and executives give importance to and are well aware that internal control system is an important mechanism that gives confidence to the Company's management in reducing business risks and allowing the business to run efficiently by appropriately allocating resources to achieve the duly set business target goals.

The Company's Board of Directors has assigned the Audit Environmental Social and Governance Committee (Audit Committee) to oversee that the Company's internal control and risk management systems are appropriate and effective, including to ensure that the Company punctually complies with relevant laws and regulations without conflicts of interest or related parties transactions. The Audit Committee is also responsible for monitoring and overseeing the operation of the Company, assuring the Company's assets are not used for illegal or unauthorized purposes, and protecting the Company's assets by preventing leakage, loss, fraud, or misconduct. The Company has established a check and balance mechanism with an independent Internal Audit Department to be responsible for auditing and evaluating efficiency and sufficiency of the internal control, risk management, and corporate governance systems in the operations of all the Company's departments. In doing this, the Company has adapted and applied international standard frameworks of COSO (The Committee of Sponsoring Organizations of the Treadway Commission) and the Enterprise Risk Management. In 2020, the Company placed great importance on protecting information, including personal data,

in compliance with the Personal Data Protection Act B.E. 2562 (2019). The Company also applied the guidelines of information security management system ISO/IEC 27001:2013 and of personal information management ISO/IEC 27701:2019, which are the international standards for information security, throughout the entire organization with the aim to perfect the internal control and risk management in order to maximize the efficiency and effectiveness of the Company's operations. The Company's management will take the audit results into consideration and take necessary actions in order to improve the quality of the Company's business operation. The Internal Audit Department has set up a system to regularly monitor the Company's operation, including establishing a Compliance Department to update and study all the laws, regulations, announcements, and orders related to the Company's business operation and further publicize them for employees' understanding, as well as supervising and ensuring the Company's proper business operation.

Additionally, the Audit Committee has evaluated the sufficiency of the internal control system and reported to the Board of Directors on a yearly basis with reference to "Internal Control Sufficiency Evaluation Form" of The Securities and Exchange Commission. The assessment results are disclosed in "Report from The Audit Environmental Social and Governance Committee" in the Form 56-1 One Report for the year 2020.

In the year 2020, the Company found no significant flaws in the Company's internal control system, details of which are as follows:

- **Environment of Control:** The Company has established a good internal control environment by organizing clear and suitable organizational structure and chain of command, and also setting business goals and Key Performance Indicators (KPI) for evaluating efficiency of performance in accordance with the organization's goals. The Company has also arranged for written authority and operation manuals as guidelines for the Company's daily operation. In addition, the Company has also instilled all its executives and employees with the awareness of good corporate governance by establishing a Good Corporate Governance Policy, Business Morality, and Ethics of the Company's Directors, Executives and Staff, and also arranging for ongoing promotion activities to educate the Company's employees and increase their awareness of working transparently and fairly, taking into account of all groups of stakeholders, on yearly basis.

- **Risk Assessment:** Apart from assessing the sufficiency of the internal control system with reference to the "Internal Control Sufficiency Evaluation Form" in accordance with COSO Framework (The Committee of Sponsoring Organizations of the Treadway Commission) of The Securities and Exchange Commission, the Company has also conducted annual self-risk assessment in due compliance with the Guideline on Consolidated Supervision of the Bank of Thailand which covering significant risks such as strategic risk, credit risk, market risk, liquidity risk, information technology risk and operational risk including corruption risk. Such self-risk assessment was conducted by evaluating the relevant risks level, risks management quality, risks trends, and specifying method and direction for managing or controlling such relevant risks. The Company has submitted the outcome of the aforesaid self-risk assessment to Krungthai Bank Public Company Limited for its further reporting to the Risk Management Committee of the Financial Business Group.

• **Control on Management's Operation:** The Company has clearly divided duties and responsibilities of each managerial position and reviewed the authority and operation manuals to match perfectly with the Company's current organizational and operational structures. The Company, on regular basis, re-examines and verifies that its business performance is in due compliance with relevant rules, regulations, articles of association as well as authority and operation manuals, to ensure the Company's efficient operation with sufficient and appropriate internal control system. Concerning Related Parties Transaction, the Company's Board of Directors has approved a principle for making commercial agreements in the form of Related Parties Transaction to conform with the aforementioned laws and regulations, by allowing the Company's Management to do commercial transactions, programs or agreement with related parties according to the definition given to Related Parties Transaction under the laws governing securities and exchange. However, the said commercial transaction, program or agreement shall be in the same manner as an ordinary person would do with a general contracting party in the same situation, with normal bargaining power and no influence in the status of a director, executive or related person (transactions with general commercial agreements). The aforesaid includes ongoing programs and programs that may occur in the future. The Company's Management shall, for this purpose, set the regulatory framework as guideline for operation and prepare a summary report of the said Related Parties Transaction to be considered and approved respectively by the Audit Committee and the Board of Directors Meetings within a reasonable time. If the Company has Related Parties Transaction that may have conflict in the future, the Company would arrange for the Audit Committee to consider the appropriateness of the said transaction. If the Audit Committee has no expertise in considering the Related Parties Transactions, the Company will arrange for people with special expertise such as auditor, property appraiser or law firm etc., who are independent from influences of the Company and the conflicted person, to give opinions on the said transaction.

• **Information and Data Communication Systems:** The Company gives importance to information system and data communication, as well as promotes and supports continuous system development, so that all information is accurate and up to date. The Company uses modern and efficient information technology system, including data security starting from data collection, data processing, and data tracking, so that the Company's operation and the Management's or stakeholders' using of important information are complete, accurate, and sufficient in a timely manner for making business decisions. There is also a policy on security of information technology and data usage, and establishment of Intranet system as internal communication channel for publicizing policies, rules, regulations, orders and operation manuals, including news and other messages and information throughout the organization.

In addition, the Company has assigned the Company Secretary to be responsible for preparing the information and supporting documents for the meeting in advance, with summary of comments and resolutions of the meeting clearly stated in the minutes of every Board of Directors Meeting. For outsiders, the Company also set up communication channels for outsiders to complain or inform the fraud clues through the channel specified by the Company.

• **Monitoring and Evaluation Systems:** The Company's Board of Directors has established an internal control system that covers all aspects, such as accounting and finance, operation, compliance with laws and regulations, and property custody. The Company has monitored its business performance according to the set targets by having Board of Directors Meeting and a hierarchical monitoring system, levelling from the Board of Directors and the Management team, to monitor the goals and oversee the implementation of all strategic plans, plans, and projects that are operating under Annual Business Plan approved regularly by the Board of Directors, by regularly comparing business goals with the operating results and further reporting to the Board of Directors.

In addition, the Company has arranged for regular audit on the compliance of internal control system by responsible person in the responsible department, and having the Internal Audit Department perform operational inspection and report the results independently to the Audit Committee. In the years 2019 and 2020, the Audit Committee held 11 meetings and 11 meetings respectively.

In the Audit Committee Meeting No. 10/2020, on November 13, 2020, the Audit Committee assessed the internal control system from the evaluation report and concluded that, from the assessment of internal control system in 5 aspects, among others include internal control, risk assessment, operational control, information and communication system, and tracking system, the Audit Committee was of the opinion that the Company has sufficient internal control system and suitable for the Company's business operation. The risk management is at an acceptable level, accounting systems and financial reports are accurate and reliable as well as in due compliance with the laws and regulations related to the Company's business operation.

Internal Audit Supervisor and the Compliance Supervisor of the Company

The Company's Internal Audit Supervisor is Mr. Pornchai Wijitburaphat and the Compliance Supervisor of the Company is Mr. Sakda Chantrasuriyarat.

(Please find more details in "Profiles of Internal Audit Supervisor, Compliance Supervisor, and Accounting Supervisor" topic)

The Audit Committee is of the opinion that the qualifications of the Internal Audit Supervisor and Compliance Supervisor are appropriate and they both perform their duties efficiently.

However, the appointment, evaluation, dismissal, transfer or employment termination of the Internal Audit Supervisor must be approved by the Audit Committee.

The Company's Internal Audit Supervisor has the following responsibilities:

1. Assessing the sufficiency and effectiveness of the working process and the information system, internal control and risk management under the mission and scope of the audit operation.
2. Reporting key issues about the controlling process of all the Company's activities and ways to improve the process of those activities.
3. Giving suggestion to the Company's Management for efficient, effective and economical business operation with good corporate governance.
4. Proposing information about the progress and performance of the annual audit plan and the sufficiency of resources needed in the audit process.
5. Coordinating and supervising the monitoring and other controlling process such as risk management, compliance with rules and regulations, security, ethics, environment, and auditing.
6. Performing other duties related to internal audit as assigned by the Audit Committee.

The Compliance Supervisor has the following responsibilities:

1. Supervising and reviewing to ensure that the Company has complied with the laws and regulations of The Stock Exchange of Thailand or other governmental agencies' regulations.
2. Providing legal opinions to the Company's Board of Directors and the Management to ensure that the Company's business operation complies with the laws and regulations of The Stock Exchange of Thailand or other governmental agencies' regulations, as well as following up with the Management to suspend any transaction or action that may violate the aforesaid laws and regulations.
3. Reviewing evidence in a suspicious event that a transaction or any action may violate the laws or regulations of The Stock Exchange of Thailand or other governmental agencies' regulations, which has or may affect the Company's financial status and performance significantly.
4. Coordinating with the Chief of Internal Audit and the Audit Committee in order to review or jointly find guidelines for the Company to have an appropriate and effective internal control and internal audit systems.
5. Participating in consideration, determination and recommendation regarding suitability in the Company's operation, to ensure the Company's compliance with policy, guidelines, rules or regulations, and correctly comply with all recommendations specified by laws.
6. Being center of information dissemination as well as providing knowledge and advice to various departments within the Company regarding work procedures in order to comply with the laws, rules and regulations that should be followed.

Related Parties Transaction

The Company has Related Parties Transaction with related companies for the period ended December 31, 2020, including Krungthai Bank PCL ("KTB")/ Krungthai Computer Services Co., Ltd. ("KTBCS")/ KTB General Services and Security Co., Ltd. ("KTBGS")/ Krungthai Asset Management PCL ("KTAM")/ Krungthai Panich Insurance PCL ("KPI")/ Krungthai-AXA Life Insurance PCL ("KTAXA")/ Krungthai Zmico Securities Co., Ltd. ("KTZ")/ Krungthai IBJ Leasing Co., Ltd. ("KTIBJ")/ KTBLAW Co., Ltd./ KTC Pico (Bangkok) Co., Ltd./ KTC Nano Co., Ltd./ KTC Pico (Pathum Thani) Co., Ltd./ KTC Pico (Samut Prakan) Co., Ltd./ KTC Pico (Samut Sakhon) Co., Ltd./ KTC Pico (Chonburi) Co., Ltd./ and KTC Prepaid Co., Ltd. consists of the following:

RELATED PARTIES	RELATIONSHIP TO THE COMPANY	DESCRIPTION AND TRANSACTION SIZE
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has a list of trade accounts payable from transactions that the Company uses to receive payment through various service channels of Krungthai Bank. According to Business Cooperation Agreement and related service requests in order to facilitate the Company's customers in paying credit card expenses, personal loan installment payment, which is a normal trade transaction as of December 31, 2020, with trade accounts payable under the contract of THB 16 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company entered into an Overdraft Loan Agreement with Krungthai Bank in the financial amount of THB 30 million for working capital. The Company will pay interest on a monthly basis by the Krungthai Bank's month-end closing date, based on the overdraft rate for prime customers (MOR) as of December 31, 2020; the Company does not use funds in this loan amount.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company received a credit limit of THB 17,000 million to support the transaction and to be used as working capital for business expansion of the Company. The interest rate is based on the money market rate specified by Krungthai Bank as of December 31, 2020. The Company has loan for this amount of THB 7,660 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company entered into a Call Loan Agreement in the amount not exceeding THB 1,000 million. The agreement is issued by the Company to Krungthai Bank, and the repayment is due on demand or upto 3 months to enhance the Company's liquidity. The Company agreed to pay interest at the rate stipulated in the promissory note. As of 31 December 2020, the Company has no debt and accrued interest for this loan.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has trade accounts payable from transactions during the collection of customers and receiving payments from stores. In addition, there are other transactions from other transactions resulted from credit card settlement of the Company including transactions that the Company uses BAHTNET deposit account service from Krungthai Bank, which is a normal business transaction as of December 31, 2020, in the amount of THB 681.7 million.

RELATED PARTIES	RELATIONSHIP TO THE COMPANY	DESCRIPTION AND TRANSACTION SIZE
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has trade accounts payable from transactions that the Company hired Krungthai Bank to count and deposit money into the Company's deposit account as of December 31, 2020, in the amount of THB 0.2 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has trade accounts payable with marketing expenses in various programs including cooperation in expanding the credit cards and personal loans customer base and finding new stores, etc. As of December 31, 2020, the amount is THB 13 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has trade accounts payable from transactions that the Company uses Fleet Card services from Krungthai Bank as of December 31, 2020, in the amount of THB 0.4 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has trade accounts payable from transactions that the Company leases the Bank's office building as of December 31, 2020, in the amount of THB 1.1 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has other receivables from the transactions that the Company allowed Krungthai Bank to sublease some office space on the G floor, UBC II Building (Sukhumvit 33) for use as a branch office of Krungthai Bank on December 31, 2020, in the amount of THB 1 million.
Krungthai Bank PCL	Krungthai Bank PCL holds 49.29% of the Company's issued shares.	The Company has other receivables from KTC - KTB PRECIOUS PLUS VISA INFINITE, KTC - KTB PRECIOUS VISA SIGNATURE, and KTC - KTB PRECIOUS PLUS VISA SIGNATURE credit card issuance transaction with the Bank. The total amount as of December 31, 2020, is THB 0.8 million.
KTB General Services and Security Co., Ltd.	Krungthai Bank PCL holds 100% of shares.	The Company has trade accounts payable from transactions that the Company hired KTB General Services and Security Co., Ltd. (KTBGS) for receiving-sending cash and/or other assets as of December 31, 2020, amounting to THB 7.9 million.
Krungthai Asset Management PCL	Krungthai Bank PCL holds 100% of shares.	The Company has other receivables from transactions that the Company provides payment services for RMF and LTF units of Krungthai Asset Management PCL (KTAM) via automated accounts on a monthly basis and via Electronic Data Capture as of December 31, 2020, in the amount of THB 3.6 million.
Krungthai Asset Management PCL	Krungthai Bank PCL holds 100% of shares.	The Company has trade accounts payable from transactions that the Company has to send the provident fund membership fees to Krungthai Asset Management PCL, which is the fund manager, as of December 31, 2020, amounting to THB 0.08 million.

RELATED PARTIES	RELATIONSHIP TO THE COMPANY	DESCRIPTION AND TRANSACTION SIZE
Krungthai Panich Insurance PCL	Krungthai Bank PCL holds 45% of shares.	The Company has other receivables from the transactions that the Company provides database management services and proceeds in the allocation and grants scheme for the offering of insurance and automobile insurance products of Krungthai Panich Insurance PCL (KPI) as of December 31, 2020, in the amount of THB 1.1 million.
Krungthai-AXA Life Insurance PCL	Krungthai Bank PCL holds 50% of shares.	The Company has trade accounts receivable from Related Parties Transaction with Krungthai-AXA Life Insurance PCL (KTAXA) for marketing promotion expenses, with the amount of THB 0.7 million as of December 31, 2020.
Krungthai-AXA Life Insurance PCL	Krungthai Bank PCL holds 50% of shares.	The Company has trade accounts payable from Krungthai-AXA Life Insurance PCL. As of December 31, 2020, there is no trade accounts payable.
Krungthai IBJ Leasing Co., Ltd.	Krungthai Bank PLC holds 49% of shares.	The Company has rented a car from Krungthai IBJ Leasing Co., Ltd. (KTIBJ) which has trade accounts payable as of December 31, 2020, there is no trade accounts payable.
Krungthai Zmico Securities Co., Ltd.	Krungthai Bank PCL holds 50% of shares.	The Company has borrowing transactions by issuing short-term bills with Krungthai Zmico Securities Co., Ltd. (KTZ), as of December 31, 2020, there is no such borrowing.
KTBLAW Co., Ltd.	Krungthai Bank PCL holds 100% of shares.	The Company has trade accounts payable from KTBLAW Co., Ltd. As of December 31, 2020, the amount is THB 0.2 million.
KTC Pico (Bangkok) Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company borrowed short-term loans from KTC Pico (Bangkok) Co., Ltd. as of December 31, 2020, in the amount of THB 52.1 million.
KTC Pico (Bangkok) Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company has other receivables with KTC Pico (Bangkok) Co., Ltd. as of December 31, 2020, in the amount of THB 0.3 million.
KTC Nano Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company borrowed short-term loans from KTC Nano Co., Ltd. as of December 31, 2020, in the amount of THB 50.3 million.
KTC Nano Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company has other receivables with KTC Nano Co., Ltd. as of December 31, 2020, in the amount of THB 0.4 million.

RELATED PARTIES	RELATIONSHIP TO THE COMPANY	DESCRIPTION AND TRANSACTION SIZE
KTC Pico (Pathum Thani) Co., Ltd.	KTC Pico (Bangkok) Co., Ltd. holds 100% of shares.	The Company has other receivables with KTC Pico (Pathum Thani) Co., Ltd. as of December 31, 2020, in the amount of THB 0.2 million.
KTC Pico (Samut Prakan) Co., Ltd.	KTC Pico (Bangkok) Co., Ltd. holds 100% of shares.	The Company has other receivables with KTC Pico (Samut Prakan) Co., Ltd. as of December 31, 2020, in the amount of THB 0.3 million.
KTC Pico (Samut Sakhon) Co., Ltd.	KTC Pico (Bangkok) Co., Ltd. holds 100% of shares.	The Company has other receivables with KTC Pico (Samut Sakhon) Co., Ltd. as of December 31, 2020, in the amount of THB 0.03 million.
KTC Pico (Chonburi) Co., Ltd.	KTC Pico (Bangkok) Co., Ltd. holds 100% of shares.	The Company has other receivables with KTC Pico (Chonburi) Co., Ltd. as of December 31, 2020 in the amount of Baht 0.3 million.
KTC Prepaid Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company borrowed short-term loans from KTC Prepaid Co., Ltd. As of December 31, 2020, the amount is THB 99.9 million.
KTC Prepaid Co., Ltd.	Krungthai Bank PCL holds 24.95% of shares and Krungthai Card PCL holds 75.05% of shares.	The Company has other receivables with KTC Prepaid Co., Ltd. As of December 31, 2020, the amount is THB 0.6 million.

Details of Related Parties Transaction

The Company has disclosed the details of Related Parties Transaction of companies that are associated with the Company, which are companies under the same control with the Company by holding shares and/or have common directors. The significant details of Related Parties Transaction with related companies are shown in note 24 to the financial statements: Transactions with related parties of the financial statements for the year ended December 31, 2020, which were audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In this regard, the Company has Related Parties Transaction with related companies which are Krungthai Bank PCL/

Krungthai Computer Services Co., Ltd./KTB General Services and Security Co., Ltd./ Krungthai Asset Management PCL/ Krungthai Panich Insurance PCL/ Krungthai-AXA Life Insurance PCL/ Krungthai Zmico Securities Co., Ltd./ Krungthai IBJ Leasing Co., Ltd./ Dhipaya Insurance Co., Ltd./ KTC Pico (Bangkok) Co., Ltd./ KTC Nano Co., Ltd./ KTC Pico (Pathum Thani) Co., Ltd./ KTC Pico (Samut Prakan) Co., Ltd./ KTC Pico (Samut Sakhon) Co., Ltd./ KTC Pico (Chonburi) Co., Ltd./ KTC Prepaid Co., Ltd./ and KTBLAW Co., Ltd. details as follows;

Business Cooperation Agreement

As the Back Office Service Agreement expired on March 31, 2018 without contract extension, the Company and Krungthai Bank jointly entered into a 5-year business cooperation agreement effective from April 1, 2018 onwards. The agreement is to support each other's various business operations such as procurement of credit card members and personal loans through Krungthai Bank's branch network, services for credit card payment and installment via Krungthai Bank's various service channels, etc. Both parties agreed to enter into an agreement, contract, or service request separately and

specifically by setting a time period for each transaction. The service fees are subject to the market prices calculated as an amount at different rates according to the transaction volume, and is regarded as a normal practice of the Company.

If the business cooperation agreement should be terminated, it shall not affect the agreement, contract, and/or service request that occurred under this Business Cooperation Agreement.

Loan Agreement

The Company entered into a Loan Agreement with Krungthai Bank in the total amount of THB 18,000 million consisting of debt settlement agreement under promissory note in the amount of THB 17,000 million with a repayment term of not more than 30 days, and debt settlement agreement under promissory note in an amount not exceeding THB 1,000 million (Call Loan), with repayment due on demand or not more than 3 months. In addition, Krungthai Bank has approved an overdraft loan of THB 30 million to the Company, in which the terms and conditions under the said loan agreement are normal trade terms. The interest rate between the Company and Krungthai Bank is a normal rate as used with parties.

Memorandum of Agreement regarding Clearing of Debtor's Accounts for Debt Repayment

The Company uses services for accepting payment for goods/ services from debtors or any person who has a deposit account with the offices and/ or branches of Krungthai Bank, which agreed to pay for goods/ services to the Company by having Krungthai Bank deduct money from the account of the debtor on behalf of the Company. The service fee of the transaction between the Company and Krungthai Bank is the normal rate used in general. The terms and conditions of this memorandum shall be terminated once the Company and Krungthai Bank both agree on the matter. The terms and conditions of employment are normal conditions that apply to other parties.

Money Counting Service and Depositing Money into Deposit Account Agreement

The Company hired Krungthai Bank to proceed with counting the money received from the delivery of KTB General Services and Security Co., Ltd. and put into the account of the Company. The agreement is valid for 1 year and can be extended for 1 year at a time. The service fees of the transaction between the Company and Krungthai Bank is the rate that is suitable for the nature of work and time used in the operation. The terms and conditions of employment are normal conditions that apply to other parties.

Usage of KTB Fleet Card service

The Company uses Fleet Card service with Krungthai Bank to pay for fuel and other service fees for gas stations that are participating in the project with Krungthai Bank. The Fleet Card is valid for 3 years. Upon expiration, Krungthai Bank will issue a new Fleet Card which is valid for 3 years at a time. The service fees and terms/ conditions of using the transaction between the Company and Krungthai Bank is a normal condition that applies to other parties.

Lease Agreement for Office Space at Krungthai Bank building and Sublease Agreement of Office Building Area

The Company has leased some office space from Krungthai Bank at Nana Nuea Building, located on the 1st floor, to be used as a branch office or KTC Touch. On January 16, 2020, the Company entered into an office building lease agreement at Nana Nuea Building with Krungthai Bank for a period of 1 year from January 17, 2020 to January 16, 2021. Later, the office location has been moved from the 1st floor to the 2nd floor of the same building, in which the Company and Krungthai Bank jointly made an additional memorandum to the lease agreement dated March 2, 2020. On January 15, 2021, KTC and Krungthai Bank entered into another office lease agreement at Nana Nuea Building to extend the lease period for another year, from January 17, 2021 to January 16, 2022.

