



krungsri
กรุงศรี

A member of  **MUFG**
a global financial group



**DELIVERING SUPERB
CUSTOMER EXPERIENCE
LEVERAGING
DIGITAL INNOVATION**

DELIVERING SUPERB
CUSTOMER EXPERIENCE
LEVERAGING
DIGITAL INNOVATION

CONTENTS

4

Mission, Vision,
and Core Values

6

Board of
Directors' Report

8

Message from
the President and
Chief Executive
Officer



12

Senior Management

14

Senior Management:
Subsidiaries

30

Operating
Environment

36

Competitive
Capability

104

Risk Factors
and Risk
Management



150

Internal Controls
and Internal Audit

154

Management
Structure

224

Corporate Social
Responsibility

238

Financial Reporting
and Financial
Statements



10

Board of Directors



16

Organization
Structure

17

About Our
Corporate
Governance

24

Financial
Highlights

26

Awards and
Recognition



120

Corporate
Governance

148

Corporate
Governance for
Subsidiaries and
Joint Ventures

150

Insider
Information
Policy and
Measures

356

General
Information

358

The Bank's
Securities



362

Group of
Companies

364

Distribution
Network

374

Summary of
Specified Item
Per Form 56-2

KRUNGSRI MISSION

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

KRUNGSRI VISION

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

KRUNGSRI CORE VALUES

Customer Centricity:

We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.

Team Spirit:

We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.

Embracing Changes:

We intend to do better everyday by opening ourselves to changes and new experiences that will fairly benefit Krungsri and our customers.

Integrity:

We are fair and professional, inspiring trust and work with transparency, legalism and ethics.

Passion for Excellence:

We are committed to instill in ourselves the expectation of excellence in delivering our work and services.

Global Awareness:

We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside of Thailand.



BOARD OF DIRECTORS' REPORT



2017 marks the successful conclusion of Krungsri's historic first chapter of our journey as a strategic member of the global mega financial group MUFG coinciding with successfully completing our first Medium-Term Business Plan (2015-2017).

Under the first Medium-Term Business Plan, regional business expansion included establishing a representative office in Myanmar and acquiring Hattha Kaksekar Limited (HKL), the third-largest microfinance institution in Cambodia.

We were listed on the Thailand Sustainability Investment Stock Index (THSI) reflecting not only our solid financial position but also our accountability to both internal and external stakeholders in three important dimensions: environmental, social, and corporate governance responsibilities.

During this period Krungsri emerged and was recognized as a domestic systemically important bank (D-SIB) by the Bank of Thailand — assessing not only our size but also our interconnectedness and the role Krungsri plays in contributing to financial sector stability and development as well as economic growth for Thailand. We are highly honored by both achievements and our stakeholders' recognition of our strengths.

2018 will see the second chapter of our historic journey — a journey toward our aspiration to be 'a top-tier financial group in Thailand' and 'a major ASEAN financial powerhouse', winning customers' trust and confidence across all segments, at home and abroad.

Considering the global mega trends and risks, the government's Thailand 4.0 agenda as well as fast-changing technological developments, stakeholders' interests, and assessing our current position and competitive strength, we strategized a plan for our second Medium-Term Business Plan — which has been approved by the Board of Directors — as a strategic framework to guide our business undertakings for the next three years (2018-2020).

While we will maintain customer-centricity and Make Life Simple as our core strategic directives governing all our actions, one key strategic thrust under the new business plan is to enhance the customer experience through innovative, digitalized applications. Adopting, adapting, and integrating digitalization and FinTech will not only enable us to anticipate ever-changing lifestyles and customer needs, but will also strengthen our competitive capabilities and help to build new platforms for the next generation of banking services — particularly requirements under the national e-Payment development plan.

Concurrently with our technological platform investments we will continue to invest in and develop our human capital as we strongly believe that the human touch will continue to be an integral part of providing services to our customers. We will also support and encourage our employees to embrace new technology to develop agile, productive ways of working. We believe that innovative and efficient banking services with the human touch will maximize customer acceptance.

Our aspiration to be an ASEAN financial powerhouse can firmly be achieved with guidance and strategic support from both of our strategic shareholders. Special thanks go to our founding strategic shareholder, the Ratanarak Group, for their long-term support and their important contributions to our success, while MUFG's world-class strategic guidance and absolute commitments on excellent banking products, services, and networks shape our competitive capabilities.

On behalf of the Board of Directors, we express our gratitude to all our valued stakeholders for their continued trust in Krungsri as well as their unyielding support throughout 2017 and beyond.



Veraphan Teepsuwan
Chairman



Takayoshi Futae
Vice-Chairman

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



2017 was another key milestone year of both financial and non-financial achievements for Krungsri. Guided by our strategic 2015-2017 Medium-Term Business Plan, we have successfully navigated and achieved significant progress despite an increasingly competitive and complex business environment.

A two-trillion-baht asset threshold with a record net profit of 23.2 billion baht was achieved in 2017. We also attained the status of a domestic systemically important bank (D-SIB) from the Bank of Thailand. Krungsri Finnovate, our subsidiary, was also established focusing on three core activities: accelerator and academic collaboration, startup project management, and corporate venture capital.

With the successful execution of our first Medium-Term Business Plan (2015-2017), we have not only narrowed the size and financial metric gaps with the top banks, but have also made significant progress on wide-ranging strategies and initiatives, including enhancing business and IT platforms, cultivating our customer-centric culture, promoting digital innovation, and upgrading our risk and governance frameworks. Progress on digital capabilities to deliver our promise to Make Life Simple for all customers included process digitalization, integrating protocols and infrastructure with the National e-Payment Master Plan, and Krungsri Blockchain's Interledger — the first real-time international funds transfer service for businesses in Thailand.

On the financial front, loans grew robustly at an annual average rate of 15.6 percent for the period 2015 through 2017, outperforming our industry peers. Operating profits set a new record of 52.3 billion baht, with a solid contribution from both interest and non-interest income. Our return on equity (ROE) stood at 10.7 percent, second-highest among leading banks. Meanwhile, asset quality remains sound with the NPL ratio reduced to 2.05 percent — the lowest level since the Asian Financial Crisis.

In 2018, Krungsri will continue the journey for robust and sustainable growth. Bangkok's newest financial landmark using a green-building concept, the 35-storey Krungsri Ploenchit Tower begins operation in early 2018 with a complete range of financial products and services for customers at the heart of Bangkok's Central Business District.

Also important for 2018, our second Medium-Term Business Plan (2018-2020) will be implemented. While leveraging digital technology, we will continue our customer-centric journey formulating financial products and services that not only best suit customer requirements but also offer an exceptional customer experience at every touch point. At the same time we will continue to tap into MUFG's global strengths, network, and immense financial portfolio.

On behalf of our management, we thank our valued customers, shareholders, employees, and all other stakeholders for your continued support. We are fully committed to strictly adhering to best practices in governance and to conducting our businesses with the utmost responsibility, aiming to be 'a top-tier financial group in Thailand' and 'a major ASEAN financial powerhouse' with a global reach as laid out in our current medium-term business development plan.



Noriaki Goto
President and Chief Executive Officer

BOARD OF DIRECTORS



Mr. Veraphan Teepsuwan
Chairman



Mr. Takayoshi Futae
Vice-Chairman
Nomination and Remuneration Committee Member



Mr. Karun Kittisatporn
Independent Director
Chairman of the Nomination and Remuneration Committee



Miss Potjaneer Thanavaranit
Independent Director
Chairman of the Audit Committee



Mr. Hirotake Taguchi
Director



Mr. Phong-adul Kristnaraj
Independent Director
Audit Committee Member
Chairman of the Risk and Compliance Committee



Mr. Noriaki Goto
Executive Director
Chairman of the Executive Committee



Mr. Virat Phairatphiboon
Independent Director
Audit Committee Member
Nomination and Remuneration Committee Member



Miss Nopporn Tirawattanagool
Director
Nomination and Remuneration Committee Member
Risk and Compliance Committee Member



Mr. Takeshi Ogasawara
Director
Risk and Compliance Committee Member



Mr. Pornsanong Tuchinda
Executive Director
Executive Committee Member



Miss Duangdao Wongpanitkrit
Executive Director
Executive Committee Member

SENIOR MANAGEMENT



Mr. Noriaki Goto
President and Chief Executive Officer



Mr. Pornsanong Tuchinda
Head of Commercial Banking



Miss Phawana Niemloy
General Counsel



Miss Duangdao Wongpanitkrit
Chief Financial Officer



Mr. Rohit Khanna
Head of Corporate Strategy and Planning Group



Mrs. Voranuch Dejakaisaya
Chief Information and Operations Officer



Mr. Chandrashekar Subramanian Krishoolndmangalam
Chief Risk Officer



Miss Puntipa Hannoraseth
Head of Audit Group



Mr. Masaaki Suzuki
Head of JPC/MNC Banking



Mr. Sudargo Harsono
Head of Retail and Consumer Banking



Mr. Tak Bunnag
Head of Global Markets Group



Mr. Phonganant Thanattrai
Head of Retail Banking and Distribution Group



Mr. Sayam Prasitsirigul
Head of SME Banking Group



Mr. Pairote Cheunkrut
Head of Krungsri Auto Group



Mr. Wittapon Jawjit
Head of Human Resources Group



Mr. Thakorn Piyapan
Head of Krungsri Consumer Group
Head of Digital Banking and Innovation Division

SENIOR MANAGEMENT: SUBSIDIARIES



Mrs. Kittiya Srisanit
Managing Director
Ayudhya Capital Auto Lease PCL



Miss Nayanee Peaugkham
Managing Director
Ayudhya Capital Services Co., Ltd.



Mr. Piyasak Ukritnukun
Managing Director
Ngern Tid Lor Co., Ltd.



Mr. Okart Supamornpun
Managing Director
Ayudhya Development Leasing Co., Ltd.



Mr. Atis Ruchirawat
Managing Director
General Card Services Ltd.



Mr. Nick Smart
Chief Executive Officer
Tesco Card Services Ltd.
Tesco Life Assurance Broker Ltd.
Tesco General Insurance Broker Ltd.



Mr. Hout leng Tong
President & CEO
Hattha Kaksekar Limited



Miss Siriporn Sinacharoen
Managing Director
Krungsri Asset Management Co., Ltd.



Mr. Udomkarn Udomsab
Managing Director
Krungsri Securities PCL



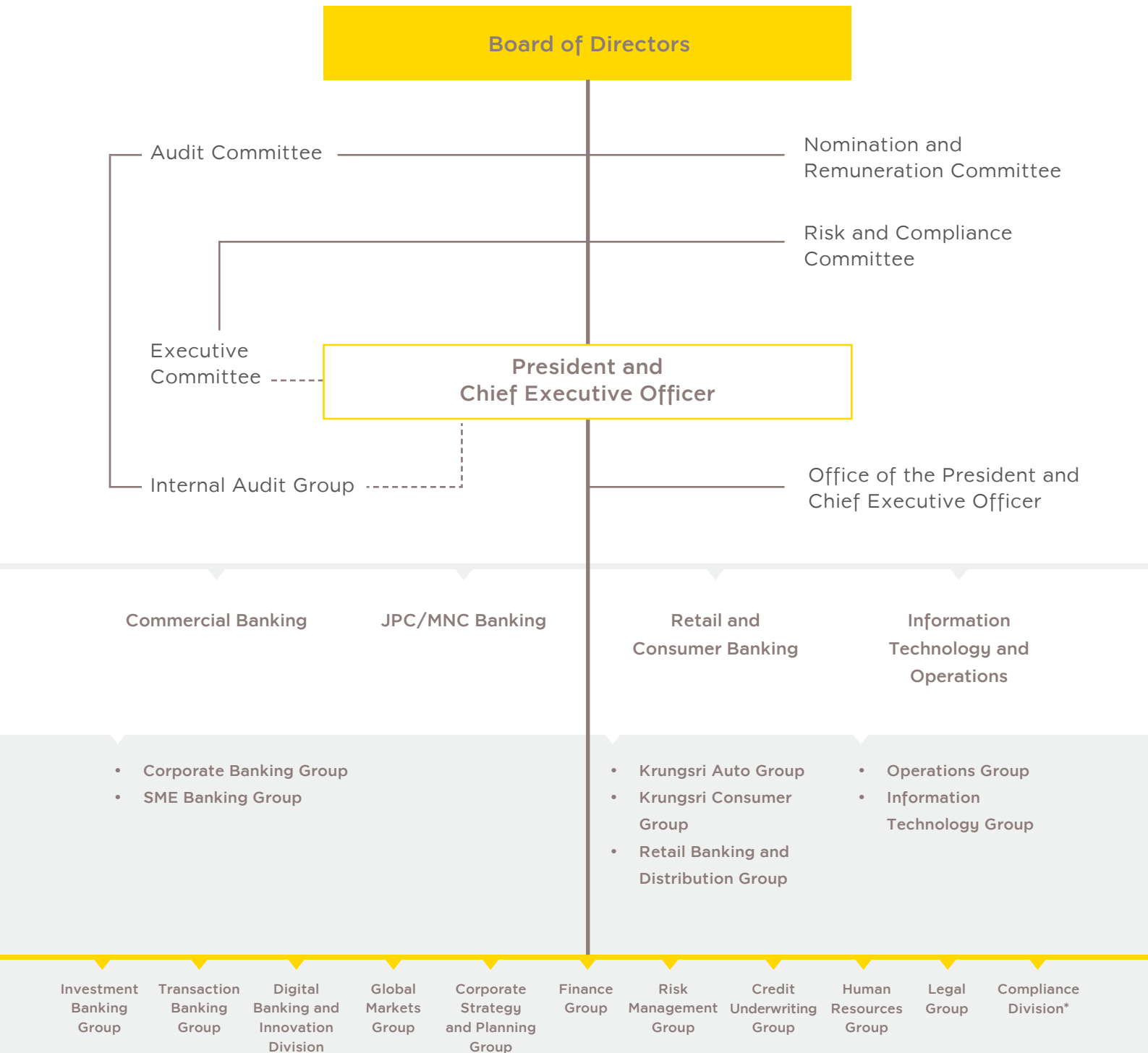
Mr. Somwang Toraktrakul
Managing Director
Krungsriayudhya Card Co., Ltd.



Mr. Sam Tanskul
Managing Director
Krungsri Finnovate Co., Ltd.

ORGANIZATION STRUCTURE

(as of January 1, 2018)



* Compliance Division reported directly to the Risk and Compliance Committee

ABOUT OUR CORPORATE GOVERNANCE

The Board of Directors recognizes that the good corporate governance principles are a vital foundation for a sustainable organizational growth in the international arena and being one of significant elements facilitating effective business operations. Krungsri Group strives to continually develop and support the good corporate governance, also foster and encourage the employees to perform their duties according to the international good corporate governance principles. Doing so will create confidence among the shareholders, investors and all relevant stakeholders as well as add value to Krungsri's business in the long run. Krungsri takes into account the risks and liabilities to stakeholders and every related party fairly and at the same time supports sustainable development on economy, society and environment.

The Board of Directors established '**Good Corporate Governance Principles**' (the Principles) in writing which cover the shareholders' rights and equitable treatment to the shareholders, information disclosure and transparency, composition and qualifications of the Board of Directors, roles and responsibilities of the Chairman, the Board of Directors and the Committees reporting to the Board of Directors as well as those of the President and Chief Executive Officer and executives, internal control and internal audit systems, Krungsri Group's business philosophy and roles towards the stakeholders. The Principles also mention about Krungsri's Mission, Vision and Core Values, Employee's Code of Conduct and their compliance. In addition, it is stipulated that the Principles be reviewed on an annual basis or without delay in case of any significant changes. This is to ensure the appropriateness of the Principles against dynamic circumstances which may change from time to time and alignments with relevant regulations, Krungsri's organization structure and operating environment.

Additionally, to encourage transparency of Krungsri's business operations as well as its accountability to the stakeholders, Krungsri drew up '**The Spirit & The Letter**' (S&L), outlining key principles of integrity under applicable laws and good corporate governance, and stating matters to be acknowledged, taken and aware by the employees as well as the punitive measures in case of violation. Krungsri disseminates S&L on its website and requires all employees to sign for acknowledgement and compliance on an annual basis. Krungsri also arranges activities to enhance knowledge and understanding of S&L such as an annual S&L Week and the appointment of each business function's Compliance Champion to serve as a conduit for communications, knowledge sharing and enhancement of understanding on compliance issues including rules and regulations, policies and procedures or corporate governance requirements stipulated by Krungsri for the employees in each particular function.

In 2017, the Board of Directors has reviewed the Principles whereby the Corporate Governance Code for listed companies

2017 of the Securities and Exchange Commission (CG Code) and the guidelines of the Banking Industry Code of Conduct were also applied, apart from other criteria i.e. criteria for Corporate Governance Report of Thai Listed Companies (CG Report) of Thai Institute of Directors Association, the criteria for survey and assessment of good corporate governance of Thai listed companies based on the ASEAN CG Scorecard and Annual General Meeting Checklist. The significant revisions are adding roles and responsibilities of the Board of Directors, establishing clear roles and responsibilities between the President and Chief Executive Officer and executives as well as setting the guideline that every director including independent directors participate in considering the agenda of the Board of Directors Meeting together with the Chairman and the President and Chief Executive Officer. In addition, some contents were revised to be up-to-date and in line with current rules and regulations as well as Krungsri's organization structure.

Furthermore, Krungsri has thoroughly assessed its operations towards good corporate governance criteria as mentioned above and given a lecture on the summary of CG Code which was effective in 2017 to the Board of Directors during the annual review of the Principles in order to ensure that the Board of Directors, who is the top leader of the organization, understands CG Code's objectives and directions of applying so that they can effectively perform their duties on governance to create sustainable value to the organization under ethic, responsibility and fair treatment to all stakeholders.

From the assessment, most of Krungsri's operations are in compliance with good corporate governance criteria stipulated by related regulatory bodies. However, there are a few criteria that the Board of Directors has scrutinized and found that they are sensitive issues with complexity whereby actions should be slow down and further study of potential impacts should be conducted by the assigned departments and reported to the Board of Directors for re-consideration. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance. The explanation and reason of not applying were also recorded in the Minutes of the Board of Directors Meeting.

In order to ensure effective communication of, adherence to and compliance with the Principles, Krungsri continuously disseminates and promotes the Principles through various approaches e.g. Krungsri's website under corporate governance topic, various activities to promote comprehensive understanding amongst employees, including the training courses via Krungsri Learning Companion (KLC). Krungsri also communicates the Principles to its subsidiaries as the fundamental guideline for their adoption or creation of one's own good corporate governance principles according to their nature of business.



THE CUTTING EDGE OF TODAY'S FINANCIAL SERVICES FOR BUSINESSES

Capturing business opportunities anywhere, anytime.

Blockchain's Interledger: Real-time international funds transfer innovation – the ultimate key to business growth and a competitive edge on the global stage.





DIGITAL PLATFORMS FOR EVERYDAY MONEY MATTERS

Krungsri addresses every personal financial need through innovative products and services – convenient, swift, and secure – for today's digital society.

- **KMA:** A virtual personal assistant platform for hassle-free financial transactions and investments
- **UCHOOSE:** An application that gives you a heads-up with alerts on not-to-miss promotions for everyday lifestyles



INSPIRING HUMAN CREATIVITY

- **Krungsri IGNITE:** Inspires staff creativity for breakthrough design and application of Krungsri innovations
- **Innovation Forum:** Enhances innovation and learning development
- **Krungsri D Space:** Creates co-working creativity and teamwork collaboration for our people





SME
14%

Thai
Corporate
28%

Retail
47%

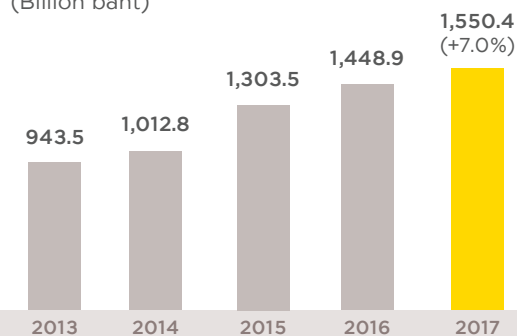


FINANCIAL HIGHLIGHTS

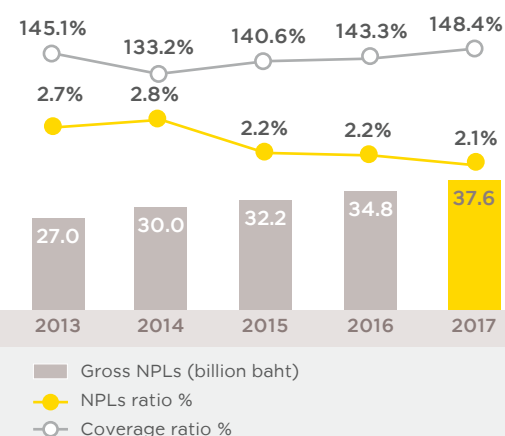
(Consolidated)

Loans

(Billion baht)

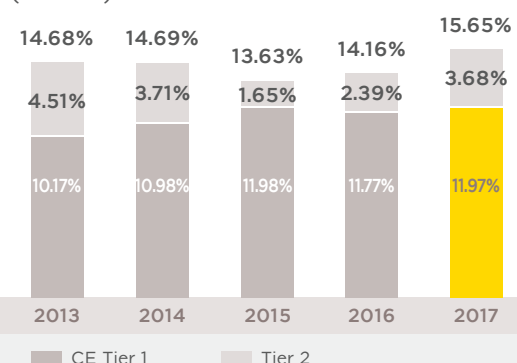


NPLs Ratio



Capital Base ^{1/}

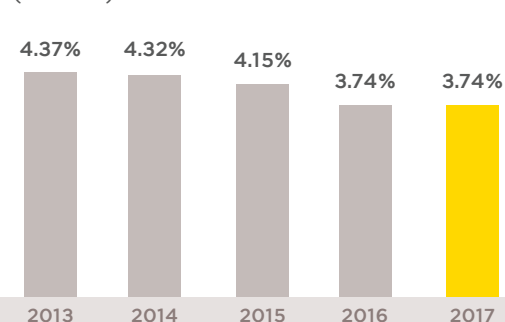
(Percent)



^{1/} Bank only

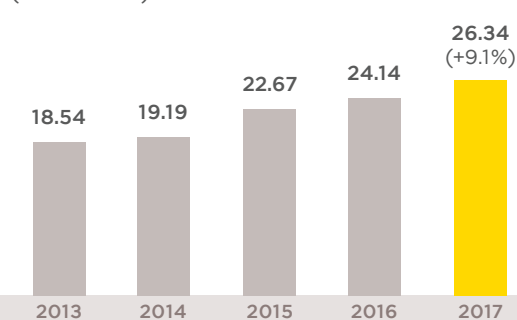
Net Interest Margin (NIM)

(Percent)



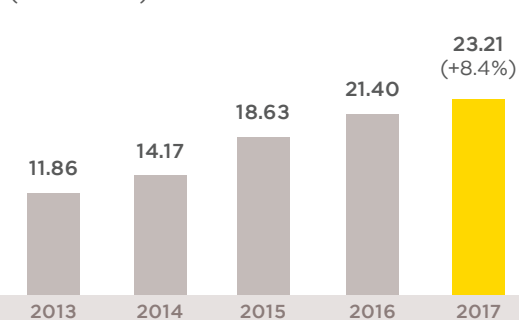
Fees and Service Income

(Billion baht)



Net Profit ^{2/}

(Billion baht)



^{2/} Attributable to equity holders of the Bank

Consolidated Financial Statements

	2017	2016	2015	2014	2013 (Restated)	
Financial position information (Million baht)						
Total assets ^{1/}	2,088,772	1,883,188	1,705,517	1,211,362	1,179,606	
Loans to customers ^{2/}	1,550,404	1,448,882	1,303,454	1,012,761	943,502	
Allowance for doubtful accounts	55,476	49,462	44,944	39,776	38,986	
Net NPLs	16,243	15,653	14,919	14,818	13,308	
Gross NPLs	37,622	34,834	32,239	29,988	27,014	
Total liabilities ^{1/}	1,862,785	1,674,420	1,514,769	1,079,692	1,058,052	
Deposits	1,319,229	1,108,288	1,046,290	837,556	764,050	
Total shareholders' equity	225,987	208,768	190,748	131,670	121,553	
Operating performance (Million baht)						
Interest income	94,998	85,925	81,947	74,609	71,381	
Interest expense	26,463	23,948	25,596	26,665	26,442	
Interest income, net	68,535	61,977	56,350	47,943	44,939	
Fees and service income, net	19,675	18,175	17,230	14,770	14,327	
Non-interest and non-fee income	12,270	11,335	9,193	8,046	9,010	
Other operating expenses	48,210	43,080	38,947	34,300	33,392	
Impairment loss of loans and debt securities	22,970	21,315	20,186	18,107	18,959	
Net profit ^{3/}	23,209	21,404	18,634	14,170	11,864	
Financial ratios						
Return on average assets ^{1/}	(%)	1.17	1.19	1.28	1.19	1.05
Return on average equity	(%)	10.71	10.74	11.59	11.22	10.12
Net profit per share	(Baht)	3.16	2.91	2.54	2.33	1.95
Cost to income ratio	(%)	47.98	47.09	47.05	48.47	48.91
Capital adequacy ratio ^{4/}	(%)	15.65	14.16	13.63	14.69	14.68
Common Equity Tier 1 ratio ^{4/}	(%)	11.97	11.77	11.98	10.98	10.17
Book value per share	(Baht)	30.72	28.38	25.93	21.68	20.01
Loan to deposit ratio	(%)	117.52	130.73	124.58	120.92	123.49
Loan to deposit plus debenture and bills of exchange ratio	(%)	109.53	116.90	114.38	106.10	104.40
Net NPLs / loan ^{5/}	(%)	0.90	1.00	1.05	1.40	1.33
Gross NPLs / loan ^{6/}	(%)	2.05	2.21	2.24	2.79	2.67
Coverage ratio	(%)	148.43	143.25	140.55	133.24	145.05

^{1/} Reclassified deferred tax 2014, presented for comparison

^{2/} Loans to customers less deferred revenue

^{3/} Attributable to equity holders of the Bank

^{4/} Bank only

^{5/} Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves

^{6/} Represents percentage of gross NPLs divided by loans including money market loans



AWARDS AND RECOGNITION



Our passion is to deliver superb customer experience by leveraging digital innovation and be recognized as the best. We are truly honored and proud to be recognized for our achievements as we continue our journey.

AWARDS AND RECOGNITION

Our passion is to deliver superb customer experience by leveraging digital innovation and be recognized as the best. Our accomplishments in driving greater performance, diversity, and digital innovation have been recognized by some of the most important and influential organizations with numerous outstanding awards across categories such as good corporate governance, outstanding performance and management, our people, digital and innovation, product initiatives, strategic branding, and marketing. We are truly honored and proud to be recognized for our achievements as we continue our journey.

In 2017 the Bank and its 16 subsidiaries were **recertified as members of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC)**. Krungsri adheres strictly to the policy and guidelines on anti-corruption and countering bribery, reflecting our promise and commitment to operate in a transparent, honest, and auditable manner. In this regard, Krungsri Group was among the first Thai commercial banks to be certified for compliance with the CAC.

CORPORATE GOVERNANCE

- **Asia's Icon on Corporate Governance Award (4th consecutive year)** from Corporate Governance Asia
- **Asian Corporate Director Recognition Award for Mr. Noriaki Goto (4th consecutive year)** from Corporate Governance Asia
- **Asia's Best CEO (Investor Relations) for Mr. Noriaki Goto (3rd consecutive year)** from Corporate Governance Asia
- **Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (3rd consecutive year)** from Corporate Governance Asia
- **Best Investor Relations Company (Thailand) (4th consecutive year)** from Corporate Governance Asia
- **The Asset Corporate Award – Platinum 2017 (2nd consecutive year)** from The Asset
- **Certificate for Excellence in Investor Relations** from IR Magazine

CORPORATE SOCIAL RESPONSIBILITY (CSR)

- **Best Bank for Corporate Social Responsibility in Thailand** from Asiamoney
- **2017 AMCHAM Corporate Social Responsibility Excellence Recognition (Gold level) (5th consecutive year)** from American Chamber of Commerce in Thailand
- **Listed on Thailand Sustainability Investment (THSI) 2017 (2nd consecutive year)** by The Stock Exchange of Thailand (SET)
- **Certificate of ESG100 Company** from the Thaipat Institute



- **2017 Sustainability Report Award - Excellence** from the Securities and Exchange Commission, Thailand (SEC), the Thai Listed Companies Association, CSR Club, and the Thaipat Institute

OUTSTANDING PERFORMANCE AND MANAGEMENT

- **The Asset Best CEO in Banking and Finance for Mr. Noriaki Goto (2nd consecutive year)** from The Asset
- **The Asian Banker Promising Young Banker in Thailand Awards 2017 for Ms. Siriporn Sinacharoen and Mr. Piyasak Ukritnukun** from The Asian Banker
- **Asset Management Company of the Year, Thailand 2017** from The Asset
- **Microfinance Business of the Year** from The Asian Banker

PEOPLE

- **Diversity Impact Award** from the Employer Branding Institute
- **Award for Innovation in Recruitment** from the Employer Branding Institute
- **Certificate of Honor for Organizations Providing Benefits to Society Through Employment Promotion for the Disabled 2017** from the Ministry of Labour



DIGITAL AND INNOVATION

- **Best Digital Bank in Thailand** from Asiamoney
- **Thailand Domestic Technology and Operations Bank of the Year (3rd consecutive year)** from Asian Banking & Finance
- **Best Lending Platform Implementation Project in Thailand** from The Asian Banker
- **Asia Pacific's Leader in Card Analytics** from Asian Financial Services Congress 2017
- **Best Data Analytics** from The Asian Banker
- **Best CRM Project in Thailand** from The Asian Banker
- **Thailand Enterprise Innovation Awards 2017** from Microsoft
- **Thailand ICT Excellence Award 2017 (Core Process Improvement Projects)** from the Thailand Management Association (TMA)
- **Best Brand Performance 2017 (Finalist)** from Thoth Social

PRODUCT INITIATIVES

- **Mortgage Product of the Year** from The Asian Banker
- **Mortgage and Home Loan Product of the Year – Thailand (2nd consecutive year)** from Asian Banking & Finance
- **Best Mortgage Offering** from the Retail Banker International Asia Trailblazer Awards 2017
- **Automotive Lending Initiative of the Year – Thailand** from Asian Banking & Finance
- **Private Banking & Wealth Management** from Euromoney
- **Best Mutual Fund of the Year 2017 - Krungsri Cash RMF** from Money & Banking

- **Best Mutual Fund of the Year 2017 - Krungsri Collective Global Income Fund** from Money & Banking
- **Best Co-Brand Card in Thailand 2017** from Mastercard
- **Best Car Finance of the Year** from the Grand Prix Group
- **Drive Award Finance** from the MBA Chula Alumni Association, Chulalongkorn University
- **Agent of the Year** from Western Union

STRATEGIC BRANDING & MARKETING

- **Advertising Campaign of the Year – Thailand** from Asian Banking & Finance
- **Thailand's Most Admired Brand Awards for Krungsri Auto and Car4Cash (5th consecutive year)** from BrandAge
- **Superbrands Award (6th consecutive year)** from the Superbrands Thailand Council
- **Silver for Best Use of Content** from the Festival of Media Asia Pacific Awards 2017
- **Thailand's Most Social Power Brand 2017 (Personal Finance)** from BrandAge and Thoth Social
- **Silver – Corporate Image** from the ADFEST Lotus Awards 2017
- **Gold Award for Corporate Image and Sponsorship** from the Adman Awards & Symposium 2017
- **Best Design Excellence Award** from Money & Banking



OPERATING ENVIRONMENT





The Thai banking sector is to perform better in 2018 based on expected improved loan demand, asset quality, and the economic outlook.



