

SECTION 4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

4.1 Shareholding Structure

Krungsri discloses its shareholding structure both in its website and annual report, in which a list of the major shareholders and ordinary shareholders with over 0.5 percent of all issued and paid-up shares is provided.

4.2 Information Disclosure

Krungsri is aware of the importance of information disclosure concerning both financial and general matters to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby it must be disclosed in both Thai and English via easily accessible channels in a correct, adequate, transparent, timely, and equal manner under prescribed criteria and in compliance with the relevant laws and regulations of government authorities. Krungsri regularly updates important information.

Krungsri also consolidates information being disclosed via the Stock Exchange of Thailand and notified to the shareholders, including Krungsri-related information which is useful for the shareholders and investors, in a separate section of its website, so that it is easy to search for and access.

Krungsri has set information disclosure guidelines in accordance with related regulations of the Stock Exchange of Thailand to be used as standard practices in preparing information to disclose and/or communicate to investors, analysts, fund managers, and other parties. The guidelines are as follows:

- Information to be disclosed to the investors, analysts, fund managers, and other parties must be given consent for its release and/or be able to be disclosed to the public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission;
- Krungsri will not disclose any sensitive information that may affect its reputation to investors, analysts, fund managers, or other parties, unless otherwise authorized by senior executives or until the actions related to the issue at hand are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers, and other parties;
- As regards information disclosure for unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission and/or other relevant authorities. Such information to be disclosed to the investors, analysts, fund managers, and other parties shall be the same as that already disclosed to the Stock Exchange of Thailand, the Securities and Exchange Commission, and/or other relevant authorities;
- Any disclosure of information such as that being viewed as aiming to persuade, convince, or propagandize, for product and service marketing purposes, including unsubstantiated information that aims to create a sense of competitive advantage, must be approved by the Regulatory Compliance Department and/or General Counsel.
- Any person preparing, involved in, or with knowledge of unreleased information is not allowed to disclose or convey the same to any person closely related to them or other persons without permission from

the authorized person, and such information shall be treated as confidential until the permission for disclosure is granted and/or such information has already been reported to the Stock Exchange of Thailand;

- Disclosure channels to the public must be suitable for each group of stakeholders, and in compliance with the rules applicable to each channel;

- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by the Chief Financial Officer, related Head of Group/Chief Officer, and/or President and Chief Executive Officer;

- The Investor Relations Section shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions related to investments. If the information is found to be incorrect, the Investor Relations Section, with approval from the Chief Financial Officer, shall make a clarification and provide correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsriportal.net;

- The President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to investors, analysts, fund managers, and other parties. If there is any question within the domain of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by the President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications;

- The Investor Relations Section shall be the center for handling interview requests and information from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure;

- Disclosure of information pertaining to incidents potentially impacting the reputation and credibility of Krungsri such as corruption, complaints, court decisions, theft, and disaster befalling the employees or Krungsri shall be handled by the Investor Relations Section with approvals from the President and Chief Executive Officer, Chief Financial Officer, and General Counsel prior to public disclosure;

- Information of target investors, analysts, fund managers, and others shall be kept in a database categorized by type (investor, analyst, fund manager, and etc.), and shall contain their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.

☐ **Disclosure of Directors and Executives' Shareholdings:** Krungsri discloses information on shareholding of directors and executives, both directly and indirectly (including spouses and their minor children), in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic 'Krungsri's shareholding of directors and executives'.

☐ **Disclosure in the Annual Report:** Krungsri discloses useful information for its shareholders as follows:

1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association in five core sections: shareholders' rights; equal treatment for all shareholders; roles of stakeholders; disclosure of information and transparency; and responsibilities of the Board of Directors.

2. Mission and Vision for business operations of Krungsri, which are fundamental aims and medium- to long-term goals. Details are as follows:

- Mission: To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth.

- Vision: Highly-qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number-one preferred financial group.

In addition, Krungsri has identified its core values which are fundamental behaviors to build organizational culture and make the employees aware of Krungsri's expectations. This will enable Krungsri to accomplish its mission and vision.

3. Krungsri discloses its financial status and operating performance to the stakeholders as follows:

- Financial Statements: Krungsri discloses its financial statements audited by a certified public accountant and endorsed by the Securities and Exchange Commission as being presented correctly in all material aspects in accordance with generally accepted accounting principles. In the previous year, Krungsri prepared and submitted its annual and quarterly financial statements within the prescribed timeline. The Securities and Exchange Commission has never ordered Krungsri to make any corrections to these financial statements.

- Management Discussion and Analysis (MD&A): To provide information to investors for their acknowledgement and better understanding of Krungsri's performance in each quarter.

Krungsri's financial statements, including the financial information presented in the annual report, are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, to which consistent adherence is made, and to apply appropriate projection methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's real financial status and performance, information which is beneficial to the shareholders and general investors. The 2019 financial statements were certified with an unqualified opinion by an independent auditor.