In parallel, KTC has allowed Krungthai Bank to sublet some of the Company's office space on floor G of the UBC II Building to be used as a branch office of Krungthai Bank, according to the 3-year sublease agreement dated from November 1, 2020 to October 31, 2023. Additionally, KTC allowed its subsidiaries, in which KTC holds 75.05% of shares and Krungthai Bank holds 24.95% of shares, such as KTC Nano Co., Ltd., KTC Prepaid Co., Ltd., and KTC Pico (Bangkok) Co., Ltd. and its group—KTC Pico (Pathumthani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., and KTC Pico (Chonburi) Co., Ltd.—to sublet some of the Company's office spaces at UBC II Building G floor, or offices in Pathumthani, Samut Prakan, and Chonburi to be used as offices under the office building sublease agreement dated May 26, 2020 and dated November 1, 2020, as well as the additional memorandum dated October 19, 2020. The rent and other expenses of transactions between KTC and Krungthai Bank, between KTC and KTC Nano Co., Ltd., between KTC and KTC Prepaid Co., Ltd. and between KTC and KTC Pico (Bangkok) Co., Ltd. and its group are of suitable rates. The terms and conditions of the lease are of normal conditions that apply to other parties.

Memorandum of Agreement for Money Transfer via ITMX Switching Settlement System

The Company uses the Krungthai Bank's BAHTNET deposit account service to pay the balance for transactions made through the ITMX system of National ITMX Co., Ltd., including receiving money transfer according to the balance list in the BAHTNET account for transactions made via ITMX system into the Company's deposit account, in which the Company agreed to pay service fees to Krungthai Bank. The service fees and terms / conditions between the Company and Krungthai Bank are normal conditions that apply to other parties. The terms and conditions of this memorandum shall be terminated once the Company and Krungthai Bank both agree on the matter.

Credit Card and Personal Loan Advisor Appointment Agreement and Memorandum of Cooperation in Expanding KTC Credit Card Customer Base with a Deposit Account with Krungthai Bank

The Company has collaborated with Krungthai Bank in the project to expand customer base of credit card and personal loan products through the branches of Krungthai Bank nationwide, according to the Credit Card and Personal Loan Advisor Appointment Agreement dated August 27, 2007, with 4 new addenda in 2020 dated March 1, 2020 (4th), March 25, 2020 (5th), August 20, 2020 (6th), and October 21, 2020 (7th). The service fees of the transactions between KTC and Krungthai Bank are suitable for the services. In addition, the Company has a project to expand credit card membership base for customers who already have deposit accounts with Krungthai Bank, by agreeing to deposit the principal in the deposit account as collateral for credit card debt repayment to the Company. Krungthai Bank has cooperated in presenting KTC credit card products to such target customers according to the memorandum of cooperation in expanding KTC credit card customer base with a deposit account with Krungthai Bank, dated June 5, 2018. The parties have also jointly changed the service policy according to the addendum attached to the memorandum of cooperation in expanding KTC credit card customer base with a deposit account with Krungthai Bank (1st) dated November 21, 2018. The terms and conditions of services are normal conditions that apply to other parties. The agreement and memorandum shall be terminated once the Company and Krungthai Bank both agree on the matter.

Memorandum of Agreement for Additional Payment Channels for KTB Housing Loan

The Company has a project to provide additional channels for paying installment of KTB Housing Loan by withdrawing cash advance from the KTC credit card automatically and take the money withdrawn into the savings account of the KTC credit card members deposited with Krungthai Bank for payment of KTB Housing Loan for KTC credit card members with Krungthai Bank, which the Company charges the marketing promotion fee from Krungthai Bank at the rate that is suitable for the service. The terms and conditions of this memorandum shall be terminated once the Company and Krungthai Bank both agree on the matter. The terms and conditions of service are normal conditions that apply to other parties.

Name Sharing Agreement for the issuance of credit card

The Company agreed to cooperate with Krungthai Bank to issue KTC-KTB PRECIOUS PLUS VISA INFINITE to provide Infinite level benefits to KTB PRECIOUS PLUS customers of Krungthai Bank according to the Name Sharing Agreement for the issuance of KTC-KTB PRECIOUS PLUS VISA INFINITE which was created and effective from October 16, 2012, onwards with the memorandum of amendment to the said Name Sharing Agreement dated December 2, 2014, regarding the application criteria and annual fee management for KTB PRECIOUS PLUS customers from Krungthai Bank.

Afterward, on December 3, 2014, the Company issued KTC-KTB PRECIOUS VISA SIGNATURE credit card and KTC-KTB PRECIOUS PLUS VISA SIGNATURE credit card together with Krungthai Bank to give signature benefits to KTB PRECIOUS and KTB PRECIOUS PLUS customers of Krungthai Bank according to the Name Sharing Agreement for KTC-KTB PRECIOUS VISA SIGNATURE credit card and KTC-KTB PRECIOUS PLUS VISA SIGNATURE credit card. However, the terms and conditions of the said Name Sharing Agreement are normal conditions that apply to other parties.

The terms and conditions of this memorandum shall be terminated once the Company and Krungthai Bank both agree on the matter. The terms and conditions of service are normal conditions that apply to other parties.

Payment Agent Appointment Agreement

Krungthai Bank has appointed the Company as an agent to accept payment of service fees from the users on behalf of Krungthai Bank, by operating via online connection to deposit money into a deposit account and/ or any other account as specified by Krungthai Bank. According to the Payment Agent Appointment Agreement dated May 5, 2017, the contract is scheduled for 6 months, effective from May 5, 2017 to November 4, 2017. Subsequently, the Company and Krungthai Bank entered into the Payment Agent Appointment Agreement dated April 27, 2018, and noted in the addendum at the end of the 1st Payment Agent Appointment Agreement dated June 25, 2018. Every item shall become effective on the agreement date in order to provide service to new users in the business operation of Krungthai Bank. When the said agreement is expired without either party being terminated, the agreement is considered to be in effect for 6 months each time starting from the expiration date of each agreement. The transaction fees between Krungthai Bank and the Company are appropriate for the nature of work and time used in the operation. The terms and conditions of service are normal conditions that apply to other parties.

Card Payment Service Agreement for KTC Members via Krungthai Bank Branches

The Company has agreed to use KTC credit cards and KTC PROUD cash card (formerly known as KTC PROUD Ready Credit Card) payment service through the office or branch of Krungthai Bank according to the Card Payment Service Agreement for KTC members via Krungthai Bank branches, effective from April 1, 2018 onwards. The terms and conditions of this agreement shall be terminated once the Company and Krungthai Bank both agree on the matter. The transaction fee of this service is fixed for a period of 2 years. After the said period, the counterparty shall set a new service rate. If the new service fee is not fixed, the same service fee shall be applied for a period of 2 years each. The service fee of this agreement is of normal rate that are used by the general public, which is calculated based on the amount of transactions performed. The terms and conditions are normal conditions that apply to other parties.

Cash Withdrawal Service Agreement via ATM

For the convenience of KTC credit card and KTC PROUD cash card (formerly KTC PROUD ready credit card) holders to withdraw and/ or receive loans via KTB ATMS and ATM Pool machines, the Company has entered into the cash withdrawal via ATM service agreement, dated May 3, 2018, with Krungthai Bank, effective from April 1, 2018 onwards and shall be terminated once the Company and Krungthai Bank both agree on the matter. There has been a change in the method of service fee payment by KTC to Krungthai Bank to be performed through electronic channels as noted in the addendum at the end of the agreement dated July 25, 2019. The service rates between the Company and Krungthai Bank under this agreement are in accordance with the market price and are calculated based on the number of transactions. The terms and conditions of service are normal conditions applicable to other parties.

Cash and/ or other Assets Delivery Service Agreement and Premise & Logistic Management Agreement

On February 14, 2005, the Company hired KTB General Services and Security Co., Ltd. ("KTBGS"), in which Krungthai Bank holds 100% of shares and is a cash delivery service provider and/ or other assets including coin exchange service. KTBGS is widely known as a provider of cash transfers by safety cars for commercial banks and financial institutions. The agreement has a 4-year service period, and on July 31, 2020, KTC and KTBGS have made the 9th addendum to extend the service period, effective from August 1, 2020. The Company and KTBGS have agreed to stipulate the annual service fee in accordance to an addendum at the end of the agreement.

On May 1, 2018, the Company has agreed to receive various types of internal administrative services from KTBGS according to the Premise & Logistic Management Agreement for a period of 3 years, ending on April 30, 2021, with addenda (1st) dated February 3, 2020 and (2nd) March 16, 2020 for extra services. The service fee of transactions between the Company and KTBGS is suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

Memorandum of Agreement for Accepting Payment for Investment Units

The Company supports the business operations of Krungthai Asset Management PCL ("KTAM") in which Krungthai Bank holds 100% of the shares. The Company provides payment services for RMF and LTF units of KTAM by automatically debiting credit card accounts of KTC credit card members on a monthly basis, and one by one, and receives payment of investment units through an Electronic Data Capture (EDC). The Company has made a memorandum of agreement with KTAM, effective from July 1, 2013 onwards, and shall be terminated once the Company and Krungthai Bank both agree on the matter. The service fees of the transaction between the Company and KTAM are suitable for the nature of work and working time. The terms and conditions of service are normal conditions that apply to other parties.

Provident Fund

The Company has established Provident Fund and provides employees of the Company to be member of the Provident Fund. Krungthai Asset Management PCL (KTAM), where Krungthai Bank PCL is a shareholder in the rate of 100%, is the Fund Manager effective since January 1, 2002. Notwithstanding, KTAM provides asset management businesses for institutions, organizations and large state enterprises under license of mutual fund management, private fund and provident fund, and subject to the fund's regulations, employee of the Company can decide to pay savings into the fund at the rate of 3 per centum to 15 per centum, and the Company shall pay the contribution into the fund at the rate of 6 per centum. Terms/ Conditions for fund management are normal condition for using with other parties.

Database Management Service Agreement and Performing its Action in Project Allocation and Providing Insurance and Car Insurance Benefits

The Company shall perform database management service and its action in project allocation and provide insurance and car insurance benefits to KTC credit card member. By cooperating with Krungthai Panich Insurance PCL ("KPI"), in which Krungthai Bank PCL holds 45% shares, who is a non-life insurance company with a complete range of services, to present car insurance and other insurance products to KTC credit card members. The agreement is effective from September 26, 2011 and March 1, 2012, respectively. On May 21, 2018, parties jointly entered into an insurance sales contract project, which was effective from February 15, 2018, and has prepared a memorandum of understanding on the project of offering car insurance and accident insurance, dated April 21, 2018, effective from May 1, 2018 and expire when the Company and KPI agree to terminate the agreement. The service fee of transactions between the Company and KPI is suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

Leasing Contract

Krungthai IBJ Leasing Co., Ltd. ("KTIBJ") provides leasing, hire-purchase, and factoring services for businesses of all industries, in which Krungthai Bank holds 49% of shares, and KTIBJ acquires subrogation rights and duties under leasing contract, dated February 5, 2014, and another version dated May 2, 2014, between Krungthai Leasing Co., Ltd. ("KTBL") and the Company. Subsequently, KTIBJ is empowered to take the action of car rental provider on behalf of KTBL. The Company entered into a contract with KTIBJ since December 1, 2017, and the Company signed 20 contracts with KTIBJ in 2020. Each contract period is 4 years, starting from July 15, 2020 and ending on December 28, 2024. The service fee of transactions between the Company and KTIBJ is suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

Group Insurance Policy

The Company has provided group health insurance for protecting health, accidents and medical treatment to the Company's employees from Dhipaya Insurance PCL (TIP), where Krungthai Bank PCL is shareholder in the rate of 10%. Notwithstanding, TIP is insurance company who performs non-life insurance business, health and accidents insurance, miscellaneous insurance and variety of products. The Policy is effective from March 1, 2020, to February 28, 2021. The parties are being considered the new group health insurance policy for providing protection to employees instantly at the period that the previous group health insurance policy is expired. Insurance premium is being considered from the risk of all groups of employees with average rate such as age, sex, career or sum assured. The rate of insurance premium, terms and conditions in such group health insurance are normal condition for using with other parties.

Sales Promotion Project

The Company has performed sales promotion project with Krungthai-AXA Life Insurance PCL ("KTAXA"), in which Krungthai Bank holds 50% of its shares. KTAXA is an insurance company and a Financial Planning Consultant (FPC). KTAXA's customers can purchase life insurance and accident insurance products with KTC credit card under memorandum and participated terms of sales promotion by the cooperation of the Company and KTAXA. The Company and KTAXA have entered into a business cooperation agreement, dated June 4, 2018, to promote the payment of insurance premiums using KTC credit cards, which took effect on May 1, 2018 and shall be terminated upon a consensus of both parties.

The promotional fee and service fee of transactions between the Company and KTAXA are suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

Loaning Money by Issuing Bills to Related Companies

The Company has borrowed money by issuing bills to a related company at the interest rate based on the Money Market Rate, due on demand for up to one year and without collateral. As of December 31, 2020, the Company has borrowed by issuing bills to Krungthai Bank in the amount of THB 7,660 million.

Loaning Money with Subsidiaries

The Company has borrowed short-term loans from related parties at the rate with reference to a short-term interest rate that Krungthai Bank PCL may charge from the Company. If the Company borrows money from the bank or as the terms agreed by the Company and its subsidiaries, the repayment period is 1 year from the date of the contract. The details are as follows:

(1) KTC Pico (Bangkok) Co., Ltd. is subject to Financial Support Agreement dated May 24, 2019, with addenda (1st) dated October 22, 2019, (2nd) dated November 15, 2019, (3rd) dated December 30, 2019, (4th) dated April 15, 2020, and (5th) dated October 1, 2020.

(2) KTC Nano Co., Ltd. is subject to Financial Support Agreement dated May 24, 2019, with addenda (1st) dated November 11, 2019 and (2nd) dated December 20, 2019.

(3) For the case of KTC Pico (Pathumthani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., KTC Pico (Samut Sakhon) Co., Ltd., and KTC Pico (Chonburi) Co., Ltd., KTC has made full repayment according to the Financial Support Agreement dated August 29, 2019 and addenda (1st) dated November 11, 2019 to each company on April 15, 2020 and October 1, 2020.

(4) KTC Prepaid Co., Ltd. is subject to Financial Support Agreement and addendum (1st) dated October 28, 2020.

Support Services for Subsidiaries

In order to provide flexibility in conducting loan business of subsidiaries, the Company entered into an insourcing service agreement, dated August 6, 2020, with KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and its group—KTC Pico (Pathumthani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd., KTC Pico (Samut Sakhon) Co., Ltd., and KTC Pico (Chonburi) Co., Ltd. The related parties transaction fees between KTC Nano Co., Ltd. and KTC Pico (Bangkok) Co., Ltd. and its group are suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

Joint Venture Agreement

The Company and Krungthai Bank have signed a joint venture agreement, dated October 30, 2020, in order purchase shares in the Krungthai Advisory Co., Ltd. from Krungthai Bank, effective from the date of contract signing and shall be terminated upon consensus agreement. Such transaction is in accordance with the Company's strategy, which is appropriate in terms of conditions and prices, and has already been disclosed via the SET's system.

Proposal to Provide Legal Services

The Company has agreed to use legal advisory service from KTBLAW Co., Ltd., in which Krungthai Bank holds 100% of the shares in accordance with the Legal Services Agreement, dated January 31, 2020. Once KTB LAW has completed its services and the Company has paid for the services in full, the agreement is terminated. The service fee of transactions between the Company and KTB LAW are suitable for the type of work and time consumed. The terms and conditions of service are normal conditions applicable to other parties.

The Audit Committee's Opinion Relating to Related Parties Transactions

The Audit Environmental Social and Governance Committee has considered and commented that the Company's related transactions are beneficial to the Company, conducted in a normal business practice with no special conditions and no transfer of interests between the Company and related parties. In addition, the fees or interest rates between the Company and related parties are determined based on the normal rates or the calculation from other parties. The committee is also responsible for information disclosure in accordance with the criteria for calculating the transaction size. In all transactions, the Company has complied with the regulations set by the SEC and the Stock Exchange of Thailand regarding the related parties transaction and the acquisition or disposition of assets in all respects.

The Company has disclosed the Audit Committee Report under the "Audit Committee Report" topic in the Form 56-1 One Report Year 2020.

Related Parties Transactions Policy and Acquiring or Disposing of the Company's Properties in the Future

Subject to the Securities and Exchange Act B.E. 2535(1992) and the Notification of the Capital Market Supervisory Board No.TorChor21/2551 in the subject of Rules for Related Parties Transactions, including additional amendment, prescribing that performing a transaction with related person in accordance with the meaning as prescribed by laws, which is related company transaction with directors, executives or related persons, shall be approved by the shareholders' meeting unless such transaction is exempted transaction such as a transaction which is a trade agreement in the manner that reasonable person would do with a party in the same situation by bargaining power of trade without any influence in such persons' status as a directors, executives or related persons as the case may be. It shall be fair and at Arm's Length which is approved by the Board of Directors or in accordance with the principles which were approved by the Board of Directors.

In this regard, in Board of Directors meeting on September 19, 2008, has approved principles of performing trade agreement which is a transaction between related parties to conform with the laws as above-mentioned. The principles mentioned that "the management department can perform transactions, list or trade agreement which is related parties transactions in accordance with the meaning as prescribed by the Securities and Exchange law, notwithstanding, the said transactions, list or terms shall be in the manner that reasonable person would do with a party in the same situation by bargaining power of trade without any influence in such persons' status as a directors, executives or related persons ("Transaction with General Trade Terms"), including ongoing transactions and transactions which may happen in the future. The management department can fix framework for being guideline of practice and provide summary report of such transaction to the Audit Committee Meeting and the Board of Directors' Meeting for acknowledgement as appropriate.

Therefore, Related Parties Transactions and/or acquiring or disposing of the Company's properties shall comply with the Securities and Exchange law, regulations of the Stock Exchange of Thailand and principles of making Transaction with General Trade Terms which shall be transactions between related persons in accordance with the approval from the Board of Directors of such company, including the compliance with disclosure information, Related Parties Transactions and acquiring or disposing of the Company's properties.

If the Company shall perform Related Parties Transactions with the person that may have conflict in the future, the Company may provide the Audit Committee for being considered suitability of such transaction. If the Audit Committee has no expertise in considering to Related Parties Transactions, the Company shall provide persons with special expertise such as audit, appraiser or the law office, which is independent from the Company and the persons who may have conflict, to be the person who gives an opinion relating to such Related Parties Transactions. The Audit Committee's opinion or any person's opinion with special expertise shall be used to support the Board of Directors' or shareholders' decision, as the case may be, to ensure that the above-mentioned transaction will not be transfer benefits between companies, related persons and/or shareholders of the Company. The Company shall consider the maximum benefits of all shareholders, especially minority shareholders. Notwithstanding, directors or shareholders, who have the conflict of interest relating to Related Parties Transactions, or acquiring or disposing of the Company's properties, are not entitled to vote upon such matters.

Management Discussion and Analysis

Key Financial Information

Summarized Report of the Certified Public Accountants for Financial Statements year 2020, 2019 and 2018

Audit of financial statements for the year ended December 31, 2020

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Dr. Suphamit Techamontrikul expressed unqualified opinion that the consolidated and separate financial statements of Krungthai Card Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and

separate statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, presented fairly, in all material respects, the financial position, financial performance, and cash flows in accordance with Thai Financial Reporting Standards.

Audit of financial statements for the year ended December 31, 2019

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Dr. Suphamit Techamontrikul expressed unqualified opinion that the consolidated and separate financial statements of Krungthai Card Public Company Limited, which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and

separate statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, presented fairly, in all material respects, the financial position, financial performance, and cash flows in accordance with Thai Financial Reporting Standards.

Audit of financial statements for the year ended December 31, 2018

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Dr. Suphamit Techamontrikul expressed unqualified opinion that the financial statements of Krungthai Card Public Company Limited, which comprise the statement of financial position as at December 31, 2018, and the related statements of

profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, presented fairly, in all material respects, the financial position, financial performance, and cash flows in accordance with Thai Financial Reporting Standards.

Financial Statement

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020	%	2019	%	2018	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	1,914	2.2%	1,348	1.6%	2,722	3.4%
Other current financial assets	-	-	4	0.0%	-	-
Loans to credit card customers and accrued interest receivables, net	56,017	63.4%	53,507	62.7%	-	-
Loans to personal loan customers and accrued interest receivables, net ⁽¹⁾	26,777	30.3%	27,248	31.9%	-	-
Credit card receivables-net	-	-	-	-	47,937	60.2%
Circle loan receivables-net	-	-	-	-	130	0.2%
Personal loan receivables-net	-	-	-	-	24,644	30.9%
Self-employed loan receivables-net	-	-	-	-	2	0.0%
Other receivables	459	0.5%	580	0.7%	1,387	1.7%
Total Current Assets	85,167	96.3%	82,688	96.8%	76,822	96.5%
NON-CURRENT ASSETS						
Other non-current financial assets	5	0.0%	5	0.0%	9	0.0%
Investments in subsidiaries and an associate	73	0.1%	-	-	-	-
Leasehold improvements and equipment	481	0.5%	495	0.6%	529	0.7%
Right-of-use assets	457	0.5%	-	-	-	-
Intangible assets	475	0.5%	481	0.6%	506	0.6%
Deferred tax assets	1,667	1.9%	1,659	1.9%	1,692	2.1%
Other non-current assets	79	0.1%	82	0.1%	90	0.1%
Total Non-current Assets	3,237	3.7%	2,721	3.2%	2,825	3.5%
Total Assets	88,403	100.0%	85,409	100.0%	79,648	100.0%

⁽¹⁾ Loans to personal loan customers and accrued interest receivables is included both circle loan and self-employed loan receivables from 2019

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020	%	2019	%	2018	%
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term borrowings from financial institutions						
- Related financial institutions	7,660	8.7%	3,840	4.5%	3,840	4.8%
- Other financial institutions	6,299	7.1%	7,536	8.8%	4,948	6.2%
Trade payables - Related financial institution and related parties	721	0.8%	911	1.1%	1,781	2.2%
Trade payables - Other companies	747	0.8%	856	1.0%	505	0.6%
Accrued interest expenses	328	0.4%	349	0.4%	378	0.5%
Current income tax payable	663	0.7%	598	0.7%	609	0.8%
Accrued expenses	1,107	1.3%	1,198	1.4%	1,087	1.4%
Other payables	1,254	1.4%	1,433	1.7%	2,069	2.6%
Current portion of lease liabilities	213	0.2%	-	-	-	-
Current portion of long-term debentures	8,780	9.9%	6,185	7.2%	5,285	6.6%
Deferred income for reward points	2,346	2.7%	2,277	2.7%	2,336	2.9%
Total Current Liabilities	30,117	34.1%	25,181	29.5%	22,837	28.7%
NON-CURRENT LIABILITIES						
Long-term debentures	34,700	39.3%	39,980	46.8%	40,050	50.3%
Provisions for employee benefits	489	0.6%	513	0.6%	409	0.5%
Lease liabilities	248	0.3%	-	-	-	-
Total Non-current Liabilities	35,436	40.1%	40,493	47.4%	40,459	50.8%
Total Liabilities	65,553	74.2%	65,674	76.9%	63,296	79.5%

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020	%	2019	%	2018	%
Authorized share capital - 2,578,334,070 ordinary shares of Baht 1.00 each	2,578	2.9%	2,578	3.0%	2,578	3.2%
Issued and paid share capital - 2,578,334,070 ordinary shares of Baht 1.00 each, fully paid	2,578	2.9%	2,578	3.0%	2,578	3.2%
Share premium on ordinary shares	1,892	2.1%	1,892	2.2%	1,892	2.4%
Retained Earning						
- Appropriated-Legal reserve	258	0.3%	258	0.3%	258	0.3%
- Unappropriated	18,071	20.4%	14,980	17.5%	11,624	14.6%
Non-Controlling Interests	51	0.1%	27	0.0%	-	-
Total Shareholders' Equity	22,850	25.8%	19,735	23.1%	16,352	20.5%
Total Liabilities and Shareholders' Equity	88,403	100.0%	85,409	100.0%	79,648	100.0%