THE THAI ECONOMY IN 2017 AND THE 2018 OUTLOOK

2017: ENCOURAGING GROWTH SUPPORTED BY IMPRESSIVE EXPANSION IN THE EXPORT AND TOURISM SECTORS

The Thai economy grew by 3.9 percent in 2017, above its 10-year average and the 3.2 percent registered in 2016, driven mainly by the export and tourism sectors. Exports of most product categories and to all major destinations surprisingly expanded, spurred by stronger recovery of our trading partners' economies. In the tourism sector, foreign tourist arrivals grew further by 8.8 percent in 2017 as the impact of a crackdown on zero-dollar tours dissipated, coupled with the government's decision to exempt visa fees and reduce Visa on Arrival fees for most visitors until the end of August, 2017.

and tourism sector growth. The government's efforts to introduce the Eastern Economic Corridor (EEC) scheme and transportation megaprojects have helped to lift business sentiment. Stronger confidence and a brighter economic outlook also led to a rally in the Stock Exchange of Thailand (SET) with the benchmark index breaching 20-year highs.

Financial conditions remained relaxed and accommodative to economic growth. The Bank of Thailand (BOT) kept the policy interest rate at 1.50 percent. Meanwhile, commercial banks cut lending rates by 15 to 50 basis points in mid-2017 to support the government's Pracharat policy aimed at helping SMEs. Headline inflation rose to 0.7 percent in 2017 from 0.2 percent in 2016, driven by recovering domestic demand, fuel price hikes, and restructured excise taxes for liquor and tobacco in September. The baht appreciated against the US dollar due to capital inflows and a large current account surplus. High international reserves also made Thailand's economy more resilient to external shocks

The Thai economy is expected to grow steadily by 4.0 percent in 2018, stronger than the average post-2009 crisis growth. Growth momentum should continue to be buttressed by stronger domestic fundamentals.

Private consumption continued to increase by 3.2 percent on the back of higher employment in the export and tourism sectors. In addition, farm income picked up as farm prices for several crops bottomed out and the drought impact dispersed, resulting in higher agricultural outputs. Private consumption growth was also encouraged by a minimum wage increase, more deductions for personal income taxes, and tax breaks for year-end shopping.

Public spending growth slowed in 2017 but still played an important role in driving the Thai economy. This is evident in the disbursement of the government's annual budget and extra budget for fiscal year 2017, investment in infrastructure projects, and economic stimulus programs such as measures to help farmers, flood victims, and low-income earners; the 9101 project (scheme for sustainable agricultural development); and semi-fiscal measures or soft loans for farmers and small- and medium-sized enterprises (SMEs). After facing sluggish growth for years, private investment is also improving gradually as it has benefited from export

such as US interest rate hikes, political uncertainties in Europe, and conflicts in the Korean Peninsula.

2018: THE THAI ECONOMY WILL CONTINUE TO GROW AND BECOME MORE BROAD-BASED

The Thai economy is expected to grow steadily by 4.0 percent in 2018, stronger than the average post-2009 crisis growth. Growth momentum should continue to be buttressed by stronger domestic fundamentals.

A sustained export upswing should foster the recovery of business investment and household consumption. Fiscal support and an anticipated acceleration of infrastructure investments should strengthen the cyclical recovery of the domestic economy.

The tourism sector should be further underpinned by rising external demand and the country's comprehensive supply-side developments such as an increased number of flights and routes after the International Civil Aviation Organization (ICAO) removed Thailand's red flag status and the expansion of several over-capacity airports to accommodate rising passenger numbers. Exports of goods to major markets are likely to expand further following a broader-based recovery of the global economy and international trade. However, structural problems in Thailand's production sector could limit upside potential for exports. Private investment is expected to increase at a stronger pace as signs point to a transition from an export cycle to an investment cycle. Furthermore, capacity utilization

will accelerate following a surge in capital budgets for the fiscal year 2018. Other supporting factors are the Public and Private Partnership (PPP) fast-track scheme and the Eastern Economic Corridor (EEC) development projects. These will not only support the demand side of the economy via public and private investments but should also enhance the country's supply side in the longer term.

Broad-based and continued economic expansion should lead to increased inflationary pressure. Headline inflation is forecast to gradually rise to the BOT's target range of 1.0-4.0 percent from mid-2018 onwards. Hence the BOT is expected to raise the policy interest rate in the second half of 2018 to maintain economic stability and keep the financial system strong. However, the policy rate



rates in several export and domestic sectors have risen beyond their five-year averages, suggesting more business investment. Household consumption is likely to see only moderate growth supported by improving non-farm income following an expansion in the major economic sectors — particularly those related to goods and services exports. Meanwhile, farm income should stabilize as abundant agricultural output should be offset by lower prices due to excess global supply. In addition, the end of debt repayments under the first-car scheme will also lift purchasing power.

Fiscal support measures are shifting from broad-based economic stimulus to targeted groups such as farmers, low-income earners, and SMEs. Also, infrastructure investments are accelerating after bidding for and signing of contracts for several projects. Investments by state-owned enterprises

is expected to rise only 25 basis points to 1.75 percent, which would still be considered low and could continue to accommodate economic growth and financial stability.

The main external factors in 2018 include monetary policy adjustments in the US and Asia and potential interest rate hikes, a slower economy in China, the political situation in Europe, Brexit's impact, and Korean Peninsula tensions. Domestically, the major issues are the impact of the new foreign labor law and progress on the political roadmap, including formulating the National Strategy and implementing National Reform, as well as the planned general election. The election will be a political turning point for Thailand with significant influence on economic growth and stability going forward.

THAILAND'S COMMERCIAL BANKS IN 2017 AND THE 2018 OUTLOOK

2017 SECTOR OVERVIEW

As the Thai economy showed stronger-than-expected growth driven by robust exports and tourism on the back of a global economic recovery, the banking system loan growth expanded from a year earlier — particularly loans to small and medium-sized enterprises (SMEs) in some industries and consumer loans. Despite uncertain external factors, the Thai banking system remained resilient with high loan loss provisions and capital funds to facilitate loan expansion.

Loan growth was 4.4 percent, up from 2.0 percent a year earlier. Business sector loans grew 3.6 percent, mostly driven by 5.7 percent growth from SMEs. Retail banking grew 6.1 percent, driven by growth from every segment. Auto loans increased 8.4 percent, while housing loans grew 5.5 percent. Credit card outstanding balances rose 3.4 percent, while personal loans were up 5.7 percent.

The operating environment improved in the fourth quarter thanks to accelerated government investments, stimulus measures for low-income earners and farmers, and shopping tax incentives during the festive season at year-end. Apart from a personal income tax deduction stimulus measure for spending up to 15,000 baht from November 11 through December 3, the government introduced a project to help farmers and offered loans from November through early 2018 designed to increase fund flows into the economy and boost consumer confidence going forward.

Deposits grew 5.0 percent in line with the lending growth while bills of exchange decreased 56.9 percent from 2016. The banking sector's liquidity remained satisfactory in 2017 with a loan to deposit ratio (including bills of exchange) at 96.1 percent, compared to 96.3 percent in 2016. Although banks reduced lending rates in mid-2017, net interest margins (NIM) were steady at 2.76 percent, unchanged from 2016 thanks to prudent fund management.

On asset quality, the ratio of non-performing loans (NPLs) increased to 2.91 percent of total lending from 2.83 percent in 2016 but the increase had been at continuously lower rates. To cope with increased non-performing loans and the future risk of deteriorating asset quality, commercial banks set aside higher provisions, pushing up the loan loss coverage ratio to 171.9 percent in 2017 from 159.6 percent in 2016.



Despite an improving economic outlook, Thai commercial banks saw a combined net profit of 187.3 billion baht in 2017, down 5.7 percent from 199 billion baht a year earlier mainly due to higher loan loss provisions to cushion for loan quality deterioration. This resulted in a lower return on assets (ROA) to 1.05 percent from 1.13 percent in 2016. The Thai banking sector boasted a strong capital position at 2.451 trillion baht, up 88 billion baht from 2016, mostly from accumulated profits and subordinated bond issuance to raise Tier 2 capital and comply with Basel III requirements. As a result, the capital adequacy ratio increased to 18.2 percent, with the common equity Tier-1 ratio (CET1 ratio) rising to 15.6 percent and the Tier 2 ratio decreasing to 2.6 percent. The Thai banking system had sufficient liquidity to facilitate credit expansion with a liquidity coverage ratio (LCR) of 180.0 percent, up from 175.2 percent in 2016.

2017 was the second year of the third phase of the Financial Sector Master Plan (2016-2020) developed by the Bank of Thailand and the Ministry of Finance. The plan aims to strengthen competitiveness, promote access to financial services, develop infrastructure, and maintain Thai financial sector stability. Launching digital banking via electronic channels is part of the third phase and is a priority to encourage the government, the business sector, and the public to use these services.

Commercial banks have prepared for financial technology (FinTech) in several ways such as setting up internal research and development teams to create new types of services and investment in FinTech and startups using venture capital or business cooperation between banks and FinTech firms. For banks, FinTech is not only helping boost efficiency and reduce operating costs, but is also increasing competitiveness in domestic and overseas markets.



As Thailand moves toward a digital economy the Bank of Thailand (BOT), the government, and commercial banks have joined hands to develop a national infrastructure for electronic payments under the National e-Payment Master Plan. Launched on January 27, 2017, PromptPay is the first project under the master plan allowing customers to transfer money by registering their national identification numbers or mobile phone numbers linked with a bank account.

The BOT also announced its Standard QR code scheme, encouraging banks to upgrade their mobile applications to enable QR code payments. In late 2017 the BOT allowed major state-owned and commercial banks to exit from the regulatory sandbox, enabling them to offer QR code payment services to the public. In addition, major banks have developed financial innovations based on blockchain technology, while Krungsri was the first bank in Thailand to introduce a real-time global funds transfer service based on Blockchain's Interledger technology.

2018 BUSINESS OUTLOOK

The Thai banking sector is to perform better in 2018 based on expected improved loan demand, asset quality and the economic outlook. Government infrastructure investment, exports, and the tourism sector will be key engines bolstering economic growth. Complementing the government's infrastructure investment, rising capacity utilization in several export and domestic sectors also signal a recovery in private investment, which should stimulate loan demand.

The introduction of the Eastern Economic Corridor (EEC), a key step in implementing the Thailand 4.0 policy, will help boost business confidence for both domestic and foreign investors: this should bode well for financial services growth. As a result, the sector's loans are expected to grow 5-6 percent in 2018.

Deposits are likely to increase in line with loan demand and a growing economy. Banks are expected to launch innovative financial products via digital platforms to attract customers and boost competitiveness, while cost management is a key strategy to increase margins.

However, Thai banks are still facing challenges in maintaining interest and fee income and controlling asset quality while domestic consumption is growing only moderately, with wage recovery still concentrated in export-oriented industries and in certain regions. Although consumer confidence has improved, growth is likely to be gradual as farm income has yet to recover due to low agricultural prices, while SMEs might not fully benefit from the recovery. The sector's net interest and fee income may be affected by the launch of new financial technology (FinTech) products and fierce competition. As the financial sector landscape changes banks must be well-prepared for any potential regulatory changes for Basel III and accounting standards.

In September 2017 the Bank of Thailand adopted new capital requirements for domestic systemically important banks (D-SIBs), a step toward fully implementing Basel III international regulations and imposing more stringent capital requirements on banks that could have serious implications for the financial system in the event of their failure or impairment.

In addition, the government also announced in October 2017 passage of the Payment System Act related to electronic payments and services and money transfer business. Another concern is the 2019 introduction of International Financial Reporting Standard 9 (IFRS 9) in Thailand. Some major banks have already increased provisioning expenses to prepare for the new accounting standards.



COMPETITIVE CAPABILITY





Our aspiration to be a top-tier financial group in Thailand is aligned with MUFG's vision: to be the world's most trusted financial group.



OUR STORY

Bank of Ayudhya Public Company Limited (the Bank or Krungsri) officially opened its doors on April 1, 1945, finding immediate public favor, growing rapidly, and eventually listed on the Stock Exchange of Thailand September 26, 1977. The Bank has grown steadily to the present day: As of year-end Krungsri boasted total registered capital of 75,741 million baht and 73,558 million baht in paid-up capital.

Krungsri is Thailand's fifth largest universal bank by assets, loans, and deposits and is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan's largest and one of the world's largest financial groups.

Krungsri and our 20 subsidiaries (Krungsri Group) constantly strive to meet the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking products and services to key target groups: commercial banking (Thai, Japanese, multinational corporations, and SMEs) and retail customers. We also provide related financial services through our subsidiaries and joint ventures, including wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, microfinance, and installment loans.

Throughout 2017 we made considerable progress in delivering our strategic priorities including our first Medium-Term Business Plan (MTBP), synergy with MUFG, and regional expansion. In addition, Krungsri established its latest subsidiary Krungsri Finnovate Company Limited (Krungsri Finnovate) on March 27, 2017, to enhance our digital competitive edge and support Financial Technology (FinTech) startups in Thailand and ASEAN. Krungsri Finnovate (KFin) aims to build FinTech unicorns and integrate innovations into Krungsri's products and services to enhance the customer experience.

MEDIUM-TERM BUSINESS PLAN

Krungsri created its first Medium-Term Business Plan (MTBP) in 2014 — a strategic framework formulated as a guide for Krungsri's business operations from 2015 through 2017.

Our aspiration "To be a top-tier financial group in Thailand" is aligned with MUFG's vision: "Be the world's most trusted financial group". The MTBP contains strategies and initiatives to turn this aspiration into reality, and was formulated by assessing global and domestic developments, regulatory

trends, and growth opportunities, while accounting for how they might impact Krungsri. The MTBP serves as a roadmap for our goal by clarifying our actions against short- and longer-term themes for each financial group function and ensuring group-wide alignment.

KEY STRATEGIC THEMES OF MEDIUM-TERM BUSINESS PLAN (2015-2017)

In our first MTBP, we identified three key strategic themes namely:

- Grow Assets
- Increase Non-Interest Income, and
- Reduce Cost of Funds.

We are aware that as a financial institution we must maintain safety and soundness for Krungsri Group. Therefore, in addition to the three business-related key strategic themes, Krungsri has also identified four themes to strengthen governance and support our business endeavors.

- Strengthen internal controls
- Align robust processes
- Operate productively and efficiently, and
- Ensure talent management along with a great working environment.

9 Core Business Strategies & 5 Management Platform Strategies

Under these key strategic themes, we have identified nine core business strategies and five management platform strategies.

9 Core Business Strategies

1. Keep Leading Position in Consumer/Auto
2. Become a Tier 1 Mortgage Player
3. Core Banking Strategy
4. Enhance Trade Finance and Transaction Banking
5. Strengthen FX Business
6. Enhance Funding Capabilities
7. Expand Customer Base through Customer-Centric Approach
8. MUFG/BTMU Synergy Strategy, and
9. Corporate and Retail Collaboration



5 Management Platform Strategies

1. Enhance Financial Management
2. Enhance Risk Management
3. Best-in-Class Legal, Compliance, and Fraud Management
4. Enhance Operational Excellence/Best-in-Class IT Platform, and
5. OneKrungsri HR Platform

To carry out these strategies, each business and support unit established relevant targets and plans to help produce tangible results. We also added "Digital and Innovation" as our encompassing strategy in response to the rapid trend of digitalization. Details of these targets and plans are different and depend on each business unit's needs, while we assure alignment across the financial group.

PROGRESS OF MEDIUM-TERM BUSINESS PLAN (2015-2017)

We run our PDCA (plan-do-check-action) cycle against these strategies and initiatives under the MTBP to ensure alignment and consider adjustments and take necessary actions in response to the progress and market conditions. 2017 was the final year of our first MTBP (2015-2017) and we believe we have navigated our organization successfully and achieved significant progress despite the banking industry's challenging environment. This is reflected in our outstanding financial performance throughout our first MTBP.

INTRODUCING SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We started planning our second MTBP (2018-2020) considering our performance during the first MTBP as well as the market environment and outlook. In our second MTBP, we identified key strategic themes namely:

- Lead by Innovation: Think "Digital First"
- Enhance Customer Experience to become a Main Bank
- Enhance Retail and Commercial Banking Platforms, and achieve Sustainable Growth.

We will execute both business and management platform strategies and initiatives to drive these key strategic themes which should allow us to achieve our long-term aspiration: To be a top-tier financial group in Thailand.

LEVERAGING SYNERGIES WITH MUFG

SYNERGY HIGHLIGHTS

Our focus on leveraging both the Krungsri and MUFG complementary strengths showed steady progress throughout 2017. Various success cases demonstrated the power of synergy between Krungsri and MUFG, greatly enhancing our competitive advantage and our ability to offer superior products and services.



- **Payroll account acquisition:** We acquired more than 14,000 payroll accounts and promoted cross-selling retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.
- **Supply chain financing:** We promoted end-to-end solutions from supplier financing to dealer financing, leveraging Japanese manufacturers and their supply chains. Using MUFG's long-term relationships with Japanese car manufacturers, Krungsri saw considerable business opportunities in the auto dealer segment and cross-sold to gain substantial wallet share in the hire purchase business.
- **Business matching:** In November 2017, Krungsri and MUFG jointly organized the Business Matching Fair for the fourth time in Thailand, attracting over 200 companies from Thailand, Japan, and ASEAN and recording 426 business matches. This created opportunities for Thai companies to expand into the Japanese market while providing a platform for MUFG customers to connect with Thai entrepreneurs.
- **Investment banking:** We enhanced cross-sell investment banking products, focusing on the debt capital market, project financing, and global syndication where we could leverage MUFG's global product capabilities and Krungsri's domestic investment banking services. Successful investment banking cases in 2017 included Krungsri and BTMU obtaining the status of Joint-Mandated Lead Arranger for financing power plant projects in Thailand sponsored by one of Thailand's largest oil refinery companies.
- **Transaction banking:** We leveraged products and process know-how from MUFG to close market product gaps and successfully promoted products such as regional cash-pooling and structured trade finance.



- **Cross-border business:** We used MUFG's global network to support local corporates and other customers in Thailand who are becoming increasingly globalized and in need of effective global banking services as they venture abroad, whether within ASEAN or further afield. One of the successful cases of cross-border business in 2017 was Krungsri providing acquisition finance to one of Thailand's largest beverage companies for asset acquisition in Vietnam.

MUFG synergies during 2017 have empowered Krungsri to better respond to our clients' financial needs. Looking forward to 2018, Krungsri will continue to enhance our service capabilities for customers by synergizing MUFG's global platform and networks with Krungsri's local expertise and strengths.

EXPANDING BUSINESS IN THE REGION

Krungsri is constantly pursuing regional expansion opportunities, not only to compete with other banks in Thailand, but also to effectively maximize our regional franchise value. We envision becoming a leading ASEAN bank and strive to achieve this by consistently optimizing our Thai operations, and looking out for opportunities outside Thailand — especially in the rapidly growing CLMV countries (Cambodia, Lao PDR, Myanmar, and Vietnam) to expand our unique, proven capabilities and capitalize on areas with higher growth prospects.

Table 1 : CLMVT GDP Growth Rate Forecasts 2017-2022

Cambodia	6.47%
Lao PDR	7.01%
Myanmar	7.54%
Vietnam	6.22%
Thailand	3.21%

Source: IMF, as of November 15, 2017

The Thai banking industry has been growing at a steady rate with few new entrants in the past decade. Consistent with GDP growth rates (Table 1) forecasted by the International Monetary Fund (IMF), Thailand's market may be seen as saturated compared to its CLMV neighbors.

The important strategy for our MTBP is not only to capitalize on the relatively higher GDP growth of our neighboring countries, but also to keep abreast of current deregulation trends and economies opening up to foreign competition in the banking sector of these countries.

To benefit from these trends, we are looking to use our market-leading expertise and best practices in retail and consumer as well as our commercial banking platform in Thailand to expand these capabilities outward to markets we find the most attractive (for market growth rates and ease of developing business) and to enhance synergies with MUFG and other MUFG affiliates.

Our landmark transaction included acquiring the fourth-largest microfinance institution in Cambodia, Hattha Kaksekar Limited (HKL) in 2016. Since then, we have optimized its business performance and increased its asset size, making it Cambodia's third-largest microfinance institution in Cambodia. The company continues to grow steadily despite the changing business environment.

We believe that our business plan can: 1) be accomplished using the expertise and experience accumulated through operations in the region; 2) elevate our status to become a major ASEAN financial powerhouse; 3) and contribute to ever-increasing economic growth in the region.



DIGITAL BANKING AND INNOVATION

In 2017 our e-Business Division was transformed into the Digital Banking and Innovation Division to keep abreast of technological advances and stay aligned with our business direction to become the leader in digital banking services. We began with a human-centric approach putting customers at the center of everything we design and leading us to what we need to deliver the best customer journey and experience to customers. Our next steps were guided by the Seven Pillars of Digital and Innovation Strategy and the Eleven Boxes of Technological Innovation and Investment to enhance the customer experience with a full range of products and maximum efficiency.

CONSUMER DIGITAL SOLUTIONS

At the heart of Krungsri's business plan is our key value of customer centricity under the Make Life Simple concept using technology that goes beyond banking services to address customer needs – anytime, anywhere. With this focus we further raise our standards of excellence – particularly for digital services and innovations – to meet our customers' needs and enhance the customer and employee experience. The goal is to become the leader in digital innovation banking in Thailand.

In 2017 we successfully launched the new Krungsri Mobile Application, our flagship digital service with an all-new user interface and customer-centric design, packed with new features such as QR payment, Krungsri Cardless ATM, digital lending, an all-new design for mutual fund products with real-time net-asset-value pricing and portfolio view, fully supporting PromptPay transactions – an application



full of new features yet more secure and easier to use. During the first week of this launch nearly a million users updated to the latest version. This clearly reflects the changes in consumer behavior, with markedly increased use of digital banking services. The number of digital banking users increased by 60 percent in 2017, with the number of digital transactions growing from 200 million in 2016 to 350 million in 2017 – a 75 percent increase. The volume of mobile banking transactions also increased by 90 percent, with more than two million active users. Thus we will continue to focus on mobile banking in 2018 to further develop these products and services and to become Thailand's best mobile banking application provider. We believe that digital will play an important role in every Thai's life, not just for social interaction but for business – especially for small businesses.

In September 2017, we were honored with Best Digital Bank Award in Thailand for our new Krungsri Mobile Application initiative at the Asiamoney Awards ceremony.

COMMERCIAL DIGITAL SOLUTIONS

Rapidly developing digitalization worldwide has broadly affected individuals and organizations causing various businesses to adapt accordingly. In 2017 Krungsri introduced our Seven Pillars of Digital Banking and Innovation. The pillars were to be the key driving force for the Bank's digital innovation.

Our Commercial Digital Solutions Division has contributed greatly to implementing these pillars. Several projects were fruits of their efforts in researching, studying, analyzing, and conducting multiple trials over the past year, for example:

- **Omni-channel:** Krungsri Biz Mobile, a new mobile banking application offered to corporate customers, was developed to support the cash management and Krungsri Biz Mobile (internet banking for SMEs) systems, enhancing functions and features and better facilitating customer transactions. In addition, Krungsri e-Payment was developed to support e-Commerce or the online marketplace and to facilitate online collection and customer payments as online selling channels have become popular rapidly with more than 50 percent increase in transactions in 2017: most of our corporate customers have expanded their selling channels to websites.
- **Process digitalization:** Process improvement was explored to simplify and minimize errors with zero-tolerance levels. One example is the improved operations of the Krungsri e-Fund registrar to reduce paperwork as well as human error by computerizing manual processes with an online system linking asset management companies with the Krungsri e-Fund registrar, reducing working time from one working day to less than 30 minutes.
- **National e-Payment:** In response to the Thai Government's cashless society initiative the Commercial Digital Solutions Division adapted our operations accordingly. For instance more money transfer functions were added to Krungsri Biz Online for separate items or group transfers, payroll transfers, and payment to suppliers. Money transfers to destination accounts with PromptPay require only the corporate ID tax number, a mobile phone number, or a Thai citizen ID number when there is no Krungsri bank account. Also, Krungsri e-Payment has offered a new function, Request to Pay, for money collection to simplify payment processing for online shopping.

These efforts to develop new products have resulted in a 50 percent increase in online transactions over the previous year and have augmented capabilities for the Fund Registrar, with this process reduced to just minutes versus days previously. Our continuous product development is well proven by the three consecutive years of Wholesale Banking awards (2015-2017) with **Thailand Domestic Technology and Operations Bank of the Year** from Asian Banking & Finance.

In 2017 a new digital innovation phenomenon was Krungsri Blockchain Interledger which has transformed the financial landscape. Blockchain technology brought about changes in various industries and is now widely used in the market. However, weak spots include information privacy, lack of trustworthiness and acceptance from the world's leading organizations.

Krungsri saw a new opportunity for blockchain technology in the corporate customer market and searched for the best ways to correct the weak spots, believing that this technology would drive the world economy and be the key to linkage between countries. We've consequently developed Interledger to ensure privacy and confidentiality of customer information.

Krungsri Blockchain's Interledger has perfected real-time international fund transfers for high-value amounts between businesses. We're the first bank in Thailand to provide this service with a proven record of actual transactions,

although Interledger has inevitably affected former money transfer methods such as SWIFT and letters of credit. So far Krungsri has introduced Interledger within Southeast Asia, for example the Lao People's Democratic Republic with our first customer, IRPC Public Company Limited (the leading petrochemical company in Southeast Asia) the first to adopt this technology with major Lao oil traders in September 2017.

DIGITAL MARKETING AND SOCIAL MEDIA STRATEGY

Digital Marketing

Each day customers spend time on the Internet, on social media, accessing websites, or using email – thus significantly changing their media consumption behavior. Reaching Internet users through digital marketing is one of our key strategies. Digital marketing delivers the 'right' content for each customer through integrated digital channels such as websites, social media like chat applications, LINE, Facebook Messenger, and others. What makes using digital marketing a preferred strategy is that every channel can be directly assessed. Given their substantial use of 'data', marketers can communicate with their target customers rather than using blanket communication. Thus digital marketing enables us to better sell our products and services based on customer demand.

In 2017 we enhanced our website (www.krungsri.com) making it easier for us to acquire new customers. Through the website customers have applied for three loan products: SME loans, personal loans, and home loans representing more than 2.25 billion baht combined. Chatbot is also available on our Facebook fan page for faster responses to customer queries through frequently asked questions (FAQs) with accuracy rate of more than 80 percent.



Did you know how strong we are in online platforms?

In the last few years digital marketing has become hugely popular for brands. Let's look at how well Krungsri performs for online channels.
(Data as of December 31, 2017)

3,964,279 followers

in Krungsri Facebook fanpage



1,284,301

people like this
@KrungsriSimple



674,979

people like this
@KrungsriAuto

piarniwau

209,401

people like this
@krungsriguru



14,123

people like this
@KrungsriInnovate



1,781,475
followers



84,319

people like this
@KrungsriCard



808,000

people like this
@KRUNGSRIFirstChoice



484,643

people like this
@CentralThe1CreditCard



404,513

people like this
@tescolotusfs



LINE
27.5 million
friends



YouTube
14,200
followers



Twitter
80,100
followers



Instagram
17,600
followers



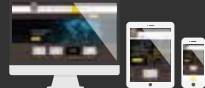
LinkedIn
12,000
followers

CONSUMER



KMA

1.2 million active users



KOL

757,782 users

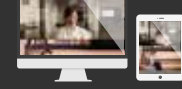
Top Transactions : Funds Transfer – Bill Payment – Bank Statement Checking

CORPORATE



Biz Mobile

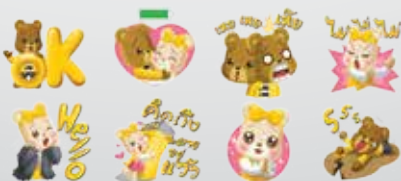
>1,000 companies



KBOL

12,000 companies

Top Transactions : Bill payment – Funds Transfer – Payroll Services



Krungsri LINE Sticker wins
Top 5 most popular stickers in Thailand.

Innovation Culture

We launched the **Krungsri IGNITE** project for the first time in 2016 as a competition for employees, seeking the best ideas for corporate and organizational development. In May 2017, we had three winners. Meanwhile, innovation training courses were provided. We have also promoted inspiration and idea expansion, including a monthly **Innovation Forum** where noted speakers in many fields are invited to share talks on the thinking process, viewpoint- changing, and difference-creating. Unique events using the theme of Innovation Day were also held in the hope that our people would spark ideas for daily work and team enhancement.

Krungsri Co-working Space

Lifestyles have evolved across generations: it is not uncommon to see office workers meeting in a relaxed atmosphere at cool Wi-Fi capable coffee shops. Enjoying roomy spaces with well-designed furnishings and fixtures, customers can feel comfortable in these stress-free workplaces where they can push their creativity to the limit for any project. Becoming venues for meeting, creating more business connections, and sharing ideas such co-working spaces are fit for all fields.

Thus we sought a place with a vast area to build a 'co-working space' where our people – regardless of their functional units – can interact based on these concepts:

1. **Refuge:** A place for one or two people, or a peaceful corner where employees can fully focus on their work
2. **Enclave:** A place for brainstorming or collaborative activities
3. **Team meetings:** A place for roundtable or team meetings for relaxed get-togethers where users are comfortable to speak, think, and do as they wish, and
4. **Assembly:** A place where facilities can be adjusted in tandem with gatherings of diverse business units.



Located on the ninth floor of the Krungsri Head Office, this shared workplace is expected to become a hit where our people can test new ideas and meet with colleagues from different departments. Also, business connections and broader points of view can be shared here. Unlike short-term campaigns, the co-working space is part of our long-term workplace transformation towards an organization with an innovation culture attempting to satisfy employee needs and promote their self-development skills. All in all, we believe that happy employees lead to happy customers.