4. Besides the Key Performance Indicator (KPI) on Krungsri's financial operating performance, Krungsri has received a number of awards which reflect its success and excellence in various aspects i. e. corporate governance, business operations, employee engagement, innovation, and other initiatives in marketing as well as brand building. Krungsri also measures customers' satisfaction via the

customer satisfaction measurement scheme called the Net Promoter Score (NPS) on annual basis for the purpose of tracking the interests and preferences of the customers toward the Krungsri brand. NPS serves as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2019, Krungsri's NPS score was at 66. In addition, operating performance and success of each business function are assessed each year; the market shares of products were as follows: 30 percent for personal loan, 16 percent for credit card business, 28 percent for hire-purchase facility, 5 percent for SME business, and 12 percent for corporate business.

5. Circumstances of the business and competition, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.

6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.

7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. The nature of each type of risk and its management are also specified.

8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.

9. Roles of stakeholders whereby the complaint process and communication channels with Krungsri are specified so that different groups of stakeholders can contact, ask for information, and make complaints or whistleblowing conveniently and rapidly.

10. The names of directors as of December 31, 2019, totaling 11 directors consisting of four non-executive directors, four independent directors, and three executive directors.

11. The directors' profiles such as name-surname, age, position, educational background, work experience, shareholding, and etc., as well as type of directorship i.e. non-executive, independent, or executive director.

12. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of the committees reporting to the Board of Directors, i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Risk and Compliance Committee, will receive increased remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis and by each position.

13. The number of meetings of the Board of Directors and the committees reporting to the Board of Directors, and the number of meetings attended by each director.

14. Information on participation in development and training courses of directors in the previous year.

15. Information on any changes in shareholding of the directors and senior executives, showing the number of shares held at the end of the previous year and the end of current year. Krungsri also discloses any change in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission and the Board of Directors for acknowledgement.

16. Remuneration of executives which is in line with the principles and policies stipulated by the Board of Directors, as well as Krungsri's operating performance and each individual executive's performance.

17. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the authorized person and/or the Board of Directors. The directors and executives with conflict of interest will neither join the consideration nor vote on any transaction between Krungsri or its subsidiaries and any related party, or the one with potential for conflict of interest in the future. Krungsri discloses the related party transactions executed each year.

18. Selection and appointment of an independent auditor whose qualifications are in compliance with the regulations of the Bank of Thailand and the Securities and Exchange Commission. The selected auditor must not be connected to or have any interest with Krungsri, its executives, major shareholders, or a related party in any manner that may lead to any impact on their independence in work. Krungsri also discloses the auditor's remuneration (audit fee and other service fees).

19. Krungsri prepares a report on the Board of Directors' responsibility for financial reporting, whereby the Board of Directors is responsible for Krungsri's financial statements and the consolidated financial statements of Krungsri Group, as well as the financial information of the Annual Report, which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements, which have been audited with an unqualified opinion by an independent auditor. Krungsri's financial statements therefore reflect actual financial position and performance, which is beneficial to the shareholders and general investors.

□ Information Disclosure Channels: Krungsri has disclosed its information related to both financial and general matters so that the stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website, www.krungsri.com, the Annual Report (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.

□ Information Disclosed on Krungsri's Website: Krungsri takes into account the importance of information disclosure in accordance with the Principles. Its information disclosure is carried out correctly,

adequately, equally, transparently, rapidly, in a timely manner, and in compliance with the relevant laws and regulations. Krungsri discloses important information on its website in both Thai and English e.g. the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the Board of Directors, the committees reporting to the Board of Directors and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

In this regard, after financial or other significant information that could impact Krungsri's stock price or the shareholders' benefits is disclosed to the Stock Exchange of Thailand, Krungsri will also post such information on its website.

Krungsri reviews and assesses the effectiveness of its disclosure process on a regular basis. In 2019 and previous years, Krungsri never received an execution or complaint from related regulatory bodies regarding a failure to disclose information of significant incidents within the period designated by such regulators, or any information not in compliance with regulations.

4.3 The Unit to Foster Relationships with the Investors and Stakeholders

Krungsri has a specific unit responsible for disclosing information, coordinating the dissemination of information, and building good relationships between Krungsri and its shareholders, investors, analysts, and other related parties.

□ Investor Relations Section: Krungsri established the Investor Relations Section in 2002. Its core mission is to manage work related to investor relations, particularly the disclosure of financial and non-financial information of Krungsri, under guidelines which are in line with related policies and relevant laws. This section is also responsible for the disclosure of information related to Krungsri Group, including comparisons of financial performance and position, current operations, and competitiveness. In 2018, Krungsri established the Environmental, Social and Governance Division and transferred the Investor Relations Department to report directly to this division, to foster good relationships with investors, analysts, fund managers, credit rating agencies, correspondent banks, and other relevant organizations in order to reflect the intrinsic value of Krungsri's securities while creating value-added.

Contact Information:

The Investor Relations Section

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□ **Major Stakeholders:** Shareholders, investors, employees, securities analysts, and credit rating agencies, both domestic and abroad.