KRUNGTHAI CARD PUBLIC COMPANY LIMITED
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020	%	2019	%	2018	%
INCOME						
Interest Income-Credit Card	5,849	26.5%	5,259	23.2%	4,884	23.0%
Interest Income-Personal Loan ⁽¹⁾	4,506	20.4%	4,208	18.6%	3,883	18.3%
Interest Income-Circle Loan	-	-	-	-	23	0.1%
Interest Income-Self-Employed Loan	-	-	-	-	7	0.0%
Fee and service income	8,290	37.6%	9,172	40.5%	8,640	40.8%
Bad debt recovered	3,119	14.1%	3,496	15.5%	3,342	15.8%
Gain on exchange rate-net	45	0.2%	149	0.7%	142	0.7%
Other income	246	1.1%	340	1.5%	277	1.3%
Total Revenues	22,055	100.0%	22,625	100.0%	21,198	100.0%
EXPENSES						
Administrative expenses	7,050	32.0%	7,519	33.2%	7,311	34.5%
Management remuneration	210	1.0%	203	0.9%	212	1.0%
Expected credit loss-Credit card	3,467	15.7%	3,508	15.5%	2,858	13.5%
Expected credit loss-Personal Loan ⁽²⁾	3,138	14.2%	2,926	12.9%	2,834	13.4%
Expected credit loss-Circle Loan	-	-	-	-	5	0.0%
Expected credit loss-Self-Employed loan	-	-	-	-	6	0.0%
Finance costs	1,534	7.0%	1,566	6.9%	1,555	7.3%
Total Expenses	15,400	69.8%	15,721	69.5%	14,782	69.7%
Share of profit of an associate accounted for using equity method	0.8	0.0%	-	-	-	-
Profit before income tax	6,656	30.2%	6,904	30.5%	6,416	30.3%
Income tax expense	(1,325)	6.0%	(1,380)	6.1%	(1,277)	6.0%
Net Profit for the year	5,332	24.2%	5,524	24.4%	5,140	24.2%

Note: ⁽¹⁾ Personal loan interest income is included circle and self-employed loan
⁽²⁾ Personal loan expected credit loss is included circle and self-employed loan

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS					
	CONSOLIDATED FINANCIAL STATEMENTS					
	2020	%	2019	%	2018	%
OTHER COMPREHENSIVE INCOME (LOSS)						
Gains (losses) on remeasurements of defined benefit plans	34	0.2%	(67)	(0.3%)	2	0.0%
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss	(7)	0.0%	13	0.1%	(0.3)	0.0%
Other comprehensive income (loss) for the year-net of tax	27	0.1%	(54)	(0.2%)	1	0.01%
Total Comprehensive Income for the year	5,359	24.3%	5,470	24.2%	5,141	24.3%
PROFIT (LOSS) ATTRIBUTABLE TO						
Owners of the parent	5,333	24.2%	5,524	24.4%	5,140	24.2%
Non-controlling interests	(1)	0.0%	(0.1)	0.0%	-	-
	5,332	24.2%	5,524	24.4%	5,140	24.2%
Basic Earnings Per Share (Baht)	2.07	-	2.14	-	1.99	-

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS		
	CONSOLIDATED FINANCIAL STATEMENTS		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax	6,656	6,904	6,416
Amortization of premium on debt securities	0.01	0.03	0.03
Share of profit of an associate accounted for using equity method	(0.8)	-	-
Amortization of deferred interest expense on bills of exchange	-	6	6
Employee benefits expense	49	44	117
Depreciation and amortization	508	339	352

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS		
	CONSOLIDATED FINANCIAL STATEMENTS		
	2020	2019	2018
(Gain) Loss from disposal and written-off of leasehold improvements and equipment-net	(0.4)	410	0.2
Reversal of allowance for impairment of assets	-	(386)	-
Expected Credit Loss	6,605	6,433	5,703
Interest expense	1,515	1,546	1,537
	15,332	15,296	14,131
OPERATING ASSETS DECREASE (INCREASE)			
Loans to customers and accrued interest receivables, net increase	(8,644)	(13,942)	(10,628)
Other receivables decrease (increase)	122	273	(123)
Other non-current assets decrease (increase)	3	8	(9)
OPERATING LIABILITY INCREASE (DECREASE)			
Trade payables-related financial institution and related parties increase (decrease)	(190)	(870)	462
Trade payables-other companies increase (decrease)	(102)	536	9
Accrued interest expenses increase (decrease)	4	(2)	(0.4)
Accrued expenses increase (decrease)	(91)	110	31
Other payables increase (decrease)	(179)	(637)	768
Deferred income for reward points increase (decrease)	69	(58)	(223)
Cash received from operations	6,323	715	4,419
Interest expense paid	(1,529)	(1,574)	(1,452)
Employee benefits paid	(39)	(8)	(27)
Income tax paid	(1,275)	(1,345)	(1,024)
Net cash provided by (used in) operating activities			

KRUNGTHAI CARD PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

Audited by Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

UNIT: MILLION BAHT	FINANCIAL STATEMENTS		
	CONSOLIDATED FINANCIAL STATEMENTS		
	2020	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for investments in subsidiaries and an associate	(72)	-	-
Cash received from sale of long-term investment	-	-	3
Cash paid for purchase of leasehold improvements and equipment	(210)	(230)	(93)
Cash paid for purchase of computer software	(127)	(274)	(132)
Proceeds from sale of leasehold improvements and equipment	3	16	0.3
Cash received from redemption of other financial assets	4	-	-
Net cash used in investing activities	(402)	(487)	(222)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash received from (paid for) short-term borrowings from financial institutions and related parties (net)	2,584	2,582	(1,287)
Proceeds from issuance of long-term debentures	3,500	6,115	9,250
Cash paid for redemption of long-term debentures	(6,185)	(5,285)	(7,270)
Dividend paid	(2,269)	(2,114)	(1,367)
Cash paid for lease liabilities	(168)	-	-
Proceed from ordinary shares issued of subsidiaries from non-controlling interest	25	27	-
Net cash provided by (used in) financing activities	(2,513)	1,325	(673)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	566	(1,374)	1,021
CASH AND CASH EQUIVALENTS AS AT JANUARY 1,	1,348	2,722	1,701
CASH AND CASH EQUIVALENTS AS AT DECEMBER 31,	1,914	1,348	2,722

Key Financial Ratio

	UNIT	AS OF 31 DECEMBER 2020	AS OF 31 DECEMBER 2019	AS OF 31 DECEMBER 2018
PROFITABILITY RATIO				
Gross Profit Margin	%	88.3%	87.7%	86.8%
Net Profit Margin	%	24.2%	24.4%	24.2%
Return on Equity (ROE)	%	25.0%	30.6%	35.5%
Average Interest Received ⁽¹⁾	%	17.3%	17.7%	18.0%
Average Cost of Fund	%	2.7%	2.8%	2.9%
Net Interest Margin	%	14.7%	14.9%	15.1%
EFFICIENCY RATIO				
Net Interest Revenue/Total Asset ⁽²⁾	%	14.5%	14.6%	14.5%
Return on Asset (ROA)	%	6.1%	6.7%	6.7%
Asset Turnover	times	0.3	0.3	0.3
FINANCIAL RATIO				
Debt to Equity (D/E)	times	2.9	3.3	3.9
Loan to Borrowing	%	157.0%	150.2%	144.5%
Interest Coverage Ratio	times	5.3	5.4	5.1
Dividend Payout Ratio	%	42.5% ⁽³⁾	41.1%	41.1%
ASSET QUALITY RATIO				
Allowance for Expected Credit Loss to Total Receivables	%	8.2%	6.6%	7.0%
Bad Debt/Total Receivables	%	5.5%	7.3%	7.6%
% NPL	%	1.8%	1.1%	1.1%
% NPL Credit Card	%	1.3%	0.9%	1.0%
% NPL Personal Loan	%	2.7%	0.9%	0.8%

Note:

⁽¹⁾ Credit usage fee is included in the calculation

⁽²⁾ Interest revenue is included credit usage fee

⁽³⁾ The right to receive dividends is unconfirmed until approved in the Annual General Shareholders Meeting 2021 (No. 19)

Commentary and analysis for the Company's financial positions performance 2020, 2019, and 2018

Commentary for the Company's financial statements 2020, 2019, and 2018

Basis of preparation and presentation of the financial statements 2020, 2019, and 2018

The Company maintained its accounting records in Thai Baht and prepares its statutory financial statements in Thai language in accordance with Thai Financial Reporting Standards and generally accepted accounting principle in Thailand. Details of the financial reporting standards are available in the notes to the financial statements of the Company in that respective year.

Analysis for the Company's financial positions and performance in 2020

Overall performance analysis for year 2020

The COVID-19 pandemic which started since the beginning of 2020 had severely affected overall economic data. However, due to the stimulus from public spending, the Thai economy had gradually recovered since the end of the second quarter. As overall economic data began to improve, the Company's credit card spending passed its lowest point which contracted at -36% (yoY) in April (the average contraction rate in Q2 was -21.0% yoY) and returned to grow in each month, hence only contracted at -7.7% (yoY) in average for the Year 2020. The Company's total receivable portfolio in 2020 was also able to expand at 4.3% (yoY). Nonetheless, following the Bank of Thailand's new criteria to reduce its interest rate ceiling both for credit card business by 2% and for personal loan business by 3% since August 1, 2020, the Company's revenue in the last quarter of 2020 had been unavoidably impacted for the entire period.

Thus, the Company had given further priority to its customer screening so as to effectively manage its asset quality. The Company had also adjusted its strategies and acquired new business models to be in accordance with changing consumer behaviors. In addition, the Company had obtained appropriate measures for its receivables risk management, improved its entire work process, reduced its operating costs, as well as shortened its period for bad debts write-off so as to truly reflected reality of its portfolio. Meanwhile, the Company continued to maintain appropriate financial expense and gained income from bad debt recovery at a satisfactory level. The Company's profits before expected credit loss for 2020 was approximately the same as last year.

Business plans in 2021

Despite various risk factors affecting its business operations, the Company continues to aim for the expansion in both credit card spending and total receivables portfolios. The Company also places the significance in its asset quality by focusing on its management of debt collection and its control of NPLs at an appropriate level. The Company is positively convinced that profits can be achieved this year with an acceptable, yet even better than last year growth rate.

- Under the TFRS 9 standard, net profits for 2020 totaled to 5,332 MB. Profit values before expected credit loss for 2020 equaled to 13,262 MB, nearly the same as last year of 13,337 MB.
- With the increase in interest income from both credit card and personal loan of 5.7% (yoY) and 2.8% (yoY), respectively, the Company's total interest income (including credit usage fee) for 2020 amounted to 14,167 MB, a 4.1% (yoY) growth but at a slower pace than that of 7.3% (yoY) for the first nine months period of this year. This was due to the impact from the reduction in interest rate ceiling for the last 5 months of this year, thus some decline in interest income for the fourth quarter. However, the Company still have sound member base whose accounts remained active roughly as before and continued to generate continuous interest income. In the meantime, fee income (excluding credit usage fee) for 2020 contracted at -11% (yoY) or amounted to 4,478 MB.
- KTC's credit card spending for the year 2020 contracted at -7.7% while that of the industry at -12.8%. By quarterly comparison in percentage changes for this year, the industry's percentage changes in Q1, Q2, Q3, and Q4 were at -0.7%, -25.8%, -12.5%, and -12.2% respectively while percentage changes of KTC's credit card spending were better than those of the industry at 2.2%, -21.0%, -5.8%, and -6.3% respectively. For 2020, KTC's credit card spending valued 197,087 MB in total.

UNIT: MILLION BAHT	CONSOLIDATED 4Q2020	CONSOLIDATED 4Q2019	CONSOLIDATED Y2020	CONSOLIDATED Y2019
Total Revenues ⁽¹⁾	5,566	5,927	22,056	22,625
- Bad Dept Recovered	836	898	3,119	3,496
Administrative Expense	2,037	2,038	7,260	7,722
Finance Costs	375	399	1,534	1,566
Pre-Provision Profit	3,153	3,490	13,262	13,337
Expected Credit Loss (Bad Depts and Doubtful Accounts)	1,511	1,841	6,605	6,433
- Bad Dept	1,186	1,648	4,920	6,290
- Doubtful Accounts (Reversal)	324	193	1,685	143
Profit before Income Tax	1,642	1,649	6,656	6,904
Income Tax Expense	321	330	1,325	1,380
Net Profit for the Period	1,321	1,319	5,332	5,524

Remark: ⁽¹⁾ Total Revenue for 2020 included share of profit of associates in which the equity method is applied.

- The Company's member base remained closely the same as the previous year, with total members of 3.4 million accounts, comprising of 2,575,684 credit cards (up 2.6% yoy) and 814,329 personal loan accounts (down -8.3% yoy from non-active accounts closing during the past period).
- Total loans expanded at 4.3% or amounted to 90,149 MB, consisting of 60,235 MB from total credit card receivables and 29,915 MB from total personal loan receivables.

UNIT: MILLION BAHT	CONSOLIDATED FINANCIAL STATEMENT		
	AS AT DECEMBER 31, 2020		
	CREDIT CARD	PERSONAL LOAN	TOTAL
Stage 1	53,402	23,618	77,020
Stage 2	5,797	5,192	10,989
Stage 3	791	807	1,598
Total loans to customers	59,990	29,617	89,607
<u>Add</u> Accrued interest and undue interest receivables, net	245	298	543
Total loan to customers and accrued interest receivables	60,235	29,915	90,149
<u>Less</u> Allowance for expected credit loss	4,218	3,138	7,355
Total loans to customers and accrued interest receivables, net	56,017	26,777	82,794

- Net interest margin for 2020 was 14.66% due to average interest received at 17.32% and cost of funds at 2.67%. Net interest margin for this year was down from last year of 14.93% following the reduction in interest rate ceiling.
- The Company's total NPL under the TFRS 9 standard for 2020 declined to 1.8% from that of 1.9% in Q3, thanks to the Company's capability in effectively managing its receivables quality. The Company had also been in full support of the government policy to assist debtors not to be too quickly classified as NPL during this abnormal economic situation by following the Bank of Thailand's relaxation guidelines to postpone debt classification for NPL receivables who still can make predetermined repayment without undertaking debt restructuring. Therefore, the value of receivables in Stage 3 (NPL) at the end of the year hardly changed with the amount of 1,598 MB, compared to that of 1,555 MB in Q3.

IMPACTS FROM IMPLEMENTING TFRS9	CONSOLIDATED 4Q2020 (TFRS9)	CONSOLIDATED 3Q2020 (TFRS9)	CONSOLIDATED 2Q2020 (TFRS9)
Total NPL (%)	1.8%	1.9%	6.6%
- NPL Credit Card (%)	1.3%	1.4%	5.6%
- NPL Personal Loan (%)	2.7%	2.6%	8.5%
Allowance for Expected Credit Loss to Total Receivables (%)	8.2%	8.3%	10.4%
NPL Coverage Ratio (%)	460.4%	452.0%	157.5%

- Allowance for expected credit loss to total loans at the end of 2020 equaled to 8.2%, down from that of 8.3% in Q3 and NPL Coverage Ratio was higher to 460.4% in this quarter from that of 452.0% in the last quarter.
- For 2020, total operating cost to income ratio was 32.9%, declined from 34.1% (yoY). This was owing to less marketing campaigns for both new card acquisition and card spending promotion, but more focus on marketing campaigns via online channels. Yet, net operating cost to income ratio was 25.4%, approximately the same as previous of 25.3% (yoY).

Business Overview in 2020

In the third quarter of 2020, the Thai economy had recovered faster than expected due to various factors. In particular, public investment and private consumption somewhat gradually improved. Nevertheless, tourism, private investment, as well as merchandise exports continued to contract sharply. Hence, the Bank of Thailand had adjusted its GDP forecast for 2020 to contract at -6.6% (from previously estimate in September 2020 of -7.8% contraction). For 2021, the Bank of Thailand had taken new waves of COVID-19 infections into consideration for its economic projection under the assumption that such infections could be contained within a short period of time. The economy in 2021 was projected to expand by 3.2% (from earlier estimate in September 2020 of 3.6% growth) as merchandise exports would improve in tandem with trading partner economies' growth. Meanwhile, exports of services would recover more

slowly as the admission of foreign tourists to Thailand would likely be limited. Domestic demand would depend on public expenditure which would remain a key economic driver to the Thai economy during 2021.

As the economic situation had slowly recovered, overall consumer finance industry expanded at a slower pace. The industry's credit card receivables in 2020 valued 449,733 MB in total while its total personal receivables amounted to 580,454 MB. Meanwhile, the industry's total credit card spending in 2020 equaled to 1,643,709 MB.

In 2020, KTC's credit card receivables accounted for 13.4% of the industry whereas its personal loan receivables accounted for 5.2% of the industry.

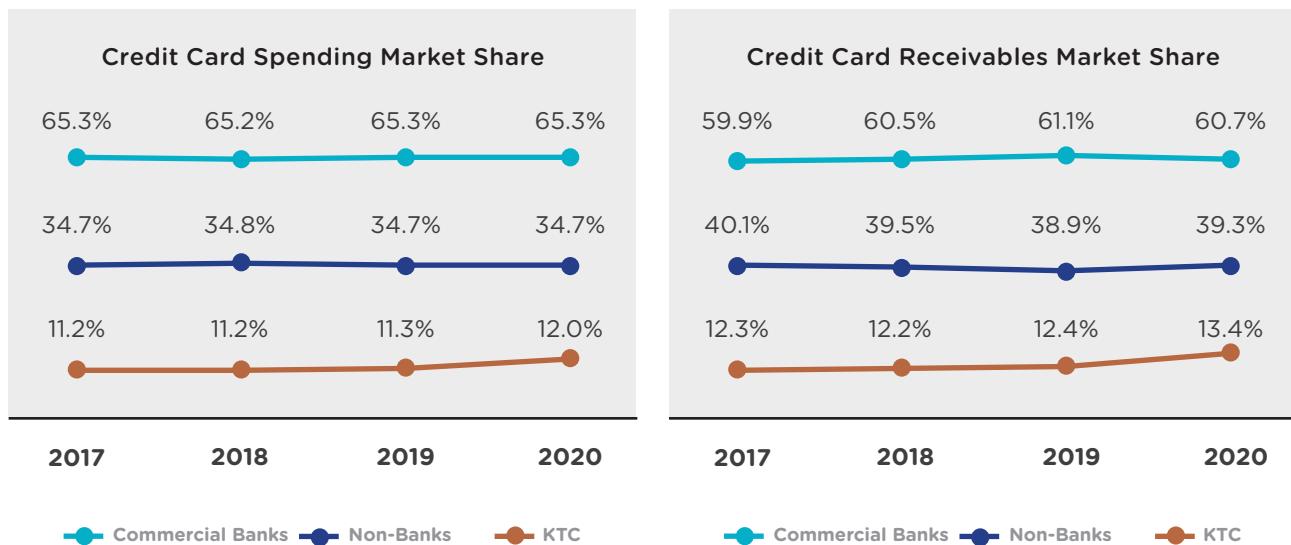
INDUSTRY COMPARISON	Y2020	Y2019	Y2018
Credit Card Receivable (Million Baht)	449,733	457,090	418,747
Growth (%)	-1.6%	9.2%	6.2%
KTC Credit Card Receivables to Industry (%)	13.4%	12.4%	12.2%
Number of Credit Cards (Cards)	24,163,921	23,620,374	22,105,554
Growth (%)	2.3%	6.9%	8.7%
Credit Card Spending (Million Baht)	1,643,709	1,885,725	1,730,488
Growth (%)	-12.8%	9.0%	10.0%
KTC Credit Card Spending to Industry (%)	12.0%	11.3%	11.2%
Personal Loan Receivables (Million Baht) ⁽¹⁾	580,454	579,911	383,303
Growth (%)	0.1%	51.3%	8.2%
KTC Personal Loan Receivables to Industry (%)	5.2%	5.0%	7.0%

Source: Bank of Thailand

Remark: ⁽¹⁾ Information of Personal Loan incorporated Car Title Loan since February 2019

KTC's Credit Card Spending Compared to the Industry's

- The Company's credit card spending in 2020 contracted at -7.7% (yoY), yet better than that of the industry which contracted at -12.8% (yoY). The Company's market share at the end of 2020 was at 12.0%, up from the end of 2019 at 11.3%.



Revenue and Expense

- Total revenue for 2020 was 22,056 MB, down by -2.5% compared to last year. Interest income from credit card receivables and personal loan receivables increased by 5.7% (yoY) and 2.8% (yoY) respectively, nonetheless at a slower pace as a result of the COVID-19 pandemic, together with the impact from the reduction of interest rate ceiling following the Bank of Thailand's debt relief measure. Meanwhile, fee income (excluding credit usage fee) contracted at -11.0% (yoY) because of the decline in fee income from interchange fee, from cash withdrawal, as well as from merchant's acquiring business.

UNIT: MILLION BAHT	Y2020	% OF REVENUE	Y2019	% OF REVENUE	GROWTH
Total interest income including credit usage fee	14,167	64%	13,607	60%	4%
- Credit Card Receivables	6,611	30%	6,255	28%	6%
- Personal Loan Receivables	7,556	34%	7,352	32%	3%
Fee Income (excluding credit usage fee)	4,478	20%	5,032	22%	-11%
Financial Cost	1,534	7%	1,566	7%	-2%
Net Interest Margin	14.66%		14.93%		
- Average Interest Received (%)	17.32%		17.73%		
- Cost of Fund (%)	2.67%		2.81%		

- In 2020, the total expense equaled to 15,400 MB, comprising of 7,260 MB from administrative expense, 6,605 MB from expected credit loss, and 1,534 MB from funding cost.
- Administrative expense was down by -6.0% (yoY) due to the decline in both transaction volumes and marketing activities.
- Details of total administrative expense in 2020 are listed as follows.

UNIT: MILLION BAHT	Y2020	% OF REVENUE	Y2019	% OF REVENUE	GROWTH
Personal Expense	2,278	10%	2,450	11%	-7%
Marketing Expense	817	4%	1,014	4%	-19%
Fees	2,267	10%	2,373	10%	-4%
Other Administrative Expense	1,899	9%	1,884	8%	1%
Total Administrative Expense	7,260	33%	7,722	34%	-6%

- Expected credit loss valued 6,605 MB in total, up 2.7% (yoY), consisting of 4,920 MB of bad debts and 1,685 MB of doubtful accounts. Details are explained as follows.

UNIT: MILLION BAHT	Y2020	% OF REVENUE	Y2019	% OF REVENUE	GROWTH
Expected Credit Loss	6,605	30%	6,433	28%	3%
- Expected Credit Loss: Credit Card	3,467	16%	3,508	16%	-1%
- Expected Credit Loss: Personal Loan	3,138	14%	2,926	13%	7%

- Change in allowance for expected credit loss as of December 31, 2020

UNIT: MILLION BAHT	ALLOWANCE FOR EXPECTED CREDIT LOSS			ALLOANCE FOR DOUBTFUL ACCOUNT	TOTAL
	12-MONTH ECL (STAGE 1)	LIFETIME ECL - NOT CREDIT IMPAIRED (STAGE 2)	LIFETIME ECL - NOT CREDIT IMPAIRED (STAGE 3)		
Balance as to December 31, 2019	-	-	-	5,670	5,670
Impact of adoption of TFRS 9	2,419	1,998	1,252	(5,670)	-
Balance as to January 1, 2020	2,419	1,998	1,252	-	5,670
Changes in staging	831	(582)	(249)	-	-
Changes in risk parameters	148	1,528	5,696	-	7,372
New financial assets purchased/ acquisition	631	-	-	-	631
New financial assets derecognized	(165)	(500)	(732)	-	(1,397)
Written-off	-	-	(4,920)	-	(4,920)
Balance as to December 31, 2020	3,865	2,445	1,046	-	7,355

- At the end of 2020, the Company's Management Overlay was 1,000 MB to prepare to mitigate economic risk in the future.