KRUNGSRI FINNOVATE

In March, 2017 Krungsri established a subsidiary, Krungsri Finnovate Company Limited (Krungsri Finnovate) aiming to be a fully strategic investor helping startups grow to achieve their goals with the **Krungsri RISE Accelerator** program and our Corporate Venture Capital Investment with synergy from the Bank's business units.

We have a key mission to support and promote FinTech startups in Thailand and Southeast Asian countries in the forms of accelerator and academic collaboration, startup project management, and corporate venture capital (CVC).

- **Krungsri RISE**

Krungsri RISE is Thailand's first corporate FinTech accelerator. It is collaborative project by Krungsri Finnovate and RISE Accelerator aiming to enhance the capacity and accelerate the growth of Thai FinTech startups to be equivalent to regional level.

In 2017, **batch 2 of Krungsri RISE** continued the success journey. Aiming to double startup growth, the 16-week intensive boot camp was packed with senior experts from FinTech businesses and experienced CEOs, fully equipped contents, and activities were provided. The boot camp was conducted in a fun-based learning environment with leading regional coaches working closely together to provide exclusive one-on-one consulting to help all 10 Krungsri RISE teams 'RISE' beyond their goals. Moreover, many startups in the batch also have the opportunity to pilot projects with Krungsri, which will help to improve their products and capabilities significantly.



- **Corporate Venture Capital**

Krungsri Finnovate allocates its proprietary capital for FinTech startup investments. The investment strategy is strategic investor in which all startup investment will be of clear strategic value to the Bank's business. Areas of interest include:

1. Online, online-to-offline, QR code payment, and digital e-Wallet
2. Blockchain-related technology and applications
3. Lending technology
4. Robo advisor and wealth-management technology
5. Insurance technology
6. SME and personal finance tools and technology
7. Artificial intelligence and machine learning
8. Remittance and international remittance technology, and
9. Cybersecurity.

In 2017 Krungsri Finnovate invested in two FinTech startups: Finnomena Company Limited (Finnomena), a mutual fund-focused robo-advisors technology and a Wealth Management FinTech startup that aims to provide greater experience and mutual fund investment services to individual investors; and Omise Holdings Pte. Ltd. (Omise), an online payment solutions service provider aiming to provide better merchant onboarding and online payment convenience.

OUR PHILOSOPHY

Our mission is to become a leading regional financial institution with sustainable growth achieved through confidence in the organization from all stakeholders. We consider good governance an essential ingredient in the recipe for sustainable growth and adhering to the very best in good governance practices is part of our core philosophy. Thus, we have devoted great care and effort to comprehensively developing a strong culture of solid corporate governance. In addition, our focus on corporate governance aligns us with Krungsri Group's role in the Mitsubishi UFJ Financial Group (MUFG) whose corporate vision is "Be the world's most trusted financial group". This mission obliges us to ensure that we continually adopt and adhere to corporate governance excellence.

When it comes to putting our vision into practice, customers will always be at the heart of all our undertakings using a customer-centric approach that we apply to all our financial products and services. In addition, the Bank's Make Life Simple philosophy has been combined with this customer-centric approach to deliver integrated financial solutions that best match our customers' needs. Combined, these approaches enable us to deepen our engagement and relationships with customers, as evidenced by the numerous recognitions and awards conferred on Krungsri by various national and international organizations as well as professional associations throughout 2017.

CORPORATE GOVERNANCE EXCELLENCE

Krungsri is determined to achieve sustainable and steady growth as well as increased long-term business value through legitimate, transparent, and auditable operations. We are also committed to integrity as an important foundation considering risks, responsibilities, and fair treatment to stakeholders and all relevant parties together with supporting sustainable economic, social, and environmental development.

Our Board of Directors has instituted Good Corporate Governance Principles in accordance with the best criteria stipulated by the Stock Exchange of Thailand, the Securities and Exchange Commission, the Thai Institute of Directors Association, and Banking Industry Code of Conduct aligned with the ASEAN Corporate Governance Scorecard, to be used as a framework for business conduct and to enhance our international standard practices. These principles also serve as a behavior guidance to be strictly adhered to by directors, executives and employees in performing their duties and as a fundamental guideline for other Krungsri

Group companies, with the option that they adopt their own corporate governance principles based on the nature of their businesses.

Our adherence to the highest standards of Good Corporate Governance Principles covering guidelines on various areas including investor relations practices and corporate social responsibility (CSR) projects has been recognized with the **Asia's Icon on Corporate Governance Award** from Corporate Governance Asia for four consecutive years (2014-2017) and **The Asset Corporate Awards – Platinum 2017** in Governance, CSR, and Investor Relations from The Asset for two consecutive years.

Krungsri was **listed on Thailand Sustainability Investment (THSI) 2017** assessment by the Stock Exchange of Thailand for the second consecutive year, listed on ESG100, and received a certificate of recognition from the Thaipat Institute for the second time, reflecting Krungsri's distinguished environmental, social, and governance (ESG) performance.

OUR PEOPLE

Krungsri strongly believes that our success and growth could not have been achieved without our most valuable assets – our people. Our Customer Centricity core value is the basis of our business and we continually foster a culture that promotes teamwork, cultivates ethical behavior, and encourages our people to give their best efforts to serve our valued customers. Furthermore, we groom our people in various aspects to steer Krungsri toward becoming a leader locally, regionally, and globally.

PRODUCTS AND SERVICES

In developing and delivering integrated financial solutions that best match the needs of our customers with simple yet market-leading products, we combined our customer-centric strategy with our dedication to delivering our brand promise to Make Life Simple. Krungsri rolled out the customer-centric strategy in 2015, starting with 'customer segmentation' in which the owner of each segment has a solid grasp of customers' needs and experiences. Then in 2016 we started adopting new operating models by switching from product centricity to customer centricity, resulting in products that better respond to customer needs. The rising role of digital technology and smartphones in this era means it is increasingly crucial that we continue investing in technology that helps us understand customers and foster relations with them. Moreover, in adopting the customer-centric approach, it is essential that we use digital innovations to optimize our products, services, and processes, which will help us exceed customers' expectations and enhance their experience.

COMMERCIAL BANKING

Krungsri Commercial Banking serves large Thai corporates and SMEs in various industries: both the Corporate and Investment Banking Group and the SME Banking Group are under the same umbrella, allowing us to better serve these businesses with our customer-centric approach. Commercial Banking prioritizes understanding customer needs so that we can provide them with integrated solutions that best meet their needs, working with them to expand onshore and offshore investment. In addition, the synergy between Krungsri's strength and MUFG's global network enables us to enhance our financial and non-financial services and to deliver solutions that best match customers' potential needs and help unlock opportunities for them.

As part of our customer-centric approach our front, middle, and back offices collaborate to ensure that we understand our customers and execute strategic plans to serve them more efficiently. We are also committed to embedding digitalization and innovation in business functions to provide optimal solutions throughout Krungsri and to improve the digital customer experience.

CORPORATE AND INVESTMENT BANKING GROUP

The collaboration between Krungsri and MUFG strengthens Krungsri's business connections and makes global financial services more readily available to customers for international investment, joint ventures, business matching, new markets, and channel expansion. Following our Medium-Term Business Plan (2015-2017) the Corporate and Investment Banking Group marked another important milestone by:

- Growing loan volume and working capital mix as well as increasing our market share from long-term relationship with customers,
- Leveraging our global network in assisting our key customers to expand their overseas business. Our service includes financing, capital structure advisory, rating advisory, long-term financial solutions, and
- Ranking number one lead underwriter for long-term bonds in September 2017.

In 2017 we supported our customers to expand domestically and internationally, while committing to provide total financial solutions, including these key deals.



- Siam City Cement Public Company Limited (SCCC) – After granting a bridging loan to SCCC - a leading cement producer in Thailand - to support acquiring cement firms in Vietnam and Sri Lanka in 2016, Krungsri continued to assist them in planning their capital structure and arranging long-term financing solutions. Krungsri's services included credit rating advisory, bond issuance in the amount of 13 billion baht, the largest ever issued by SCCC, and a rights offering advisory.
- Thai Union Group Public Company Limited (TU) – In addition to providing a bridging facility to support a strategic investment of TU - a global leader in seafood processed products - in the world's largest seafood restaurant chain in 2016, Krungsri continued to accommodate them by arranging long-term financing as a take-out solution for this bridging facility. Solutions included debenture issuance in the amount of 12 billion baht and loan syndication, with Krungsri acting as lead arranger.
- Global Power Synergy Public Company Limited (GPSC) – Following our success in supporting key customers, we received a mandate from GPSC - a power and utility flagship of PTT Group - for its first Thai baht debenture issuance with Krungsri acting as joint book runner and joint lead arranger.
- Sino-Pacific Trading (Thailand) Company Limited (Sino) – Krungsri was appointed as merger and acquisition (M&A) advisor advising Sino - a distributor of confectionary and grocery products - in acquiring a chocolate factory in the Netherlands. In addition to advisory services, Krungsri provided a long-term financing to support this acquisition.

In addition, Krungsri continued to develop and adopt digitalization and leverage our synergy to provide innovative products and services to enhance customer experience as well as improved operational efficiency for our clients. Our success stories include these:

- IRPC Public Company Limited (IRPC) – Krungsri and IRPC - a leading petrochemical company in Southeast Asia - announced the successful deployment of Krungsri Blockchain's Interledger, marking Thailand's first real-time international funds transfer for oil trading transactions between IRPC and its foreign business partners, in Lao PDR. With this innovation transactions were completed within a few seconds versus at least one to three business days under the previous system. This breakthrough will not only improve risk management (as the impact of exchange rate volatility is minimized) but will also drive the Thai business sector toward faster expansion.
- Siam Global House Public Company Limited (Global House) – In a drive toward the National e-Payment Master Plan, Krungsri and Global House - a leading Thailand-based distributor of home construction material and decorative products - joined forces to roll out an e-Payment solution allowing customers to make QR code payments at any Global House branches nationwide with added convenience for retail store shoppers.

2018 Plan

To sustain our growth and pursue our goal to be "a Trusted Banking Partner" Krungsri will continue to provide total financial solutions and leverage the synergy between Krungsri's Thai expertise and MUFG's global strength to support our customers.

Medium-Term Business Plan (2018-2020)

With our aspiration to be "a Trusted Banking Partner" we focus on key themes to drive toward sustainable growth, productivity improvement and efficiency, while continuing to leverage our network locally via Krungsri Group and through MUFG network, with these objectives:

- Continue as a total financial solutions provider with a wide range of products and services that best meet customer needs
- Continue to enhance our products and services, including digital solutions for corporate customers and advisory services, and
- Exploit fully our strength from MUFG's global network to support our customers' business flows as well as their overseas business expansion.

SME

The SME sector is one of Thailand's key engines of growth, with the country's economic future hinging on support for our small and medium-sized enterprises. Krungsri recognizes how important SMEs are for the Thai economy and is committed to stimulating Thailand's development by helping SMEs meet their diversified business requirements. Guided by our customer-centric approach we have undertaken various transformative initiatives, including a new operating model and a new Business Banking unit to ensure that all SMEs are adequately served: namely SME Medium (SME-M), SME Small (SME-S), and the newly created Business Banking (SME-BB).

SME BANKING GROUP

Despite the challenging business environment, our SME portfolio continuously expanded in line with Thailand's economic recovery while our loan growth outpaced the market. Trade finance also achieved strong growth thanks to good business momentum. The success of supply chain solutions — especially in the automotive industry — resulted in double-digit growth in supply chain loans during the MTBP 2015-2017. New supply chain industries added included beverage, consumer goods, and electronics.

Focusing on customer centricity, Krungsri serves customers with a wide range of products and services that fulfill their business and individual needs. We not only develop our own innovative solutions, but also collaborate with both the public and private sectors to drive the National e-Payment Master Plan under the Thailand 4.0 Model. Therefore Krungsri's Juristic PromptPay was launched to help transform Thailand from a cash-based society into a cashless one with the total registration of 2,888 accounts for SME-M and SME-S as of



December. Krungsri also participated in several programs collaborating with the government to support Thai SMEs, including Government Savings Bank soft loans and the Bank of Thailand's foreign exchange option for SMEs.

Digitalization and innovation are key to delivering a WOW customer experience. Krungsri SME adopted digitalization to provide innovative products and services to meet the needs of customers.

Our success stories include:

- **Domestic transactions:** providing Electronic Invoice Presentment and Payment (EIPP) services for domestic transactions, and
- **International transactions:** offering a real-time funds transfer service based on the Blockchain's Interledger technology to shorten transfer time and reduce costs.

As customer centricity is one of our core values we provide total financial solutions' and 'business expansion opportunities' for SME customers through various business value-added services, including these:

- Krungsri Business Connect (online market channel to reach corporate and SME customers) was launched in March 2017 to update customers with information of economics, Krungsri promotions, seminars, and special activities.
- Krungsri SME Index was introduced in March 2017.
- Krungsri Business Talk on Myanmar was held in March to emphasize the synergy between Krungsri and MUFG as a brand image of global strength.
- Krungsri Business Journey: The Opportunities in Myanmar was held in June 2017.
- Krungsri Business Forum CEO 4.0: Thinking Transformation was organized in September 2017 to provide the overview of Thailand's economy that supports business sector toward Thailand 4.0.
- Krungsri Business Journey: Life Care Business Opportunities was organized in September to bring Thai SME entrepreneurs to study aging-related businesses in Osaka, Japan.

2018 Plan

- Focus on business strategy "to be a main bank for SME customers" by:
 - Offering lending and financial transaction services including innovative working capital, trade finance, and supply chain solutions to improve the customer experience and enhance SME customer relationships

- Offering lending facilities and financial advisory services as customers' main lending bank through knowledge-sharing and business-matching activities in both domestic and overseas markets, and
- Handling both payment and collection transactions as customers' main operating bank using innovative solutions.
- Sustain loan growth of SME-M and SME-S
- Continue to support SMEs to grow their businesses as this sector is critical for Thailand's economic innovation and digitalization strategies and as we continue to develop digital platforms for electronic payment services supporting the National e-Payment Master Plan

Medium-Term Business Plan (2018-2020)

To maintain our growth momentum, the SME Medium-Term Business Plan has been created with these aspirations.

- Become a main bank for SMEs through products and services and to reach this goal by leveraging our strength both domestic (linkage from strong JPC/MNC customer base to SMEs along the value chain) and cross-border (with the MUFG global network enabling cross-border transactions)
- Move toward digitalization by embedding innovative technology in every business function and digitalizing products and processes to offer customers a beyond-expectation experience.

The strategies to support our aspirations include:

- **Domestic:** leveraging the strength of the JPC/MNC, corporate, and investment banking portfolios to expand supply chain solutions covering other industries and to provide more financing for the existing supply chain to deepen relationships.
- **Cross-border:** leveraging "local expertise with global strength" and developing cross-border innovative products through Blockchain's Interledger to capture Thai-Japan and Thai-China trade flows.
- Develop a cash management package to capture customer payment and collection flows leveraging national e-Payment.
- Focus on cross-selling to create non-interest incomes.
- Improve processes through digitalization to enhance the customer experience, and
- Provide marketing activities emphasizing building lasting customer relationships and creating value-added services using a variety of activities.

BUSINESS BANKING DIVISION

The Business Banking Division or SME-BB (previously SME Retail: SME-R) was established in June 2017 to facilitate growth of this customer segment through the Bank's branches nationwide. The loan approval process has been improved for greater flexibility aligned with customers' loan-servicing ability while maintaining loan quality. A special loan underwriting team has been set up for this particular segment.

The Business Banking segment is defined as businesses with commercial credit limits of up to 15 million baht for self-employed individuals and audited sales turnover of up to 20 million baht for juristic persons, using both product programs and credit write-ups to suit various SME Business Banking needs.

The Business Banking Division was established to leverage digital innovation for improved products and services. With this vision we have developed and created new innovative technology to improve the SME-BB customer experience, simplified approval processes for both internal and external customers, monitored and analyzed portfolios to understand customer needs better, and further provided products and services suitable to customers' needs. Customers have more convenience and can monitor and perform transactions themselves for both savings and lending products using electronic channels.

SME-BB has supported the Bank in expanding SME market share with four key deliveries:

- Kern-roi Loan offering high credit limits of up to 130 percent of collateral value (without Thai Credit Guarantee) and repayment periods of up to 10 years
- A new product program, SME Quick Loan for juristic customers
- A procurement system (e-GP) with Thai Government Procurement, and
- Krungsri Business Online for easier access for SME BB customers.

In March 2017 we also launched the Retail Origination System (ROS) with faster approvals and more robust processing.

As for loan growth, new credit bookings were up 32 percent in 2017 versus 2016, with a portfolio of more than 40 billion baht — ranked fifth in terms of market share.

Medium-Term Business Plan (2018-2020)

To maintain growth momentum we have also created our second medium-term business plan with these elements:

- Enhancing the customer experience through digital processing and platforms with innovative products
- Productively and sustainably growing assets and liabilities
- Focusing on employees' capabilities and happiness
- Collaborating with and leveraging the Krungsri-MUFG network as well as business partners, and
- Being prudent in compliance and operational risk management.

JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

JPC/MNC Banking always seeks ways to better support our customers. In November Krungsri and BTMU signed a Memorandum of Understanding (MOU) with the Office of the Board of Investment (BOI) to promote Japanese investment in Thailand while supporting Thai companies doing business abroad. As the first Thai bank to sign such an MOU we will also work closely with the Board of Investment to promote business matching among Thai and foreign companies using MUFG's global network.

Throughout 2015-2017 JPC/MNC Banking has comprehensively served our customers in these ways:

Business Matching

In 2017, we arranged another annual business matching fair by collaborating with MUFG for the fourth consecutive time in Bangkok. The number of customers from Thailand, Japan, and other ASEAN countries joining the fairs has increased constantly. The scope of industries has also been widened to cover most of our customers' business needs ranging from food and beverages, consumer goods, and real estate to elderly care businesses. The recent Bangkok fair was held in November with more than four hundred pairs (meetings) in one day, breaking all records for MUFG business matching fairs outside Japan. Besides business matching fairs, we have exclusively matched up numerous Thai companies with Japanese and multinational companies, creating various new businesses in Thailand and elsewhere, proving our Thai expertise with a global network.

Automotive industry collaboration

JPC/MNC Banking enjoys close relationships with automotive manufacturers both Japanese and multinationals offering a wide range of products and services within Krungsri Group to serve all players in Thailand's automotive industry, including automotive parts manufacturers, automotive manufacturers, leasing companies, car dealers, and car buyers. Krungsri Group is the only financial institution capable of providing full-fledged financial solutions to the total value chain of Thailand's automotive industry.

Real estate industry collaboration

In recent years JPC/MNC Banking has matched up Japanese real estate developers with various Thai developers creating a number of real estate projects in Thailand, especially residential projects. We do not only provided financing to these projects, but also extended financing to retail consumers who purchase the units.

Retail collaboration

For Japanese and multinational corporate customers, JPC/MNC Banking in collaboration with Krungsri Group provides a variety of products and services ranging from traditional finance to the corporates and personal financial solutions to employees, including payroll, credit cards, insurance, and auto and home loans. This reflects our role as a total solutions provider for our valued customers.

Medium-Term Business Plan (2018-2020)

The business climate for Japanese corporates and multinationals in Thailand has been challenging during the past three years and we expect to see this trend continues. Recognizing this, JPC/MNC Banking has formulated a Medium-Term Business Plan for 2018-2020 outlining a three-year business strategy from 2018. The new plan is designed to constantly guide us to achieve our aspiration: to enhance our number-one position in the Japanese corporate market and be the preferred bank for MNC customers.

Medium-Term Business Plan (2018-2020) core strategy

Under this plan we focus on expanding market share and reinforcing our relationship with customers, growing our gross profit, and promoting MUFG expertise to continue helping to develop Thailand's financial markets. Based on these strategic focuses we design business promotion initiatives and the supporting platform development based on three core strategies:

1. Customer segment strategies

We aim to expand our customer base and reinforce relationships by reviewing customer portfolios to identify new business opportunities based on industry, business size, and location such as the Eastern Economic Corridor (EEC) and industrial estates. Also, we will identify business blockages and cultivate prospective customers with high long-term growth potential.

2. Core product strategies

We will identify expansion opportunities for conventional products such as loans and deposits by analyzing corporates' financial capability together with initiating innovative tailor-made products for target corporates that have strong relationships with us and help generate significant income for the Bank over the years.



3. Synergistic marketing strategies

We seek to inaugurate 360-degree collaboration with MUFG and across the banking segment within Krungsri. By leveraging MUFG's global network together with Krungsri's domestic and regional capabilities, we plan to enhance the JPC/MNC Banking business capacity and expand our contribution to Krungsri overall.

In addition to strategies for business promotion, we will develop initiatives for productivity and efficiency enhancement for greater capability and to provide products and services that meet and exceed our customers' expectations.

GLOBAL MARKETS GROUP

After being transformed from the Treasury Group since 2015, the Krungsri Global Markets Group has strengthened capabilities to accommodate growing customer needs for cross-border business by leveraging MUFG global network and product expertise under our first Medium-Term Business Plan.

As strengthening the foreign exchange (FX) business was one of the Bank's core business strategies, the Global Markets Group has achieved its goal of enlarging the FX customer base among Thai corporates and SME customers in addition to our strong Japanese corporate customer base, with strategic direction aligned with Krungsri's core banking strategy.

To meet rising customer demand for FX online trading services, the Global Markets Group has expanded FX electronic trading platforms to deliver fast, accurate pricing and increase customer reach.

MUFG's strengths in product capabilities and global networks were fully exploited to provide end-to-end financial solutions supporting customers' global business expansion. The Global Markets Group delivers a broad spectrum of risk management products in collaboration with MUFG affiliates under an MUFG synergy strategy in numerous arenas such as the emerging currency business, cross-border investment and trade flows between Japan and ASEAN, a securities business for financial institution clients, and structured yield enhancement schemes for cash-rich companies.

As evidence of our accomplishments, the Global Markets Group was awarded the sole mandate to support one of our large multinational corporate customers for foreign exchange risk management. In collaboration with the Corporate and Investment Banking Group and the MUFG global network, we have played a key role in delivering total financing solutions to support large-scale customer expansion plans for project financing, mergers and acquisitions, and strategic investments in America, Europe, East Asia, and Southeast Asia. We also collaborated with the Global Markets team in London, proudly being a part of a global pooling solution to support our large customer's Treasury Center operation in managing their foreign currency excess funds more efficiently.

In cooperation with the Ministry of Industry, the Office of Small and Medium Enterprises Promotion, the Export-Import Bank of Thailand, the Bank of Thailand, and the Thai Bankers' Association, the Global Markets Group worked relentlessly to support the national project called Foreign Exchange



Risk Management for SMEs aiming to enhance local SME entrepreneurs' knowledge and experience in hedging foreign exchange exposure from using FX options.

As the financial market landscape becomes more unpredictable amid various dimensions of uncertainty, the Global Markets Analysis and Research team continues to make every effort to provide customers with information and an analytic database to facilitate decision-making and minimize risk for our customers. An efficient collaboration between Krungsri and MUFG analytic-based and market-oriented resources broadens our perspectives on both local macroeconomic fundamentals and global market dynamics. An in-depth analysis and sharper data assessment resulted in positive feedback from a wide range of customer segments through leading financial media, social networks, conferences, and seminars primarily designed to serve customers' needs.

Developing sound Assets and Liabilities Management (ALM) under tighter global financial regulations was another key mission. The Global Markets Group planned and implemented ALM strategies to enhance our deposit base (especially Current Account and Savings Account or CASA) and secure lower cost of funds in order to achieve one of the Bank's key strategies: "Growing Asset".

Market Risk on our balance sheet was also well managed during the first Medium-Term Business Plan (2015-2017) when financial markets experienced relatively high volatility from domestic and external factors. Investments in securities such as government bonds, corporate bonds, and equities also helped enhance our net interest margin and non-interest income.

For the second Medium-Term Business Plan (2018-2020), the Global Markets Group will continue to grow our customer base focusing on international trade and investment. Emerging currency-related businesses and ASEAN fund flows continue to be our core strategy after Krungsri was appointed an authorized cross currency dealer for the settlement of the Thai baht and the Malaysian ringgit as well as the Thai baht and the Indonesian rupiah under the local currencies settlement framework (LCSF).

Meanwhile, some adverse changes in market environment are anticipated to take place during the second medium-term business plan: for instance, higher interest rates, new regulations on liquidity management such as the Basel III Net Stable Funding Ratio (NSFR) and new accounting rules under the IFRS9 standard. Enhancing ALM under these environments will thus be our key challenge.

Finally, the Global Markets Group is strongly committed to enhancing IT and digital platforms for global market products to improve the customer experience and position Krungsri as a 'Main Bank' for our valued customers.

MORTGAGE LOANS

2017 was another year when mortgage loans grew in line with our Medium-Term Business Plan and our predetermined target despite stable or slightly declining market conditions. Two key factors included no additional Government's property stimulus measures and the decreasing rate of new projects launched, resulting in fewer new residential units in the 2017 market. This, coupled with the slow recovery of the Thai economy hampered consumer decision-making to purchase houses and acquire long-term debt. However, positive factors supported the property market such as government investment in transport infrastructure and major electric train routes, increased foreign investment, and an upturn in private consumption partly due to the completion of repayment of the first-time car buyer scheme.

These positive factors resulted in higher purchasing power, yet compared with 2016 where the property market was driven by the Government's stimulus measures, 2017 new mortgage loan growth was recorded at 56.8 billion baht, a 11.8 percent decreased from 2016. The mortgage loans portfolio grew 10.5 percent in 2017.



As one of the Bank's main strategies, mortgage loans, are our core products, were improved and modified to align our procedures with market conditions and our customer-centric strategy. This also included greater digitalization, corresponding with the Government's Thailand 4.0 policy, such as improving the loan approval process and increasing the efficiency of the sales staff through training on product presentation that meets customers' needs as well as incorporating digital innovation into our operations to create a WOW customer experience by allowing easier customer access to mortgage loans.

- **Customer-centric strategy:** We continued driving our business with a customer-centric strategy and delivering our brand promise to Make Life Simple, leading to our focus on Collaborating for Customers – enhanced coordination between functions. In addition, we achieved better collaboration between branches and mortgage loan teams through joint Bangkok and provincial site visits to strengthen relationships with business operators and gather feedback contributing to our product and process improvement. Moreover, we also partnered with various leading property developers to extend services enabling us to better reach out to customers.
- **Improved loan approval process:** We developed an operating system facilitating different facets of internal data management such as sales management, marketing cost management, and project management. Our operating systems were also streamlined to eliminate redundancy in collateral valuation process and loan contract preparation, lowering turnaround time. We also introduced a credit underwriting program Retail Origination System (ROS), automating credit

underwriting to reduce human error: The system was developed by establishing working groups for every function to jointly steer process engineering to improve critical points for each function so that we can offer tailor-made services that best suit customer needs.

- **More efficient services:** Krungsri places great importance on customer service. We promote understanding about mortgage loans for our customers. For example, we introduced a loan calculator for customers to aid in financial planning before buying a house. After a loan is approved, the Bank makes a call to welcome the customer who will be informed of important mortgage loan information, including privileges for Krungsri customers. We also offer a digital channel to ease communication with customers, such as requesting an electronic mortgage interest payment certificate instead of one received by post.
- **Digitalizing for a better customer experience:** Krungsri places importance on the customer experience. We initiated a project enabling easier access to mortgage loans for customers by developing a web application for customers who want to buy a house but do not know where to start. According to survey results, customers feel that owning a house is difficult and causes many concerns. Realizing these concerns we created a user-friendly application for customers to calculate their borrowing power: this, however, depends on the accuracy of the input data customers provide.

Compared to the original target stipulated in the Medium-Term Business Plan, our performance was deemed a real breakthrough, as reflected in an ongoing robust increase in new loans from 36 billion baht in 2014 to 50 billion baht in 2015, and to 63.4 billion baht in 2016. As for 2017, our new loans totaled 56.8 billion baht, in line with our set target, yet representing a decrease from 2016 due to a lack of government stimulus measures. Going forward, we estimate new loans in the range of 50 to 70 billion baht a year. However, the Bank continues to apply strict loan approval criteria to maintain loan quality when acquiring qualified new loan accounts. Using this framework, our performance was recognized with the **Mortgage and Home Loan Product of the Year - Thailand** from the Asian Banking & Finance Retail Banking Awards 2017

for the second consecutive year. Two additional awards recognizing our success were the **Mortgage Product of the Year Award** from The Asian Banker Thailand Country Awards 2017 and the **Best Mortgage Offering Award** from the Retail Banker International Asia Trailblazer Awards 2017.

KRUNGSRI AUTO

Auto Finance Market

The auto finance sector dramatically grew by 10 percent in 2017 and we expect it to grow by 5 percent between 2018 and 2020 after a boom-and-bust cycle during the past five years. Despite intensifying competition as more auto finance providers introduce aggressive promotional campaigns, Krungsri Auto has managed to maintain our leading position in the market.

Celebrating our 25th anniversary we have outperformed the market, with total assets of more than 322 billion baht — a 15 percent increase over 2016. Thanks to our brand, new lending volume showed strong results of 166 billion baht — an impressive growth of 23 percent, boosting our market share to 26.9 percent.

Success was seen in all business segments: new cars, used cars, refinancing, and motorcycles. Strong dealer relationships and improved end-to-end dealer experience as well as our expansion in key cities contributed largely to our success in the new-car segment, while trusted partners, well-balanced growth, and customer quality drove success in the used-car segment. In the refinancing segment, Car4Cash continued to be top-of-mind thanks



to effective communication and customized programs for existing customers. For motorcycle financing Krungsri Auto established a nationwide network and expanded the number of dealers, focusing on quality services.

Awards

In 2017 Krungsri Auto remained customers' top-of-mind brand, with several awards from international and local organizations including:

- **The Superbrands Award** from the Superbrands Thailand Council for six consecutive years (2011-2012 and from 2013 to 2017), highlighting Krungsri Auto's position as the top automotive finance brand of choice among consumers
- **Thailand's Most Admired Brand Award** from BrandAge Magazine for five consecutive years (2013-2017), hailing Krungsri Auto as the best brand in automotive finance and Car4Cash in the auto hire purchase loan and title loan categories
- **The Best Car Finance of the Year Award** at Car & Bike of the Year 2017 from Grand Prix International for four consecutive years (2014-2017), in recognition of the best auto loan service for all customer segments, and
- **Asian Banking and Finance Retail Banking Awards 2017**, recognizing Big Bike Loy Lom (Stop Dreaming. Start Riding) as the Automotive Lending Initiative of the Year - Thailand, and Papa Form (Big Daddy Form) on www.krungsrimarket.com as the Advertising Campaign of the Year - Thailand.