□ **Number of Activities and Scope of Responsibility of the Investor Relations Section:** have become far more developed and cover a wider scope since Krungsri became a subsidiary of Mitsubishi UFJ Financial Group (MUFG). The Investor Relations Section communicates Krungsri's increasing business potential to its stakeholders in addition to meeting with MUFG's investor relations team to share their experience and discuss practical guidelines for information disclosure and investor relations activities.

□ **Engagement by Senior Executives:** In both planning and participating in investor relations activities, this is an essential factor in reinforcing the effectiveness of two-way communication with the stakeholders. The senior executives meet with investors both at home and abroad to exchange perspectives on business development, strategy, and trends.

Participants in the investor relations activities throughout 2019 included the President and Chief Executive Officer, Chief Financial Officer, Head of Corporate Strategy and Planning Group, and the Executive Vice President of the Environmental, Social, and Governance Division.

The Investor Relations Section continually organizes investor relations activities, including one-on-one and group meetings with investors and analysts, and participating in domestic and international conferences. Such activities reflect the interest of the investors, securities analysts, and analysts from credit rating agencies in Krungsri as the leader in retail banking and as a member of MUFG.

□ In 2019, Krungsri's executives and the Investor Relations Section disclosed information via various activities, such as:

- Regional Executive for Asia & Senior Managing Executive Officer of MUFG, and Vice Chairman of Krungsri joined a panel discussion on 'Next Generation MSME Access to Finance' at the ASEAN Business and Investment Summit 2019 (ABIS 2019)

- Head of Mortgage Loan Division gave an executive briefing at the Consumer Finance Day held by Bualuang Securities PCL to share mortgage insights and outlook for 2019-2021, factors that impact the overall mortgage market, and Krungsri's strategies for innovative digital platforms to enhance customer experiences.

- Head of Environmental, Social and Governance Division joined a panel discussion on 'The emergence of gender equality bonds' at the '14th Asia Bond Markets Summit' convened by the Asset in Singapore. Other panelists on stage were executives from leading companies, namely MUFG Bank, DEG, IFC and MUFG Securities Asia.

- Investor Relations Section organized the Knowledge Forum activity entitled 'Understanding: TFRS 9', Krungsri Executives shared insights on the implications of Thai Financial Reporting Standard No 9 (TFRS 9) concerning its principles and impacts on financial statements of the Thai banking business.

- Investor Relations Section organized the Analyst Briefing for analysts, fund managers, and credit rating agencies. Chief Financial Officer announced the Bank's 1H/2019 financial and operating results, as well as the 2H/2019 business outlook. Meanwhile, Head of Research Division and Chief Economist shared his views on Thailand's economic outlook and policy rate trend.

- Investor Relations Section organized the Analyst Briefing, at the event, President and Chief Executive Officer and Chief Financial Officer announced 2019 business direction with key strategies to upgrade digital platforms and innovation capacities for greater customer experience.

- Managing Director of Krungsri Finnovate gave lectures on digital banking to the executives and staff of Bank for Investment and Development of Vietnam (BIDV).

Major investor relations activities in 2019 are summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visit with investors/analysts	12	18	26
Conference calls	1	1	1
Participation in international and domestic conference/meeting	26	96	98
Meeting with securities analysts *	2	50	60
Meeting with credit rating agencies for Krungsri Group **	3	4	15
Site visit	3	63	111
Press conference	12	486	619
Press release on financial position of Krungsri	4	-	-

Remarks * President and Chief Executive Officer and Chief Financial Officer participated.

** Chief Financial Officer and Chief Risk Officer participated.

□ **Information Reported to the Board of Directors and Senior Executives of Krungsri:** Aside from providing services to the stakeholders who are outsiders as mentioned above, the Investor Relations Section follows up on Krungsri's operating performance and other factors related to Krungsri's business operations for regular reports to the Board of Directors and senior executives, and reports on comments and viewpoints of securities analysts, important developments that may impact Krungsri's stock price, as well as analyses of appropriate shareholding structure. In addition, the Investor Relations Section reports on its activities (participation in meetings with local and foreign investors) and related plans to the Board of Directors on a quarterly basis.

□ **Information Reported to the Stakeholders:** Krungsri employs effective communication tools and channels in disclosing important information such as details related to significant strategies, strategic

developments, and information that may affect Krungsri's stock price. These communication channels include electronic communication to the stakeholders.

The Investor Relations Section also provides historical financial information on a quarterly basis, which is regularly updated, investors and other persons interested in Krungsri's financial information can download it from Krungsri's website under the 'Investor Relations' topic (<http://www.krungsri.com/bank/InvestorRelations/FinancialInformationAndReports/KrungsriTimeseriesSheet.html>).

The Investor Relations Section continuously delivers updated news such as operating performance reports and other key developments of Krungsri to investors, so that they always have the latest information. In addition, communication channels with a contact person are disseminated on Krungsri's website.

The Investor Relations Section's roles and responsibilities regarding information disclosure, support, relationship development, as well as building confidence among shareholders, investors and analysts, are all undertaken to ensure that Krungsri's stock price reflects its fair value in the long-term and to maintain investor confidence.