Financial status and sources of funding

- **Increase in assets.** The Company's assets at the end of 2020 were at 88,403 MB. The main income generating assets were loans to customers and net accrued interest receivables of 82,794 MB, accounted for 94% of total assets whereas the rest of 6% comprised of cash, other receivables, deferred tax assets and other assets.
- **Effective fund raising.** The Company's total borrowing amounted to 57,439 MB, nearly the same as the previous year of 57,540 MB. Fund raising structure was both from short-term and long-term borrowings. Short term borrowings were loans from related financial institutions of 7,660 MB and from other financial institutions of 6,299 MB. Long term borrowings were from debentures issuances of 43,480 MB to various sources, i.e. Thai commercial banks, securities companies, insurance companies and other asset managements. At the end of 2020, the Company's total credit lines amounted to 29,940 MB, consisting of 18,030 MB from Krungthai Bank and 11,910 MB from other commercial banks. As the Company had utilized some of those credit lines, its available credit lines at the end of December 2020 equaled to 16,979 MB. The Company's cost of funds was at 2.67% and its debt-to-equity ratio was at 2.87 times, very well below the bond covenant limited at 10 times.

KTC FINANCIAL HIGHLIGHTS (UNIT: MILLION BAHT)	4Q2020	4Q2019	Y2020	Y2019
Total Revenue	5,566	5,927	22,056	22,625
Total Expense (excluding Financial Cost)	3,548	3,878	13,866	14,155
Total Expense (including Financial Cost)	3,923	4,278	15,400	15,721
Net Profit	1,321	1,319	5,332	5,524
Loans to Credit Card Customer and Accrued Interest Receivables, net	56,017	53,507	56,017	53,507
Loans to Personal Loans Customers and Accrued Interest Receivables, net	26,777	27,248	26,777	27,248
Total Assets	88,403	85,409	88,403	85,409
Total Borrowings	57,439	57,540	57,439	57,540
Total Liabilities	65,553	65,674	65,553	65,674
Total Shareholders' Equity	22,850	19,735	22,850	19,735

Impacts from the COVID-19 outbreak

The COVID-19 pandemic had inevitably impacted the growth of KTC's credit card spending and its receivable portfolio. The Ministry of Finance and the Bank of Thailand had announced forbearance measures to assist clients affected by the COVID-19 outbreak, which the Company had proceeded according to such programs since March 26, 2020. Later on, the Bank of Thailand had announced the second phase of relief measures dated June 19, 2020 to further aid retail clients during the COVID-19 pandemic in which interest rate ceilings had been reduced and credit limits had been increased for both credit card and personal loan clients according to the standard rates specified by the Bank of Thailand and had been effective since August 1, 2020. The Company, therefore, had proceeded following the Bank of Thailand's guidelines for the second phase of forbearance program by expanding not only relief criteria but also relief period for retail clients affected by the COVID-19, such as restructuring debt to long term loan, postponing payment or principle, or reducing installment payment etc., in which the ending of relief period had extended to December 31, 2020. However, on January 12, 2021, the Bank of Thailand had announced another forbearance measure to aid retail clients for a new round of the domestic COVID-19 outbreak by extending relief period until June 30, 2021 in which the Company will later proceed accordingly.

Since the beginning of the Company's debt relief program, there were 11,404 accounts participating in debt restructuring under such program with total debt values of 911 MB, and as of December 31, 2020, there were 10,812 accounts with total existing debt values of 813 MB.

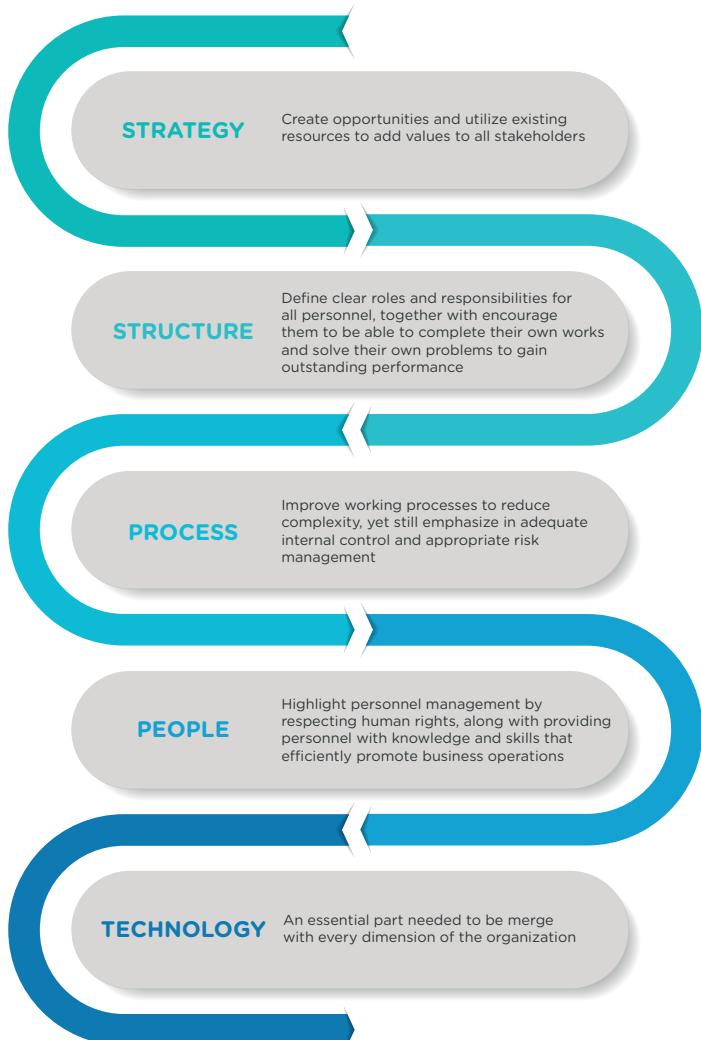
KEY FINANCIAL RATIO (UNIT: MILLION BAHT)	4Q2020	4Q2019	Y2020	Y2019
Gross Profit Margin (%)	88.3%	87.9%	88.3%	87.7%
Net Profit Margin (%)	23.7%	22.3%	24.2%	24.4%
Interest Coverage Ratio (Times)	5.4	5.1	5.3	5.4
Dept to Equity (Times)	2.9	3.3	2.9	3.3
Return on Equity (%)	24.8%	29.2%	25.0%	30.6%
Return on Asset (%)	6.1%	6.4%	6.1%	6.7%
Allowance for Expected Credit Loss/ Total Receivables (%)	8.2%	6.6%	8.2%	6.6%
NPL Coverage Ratio (%)	460%	620%	460%	620%
Book Value per Share (Baht)	8.9	7.7	8.9	7.7
Earning per Share (Baht)	0.51	0.51	2.07	2.14

KTC's business direction for future growth

Under the Company's vision "KTC is a membership company in payment service and retail lending businesses with sustainability as key element", KTC defines its business strategies to be in consistent with its vision and to create balance among economic, social, and environment aspects in order to precisely meet customer needs and stakeholder interests, as well as to achieve sustainable business growth amidst continuous changes in business conditions. The Company's business strategies can be summarized as follows.

Being an "Agile Entity" or a living organism

In order to gain its solid foundation for sustainable growth, the Company has implemented the working concepts of flexibility and adaptability through 5 key factors as follows:



For 2021, the Company has adjusted its business plans for credit card business by aiming to closely coordinate with its business partners in promoting more marketing campaigns thru online channels. For personal loan business, the Company seeks to provide convenience for its clients with all utilized functions, "Withdraw-Swipe-Pay Installments-Transfer", offered in one card. For 'KTC P Berm' covering car title loan and motorcycle title loan, the Company plans to largely expand its market this year with loan growth target of 1,000 MB in which it's believed to support the Company's future business growth. The Company also aims not just to manage high quality of its total receivable portfolio but also to focus on maintaining its current membership loyalty to KTC by continuingly promoting marketing campaigns thru both online and offline.

In addition, the Company has another ongoing project plan related to Payment System in which its information and operating procedures are still under study. Nonetheless, the management is convinced that this could become another new business which would help strengthening the Company's core businesses as well as provide opportunity for the Company to achieve sustainable and steady growth in the long run.

Performance analysis of each business for the year 2020, 2019, and 2018

The Company compare revenue from operation of each business for the year ended 31 December 2020, 2019, and 2018 to identify the ability to generate revenue from each business unit. Currently the Company's two main business is the credit card business and the personal loan business which contributes to total revenue 57% and 42%, respectively, with similar contributions to revenue structure in 2019 and 2018. Details of revenue (including recovery income) of each business are as follows:

INCOME BY BUSINESS	FOR THE YEAR ENDING DECEMBER 31, 2020		FOR THE YEAR ENDING DECEMBER 31, 2019		FOR THE YEAR ENDING DECEMBER 31, 2018	
	MB	PORTION (%)	MB	PORTION (%)	MB	PORTION (%)
1. Credit Card Income	12,587	57.1%	13,068	57.8%	12,363	58.3%
2. Personal Loan Income	9,177	41.6%	9,069	40.1%	8,414	39.7%
3. Other Incomes ⁽¹⁾	293	1.3%	489	2.1%	420	2.0%
Total	22,056	100.0%	22,625	100.0%	21,198	100.0%

⁽¹⁾ Other Incomes: other fee incomes, profit (loss) from exchange rate, and share of profit of an associate

Credit Card Business

CREDIT CARD INCOME	FOR THE YEAR ENDING DECEMBER 31, 2020		FOR THE YEAR ENDING DECEMBER 31, 2019		FOR THE YEAR ENDING DECEMBER 31, 2018	
	MB	PORTION (%)	MB	PORTION (%)	MB	PORTION (%)
1. Credit Card Interest Income ⁽¹⁾	6,611	52.5%	6,255	47.9%	5,820	47.1%
2. Fee Incomes	4,294	34.1%	4,846	37.1%	4,602	37.2%
- Card Issuing	2,694	21.4%	3,107	23.8%	2,890	23.4%
- Merchant Acquiring	1,600	12.7%	1,738	13.3%	1,712	13.8%
3. Bad Debt Recovery	1,681	13.4%	1,967	15.0%	1,942	15.7%
Total	12,587	100.0%	13,068	100.0%	12,363	100.0%

⁽¹⁾ Credit card interest income including credit usage fee income

Revenue from credit card business consisted of incomes parts namely, Interest income, fee income, and recovery income with contribution 53%, 34% and 13% to revenue, respectively.

1. Interest income from credit card

In 2020 the Company continues to develop creative marketing campaigns to deliver satisfactory experience to customers as well as support brand growth. The Company also strives to become the preferential brand in the long term via expansion of customer base, work with partners, address the needs of present customers, and promote consistent spending through KTC credit cards. Despite the impact of the COVID-19 pandemic and the Bank of Thailand relief program that reduce the interest ceiling to consumers that directly affect the Company in the last five months of the year, yet the Company retained customers base whose account movements remain at relatively the same level and continued to generate interest income. Furthermore, the Company maintained control over non-performing loan and kept it at low level. On December 31, 2020 the Company reported 2,575,684 credit cards a 2.6% increase from the previous year. Credit card spending was 197,087 MB, decreased -7.7% from the previous year but lower than the industry that declined -12.8%.

	FOR THE YEAR ENDING DECEMBER 31, 2020	FOR THE YEAR ENDING DECEMBER 31, 2019	FOR THE YEAR ENDING DECEMBER 31, 2018
Number of Credit Card (Cards)	2,575,684	2,510,914	2,387,659
Growth (%YoY)	2.6%	5.2%	10.1%
Credit Card Receivables-net (Million Baht)	56,017	53,507	47,937
Growth (%YoY)	4.7%	11.6%	6.4%
Total Credit Card Spending ⁽¹⁾ (Million Baht)	197,087	213,629	193,101
Growth (%YoY)	(7.7%)	10.6%	9.2%

Note: ⁽¹⁾ Credit card spending includes cash advance

2. Fee income from credit card issuing business

Total fee from credit card business consisted of issuing, acquiring, and other fee. Fees related to credit card issuance occur from transactions as card issuer. Such fees are called the interchange fee, a fee that the Company received as a percentage of the credit card spending, once the card holders use the Company's card to pay for goods and services. Other credit card fees are such as, cash advance fee. In 2018 and 2019, the Company's interchange fee was 2,890 MB and 3,107 MB, respectively. Interchange fee for 2020 was 2,694 MB, decreased -13.3% from the same period last year. The decline was a consequence of the COVID-19 pandemic that triggered consumers to be more cautious with their spending and spend less as a result.

3. Fee Income from Merchant Acquiring

	FOR THE YEAR ENDING DECEMBER 31, 2020	FOR THE YEAR ENDING DECEMBER 31, 2019	FOR THE YEAR ENDING DECEMBER 31, 2018
Number of KTC Merchant ⁽¹⁾ (Merchants)	42,050	39,870	36,837
Growth (%YoY)	5.5%	8.2%	12.1%
Total Spending through KTC Merchants ⁽²⁾ (Million Baht)	68,887	82,054	85,732
Growth (%YoY)	(16.0%)	(4.3%)	10.1%
Fee Income from Merchant Acquiring Business (Million Baht)	1,600	1,738	1,712
Growth (%YoY)	(7.9%)	1.5%	8.9%

Note: ⁽¹⁾ Excluding Cash Advance Outlets at the ending period

⁽²⁾ Excluding Cash Advance transactions

Revenue from merchant acquiring business are incomes from merchant services such as discount fee and EDC rental fee. In 2018 and 2019 the number of the Company's merchant outlets was 36,837 and 39,870 outlets, respectively. In 2020, the number of merchant outlets was 42,050 outlets, a 5.5% increase from the previous year due to the Company's consistent merchant expansion and the continuous installations of EDC. Revenue from merchant acquiring business in 2020 was 1,600 MB, generated by merchant discount fee, which is a fee that KTC earns as merchant acquirer for the Company's merchant outlets.

Personal Loan Business

The Company's personal loan business was officially launched in October 2003 to provide a diversified personal credit service and continue to provide special arrangement that addressed customer's need. In 2006 the Company launched "KTC Cash Revolve" to expand the portfolio and generate more income. Later in 2014, the Company rebranded "KTC Cash Revolve" to "KTC PROUD" and include the installment payment "KTC Flexi" as a new feature of KTC PROUD. Accordingly, the Company implemented a sustainable marketing policy in 2016 and therefore increase the minimum income of KTC Proud members from 10,000 Baht to 12,000 Baht starting from November 1, 2016.

In 2020, the Company expanded new customer base and create good customer experience for existing customer by launching a new cash card "KTC Proud Union Pay" which increases flexibility with four functions of cash withdrawal, cash transfer, card swipe, and installment in one single card. Additionally, once the card is used with the KTC Mobile application, cash can be transferred to any bank account without transferring fee to addressed customers' need and increase value to members all year round. Finally, the Company has launched a new credit service business "KTC P Berm" that provide coverage for "Auto title loan" and "Motorcycle title loan" as an option for all profession to gain access to credit in a lawful manner. KTC P Berm possessed three outstanding features which is large credit limit, quick on-site approval, and paid immediately. The service is an installment with equal payments with maximum interest rate of 24% per annum with online application to serve customer in the digital age.

In 2020, personal loan portfolio was 26,777 MB decreased -1.7% from the previous year due to the Company's stricter credit approval due to the lower interest ceiling and the COVID-19 pandemic. Nevertheless, interest income from personal loan increased 2.8% YoY to 7,556 MB

	FOR THE YEAR ENDING DECEMBER 31, 2020	FOR THE YEAR ENDING DECEMBER 31, 2019	FOR THE YEAR ENDING DECEMBER 31, 2018
Personal Loan Receivables-net (Million Baht)	26,777	27,248	24,776
Growth (%YoY)	(1.7%)	10.0%	9.1%
Interest Income ⁽¹⁾ (Million Baht)	7,556	7,351	6,821
Growth (%YoY)	2.8%	7.8%	12.7%
Fee Income (Million Baht)	183	187	192
Growth (%YoY)	(2.1%)	(2.6%)	(7.6%)
Bad Debt Recovery-PL (Million Baht)	1,437	1,530	1,400
Growth (%YoY)	(1.8%)	9.3%	21.7%

⁽¹⁾ Personal loan's interest income includes credit usage fee

Financial Statement

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS KRUNGTHAI CARD PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Krungthai Card Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Krungthai Card Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Krungthai Card Public Company Limited and its subsidiaries and of Krungthai Card Public Company Limited as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3.2 and Note 3.6 to the financial statements that Krungthai Card Public Company Limited and its subsidiaries have adopted new accounting policies in accordance with group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 “Leases” which become effective for fiscal year beginning on or after January 1, 2020. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Key Audit Responses
Allowance for expected credit loss <p>The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments ("TFRS 9") which has been applied since January 1, 2020. TFRS 9 requires the Company to recognize impairment based on expected credit loss ("ECL"). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:</p> <ul style="list-style-type: none"> • Accounting interpretations and modelling assumptions used to build the models that the Company used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD); • Completeness and accuracy of data used to calculate the ECL; • Inputs and assumptions used to estimate the impact of forward-looking factors and/or management overlay; • Classification of loans to customers to stage 1, 2 and 3 using criteria in accordance with TFRS 9; 	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Assessing the adjustments made to the opening balances on January 1, 2020, resulted from the first time adoption of TFRS 9; • Reviewing management written policies, which were collaborated from the Company's management's experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporate with the requirements of TFRS 9 and properly approved by the appropriate level of management; • Obtained an understanding of the Company's design and implementation of the key controls over significant input data used in the calculation of allowance for expected credit loss, and calculation of allowance for expected credit loss; • Performed operating effectiveness testing of the controls over significant input data used in calculation of allowance for expected credit loss and calculation of allowance for expected credit loss. In addition, we also tested general information technology controls for loan system; • Involving our internal specialists to assess the model documentation. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments and verifying data quality, we tested the data used in the ECL calculation by reconciling to source systems;

Key Audit Matter	Key Audit Responses
<ul style="list-style-type: none"> Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information; and Completeness and valuation of post model adjustments. <p>Accounting policy of the allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in the Note 3.2 and Note 5 to the financial statements.</p>	<ul style="list-style-type: none"> Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions; Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with TFRS 9. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit scoring system of the Company; and Tested calculation of allowance for expected credit loss for a sample of models.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company'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 and the Company 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 Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 our 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 and the Company'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 and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

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



Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand)
Registration No. 3356

BANGKOK
February 8, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2020	2019	2020	2019	
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents		1,913,996,287	1,348,367,781	1,913,623,051	1,347,818,163	
Loans to customers and accrued interest receivables, net and other current receivables						
Loans to customers and accrued interest receivables, net	5	82,794,070,488	80,755,551,812	82,790,451,296	80,753,952,651	
Other receivables	6	458,518,530	580,394,465	460,037,157	580,753,294	
Other current financial assets	7	-	4,016,828	-	4,016,828	
Total Current Assets		<u>85,166,585,305</u>	<u>82,688,330,886</u>	<u>85,164,111,504</u>	<u>82,686,540,936</u>	
NON-CURRENT ASSETS						
Other non-current financial assets	7	4,982,322	4,979,883	4,982,322	4,979,883	
Investments in subsidiaries and an associate	8	72,795,564	-	229,604,970	82,554,980	
Leasehold improvements and equipment	9	481,435,040	495,089,968	481,435,040	495,089,968	
Right-of-use assets	10	456,636,632	-	456,636,632	-	
Intangible assets	11	474,973,721	480,738,380	473,743,501	479,184,136	
Deferred tax assets	12	1,667,029,454	1,658,501,241	1,666,997,707	1,658,501,241	
Other non-current assets		78,874,468	81,621,875	78,754,468	81,379,980	
Total Non-current Assets		<u>3,236,727,201</u>	<u>2,720,931,347</u>	<u>3,392,154,640</u>	<u>2,801,690,188</u>	
TOTAL ASSETS		<u>88,403,312,506</u>	<u>85,409,262,233</u>	<u>88,556,266,144</u>	<u>85,488,231,124</u>	

Notes to the financial statements form an integral part of these statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2020	2019	2020	2019	
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES						
Short-term borrowings from financial institutions						
and related parties						
- Related financial institutions	13.1 and 24	7,660,000,000	3,839,625,096	7,660,000,000	3,839,625,096	
- Other financial institutions	13.1	6,299,408,660	7,535,860,469	6,299,408,660	7,535,860,469	
- Related parties	13.2 and 24	-	-	202,313,182	107,489,096	
Trade and other current payables						
Trade payables						
- Related financial institutions and						
related parties	24.1	720,696,879	910,863,166	720,696,237	910,863,059	
- Other companies		747,063,768	855,933,027	746,971,576	854,868,048	
Accrued interest expenses		327,505,450	348,614,683	327,680,398	348,623,518	
Current income tax payable		662,882,056	597,877,119	662,894,850	597,818,591	
Accrued expenses		1,106,780,865	1,197,669,344	1,106,196,178	1,197,283,179	
Other payables	14	1,253,882,933	1,432,770,412	1,253,895,188	1,432,766,301	
Current portion of lease liabilities	15	212,568,795	-	212,568,795	-	
Current portion of long-term debentures	16	8,780,000,000	6,185,000,000	8,780,000,000	6,185,000,000	
Deferred income for reward points		2,345,752,136	2,277,229,874	2,345,752,136	2,277,229,874	
Total Current Liabilities		30,116,541,542	25,181,443,190	30,318,377,200	25,287,427,231	
NON-CURRENT LIABILITIES						
Lease liabilities	15	247,717,943	-	247,717,943	-	
Long-term debentures	16	34,700,000,000	39,980,000,000	34,700,000,000	39,980,000,000	
Provisions for employee benefits	17	488,779,800	512,774,800	488,779,800	512,774,800	
Total Non-current Liabilities		35,436,497,743	40,492,774,800	35,436,497,743	40,492,774,800	
TOTAL LIABILITIES		65,553,039,285	65,674,217,990	65,754,874,943	65,780,202,031	

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2020

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE		
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS		
		2020	2019	2020	2019	
LIABILITIES AND SHAREHOLDERS' EQUITY						
(CONTINUED)						
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Authorized share capital						
2,578,334,070 ordinary shares of Baht 1.00 each		<u>2,578,334,070</u>	<u>2,578,334,070</u>	<u>2,578,334,070</u>	<u>2,578,334,070</u>	
Issued and paid share capital						
2,578,334,070 ordinary shares of Baht 1.00 each, fully paid		2,578,334,070	2,578,334,070	2,578,334,070	2,578,334,070	
SHARE PREMIUM						
Share premium on ordinary shares		1,891,808,721	1,891,808,721	1,891,808,721	1,891,808,721	
RETAINED EARNINGS						
Appropriated						
Legal reserve		19	257,833,407	257,833,407	257,833,407	
Unappropriated			<u>18,070,976,922</u>	<u>14,979,730,217</u>	<u>18,073,415,003</u>	
EQUITY ATTRIBUTABLE TO OWNERS						
OF THE PARENT			22,798,953,120	19,707,706,415	22,801,391,201	
NON-CONTROLLING INTERESTS			<u>51,320,101</u>	<u>27,337,828</u>	<u>-</u>	
TOTAL SHAREHOLDERS' EQUITY			<u>22,850,273,221</u>	<u>19,735,044,243</u>	<u>22,801,391,201</u>	
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			<u>88,403,312,506</u>	<u>85,409,262,233</u>	<u>88,556,266,144</u>	
					<u>85,488,231,124</u>	