Seamless Digital Customer Experience

Krungsri Auto strives to further elevate the customer experience, seeking to strengthen bonds with digital platforms that meet today's lifestyles through more innovative products, services, and marketing campaigns.

Work processes have been digitalized for greater efficiency and greater customer convenience. Using a digital end-to-end process our team is assisted by automated risk-grading with multilevel customer risk classifications to reflect the risks of various customer segments. Used car dealers are also supported by iPartner, real-time application status-tracking to enhance service quality for themselves and their customers.

Online innovative products and services are created to improve digital customer touch points. For instance, krungsrimarket.com has been upgraded to a one-stop-service website for used car trading and loan services. Krungsri Auto's end-to-end digital touch point encompasses

car4cash.com, a full-fledged online platform to support the Car4Cash business, and the online campaign Big Bike Loy Lom (Stop Dreaming. Start Riding) encourages those who dream of exploring the world on their favorite big bike to a microsite that compiles a selection of models with different technical specifications presented with a 360-degree interactive view as well as video contents, prices, and available financing plans. This microsite is fully responsive to work across all smart devices, increasing reach and accessibility for potential customers.

Supporting the digital journey is big data. Large data sets are being realigned so that big data enables service improvement in the future this will aid in Krungsri Auto's quest to elevate customer engagement through digital channels.

To achieve the 2017 growth target, we made aggressive moves for the second half of 2017, mainly by improving all service channels to create a seamless experience for customers. For instance online platforms and other digital technology were used to shorten the loan application process. We have seen fruitful results: new loans through online platforms have escalated greatly. At the end of 2017 the volume amounted to 1,318 million baht — a 98 percent increase over last year.

Innovative Service

Krungsri Auto partnered with Kaidee, introducing a breakthrough online marketing service for the privately owned car segment, Rod Baan in just one click. Using application programming interface (API) technology that connects Krungsri Rod Baan with the RodKaidee platform, Krungsri Auto provides a real-time calculation with an interest rate that matches each car posted on RodKaidee based on the model and year of manufacture. With this technology consumers can choose their preferred down payment with a real-time calculator showing comparative monthly installments for their financial planning and reference before applying for a hire purchase service. Krungsri Rod Baan online was designed to create a seamless customer experience and establish Krungsri Auto as the leader in the privately owned car financing segment.

Strengthening Customer Relations

Krungsri Auto will employ several strategies to maintain growth momentum in the years ahead. Chief among them will be transforming the customer experience to customer engagement, which will require deploying all possible digital

technology. For example, one-stop advisory solutions will be created to deliver a seamless customer experience. Krungsri Auto will provide an e-library to serve as a single data source for our financial advisers. Our customers will be assisted by a chatbot and connectivity-API for product offerings.

Krungsri Auto promises a totally new experience to dealers and consumers. Consumers will be introduced to digital help that is simple, fast, convenient, and highly accessible. Along their journey, they will find these digital channels: www.krungsriauto.com; www.car4cash.com; www.krungsrimarket.com; Big Bike Loy Lom; and LINE Business Connect. For these online channels consumers are served by a personal assistance hotline while Krungsri Auto gains customer insights for new product and service development.

Social Sustainability

Krungsri Auto strongly emphasizes responsibility to all stakeholders including customers, dealers, prospective customers, the community, and society. We adhere to the highest possible industry standards to promote a responsible society. We also strive to set higher educational standards to ensure sustainable business development.

- Krungsri Auto kicked off **Krungsri Auto \$mart Finance** in 2009 as a personal finance seminar for individuals and small community enterprises (2009-2012), enhancing business and financial management for small local entrepreneurs in border areas to prepare them for the ASEAN Economic Community (AEC) in 2014 and 2015. Transferring knowledge and skills for digital competency to small SMEs was the theme in 2016 and 2017 to enhance capabilities for responding to customer needs in the digital era.
- The **Krungsri Auto Library** was launched in 2010 to improve educational quality and provide a learning center and intelligence archive for children and communities: the goal is to encourage underprivileged children to pursue education in a sustainable way. To date 13 Krungsri auto libraries are open nationwide. Krungsri Auto is set to renovate all the libraries, with the first at the Baan Salao School in Buriram Province.

KRUNGSRI CONSUMER CREDIT CARD AND PERSONAL LOANS

Krungsri Consumer offers credit card, sales financing (merchandise installment financing), personal loans, and life and non-life insurance brokerage services. The Group's credit card portfolio includes: the Krungsri Credit Card; the Home Pro Credit Card; the AIA VISA Card; the Central The 1 Credit Card; the Simple Visa Card, the Tesco Lotus Visa Credit Card and the Krungsri First Choice Visa Card (3-in-1). Krungsri Consumer also leads the sales financing and personal loans sector, with the largest market share of 28 percent at year-end. The sales financing and personal loan business flagship brands are the Krungsri First Choice Card (2-in-1), the Central The 1 First Choice Card and the Krungsri First Choice Care Card.

2017 Business Overview

Despite a challenging economic and operating environment in 2017, Krungsri Consumer achieved its business expansion target and continues to lead the market. Our combined customer portfolio stood at 8.4 million accounts with total customer spending of 340 billion baht. The value of our assets increased by 7 percent, while our non-performing loans (NPLs) were lower than the industry average.

Krungsri Consumer also continued to forge strong partnerships with leaders in different market segments, including:

- **Central Group**, Thailand's leading retail business operator, operates over 5,000 outlets with leading brands in Thailand and overseas. Businesses include department stores (Central and Robinson), supermarkets and convenience stores (Tops Supermarket and FamilyMart), home appliance and materials outlets (Powerbuy, HomeWorks, and Thai Watsadu), restaurants (Ootoya and Pepper Lunch), hotels (Centara) and others. Krungsri Consumer has been entrusted by Central Group to continue serving as its main financial service provider, a testament to Krungsri Consumer's leadership and its expertise in the consumer finance industry which are expected to help the Krungsri Group expand its customer base substantially.
- **Home Product Center Public Company Limited**, the leading home-related and appliance retailers with 84 branches nationwide



- **AIA Thailand**, the largest life insurer in Thailand with more than 50,000 active agents
- **Tesco Lotus**, the largest hypermarket chain in Thailand with over 2,000 outlets nationwide
- **Krungsri First Choice and installment loans**, with a network of more than 21,000 key business partners.

Capitalizing on Digital Banking and Enhancing Technology and Innovation to Upgrade Products and Services for a Better Customer Experience

As a leader in the credit card and personal loan sector, Krungsri Consumer has earned its longstanding success through innovative products and services as well as improved business processes to benefit our customers. To serve customers' needs in the digital banking era, we continue to innovate for better products and service capabilities, maximize the efficiency of our business processes, and enhance the quality of products and services for better customer experience.

- Customer-centric product and service development
 - **Central The 1 Credit Card:** the first and the only credit card in Thailand that offers the cardholders to collect the most The 1 Card points in the shortest time for gaining more benefits from Central Group. It also provides the card holders with greater convenience for their daily spending with Krungsri Consumer's co-branded credit cards. Central The 1 Credit Card offers various benefits to members, including privileges from participating restaurants and travel agencies as well as zero percent installment payments. With the synergy of

two major partners, Krungsri Group and Central Group, cardholders receive special privileges to fulfill their needs and lifestyle.

- **Central The 1 First Choice Card:** Launched in March 2017, Central The 1 First Choice Card is the first co-branded card for Krungsri First Choice and the Central Group, offering "0% Plan on Demand", with zero percent interest for two months on each purchase of Central Group products and services with minimum spending of 1,000 baht. The scheme helps customers save more money and gain numerous benefits anywhere, anytime. In addition, cardholders earn double points whenever they use the card at participating Central Group retail stores with no annual credit card fees for life.
- **The Krungsri First Choice Care Card:** Launched in September 2017, as the first cash credit and installment loan card in the personal loan sector, it serves all financial needs in one card allowing customers easier access to basic accident protection without extra expenses as well as no entrance and annual card fee. The Krungsri First Choice Care Card provides free accident protection for new members with a 100,000 baht insurance limit for 12 months after the approval date. Cardholders can receive medical expense reimbursement up to 3,000 baht per accident at Krungsri First Choice Care' network hospitals, with an unlimited number of accident claims each year and no need to reserve. This scheme helps customers reduce their expenses amid the high cost of living.
- **Home Pro Financial Center:** Established in cooperation with Home Product Center Public Company Limited, Krungsri Credit Card Company Limited, and the subsidiaries of Krungsri, the Home Pro Financial Center offers various financial products, including home refinance loans and





auto loans (Car for Cash). As an integrated financial solutions service center, helps card members to access their information, including credit limit, changing personal information with no need to contact to the call center. The HomePro Visa Platinum Credit Card has now expanded its financial centers to 11 HomePro branches, based on potential locations where customers need a variety of financial products.

- Developing data analytics, leveraging big data and data science

Since late 2016, Krungsri Consumer has used Big Data to collect and analyze in-depth customer insights to enhance the customer experience through its promotions and services. In 2017, Krungsri Consumer expanded big data usage with Real-Time Decision Management (RTDM) to meet customer needs in expeditiously and accurately such as automatic card activation notification, customized individual promotion campaigns, cash back alerts, and unusually-high spending alerts to prevent fraudulent use.

In addition, customer information obtained from big data is used for customer segmentation in different dimensions. The first type of customer segmentation is categorized by customer lifestyles, such as travelers, couples, family lovers, healthcare groups, moderate persons, trend-setters, and the digital lifestyle group. Another segment is categorized by customer engagement and brand loyalty. The company takes care of those with high level of engagement as its most valuable customers. Customer segmentation helps us communicate, offer promotions, and persuade customers to join corporate activities in a way that resonates with target customers.

Using big data to enhance its operational efficiency, Krungsri Consumer has also developed and deployed the Machine Learning Model for screening credit applications, as well as planning suitable times to contact customers. These advanced technologies help improve business process efficiency.

As a data-driven organization, Krungsri Consumer has established the data science Team and carefully selected qualified employees with expertise in computer science, mathematics, and statistics. This team has skills and experience in big data management and other technological knowledge for in-depth data analysis to benefit customers and the organization.

- Innovation development for service quality improvement

- o **UCHOOSE mobile application**

Since its launch in February 2017, we have seen more than 1,000,000 cards registered for this mobile application. It allows Krungsri Consumer Credit Card members to easily check their accounts, redeem points, register to participate in activities, check their balances for all promotions, check e-Pay information (online shopping card), and receive alerts on all transactions made through Krungsri Consumer cards. To further improve innovation and service quality, UCHOOSE has been developed with new services added, such as redeeming credit card points to purchase Major Cineplex movie tickets, requesting temporary spending limit changes with immediate approval, requesting installment payment, and making QR payments, or using QR code to pay credit card bills.

- o **LINE@SimpleService**

Krungsri Consumer has increased service channels for greater convenience to customers. Documents can now be sent using the LINE application: current Krungsri Consumer Credit Card customers who wish to send documents confirming personal information changes can inform the company's customer service officers. The officers will then advise them on how to add an official LINE account so as to quickly submit necessary documents such as name and address changes, using the application.

- o **Process Digitalization for Enhanced Efficiency**

As an innovation-driven organization, Krungsri Consumer has continually adopted new technologies to streamline work processes with increased operational efficiency. The Process Digitalization project was introduced to replace paper-based work with online-based processes for increased efficiency. Online document input replaces the previous paper forms and approval signatures. This also allows unit heads to approve operational works anywhere and anytime via mobile application, resulting in faster and more convenient operations.

- o **Employee Mobile Application and Employee Intranet**

Krungsri Consumer has developed a mobile application and Intranet for more efficient internal communication and operations. Employees who are the key operation drivers then receive the company's news and direction as well as the latest product and service information more conveniently and rapidly at anytime and from anywhere. The systems also provide functions that increase operational convenience for contact lists, telephone numbers, and all employee email address, including online requests such as leave requests using mobile applications with greater convenience for sales representatives and branch office employees.

- **Greater Efficiency for Improved Customer and Business Partner Satisfaction**

- o **Krungsri Consumer Premier Partner Program**

As a leader in sales finance service, Krungsri Consumer has worked closely with partners in providing sales finance and promotional campaigns. The company partners with OEMs, dealers, and retailers especially in electrical appliances, technology products, mobile phones, car accessories, beauty products and jewelry. In April 2017, Krungsri Consumer introduced

"Krungsri Consumer Premier Partner" Program to strengthen relationships with its top partners in sales finance and services nationwide. The company partners with 50 leading companies in many market segments to explore and create business opportunities so as to grow the sales finance business and enhance business relationships with the partners.

The program mainly enables partners to remain competitive in the current market situation. Under this program, Krungsri Consumer supports its partners' marketing activities to help them increase sales by providing sales finance service which increases customer access to these products and services. At the same time, the bonding and relationships between the company and its partners are strengthened. Participating partners receive certain benefits when joining the program:

1. Marketing activities that directly address customer demand with Krungsri Consumer's installment payment choice for more than 50,000 products and services
2. Sales promotions where cardholders can use reward points to redeem up to 13 percent cashback and support on promotional events for provincial partners to promote the zero percent interest installment payment program
3. Introduction of service and sales enhancing innovations, including the Krungsri WEpartner website for more convenience for partnering shops, and



4. Increased effectiveness of promotional campaigns and customer activities through digital media for faster and more effective communication.

o **Krungsri WEpartner Website**

As a leader in sales financing, Krungsri Consumer has introduced the Krungsri WEpartner Website (www.krungsrivepartner.com), offering comprehensive online services for Krungsri Consumer's partner merchants. The website was launched in May 2017 covering the following main features:

- **Promotion Search:** All installment payment program information together with promotion codes are displayed on one page providing convenience and speed search. Krungsri Consumer is Thailand's first sales finance company to provide such centralized information. Shops can also search real-time for the information and can search by card. Interest and installment payment calculation tool is also available for convenience.
- **Online Installment Transaction:** Partner merchants can immediately search for the desired installment promotion program and complete online transactions via WEpartner. The highly secure system requires stringent customer information verification with customers confirming their purchases using OTP (One-Time Password) while the merchants use PIN codes to confirm transactions. The website also supports electronic signatures made through smartphones and tablets. The system automatically records electronic signatures, prepares sales summaries, and sends sales slips to customers via SMS or email. This has efficiently supported partners' businesses through convenient and speedy transaction on smartphone.
- **Online Payment and Disbursement:** Financial information and online invoicing can be done anywhere, anytime. Partner merchants can check financial information such as sales records with selected conditions including sales channels and types of cards under Krungsri Consumer, search for up to one year of sales history, and print sales slips, tax invoices and standard invoices. The system can also support e-Tax invoice in the future. Partner merchants can also cancel sales via all online installment payment

channels. Partners' head offices can also track sales information for each branch or outlet.

- **Merchant Profile:** Partner merchants can check current information, shop locations, contact number of district managers in charge of specific shop, EDC installation status, and shop location and open hours updates. The website will send shop information to the center and other applications, enabling all Krungsri Consumer and the bank customers to access updated information in the future.
- **Online Request:** In addition to installment program searches and online installment transactions, WEpartner also allows partner merchants to change shop information and make online requests for sales promotion media. Other shops interested in joining Krungsri Consumer as new partner merchants can also apply and submit documents online.

Krungsri Consumer also supports its partner merchants with online advertising and promotion programs, using its current digital platform. Krungsri Consumer's team of experts including regional managers, district managers, and sales support teams are ready to support our partner merchants. Our Merchant Call Center also provides 24-hour service to partner shops.

o **Krungsri Quick Pay**

Krungsri Consumer has introduced the Krungsri Quick Pay, mobile installment payment service. Smartphones or tablets can easily be turned into an Electronic Data Capture (EDC) terminal that supports 24-hour transactions, thus increasing sales opportunities and payment channels. Sales volume can be monitored in real time, with transactions confirmed via short message service (SMS) or email.

o **Enhancing the Customer Experience Program**

As we prioritise customer satisfaction, Krungsri Consumer initiated a program to enhance the customer experience. In early 2017, the company organized a Customer Experience Management course to educate our employees on the importance of creating an impressive customer experience at every touch point, starting from the moment prospective customers show interest in card applications until they finally become customers. A Customer Experience Team was later established by bringing together representatives from different

units and putting them in workshops. Krungsri Consumer introduced a pilot project to improve the customer experience by organizing workshops with partners to prepare service blueprints and customer journeys. The workshop allows all parties to explore customer pain points, feedback, and customer opinions. Brainstorming sessions were held to find solutions for service improvement which will result in improved customer satisfaction.

Service blueprints allowed the company to shortlist key ideas for service improvement. The key ideas selected for implementation focus on increasing competitiveness and sales, raising service standards, and helping partners grow the business. An example is **the monthly recurring and automated payment with credit card project**. The service was designed based on customer surveys showing that when customers lose their credit cards or need new cards, customer details on monthly recurring billing and automated payment service which the customer has previously applied would not be transferred to the new cards, causing difficulties and inconvenience. Krungsri Consumer thus plans to create a database of customers who have applied for monthly recurring billing and automated payment service and will ask them whether they want to transfer the recurring billing and automated payment information to the new cards. The service will be introduced in 2018.

- Continuous People Development on the Path to Becoming an Innovative Organization

- o **People Development and Training** — Krungsri Consumer believes that all employees are vital to our organization in our drive to achieve sustainable growth and to offer an impressive customer experience. Thus, Krungsri Consumer emphasizes continuous people development. **The Krungsri Consumer Academy** was established to support development of employees' knowledge and capability. A long-term learning plan, **SIMPLE Learning Journey**, comprises various domestic and international courses conducted by experts in various fields using various learning methods. Some courses under this long-term learning plan include customized courses to improve expertise in each field, leadership training for executives in the credit card and personal loan business, financial knowledge

for the general public and employees, enhanced selling and service skills, and people development. The Krungsri Consumer Academy Training Center was also established in different regions while an online learning system was in place for easy access to learning for all employees regardless of their location or availability.

Krungsri Consumer also initiated an exchange program in cooperation with many organizations in Thailand and overseas. The program promotes new knowledge and innovation, including employee exchanges with leading companies within our network such as Union Bank in the United States, and Mitsubishi UFJ NICOS Company Limited in Japan. Memorandum of Understanding (MOU) were also signed between Krungsri Consumer and leading universities to jointly develop curriculums and organize student activities. Such courses include Internship @ Krungsri Consumer, Krungsri Consumer Open House, the Financial Literacy Program, the Passion for Success Program, and the Innovation Forum.

- o **Innovation Culture**

Considering that it is important for an organization to evolve in response to rapid development in the digital age, Krungsri Consumer has created an enhancing workplace environment that encourages employees to think differently, do things in new ways, and be inspired to innovate products and new work processes or business models that will bring greater benefits to customers and employees and support corporate goals. Thus new projects are initiated and implemented. **Krungsri IGNITE**, for example, opens up an opportunity for all employees to submit interesting ideas that could develop the company in any area. **The Krungsri Consumer Innovation Team** was also established as a platform for innovators from all levels and departments to brainstorm, share their ideas and opinions, and work together to experiment with innovations. These projects allow employees to work together to strengthen our innovation culture.



Awards and Accolades

Our commitment to introducing innovations that enhance the customer experience and satisfaction has earned Krungsri Consumer the market leader position and many awards of excellence:

- **Financial Insights Innovation Awards (FIIA) 2017 – Asia Pacific's Leader in Card Analytics Award** from the Asian Financial Services Congress 2017 in Singapore. Krungsri Consumer is the only Thai financial institution from Thailand to receive this award. The award was granted to recognize the company's big data initiative under which big data and Real-time Decision Marketing (RTDM) are used to analyze customer information and prepare customized sales promotions to be implemented at the right time.

- **The Krungsri Disbursement System** won a **Thailand ICT Excellence Award 2017 for Core Process Improvement Projects** at the Thailand ICT Management Forum & Thailand ICT Excellence Awards 2017. The Krungsri Disbursement System uses new technology to streamline work processes and reduce maintenance costs for payment systems.
- **Certificate, Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).**
- **Thailand Enterprise Innovation Awards 2017** from Microsoft at the 13th Asia IoT Business Platform event recognizing the success of Krungsri Consumer's Big Data Initiative.
- **Best Data Analytics Award** and **Best CRM Project in Thailand Award** at The Asian Banker: Thailand Country Awards 2017 organized by The Asian Banker for the success of Krungsri Consumer's big data initiative that significantly reduced the time required to prepare new marketing campaigns and increase customer relationship management efficiency.
- The Krungsri First Choice Credit Card received a **Silver Award for the Best Use of Content** from the **Festival of Media Asia Pacific 2017 (FOMA Awards 2017)** for its "I Want Mother's Day Too" campaign.
- Krungsri First Choice was recognized as **Thailand's Most Social Power Brand 2017 (Personal Finance)** by BrandAge magazine and Thoth Social Company Limited.
- Central The 1 Card received the **Best Co-Brand Card in Thailand 2017 Award** from the **MasterCard Innovation Forum 2017** held in Singapore.

Social Responsibility

With our commitment to be socially responsible, Krungsri Consumer adheres strongly to its '**Responsible Lender**' policy. During the approval process the company pays importance to the customer's debt payment ability and an appropriate credit limit based on our risk management guidelines. It organized lectures on personal finance management for employees, students, and outsiders to promote financial knowledge. In 2017 Krungsri Consumer introduced the '**Money Matters**' Program to educate the general public on personal finance management and to inspire and enable the younger generation to embrace financial planning and discipline. The Money Matters Program comprises two activities. First, an activity to educate the public, especially first jobbers - on general personal finance knowledge and implemented through Krungsri Consumer's website, online channels, and social



media. Second, the 'Money Matters – U Contest', a media contest to campaign for financial literacy among third and fourth-year university students nationwide. The contest raises awareness and encourages the younger generation to practice financial discipline and to reduce household debt problem in the future. This activity also allows Krungsri Consumer to communicate directly with the young generation who will be the future of the country.

MICROFINANCE

NGERN TID LOR

Krungsri Microfinance by Ngern Tid Lor Company Limited (Ngern Tid Lor), the owner of the top-of-mind Ngern Tid Lor brand in Thailand, is the leader in providing title loans using automobiles as collaterals, purchase financing for used trucks, and nano-financing to the under-banked customer segment. Ngern Tid Lor is also the largest branch-based non-life insurance broker offering non-life insurance products including motor insurance, compulsory vehicle insurance, personal accident insurance, and cancer insurance.

Ngern Tid Lor emphasizes its higher standards for title loans. The business serves as an accessible, fair, transparent and responsible source of financing to the under-banked Thais, offering them better choices in times of financial difficulty. All Ngern Tid Lor's operations are guided by the vision "Everything we do, we strive to empower people and enrich lives. We believe that access to fair, transparent, and responsible financial services is everyone's right." This is reflected through its range of products and services that create opportunities for its customers who often lack access to formal financing.

In 2017, Ngern Tid Lor achieved its target to expand its customer base by 25 percent, offering opportunities to more than 340,000 customers with total outstanding



receivables of 26,400 million baht, or 26 percent growth over 2016. Ngern Tid Lor added 115 branches in 2017 totaling of 593 branches to provide a nationwide service network, creating opportunities for greater access to fair and transparent financial services for its customers. As the leader in financial inclusion for under-banked Thais, Ngern Tid Lor has realized that to reduce their financial vulnerability, it must go beyond providing lending solutions and help them to get financial protections from accidents. Accordingly in 2017, it launched a first-in-market auto insurance installment plan with zero percent interest without credit card to provide affordability to under-banked Thais who cannot afford to pay the lump sum premium amount. The launch was promoted by an integrated online and on-air marketing campaign 'Buy Auto Insurance at Ngern Tid Lor', with humorous TVC commercial, online videos, celebrity endorsements, peer reviews and customer testimonials. The launch has led to doubling auto insurance premiums in 2017 at 660 million baht and total non-life insurance premiums of more than 860 million baht — almost doubling that of 2016.

On corporate branding, Ngern Tid Lor has received the **Silver Award** from **ADFEST Award 2017** in the Corporate Image category as part of ADFEST Asia Advertising Awards for its film 'New Life'. The film has successfully delivered the key message 'We don't want you to come back to us.' as the intention of Ngern Tid Lor in running its business. The message reminded loan customers to think carefully before spending, to make the most of the money on hand and to strive to be debt-free. The award signified

that the film has upgraded the standard of corporate branding commercials in Thailand.

Ngern Tid Lor has also enhanced customer experience through the launch of a new online platform on LINE application, providing customer services online real-time 24 hours such as checking loan balances, eligibility for loan top-ups, insurance policy expiry dates, and news on various promotions and privileges.

Finally, Ngern Tid Lor has received the **Microfinance Business of the Year Award for 2017** from **The Asian Banker**. The award serves as a recognition of Ngern Tid Lor's continuous effort in financial inclusion for the under-banked Thai population.

In 2018 Ngern Tid Lor will continue to offer access to fair, transparent and responsible financial services to its customers. It delivers financial betterment by offering relevant products and services that are simple to understand, convenient, and fast through its committed employees. The company offers title loan services for all types of vehicles for under-banked Thais to gain access to a high standard source of financing, as well as non-life insurance brokerage services to make insurance affordable to reduce financial vulnerability for its customers for unforeseen events.

HATTHA KAKSEKAR LIMITED (HKL)

Hattha Kaksekar Limited (HKL) has grown strongly in a very competitive financial market over the past two decades and is now the third largest microfinance institution in the Cambodian financial industry. HKL started operating its micro business in 1994 as a food security project and gradually transformed itself into a nongovernmental organization, licensed microfinance institution, and microfinance deposit-taking institution licensed by the National Bank of Cambodia, the central bank.

Through extensive experience in financial services HKL has a remarkable track record. As of December their loan portfolio grew by 30 percent to USD 577 million from USD 445 million in 2016. The company boasts an extensive distribution network across the country with more than 168 branch offices and the largest ATM network of

123 terminals to provide direct services to both rural and urban customers. With prudent credit assessment to ensure sustainable portfolio growth the non-performing loan ratio was well controlled at 1.10 percent — one of the best in the microfinance institution industry. The company boasts an impressive customer base of 200,000 across loan and deposit products, making HKL a dominant market leader in the Cambodian financial industry.

For 2018 HKL has defined key strategic priorities aiming to be the most admired microfinance deposit-taking institution and ready to become a commercial bank in the next three years, delivering a superior customer experience with enhanced technology:

- Refresh the corporate brand
- Enhance internal platforms, focusing on strengthening risk management, with new IT infrastructure investment and automation including loan origination, data mart, and channel security.
- Strengthen growth capability through customer-segment-based value propositions, branch network and alternative channel expansion, and new product initiatives across lending, deposit, and fee-based income.
- Expand funding capability by issuing debt instruments as well as offshore deposits.
- Transform organization to strengthen human capital and corporate culture.
- Scale up to prepare necessary platforms for future banking operations.

The company's mission addresses all aspects of social performance including geographic outreach where 82 percent of clients are based in the countryside, with the majority (66 percent) being women and low-income families. HKL has fully applied the microfinance Client Protection Principles including:

- Appropriate product design and delivery
- Prevention of over-indebtedness
- Transparency
- Responsible pricing
- Fair and respectful treatment of clients
- Privacy of client data, and
- Complaint resolution mechanisms.

RETAIL AND COMMERCIAL BANKING PRODUCTS

DEPOSITS

Deposits at year-end 2017 totaled 1.3 trillion baht — an increase of 19 percent over 2016. The retail and JPC/MNC segments were the key contributors to the Bank's deposit base. Having focused on effective cost of funds management, our deposits surged at a higher rate than the industry average and we maintained our cost of deposits at about the same rate as in 2016.

For deposit products, Jad Hai savings accounts and Mee Tae Dai savings accounts remain our flagship products for the retail customer segment as they were both designed to meet customer needs for day-to-day banking and for savings.

In 2017 we strengthened our Jad Hai savings account value for customers by adding two more operating account features: PromptPay and QR Payment for greater convenience, security, and cost-savings. Customers with Jad Hai PromptPay savings accounts will enjoy lifetime free fund transfers to any PromptPay account, free cash withdrawals and balance-checking from any bank ATM nationwide for unlimited times, and five free bill payments per account per month. Mee Tae Dai savings accounts are well-accepted by the mass affluent, Krungsri PRIME, and mass retail segments: customers can benefit from high interest rates benchmarked with time-deposit account interest rates and with the same level of liquidity as savings accounts.

Moreover, our new version of Krungsri Mobile Application (KMA) launched in mid-2017 has provided customers with user-friendly functions that allow customers to operate their accounts for both daily use and for yield enhancement efficiently, with easy-to-use functions, effective real-time performance, and the ability to transact anytime, anywhere.

Medium-Term Business Plan (2018-2020)

We plan to grow deposits to 1.5 trillion baht by 2020 — approximately 9 percent growth year-on-year. To grow the number of customers and our deposit base we will leverage digital technology to enhance our efficiency and convenience in operating deposit accounts.

INVESTMENT

During the past three years, assets under management distributed by the Bank grew significantly by 59 percent from 160 billion baht in 2015 to 255 billion baht in 2017. Key accelerators were local short-term fixed income funds, term funds, and global fixed income funds providing consistent and satisfactory performance to customers.

Krungsri introduced 16 new funds in 2017: one mixed fund; two equity funds; two long-term equity funds (LTF); three retirement mutual funds (RMF); and eight foreign investment funds to provide customers with a variety of choices, enabling them to diversify their portfolios and enhance their return on investment. The investment trend in offshore investment dominated net inflows throughout





2017, led by income-generating funds which had the highest organic growth. Moreover, among the 16 funds, the mixed fund named Krungsri Happy Life Fund is the most popular and has become our recent flagship fund. It is specially designed to meet the needs of low-risk investors seeking stable returns from fixed-income instruments and enhanced yield with slight exposure in equities. The fund was raised to 3.5 billion baht during the initial public offering (IPO) period with continuous fund flows to date.

In the second half of 2017, a new version of the Krungsri Mobile Application was introduced with an easy-to-use cover flow menu and enhanced functions for mutual fund service, allowing us to deliver a better online experience to our customers.

Key strategies in the next three years are increasing the advisory capabilities of dedicated investment consultant officers, strengthening product competitiveness using open architecture platforms, and developing infrastructure to keep pace with fast-moving digitization. Several innovations including online account opening and robo-advisor will be launched to extend service to customers in response to this increasing digitalization. Such innovations will be synchronized with services offered through traditional channels to develop a seamless and sustainable ecosystem for an excellent customer experience.

KRUNGSRI EXCLUSIVE

Krungsri Exclusive continued its key strategy in 2017 of focusing on expanding our business and customer base by leveraging internal collaboration – our Distribution Group, SME Banking Group, Corporate and Investment Banking Group and Krungsri subsidiaries – in line with the Bank's strategy focused on collaborating for customers. Aimed at lifting our service standards and expanding access to services, we have added relationship managers to serve the various needs of customers. From 2018 onwards we will set up a new wealth management service touchpoint with branch wealth officers to take care of Krungsri Exclusive and Krungsri PRIME customers at all branches with high market potential. We plan to consistently add relationship managers and branch wealth officers as well as create investment management training courses to optimize learning for our relationship managers and branch wealth officers.

In addition, Krungsri Exclusive continues developing products, services, benefits, and privileges to enhance the customer experience and strengthen our customer relationships to increase the number of products per customer and double customer investment.



KRUNGSRI PRIME

Krungsri PRIME is a new brand for our banking services specially designed to cater to the mass affluent segment – customers with a net worth above one million baht but less than five million baht. Since its launch in late 2016 Krungsri PRIME has held a strong position in financial advisory and personal lifestyle offers, and has been able to expand its customer base by 20 percent in 2017. Total assets under management (AUM) for this customer segment comprises 24 percent of the total for Krungsri retail customers overall.

Our customer segment strategy was developed under the concept of 'Move Life Forward'; our banking services planned for customers aim to position Krungsri as their consulting partner helping them realize their dreams and open them up to a new life of joyful privileges, as well as exceptional financial possibilities. We focus on our financial advisory service Plan Your Money, covering all aspects of personal financial management advice, recommending products and services that best suit each customer's current needs and life goals. Financial and investment seminars are arranged for customers, allowing them to gain insights from experts and enable them to make appropriate decisions that secure their financial confidently stability.

Our Krungsri PRIME mobile application is the platform for receiving all privileges and has been well accepted: Customers appreciate freebies and special offers along with convenient access they can easily enjoy in their normal daily lives at anytime.

DEBIT CARD

Krungsri realizes the importance of the government's cashless society policy where e-Payments substitute for cash used to pay for goods and services: Thus we have launched various campaigns to promote PromptPay for buyers as well as discount campaigns for our online and offline merchants to encourage e-Payment transactions.

Going forward in 2018, we will continue to develop the card system to support the National e-Payment Master Plan, applying the Thai Bank Chip Card Standard as a common chip card for all debit cards issued and used in Thailand. In addition, we will continue to introduce new marketing campaigns with benefits and privileges that stimulate debit card usage to enable more payment convenience for both online and offline merchants. Furthermore, we aim to improve the customer experience by offering the debit card, Krungsri Jad Hai with unlimited, no-fee cash withdrawal and balance inquiry at any ATM and at any bank in Thailand, free-for-life PromptPay money transfers, and five free bill payments per month.

MONEY TRANSFER AND ATM CHANNEL SERVICE

Krungsri has developed an electronic payment system to support the government's e-Payment policy under the National e-Payment Master Plan. Moreover, we have launched sales promotional activities to increase regular usage of our electronic platforms. Key innovations and promotional activities during 2017 included:

1. PromptPay money transfer service

Krungsri collaborated with the Bank of Thailand to develop the PromptPay payment system aligned with the government's National e-Payment Master Plan. PromptPay is a money transfer platform where receivers register to link their savings or current accounts with their Thai ID numbers, cellphone numbers, or tax ID numbers to receive money transfer to their PromptPay ID instead of a bank name and account number. Krungsri introduced the service via four channels: Krungsri ATM; Krungsri Online; Krungsri Mobile Application (KMA); and Krungsri Biz Online. The PromptPay platform for customer-to-customer transfers (C2C) went live in January 2017 and that for customer-to-business transfers (C2B) in March 2017.



2. Top up e-Wallet via PromptPay

Krungsri cooperated with the Bank of Thailand to connect our e-Wallet and PromptPay systems: e-Wallet is an extension of our money transfer service for individual users to the fund top-up service between a bank account and e-Wallet to both bank and non-bank service providers using a 15-digit e-Wallet ID number. The service went live in September 2017 using four channels: Krungsri ATM; Krungsri Online; the Krungsri Mobile Application (KMA); and Krungsri Biz Online.

3. Special privileges for auto payment debit applicants

Krungsri is committed to becoming the main bank for the general public through alliances with the Social Security Office (SSO), True Corporation Public Company Limited, True Visions, Krungsriayudhya Card Company Limited, Ayudhya Capital Services Company Limited, General Card Services Limited, and Tesco Card Services Limited by offering special privileges to customers who apply for auto payment debit.

4. Special privileges for foreign tourists

Krungsri joined hands with Central Family Mart Company Limited by launching sales promotional activities to encourage ATM usage by tourists including a special privilege for foreign tourists (Visa, MasterCard, and UnionPay cardholders) withdrawing cash at Krungsri ATMs, who could then claim free products by presenting Krungsri ATM slips at any Family Mart nationwide. We plan to continue this joint effort with the company to launch more new campaigns in 2018.

KRUNGSRI WESTERN UNION

With the Krungsri Western Union business, we aspire to become the country's leader in Western Union money transfers. We focus on electronic money transfers via ABMT (Account-Based Money Transfer). Customers can make transactions themselves around the clock using

ATMs or Krungsri Online and are not required to visit branches or exchange booths.

Moreover, we have organized various marketing campaigns in a bid to promote and introduce services to our regular Thai and foreign customers such as Filipino customers, travelers and businesspeople from the Middle East, and laborers from our neighboring countries – Myanmar workers in particular. Furthermore, we have organized event booths in the communities of ASEAN nations, launched video clip presentations in various languages broadcast via our online channels, and conducted special marketing campaigns. Our continual efforts have yielded fruitful results as the ATM and Krungsri Online transaction volume increased by 20 percent over 2016.

In addition to establishing ourselves as a digital leader we are developing various systems to give customers additional channels and enhance operating efficiency, including:

- Western Union money receipt-submission through the Krungsri Mobile Application (KMA) – The project aims to enable customers to make transactions anywhere, anytime.
- Stage and Pay project: Customers simply provide information using an application. Once the transaction is successful, the system will generate a code (QR or barcode) to be used as a reference to receive and send money at a branch: This can efficiently reduce turnaround time at the branch.
- Process improvement: We are improving our processes to enhance swiftness and effectiveness, ranging from amending forms for Western Union money transfers, adjusting steps for recording information in the system using data management to reduce the workload related to information-recording performed by our officers, and redesigning documents to be signed by customers.

These projects are scheduled for completion by mid-2018 when customers will be able to make Krungsri Western Union transfers more simply, conveniently, and quickly.



BANCASSURANCE

Key initiatives and achievements in 2017: New products, services, and processes

The overall life insurance new business market in 2017 declined by 1 percent. Bancassurance business dropped by 4 percent and Krungsri experienced a decrease of 4 percent which is the same as Bancassurance market. In order to achieve sustainable growth, we plan to expand our customer base by focusing more on product customization for each customer segment.

Krungsri introduced a new product called **Krungsri Good Health** in August 2017 to penetrate the mass customer segment looking for affordable health packages: the product combines all hospital benefits into a single coverage amount, without separate expense items like traditional health insurance.

Krungsri Healthy Living 2017 was organized as a product kickoff event. Almost a thousand applications were received from all over the country after only two months of the launch — quite a good start for a new product launch.

The Bank launched another new life insurance product in September 2017 that stressed protection called **Krungsri Perfect Wealth** targeting Krungsri Exclusive customers with the theme of wealth acceleration and legacy-planning, offering coverage of up to 400 percent of the sum insured. Additional benefits included exclusive privileges for medical check-ups such as advanced appointments with a hospital of choice, with a round trip limousine, and so forth.

Krungsri piloted the **Digital for Life** Application, an online platform for submitting applications developed by an insurer partnering with us. The application gives real-time pre-approval results within six minutes and is operated on tablets, emphasizing our digitalized operations. We rolled this out for 114 metropolitan branches by year-end 2017

In April, the Bank of Thailand established a working group to examine the quality of Bancassurance sales. The results of our bank were satisfactory, with the regulator recognizing our compliance as an example of best practices for other banks. For staff development we have arranged need-based-selling training courses to ensure that our people truly understand customer insight and can offer the right products to the right customers. At the same time, Krungsri plans to broaden their knowledge so that they can become comprehensive financial planners.

Strategy under Medium-Term Business Plan (2018-2020)

1. Customer centricity and experience

We designed our customer campaigns to customize by segmentation. We will create more value propositions and special privileges to maximize customer satisfaction going forward.

2. Penetrating mass segment customers looking for affordable health Insurance

To serve the aging society together with the trend of health consciousness, we will focus on simple health insurance packages to capture the mass customer segment in the next three years to become the top-of-mind bank for health insurance products.

3. Digital banking

We are working on an online insurance platform which customers can trust in buying insurance online under the Krungsri brand. We plan to start with simple products such as travel insurance and motor insurance packages to be launched tentatively early in the third quarter of 2018.

ASSET MANAGEMENT

Krungsri Asset Management Company Limited (KSAM) offers a comprehensive range of products and services including mutual funds, private funds, provident funds, and future contract investments.

2017 Achievements

We achieved 31 percent increase in assets under management (AUM) with a record 475 billion baht versus 9 percent industry growth at year-end, with new customers acquired reaching 52,492 — a 9.4 percent increase over 2016.

We saw exceptional returns and an enhanced reputation for managing equity funds and long-term equity funds (LTFs), while continuing to attract more investors to foreign investment funds (FIFs). We've strengthened our position with outstanding growth in assets under management, exceeding the industry benchmark.

As evidence of these achievements we received several awards from Thai and international institutions:



- **Asset Management Company of the Year**, Thailand 2017 from The Asset Magazine (Hong Kong)
- **Fund of the Year Award 2017** from Money & Banking Magazine in two categories: Retirement Mutual Fund (for Krungsri Cash RMF: KFCASHRMF) and global asset management funds (for Krungsri Collective Global Income Fund: KF-CINCOME), and
- **The Asian Banker Promising Young Banker Award 2017** was awarded to Ms. Siriporn Sinacharoen, Managing Director of Krungsri Asset Management Company Limited. Given by The Asian Banker Magazine

(Singapore), the award recognized her outstanding achievement as a next-generation leader playing a pivotal role in successfully leading the company from 2014 through 2016.

Medium-Term Business Plan (2015-2017) Performance

Assets under management increased to 475 billion baht: funds with the highest increase in assets comprise (domestic) fixed income funds, term funds, and foreign investment funds. The combined assets of these mutual funds are equivalent to more than 60 percent of the net asset value (NAV) of all assets under management. We introduced new FIFs with investments in a variety of assets and regions in the world to give our customers more investment options. One notable development is our collaboration with Mitsubishi UFJ Financial Group (MUFG) in offering units of Krungsri Japan Small Cap Equity Fund (KF-JPSCAP) and Krungsri Japan Small Cap Equity Dividend Fund (KF-JPSCAPD), both involving a master fund managed by Japanese fund managers with extensive expertise in this area. This unique feature differentiates us from competitors and reinforces investor confidence.

A collaboration with Krungsri Exclusive, Krungsri Prime, and the Bank's Japanese Corporations and Multinational Corporations (JPC/MNC) Banking Group increased opportunities to penetrate new customer groups, enabling us to expand our customer base from 15 to 30 companies in 2017.

Krungsri Asset Management Company Limited is one of the first three asset management companies to offer a funds remittance service from provident funds to retirement mutual funds. We received a good response from customers with total capital transferred of more than 56 million baht.

Products, Services, and New Work Processes

New fund launches

In 2017 we continued to seek new investment opportunities and launch new funds to generate continuous returns and offer a wider variety of investment options in response to the needs of all customer groups.

- **Mixed Funds**

- **Krungsri Happy Life Fund (KFHAPPY)**

- The fund invests at least 75 percent of its NAV in both onshore and offshore debt instruments in both the public and private sectors to establish security and

maintain consistent returns. It also seeks to increase the potential for generating higher returns by investing between 0 percent and 25 percent of the NAV in equities, property funds, REITs, and infrastructure funds. In addition, the fund managers' team adjusts the investment proportion for all market conditions so as to broaden opportunities for better returns.

Risk level 5: Moderate to High

- **Equity Funds**

Krungsri Thai All Stars Equity Dividend Fund (KFTSTAR-D) and Krungsri Thai All Stars Equity Fund-A (KFTSTAR-A)

KFTSTAR-D uses a blend model whereby investment can be made in any group of shares, regardless of their class or size. The most attractive shares of all classes are selected and offered in this fund, making it highly flexible and ideal for adjustments to be aligned with changing market conditions, resulting in a higher probability of generating better returns for investors. After the launch of KFTSTAR-D in March 2017, we then installed an operating platform classified 'types of investment units', launching a new fund called KFTSTAR-A in November. KFTSTAR-A offers 'accumulation class' investment units as an option for investors looking for long-term investments to accumulate returns or profits rather than dividends. Risk level 6: High risk; dividends payable for KFTSTAR-D

Krungsri Thai Equity CG Fund (KFTHAICG)

This fund promotes the principle of good corporate governance in Thai society, focusing on investing at least 80 percent of its NAV in corporate equities of companies with four-star CG ratings from the Thai Institute of Directors that are certified members of Thailand's Private Sector Collective Action Coalition Against Corruption, and that place importance on good corporate governance. The fund seeks to achieve sustainable growth and to generate returns higher than the market benchmark.

The company donated 40 percent of its fund management fees to organizations that promote good corporate governance in Thailand, anti-corruption organizations, and other related organizations.

Risk level 6: High risk

- **Foreign Investment Funds**

Krungsri Global Technology Equity Fund (KF-GTECH)

The fund focuses on investing in shares of leading technology companies showing high growth potential from new technologies such as artificial intelligence

(AI) and big data, investing at least 80 percent of its NAV in a foreign master fund called the T. Rowe Price Funds SICAV - Global Technology Equity Fund.

Risk level 7: High risk; hedging at fund manager's discretion

Krungsri US Equity Index Hedged FX Fund (KF-HUSINDX)

The fund gives investors the opportunity to invest in the top 500 US companies by investing at least 80 percent of its NAV in a foreign master fund called iShares Core S&P 500 ETF aiming to replicate the investment returns of the S&P 500 index.

Risk level 6: High risk; fully-hedged

Krungsri Japan Equity Index Hedged FX Fund (KF-HJPINDEX)

The fund devotes at least 80 percent of its NAV in the investment units of a foreign master fund called the Nikkei 225 Exchange Traded Fund aiming to replicate the investment returns of the Nikkei 225 index.

Risk level 6: High risk; fully-hedged

Krungsri Japan Small Cap Equity Fund (KF-JPSCAP) and Krungsri Japan Small Cap Equity Dividend Fund (KF-JPSCAPD)

The fund invests an average of at least 80 percent of the NAV for each accounting year in a foreign master fund called the MUFG Japan Equity Small Cap Fund (Class I), focusing on investing in small-cap company equities with high potential that can generate higher returns than the benchmark.

Risk level 6: High risk; hedging at fund manager's discretion; dividends payable for KF-JPSCAPD

Krungsri US Small-Mid Cap Equity Hedged FX Fund (KF-HSMUS)

The fund invests an average of at least 80 percent of its NAV for each accounting year in a foreign master fund called the Schroder International Selection Fund - US Small & Mid Cap Equity Fund focusing on investing in equities of small and mid-sized US companies.

Risk level 6: High risk; fully-hedged

Krungsri Global Multi-Asset Income Hedged FX Fund (KF-MINCOME)

The fund distributes investments in various types of assets by investing at least 80 percent of its NAV in a foreign master fund called the Fidelity Funds - Global Multi-Asset Income Fund with an investment strategy that emphasizes generating monthly cash flow and increasing overall returns so as to be able to adjust to

both ideal and non-ideal investment conditions.

Risk level 5: Moderate to High; fully-hedged

Krungsri India Equity Fund (KF-INDIA)

The fund invests an average of at least 80 percent of its NAV for each accounting year in a foreign master fund called the First State Indian Subcontinent Fund.

Risk level 6: High; hedging at fund manager's discretion

- **Long-Term Equity Funds (LTFs) and Retirement Mutual Funds (RMFs)**

Krungsri Thai All Stars Dividend LTF (KFLTSTARD)

The fund encompasses all types of stocks in Thailand, ranging from dividend stocks to growth stocks, including large-cap and small-cap stocks, investing at least 65 percent of its NAV for each accounting year in stocks of companies listed on The Stock Exchange of Thailand, the Market for Alternative Investment (MAI), derivatives, and stocks being offered in Initial public offering (IPO)

Risk level 6: High risk; dividends payable

Krungsri Thai All Stars Equity RMF (KFSTARRMF)

The fund invests at least 80 percent of its NAV for each accounting year in stocks of companies listed on The Stock Exchange of Thailand, the Market for Alternative Investment (MAI), derivatives, and stocks being offered in IPOs.

Risk level 6: High risk

Krungsri Happy Life RMF (KFHAPPYRMF)

The fund invests in both onshore and offshore public and private debt instrument units, stocks, and property fund units, REITs, infrastructure funds, and mutual funds managed by the management company.

Risk level 5: Moderate to High risk

Krungsri Global Technology Equity RMF (KFGTECHRMF)

The fund invests at least 80 percent of its NAV in a foreign master fund called the T. Rowe Price Funds SICAV - Global Technology Equity Fund.

Risk level 7: High risk; hedging at fund manager's discretion

Krungsri Greater China Equity Hedged FX RMF (KFCHINARMF)

The fund invests at least 80 percent of its NAV in a foreign master fund called "First State Greater China Growth Fund (Class I - USD)" (master fund).

Risk level 6: High risk; fully-hedged



New Services

- **Trade Date Calculation Development for Provident Funds**

The number of investment units was previously calculated weekly. Under this new system, PVD members can calculate this every business day. As a result PVD members under the management of Krungsri Asset Management will enjoy the benefits of more convenient, expedited transactions, whether for changing investment plans, shorter waiting periods for post-resignation payments, or faster funds remittances by employers into the PVDs, which the company can then invest in a timelier manner.

- **EM@ccess Online Service for Employers**

This system was developed to give employers more convenient access to members' information so that employers can now easily retrieve reports as needed: this is an upgrade of the existing system that previously only offered services to provident fund (PVD) members.

- **More variety and improved sales channels**

In 2017 we offered more alternatives in sales channels by partnering with new sales agents such as banks and securities companies (Tisco Bank Public Company Limited and Yuanta Securities (Thailand) Company Limited), that sell mutual fund units as well as insurance companies such as Generali Life Assurance (Thailand) Public Company Limited, that sell Krungsri Europe Equity Hedged Fund (KF-HEUROPE) unit-linked insurance plan.

New Work Processes

- **FundConnex – Infrastructure System to help standardize mutual fund transaction platforms**

We collaborated with the Stock Exchange of Thailand to participate in an infrastructure system to develop channels for accessing mutual funds (FundConnex). This provides centralized trade-order routing and settlement between investment unit distributors and investment management companies. FundConnex also covers all stages in the unit trading process for mutual funds and establishes standards for mutual fund transactions. As a result, distributors can sell units offered by a greater variety of asset management companies using the same standard. This helps streamline the whole process, including documentation. Using FundConnex investors can open a single account for trading units of various funds offered by different asset management companies via an online system that is fast and convenient as transactions can be made anywhere at anytime.

- **Wealth Management System**

We developed the Wealth Management System for customer service representatives as a CRM tool. Each client's data is stored in a central database and is regularly updated so that we can conveniently access and analyze it promptly and more efficiently to provide investment information and advice that best responds to the needs of each customer. This system will be installed and will be ready for use in 2018.

- **Applying Digital Technologies and Cooperation that Improve Service Efficiency**

We established a system that houses data on 'Profit/Loss' for investments in mutual fund units on the Bank's newly upgraded Krungsri Mobile Application, with new functions for mutual funds to facilitate customer access to information to aid in decision-making.

covering various types of assets and to maximize potential return through efficient asset allocation.

- **Excellent customer experience**

We also aim to create a 'memorable experience' for customers at every stage of the investment process, from searching for fund information, monitoring fund performance, and asking for advice on portfolio adjustments over time through receiving special privileges as valued customers – whether via our communications channels, our customer service people, seminars, or efficient online services. We prioritize 'simple' investments and creating a memorable customer experience.

We plan to increase the number of sales and customer service channels to attract a wider variety of investors. Competition in the market has intensified because many banks and financial institutions now use open architecture in offering investment products to their customers. Many of these select funds are from multiple-asset management companies giving their customers a wider selection of products. This presents us with an excellent opportunity to gain more sales agents that are banks and securities companies considering that we have expertise in the field as well as efficient processes and can provide services with a large number of sales agents. Furthermore, sales agents that provide online investment services are attracting more interest from investors at present.

Key Strategic Themes and Targets for the New Medium-Term Business Plan (2018-2020)

- As a renowned asset management company recognized by investors, we will reinforce our credibility by continuing to achieve excellent fund performance results and by enhancing our services to become one of a top three 'trusted' brands among target investor groups.
- We plan to develop new fund products that invest in a variety of assets to serve the investment needs of all customer groups and to maximize returns.
- We aim to enhance the customer experience by using comprehensive mobile applications to make investment easy and convenient.
- We also plan to add more channels for advisory services, offering a variety of fund products via offline channels (bank branches and agents) and online channels (@ccess Online Service and the Krungsri Mobile Application).

The 2018 Plan

Sustainable Business Growth

In 2018 we strive to maintain the growth rate for assets under management using two key approaches:

- **Superb fund performance**

We aim to deliver effective investments with consistently high returns not only on equity funds but also on other types of funds – especially foreign investment funds (FIFs). We continue to offer these to investors to broaden their investment opportunities

SECURITIES BUSINESS

Krungsri Securities Public Company Limited (KSS) operates several businesses and provides a comprehensive range of services including stocks and derivatives brokerage, investment banking, private fund management, investment unit brokerage, and portfolio management.

Market Conditions and Competitive Environment

Overall investment in the Stock Exchange of Thailand (SET) remained on an uptrend in 2017, with the SET Index ending December at 1,754, up 211 points or 13.6 percent from 1,543 at year-end 2016 and marking a 24-year high. Average daily turnover in 2017 was 47,755 million baht, down 5.0 percent from 50,245 million baht in 2016.

The hefty gains in the SET Index that hit a 24-year high were attributed to robust economic fundamentals, with Thailand's GDP growing 3.4 percent in the first quarter and accelerating to 3.9 percent in the second quarter and 4.3 percent in the third quarter—the highest growth rate in 18 quarters and 4.0 percent in the fourth quarter — on the back of solid growth in exports and tourism. Thai exports rose to an all-time high of USD 236,694 million in 2017, or increased by 9.9 percent—the highest growth rate in six years on a recovering global economy — particularly economies of key trading partners such as China and US. The tourism sector also grew robustly, with foreign tourist arrivals up 7.8 percent to 35.27 million in 2017—the highest record, generating tourism revenue growth of 11.7 percent to 1.82 trillion baht. Without the negative effects of the zero-dollar tour crackdown implemented in 2016, foreign tourist arrivals in 2017 were projected to achieve the government's target of 35.4 million, up 8.8 percent from 2016. Moreover, the Thai economy was also bolstered by recovering private investment after years of declines.

In addition to positive economic factors, Thai stock market sentiment was also bolstered substantially by an easier political environment after the prime minister signaled that a general election could be held in 2018. Consequently, investor confidence in the Thai economy and a clearer political outlook had been restored and triggered investment recovery in the second half of 2017. Average daily turnover in the latter half of 2017 surged to 49,671 million baht from 44,199 million baht in the first half. Blue chips in the energy, petrochemical, banking, and information & communication technology (ICT) sectors led gains while speculative buying in mid-caps and small-caps also picked up — especially sectors with



specific positive themes, such as auto plays on car sales recovery and exports following the expiration of first-car scheme, industrial estates on EEC policy announcements, media shares on news of the National Broadcasting and Telecommunication Commission's reduced digital TV license fees, and tourism plays sector on continuing increases in foreign tourist arrivals.

In 2018 the SET Index is expected to rise further and trade between 1,750 and 1,900 with a year-end target between 1,800 and 1,850. Supportive factors include solid economic growth driven by consumption, private investment, public investment, and exports. Furthermore, an expected election in the fourth quarter of 2018 or the first quarter of 2019 would be a key positive factor in attracting inflows and driving Thai shares higher. An anticipated US Federal Reserve rate hike is likely to have limited impact on fund flows given that such a move has largely been anticipated in the market. Besides, foreign investors were net sellers of 300 billion baht worth of Thai shares over the past five years: This should limit outflow pressure going forward. The SET uptrend should directly benefit the securities brokerage business as higher daily turnover will boost brokerage and related fee income and offset any adverse effects of fierce competition within the market.

Key 2017 Initiatives and Achievements

Strong commitment to providing superior customer service

Since KSS was incorporated in 1975 company policy has called for proactive engagement and collaboration with customers. Our long-term customer relationships and partnerships have been our core strength in building lasting trust and confidence in our services. We will continue to strengthen our already firm commitment to

providing superior services to customers as we move forward into the digital age.

Consumer-Centric and Digital Initiatives

- **Improving the customer experience with improved online services:** To further improve the customer experience, satisfaction, and communication we have upgraded our IT infrastructure and developed centralized customer management (CCM) system to reduce the account-opening process turnaround time from two days to one day for more convenient deposit and collateral transfers, as well as a better customer experience with Know Your Customer (KYC), Client Due Diligence (CDD), and Suitability updates. Customers can also now use bill payment systems to transfer funds in real time using Krungsri Online and the Krungsri Mobile Application.
- **New website enhancements and mobile-tablet applications:** We have revamped our website to make it more user-friendly and customer-centric. In addition to securities accounts, customers can now see their mutual fund and private fund statements online through our website. The company launched its first mobile and tablet application, Krungsri Stock Expert, enabling customers to receive company information, stock trading data, fundamental and technical analyses, our awarding-winning research, and capital market updates through this new application in collaboration with Stock Radar, our preferred partner for mobile application enhancements.
- **New research website access and portal enhancements:** As part of our enhanced research distribution we have improved and expanded our research website to incorporate research from Krungsri and MUFG for various customer groups: retail; high-net-worth; and institutional. Apart from daily emails, these customers can access our securities research database and search for past research.
- **Online mutual fund portfolio information:** Customers can access their online mutual fund accounts with KSS. We are currently the main selling agent for 18 asset management companies in Thailand and are truly an open architecture platform for wealth management.

KSS-MUFG Collaboration

- **Supporting Morgan Stanley businesses in Thailand:** Through the efforts of the KSS-MUFG partnership we worked together to increase Krungsri Group's business with Morgan Stanley and to support their businesses more efficiently and effectively. .

- **Thai corporate roadshow support for the MUFG Securities Group:** KSS has also conducted non-deal roadshows with MUFG Morgan Stanley Securities in Tokyo. Companies that we have taken to meet with Japanese investors include large listed companies such as Thai Oil Public Company Limited, Indorama Ventures Public Company Limited, Krung Thai Card Public Company Limited, IRPC Public Company Limited, Central Pattana Public Company Limited, Intouch Holdings Public Company Limited, Gunkul Engineering Public Company, Kiatnakin Bank Public Company Limited, and Star Petroleum Refining Public Company Limited.

Branch and Subsidiary Collaboration

The company joined the SET and Krungsri in the Banker-to-Broker campaign to increase the number of capital market investors by rewarding bankers who introduce new customers to brokers. Contests were held and prizes awarded every two months for half the year, with grand prizes at year-end to promote accessible investments among prospective customers. These customers now have easy access to investing and can contact our investment consultants to open new accounts and buy derivatives at our branches both in Bangkok and at more than 13 provincial branches. They can also contact more than 660 Krungsri branches nationwide.

Collaborating between Front, Middle, and Back Offices

Strengthened branch and Krungsri Exclusive collaboration and networking capabilities: KSS implemented strategies that bring the securities business closer to the branches, including streamlining the branch referral process for securities using a new branch operating model and launching more campaigns and promotional activities with branches and Krungsri Exclusive.

2018 Plans and Aspirations

- **KSS Wealth Management Division:** KSS plans to complete its wealth management platform by the end of 2018, including building a new platform to serve high-net-worth customers. These enhancements include building up new digital IT support systems. Providing new products and services and redesigning customer value propositions are also part of this strategy to further grow for the next Medium-Term Business Plan.

- **Enhanced Product and Service Capabilities IT solutions:** KSS is redesigning systems to provide new products for distribution and sales, including developing new IT programs to help enhance key brokerage capabilities. The new systems include developing a new private fund and selling-agent program, offshore referral processes and procedures, and using new digital technologies to help facilitate faster and more convenient fund transfers.
- **Revitalizing the Investment Banking Business:** In 2017 KSS began to further develop and strengthen its investment banking business with full long-term support from Krungsri. KSS has pursued investment banking deals in the market and as a result has been appointed as a co-lead underwriter in the AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust (AIMIRT): This is the first co-lead underwriter real estate investment trust (REIT) deal for KSS in more than ten years. KSS has also been more active in an underwriting syndicate for equity initial public offerings (IPOs) in 2017. We participated the underwriting of a total of 12 newly listed companies on the Thai stock exchange, including the largest IPO underwriting deal of the year, Gulf Energy Development Public Company Limited, with an expected market capitalization of more than 900 billion baht.

KSS plans to further develop the IB business in 2018 and aims to become the sole lead underwriter for at least one potential listed company deal and a co-lead underwriter for others. KSS also plans to maintain its role as an active group syndicate underwriter in the market, while expanding its financial advisory role in coordination with Krungsri.

MARKETING AND CUSTOMER RELATIONSHIP MANAGEMENT

MARKETING AND BRANDING

Effective Approach to Marketing

Knowing that customer insight is key to a successful brand, we have expanded our customer loyalty survey or Net Promoter Score (NPS) to cover not only branches, but also other key touch points such as mobile and online banking, ATMs, and call centers. Based on these survey results and other customer research, we have a better understanding of customer needs: this will help us deliver a seamless customer experience.



Nowadays customers are becoming more digitally savvy, so we have adjusted our customer insights and communication methods to reflect this change. Certain segments of our customer survey are being shifted online for faster responses at far less cost than previous surveys. Communication campaigns have also shifted toward digital and mobile channels to attract more interest, building more engagement and loyalty. This includes approaching new customers interested in banking products and services — especially the new generation. By using more digital channels we can reach targeted customers at lower cost. None of this would be possible if we lacked data analysis and did not closely monitor campaign results, map the results against additional data, and adjust our operations based on the results.