Notes to the financial statements form an integral part of these statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Notes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
Interest income	10,354,863,805	9,467,979,999	10,353,312,856	9,467,962,567
Fee and service income	8,289,720,621	9,171,863,025	8,289,668,094	9,171,863,025
Bad debt recovered	3,118,831,158	3,496,251,905	3,118,823,100	3,496,251,905
Gain on exchange rate - net	45,452,119	149,110,806	45,452,119	149,110,806
Other income	246,418,025	340,117,947	248,157,567	340,542,681
Total Revenues	22,055,285,728	22,625,323,682	22,055,413,736	22,625,730,984
Administrative expenses	7,049,908,483	7,519,013,047	7,046,117,549	7,518,051,777
Management remuneration	24.3	210,244,962	203,035,246	210,244,962
Expected credit loss	5.2	6,605,371,099	6,433,033,592	6,604,077,870
Total Expenses	20	13,865,524,544	14,155,081,885	13,860,440,381
PROFIT BEFORE FINANCE COSTS				
AND INCOME TAX		8,189,761,184	8,470,241,797	8,194,973,355
FINANCE COSTS		1,534,135,796	1,566,169,422	1,535,443,442
Share of profit of an associate accounted for using equity method		795,564	-	-
PROFIT BEFORE INCOME TAX		6,656,420,952	6,904,072,375	6,659,529,913
INCOME TAX EXPENSE	22	1,324,523,499	1,380,107,800	1,324,549,320
NET PROFIT FOR THE YEAR		5,331,897,453	5,523,964,575	5,334,980,593
Other comprehensive income (loss)				
Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
Gains (losses) on remeasurements of defined benefit plans		34,135,900	(67,182,000)	34,135,900
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss		(6,827,180)	13,436,400	(6,827,180)
Other comprehensive income (loss) for the year, net of tax		27,308,720	(53,745,600)	27,308,720
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,359,206,173	5,470,218,975	5,362,289,313
PROFIT (LOSS) ATTRIBUTABLE TO				
Owners of the parent		5,332,865,190	5,524,071,847	5,334,980,593
Non-controlling interests		(967,737)	(107,272)	-
		5,331,897,453	5,523,964,575	5,334,980,593
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO				
Owners of the parent		5,360,173,910	5,470,326,247	5,362,289,313
Non-controlling interests		(967,737)	(107,272)	-
		5,359,206,173	5,470,218,975	5,362,289,313
BASIC EARNINGS PER SHARE	BAHT	2.07	2.14	2.07
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	SHARES	2,578,334,070	2,578,334,070	2,578,334,070

Notes to the financial statements form an integral part of these statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Note	CONSOLIDATED FINANCIAL STATEMENTS						Non-controlling interests	Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Owners of the parent	Retained earnings	Total Appropriated Legal reserve	owners of the parent		
Beginning balance as at January 1, 2019	2,578,334,070	1,891,808,721	257,833,407	11,623,634,545	16,351,610,743	-	-	16,351,610,743
Dividend paid	-	-	-	(2,114,230,575)	(2,114,230,575)	-	-	(2,114,230,575)
Increasing in non-controlling interests arising from new investment in subsidiaries	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	5,470,326,247	5,470,326,247	27,445,100	27,445,100	5,470,218,975
ENDING BALANCE AS AT DECEMBER 31, 2019	2,578,334,070	1,891,808,721	257,833,407	14,979,730,217	19,707,706,415	27,337,828	27,337,828	19,735,044,243
Beginning balance as at January 1, 2020	2,578,334,070	1,891,808,721	257,833,407	14,979,730,217	19,707,706,415	27,337,828	27,337,828	19,735,044,243
Dividend paid	-	-	-	(2,268,927,205)	(2,268,927,205)	-	-	(2,268,927,205)
Increasing in non-controlling interests arising from new investment in a subsidiary	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	5,360,173,910	5,360,173,910	24,950,010	24,950,010	24,950,010
ENDING BALANCE AS AT DECEMBER 31, 2020	2,578,334,070	1,891,808,721	257,833,407	18,070,976,922	22,798,953,120	51,320,101	51,320,101	22,850,273,221

Notes to the financial statements form an integral part of these statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Note	SEPARATE FINANCIAL STATEMENTS					Total shareholders' equity
	Issued and paid share capital	Share premium on ordinary shares	Appropriated Legal reserve	Unappropriated Legal reserve	Retained earnings	
Beginning balance as at January 1, 2019	2,578,334,070	1,891,808,721		257,833,407	11,623,634,545	16,351,610,743
Dividend paid	-	-		-	(2,114,230,575)	(2,114,230,575)
Total comprehensive income	-	-		-	5,470,648,925	5,470,648,925
ENDING BALANCE AS AT DECEMBER 31, 2019	2,578,334,070	1,891,808,721	257,833,407	14,980,052,895	19,708,029,093	19,708,029,093
Beginning balance as at January 1, 2020	2,578,334,070	1,891,808,721		257,833,407	14,980,052,895	19,708,029,093
Dividend paid	-	-		-	(2,268,927,205)	(2,268,927,205)
Total comprehensive income	-	-		-	5,362,289,313	5,362,289,313
ENDING BALANCE AS AT DECEMBER 31, 2020	2,578,334,070	1,891,808,721	257,833,407	18,073,415,003	22,801,391,201	22,801,391,201

Notes to the financial statements form an integral part of these statements

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Notes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	6,656,420,952	6,904,072,375	6,659,529,913	6,904,433,549
Adjustments for:				
Amortization of premium on investments				
in debt securities	14,389	32,269	14,389	32,269
Share of profit of an associate accounted				
for using equity method	(795,564)	-	-	-
Amortization of deferred interest expenses				
on bills of exchange	4.2	-	6,489,771	-
Employee benefits expenses	17	48,661,251	44,363,070	48,661,251
Depreciation and amortization	9, 10 and 11	507,981,766	338,526,500	507,657,742
(Gain) Loss from disposal and written-off				
of leasehold improvements and				
equipment - net	(437,523)	409,893,179	(437,523)	409,893,179
Reversal of allowance for impairment				
of assets	9 and 11	-	(386,292,138)	-
Expected credit loss	5.2	6,605,371,099	6,433,033,592	6,604,077,870
Interest expenses		1,514,563,179	1,546,193,166	1,515,870,825
	15,331,779,549	15,296,311,784	15,335,374,467	15,297,618,899
Loans to customers and accrued interest				
receivables, net increase	(8,643,889,775)	(13,942,169,236) *	(8,640,576,515)	(13,940,544,961) *
Other receivables decrease	121,875,935	273,411,408 *	120,716,137	273,052,579 *
Other non-current assets decrease	2,747,407	8,306,377	2,625,512	8,548,272
Trade payables - related financial				
institution and related parties decrease	(190,166,287)	(870,022,454)	(190,166,822)	(870,022,561)
Trade payables - other companies increase				
(decrease)	(102,277,220)	535,559,568	(101,304,433)	534,494,589
Accrued interest expenses increase				
(decrease)	3,923,098	(1,819,830)	3,923,098	(1,812,432)
Accrued expenses increase (decrease)	(90,888,479)	110,484,022	(91,087,001)	110,097,857
Other payables decrease	(178,887,479)	(636,626,686)	(178,871,113)	(636,630,797)
Deferred income for reward points increase				
(decrease)	68,522,262	(58,442,708)	68,522,262	(58,442,708)
Cash received from operations	6,322,739,011	714,992,245	6,329,155,592	716,358,737
Interest expenses paid	(1,529,242,180)	(1,573,642,019)	(1,530,383,713)	(1,574,673,093)
Employee benefits paid	17	(38,520,351)	(7,868,270)	(38,520,351)
Income tax paid		(1,274,873,955)	(1,344,849,522)	(1,274,796,707)
Net cash provided by (used in)				
operating activities	3,480,102,525	(2,211,367,566)	3,485,454,821	(2,211,021,900)

* The Company made changes on the presentation of 2019 for comparison in accordance with the current year presentation.

KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : BAHT

Notes	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from redemption of other financial assets	4,000,000	-	4,000,000	-
Cash paid for investments in subsidiaries and an associate	8.1	(72,000,000)	-	(147,049,990)
Cash paid for purchase of leasehold improvement and equipment	4.1	(210,105,497)	(229,625,447)	(210,105,497)
Cash paid for purchase of computer software	4.1	(126,875,372)	(274,160,765)	(126,875,372)
Proceeds from sale of leasehold improvements and equipment	3,118,791	16,464,456	3,118,791	16,464,456
Net cash used in investing activities	(401,862,078)	(487,321,756)	(476,912,068)	(568,261,036)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash received from short-term borrowings from financial institutions and related parties (net)	4.2	2,583,923,095	2,581,697,790	2,678,747,181
Proceeds from issuance of long-term debentures	4.2	3,500,000,000	6,115,000,000	3,500,000,000
Cash paid for redemption of long-term debentures	4.2	(6,185,000,000)	(5,285,000,000)	(6,185,000,000)
Cash paid for lease liabilities	4.2	(167,557,841)	-	(167,557,841)
Dividend paid	19	(2,268,927,205)	(2,114,230,575)	(2,268,927,205)
Proceeds from ordinary shares issued of subsidiaries from non-controlling interest	24,950,010	27,445,100	-	-
Net cash provided by (used in) financing activities	(2,512,611,941)	1,324,912,315	(2,442,737,865)	1,404,956,311
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
CASH AND CASH EQUIVALENTS	565,628,506	(1,373,777,007)	565,804,888	(1,374,326,625)
AS AT JANUARY 1,	1,348,367,781	2,722,144,788	1,347,818,163	2,722,144,788
CASH AND CASH EQUIVALENTS	1,913,996,287	1,348,367,781	1,913,623,051	1,347,818,163
AS AT DECEMBER 31,				

Notes to the financial statements form an integral part of these statements

**KRUNGTHAI CARD PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

1. GENERAL INFORMATION

Krungthai Card Public Company Limited (the “Company”) is fully engaged in credit card, personal loan and other related businesses. The Company was registered as a listed company on The Stock Exchange of Thailand on October 28, 2002.

The Company is located at 14th Floor UBC II Building, 591 Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110.

The Company has subsidiaries which are under its control in finance and operations as mentioned in Note 2.2 and Note 8.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 The Group maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards and accounting practices generally accepted in Thailand.

The Group’s financial statements have been prepared in accordance with Thai Accounting Standard (TAS) No. 1 “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2020 onwards, and the Regulation of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 3) B.E. 2562” dated December 26, 2019.

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies. (see Note 3).

Currently, the Group’s operations relate to a single business segment which is the consumer finance business and are carried out in a single geographic area which is Thailand.

2.2 The consolidated financial statements are prepared by including the financial statements of Krungthai Card Public Company Limited and its subsidiaries, and including equity interest in an associate as follows:

	Business type	Country of registration	Registration date/ Investment date	Percentage of direct and indirect holdings (%)	
				As at December 31, 2020	As at December 31, 2019
Direct subsidiaries					
KTC Pico (Bangkok) Co., Ltd.	Pico Finance	Thailand	May 24, 2019	75.05	75.05
KTC Nano Co., Ltd.	Nano Finance	Thailand	May 24, 2019	75.05	75.05
KTC Prepaid Co., Ltd.	Electronics money services	Thailand	October 28, 2020	75.05	-
Indirect subsidiaries					
KTC Pico (Chonburi) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05	75.05
KTC Pico (Samut Sakhon) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05	75.05
KTC Pico (Pathum Thani) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05	75.05
KTC PICO (Samut Prakan) Co., Ltd. ⁽¹⁾	Pico Finance	Thailand	August 29, 2019	75.05	75.05
Associate					
Krungthai Advisory Co., Ltd.	Holding business	Thailand	November 6, 2020	24.00	-

⁽¹⁾The Company holds shares indirectly through KTC Pico (Bangkok) Co., Ltd.

The Company included financial statements of its subsidiaries in preparing the consolidated financial statements since the date on which the Company obtains control until the date when such control ceases.

2.3 Material intercompany transactions between the Company and its subsidiaries have been eliminated from these consolidated financial statements. The consolidated financial statements for the year ended December 31, 2020 have included the subsidiaries' financial information for the year ended December 31, 2020 which were audited.

2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

The new financial reporting standards which become effective for fiscal year and involve changes to key principles are summarized below:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

In the current year, the Group has applied Thai Financial Reporting Standards No. 9 “Financial instruments” (“TFRS 9”) and the related consequential amendments to other TFRS Standards that are effective for an annual period that begins on or after January 1, 2020. The transition provisions of TFRS 9 allow an entity not to restate comparatives.

Additionally, the Group adopted consequential amendments to Thai Financial Reporting Standards No. 7 “Financial instruments: Disclosures” that were applied to the disclosures for 2020.

TFRS 9 introduced new requirements for:

- 1) The classification and measurement of financial assets and financial liabilities;
- 2) Impairment of financial assets; and
- 3) General hedge accounting.

Details of these new requirements as well as their impact on the Group's consolidated financial statements are described below.

The Group has applied TFRS 9 in accordance with the transition provisions set out in TFRS 9.

Accounting policies resulting from application of TFRS 9 are disclosed in Note 3.2.

The table below sets out the impact of adopting TFRS 9 on the Group's statement of financial position at the date of initial application on January 1, 2020.

CONSOLIDATED FINANCIAL STATEMENTS						
	Previous Presentation	Previous Category	Carrying amount as at December 31, 2019	Reclassification TFRS 9	Carrying amount as at January 1, 2020	Current Category
ASSETS						
Cash and cash equivalents	Cash and cash equivalents	Cost Method	1,348,368	-	1,348,368	Amortized Cost
Loans to customers and accrued interest receivables, net	Trade receivables	Cost less allowance for doubtful account	80,183,498	572,054	80,755,552	Amortized Cost
Other receivables	Other receivables	Cost less allowance for doubtful account	1,152,448	(572,054)	580,394	Amortized Cost
Other current financial assets	Long-term investment with maturity within one year	Amortized Cost	4,017	-	4,017	Amortized Cost
Other non-current financial assets	Long-term investment	Amortized Cost	4,980	-	4,980	Amortized Cost

SEPARATE FINANCIAL STATEMENTS						
	Previous Presentation	Previous Category	Carrying amount as at December 31, 2019	Reclassification TFRS 9	Carrying amount as at January 1, 2020	Current Category
ASSETS						
Cash and cash equivalents	Cash and cash equivalents	Cost Method	1,347,818	-	1,347,818	Amortized Cost
Loans to customers and accrued interest receivables, net	Trade receivables	Cost less allowance for doubtful account	80,181,913	572,040	80,753,953	Amortized Cost
Other receivables	Other receivables	Cost less allowance for doubtful account	1,152,793	(572,040)	580,753	Amortized Cost
Other current financial assets	Long-term investment with maturity within one year	Amortized Cost	4,017	-	4,017	Amortized Cost
Other non-current financial assets	Long-term investment	Amortized Cost	4,980	-	4,980	Amortized Cost

The Group's financial liabilities are presented and measured at amortized cost, which are not differed from previous presentation.

Thai Financial Reporting Standard No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which does not restate the comparatives and recognized the cumulative effect of initially applying TFRS 16 at January 1, 2020.

Accounting policies resulting from application of TFRS 16 are disclosed in Note 3.6.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

Impact on lease liabilities recognized as at January 1, 2020:

	Unit: Thousand Baht	
	CONSOLIDATED	SEPARATE
	FINANCIAL	FINANCIAL
	STATEMENTS	STATEMENTS
Operating lease commitments disclosed		
as at December 31, 2019	290,834	288,374
<u>Less</u> Short-term leases recognized on a straight-line		
basis as expenses	(84,420)	(81,960)
<u>Less</u> Contracts reassessed as service agreements	(648)	(648)
	205,766	205,766
<u>Less</u> Deferred interest expenses	(7,218)	(7,218)
Additional lease liabilities from TFRS 16 adoption	198,548	198,548
Finance lease liabilities as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	<u>198,548</u>	<u>198,548</u>
Of which are:		
Current portion of lease liabilities	91,418	91,418
Lease liabilities (Non-current liabilities)	<u>107,130</u>	<u>107,130</u>
	<u>198,548</u>	<u>198,548</u>

The recognized right-of-use assets relate to the following types of assets:

	Unit: Thousand Baht	
	CONSOLIDATED	SEPARATE
	FINANCIAL	FINANCIAL
	STATEMENTS	STATEMENTS
As at January 1, 2020		
Building	161,963	161,963
Vehicles	<u>36,585</u>	<u>36,585</u>
Total right-of-use assets	<u>198,548</u>	<u>198,548</u>

In addition, the Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, detail as follows:

Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who effected from the situations that affected Thailand’s economy”

The objective of this accounting treatment guidance is to grant the temporary relief measures for entities helping their debtors who effected from the situations that affected Thailand’s economy with the helping period during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The entities who support their debtors and elect to apply this accounting treatment guidance should be comply with all relief measures specified in this accounting treatment guidance.

For the period ended December 31, 2020, the Group adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy” regarding the classification. As for debt that has credit impairment but still has the potential on repayment, the Group would classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made payment for 3 consecutive months or 3 payment periods, whichever is longer.

Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak”

This accounting treatment guidance is the option for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Since the preparation of financial statements during the period, which COVID-19 situation still be highly uncertainty as at the end of reporting period may cause the entities’ management to use the critical judgment in the estimation or the measurement and recognition of accounting transactions. Objective of this accounting treatment guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The entities can apply this accounting treatment guidance for the preparation of financial statements with the reporting period ending within the period from January 1, 2020 to December 31, 2020.

The Group has elected to apply the following temporary relief measures:

- Not to account for any reduction in lease payments by lessors as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in the statement of profit or loss and other comprehensive income.

2.5 Thai Financial Reporting Standard No. 16 “Leases”

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.6 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised Conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset and liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial Reporting clearly clarifies management’s stewardship of the entity’s economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 “Presentation of Financial Statements” and Thai Accounting Standards No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”.

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits at banks and financial institutions and current investments with original maturities of 3 months or less.

3.2 Financial instruments

Applied from January 1, 2020

The Group recognizes financial assets and financial liabilities in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Purchases or sales of financial assets are recognized and derecognized on a trade date basis.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of financial assets and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate).

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Interest income is recognized using the effective interest method for financial assets measured subsequently at amortized cost.

Impairment of financial assets

The Group recognizes allowance for expected credit loss (ECL) on debt financial assets that are measured at amortized cost as well as loans to customers by applying expected credit loss model. The Group accounts for expected credit loss and changes in those expected credit loss at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(a) Significant increase in credit risk

The Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition;

- An actual or expected significant deterioration in internal credit rating;
- An actual or expected significant deterioration in the ability on repayment of the debtor;
- An actual or expected significant adverse change in the business, financial, regulatory, economic, or technological environmental of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Apart from the above assessment, the Group considers contractual payments which are more than 30 days past due as significant increase in credit risk.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if;

- (1) The financial instrument has a low risk of default;
- (2) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (3) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(b) Definition of default

The Group considers constituting an event of default for internal credit risk management policies and historical experience indicates that financial assets are defaulted by considering information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, in full.

Irrespective of the above analysis, the Group considers that default has occurred when the past due is more than 90 days unless the Group has supportable information to demonstrate that a more lagging default criterion is reasonable.

(c) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes the consideration of following events;

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization

(d) Write-off policy

The Group writes off loans to customers when there is information indicating that the debtor is in financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of loans to customers, when the days past due are over the period that the Management determined, whichever occurs sooner. Loans to customers written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in the statement of profit or loss and other comprehensive income.

The Management determined the period to write off when the days past due are over six months as the recovery after such period is not material.

(e) Measurement and recognition of expected credit loss

The measurement of expected credit loss is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

For financial assets, exposure at default is represented by the asset's gross carrying amount at the reporting date.

For loan commitments, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Financial liabilities

All the Group's financial liabilities consisting of short-term borrowings, debentures and lease liabilities financial liabilities are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured at amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which the risks and rewards of ownership are transferred.

A financial liability is derecognized from the statement of financial position when the Group has discharged its obligation or the contract is cancelled or expires.

Applied before January 1, 2020

Trade receivables

Trade receivables are stated in the statements of financial position at the outstanding amount less the allowance for doubtful accounts.

Investment in debt securities

The Company has the intent and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment (if any).

3.3 Investments in subsidiaries and an associate

Investments in subsidiaries and an associate in the separate financial statements are accounted for using the cost method, less allowances for impairment (if any). Investments in associate in the consolidated financial statements are accounted for using the equity method, less allowances for impairment (if any).

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment is recognized immediately as profit or loss in the statement of profit or loss and other comprehensive income in the period in which the investment is acquired.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held-for-sale.

In case impairment in value of investment has occurred, the loss is recognized in the statement of profit or loss and other comprehensive income.

3.4 Leasehold improvements and equipment

Leasehold improvements and equipment are stated at cost less accumulated depreciation, and allowance for impairment (if any).

Gain or loss on disposal or write-off leasehold improvements and equipment is recognized in the statement of profit or loss and other comprehensive income in the period of disposal or write-off.

Depreciation of leasehold improvements and equipment is calculated by the straight-line method, over the estimated useful lives of the assets, as follows:

Leasehold improvements	Lease period
Furniture, fixtures and office equipment	5 years
Vehicles	5 years
Personal computers and peripheral devices	3 years

3.5 Intangible assets

Intangible assets represent computer software which is stated at cost less accumulated amortization, and allowance for impairment (if any).

Amortization of intangible assets is calculated by the straight-line method based on the estimated useful life of intangible assets over 5 years.

3.6 Leases

Applied from January 1, 2020

The Group recognized lease liabilities in relation to leases, which had previously been classified as operating leases under the principles of TAS 17. The right-of-use assets were measured at amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates.

Applied before January 1, 2020

Leases of assets where substantially all the risks and rewards are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are recognized as expenses in the statement of profit or loss and other comprehensive income on a straight line basis over the term of the leases.

The expense occurred from terminating operating lease before the lease period has expired such as any penalty payment to lessor, is recognized as an expense in the period in which the lease is terminated.

3.7 Provisions for employee benefits

Provisions for employee benefits represent the retirement benefits that the employees will get the payment at the amount determined by the Labor Protection Act when they retire. The Company does not have separate fund for such defined benefit plan but estimates the employment benefit obligations which are measured by an actuary using the projected unit credit method to determine the present value of cash flow of employee benefits to be paid in the future. Under this method, the calculation is based on the employee's expected salary, turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The Company recognizes expenses for employee benefits as personnel expenses in the statement of profit or loss and other comprehensive income.

Gains (losses) on remeasurements of defined benefit plans are recognized as other comprehensive income (loss) in the statement of profit or loss and other comprehensive income.

3.8 Foreign currency transactions

Transactions denominated in foreign currencies during the year are translated into Baht at the rates of exchange ruling on the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Baht at the reference exchange rate announced by the Bank of Thailand at that date.

The Company recognizes gains or losses on exchange arising on settlements or translation as operating income or expenses in the statement of profit or loss and other comprehensive income.

3.9 Income and expense recognition

The Group recognizes interest income on credit card receivables for default payments of installments from the posting date. Interest on cash advances from credit cards is recognized from the date of cash withdrawals. Interest on personal loans is recognized when the payments fall due using effective interest method.

The Group recognizes management fees when services are rendered or upon satisfaction of performance obligations as stipulated in the credit card management service agreement.

Other income and expense are recognized on an accrual basis.

3.10 Bad debt recovery

Bad debt recovery is recognized as income in the statements of profit or loss and other comprehensive income in the period which it is collected.

3.11 Provident fund

The contributions for employee provident fund are recorded as expenses when incurred.

3.12 Income tax expense

Income tax expense which is a part in calculation of profit or loss for the year represent the sum of the tax currently payable and deferred tax.