Unique Brand Positioning

As a strategic member of MUFG, Krungsri has a unique brand position in the CLMV market as a bank that has local expertise with global strength. Examples of activities throughout the year include:

- **Advertising campaigns:** Our 'Thai expertise with global strength' campaign highlights the synergy that Krungsri and MUFG can offer to both existing and potential corporates and SME banking customers. The campaign shows how Krungsri can help support local businesses expand business opportunities overseas.
- **Sponsorships:** Sponsoring the Euromoney Greater Mekong Investment Forum showcased our success story and expertise in helping clients expand to CLMV markets.

- **Overseas site visits:** Krungsri business trips to Japan opened up opportunities for clients to visit and gain knowledge from leading companies in Japan such as Fuji Xerox Company Limited, Toyota Motor Corporation, Yaskawa Electric Corporation, MUFG, and others so that they can apply best practices to improve their business models and operating processes.

Going forward in 2018, Krungsri will continue to Think Digital for our activities whether it be in customer research, advertising, branding, or marketing events so that we can continue to offer an exceptional customer experience.



CUSTOMER RELATIONSHIP MANAGEMENT

To align with the Bank's direction to improve the customer experience we have emphasized enhancing our accuracy in predicting customers' needs as well as quickly discovering their pain points by leveraging big data to gain more insights into their social network behavior. This social data allows us to understand their lifestyles, interests, and preferences. And linking social network behavior with our internal financial-related customer data becomes a powerful tool that helps us better engage with customers to provide more relevant offers with more persuasive communication, delivering a more impressive customer experience.

Meanwhile, we continue to focus on artificial intelligence (AI) and machine learning, using these to analyze how individual customers access the bank using clickstream analytics. This allows us to track customers' navigational behavior on our website with traffic analytics to enhance our website design leading to a better online journey while optimizing the effectiveness of product offerings through online channels.

CORPORATE STRATEGY AND PLANNING GROUP

Our Corporate Strategy and Planning Group works closely with all business divisions to drive changes by strengthening competitiveness and equipping them with better tools to operate and deliver business performance in fulfillment of their plans. A number of key moves were introduced in 2017:

Infrastructure Development

- **Finance and Risk Management Program and IFRS9 Standard Compliance**

The Bank has developed new technology to enhance operational and analytical aspects of finance and risk management as well as adjusting the finance and accounting system to comply with the IFRS9 Standard, expected to be completed ahead of the national timeline in 2018.

- **Customer Database Management**

Nowadays customers access our services using various channels and they expect the Bank to understand their behavior as consumers and customers. Thus we have realized the importance of service linkage and initiated the B-SAFE project to revamp the customer database and improve our services to ensure the highest service standards in light of ever-changing customer needs.

- **Operational Strategic Planning Revamp**

Launched in 2016, the B-SAFE project aims to align procedures with the policies. The Operation Planning Division was established in 2017 under the Corporate Strategy and Planning Workgroup to oversee improved procedures under the B-SAFE project to enhance our capabilities and customer service.

Customer Centricity

The Bank established the Customer Centric Strategy Division as a crucial team leading the Bank's customer-oriented approach. During 2017 this approach was put into practice with several customer-centricity projects launched, including FinTech project.

Customer Journey Map Creation and CX Design

A Customer Journey Map is helping the Bank identify and understand our customers' service experiences and expectations more clearly. The findings are to be studied for the best solutions leading to customer satisfaction. Hoping to be the leader among banks in customer service we established a team that directly and closely works toward this objective, including using the new customer experience (CX) concept covering all types of interactions that customers have with a brand.

Customer Segmentation

The Bank has carried out customer segmenting giving us clear insights for each customer group, allowing us to fulfill each customer's needs.

The Branches

To cope with the dynamic changes in the digital world we have developed digital service channels while our branches are integrating up-to-date technology to provide more efficient and less time-consuming services to our valued customers.

Preparing for the Future

- **Adapting to the Digital World**
Our Medium-Term Business Plan (2018-2020) has been developed to cope with these challenging times for the financial and banking sector. Newly developed technologies will be continuously introduced to the market, while new players will escalate both competitiveness and partnerships in this sector. To maintain our position we are studying these changes, building up business connections, and choosing the best technological tools to improve our services.
- **Agility**
The waterfall model sequential design process for software engineering is no longer an appropriate approach for our software development, so the Agility model was introduced in 2017 to boost the capabilities of our people in the customer experience, user experience and user interface fields and to reform bank procedures by deploying the Agility model as part of our Medium-Term Business Plan (2018-2020).

National e-Payment

The government's National e-Payment Master Plan strategically turns Thai society into a cashless economy, introducing a new payment platform called PromptPay. The Bank will then offer a full spectrum of products and services to support the e-payment project including PromptPay registration, credit transfers, interbank bill payments, QR payments, Request to Pay, capital markets, e-Tax, e-WHT, EDC consortium, and Digital ID. To implement a cashless economy the Bank has arranged an all-round service for individuals, retailers, and enterprises encouraging reduced operating costs for customers' businesses. The Bank can also expand its network of payment channels and its competitiveness in the cashless society.

Mortgage and Personal Loans Revamp

For our retail lending business we have done several iterations of process and technology improvement during the previous medium-term plan and are committed to improving our competitiveness in this market to deliver our Make Life Simple pledge to customers. Retail lending will also benefit from the new digital technology for both lending and risk management.

JPC/MNC and Corporate Customers

New digital technology has introduced radical changes for our corporate customers and customers operating international businesses: for example, PromptPay allows foreign entities to expand their services as well as payment transactions between banks, regardless of PromptPay availability. Krungsri has also offered blockchain service to help decrease customers' operating costs and to establish a qualified transaction system. The Bank is also introducing a new Treasury-FX platform to provide more up-to-date products to customers. For the trade finance business the trade link solution has been upgraded. With the new technology we will be able to introduce more product choices to customers with highly reliable service.

DISTRIBUTION GROUP

The Distribution Group is responsible for managing services and financial products to serve all bank customers across the country. We have provided a wide range of transaction channels through our domestic and overseas branches, Krungsri Exclusive banking centers, currency exchange centers, and Western Union centers, as well as the online and mobile channels.

Our first Medium-Term Business Plan (2015-2017) has been fully implemented as we continue our commitment to the customer-centric strategy, with the Distribution Group an important force driving our activities. We continue building customer satisfaction and convenience by growing the number of branches, ATMs, and currency exchange booths, nourishing long-term customer relationships, adapting our strategies to best serve them, and developing our people to understand the Bank's products as well as our customers' needs. While the digital trend has been dominating customer behavior in banking activities, the Distribution Group has excelled in coping with changes in financial transactions, with new products regularly launched and introduced for our customers.

In 2017 the Distribution Group initiated Five Core Pillars as the main working strategy under the second Medium-Term Business Plan (2018-2020): 1) enhancing the customer experience through digital processes and platforms for innovative products; 2) efficiently and sustainably growing; 3) focusing on employees' capabilities and interests; 4) collaborating with and leveraging the Krungsri-MUFG network and our business partners; and 5) maintaining our loyalty and transparency in compliance and operational risk management. Each of these core pillars leads to new initiatives as well as improved work processes and procedures.

We also achieved our performance targets in 2017: deposit and mutual funds increased 6 percent and 27 percent, respectively. The Bank has also raised funds by issuing subordinated debentures twice – in May and November 2017, with our branch offices as the main selling channels. The Bank also reported growth of 9 percent in personal loans and 37 percent in SME Business Banking loans.

Although commercial bank branch closings outnumbered new branches in 2017, Krungsri launched five new branches. By year-end we had a total of 700 branches, with 663 full-service branches and 37 branches offering auto leasing services. Also launched were 302 ATMs. Thus by year-end we offered as many as 6,550 ATMs and 92 currency exchange booths as we strive to serve

all our valued customers' needs. In collaboration with our subsidiaries Krungsri Auto and Ngern Tid Lor we also launched branch offices where customers can access all banking services plus Krungsri Auto and Ngern Tid Lor services.

For 2018 the Bank will introduce digital branch offices as a pilot scheme under the Medium-Term Business Plan with customers ideally able to process financial transactions on their own, including opening accounts and bill payments. We will also encourage our customers to learn more about digital banking, PromptPay, QR code payments, and the Krungsri Mobile Application.

To better serve customers at branches, branch wealth officers have been introduced to branches with high traffic to take care of high-net-worth and affluent customers, supported by the Wealth Management Division, to meet all customer needs.

INFORMATION TECHNOLOGY

2017 was the last year of Krungsri's first Medium-Term Business Plan. Throughout the year we accomplished a myriad of achievements in line with our aspiration for the best-in-class IT system.

To serve new generations of customers we continue to invest in and improve our online and mobile banking channels. In 2017 we launched a new version of our Krungsri Mobile Application (KMA) using a user-centric design. The redesigned application is equipped with more advanced features such as QR payment, real-time mutual fund portfolio management, and PromptPay. We also plan to roll out online account-opening and digital lending after seeking approval from regulatory authorities.

Our continued efforts to create a better customer experience bore fruit as we managed to win the Asiamoney Awards for **Best Digital Bank in Thailand 2017**. To shift our focus to full-scale digital banking service we implemented the Mortgage Digitization platform using agile methodology, microservice, and host-on-cloud platform. We will apply the same framework with auto business products in 2018. Furthermore, we developed a system to support open architecture and built a new API gateway to connect with third parties, helping bring external technologies and innovation directly to the Bank faster, easier, and more securely.



We continue to be committed to enhancing the customer experience at our branches. The purchase of foreign currency banknotes can now be made using debit and credit cards at 93 branches and exchange booths nationwide. We have also installed EDC (electronic data capture) machines nationwide to automatically acquire customer data from Thai ID cards to support our Know Your Customer process and enhance operation swiftness and ensure correct customer authentication. We also improved our branch infrastructure by upgrading our uninterruptible power supply (UPS) and power generators at branches, exchange booths, and ATMs to ensure that we can continuously serve our customers when encountering power outages.

To efficiently offer transactional banking to corporate customers in the digital banking era we continue to improve our products and services such as Krungsri supply chain solutions for supplier financing following the buyer financing module using private cloud technology. We enhanced the connection between our system and the systems of our major customers using a host-to-host module. Moreover, we rolled out internet banking services for corporate customers (Krungsri Biz Online and Krungsri Business Mobile Application) and developed a cash management service to support e-products and PromptPay transactions.

We implemented straight-through SWIFT processing for international money transfer service at Vientiane and Savannakhet branches. We have also deployed host-to-host connections with government authorities and third-party agencies to provide real-time service, enabling customer to view and verify data at their convenience anywhere, anytime. The host-to-host services included e-Custom for payments to the Customs Department, e-CESS

for payments to the Office of the Rubber Replanting Aid Fund, e-SSO for payments to the Social Security Office, e-Permit for payments to the Universal Services Obligation, e-Secure and e-Certificate from the Department of Business Development (DBD), e-Letter of Guarantee for the Provincial Electricity Authority (PEA). The straight through processing helped streamline the administration mitigate errors, and reduce paper usage.

On the infrastructure landscape, we have successfully set up and moved to a new secondary data center which raised service levels to global standards, capable of supporting future business growth. We have implemented network modernization providing active-active redundancy architecture.

We have adjusted our investment strategy for new solutions and platform investments from capitalizing expense to exploring 'as-a-service' consumption or a cloud computing service model. This shift will provide more flexibility and scalability, enabling us to cope with the technology at the speed of change. Under software as a service (SaaS) we have implemented our Krungsri's learning solution on cloud. Projects launching a new sale and service solution and Office 365 (O365) are undergoing with target completion in 2018. Platform as a service (PaaS) was selected to host the UCHOOSE application (credit card manager application) and new digital mortgage website for sale agents on which we are testing this model with our enterprise architecture tools. We are also exploring and testing with infrastructure as a service (IaaS).

As part of infrastructure development to support the National e-Payment service (the government's initiative related to Thailand 4.0) and the Financial Sector Master Plan Phase III the Bank launched systems to support Any

ID registration, PromptPay, and Thai QR Code Payment under the Bank of Thailand's regulatory sandbox. We plan to continue developing the systems to support a variety of e-Payment services namely Request-To-Pay, e-Tax and e-Receipt, capital market, and ISO20022 compliance.

To advance to the digital society and upgrade security for online transactions, Krungsri strengthened debit card security measures by ensuring all cards included chips (chip cards) according to the Thai standard. Also, 3D secure for e-Commerce transactions and an ATM whitelisting program are being developed, now approximately 80 percent complete and expected to be rolled out no later than the second quarter of 2018.

A new wave of technologies and innovation on data and machine learning (ML) is revolutionizing the way we manage, control, and distribute cash. To leverage the investment in building the enterprise data warehouse with Teradata, we continued with the building of data scientist resources and big data management, data virtualization and advanced data analytics for credit cards and ATM transactions to improve efficiency.

The Bank recognizes the potential of blockchain technology to improve our internal operations. Thus we partnered with the Hyperledger service provider to develop digital document filling to manage loan applications and supporting documents for both the Bank and its subsidiaries. This yielded satisfactory results where all internal processes are more transparent and secure while we can efficiently manage and reduce operating costs.

The Bank also collaborated with our Lao branches to test real-time international fund transfers supporting USD currency by using Blockchain's Interledger Technology (RIPPLE) under the Bank of Thailand regulatory sandbox in the third quarter of 2017. As a result, corporate customers can now make real-time cross-border fund transfers to foreign buyers while enjoying lower transaction costs and free of foreign exchange risk concerns. Also, we continued the second phase of this service by conducting a test in the fourth quarter with MUFG, and plan to do so with our US partners in the near future.

Cybersecurity has become a priority for our executives and the Board of Directors — particularly in the digital era. To safeguard against cyber threats, we strengthened IT security and controls to protect important information and services across customer touch points. We extended the Advanced Malware Protection program, applied the FFIEC Cybersecurity Assessment Tool, established a threat intelligence

program, and regularly organized training courses to provide knowledge and raise awareness among employees.

We also shared IT governance, policies, and best practices with Hattha Kaksekar Limited (HKL), a leading microfinance institution in Cambodia which has been our subsidiary since 2016. We also established IT security standards, IT compliance, disaster recovery procedures, and a project governance strategy that serves as key foundations for transforming HKL into a commercial bank in the future.

With our strong commitment to bolstering customer confidence in maintaining security for important data and uncompromising efforts to tackle cyber threats, we constantly reinforce security measures with controls over sensitive data and services in line with the cybersecurity practices of MUFG.

Good governance principles and regulatory compliance are embedded in our core values. We continue to comply with the Sarbanes-Oxley Act, the Third Basel Accord (Basel Committee on Banking Supervision III), and the domestic systemically important banks (D-SIBs) requirements.

Moreover, the Bank has invested in four major IT projects to support such practices:

- The credit risk management system; capable of calculating pricing based on the risk and return concept
- The Basel Standardized Approach for Measuring Counterparty Credit Risk Exposures (SA-CCR) used before the enforcement date set by the Bank of Thailand to assess the impact of SA-CCR and to determine the strategy for netting margin derivative transactions
- The development of Finance & Risk Analytics (FRA) system to support asset liability management, liquidity management, and fund transfer pricing; and
- The International Financial Reporting Standard 9 (IFRS 9) platform development is expected to be completed no later than the second quarter of 2018, allowing us to prepare ourselves before submitting an official report to the Bank of Thailand in the first quarter of 2019.

Looking forward to the next business plan (2018-2020) we aim to fulfill our IT aspiration: **Go digital and simplify customers' lives through flexible and advanced technology platforms by emphasizing system agility and cutting-edge innovation.** Our IT transformation will focus on three aspects: Technology, Process, and People.

The FinTech Act and Digital ID, expected to come into force in 2018, will change the banking landscape. As a result, we are actively focusing on developing platforms to fully support the digital banking business with a wide

range of services such as e-KYC, e-Signature, and open banking platforms with application program interfaces (APIs). We established functional units responsible for researching and developing new technologies such as artificial intelligence (AI), machine learning, and blockchain to change the way we offer services to customers. In 2017, we studied and conducted experiments on Robotics Process Automation (RPA) — a promising technology currently employed by leading global financial institutions to improve operational efficiency, save costs, and enhance the customer experience.

In the new Medium-Term Business Plan (2018-2020) we will incorporate RPA into the Digital Roadmap to accelerate and drive operational efficiency improvements: People and Process are the key drivers for the next business plan emphasizing building employees' capabilities and improving internal processes. Moreover, the Bank has drawn up a plan to promote new innovative knowledge by adopting Agile and DevOps processes as tools to seamlessly blend digital banking with traditional banking.

OPERATIONS

In 2017 we consistently adhered to our customer-centric mission to WOW customers with our digital operations to deliver the best service that meets customer needs. We still strive to constantly enhance our operational efficiency and productivity by capitalizing on new technology for robust and efficient processes to keep our bank top-of-mind and are pleased to share our achievements and initiatives for 2017:

Implementing the new Krungsri Collateral Valuation System (CVS) for pre-approved collateral valuation has made Krungsri the first bank in Thailand employing this advanced technology. Thanks to such achievements, we were awarded **Best Lending Platform Implementation Project in Thailand** by The Asian Banker Technology Innovation Awards Program 2017. Using high-performance CVS, we improved turnaround time with a modernized Geographic Information System (GIS) on mobile and tablet devices which not only enhanced operational efficiency but also helped boost trust in our digital touchpoints when serving clients on site.

To further heighten credit operations productivity we introduced electronic signature imaging using an e-signature centralization system. With this system we strengthened internal signature verification control and reduced redundant tasks with document safekeeping and maintenance. The result: enhanced customer satisfaction with less burdensome document preparation for the Bank.

We also fully supported electronic government procurement (e-GP) initiated by the Comptroller General's Department, while digitalizing the Bank's guarantee process to offer the service online instead of paper-based. With this end-to-end online process, customers have enjoyed a prompt letter-of-guarantee issuance service with real-time confirmations and status updates along with the benefit of fraud protection.

The government-initiated National e-Payment Master Plan and new economic model Thailand 4.0 continued to be our focus throughout 2017. Krungsri took part in rolling out electronic data capture (EDC) devices for customer convenience in card spending, along with electronic debit card usage expansion in tandem with the Bank of Thailand's Financial Sector Master Plan, while our Cross-Bank Bill Payment, e-Wallet, and Request to Pay have been developed in line with Thailand's transformative model toward a cashless society with full-fledged e-payment services.

Meanwhile, our cheque service has been enhanced to meet customer expectations: Krungsri in-house cheques can be deposited with the amounts credited to beneficiaries' accounts same-day to improve the customer experience and cash flow management efficiency.

For international payments, we have achieved great success in becoming the first bank in Thailand to conduct real-time transactions through a global settlement network for digital assets – so-called blockchain technology – on the Ripple platform by executing cross-border payments from Krungsri branches in Lao PDR to our Head Office using a sandbox environment. This makes us more competitive as a leading provider of cross-border transfer services. We are committed to further exploring cross-border payment innovations for international transfers for swifter and more secure service.

Our performance for remittance transactions using straight-through processing (STP) continued to be at parity with international standards, as evidenced by STP Award given by Standard Chartered Bank-New York for our excellent performance in USD - denominated payments with an STP score of 98.2 percent.

In our collaboration with regulatory bodies we have fully supported the Bank of Thailand's regulatory reforms under the Guillotine project by replacing foreign exchange transaction forms with debit and credit advice forms, while the new IT system 3D-Secure was implemented for greater security of Krungsri Visa debit cardholders' online spending in accordance with the industry's payment card system standards.

Over the past year our Securities Services business has proved successful with a full range of securities services, while being ranked the top player in the market of debenture holders' representative and registrar, as well as one of the top-three providers of fund supervisory services. Organizational restructuring was extended to ensure collaboration among all related business units to improve the customer experience and operational efficiency. In addition, to strengthen our business fundamentals for future growth we initiated several technology-based tools to enhance our operations amid a fast-changing market environment and customer service trends. In collaboration with MUFG and its global network, we are striving for greater success in the securities business aiming to become a global custodian service provider.

The Operations Group has moved forward on implementing the integrated Center of Excellence (COE) plan, along with a Shared Services Center (SSC) focusing on Krungsri Group's customer services for greater standardization, flexibility, and efficiency in cost management. In 2017 we collaborated to set up the COE under a common professional standard for customer complaint management for Krungsri and our six major subsidiaries.

We also took part in developing a Service Level Agreement (SLA) in key service areas for efficient customer communication through the Bank's website to raise employee service awareness and to ensure the commitment of all Krungsri business units to excellent service and high standards promised to customers.

Looking ahead to 2018, transforming digital operations and raising service standards to create a better customer experience remain our ultimate goals. Included in the Operations Group's next Medium-Term Business Plan is a major strategy to maintain our leadership in technology-based operations by adopting innovations such as robotic process automation (RPA), auto bot, and big data in diverse business units for greater operational effectiveness and efficiency. This is expected to strengthen our internal control, streamline processes with faster turnaround time, and improve the customer experience.

HUMAN RESOURCES GROUP

We are focused on innovation for human resources management, talent acquisition and recruitment, and learning and development to drive the organization and to provide services and solutions to meet customer expectations.

TALENT ACQUISITION AND RECRUITMENT

As a leading financial institution we are committed to providing our people with equal career opportunities and transparency. Respect for individuality is a paramount value when recruiting candidates.

To deliver a better experience for our customers, we design our processes based on customer centricity and use digitalization for candidate selection to simplify the operation for both candidates and employees, following Krungsri's commitment to Make Life Simple for our customers and other stakeholders.

As a result of our endeavors in delivering the best for our customers and holding on to these values, Krungsri is the only organization in Thailand recognized by the Employee Branding Institute, an international organization, with their **Diversity Impact Award** and **Award for Innovation in Recruitment**. The recognition ceremony was held in Singapore in August 2017 with 119 international companies joining.

The Diversity Impact Award reflects how we treat our employees with respect and awareness of diversity, without discrimination. In addition, as our business diversifies with diverse groups of customers, both domestic and international, through our subsidiaries both in Thailand and overseas, we can say that diversity is in our DNA and is reflected in our employees, our businesses, and our customers.

The Innovation on Recruitment Award recognized our dedicated work in 2016 and 2017 to bring innovation into the recruiting process with two goals: to become 'the employer of choice' and to provide 'the best customer experience'. Krungsri focuses on the use of digital technology and employer branding. We introduced an online talent-acquisition platform to shorten recruitment from the application stage to the employment contract stage. In addition to the regular recruitment process, we proactively recruiting candidates from universities in Thailand, Japan, and other countries through our special internship programs, Bright Start and Krungsri Academy.

The Human Resources Group supports the Krungsri's business resilience and growth today in parallel with building Krungsri's future by recruiting talented candidates.

HUMAN RESOURCES DEVELOPMENT

As rapid advancements in financial innovation and technology are changing consumer behavior and lifestyles in the digital era, we recognize the importance of cultivating an innovation culture and making Krungsri an organization that embraces and applies innovation to work and service processes to deliver our Make Life Simple promise to our customers. We have prepared our people, promoted their creative thinking, encouraged them to express their opinions, and to be open to new ideas as well as driving them to put their ideas into practice. To achieve this, courses and learning activities have been designed to create healthy mindsets, enhance knowledge, and develop skills to support the continuous cultivation of our innovation culture.

Training courses that promote Krungsri innovation culture have been added to the Annual Training Calendar for all employees, the Functional Training Calendar for specific functions, and the Leadership Program for executives. These courses are classified into three main categories:

Innovative Mindset Course Examples

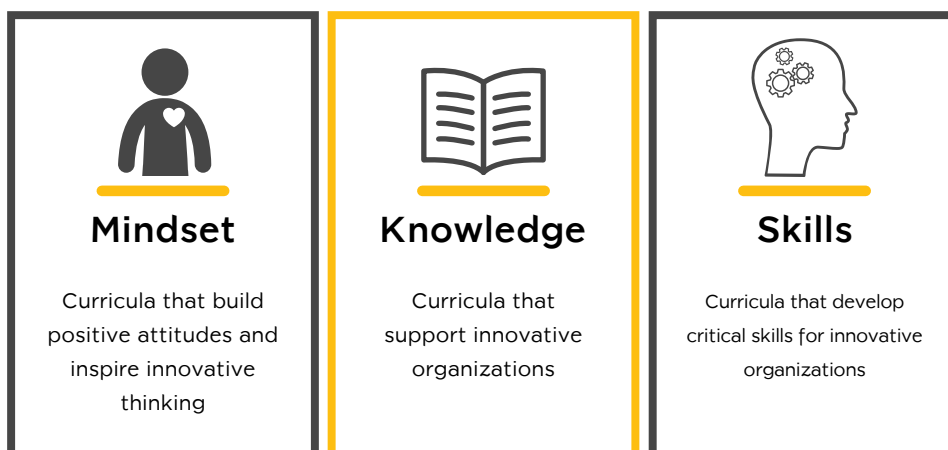
- **Building inspiration:** Inspiring Your Innovative Thinking; Think Differently for Different Results; Creativity and Innovative Mindset
- **Developing positive change attitudes:** Working in the Digital Age; Driving Innovation for Leaders Workshop; Change for Growth; The Power of Change; Embracing Change

Knowledge for Innovative Organization Course Examples

- **Preparing for the digital era:** FinTech: Digital Trends and Update; Thailand 4.0; Blockchain in So Easy Version; The Agile Concept
- **Increasing industry knowledge:** Business Outlook and Economics Update; Industry Update; The Changing Banking Business Strategy: Insightfulness into Threats and Opportunities; The Modern Banking Strategy and Driving Execution with Current Changes

Critical Skills for Innovative Organization Course Examples

- **Creativity and Innovation:** Thinking Outside the Box; Sparking Ideas through Creative Thinking; Innovation for Success; Service Excellence Innovation; Practical Innovation; Innovation: Change Management for Leaders
- **Design thinking:** Introduction to Design Thinking; Design Thinking for Innovative Businesses
- **Continuous self-development:** Kaizen for Success; The People Side of Process Improvement
- **Problem-solving and effective decision-making:** Systematic Problem-Solving; Problem-Solving and Decision-Making
- **Change Management:** Change Management; Change Management for Line Managers



TALENT MANAGEMENT AND SUCCESSION PLANNING

Talent management and succession planning are key priorities for the Human Resources Group. Talent identification criteria have been reviewed and fine-tuned based on the MUFG Global Talent Framework to ensure common criteria and standards. Job rotations and international assignment programs were implemented to enhance talent management and development efficiency and to ensure a seamless platform with MUFG. International assignments through the BTMU global network can expand employees' horizons and provide them with personal growth and professional development opportunities in the global arena and thus help us retain talented employees.

EMPLOYEE ENGAGEMENT

The Bank has conducted employee engagement surveys to measure employee commitment conducted by the Gallup Company, giving employees a good opportunity to express their opinions and true feelings toward the organization, our leaders, and their work. The results gave us insights for further improving the way our people work, harmoniously blending the unique qualities of different generations, and encouraging them to offer the best customer experience. We're committed to improving employee engagement as a tool to retain high performers who exhibit behavior consistent with Krungsri Core Values and to stay with us as long as possible.

RISK MANAGEMENT

The Risk Management Group has confronted various global and domestic challenges including a new business environment, regulations, and disruptive technologies. Fully aware of such inevitable challenges, the group, working with MUFG's risk management unit, has consistently prioritized enhancing risk management mechanisms for greater operational efficiency.

Krungsri has been judicious in risk management using various risk management techniques as high-quality risk management is one of our active priorities. Our core risk management responsibilities are to identify, measure, control, monitor, and manage risks through policies, measurements, and monitoring procedures guided by our internal governance principles. All our initiatives are consistent with Krungsri's strategies and business model.

Credit Risk

The Risk Management Group is primarily accountable for identifying, assessing, mitigating, and monitoring risks within acceptable limits. These functions also include analyzing risks and preparing risk policies, procedures, and governance principles approved by the Board of Directors.

Enterprise-wide Risk

To support sustainable growth and align ourselves with global standards, we have established the 'Enterprise-wide Risk Management Framework (ERM)' to oversee and proactively manage material risks. ERM tools such as the Risk Appetite Framework, the Risk Map, the Heat Map, and key risk-identification procedures have been developed and implemented to dynamically identify, assess, and monitor risks using an integrated approach. Under ERM, appropriate action can be taken to ensure that Krungsri Group's risk profile is aligned with our business plan and that risk management strategies are within our risk capacity.

Market Risk

In 2017 Krungsri continuously conducted forward-looking risk management to support business expansion with high-potential financial products and services to meet more complex and diverse customer demand under the acceptable market risk level, amid a surge in global financial volatility and tightening Bank of Thailand regulations. We have fully recognized the importance of current and future

regulatory compliance and any potential monetary policy changes at home and abroad. In 2017 the central bank announced a regulation on the supervision of Domestic Systemically Important Banks (D-SIBs) and identified Krungsri as a member of this group. The Bank maintains its capital at a level higher than the BOT's minimum requirement and is more than adequate to meet additional requirements under the D-SIB framework.

The Bank has also continued to enhance market risk measurement in accordance with a new international framework issued by the Basel Committee on Banking Supervision (BCBS) such as the Fundamental Review of the Trading Book (FRTB) and Interest Rate Risk in the Banking Book (IRRBB), with ongoing MUFG support and knowledge-sharing.

Liquidity Risk

Krungsri has prepared for effective risk management in the transition to digital banking. Challenges have arisen from the shift in depositor behavior resulting from the transition to the digital economy, technological advancements, and the emergence of financial technology (FinTech) companies.

We have reviewed the structure of our funding sources to suit changing market conditions and liquidity trends in the commercial banking system. Our major funding source is customer deposits, which are well diversified by customer and deposit types. To maintain our customer base, a range of deposit campaigns and mobile banking services have been introduced to facilitate banking transactions and serve varied customer needs, while complying with regulatory requirements.

Operational Risk

The Operational Risk Division works to ensure minimal impacts on Krungsri and our subsidiaries in the event of any failures due to internal and external factors or outages: the entire Group regularly performs a Risk Control Self-Assessment, while key risk indicators developed for all departments are closely monitored. The process of reporting operational risk incidents is embedded in and implemented across Krungsri Group. Any significant incidents are systematically analyzed by our dedicated working group. A business continuity plan has also been devised and is regularly tested and updated.

COMPLIANCE

We recognize that good corporate governance is a crucial factor in supporting our business for sustainable growth: to achieve this we established an internal management structure that includes checks and balances for all functions to ensure effective compliance controls. Our Compliance Division, which functions independently from management, is responsible for compliance duties for our business operations in line with applicable laws and regulations and good governance along with preventive and monitoring measures.

For preventive measures, in addition to an organizational structure that promotes a compliance culture, employees' knowledge and awareness are among the most important factors helping us sustain this culture. As a result, the Bank has emphasized the essence of employees' knowledge and understanding by providing training courses regularly on relevant laws and regulations, including business conduct. Internal and external lecturers have been invited to share their knowledge and experience with employees through workshops, together with providing e-Learning courses to ensure that employees comprehensively and adequately have correct understanding. Moreover, the Compliance Division operates as a center of regulatory excellence and is in charge of communicating and providing advice on laws and regulations related to business undertakings through the Bank's internal website where this information is systematically categorized to facilitate convenience for users when making enquiries or doing research.

As for monitoring, the Compliance Division has conducted compliance testing corresponding to various risk levels identified using our Compliance Risk Assessment Framework. The tests cover overall risk factors in various dimensions: for example, compliance checklists; off-site testing; and on-site testing. This is to ensure that testing is performed comprehensively and appropriately, with the results actually reflecting risks. In addition, testing results and compliance activities are presented to the Board of Directors through relevant subcommittees and senior management monthly.

The Bank always adheres to compliance excellence principles when operating our business. The financial and banking service sectors are currently in transition to the financial technology (FinTech) industry and we have requested permission from the Bank of Thailand to test and develop financial innovations per the regulatory sandbox to improve the customer experience such as cross-border payments (Distributed Ledger) using blockchain technology, QR code payments, and so on. This is to ensure that these financial innovations accord with relevant regulations. New technologies have also been introduced to enhance the efficiency of our supervisory and compliance functions. In 2017 we developed compliance online request for regulatory consultation — an online channel to reduce paper usage — and introduced an electronic search engine for customer information (the Electronic Financial Information System) to expedite reviewing information and reporting to the Anti-Money Laundering Office (AMLO). The Bank is now also studying and developing automated response technology to deal with regulatory and compliance issues (Compliance Chatbot).

BUSINESS MANAGEMENT OF SUBSIDIARIES AND JOINT VENTURES

KRUNGSRI AMC

Krungsri Ayudhya AMC Limited

Type of service: Purchases and accepts impaired asset (NPL and NPA) transfers for management through debt restructuring or collateral purchases for disposal. The company also undertakes NPA maintenance to ensure that they are in good condition and ready for sale.

Market and competition: None, as the company only provides support services to the Bank.

Source of funds: The Bank

KRUNGSRI FACTORING

Krungsri Factoring Company Limited

Type of service: Provides factoring services (domestic factoring with recourse and notification) by granting short-term revolving credit facilities through accounts receivable purchases and assigning collection rights.

Market and competition: Krungsri Factoring constantly realigns its business position with changing economic conditions, taking into account the increasingly competitive nature of the factoring market. Krungsri Factoring monitors prevailing industry conditions including: 1) current pricing offered by key players; 2) their credit approval processes; and 3) their service quality and flexibility. To maintain competitiveness the company expanded into the SME segment by offering attractive pricing to these customers.

Source of funds: The Bank

KRUNGSRI LEASING

Ayudhya Development Leasing Company Limited

Type of service: Provides financial lease and hire purchase services to enable SMEs and large corporations to acquire machinery, equipment, and commercial vehicles by offering various solutions through structured lease transactions.

Market and competition: Only a few companies in Thailand concentrate on machinery and equipment leasing. Such leases are suitable primarily for companies with limited available banking resources where leasing is provided based on a lessee's operating cash flow as well as the liquidity of the leased assets rather than property assets held as collateral. This allows us the flexibility needed to provide a financial package suited to the customers' needs with competitive terms and conditions.

Krungsri Leasing is the market leader in the leasing industry, focusing on medium-to-large ticket leases as well as structured leases for a variety of industries nationwide. These activities give us a meaningful point of differentiation.

Source of funds: The Bank

KRUNGSRI AUTO

Type of services: Krungsri Auto, an automotive finance leader under the Bank, continues to enhance customer experiences through its total-solutions packages. Customers receive consultation services and enjoy a range of products covering hire purchase for new cars (Krungsri New Car), used cars (Krungsri Used Car and Krungsri Rod Baan), refinance (Car for Cash), trucks (Krungsri Truck), operated by Krungsri Auto Group, Bank of Ayudhya Public Company Limited, While hire purchase for motorcycles (Krungsri Motorcycle, Krungsri Big Bike, and Krungsri Used Big Bike), as well as inventory financing (Krungsri Inventory Finance) and insurance services, operated by Ayudhya Capital Auto Lease Public Company Limited.

As Krungsri Auto is the market shaper, innovation is at the core of our operations. In 2016, a customer experience strategy was pushed forward through digitalization to meet the needs of customers in the digital era.

By upgrading digital technology in 2017, Krungsri Auto has continually created innovative products and services by facilitating both dealers and customers while maintaining its market leadership in the automotive finance business.

Sources of funds: Primarily the Bank and Ayudhya Capital Auto Lease PCL. (AYCAL) debentures

KRUNGSRI CONSUMER

Krungsriyudhya Card Company Limited

Type of service: Credit card issuer of Krungsri Exclusive Signature, Krungsri Signature, Krungsri Visa Platinum Card, HomePro Visa Platinum, Krungsri Lady Titanium MasterCard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa, and JCB Platinum credit cards with more than two million cardholders in 2017.

Krungsriyudhya Card Company Limited (KCC) has been rated AAA by TRIS Rating on November 15, 2016. The company has submitted a report to the Securities and Exchange Commission (SEC) for the issuance and offering of debentures with a total value of up to 4,600 million baht with maturity periods of one to two years. The debenture redemption is scheduled for 2017 and 2018 at fixed interest rates of 1.73 to 1.84 percent a year. The company offered these debentures to institutional investors and/or large investors through the Bank, which manages and distributes them. The purpose of issuing the debentures is for loan payments and/or for adding capital for business expansion and/or cash flow. The initial public offering for these debentures has been well received by investors, with bookings at more than four times the amount issued.

On November 15, 2017, TRIS Rating also assigned a "AAA" rating to the company as the bond issuer again.

As for the business development and marketing plan, the company has continuously put efforts in making its credit cards as primary choices for cardholders. The aim is to make them cardholder' favorites and thus earn long-term customer loyalty. In addition, KCC is preparing itself for the digital age. All marketing strategies in 2017 can be summed up as follows:

1. Meeting cardholder demand — The company has been cooperating with partners and has added new partner brands in promotion campaigns. This expansion has covered key categories relevant to everyday life such as dining, shopping, petrol, and supermarkets. The company has also made inroads into new

segments such as the auto industry that has recorded growth once again; sports and healthcare which are trending given today's lifestyles. The company will focus heavily in three categories, namely dining, travel, and online shopping to meet customer' demand.

2. Using reward points model as value added measure — Loyalty card rewards have covered various categories registering significant growth in 2017 such as in the restaurant category. Cardholders can conveniently redeem reward points through seven channels - more than those offered by our competitors. In 2017 the company's focus was on "On Spot Redemption" allowing customers to redeem rewards at various locations. KCC has also differentiated itself from others by offering and promoting the reward redemption on "UCHOOSE", the lifestyle application. In the future, the company also plans to join hands with leading online partners in offering convenient point redemptions to create a better experience for all cardholders.
3. Easy, fast, convenient digital marketing — With UCHOOSE application, our credit card members can easily find favorite promotions and interesting locations-based privileges. The customers can also easily register to join a promotion and track spending records, making it easier to participate in promotional activities and earn rewards. The company also uses online media such as bloggers to reach social communities in order to circulate promotional campaign benefits, in addition to launching online shopping campaigns with leading websites, online partners and startup groups. The aim is to ensure that important messages reach the new generation and that the company is well set for the growing e-commerce and the QR payment that will become the norms in the near future.
4. Customer centricity, CRM and big data management — With customers at the heart of the business and the growing role of CRM and big data management, the company can analyze customer behavior and communicate with them more effectively about privileges. The company can then respond well to card members based on their lifestyles.

Products

High-potential upper groups-**Krungsri Exclusive Signature Credit Card and Krungsri Signature Credit Card** have received full support from the parent company, Bank of Ayudhya Public Company Limited, and leading business partners in providing members with benefits from "Signature Society" activities. The privileges have provided a good experience to the cardholders throughout the years, which included the exclusive event at the Ambassador of Portugal's residence with a special dinner, an exclusive booklet launch of "Up Taste-Episode 2" or "Krungsri Exclusive Night, the Fragrance of Perfection" that served Michelin-starred dishes to enhance customers' satisfaction.

HomePro Visa Platinum Credit Card, meanwhile, has extended so-called "Financial Center" to cover 11 branches in 2017. The chosen branches are strategic ones where customers need a variety of financial products in addition to credit cards. The center provides services facilitating the cooperation between HomePro, Krungsri Ayudhya Card Company Limited, affiliated credit card companies and Bank of Ayudhya. Financial services offered include house refinance loan and car refinance loan 'Car for Cash'. The center also provides services and facilities for card members to inquire about credit limits or change personal information at any branch of the center. Customers no longer need to do this through the call center as they can receive complete service at HomePro's financial centers located at designated branches.

In addition, the company creates a value-for-money shopping experience at HomePro by allowing HomePro Visa Platinum cardholders to transfer reward points to their Home card. By so doing, they can enjoy discount of up to 20 percent on any purchase of electrical appliances which participate in the promotional program in "The Power" department every Friday, these privileges have been well received and have boosted HomePro sales.

Krungsri JCB Platinum: The company has continuously promoted Krungsri JCB Platinum Card which has been well received by the Gen Y group. The number of cardholders reached 200,000 with total spending at 5 billion baht by the end of 2017. The card aims to serve customers whose lifestyles involve travelling to Japan, South Korea, Taiwan and Hong Kong etc., and those who love shopping for leading Japanese brands and enjoy dining at famous Japanese restaurants.

As for the partnership with AIA (Thailand) Company Limited - we have jointly issued the AIA Visa Platinum (since 2011) and will continue this cooperation in the future. The company will adapt benefits and privileges of cards and apply new strategies to expand the cardholder base in 2018.

Source of funds: The Bank

Ayudhya Capital Services Company Limited

Type of service: Sales financing (merchandise installment financing) and personal loans under the brand Krungsri First Choice and a nano-finance product which is essentially business loans under the Tao Kae Tan Jai brand.

The company's sales financing service was introduced by GE Capital in 1994 under the First Choice brand. The First Choice Card initially provided retail installment financing that focused on electrical appliances. Product coverage was then expanded to include categories such as IT devices, mobile phones, home improvement and decorative items, education products, car accessories, and beauty goods. Personal loans were added later to make the First Choice Card a 2-in-1 card. After cementing its affiliation with Krungsri in early 2010 First Choice was rebranded as Krungsri First Choice. The Krungsri First Choice Card continued as a 2-in-1 card providing sales financing with terms of up to 48 months and personal loans with revolving features as well as installment loans with terms of up to 48 months. The card requires lower income criteria than most other credit cards and now provides comprehensive service coverage with more than 400 service counters in key partner areas nationwide, making it one of the leaders in the market.

In 2008, to meet a growing demand for credit card features in addition to sales financing and personal loans with long payment periods, the Krungsri First Choice Visa Card was launched as a 3-in-1 card. The card targeted customers who met credit card criteria but who required greater liquidity through longer-term payments. It was well accepted across the Visa network for normal credit card spending. In 2015, the Krungsri First Choice Visa Platinum was launched. Its core feature being the customer's ability to turn credit card transactions to zero percent, three-month installment payments with one phone call. Customers also enjoy buy one, get one free promotions offered by partners such as Major Cineplex and Blu O Rhythm & Bowl.

And to provide prospective new customers with greater convenience, a Simple Application scheme was introduced, helping to improve and speed up the application process and allowing Krungsri First Choice to issue cards to customers at application points within 30 minutes without the need to complete paper application forms.

The card's key strength lies in its extensive partnerships: To date, more than 20,000 major merchandise distributors nationwide accept the card and participate in special promotional programs. Krungsri First Choice also enjoys a solid long-term relationship with leading OEM manufacturers including Samsung, Sony, Acer, HP, Dell, Lenovo, Panasonic, Toshiba, Philips and Hitachi, making co-promotion work easier. Between 200 and 300 active campaigns have been carried out each month with Krungsri First Choice offering interest free installment terms of up to 48 months for a broad range of product categories.

In addition to sales finance, Krungsri First Choice offers personal loans – a major contributor to the Bank's revenue. Providing easy access to cash via multiple channels, including Hello Cash (via IVR), Krungsri First Choice branches and service counters (via EDC), and all ATMs was a key growth driver for the product.

Central The 1 First Choice – It was launched in March 2017 as the first co-branded product of Krungsri First Choice and the Central Group. The card broke new ground with the unprecedented '0% Plan on Demand' shopping code offering two-month 0%-interest installment payment privilege for every minimum 1,000 baht purchase of products and services within Central Group. Cardholders practically enjoy value-for-money benefits every time they spend on the card, as they earn double The 1 Card points for every purchase with the credit card at participating stores under Central Group and waived lifetime annual fees.

Krungsri First Choice Care – It was launched in September 2017 as the first of its kind in Thailand's personal loan market. The product satisfies all financial needs, providing the customers with better access to fundamental financial protection. Customers can benefit from personal loan and sales finance services, plus free personal accident insurance worth a maximum premium of 100,000 baht for a period of 12 months starting from the date of card approval. Card members are entitled to payment for accident-related expense. The maximum coverage is 3,000 baht per accident regardless of the number of

accidents during the period and customers do not need to pay with their own money first. The insurance program certainly helps ease the financial burden of customers at a time when economic inflation is rather high.

Tao Kae Tan Jai loan – It was launched in September 2016 as the Krungsri Consumer Group's nano-finance product targeting small business owners who have been in operations for at least one year with permanent business locations. Tao Kae Tan Jai made it easier for small retail entrepreneurs to access working capital loans in the financial system, a move that well supplemented government policies. Tao Kae Tan Jai's key selling point is its simple application process, called 'Smooth Approval without Documents'. Customers can apply without having to submit financial documents such as bank statements, guarantors' papers or six-month account histories. The maximum loan size is 100,000 baht with convenient, fee-less payment channels widely available including Krungsri and other service counters.

Tao Kae Tan Jai also encourages customers to practice financial discipline by introducing a 10 percent return of interest payment for customers who repay their loans on time for six consecutive months. In addition, one-year customers with good payment records are eligible for additional credit, in which case they can use their Tao Kae Tan Jai cards to withdraw cash from ATMs with ATM Pool network logo around the clock. They can also opt for installment payments when buying products and services that support their businesses at special interest rates at more than 20,000 participating Krungsri First Choice dealers nationwide.

Awards and recognition

- First prize at Thailand's Most Social Power Brand 2017 - Personal Finance category. This award was given to super brands prevalent on the social media by BrandAge & Thoth Zocial.
- Silver Award at FOMA Award 2017 (Festival of Media Asia Pacific 2017) in the Best Use of Content category, thanks to a marketing Mother's Day campaign titled 'I want Mother's day too'.
- Bronze Award at MAAT Award 2017 for the category of 'Effectiveness Award', presented by MAAT Media Award Thailand. The bronze award was in recognition of the ad campaign 'I want Mother's day too'.

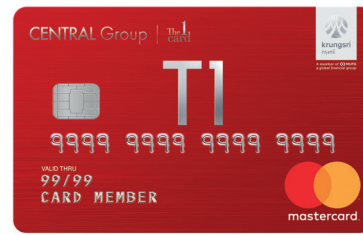
Source of funds: The Bank

General Card Services Company Limited

General Card Services Company Limited has been entrusted by the Central Group with another eight-year extension as the Financial Services Partnership. Altogether, this means the two companies will have joined hands for over two decades. The latest agreement covers not only the department store co-brand credit card but is expanded to all business entities under the Central Group, making the new co-branded products Central The 1 Credit Card with features and benefits expanding to cover other business units through The 1 Card loyalty platform. This also comes as opportunities that allow Krungsri Group to leverage our strong global network as a subsidiary of MUFG to better serve Central Group's customers.

Type of service: The company launched Central The 1 Credit Card in March 2016, the first and only co-brand lifestyle credit card. The card is the only one that allows highest and fastest way to earn The 1 Card Points and accesses to other benefits from over 5,000 branches of businesses under Central Group through The 1 Card Loyalty Platform. The facilities included department stores (Central and Robinson), supermarkets (Tops Supermarket and Family Mart), shops selling home appliances and construction materials (Powerbuy, HomeWorks and Thai Watsadu), restaurants (Ootoya, Pepper Lunch etc.), hotels (Centara) and many more. The benefits and privileges also cover those provided by Krungsri Consumer outside Central Group, including restaurants, travel, zero percent installment plans, and etc. The combination of benefits provided by the two leading partners makes the Central The 1 Credit Card the best of Central Group and the best of Krungsri too.

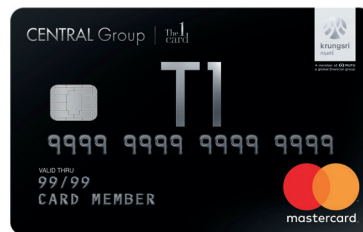
Product strategy: The Central The 1 Credit Card is designed to be different from those issued by commercial banks. It is firmly positioned as a lifestyle credit card and the product's overall look prominently reflects that. The design of the card is simple yet different with the plastic coating technique on the surface that has never been used before. The use of the letter "T1" has to do with an intended 'Lifestyle Code' that reflects each target group's persona, and also serves as a tagline for each of the four sub-categories of the card. The credit card is divided into four sub-categories, each offering different benefits to meet the needs of each target group to better serve each member group's lifestyle.



Central The 1 REDZ Credit Card



Central The 1 LUXE Credit Card



Central The 1 BLACK Credit Card



Central The 1 THE BLACK Credit Card

Central The 1 REDZ Credit Card - Its Lifestyle Code or T1 means the "Thriving One".

Central The 1 LUXE Credit Card - Its Lifestyle Code or T1 means the "Truthful One".

Central The 1 BLACK Credit Card - Its Lifestyle Code or T1 means the "Timeless One".

Central The 1 THE BLACK Credit Card allows cardholders to have their own initials on the card face. As this category means "You are the One". Cardholders will get their cards beginning with the initials of their names followed by 1. For example, Mr. Somchai's card face will be S1.

Central The 1 Credit Card Exclusive Privileges

- Earn up to four times The 1 Card Points for every 25 baht of spending within Central Group without a maximum limit.
- Get up to a 10 percent discount for your purchase of participating items within Central Group.
- Enjoy VIP Lounge service at Central Department Stores, Zen, Robinson Department Stores and Robinson Lifestyle.
- Reserved parking area at all branches of Central Department Store, Zen, Robinson Department Store and Robinson Lifestyle.
- Lifetime annual fee waived when spending a required minimum amount.
- There are more privileges and benefits for cardholders, details of which are available at www.centralthe1card.com.

Central The 1 Personal Loan is an innovative personal loan product that provides our customers with greater flexibility and convenience. Existing customers can now withdraw cash from any Krungsri ATM nationwide, under the approved cash loan credit limit without the need to submit additional documents to apply for the loan. Central The 1 Personal Loan also offers ongoing special campaigns such as low APR, zero-percent interest for three months and many more.

Awards and recognition: Named Best Co-Brand Program in Thailand in 2017 by Mastercard

Tesco Card Services Ltd.

Type of service: Tesco Card Services Ltd. (TCS) is a 50:50 joint venture between the Krungsri Group and Tesco Lotus, Thailand's largest hypermarket chain. Established in 2001, launched with the Tesco Lotus Private Label Credit Card and later becoming the Tesco Lotus Visa Credit Card, it further grew to establish a wholly owned subsidiary: Tesco Insurance Broker Services. TCS continues to expand and widen its distribution through Tesco Lotus stores, with the number of in-store financial services and insurance counters increasing to 197 in 2017, offering Tesco shoppers simple and convenient financial services, with the core principles of: ease, value and trust.

The Tesco Visa credit card aims to be the top-of-mind choice for Tesco Lotus customers by rewarding their loyalty with great everyday benefits. Customers earn

rewards everywhere they shop, with up to 3.5 percent off their shopping trips to Tesco, together with zero percent finance offers on electrical purchases and up to 3 percent cashback at Esso service stations nationwide. Cardholders can also enjoy interest free payment options on Tesco Insurance products.

TCS is committed to delivering excellent services and convenience to customers whichever channel they choose to apply and use their products, utilizing the assets of both shareholders including; Tesco Lotus stores, the Bank's call center and UCHOOSE mobile application.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited and Ek-Chai Distribution System Company Limited.)

Tesco General Insurance Broker Limited

Type of service: The company offers a range of auto, accident and health insurance products at 190 Tesco Lotus locations nationwide, or through their call center and website. Partnering with well-known and trusted insurance providers, they offer simple, rewarding and easy to apply for products - giving great value and easy payment options.

Based on their key principles of ease, value and trust, they aim to make insurance more accessible, inclusive and affordable. To help introduce customers to insurance, premiums start as low as 59 baht for simple accident and home protection.

Source of funds: Shareholders (Tesco Card Services Ltd.)

Tesco Life Assurance Broker Limited

Type of service: The company provides life insurance products and services to Tesco Lotus customers via telephone or stores - offering a variety of life insurance products, including short-term savings, long-term savings, and whole life insurance.

Source of funds: Shareholders (Tesco Card Services Ltd.)

Krungsri General Insurance Broker Limited

Type of service: Established as a non-life insurance broker in 2007, the company changed its name from Quality General Insurance Broker to Krungsri General Insurance Broker in 2011 and provides personal accident and auto insurance to General Card Company Limited, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited, customers.

Since 2009, the company has focused on customer analytics in order to determine the characteristics of each customer segment, developing products to serve their specific needs. It has grown on the back of customer segmentation while seeking to attract new customers by increasing its product range and continues to introduce customers to a wide range of non-life products such as hospital income plans, personal accident, and other selected general insurance products. In addition, the company offers zero-percent interest installment plans for auto insurance.

To serve customers 24/7, the company now boasts a new online distribution channel (www.krungsri-insurancebroker.com) offering some selected quality insurance products online and partnering with several Krungsri Consumer credit cards to offer insurance products that match the needs and lifestyles of each customer segment.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited)

Krungsri Life Assurance Broker Limited

Type of service: Established as a life insurance broker in 2007, the company changed its name from Quality Life Assurance Broker to Krungsri Life Assurance Broker to align itself with the Krungsri Group in 2011. The company's main business is to introduce life, personal accident, health, and payment-protection insurance to General Card Services Limited customers, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited.

In 2017, the company has been continuing growing as driven by a broader product range, new insurance partners, and a customer-segmentation strategy. The company introduced customers to a range of endowments, term-life products, and retirement plans, as well as IPD and OPD health insurance

plans from selected life insurance partners. They also focused on customer analytics to develop appropriate products for specific customer segments.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited)

Total Services Solutions Public Company Limited

Type of service: The company provides debt collection services as well as litigation for the unsecured products covering personal loans, credit cards, and sales financing. The company's customers are mainly Krungsri and its subsidiaries including Ayudhya Capital Services Company Limited, General Card Services Company Limited, Krungsriayudhya Card Company Limited and Tesco Card Services Ltd.

The company has a considerable expertise in efficient debt collection and litigation regarding unsecured products and has been using advanced auto-dialer technology to reach customers efficiently and effectively. All processes were designed with customers in mind and are consistent with the Bank of Thailand's regulations as well as practices in compliance with the Debt Collection Act. Total Services Solutions Public Company Limited is rated among Thailand's top debt collection service firms, recognized for delivering satisfactory outcomes. The company continually tests and implements new strategies to maximize its operational efficiency, leading to an excellent performance even during tough economic years.

Strategies for business growth: To accommodate an expanding customer base, the company is planning to intensify manpower and skill development, as well as to upgrade its equipment and office space to achievement maximum operational efficiency. In 2017, the company introduced a new technology related to database management tools, or 'big data' which can effectively analyze customer behaviors and information such as the ability or intention to repay their debts. Big data also helps identify best times and channels to contact customers analytical information to the adjustment of the debt collection strategy for maximum efficiency. Additionally, it helps financially troubled customers manage their debts and allows the company to maintain its good standards of services continuously.

In terms of human resource development to ensure the utmost customer service quality, the company has adopted a working and training system to enable its staff to continually improve their service quality and prepare for future business expansions. In 2017, the company has stepped up an intensive training, focusing on excellent services, customer-centricity and English improvement designed to allow employees to effectively communicate with foreign customers. Staff members are repeatedly trained to "serve with their hearts" and take good care of customers. The company has always sought to reinforce service minds in its organizational culture in order to achieve maximum customer satisfaction. There are serious procedures concerning reviewing and handling of customer complaints. Personnel with good service minds are recognized and measures are on hand to improve staff members whose work is not up to standard. Training is regular and continuous, all with the ultimate aim to provide the best services.

Source of funds: The Bank

Krungsri Leasing Services Company Limited (Lao PDR)

The company is a joint venture between Ayudhya Capital Services Company Limited, Ayudhya Capital Auto Lease Public Company Limited and Unity Capital Company Limited. The company has started an auto hire purchase and sales financing business under the brand "Krungsri Leasing" since December 9, 2014 in Lao PDR.

The company's business has grown significantly over the past three years. In 2017, the company expanded to major cities in the country, including Vientiane Capital, Champasak, Savannakhet, Vientiane, Xieng Khouang and Bolikhamxay provinces. As of December 2017, the company has more than 8,500 new customers, growing 120 percent over the same period the previous year and with new loan growth of 150 percent from 2016. Over the next three years, the company plans to expand its coverage to key areas throughout the country and to launch new products and services to meet growing market demand.

To support business growth and the new branch expansion in Lao PDR, the company has adopted new technology to increase efficiency in business operations and customer service focusing on three key areas: payment services, internal operational process improvement and communication. Most importantly, with these focuses, the company aims to deliver a better

customer experience using digital banking. Earlier in 2017 the company collaborated with the Banque Pour Le Commerce Extérieur Lao Public (BCEL), the largest bank in Lao PDR, to launch a payment service via BCEL's mobile banking, available 24 hours for customer convenience. The application also supports payment in three currencies: Thai baht, Lao kip and the US dollar. Moreover, the company installed BCEL's EDC machines at our branch to support counter payments using ATM and debit cards. The company also has a project to expand payment channels to counter service at convenience stores nationwide in 2018. Customers will no longer need to carry payment cards and can use payment information from the company's mobile application for payments.

The company is proud to be the first leasing company in Laos offering fast and secure application processes with our main priority to focus on customers' data security. The company utilized technology to improve the internal operational process. The "iBuddy", an application of Krungsri had been implemented earlier in 2017.

The application enables company to improve turnaround time of application process from sales personnel to credit operation team and enhances the security of customers' personal information. Photographs must be taken through the Bank's application only. But photos are not stored locally and will be automatically removed from the application to prevent personal information being used by others.

Another significant step the company took in 2017 was to expand service areas to other provinces and collected data from the market survey, it is known that most of Lao people have high rate of accessing news and information through digital media compared to other channels. From the results, the company has developed Facebook and LINE channel to interactively communicate with customers. Currently, there are more than 100,000 followers on the company's digital media channel. The company also achieved the highest view of 1.8 million views from 7 million people in the country from Facebook advertisement proving that there's a high potential for marketing and creating a positive customer experience through the digital channels. Thus, the marketing and communication strategy is to invest mainly in digital channels over the next three years for expansion and to reach out to customers countrywide.

Type of Service: The company provides hire purchase, auto hire purchase, leasing service, and sales financing service (merchandise installment financing) for consumers, SMEs, and large corporations in Lao PDR.

Market and competition: The Lao PDR market is relatively small, but with high growth potential. The company focuses on developing strong relationships with its dealers and expanding dealer networks to other product categories and major provinces outside Vientiane aiming to be market leader in capitalizing digital banking and enhancing customer experience in Lao PDR.

Source of funds: The Bank

KRUNGSRI MICROFINANCE

Ngern Tid Lor Company Limited

Type of service: Provides sales and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles. In 2014 Ngern Tid Lor Company Limited (Ngern Tid Lor) launched non-life insurance brokerage services and other new product lines after entering the consumer finance segment in 2007 by acquiring a stake in a local Thai company operating since 1980. The Krungsri Group later acquired a controlling stake (99.99 percent) in the company in 2009.

Source of funds: The Bank and Ngern Tid Lor debentures

KRUNGSRI SECURITIES

Krungsri Securities Public Company Limited

Type of service: Brokerage services for listed securities.

Securities and derivative products brokerage: The company serves as a securities and derivative products broker, trading equity and derivative instruments for general investors and institutional investors both domestic and overseas. It is member number 29 of the Stock Exchange of Thailand. In addition, it provides securities research and analysis for customers to support their investment decisions.

Investment banking: Krungsri Securities provides financial advisory and underwriting services covering all aspects of finance, including fund-raising (both capital and loans),

financial reorganization, debt restructuring, mergers and acquisitions, feasibility studies, business value estimations, and transactions per Office of the Securities and Exchange Commission and Stock Exchange of Thailand regulations.

Personal fund management: Personal fund management, with each customer assigned a fund manager responsible for fund planning and management to meet their investment objectives and risk appetite.

Mutual fund selling agent services: The company acts as an agent for most mutual fund companies in Thailand by selling their companies' products to interested investors.

Investment: The company invests in debt and equity instrument securities along two investment lines: proprietary short-term investments and medium-to long-term investments.

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

Krungsri Asset Management Company Limited

Type of service: A leading Thai asset management company licensed by the Securities and Exchange Commission, offering a comprehensive range of products and services, including mutual funds, private funds, provident funds, and investment management in future contracts. The mutual funds consist of several types of investments such as stock funds, fixed income funds, foreign investment funds (FIF), commodity index funds, and property funds. The investment mission is to generate stable and sustainable returns. With assistance from highly experienced fund managers using precise, modern investment systems, investors can be confident that these funds will generate consistent returns suitable to specified risk. Products and services cater to the needs of each group of investors including individual investors, juristic persons, foundations, and institutional investors.

Source of funds: The company

KRUNGSRI FINNOVATE

Krungsri Finnovate Company Limited

Type of service: In March 2017 the Bank set up this new subsidiary 100 percent bank-owned under Bank of Thailand regulatory and investment guidelines: 1) venture capital in SME; or 2) venture capital in financial technology startups; or 3) venture capital in private equity trust or private equity related to financial technology; or 4) venture capital in other business types that will be permitted by the Bank of Thailand.

Source of funds: The Bank

KRUNGSRI SERVICES

Siam Realty and Services Security Company Limited

Type of service: Provides human resource services and vehicle rentals to the Bank and its subsidiaries within the scope specified by the Bank of Thailand, operating in two key business areas: providing drivers, maids, messengers, security personnel, and other essential staff to the Bank and its subsidiaries; and providing rental cars to the Bank and its subsidiaries within the scope specified by the Bank of Thailand.

Market and competition: Krungsri Services has no competitor in the market as it only provides support services to the Bank. The company has also expanded the car rental service to the Bank's subsidiaries and has provided training on operating procedures for both types of service to create service excellence for our customers.