3.12.1 Current tax

The tax currently payable is tax amount to be paid calculated on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because taxable profit excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the reporting date.

3.12.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available for utilizing all or part of the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates those are expected to apply in the period in which the asset is realized or the liability settled, based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Income tax expense related to profit or loss from normal activities are presented in the statement of profit or loss and other comprehensive income, except for current and deferred taxes of related items that are recognized directly in the shareholders' equity in the same or different period.

3.13 Earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares issued and held by outside parties during the year.

3.14 Fair value measurements

In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if a producer or supplier of a marketable goods would take those characteristics into the consideration the price that would be received to sell an asset or paid to transfer a liability at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Fair values for disclosure in the financial statements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements as follows:

- Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are unobservable inputs for the asset or liability.

3.15 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies described above, the Group's management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates. The significant accounting estimates are as follows:

Allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments

Applied from January 1, 2020

The management is required to use judgment in estimation in determining the allowance for expected credit loss of loans to customers and accrued interest receivables, together with loan commitments. The calculation of allowance for expected credit loss of the Group is based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit loss model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

Applied before January 1, 2020

The Group provided the allowance for doubtful accounts for credit card and personal loan receivables which have aging not more than 90 days by using the loss rate net of recovery which the Company believed that such loss rate reflects the current credit risk inherent in the portfolio. Moreover, the Company adjusted the historical loss experience by the information on trend and economic conditions that might have an effect on the ability to repay the debt of the debtor groups including additional economic factors to cope with the potential risks from the future economic fluctuation and the Company fully reserved for receivables which are defaulted for more than 90 days.

A fixed percentage of 1% adjusted by the information on trend and economic conditions that might have an effect on the ability to repay the debt for self-employed loans is applied to receivables aged not more than 90 days because self-employed loan products had been launched in the year 2004 but decreased continuously. Allowance for receivables in default for more than 90 days was fully reserved.

Bad debts are written off on customer basis when the Group has pursued payments of debts owed by debtors, but they are uncollectible. Accordingly, the Company has complied with conditions required by the tax law.

Deferred income for reward points

The deferred income arising from reward point program granted to the Company's customers. The deferred income is calculated based on the estimates of redemption rate of the reward points earned by the customers and fair value of reward prices and is presented in current liabilities in the statement of financial position.

Provisions for employee benefits

The present value of the provisions for employee benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will have an impact on the carrying amount of such provision.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOWS INFORMATION

4.1 Non-cash items for the years ended December 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht
Payables for the purchase of leasehold improvements and equipment brought forward	38,195	93,748
<u>Add</u> Purchase of leasehold improvements and equipment	175,373	174,073
<u>Less</u> Cash paid for the purchase of leasehold improvements and equipment	<u>(210,105)</u>	<u>(229,626)</u>
Payables for the purchase of leasehold improvements and equipment carried forward (presented as a part of trade payable - other companies)	<u>3,463</u>	<u>38,195</u>
Payables for the purchase of computer software brought forward	19,045	147,663
<u>Add</u> Purchase of computer software	155,038	145,543
<u>Less</u> Cash paid for the purchase of computer software	<u>(126,875)</u>	<u>(274,161)</u>
Payables for the purchase of computer software carried forward (presented as a part of trade payable - other companies)	<u>47,208</u>	<u>19,045</u>

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	2020	2019
	Thousand	Thousand
	Baht	Baht
Payables for the purchase of leasehold improvements and equipment brought forward	38,195	93,748
<u>Add</u> Purchase of leasehold improvements and equipment	175,373	174,073
<u>Less</u> Cash paid for the purchase of leasehold improvements and equipment	<u>(210,105)</u>	<u>(229,626)</u>
Payables for the purchase of leasehold improvements and equipment carried forward (presented as a part of trade payable - other companies)	<u>3,463</u>	<u>38,195</u>
Payables for the purchase of computer software brought forward	19,045	147,663
<u>Add</u> Purchase of computer software	155,038	143,927
<u>Less</u> Cash paid for the purchase of computer software	<u>(126,875)</u>	<u>(272,545)</u>
Payables for the purchase of computer software carried forward (presented as a part of trade payable - other companies)	<u>47,208</u>	<u>19,045</u>

4.2 Change in liabilities from financing activities for the years ended December 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				
	Beginning	Financing cash flows		Non-cash	Ending
	balance as at	Cash received	Cash paid	changes	balance as at
January 1, 2020					December 31, 2020
	Beginning balance as at January 1, 2020 Thousand Baht	Financing cash flows Cash received Thousand Baht	Financing cash flows Cash paid Thousand Baht	Non-cash changes	Ending balance as at December 31, 2020 Thousand Baht
Short-term borrowings from financial institutions and related parties	11,375,486	147,284,923	(144,701,000)	-	13,959,409
Current portion of long-term debentures	6,185,000	-	(6,185,000)	8,780,000	8,780,000
Long-term debentures	39,980,000	3,500,000	-	(8,780,000)	34,700,000
Lease Liabilities	198,548	-	(167,558)	429,297	460,287
Total	<u>57,739,034</u>	<u>150,784,923</u>	<u>(151,053,558)</u>	<u>429,297</u>	<u>57,899,696</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Beginning balance as at	Financing cash flows		Non-cash changes	Ending balance as at
	January 1, 2019	Cash received	Cash paid		December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term borrowings from financial institutions and related parties	8,787,298	139,161,698	(136,580,000)	6,490	11,375,486
Current portion of long-term debentures	5,285,000	-	(5,285,000)	6,185,000	6,185,000
Long-term debentures	40,050,000	6,115,000	-	(6,185,000)	39,980,000
Total	54,122,298	145,276,698	(141,865,000)	6,490	57,540,486

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at	Financing cash flows		Non-cash changes	Ending balance as at
	January 1, 2020	Cash received	Cash paid		December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term borrowings from financial institutions and related parties	11,482,975	147,794,764	(145,116,017)	-	14,161,722
Current portion of long-term debentures	6,185,000	-	(6,185,000)	8,780,000	8,780,000
Long-term debentures	39,980,000	3,500,000	-	(8,780,000)	34,700,000
Lease Liabilities	198,548	-	(167,558)	429,297	460,287
Total	57,846,523	151,294,764	(151,468,575)	429,297	58,102,009

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at	Financing cash flows		Non-cash changes	Ending balance as at
	January 1, 2019	Cash received	Cash paid		December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term borrowings from financial institutions and related parties	8,787,298	140,074,017	(137,384,830)	6,490	11,482,975
Current portion of long-term debentures	5,285,000	-	(5,285,000)	6,185,000	6,185,000
Long-term debentures	40,050,000	6,115,000	-	(6,185,000)	39,980,000
Total	54,122,298	146,189,017	(142,669,830)	6,490	57,647,975

5. LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET

5.1 Outstanding balances of loans to customers and accrued interest receivables classified by type of business and stage are as follows:

CONSOLIDATED FINANCIAL STATEMENTS As at December 31, 2020		
Credit card	Personal loan	Total
Thousand	Thousand	Thousand
Baht	Baht	Baht
Stage 1	53,402,207	23,618,113
Stage 2	5,796,805	5,192,105
Stage 3	790,636	806,938
Total loans to customers	59,989,648	29,617,156
<u>Add</u> Accrued interest receivables and undue interest receivables	244,926	297,628
Total loans to customers and accrued interest receivables	60,234,574	29,914,784
<u>Less</u> Allowance for expected credit loss	(4,217,539)	(3,137,749)
Total loans to customers and accrued interest receivables, net	56,017,035	26,777,035
		82,794,070
CONSOLIDATED FINANCIAL STATEMENTS As at January 1, 2020		
Credit card	Personal loan	Total
Thousand	Thousand	Thousand
Baht	Baht	Baht
Stage 1	47,674,959	22,382,844
Stage 2	7,908,738	5,971,796
Stage 3	1,068,837	826,643
Total loans to customers	56,652,534	29,181,283
<u>Add</u> Accrued interest receivables and undue interest receivables	261,204	330,482
Total loans to customers and accrued interest receivables	56,913,738	29,511,765
<u>Less</u> Allowance for expected credit loss	(3,386,763)	(2,283,188)
Total loans to customers and accrued interest receivables, net	53,526,975	27,228,577
		80,755,552

CONSOLIDATED FINANCIAL STATEMENTS
As at December 31, 2019

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Not over 90 days	56,123,427	28,799,178	84,922,605
91 - 180 days	134,032	92,455	226,487
181 days and over	395,075	289,650	684,725
Total loans to customers	56,652,534	29,181,283	85,833,817
<u>Add</u> Accrued interest receivables	261,204	330,482	591,686
Total loans to customers and accrued interest receivables	56,913,738	29,511,765	86,425,503
<u>Less</u> Allowance for doubtful accounts	(3,406,365)	(2,263,586)	(5,669,951)
Total loans to customers and accrued interest receivables, net	53,507,373	27,248,179	80,755,552

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2020

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Stage 1	53,402,207	23,614,623	77,016,830
Stage 2	5,796,805	5,191,866	10,988,671
Stage 3	790,636	806,928	1,597,564
Total loans to customers	59,989,648	29,613,417	89,603,065
<u>Add</u> Accrued interest receivables and undue interest receivables	244,926	297,544	542,470
Total loans to customers and accrued interest receivables	60,234,574	29,910,961	90,145,535
<u>Less</u> Allowance for expected credit loss	(4,217,539)	(3,137,545)	(7,355,084)
Total loans to customers and accrued interest receivables, net	56,017,035	26,773,416	82,790,451

SEPARATE FINANCIAL STATEMENTS

As at January 1, 2020

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Stage 1	47,674,959	22,381,234	70,056,193
Stage 2	7,908,738	5,971,796	13,880,534
Stage 3	1,068,837	826,643	1,895,480
Total loans to customers	56,652,534	29,179,673	85,832,207
<u>Add</u> Accrued interest receivables and undue interest receivables	261,204	330,468	591,672
Total loans to customers and accrued interest receivables	56,913,738	29,510,141	86,423,879
<u>Less</u> Allowance for expected credit loss	(3,386,763)	(2,283,163)	(5,669,926)
Total loans to customers and accrued interest receivables, net	53,526,975	27,226,978	80,753,953

SEPARATE FINANCIAL STATEMENTS

As at December 31, 2019

	Credit card Thousand Baht	Personal loan Thousand Baht	Total Thousand Baht
Not over 90 days	56,123,427	28,797,568	84,920,995
91 - 180 days	134,032	92,455	226,487
181 days and over	395,075	289,650	684,725
Total loans to customers	56,652,534	29,179,673	85,832,207
<u>Add</u> Accrued interest receivables	261,204	330,468	591,672
Total loans to customers and accrued interest receivables	56,913,738	29,510,141	86,423,879
<u>Less</u> Allowance for doubtful accounts	(3,406,365)	(2,263,561)	(5,669,926)
Total loans to customers and accrued interest receivables, net	53,507,373	27,246,580	80,753,953

As at December 31, 2019, receivables in default for more than 3 periods which their accrued interest income are still recognized are Baht 226.5 million.

5.2 Allowance for expected credit loss

Allowance for expected credit loss for the year ended December 31, 2020 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			Total
	Allowance for expected credit loss	Under-Performing (Stage 2)	Non-Performing (Stage 3)	
Performing (Stage 1)				
Balance as at December 31, 2019				5,669,951
Impact of adoption of TFRS 9				-
Balance as at January 1, 2020				5,669,951
Changes in staging				-
Changes in risk parameters				-
New financial assets originated or purchased				7,371,921
Financial assets derecognized				630,603
Written off				(1,397,153)
Balance as at December 31, 2020	3,864,666	2,444,544	1,046,078	(4,920,034)
				7,355,288

* The Group adheres to Accounting Treatment Guidance for staging classification (see Note 2.4).

** The Group uses six-month write-off policy (see Note 3.2 (d)).

SEPARATE FINANCIAL STATEMENTS			
	Allowance for expected credit loss	Allowance for doubtful accounts	Total
	Performing (Stage 1)	Under- Performing (Stage 2)	Non-Performing (Stage 3)
Balance as at December 31, 2019			
Impact of adoption of TFRS 9	2,419,407	1,998,407	1,252,112
Balance as at January 1, 2020			
Changes in staging	2,419,407	1,998,407	1,252,112
Changes in risk parameters	832,692 *	(582,174) *	(250,518) *
New financial assets originated or purchased	148,248	1,527,955	5,695,718
Financial assets derecognized	629,310	-	-
Written off	(165,082)	(499,745)	(732,326)
Balance as at December 31, 2020	3,864,575	2,444,443	1,046,066

* The Group adheres to Accounting Treatment Guidance for staging classification (see Note 2.4).
 ** The Group uses six-month write-off policy (see Note 3.2 (d)).

Bad debts and doubtful accounts for the year ended December 31, 2019 is as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2019 Thousand Baht	SEPARATE FINANCIAL STATEMENTS 2019 Thousand Baht
Bad debts	6,289,593	6,289,593
Doubtful accounts (reversal)	161,447	161,422
Total bad debts and doubtful accounts	<u>6,451,040</u>	<u>6,451,015</u>

6. OTHER RECEIVABLES

Other receivables as at December 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2020 Thousand Baht	2019 Thousand Baht
Other credit card receivables	18,330	210,393
Accrued fees	103,971	72,134
Prepaid expenses	233,624	182,594
Suspended accounts	7,197	9,540
Others	95,397	105,733
Total other receivables	<u>458,519</u>	<u>580,394</u>

	SEPARATE FINANCIAL STATEMENTS 2020 Thousand Baht	2019 Thousand Baht
Other credit card receivables	18,332	210,393
Accrued fees	105,591	72,490
Prepaid expenses	233,615	182,591
Suspended accounts	7,197	9,540
Others	95,302	105,739
Total other receivables	<u>460,037</u>	<u>580,753</u>

The Company provided consulting service for a financial institution regarding the preparation for credit card business completed in the year 2011. Consequently, such financial institution changed its directors and management team, resulting in delay of implementation of credit card business. The Company considered that such financial institution defaulted the payment for service fee more than 90 days and will take long-time in follow-up process, therefore, the Company considered to set up allowance for doubtful accounts for the outstanding debt of such financial institution of Baht 19.3 million. Subsequently, during the year ended December 31, 2019, the Company reversed such allowance for doubtful accounts as the litigation case had been ended.

7. OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets as at December 31, 2020 and 2019 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	2020		2019	
	Amortized cost Thousand Baht	Fair value Thousand Baht	Amortized cost Thousand Baht	Fair value Thousand Baht
Other financial assets				
Investments in debt securities				
- Government securities	4,982	5,231	8,997	9,184
<u>Less</u> Other current financial assets				
(portion of the maturity within one year)	-	-	(4,017)	(4,027)
Total other non-current financial assets	<u>4,982</u>	<u>5,231</u>	<u>4,980</u>	<u>5,157</u>

As at December 31, 2020, the Company pledged government bonds totaling Baht 0.6 million with Krung Thai Bank Public Company Limited for issue letter of guarantees to other companies for the Company's business. (As at December 31, 2019 : Baht 0.6 million)

8. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

8.1 Investments in subsidiaries and an associate

As at December 31, 2020, the Company had investments in an associate which is accounted for using equity method in consolidated financial statements as follows:

	CONSOLIDATED FINANCIAL STATEMENT			
	Paid share capital 2020 Thousand Baht	Percentage of shareholding 2020 %	Cost method 2020 Thousand Baht	Equity method 2020 Thousand Baht
Investments in an associate				
Krungthai Advisory Co., Ltd.	300,000	24.00	72,000	72,796
Total investments in an associate			<u>72,000</u>	<u>72,796</u>

As at December 31, 2020 and 2019, the Company had investments in subsidiaries and associate which are accounted for using cost method in separate financial statements as follows:

	SEPARATE FINANCIAL STATEMENTS					
	Paid share capital		Percentage of shareholding		Cost method	
	2020 Thousand Baht	2019 Thousand Baht	2020 %	2019 %	2020 Thousand Baht	2019 Thousand Baht
Investments in subsidiaries						
KTC Pico (Bangkok) Co., Ltd.	60,000	60,000	75.05	75.05	45,030	45,030
KTC Nano Co., Ltd.	50,000	50,000	75.05	75.05	37,525	37,525
KTC Prepaid Co., Ltd.	100,000	-	75.05	-	<u>75,050</u>	-
Total					157,605	82,555
Investments in an associate						
Krungthai Advisory Co., Ltd.	300,000	-	24.00	-	72,000	-
Total					<u>72,000</u>	-
Total investments in subsidiaries and an associate					<u>229,605</u>	82,555

On May 24, 2019, the Company and Krung Thai Bank Public Company Limited established 2 new subsidiaries which are KTC Pico (Bangkok) Co., Ltd. for Pico Finance which will offer personal loan to natural person at domicile or residence in province that the company head office was settled, with registered capital of Baht 20.0 million (2,000,000 ordinary shares with par value of Baht 10 per each) and KTC Nano Co., Ltd. for Nano Finance which will offer personal loan to natural person in order to use for career, with registered capital of Baht 50.0 million (5,000,000 ordinary shares with par value of Baht 10 per each).

Subsequently, on September 26, 2019, the Company invested in increased ordinary share capital of KTC Pico (Bangkok) Co., Ltd. in the amount of Baht 30.0 million (3,002,000 ordinary shares with par value of Baht 10 per each), and the proportion of shareholding by the Company remained the same at 75.05 percent.

On October 28, 2020, the Company and Krung Thai Bank Public Company Limited established a new subsidiary which is KTC Prepaid Company Limited for conducting an electronics money services, with registered capital of Baht 100.0 million (10,000,000 ordinary shares with par value of Baht 10 per each), and the Company had the proportion of shareholding in such subsidiary of 75.05 percent.

On November 6, 2020, the Company purchased the additional ordinary shares of Krunghai Advisory Company Limited (“KTBA”), which is a subsidiary of Krung Thai Bank Public Company Limited and has intention of business conducting as Holding Business, in the amount of Baht 72.0 million (7,200,000 ordinary shares with par value of Baht 10 per each), and the Company had the proportion of shareholding in the such company of 24.00 percent, resulting to KTBA become an associate of the Company.

8.2 Summarized material financial information about an associate

8.2.1 Summarized information about financial position as at December 31, 2020.

	2020 Thousand Baht
Total assets	303,799
Total liabilities	(484)
Net assets	303,315
Shareholding percentage (%)	24.00
Carrying amount of an associate based on equity method	72,796

8.2.2 Summarized information about comprehensive income for the year ended December 31, 2020.

	2020 Thousand Baht
Net profit	234
Total comprehensive income	234

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at December 31, 2020 and 2019 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
Beginning balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at December 31, 2020	
Costs:	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvements	353,167	25,222	(27,766)	18,830	369,453
Furniture, fixtures and office equipment	1,374,398	97,263	(202,848)	55,985	1,324,798
Total	1,727,565	122,485	(230,614)	74,815	1,694,251
Accumulated depreciation:					
Leasehold improvements	(292,933)	(22,036)	25,472	-	(289,497)
Furniture, fixtures and office equipment	(962,090)	(164,316)	202,646	-	(923,760)
Total	(1,255,023)	(186,352)	228,118	-	(1,213,257)
Assets under installation	22,548	52,888	(180)	(74,815)	441
Leasehold improvements and equipment	495,090				481,435

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS					
Beginning balance as at January 1, 2019	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at December 31, 2019	
Costs:	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Leasehold improvements	343,402	386	(40,447)	49,826	353,167
Furniture, fixtures and office equipment	1,304,899	81,703	(112,667)	100,463	1,374,398
Total	1,648,301	82,089	(153,114)	150,289	1,727,565
Accumulated depreciation:					
Leasehold improvements	(320,193)	(13,002)	40,262	-	(292,933)
Furniture, fixtures and office equipment	(907,931)	(155,156)	100,997	-	(962,090)
Total	(1,228,124)	(168,158)	141,259	-	(1,255,023)
Assets under installation	221,902	91,984	(141,049)	(150,289)	22,548
<u>Less</u> Allowance for impairment of assets	(112,840)	-	112,840	-	-
Leasehold improvements and equipment	529,239				495,090

Depreciation for the years ended December 31,					
2020				Thousand Baht	186,352
2019				Thousand Baht	168,158

As at December 31, 2020 and 2019, the costs of fully depreciated leasehold improvements and equipment but still in use are Baht 656.7 million and Baht 863.4 million, respectively.

During the year ended December 31, 2019, the Company wrote off the assets relating to disuse of the equipment and cease of the computer program development with a vendor, and fully reversed the allowance for impairment of assets as the litigation case had been ended, allowance for impairment of certain equipment is Baht 112.8 million and the allowance for impairment of cost of computer development is Baht 273.5 million.

10. RIGHT-OF-USE ASSETS

Right-of-use assets as at December 31, 2020 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS				
	Beginning balance as at January 1, 2020	Additions	Disposals/ Write-off	Ending balance as at December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cost				
Office building	161,963	386,486	-	548,449
Vehicles	<u>36,585</u>	<u>40,018</u>	<u>(6,493)</u>	<u>70,110</u>
Total cost	<u>198,548</u>	<u>426,504</u>	<u>(6,493)</u>	<u>618,559</u>
Accumulated depreciation				
Office building	-	(147,602)	-	(147,602)
Vehicles	<u>-</u>	<u>(15,666)</u>	<u>1,346</u>	<u>(14,320)</u>
Total accumulated depreciation	<u>-</u>	<u>(163,268)</u>	<u>1,346</u>	<u>(161,922)</u>
Right-of-use assets	<u>198,548</u>			<u>456,637</u>
Depreciation for the year ended December 31,				
2020			Baht	<u>160,833*</u>

* During the year, the Group has elected to apply Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from COVID-19 outbreak” which the Group has received reduction in lease payments by lessors in the amount of Baht 2.5 million (see Note 2.4).

11. INTANGIBLE ASSETS

Intangible assets as at December 31, 2020 and 2019 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS					
Beginning balance as at January 1, 2020	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at December 31, 2020	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Computer software	1,732,604	79,854	(117)	51,862	1,864,203
<u>Less</u> Accumulated amortization	(1,325,736)	(160,797)	117	-	(1,486,416)
	406,868				377,787
<u>Add</u> Software under installation	73,870	75,184	(5)	(51,862)	97,187
Intangible assets	480,738				474,974

CONSOLIDATED FINANCIAL STATEMENTS					
Beginning balance as at January 1, 2019	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at December 31, 2019	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Computer software	1,599,037	28,793	(21,433)	126,207	1,732,604
<u>Less</u> Accumulated amortization	(1,176,800)	(170,369)	21,433	-	(1,325,736)
	422,237				406,868
<u>Add</u> Software under installation	356,780	116,750	(273,453)	(126,207)	73,870
<u>Less</u> Allowance for impairment of assets (see Note 9)	(273,453)	-	273,453	-	-
Intangible assets	505,564				480,738

Amortization for the years ended December 31,

2020	Thousand Baht	160,797
2019	Thousand Baht	170,369

SEPARATE FINANCIAL STATEMENTS					
Beginning balance as at	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at	
January 1, 2020				December 31, 2020	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Computer software	1,730,988	79,854	(117)	51,862	1,862,587
<u>Less</u> Accumulated amortization	(1,325,674)	(160,474)	117	-	(1,486,031)
	405,314				376,556
<u>Add</u> Software under installation	73,870	75,184	(5)	(51,862)	97,187
Intangible assets	479,184				473,743

SEPARATE FINANCIAL STATEMENTS					
Beginning balance as at	Additions	Disposals	Transfer in (Transfer out)	Ending balance as at	
January 1, 2019				December 31, 2019	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Computer software	1,599,037	27,177	(21,433)	126,207	1,730,988
<u>Less</u> Accumulated amortization	(1,176,800)	(170,307)	21,433	-	(1,325,674)
	422,237				405,314
<u>Add</u> Software under installation	356,780	116,750	(273,453)	(126,207)	73,870
<u>Less</u> Allowance for impairment of assets (see Note 9)	(273,453)	-	273,453	-	-
Intangible assets	505,564				479,184

Amortization for the years ended December 31,

2020	Thousand Baht	160,474
2019	Thousand Baht	170,307

As at December 31, 2020 and 2019, the costs of fully amortized intangible assets but still in use are Baht 1,050.8 million and Baht 920.2 million, respectively.

12. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		2019	
	2020	2019	Thousands	Thousands
	Baht	Baht	Baht	Baht
Deferred tax assets			<u>1,667,029</u>	<u>1,658,501</u>
	SEPARATE FINANCIAL STATEMENTS		2019	
	2020	2019	Thousands	Thousands
	Baht	Baht	Baht	Baht
Deferred tax assets			<u>1,666,998</u>	<u>1,658,501</u>

Deferred tax assets as at December 31, 2020 and 2019 consist of tax effects from the following items:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Beginning balance as at January 1, 2020	Item as recognized into profit or loss	Item as recognized in other comprehensive income	Ending balance as at December 31, 2020
	Thousands Baht	Thousands Baht	Thousands Baht	Thousands Baht
Allowance for expected credit loss	1,149,625	(18,179)	-	1,131,446
Deferred income for reward points	455,446	13,704	-	469,150
Difference from depreciation rate	(60,508)	3,979	-	(56,529)
Provision for employee benefits	102,555	2,028	(6,827)	97,756
Others	11,383	13,823	-	25,206
Deferred tax assets	<u>1,658,501</u>	<u>15,355</u>	<u>(6,827)</u>	<u>1,667,029</u>

CONSOLIDATED FINANCIAL STATEMENTS

	Beginning balance as at January 1, 2019	Item as recognized into profit or loss	Item as recognized in other comprehensive income	Ending balance as at December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Allowance for doubtful accounts	1,110,323	39,302	-	1,149,625
Allowance for impairment of assets	77,259	(77,259)	-	-
Deferred income for reward points	467,135	(11,689)	-	455,446
Difference from depreciation rate	(54,810)	(5,698)	-	(60,508)
Provision for employee benefits	81,820	7,299	13,436	102,555
Others	9,962	1,421	-	11,383
Deferred tax assets	<u>1,691,689</u>	<u>(46,624)</u>	<u>13,436</u>	<u>1,658,501</u>

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at January 1, 2020	Item as recognized into profit or loss	Item as recognized in other comprehensive income	Ending balance as at December 31, 2020
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Allowance for expected credit loss	1,149,625	(18,220)	-	1,131,405
Deferred income for reward points	455,446	13,704	-	469,150
Difference from depreciation rate	(60,508)	3,989	-	(56,519)
Provision for employee benefits	102,555	2,028	(6,827)	97,756
Others	11,383	13,823	-	25,206
Deferred tax assets	<u>1,658,501</u>	<u>15,324</u>	<u>(6,827)</u>	<u>1,666,998</u>

SEPARATE FINANCIAL STATEMENTS

	Beginning balance as at January 1, 2019	Item as recognized into profit or loss	Item as recognized in other comprehensive income	Ending balance as at December 31, 2019
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Allowance for doubtful accounts	1,110,323	39,302	-	1,149,625
Allowance for impairment of assets	77,259	(77,259)	-	-
Deferred income for reward points	467,135	(11,689)	-	455,446
Difference from depreciation rate	(54,810)	(5,698)	-	(60,508)
Provision for employee benefits	81,820	7,299	13,436	102,555
Others	9,962	1,421	-	11,383
Deferred tax assets	<u>1,691,689</u>	<u>(46,624)</u>	<u>13,436</u>	<u>1,658,501</u>

13. SHORT-TERM BORROWINGS FROM FINANCIAL INSTITUTIONS AND RELATED PARTIES

13.1 Short-term borrowings from financial institutions

As at December 31, 2020, promissory notes and bills of exchange have interest rates at Money Market Rate (MMR), which is in between 0.80% - 0.95% per annum with maturity on demand to one year and are unsecured. (As at December 31, 2019 : 1.45% - 1.64% per annum)

13.2 Short-term borrowings from related parties

As at December 31, 2020, borrowings have interest rates at Money Market Rate (MMR), which is 0.95% per annum with maturity on demand to one year and are unsecured. (As at December 31, 2019 : 1.50% per annum)

The fair value of short-term borrowings is considered to approximate the amount presented in the statement of financial position because their maturities on demand to one year. The fair value is categorized as level 2 in the fair value hierarchy.

14. OTHER PAYABLES

Other payables as at December 31, 2020 and 2019 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Exceed payment from customers	465,001	366,214
Other payables	536,507	813,979
Suspended accounts	39,356	36,716
Others	213,019	215,861
Total other payables	<u>1,253,883</u>	<u>1,432,770</u>

	SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Exceed payment from customers	465,000	366,214
Other payables	536,507	813,979
Suspended accounts	39,356	36,716
Others	213,032	215,857
Total other payables	<u>1,253,895</u>	<u>1,432,766</u>

15. LEASE LIABILITIES

Lease liabilities as at December 31, 2020 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	Minimum lease payments in the future	Present value of minimum lease payments in the future
	2020	2020	
	Thousand Baht	Thousand Baht	
Within 1 year	223,124	212,569	
Over 1 year to 5 years	253,808	247,718	
<u>Less</u> Deferred interest expenses	<u>(16,645)</u>	-	
Total	460,287	460,287	

Expenses for the year ended December 31, 2020 regarding leases recognized in the statements of profit or loss and other comprehensive income consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS
	2020	2020
	Thousand Baht	Thousand Baht
Depreciation expenses for right-of-use assets	160,833	160,833
Interest expenses for lease liabilities	10,353	10,353
Expenses of short-term lease	82,612	82,107
Expenses relating to leases of low - value assets	3,456	3,456
Total	257,254	256,749

16. LONG-TERM DEBENTURES

Long-term debentures as at December 31, 2020 and 2019 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	2020	2019
	Thousand Baht	Thousand Baht	
Debentures	43,480,000	46,165,000	
<u>Less</u> Current portion of long-term debentures	<u>(8,780,000)</u>	<u>(6,185,000)</u>	
Total long-term debentures	34,700,000	39,980,000	

Details of debentures can be summarized as follows:

Type	Date of issuance	Amount (Million Baht)	Maturity date	Interest rate (% p.a.)	Interest payable period	Balance as at December 31,	
						2020 (Million Baht)	2019 (Million Baht)
Senior unsecured debentures	16 Sep 2015	1,000	16 Sep 2025	4.00	Semi-annually	1,000	1,000
Senior unsecured debentures	1 Oct 2015	2,000	1 Oct 2020	3.14	Semi-annually	-	2,000
Senior unsecured debentures	11 Nov 2015	700	11 Nov 2022	3.68	Semi-annually	700	700
Senior unsecured debentures	20 Nov 2015	1,000	20 Nov 2025	3.90	Semi-annually	1,000	1,000
Senior unsecured debentures	17 Feb 2016	200	17 Feb 2026	3.85	Semi-annually	200	200
Senior unsecured debentures	17 Feb 2016	300	17 Feb 2026	3.85	Semi-annually	300	300
Senior unsecured debentures	26 Feb 2016	800	26 Feb 2021	2.64	Semi-annually	800	800
Senior unsecured debentures	9 May 2016	1,500	11 May 2021	2.12	Semi-annually	1,500	1,500
Senior unsecured debentures	6 Jul 2016	100	5 Jul 2024	3.00	Semi-annually	100	100
Senior unsecured debentures	22 Jul 2016	3,000	22 Jul 2021	2.54	Semi-annually	3,000	3,000
Senior unsecured debentures	11 Aug 2016	600	11 Aug 2020	2.50	Quarterly	-	600
Senior unsecured debentures	22 Sep 2016	200	22 Sep 2026	3.50	Semi-annually	200	200
Senior unsecured debentures	30 Nov 2016	630	30 Nov 2021	2.86	Semi-annually	630	630
Senior unsecured debentures	30 Nov 2016	1,140	30 Nov 2023	3.50	Semi-annually	1,140	1,140
Senior unsecured debentures	30 Nov 2016	3,030	27 Nov 2026	4.00	Semi-annually	3,030	3,030
Senior unsecured debentures	29 Dec 2016	600	29 Dec 2023	3.50	Semi-annually	600	600
Senior unsecured debentures	29 Dec 2016	2,500	29 Dec 2026	4.00	Semi-annually	2,500	2,500
Senior unsecured debentures	5 Apr 2017	1,500	5 Apr 2022	3.03	Semi-annually	1,500	1,500
Senior unsecured debentures	1 Jun 2017	2,500	1 Jun 2022	3.00 - 3.50	Quarterly	2,500	2,500
Senior unsecured debentures	3 Aug 2017	1,500	3 Aug 2027	3.80	Semi-annually	1,500	1,500
Senior unsecured debentures	25 Aug 2017	1,000	25 Aug 2027	3.65	Semi-annually	1,000	1,000
Senior unsecured debentures	19 Oct 2017	2,000	19 Oct 2022	2.46	Semi-annually	2,000	2,000
Senior unsecured debentures	19 Oct 2017	1,000	19 Oct 2027	3.50	Semi-annually	1,000	1,000
Senior unsecured debentures	16 Nov 2017	2,000	16 Nov 2027	3.50	Quarterly	2,000	2,000
Senior unsecured debentures	16 Feb 2018	1,000	16 Feb 2023	2.35	Semi-annually	1,000	1,000
Senior unsecured debentures	16 Feb 2018	1,250	16 Feb 2028	3.43	Semi-annually	1,250	1,250
Senior unsecured debentures	16 Aug 2018	3,585	14 Aug 2020	2.20	Semi-annually	-	3,585
Senior unsecured debentures	16 Aug 2018	1,350	11 Aug 2021	2.48	Semi-annually	1,350	1,350
Senior unsecured debentures	16 Aug 2018	2,065	16 Aug 2028	3.83	Semi-annually	2,065	2,065
Senior unsecured debentures	11 Mar 2019	1,500	11 Mar 2021	2.40	Semi-annually	1,500	1,500
Senior unsecured debentures	11 Mar 2019	1,000	11 Mar 2022	2.65	Semi-annually	1,000	1,000
Senior unsecured debentures	25 Jul 2019	1,500	25 Jul 2029	3.20	Semi-annually	1,500	1,500
Senior unsecured debentures	31 Oct 2019	1,700	31 Oct 2029	2.80	Semi-annually	1,700	1,700
Senior unsecured debentures	8 Nov 2019	415	8 Nov 2024	2.60	Quarterly	415	415
Senior unsecured debentures	4 Feb 2020	1,000	31 Jan 2030	2.65	Semi-annually	1,000	-
Senior unsecured debentures	15 Sep 2020	1,800	15 Sep 2022	1.93	Semi-annually	1,800	-
Senior unsecured debentures	15 Sep 2020	700	15 Sep 2023	2.23	Semi-annually	700	-
Total debentures						43,480	46,165

17. PROVISIONS FOR EMPLOYEE BENEFITS

The Company has retirement benefits plan in accordance with Labour Protection Act, which is the unfunded defined benefit plan.

Amounts recognized in the statement of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Current service cost	40,227	33,666
Interest on obligation	8,434	10,697
	<u>48,661</u>	<u>44,363</u>

Movements in the present value of the defined benefit obligation for the years ended December 31, 2020 and 2019 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Defined benefit obligations brought forward	512,775	409,098
Current service cost	40,227	33,666
Interest on obligations	8,434	10,697
(Gains) losses on remeasurements of defined benefit plans		
recognized in other comprehensive (income) loss		
- from changes in financial assumptions	(39,330)	46,410
- from experience adjustments	5,194	20,772
Benefits paid to employee	(38,520)	(7,868)
Defined benefit obligations carried forward	<u>488,780</u>	<u>512,775</u>

The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019, which will be effective after 30 days from the date announced in Royal Gazette. On December 13, 2018, the National Legislative Assembly passed a resolution approving the draft of a new Labour Protection Act. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. The management considered this change as a post-employment benefits plan amendment and the Company has additional provisions for employee benefits. The Company has recorded the effect of the change by recognizing additional past service cost as expense immediately in the statement of profit or loss and other comprehensive income for the year ended December 31, 2018.

The principal assumptions used for the purpose of the actuarial valuations for calculation of defined benefit obligations as at December 31, 2020 and 2019 are as follows:

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS		
	2020	2019
Retirement age	60 years	60 years
Mortality rate	75% of Thai Mortality Table 2017	75% of Thai Mortality Table 2017
Disability rate	10% of mortality rate	10% of mortality rate
Personnel turnover rate	3% - 11% p.a.	3% - 11% p.a.
Discount rate	1.60% p.a.	1.75% p.a.
Expected salary incremental rate	5% p.a.	6% p.a.
Weighted average duration	8.89 years	9.50 years

Significant actuarial assumptions for the determination of the defined benefit obligation are expected salary incremental rate, personnel turnover rate and discount rate. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumption occurring, while holding all other assumptions constant which reflects increasing (decreasing) in the obligations if the assumptions change by 1% as at December 31, 2020 and 2019 are as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Salary incremental rate - 1% increase	46,672	53,630
Salary incremental rate - 1% decrease	(41,174)	(47,049)
Personnel turnover rate - 1% increase	(1,238)	(19,667)
Personnel turnover rate - 1% decrease	1,244	21,249
Discount rate - 1% increase	(40,431)	(46,416)
Discount rate - 1% decrease	46,644	53,897

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the report period, which is the same as that applied in calculating the post-employment benefit obligations liability recognized in the statement of financial position.

18. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and shareholders' equity balance. The Group's overall strategy of the year 2020 remains unchanged from 2019.

The capital structure of the Group consists of debt, which includes the loans and debentures disclosed in Notes 13 and 16 and shareholders' equity, comprising issued and paid-up capital, legal reserve and retained earnings.

The Group does not apply any specific financial ratios to monitor its capital whilst manages its capital to be sufficient for its working capital.

19. DIVIDEND AND APPROPRIATION FOR LEGAL RESERVE

Pursuant to the Public Companies Act. B.E. 2535 (1992), the Company must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than ten percent of the registered capital. The legal reserve is not available for dividend distribution.

As at December 31, 2020 and 2019, the Company's legal reserve reaches 10% of the registered share capital.

The Board of Directors' meeting No. 4/2020 held on March 30, 2020 passed a resolution to pay interim dividend payment for the year 2019 at Baht 0.88 per share, totaling Baht 2,268.9 million. The Company has already paid dividend to shareholders on April 30, 2020. On July 3, 2020, the Annual General Meeting of Shareholders acknowledged the interim dividend payment

On April 5, 2019, the Annual General Meeting of Shareholders passed a resolution to pay dividend for the year 2018 at Baht 0.82 per share, totaling Baht 2,114.2 million. The Company already paid dividend on April 30, 2019.

20. EXPENSES BY NATURE

Net profit for the years ended December 31, 2020 and 2019 have been arrived at after charging the following items:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Management remuneration	210,245	203,035
Staff costs	2,067,381	2,247,323
Depreciation and amortization	507,982	338,527
Fees and service expenses	2,267,052	2,373,316
Marketing expense	816,873	1,014,072
Rental fees for premises and equipment	123,281	301,887
Premises and equipment expenses	415,930	332,689
Reversal of allowance for impairment of assets	-	(60,274)
Communication expenses	222,515	250,130
Special business tax and duty stamp	491,647	544,873
Expected credit loss	6,605,371	6,433,034
Others	137,248	176,470
Total Expenses	13,865,525	14,155,082

	SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Management remuneration	210,245	203,035
Staff costs	2,066,399	2,247,167
Depreciation and amortization	507,659	338,465
Fees and service expenses	2,265,528	2,372,856
Marketing expense	816,593	1,014,046
Rental fees for premises and equipment	122,738	301,692
Premises and equipment expenses	415,929	332,687
Reversal of allowance for impairment of assets	-	(60,274)
Communication expenses	222,483	250,130
Special business tax and duty stamp	491,565	544,834
Expected credit loss	6,604,078	6,433,008
Others	137,223	176,450
Total Expenses	13,860,440	14,154,096

21. PROVIDENT FUND

The Group set up a registered provident fund in accordance with the Provident Fund Act B.E. 2530. All employees are members of the Provident Fund, which is managed by Krungthai Asset Management Public Company Limited. Under the Fund's regulations, employees can elect to contribute to the fund at the rate of 3% to 15% of their basic salary and the Group contributes to the fund at the rate of 6% of their basic salary.

The Group's contributions which were charged to the statement of profit or loss and other comprehensive income for the years ended December 31, 2020 and 2019 amounting to Baht 58.8 million and Baht 60.4 million, respectively.

22. INCOME TAX EXPENSE

Income tax expense for the years ended December 31, 2020 and 2019 are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
	2020	2019	
	Thousand Baht	Thousand Baht	
Income tax expense per income tax return	(1,339,878)	(1,333,484)	
Adjustment for deferred tax relating to the origination and reversal of temporary differences	15,355	(46,624)	
Income tax expense per the statements of profit or loss and other comprehensive income	<u>(1,324,523)</u>	<u>(1,380,108)</u>	
SEPARATE FINANCIAL STATEMENTS			
	2020	2019	
	Thousand Baht	Thousand Baht	
Income tax expense per income tax return	(1,339,873)	(1,333,415)	
Adjustment for deferred tax relating to the origination and reversal of temporary differences	15,324	(46,624)	
Income tax expense per the statements of profit or loss and other comprehensive income	<u>(1,324,549)</u>	<u>(1,380,039)</u>	

The reconciliations between income tax expense and accounting profit for the years ended December 31, 2020 and 2019 are follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Accounting profit before tax	<u>6,656,421</u>	<u>6,904,072</u>
Income tax expense at domestic tax rates		
- Tax rate at 20%	(1,331,284)	(1,380,814)
Tax effect of non-taxable revenues and expenses	<u>6,761</u>	<u>706</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>(1,324,523)</u>	<u>(1,380,108)</u>
Effective tax rate (%)	19.9	20.0
	SEPARATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Accounting profit before tax	<u>6,659,530</u>	<u>6,904,434</u>
Income tax expense at domestic tax rates		
- Tax rate at 20%	(1,331,906)	(1,380,887)
Tax effect of non-taxable revenues and expenses	<u>7,357</u>	<u>848</u>
Income tax expense per the statements of profit or loss and other comprehensive income	<u>(1,324,549)</u>	<u>(1,380,039)</u>
Effective tax rate (%)	19.9	20.0

The Group and the Company used tax rates of 20% for the corporate income tax calculation for the years ended December 31, 2020 and 2019.

23. LONG-TERM AGREEMENTS

The Group and the Company has long-term agreements as at December 31, 2020 and 2019 as follows:

The Group and the Company has lease agreements for office premises and other facilities lease agreements for vehicles with total rental and service fees as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Within 1 year	3,191	179,372
Over 1 year to 5 years	2,867	111,462
	<hr/> 6,058	<hr/> 290,834

	SEPERATE FINANCIAL STATEMENTS	
	2020	2019
	Thousand Baht	Thousand Baht
Within 1 year	3,191	178,400
Over 1 year to 5 years	2,867	109,974
	<hr/> 6,058	<hr/> 288,374

From January 1, 2020, the Group has recognized right-of-use assets for these leases, except for short-term and low-value leases, see Note 2.4 for further information.

24. TRANSACTIONS WITH RELATED PARTIES

The Group and the Company have transactions with related parties. Certain portions of the Group's and the Company's assets, liabilities, revenues and administrative expenses represent transactions occurred with such related parties. These parties are related through common shareholders and/or directorships. Those significant transactions with related parties as included in the consolidated and separate financial statements are determined at the prices in line with those occur in the normal course of business based on the market price in general or the price as stipulated in the agreements.

24.1 The significant balances with related parties

The significant balances with related parties as at December 31, 2020 and 2019 are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Deposits at a financial institution (a part of cash and cash equivalents)		1,468,909	881,553
- Other receivables		1,791	723
- Short-term borrowings		7,660,000	3,490,000
- Trade payables		712,484	901,518
- Accrued interest expenses		399	287
- Other current liabilities		1,693	1,693
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Trade payables		-	208
KTB General Services and Security Company Limited	Same Ultimate Holding Company		
- Trade payables		7,934	8,729
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Other receivables		3,622	4,844
- Trade payables		79	78
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		1,100	1,325
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Short-term borrowings		-	349,625
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		730	2,100
- Trade payables		-	12
Krungthai Thai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Trade payables		-	318
KTB Law Company Limited	Same Ultimate Holding Company		
- Trade payables		200	-

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Deposits at a financial institution (a part of cash and cash equivalents)		1,468,536	881,007
- Other receivables		1,791	723
- Short-term borrowings		7,660,000	3,490,000
- Trade payables		712,484	901,518
- Accrued interest expenses		399	287
- Other current liabilities		1,693	1,693
KTB Computer Services Company Limited	Same Ultimate Holding Company	-	208
KTB General Services and Security Company Limited	Same Ultimate Holding Company	7,934	8,729
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Other receivables		3,622	4,844
- Trade payables		78	78
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		1,100	1,325
KT Zmico Securities Company Limited	Same Ultimate Holding Company	-	349,625
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Other receivables		730	2,100
- Trade payables		-	12
Krungthai Thai IBJ Leasing Company Limited	Same Ultimate Holding Company	-	318
KTB Law Company Limited	Same Ultimate Holding Company	200	-
KTC Pico (Bangkok) Co., Ltd.	Subsidiary		
- Other receivables		334	169
- Short-term borrowings		52,143	17,929
- Accrued interest expenses		3	1
- Other current liabilities		22	22
KTC Nano Co., Ltd.	Subsidiary		
- Other receivables		389	109
- Short-term borrowings		50,270	50,110
- Accrued interest expenses		1	4
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
- Other receivables		278	11
- Short-term borrowings		-	9,900
- Accrued interest expenses		-	1
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
- Other receivables		27	11
- Short-term borrowings		-	9,800
- Accrued interest expenses		-	1
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
- Other receivables		246	52
- Short-term borrowings		-	9,900
- Accrued interest expenses		-	1
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
- Other receivables		282	9
- Short-term borrowings		-	9,850
- Accrued interest expenses		-	1
KTC Prepaid Co., Ltd.	Subsidiary		
- Other receivables		63	-
- Short-term borrowings		99,900	-
- Accrued interest expenses		171	-

24.1.1 Movements of short-term borrowings from related financial institutions and related parties

Movements of short-term borrowings from related financial institutions for the years ended December 31, 2020 and 2019 are as follows:

Related parties	Relationship	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
		2020	2019
		Thousand Baht	Thousand Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
Beginning balance		3,490,000	3,539,907
<u>Add</u> Borrowings during the years		60,650,000	65,090,093
<u>Less</u> Repayments during the years		(56,480,000)	(65,140,000)
Ending balance		<u>7,660,000</u>	<u>3,490,000</u>
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
Beginning balance		349,625	299,872
<u>Add</u> Borrowings during the years		2,720,375	2,359,753
<u>Less</u> Repayments during the years		(3,070,000)	(2,310,000)
Ending balance		<u>-</u>	<u>349,625</u>

As at December 31, 2020, short-term borrowings from related financial institutions are promissory notes have carrying interest rate at Money Market Rate (MMR), which is 0.95% per annum. (As at December 31, 2019 : 1.45% - 1.50% per annum)

Movements of short-term borrowings from related parties for the years ended December 31, 2020 and 2019 are as follows:

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS	
		2020	2019
		Thousand Baht	Thousand Baht
KTC Pico (Bangkok) Co., Ltd.	Subsidiary		
Beginning balance		17,929	-
<u>Add</u> Borrowing during the years		81,621	192,119
<u>Less</u> Repayment during the years		(47,407)	(174,190)
Ending balance		<u>52,143</u>	<u>17,929</u>
KTC Nano Co., Ltd.	Subsidiary		
Beginning balance		50,110	-
<u>Add</u> Borrowing during the years		220,320	495,500
<u>Less</u> Repayment during the years		(220,160)	(445,390)
Ending balance		<u>50,270</u>	<u>50,110</u>

Related parties	Relationship	SEPARATE	
		FINANCIAL STATEMENTS	
		2020 Thousand Baht	2019 Thousand Baht
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
Beginning balance		9,900	-
<u>Add</u> Borrowing during the years		27,000	55,800
<u>Less</u> Repayment during the years		(36,900)	(45,900)
Ending balance		-	9,900
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
Beginning balance		9,800	-
<u>Add</u> Borrowing during the years		27,000	56,500
<u>Less</u> Repayment during the years		(36,800)	(46,700)
Ending balance		-	9,800
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
Beginning balance		9,900	-
<u>Add</u> Borrowing during the years		27,000	55,800
<u>Less</u> Repayment during the years		(36,900)	(45,900)
Ending balance		-	9,900
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
Beginning balance		9,850	-
<u>Add</u> Borrowing during the years		27,000	56,600
<u>Less</u> Repayment during the years		(36,850)	(46,750)
Ending balance		-	9,850
KTC Prepaid Co., Ltd.	Subsidiary		
Beginning balance		-	-
<u>Add</u> Borrowing during the years		99,900	-
<u>Less</u> Repayment during the years		-	-
Ending balance		99,900	-

As at December 31, 2020, short-term borrowings from related parties are borrowings have carrying interest rate at Money Market Rate (MMR), which is 0.95% per annum. (As at December 31, 2019 : 1.50% per annum)

24.2 The significant transactions with related parties

The significant transactions with related parties for the years ended December 31, 2020 and 2019 are as follows:

Related parties	Relationship	CONSOLIDATED FINANCIAL STATEMENTS	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		1,925	1,805
- Other income		7,519	7,526
- Administrative expenses		219,832	268,434
- Finance costs		35,487	41,694
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Other income		-	60
- Administrative expenses		-	2,434
Krungthai General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		45,016	49,531
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		5,633	7,276
- Administrative expenses		76	78
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		14,549	16,407
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Finance costs		1,839	2,723
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		106,149	146,888
- Other income		-	2,784
- Administrative expenses		-	3,769
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		5,427	3,020
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		545	-

Related parties	Relationship	SEPARATE FINANCIAL STATEMENTS	
		2020	2019
		Thousands Baht	Thousands Baht
Krung Thai Bank Public Company Limited	Major Shareholder		
- Fee and service income		1,925	1,805
- Other income		7,518	7,525
- Administrative expenses		219,706	268,431
- Finance costs		35,487	41,694
KTB Computer Services Company Limited	Same Ultimate Holding Company		
- Other income		-	60
- Administrative expenses		-	2,434
Krungthai General Services and Security Company Limited	Same Ultimate Holding Company		
- Administrative expenses		45,016	49,531
Krungthai Assets Management Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		5,633	7,276
- Administrative expenses		75	78
Krungthai Panich Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		14,549	16,407
KT Zmico Securities Company Limited	Same Ultimate Holding Company		
- Finance costs		1,839	2,723
Krungthai AXA Life Insurance Public Company Limited	Same Ultimate Holding Company		
- Fee and service income		106,149	146,888
- Other income		-	2,784
- Administrative expenses		-	3,769
Krungthai IBJ Leasing Company Limited	Same Ultimate Holding Company		
- Administrative expenses		5,427	3,020
KTB Law Company Limited	Same Ultimate Holding Company		
- Administrative expenses		545	-
KTC Pico (Bangkok) Co., Ltd.	Subsidiary		
- Other income		569	233
- Finance cost		439	226
KTC Nano Co., Ltd.	Subsidiary		
- Other income		319	109
- Finance cost		554	572
KTC Pico (Chonburi) Co., Ltd.	Subsidiary		
- Other income		278	11
- Finance cost		36	59
KTC Pico (Samut Sakhon) Co., Ltd.	Subsidiary		
- Other income		27	11
- Finance cost		35	58
KTC Pico (Pathum Thani) Co., Ltd.	Subsidiary		
- Other income		203	52
- Finance cost		36	59
KTC Pico (Samut Prakan) Co., Ltd.	Subsidiary		
- Other income		282	9
- Finance cost		36	58
KTC Prepaid Co., Ltd.	Subsidiary		
- Other income		63	-
- Finance cost		171	-

The above revenues and expenses are determined according to the following agreements:

- Business cooperation agreement

Since the back office service agreement between the Company and Krung Thai Bank Public Company Limited (“KTB”) was expired on March 31, 2018. The Company and KTB (“Counterparties”) entered into a business cooperation agreement dated March 30, 2018 to provide cooperation and support each other in existing and potential matters in the future. The counterparties will enter into a specific agreement, memorandum of agreement or other service request separately to determine details and conditions of cooperation, support or provide service in compliance with normal business operations of the counterparties.

The term of the business cooperation agreement is 5 years commencing on April 1, 2018. The expiration of this agreement will not impact the existence of agreement, memorandum of agreement or other service request under this agreement which are normal business activities of the counterparties.

24.3 Management remuneration

Management remuneration for the years ended December 31, 2020 and 2019 consist of the following:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2020 Thousand Baht	2019 Thousand Baht
Short-term management remuneration	206,100	198,833
Long-term management remuneration	4,145	4,202
Total	<u>210,245</u>	<u>203,035</u>

25. FINANCIAL INSTRUMENTS INFORMATION DISCLOSURES

During the years 2020 and 2019, the Group did not speculate in or engage in the trading of any derivatives.

25.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted the policy of only dealing with creditworthy counterparts as a means of mitigating the risk of financial losses from defaults.

The carrying amount of the assets recorded in the statement of financial position, net of allowance expected credit loss, represents the Group's maximum exposure to credit risk.

The Group's major business is the issuing of credit cards and provision of loan financing. The Group has established processes for approving credit lines, as well as consistently applied billing and collection processes.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognized and unrecognized financial instruments. The maximum exposure is shown gross carrying amounts before both the effect of mitigation through use of master netting and collateral arrangements. For financial assets recognized on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit loss.

As at December 31, 2020, the maximum exposures to credit risk are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS 2020 Thousand Baht	SEPARATE FINANCIAL STATEMENTS 2020 Thousand Baht
Loans to customers and accrued interest receivables	90,149,358	90,145,535
Other financial assets measured at amortized cost	4,982	4,982
Total financial assets	<u>90,154,340</u>	<u>90,150,517</u>
Loan commitments	174,242,677	174,242,677
Total maximum exposure to credit risk	<u>264,397,017</u>	<u>264,393,194</u>

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit loss) and loan commitments.

Explanation of 12-months expected credit loss, lifetime expected credit loss - not credit impaired, and lifetime expected credit loss-credit impaired are included in Note 3.2 to the financial statements.

Unit: Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2020

	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Loans to customers and accrued interest receivables - net				
Not yet due	75,807,724	7,674,742	-	83,482,466
Overdue 1 - 90 days	1,112,625	2,539,957	-	3,652,582
More than 90 days	556,206	855,296	1,602,808	3,014,310
Total	77,476,555	11,069,995	1,602,808	90,149,358
<u>Less</u> Allowance for expected credit loss	(3,864,666)	(2,444,544)	(1,046,078)	(7,355,288)
Net book value	<u>73,611,889</u>	<u>8,625,451</u>	<u>556,730</u>	<u>82,794,070</u>

Other financial assets measured at amortized cost

Investment grade	4,982	-	-	4,982
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Net book value	<u>4,982</u>	<u>-</u>	<u>-</u>	<u>4,982</u>

Unit: Thousand Baht

SEPARATE FINANCIAL STATEMENTS

December 31, 2020

	Performing (Stage 1)	Under- Performing (Stage 2)	Non- Performing (Stage 3)	Total
Loans to customers and accrued interest receivables - net				
Not yet due	75,804,451	7,674,742	-	83,479,193
Overdue 1 - 90 days	1,112,346	2,539,702	-	3,652,048
More than 90 days	556,206	855,296	1,602,792	3,014,294
Total	77,473,003	11,069,740	1,602,792	90,145,535
<u>Less</u> Allowance for expected credit loss	(3,864,575)	(2,444,443)	(1,046,066)	(7,355,084)
Net book value	<u>73,608,428</u>	<u>8,625,297</u>	<u>556,726</u>	<u>82,790,451</u>

Other financial assets measured at amortized cost

Investment grade	4,982	-	-	4,982
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Net book value	<u>4,982</u>	<u>-</u>	<u>-</u>	<u>4,982</u>

25.2 Liquidity risk

Liquidity risk arises in the general funding of the Group's activities. It includes both the risk of being unable to obtain source of fund at appropriate maturities and rates and the risk of being unable to liquidate an asset at a reasonable price and in an appropriate timeframe.

The Group has access to a diverse funding base. Funds are raised using a broad range of instruments including liabilities evidenced by paper, subordinated liabilities and share capital. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds. The Group strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities. The Group continually assesses liquidity risk by identifying and monitoring changes in funding required to meet business goals and targets set in terms of the overall strategy. As at December 31, 2020 and 2019, the Group and the Company have a credit line with a related financial institution in the sum of Baht 18,030 million in both years.

As at December 31, 2020, the Group's and the Company's financial assets and liabilities are classified by remaining maturity as follows:

CONSOLIDATED FINANCIAL STATEMENTS						Unit: Thousand Baht
	2020					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	1,913,996	-	-	-	-	1,913,996
Loans to customers	-	62,748,557	26,858,247	-	-	89,606,804
Other financial assets	-	-	3,001	1,981	-	4,982
Total financial assets	1,913,996	62,748,557	26,861,248	1,981	-	91,525,782
Financial liabilities						
Short-term borrowings						
from financial institutions						
and related parties	10,960,000	2,999,409	-	-	-	13,959,409
Long-term debentures	-	8,780,000	15,455,000	19,245,000	-	43,480,000
Total financial liabilities	10,960,000	11,779,409	15,455,000	19,245,000	-	57,439,409
SEPARATE FINANCIAL STATEMENTS						
	2020					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
Financial assets						
Cash and cash equivalents	1,913,623	-	-	-	-	1,913,623
Loans to customers	-	62,746,609	26,856,456	-	-	89,603,065
Other financial assets	-	-	3,001	1,981	-	4,982
Total financial assets	1,913,623	62,746,609	26,859,457	1,981	-	91,521,670
Financial liabilities						
Short-term borrowings						
from financial institutions						
and related parties	11,162,313	2,999,409	-	-	-	14,161,722
Long-term debentures	-	8,780,000	15,455,000	19,245,000	-	43,480,000
Total financial liabilities	11,162,313	11,779,409	15,455,000	19,245,000	-	57,641,722

25.3 Market Risk

Market risk is the risk that the Group may be affected by changes in value of position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate resulting in negative impact on income. The Group monitors and controls the market risk in the trading book and book portfolios by comparing the existing risks with the approved risk limits/ indicators, conducting the approval processes for the breach of the limits/ indicators and reporting to the executives and the Risk Management Committee regularly.

Interest rate risk

Interest rate risk is the effect of changes in interest rate on the assets and liabilities to the company's profit. The risk arises from timing difference in the residual term (for the case of fixed rate) and the next repricing (for the case of floating rate) of assets and liabilities or the changes of market interest rate which cause the interest rate of assets and liabilities to change disproportionately though the residual term of assets and liabilities is equal to the next repricing term. The risk management is aimed at optimizing the net income under given market interest rate levels consistent with business strategy of the Group.

As at December 31, 2020 and 2019 the Group's and the Company's financial assets and liabilities exposed to interest rate risk are as follows:

CONSOLIDATED FINANCIAL STATEMENTS												
2020												
	Depend on market rate				The earlier of remaining period of contract maturity or repricing date		Non-rate sensitive	Total	Average interest rate			
	Within 1 month	Within 1 year	1-5 years	More than 5 years								
	Million Baht	Million Baht	Million Baht	Million Baht								
	Baht	Baht	Baht	Baht	Million Baht	Million Baht	% p.a.	% p.a.				
Financial assets												
Cash and cash equivalents	1,463	-	-	-	451	1,914	0.13	-				
Loans to customers	-	69,176	2,723	-	17,708	89,607	16.82	6.27				
Other financial assets	-	-	3	2	-	5	-	1.98				
Financial liabilities												
Short-term borrowings from financial institutions and related parties	13,959	-	-	-	-	13,959	0.95	0.89				
Long-term debentures	-	11,280	12,955	19,245	-	43,480	-	3.13				
Lease liabilities	-	-	-	-	460	460	-	2.97				

CONSOLIDATED FINANCIAL STATEMENTS

2019

	Depend on market rate				The earlier of remaining period of contract maturity or repricing date				Non-rate sensitive	Total	Average interest rate			
	Within 1 month		Within 1 year		1-5 years		More than 5 years				Floating rate	Fixed rate		
	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht			% p.a.	% p.a.		
Financial assets														
Cash and cash equivalents	868	-	-	-	-	-	480	1,348	0.38	-				
Loans to customers	-	67,099	223	-	-	-	18,512	85,834	18.52	5.26				
Other financial assets	-	4	3	2	-	-	9	-	-	2.23				
Financial liabilities														
Short-term borrowings from financial institutions and related parties	5,880	5,500	-	-	-	-	(5)	11,375	1.50	1.47				
Long-term debentures	-	6,185	19,735	20,245	-	-	46,165	-	-	3.11				

SEPARATE FINANCIAL STATEMENTS

2020

	Depend on market rate				The earlier of remaining period of contract maturity or repricing date				Non-rate sensitive	Total	Average interest rate			
	Within 1 month		Within 1 year		1-5 years		More than 5 years				Floating rate	Fixed rate		
	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht			% p.a.	% p.a.		
Financial assets														
Cash and cash equivalents	1,463	-	-	-	-	-	451	1,914	0.13	-				
Loans to customers	-	69,174	2,721	-	-	-	17,708	89,603	16.82	6.27				
Other financial assets	-	-	3	2	-	-	5	-	-	1.98				
Financial liabilities														
Short-term borrowings from financial institutions and related parties	14,162	-	-	-	-	-	-	14,162	0.95	0.90				
Long-term debentures	-	11,280	12,955	19,245	-	-	43,480	-	-	3.13				
Lease liabilities	-	-	-	-	-	-	460	460	-	2.97				

SEPARATE FINANCIAL STATEMENTS

2019

	Depend on market rate				The earlier of remaining period of contract maturity or repricing date				Non-rate sensitive	Total	Average interest rate			
	Within 1 month		Within 1 year		1-5 years		More than 5 years				Floating rate	Fixed rate		
	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht	Million Baht	Baht			% p.a.	% p.a.		
Financial assets														
Cash and cash equivalents	868	-	-	-	-	-	480	1,348	0.38	-				
Loans to customers	-	67,097	223	-	-	-	18,512	85,832	18.51	5.26				
Other financial assets	-	4	3	2	-	-	9	-	-	2.23				
Financial liabilities														
Short-term borrowings from financial institutions and related parties	5,987	5,500	-	-	-	-	(4)	11,483	1.50	1.47				
Long-term debentures	-	6,185	19,735	20,245	-	-	46,165	-	-	3.11				

25.4 Interest rate sensitivity analysis

Analysis of sensitivity to changes in interest rates shows the potential change in interest rates on the statement of profit or loss and other comprehensive income of the Company by setting constant to other variables.

For financial assets and financial liabilities at the end of the reporting period, the Company estimates sensitivity analysis from profit or loss change for 12 months in advance under the assumption of changing interest rates of 1.00 percent of all types of financial assets and financial liabilities according to the period of interest rate adjustment in each.

The effect of changes in interest rates on profit or loss as at December 31, 2020 can be summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS	SEPARATE FINANCIAL STATEMENTS	Unit: Thousand Baht
Interest rate increase 1%	395,798	393,843	
Interest rate decrease 1%	(451,552)	(450,549)	

25.5 Fair value

The fair value disclosures of financial instruments, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimated fair value presented herein is not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Group in estimating fair values of financial instruments.

Fair value of financial assets and liabilities and their fair value hierarchy level classification are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS			
	As at December 31, 2020		Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
	Carrying amount	Fair value		
	Thousand Baht	Thousand Baht		
Assets				
Loans to customers and accrued interest receivables, net	82,794,070	82,794,070	2	Fair value is subject to market interest net of allowance for expected credit loss.
Other financial assets	4,982	5,231	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
Liabilities				
Short-term borrowings from financial institutions and related parties	13,959,409	13,959,409	2	Fair value is subject to market interest rate.
Deferred income for reward points	2,345,752	2,345,752	3	Estimates of redemption rate of the reward points earned by the customers and fair value of reward
Long-term debentures	43,480,000	44,663,869	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association

CONSOLIDATED FINANCIAL STATEMENTS

	As at December 31, 2019	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
	Carrying amount	Fair value	
	Thousand Baht	Thousand Baht	
Assets			
Loans to customers and accrued interest receivables, net	80,755,552	80,755,552	2
Other financial assets	8,997	9,184	2
Liabilities			
Short-term borrowings from financial institutions and related parties	11,375,486	11,375,486	2
Deferred income for reward points	2,277,230	2,277,230	3
Long-term debentures	46,165,000	48,124,204	2

SEPARATE FINANCIAL STATEMENTS

	As at December 31, 2020	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
	Carrying amount	Fair value	
	Thousand Baht	Thousand Baht	
Assets			
Loans to customers and accrued interest receivables, net	82,790,451	82,790,451	2
Other financial assets	4,982	5,231	2
Liabilities			
Short-term borrowings from financial institutions and related parties	14,161,722	14,161,722	2
Deferred income for reward points	2,345,752	2,345,752	3
Long-term debentures	43,480,000	44,663,869	2

SEPARATE FINANCIAL STATEMENTS				
	As at December 31, 2019	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements	
	Carrying amount	Fair value	Valuation techniques and key inputs used in fair value measurements	
	Thousand Baht	Thousand Baht		
<u>Assets</u>				
Loans to customers and accrued interest receivables, net	80,753,953	80,753,953	2	Fair value is subject to market interest net of allowance for doubtful account.
Other financial assets	8,997	9,184	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association
<u>Liabilities</u>				
Short-term borrowings from financial institutions and related parties	11,482,975	11,482,975	2	Fair value is subject to market interest rate.
Deferred income for reward points	2,277,230	2,277,230	3	Estimates of redemption rate of the reward points earned by the customers and fair value of reward
Long-term debentures	46,165,000	48,124,204	2	Yield rates of the last working day of the reporting period as quoted by the Thai Bond Market Association

26. CORONAVIRUS DISEASE 2019 PANDEMIC (COVID-19)

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries including employees, customers, business partners and business operations.

The Group provides supports to customers as the relief measures for loans to customers affected from the impact of COVID-19, following to the Bank of Thailand's the relief measures to help debtors from the Coronavirus disease 2019 pandemic situation, by reducing minimum payment rates for credit card and personal loan.

In addition, the Group provides supports to customers as the relief measures for loans to customers affected from the impact of COVID-19, following to the Bank of Thailand's relief measures to help debtors from the COVID-19 pandemic situation in the second phase, by reducing its interest rate ceiling as well as increasing its credit limits for credit card and personal loan, which will be effective on August 1, 2020. Furthermore, the company extends the registration period to support customer until June 30, 2021, following to the Bank of Thailand's relief measures to help debtors from a new round of COVID-19 pandemic situation.

As the impact consideration of COVID-19 pandemic to the financial statements cannot be clearly assessed due to the uncertainties of COVID-19, the Group closely monitors the pandemic situation and reasonably estimate the potential impact on the Group. The Group's management believes that the Group will be able to continue as a going concern and meet their obligations as these fall due.

27. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuing by the authorized directors of the Company on February 8, 2021.



General Information and other Significant Information

General Information

Reference

Auditor

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower, 23rd – 27th Floor, 11/1 South Sathorn Road,
Yan Nawa, Sathorn, Bangkok 10120

Legal Consultant

Siam Premier International Law Office Limited
The Offices at Central World, 26th Floor, 999/9 Rama I Road, Pathumwan,
Bangkok 10330

Securities Registrar

Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building
93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok 10400

Debenture Registrar and Debenture Holder Representative

Bank of Ayudhya Public Company Limited
AA Floor, 1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Other Significant Information

As of 31 December 2020, the Company summarized the use of the proceeds from the public offering of debt instruments. On 1 June 2017, the Company issued 2,500 million baht of Krungthai Card Public Company Limited No. 2/2017 (KTC226A) debenture to the public, which will mature on 1 June 2022. The proceeds from the issuance of the debenture will be used in business operations as well as expanding the company's business.

Other information that may significantly impacted the decision of investors.

The company disclosed information in accordance with the practice in a timely manner as specified by the regulatory bodies. Information can be study from the Company's website www.ktc.co.th or the Securities and Exchange Commission website www.sec.or.th or the Stock Exchange of Thailand website www.set.or.th

Restrictions on foreign shareholders

The Company has no foreign shareholder restrictions.

Legal Dispute

- None -

Secondary Market

Secondary market for Equity

The Stock Exchange of Thailand

Secondary market for Bonds

There are no secondary market for bonds, however investors can purchase bonds issued by private corporations that are sold via commercial banks, security companies, or other legal entities that bear the license to trade Bonds or other secondary markets that facilitates corporate bond trades.

Frequently Contacted Financial Institutions

1. Krungthai Bank Public Company Limited

Location : 35 Sukhumvit Road, Klong Toey Nua Sub-district, Wattana District, Bangkok 10110
Telephone : 0-2255-2222

2. Kasikornbank Public Company Limited

Location : 400/22 Phahon Yothin Road, Sam Sen Nai Sub-district, Phaya Thai District, Bangkok 10400
Telephone : 0-2222-0000

3. Kiatnakin Phatra Bank Public Company Limited

Location : 209, 209/1 KKP Tower, Sukhumvit 21 (Asoke), Klong Toey Nua, Wattana, Bangkok 10110
Telephone : 0-2165-5555

4. United Overseas Bank (Thai) Public Company Limited

Location : 191 South Sathon Road, Yannawa, Sathorn, Bangkok 10120
Telephone : 0-2343-3000

5. Bank of Ayudhya Public Company Limited

Location : 550 Krungsri Phloenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10120
Telephone : 0-2646-3000

6. TMB Bank Public Company Limited

Location : 3000 Phahon Yothin Road, Chom Phon Sub-district, Chatuchak District, Bangkok 10900
Telephone : 0-2299-2349

KTC Touch



1	UBC II	G Floor	10	Fashion Island	1 st Floor
2	The Mall Bangkae	3 rd Floor	11	Central Rama 2	G Floor
3	The Mall Thapra	2 nd Floor	12	Central Rattanathibet	1 st Floor
4	Future Park Rangsit	2 nd Floor	13	Central Bangna	4 th Floor
5	Central Ladphrao	2 nd Floor	14	Fortune Town Shopping Mall	2 nd Floor
6	The Mall Ngamwongwan	5 th Floor	15	Silom Complex	5 th Floor
7	Central Pinklao	4 th Floor	16	Thai Summit Tower	9 th Floor
8	The Mall Bangkapi	G Floor	17	Meechok Plaza Chiangmai	Zone B Lock B-1
9	Krung Thai Bank Nananua Branch	2 nd Floor			