Source of funds: The Bank

Hattha Kaksekar Limited

In September 2016 the Bank acquired all registered and issued shares (100 percent) of Hattha Kaksekar Limited (HKL), a leading microfinance institution in Cambodia. This underscored our concrete and accelerated step forward to becoming an ASEAN powerhouse. The Bank's expertise in consumer banking and microfinance will be shared to strengthen HKL's market lending position through enhanced capabilities and resources. This HKL acquisition will enable the bank to capture growth outside Thailand in line with our growth strategy.

At year-end HKL's total assets were USD 692 million, or 22,565 million baht. The total number of accounts reached 123,618 up 5.1 percent from 2016. Total loans were USD 577 million, or 18,853 million baht, an increase of 30 percent. HKL has consistently increased deposits, reaching USD 368 million, or 12,008 million baht, up 2.1 percent. HKL has 168 branch offices under its network, with 123 ATMs nationwide.

Services: HKL is a microfinance institution that operates across Cambodia, with practices characterized by quality and transparency, committed to providing practical financial services to customers in both rural and urban areas. To meet demand from customers of different backgrounds, a wide range of products and services has been developed and rigorously promoted, including loans for micro, small, medium, and large entrepreneurs, along with deposit and other services.

Market and competition: HKL is one of the longest-operating microfinance firms in Cambodia and retains its strong leadership in the industry and is among the top five microfinance firms by loans outstanding and savings collection.

Source of funds: The company

INVESTMENT OF BANK OF AYUDHYA PCL IN OTHER COMPANIES

The Bank owned 10% or more of the issued shares of the following companies.

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Kaksekar Limited	Microfinance Deposit Taking Institution (MDI)	Ordinary	30,000,000	100.00
2. Krungsri Ayudhya AMC Ltd.	Asset Management	Ordinary	270,000,003	99.99
3. Krungsri Factoring Co., Ltd.	Factoring	Ordinary	30,000,000	99.99
4. Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99
5. Ayudhya Capital Auto Lease PCL.	Finance (Auto Financing)	Ordinary	2,554,500,000	99.99
6. Ngern Tid Lor Co., Ltd.	Finance (Auto Financing)	Ordinary	88,702,847	99.99
		Preferred	222,000	
7. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	99.99
8. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	99.99
9. Krungsriayudhya Card Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	99.99
10. Krungsri Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	920,000	99.99
11. Krungsri General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	920,000	99.99
12. Total Services Solutions PCL.	Service (Collection)	Ordinary	160,599,822	99.99
13. Siam Realty and Services Security Co., Ltd.	Service	Ordinary	1,000,000	99.99
14. Krungsri Finnovate Co., Ltd.	Service	Ordinary	100,000,000	99.99
15. Krungsri Securities PCL.	Securities	Ordinary	135,000,000	99.84
16. Krungsri Asset Management Co., Ltd.	Asset Management	Ordinary	3,500,000	76.59
17. Krungsri Leasing Services Co., Ltd.	Finance (Leasing/Hire Purchase/Sales Finance)	Ordinary	2,736,000	90.00
18. Tesco Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
19. Tesco Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
20. Tesco General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00

COMPANIES THAT THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20% OF ITS PAID-UP CAPITAL

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd.	Furniture Manufacturer	Ordinary	95,000	10.00
2. Rent Trade and Service Co., Ltd.	Import and Distributors (Construction Machinery, Trucks etc.)	Ordinary	1,500,000	10.00
3. Finnomena Co., Ltd. ^{1/}	Information Service Activities	Preferred	634,513	13.158

COMPANIES ACQUIRED THROUGH DEBT RESTRUCTURING PROCESS

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Lenso Phonecard Co., Ltd.	International Line Public Phone Card	Ordinary	62,423,190	10.00
2. UMC Metals Limited	Manufacturing and Trading (Steel Rod)	Ordinary	95,000,000	10.00
		Preferred	50,000,000	

Remark: ^{1/} Indirectly holding via Krungsri Finnovate Co., Ltd. of 13.158%

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES AND JOINT VENTURES

For 2017 operating performance, the Bank, subsidiaries and joint ventures had interest income and non-interest income at a ratio of 71.10% and 28.90%, respectively. Interest on loans constituted the largest proportion representing 45.73% of total income. Details are as follows:

Income structure	2017		2016		2015	
	Million baht	%	Million baht	%	Million baht	%
Interest Income						
Interest on Loans	61,095	45.73	56,483	46.53	55,279	48.57
Interest on interbank and money market items	3,425	2.56	2,833	2.33	2,806	2.46
Hire purchase and financial lease income	28,209	21.11	24,322	20.03	21,313	18.73
Investments and trading transactions	81	0.06	139	0.12	87	0.08
Investments in debts securities	2,188	1.64	2,148	1.77	2,462	2.16
Total Interest Income	94,998	71.10	85,925	70.78	81,947	72.00
Non-Interest Income						
Fees and service income	26,341	19.71	24,142	19.88	22,670	19.92
Gain on tradings and FX transactions	4,233	3.17	3,905	3.22	3,216	2.83
Gain on investments	896	0.67	599	0.49	409	0.36
Share of profit from investment for using equity method	302	0.23	348	0.29	358	0.31
Dividend income	195	0.15	161	0.13	171	0.15
Bad debts recoveries	5,161	3.86	4,711	3.88	3,042	2.67
Other income	1,483	1.11	1,611	1.33	1,997	1.76
Total Non-Interest Income	38,611	28.90	35,477	29.22	31,863	28.00
Total Income	133,609	100.00	121,402	100.00	113,810	100.00

Income structure	2017		2016		2015	
	Million baht	%	Million baht	%	Million baht	%
1. Bank of Ayudhya Plc. ^{1/}						
Total Interest Income	64,955	72.99	59,792	69.75	57,427	72.37
Total Non-Interest Income	24,035	27.01	25,930	30.25	21,923	27.63
Total	88,990	100.00	85,722	100.00	79,350	100.00
2. Krungsri Ayudhya AMC Ltd.						
Total Interest Income	145	32.58	103	22.69	98	22.07
Total Non-Interest Income	300	67.42	351	77.31	346	77.93
Total	445	100.00	454	100.00	444	100.00
3. Ayudhya Development Leasing Co., Ltd.						
Total Interest Income	327	68.70	281	86.73	345	73.25
Total Non-Interest Income	149	31.30	43	13.27	126	26.75
Total	476	100.00	324	100.00	471	100.00
4. Krungsri Factoring Co., Ltd.						
Total Interest Income	1	100.00	2	66.67	2	33.33
Total Non-Interest Income	-	-	1	33.33	4	66.67
Total	1	100.00	3	100.00	6	100.00
5. Ayudhya Capital Auto Lease Plc.						
Total Interest Income	7,956	69.81	9,414	71.94	11,664	75.78
Total Non-Interest Income	3,441	30.19	3,672	28.06	3,728	24.22
Total	11,397	100.00	13,086	100.00	15,392	100.00
6. Ayudhya Capital Services Co., Ltd.						
Total Interest Income	10,238	64.79	8,895	64.99	8,191	65.38
Total Non-Interest Income	5,565	35.21	4,792	35.01	4,337	34.62
Total	15,803	100.00	13,687	100.00	12,528	100.00
7. General Card Services Ltd.						
Total Interest Income	1,608	50.34	2,273	59.64	2,193	60.87
Total Non-Interest Income	1,586	49.66	1,538	40.36	1,410	39.13
Total	3,194	100.00	3,811	100.00	3,603	100.00
8. Krungsriayudhya Card Co., Ltd.						
Total Interest Income	4,521	51.86	4,575	55.03	4,486	56.39
Total Non-Interest Income	4,197	48.14	3,739	44.97	3,469	43.61
Total	8,718	100.00	8,314	100.00	7,955	100.00

Income structure	2017		2016		2015	
	Million baht	%	Million baht	%	Million baht	%
9. Krungsri Securities Plc.						
Total Interest Income	61	9.76	53	8.91	56	10.83
Total Non-Interest Income	564	90.24	542	91.09	461	89.17
Total	625	100.00	595	100.00	517	100.00
10. Siam Realty and Services Security Co., Ltd.						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	619	100.00	595	100.00	579	100.00
Total	619	100.00	595	100.00	579	100.00
11. Krungsri Asset Management Co., Ltd.						
Total Interest Income	38	1.02	24	0.82	31	1.07
Total Non-Interest Income	3,670	98.98	2,887	99.18	2,874	98.93
Total	3,708	100.00	2,911	100.00	2,905	100.00
12. Total Services Solutions Plc.						
Total Interest Income	20	1.63	19	1.49	10	0.82
Total Non-Interest Income	1,208	98.37	1,253	98.51	1,213	99.18
Total	1,228	100.00	1,272	100.00	1,223	100.00
13. Ngern Tid Lor Co., Ltd.						
Total Interest Income	4,890	80.65	3,827	80.20	3,025	78.19
Total Non-Interest Income	1,173	19.35	945	19.80	844	21.81
Total	6,063	100.00	4,772	100.00	3,869	100.00
14. Krungsri General Insurance Broker Ltd. ^{2/}						
Total Interest Income	14	3.07	13	2.59	7	1.38
Total Non-Interest Income	442	96.93	488	97.41	500	98.62
Total	456	100.00	507	100.00	507	100.00
15. Krungsri Life Assurance Broker Ltd. ^{2/}						
Total Interest Income	11	3.12	10	2.75	6	1.65
Total Non-Interest Income	342	96.88	354	97.25	358	98.35
Total	353	100.00	364	100.00	364	100.00
16. Tesco Card Services Ltd.						
Total Interest Income	2,076	51.96	2,158	53.78	2,226	55.18
Total Non-Interest Income	1,919	48.04	1,855	46.22	1,808	44.82
Total	3,995	100.00	4,013	100.00	4,034	100.00

Income structure	2017		2016		2015	
	Million baht	%	Million baht	%	Million baht	%
17. Tesco General Insurance Broker Ltd. ^{3/}						
Total Interest Income	4	0.88	4	0.92	3	0.70
Total Non-Interest Income	450	99.12	431	99.08	428	99.30
Total	454	100.00	435	100.00	431	100.00
18. Tesco Life Assurance Broker Ltd. ^{3/}						
Total Interest Income	1	3.45	1	3.70	1	4.35
Total Non-Interest Income	28	96.55	26	96.30	22	95.65
Total	29	100.00	27	100.00	23	100.00
19. Krungsri Leasing Services Co., Ltd. ^{4/}						
Total Interest Income	434	96.44	131	87.33	27	77.14
Total Non-Interest Income	16	3.56	19	12.67	8	22.86
Total	450	100.00	150	100.00	35	100.00
20. Hattha Kaksekar Limited						
Total Interest Income	3,197	98.13	901	96.88	-	-
Total Non-Interest Income	61	1.87	29	3.12	-	-
Total	3,258	100.00	930	100.00	-	-
21. Krungsri Finnovate Co., Ltd. ^{5/}						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

Remarks: Year 2017 data are unaudited financial statement

^{1/} The Bank's statement of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited

^{2/} Indirectly holding via Ayudhya Capital Services Co., Ltd. of 100%

^{3/} Subsidiary of Tesco Card Services Company Limited

^{4/} As at December 31, 2017 and 2016, indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 78% and 35% and Ayudhya Capital Services Company Limited of 12% and 35%, respectively.

^{5/} The Bank invested on March 27, 2017 and immaterial financial information.



RISK FACTORS AND RISK MANAGEMENT



The Risk Management Group plays a vital role in the Krungsri Group by sustaining competitive capabilities while facing rapid business ecosystem change caused by global economic trends and disruptive technologies.

The Risk Management Group plays a vital role in the Krungsri Group by sustaining competitive capabilities while facing rapid business ecosystem change caused by global economic trends and disruptive technologies. Risk management mechanisms allow us to manage and maintain a sound risk appetite. Also, under the supervision of our risk management function a widespread and sophisticated risk management system has been adopted through our risk management structure, risk policies, and risk appetite frameworks.

The Risk Management Group has continuously developed and adopted MUFG policies and procedures to improve our capabilities in identifying, assessing, mitigating, and monitoring risks within an acceptable risk appetite. This collaboration across all business functions has led to more efficient risk management processes. The Bank has established risk management and controls with three lines of defense, separating roles, responsibilities, and accountability for decision-making to achieve better governance and risk management:

- Front-line teams responsible for day-to-day operations to ensure that the risk and control environments are safeguarded
- The Risk Management Group with oversight, monitoring, and control over risk procedures, and
- An internal audit function providing strengthened independent assurance by assessing policies and procedures to ensure effective implementation.

An integrated approach is used to manage four main types of risk: credit, markets, operations, and liquidity.

RISK MANAGEMENT STRUCTURE

The Risk Management Group is authorized to formulate risk management policies and procedures appropriate for each type of risk developed in accordance with our defined risk appetite, endorsed by the Risk Management Committee and approved by the Board of Directors. They are also responsible for monitoring and reporting portfolio quality, highlighting key risks, and developing strategies to manage potential portfolio and account risks for the Board and relevant committees. The authority and responsibilities of those involved in managing risk are allocated to seven entities:

Board of Directors

The Board defines our risk appetite, delegating approval authority for loan applications with specified amounts and credit risk ratings to the Credit Committee through the Executive Committee.

Credit Committee

The Credit Committee comprises senior executives from the Risk Management Group as well as senior executives from relevant functions.

Risk Management Committee

Primary responsibilities:

- Approving and recommending to the Board integrated risk management policies and procedures for Krungsri Group
- Reviewing Krungsri Group portfolio quality
- Reviewing key market and operational risks, operational losses (such as fraud), as well as related systems and human error, and
- Ensuring that Krungsri risk management methodologies are followed.

Credit Portfolio Subcommittee

The subcommittee's primary responsibility is to ensure solid portfolio management in accordance with Krungsri's policies and procedures by:

- Monitoring our portfolio credit concentration, risk trends, and policies for dealing with specific industries
- Considering credit policies for specific companies to avoid credit concentration, and
- Considering the management and operation of country risks.

NPL/NPA/TDR Monitoring Subcommittee

Primary responsibilities:

- Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR
- Supervising and following up on progress for these consistently to speed up debt restructuring and to prevent debt quality deterioration, and
- Approving principles for bid pricing and participation at collateral auctions for legal execution purposes or asset sales.

Collateral Valuation Committee

Primary responsibilities:

- Establishing and reviewing policies and procedures for collateral valuation submitted with loan applications and foreclosed assets or auctioned properties in accordance with asset revaluation regulations
- Overseeing and controlling internal property appraisers to ensure that they act with integrity and accuracy and follow Krungsri and Bank of Thailand procedures, and
- Reviewing and approving asset valuation results from internal or independent property appraisers.

Capital Management Subcommittee

Primary responsibilities:

- Supervising capital management, ensuring alignment with applicable regulations, and that capital management corresponds to the Bank's risk appetite and capital demand
- Supervising, reviewing, and providing recommendations for stress testing used as a tool for risk management, and
- Reviewing and approving capital allocation and assessing capital demand while adhering to the business plan and risk levels in both normal and crisis situations, and considering capital contingency plans whenever the Bank's capital has changed significantly.

KEY RISK FACTORS AND OUR MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

To support sustainable growth and manage risk with an integrated perspective, we established the Enterprise-wide Risk Management Framework (ERM) to oversee and manage all types of risk that may arise from changes in the external or internal environments using an internal capital adequacy assessment process (ICAAP) integrated into this framework.

Enterprise-wide Risk Management Framework (ERM)

Under this framework enterprise-wide risk management, tools are implemented to ensure that all material risks are identified, measured, and responded to within acceptable limits.

The Risk Appetite Framework is an overall risk governance framework including policies, procedures, controls, and



systems through which risk appetite is established, communicated, and monitored. It is meant to ensure that Krungsri Group has clear guidelines for appropriate risk levels that we can accept based on our risk capacity and business strategies.

The Risk Map was developed to identify potential risk events with material impact on Krungsri Group's business or risk profiles.

The Heat Map was implemented to measure and monitor the current risk status of key risk areas in an integrated manner using key risk indicators.

Top Risks are significant risks identified through the Heat Map and the Risk Map that warrant closer monitoring and require action plans within a reasonable timeframe to prevent or mitigate such risks.

The Internal Capital Adequacy Assessment Process (ICAAP) Integration

In response to ICAAP regulatory requirements, we have integrated this process with our ERM framework under which material risks can be dynamically identified considering the external and internal environment, our business plan, and the complexity of the Bank's businesses. Risk appetite is established and managed to ensure that our capital position is within acceptable limits and meets regulatory requirements under normal and stress conditions. Stress tests are conducted regularly and are overseen by the Capital Management Subcommittee where timely, effective action plans can be deployed.

Organization and Structure

Enterprise-wide risk is managed under our enterprise-wide risk management policy approved by the Board of Directors. The policy stipulates the risk management structure, roles and responsibilities, reporting lines, and broad guidelines governing enterprise-wide risk. This division manages the ERM framework including identifying and monitoring potential risk and Krungsri Group's consolidated status for all significant risks. The division also collaborates with risk owners to capture emerging risks, assess risk levels, and establish risk mitigation and prevention plans. Risk status, including risk mitigation and prevention plans, is regularly reported to the Board via the Risk and Compliance Committee, the Executive Committee, and the Risk Management Committee.

Significant Risks

Under the Enterprise-wide Risk Management Framework, the Bank has identified important risks — regulatory mandatory risks and material risks arising from external and internal factors. We have established risk monitoring and control processes to ensure that these risks are effectively managed within acceptable limits, with these important risks identified for 2017:

Risk Category	Risk Type
Mandatory Risk – Pillar I	Credit Risk
	Market Risk
	Operational Risk
Mandatory Risk – Pillar II	Concentration Risk
	Banking Book Interest
	Rate Risk
	Liquidity Risk
	Strategic Risk
	Reputation Risk
Other risk areas identified as material for 2017	

CREDIT RISK MANAGEMENT

Credit risk occurs when borrowers or counterparties fail to meet financial transaction obligations as agreed and can negatively impact both capital and loan loss reserve adequacy.

To manage such risks we have developed efficient credit risk management compatible with international standards based on a commitment to maintain a balance between the business and its credit underwriters to ensure

transparency and establish checks and balances between credit officers and relationship managers. These two stakeholders have a common purpose: to promote new quality credit growth and maintain existing loans effectively.

As part of this credit risk management approach, the Bank has improved our automation support. In addition to supporting Krungsri's credit operation standards, the Bank develops operational guidelines, roles, and responsibilities for loan officers at all levels and provides employees with understanding of credit principles and practices so that all parties can communicate well on a shared basis, with the Bank providing training courses on credit knowledge for relevant employees.

Krungsri's strategy for managing credit risk is continuously determined according to our risk appetite. To identify clear goals for practitioners, the Bank establishes policies and operational plans as guidelines which are in accordance with our strategy: credit policy; credit risk management policies; and credit rating policies. Customer risk is managed based on international standards and conforming to Bank of Thailand rules and regulations.

CREDIT RISK CONTROL

The objective of credit risk control is to avoid making unsound loans from the outset and after disbursement: Krungsri recognizes the importance of controlling credit risk. The credit risk management unit's responsibilities are divided between two teams: commercial and consumer, with these functions:

Commercial Risk Control

The Commercial Credit Risk Management Division manages borrower credit risk through our internal credit risk rating framework that has been enhanced continuously to meet MUFG's high standards. We currently classify business customers into two main groups based on their characteristics and size: Thai Global and JPC/MNC as one group and Thai corporates and SMEs as the other. With such classifications we can measure the probability of default (PD), loss given default (LGD), and exposure at default (EAD) more accurately and can better address unique characteristics for customers of various sizes. The Bank assesses the credit quality of its Thai Global and JPC/MNC customers and assigns risk ratings based on a MUFG credit rating model, while using our internally developed model for Thai corporates and SMEs.



Both MUFG's and the Bank's internal credit rating models are used to assign risk ratings for customers at origination or acquisition, reassessed annually, and adjusted for changes in credit quality over the life of the exposure through our credit review process. In assessing the risk rating of a particular loan or lending-related commitment we consider factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and geography where the customer operates. We acknowledge that each customer is different and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. More specifically, larger customers can be evaluated using their audited financial statements, while using the Bank's internal pro forma statement for smaller companies. To ensure that our credit rating framework meets MUFG's high standards the Bank has collaborated with them on enhancing its internal credit rating framework to include additional qualitative customer factors, for example, support from parent companies are incorporated into risk adjustment procedures. Special types of customers are handled with special risk-model forms. These special customers include government organizations, religious institutions, academic institutions, special-purpose companies (SPC), and project finance.

Model development to comply with IFRS9 is in place following the main principles and protocols of regulators (e.g. the Japanese Financial Services Agency, the Bank of Thailand). We have collaborated with MUFG to establish a new credit rating framework to better reflect the Bank's

actual credit risks by leveraging MUFG expertise and know-how. Continuous model validation and adjustment along with systems development and enhancement are in place to support credit risk control in an ever-changing environment so that our risk management practices are of the highest international standards with our goal of becoming a truly globalized bank.

Consumer Credit Risk Control

The Consumer Credit Risk Management Division establishes product program criteria approved by delegated authorities such as the Risk Management Committee. Credit approval decisions and line assignments are based on application scorecards and credit bureau reports. Where applicable, line enhancements are based on behavior score and risk grade. Underwriting is carried out based on approved criteria and is managed by the Consumer Credit Risk Management Division; past-due management is centralized and is managed by a separate unit. Procedures are automated. The three models we use were incorporated into our automated system in 2014. These models have helped us to further strengthen our portfolio management and are a major step toward complying with the Advanced Internal Ratings-Based Approach (AIRB), while the Expected Credit Loss Model is under development for the International Financial Reporting Standards (IFRS) compliance in the future.

COUNTRY RISK MANAGEMENT

To assess the impact of potential losses and take proper preventive measures Krungsri directly and indirectly monitors country risk exposure for situations that can potentially adversely affect business in any given country.

For country risk management, we determine the proper countrywide limits for granting credit to, investing in, creating contingent liabilities for, and making credit-like transactions to counterparties in each country according to their sovereign rating and external credit rating agency (ECAI) ratings. These guidelines enable us to manage country and cross-border risks, including concentration risks enabling us to discreetly expand our business to all countries across the ASEAN Economic Community (AEC). Krungsri also conducts an in-depth analysis of each customer including trend analysis, industry concentration, and a financial and cash flow-to-debt-ratio analysis.

Concentrated Credit Risk

Krungsri has mitigated concentration risk from granting credit to, investing in, creating contingent liability for, or making credit-like transactions to a particular customer or industry to avoid any customer or industry likely to generate heavy losses due to credit risk.

The Bank also manages concentrated credit risk by determining thresholds and limits for granting credit to, investing in, creating contingent liabilities for, or making credit-like transactions to large-borrower groups and their related parties which defined by regulator's condition as large-borrower group.

To mitigate exposure to counterparty credit risk we enter into an ISDA credit support annex (CSA) with most of these counterparties: this requires cash collateral or highly liquid securities should the fair market value of any contract exceed the risk threshold.

CREDIT RISK MANAGEMENT AND REVIEW

We rigorously monitor and review customer and portfolio risk in these ways:



Furthermore, a threshold limit was established and adjusted for Krungsri credit risk arising from industry concentration by controlling and monitoring the outstanding balance for each industry, which must not exceed a given industry's threshold and limit.

Counterparty Credit Risk

Counterparty credit risk is associated with default by counterparties related primarily to derivative contracts. Krungsri counterparties are normally customers that need to square their positions and minimize their risk exposure. To mitigate risk arising from customer transactions, we may partially or fully hedge our risk exposure through offsetting agreements with other counterparties – mostly other banks. To determine each counterparty's credit risk limit we use the same approval and criteria as for other credit risks and closely monitor counterparty credit status for aggregate exposure, credit equivalent amounts, and credit valuation adjustments – information that is promptly and regularly reported to senior management.

Reserve Adequacy

Loan loss provisions are calculated based on Bank of Thailand regulations. Reserves are calculated by the Risk Management Group, while the adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Specific reserves are allocated to portfolios as required, with regular stress tests conducted to ensure reserves adequacy.

Credit Risk Audit

The Credit Audit Department is an independent department under the Audit Group responsible for examining and reviewing Credit Risk Management Group operations, with scope and plans approved by the Audit Committee and the Board of Directors. The review covers risk ratings, covenant compliance, compliance with the Bank's credit policies, and those of the Bank of Thailand.

Credit Monitoring and Management Information System

We regularly monitor credit outstanding along with portfolio performance and update this information to the Board of Directors, relevant committees, and senior management. Our monthly credit portfolio report includes information on portfolio quality and segment trends by facility, ratings, geography, industry, and delinquency. Moreover, apart from regular reports the Credit Risk Group's credit monitoring includes reporting and analyzing any abnormal situations that may affect the Bank's credit portfolio.

Stress Testing

The Risk Management Group conducts stress tests based on our stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, and the Board. We have strategies and action plans in place to prevent any adverse effects. In addition, Krungsri's stress test complies with both local (Bank of Thailand) and Japanese (Japanese Financial Services Agency) regulatory requirements as well as MUFG global requirements.

Subsidiary Management

These subsidiaries operate under consolidated supervision: Krungsri Ayudhya AMC Limited (KAMC); Krungsri Factoring Company Limited (KSF); Ayudhya Capital Auto Lease PLC (AYCAL); Ayudhya Development Leasing Company Limited (ADLC); Ayudhya Capital Services Company Limited (AYCAP); Krungsri Life Assurance Broker Limited (KLAB); Krungsri General Insurance Broker Limited (KGIB); General Card Services Limited (GCS); Krungsriayudhya Card Company Limited (KCC); Krungsri Securities PLC (KSS); Siam Realty and Services Company Limited (SRS); Krungsri Asset Management Company Limited (KSAM); Total Services Solutions PLC (TSS); Krungsri Leasing Services Company Limited (KLS); Tesco Card Services Limited (TCS); Tesco Life Assurance Broker Limited (TLAB); Hattha Kaksekar Limited (HKL); Ngern Tid Lor Company Limited (NTL); Tesco General Insurance Broker Company Limited (TGIB) and Krungsri Finnovate Company Limited (KFin).

All subsidiaries maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer supervises subsidiary risk management activities.

These subsidiary risk management units must: comply with our overall risk management strategy; ensure sufficient capacity with the required risk-related infrastructure; and comply with our risk-appetite objectives and reporting requirements. All product, policy, and procedural changes must be approved by the Chief Risk Officer and the Risk Management Committee.

Non-performing Loan Management

Non-performing loans (NPLs) are managed by a dedicated team of specialists experienced in handling past-due accounts. They manage all high-value loans and determine the best approaches for collecting from customers to improve asset quality and minimize losses. They also conduct NPL sales based on guidance and approval from the Board of Directors.

MARKET RISK MANAGEMENT

To maintain forward-looking risk management that supports products with high market potential amid more complex customer demand, a surge in global financial market volatility and tightened central bank regulation and guideline.

Market Risk

Market risk is a threat that can adversely impact income and capital funds caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities. The assessment, control, and monitoring of market risk can be divided into two parts: the trading and banking books.

Trading Book

The nature and purpose of a transaction determines whether a position is a trading position. A trading book consists of positions in financial instruments held either with trading intent or to hedge other elements of the trading book. The Bank's trading activities are exposed to three types of risk under market risk management:

- **Interest Rate Risk Management:** Interest rate risk management refers to loss affecting income and/or shareholder equity due to interest rate changes that can be on- or off-balance sheet in the trading book. The Bank manages interest rate risk exposure from debt instruments and derivatives in the trading book position according to the size and complexity of transactions under the trading book policy framework and in accordance with Bank of Thailand regulations.

- **Foreign Exchange Risk Management:** Foreign exchange risk refers to loss affecting income and/or shareholder equity due to exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities. The Bank's policy is to limit our net foreign currency position. Most foreign currency transactions are services provided to our customers.
- **Price Risk Management:** Price risk refers to loss affecting income and/or shareholder equity due to equity price movements. The Bank's policy is to invest in equity securities for medium- to long-term investment. Under best practices for price risk management, equity issuers' qualifications must be assessed.
- **Basis Risk:** Basis risk arises from an imperfect correlation in adjusting rates earned and rates paid on different instruments with otherwise similar repricing characteristics. When interest rates change, these differences can lead to unexpected changes in our cash flow and earnings spread between assets, liabilities, and off balance sheet (OBS) instruments of similar maturity or repricing frequency. An example would be prime pegged loans funded by interbank deposits. Where prime rate changes lag interbank rate changes, the spread between the two index rates may change.
- **Option risk:** Of particular importance is option risk, where behavioral maturity differs from contractual maturity: for example, an option granted to customers to withdraw deposits or prepay loans at anytime.

Banking Book

In addition to the trading book position, the banking book — for both on-balance sheet and off-balance sheet — may also be impacted by interest rate changes. When interest rates fluctuate, our income and/or shareholders' equity value may be affected as well.

The banking book includes positions in financial instruments or other transactions not intended for trading, or financial instruments intended at the onset to be held for a long period or until the end of maturity. Interest rate risk in the banking book is classified into four categories:

- **Repricing Risk:** This is the primary and most frequent form of interest rate risk that we may encounter. Repricing risk arises from timing differences in the maturity (for fixed rates) and repricing (for floating rates) of the Bank's assets, liabilities, and off-balance-sheet (OBS) positions. Such repricing mismatches can expose our income and underlying economic value to unanticipated fluctuations as interest rates change.
- **Yield Curve Risk:** This refers to the risk from changes in the slope and shape of the yield curve. The Bank encounters yield curve risk when unanticipated shifts of the yield curve create adverse effects on our earnings or underlying economic value. In practice, since banks are usually negatively gapped, the risk is that the yield curve unexpectedly becomes inverted — that is, short-term interest rates become higher than long-term rates.

Market Risk Governance

Principle

The objective: to achieve sustainable growth and returns for shareholders. The Bank has put in place a robust risk management framework by monitoring and mitigating market risk under the risk appetite approved by the Board of Directors. We also review the risk policies and limits framework to ensure that they are commensurate with the scope, volume, and complexity of transactions. We have also adopted the ICAAP and ERM concepts to determine market risk — one of the key components of KRIs and merging the ICAAP into the ERM process. With this framework, we assess all material risks to develop comprehensive risk management guidelines and maintain sufficient capital for both normal and stressed business conditions.

In addition, the Bank emphasizes the importance of current and future regulatory compliance. In 2017 the Bank of Thailand introduced new regulations on the supervision of Domestic Systemically Important Banks (D-SIBs) to promote financial stability, with Krungsri being designated as a member of this group. Given this, we need to comply with additional capital requirements as well as other supervisory requirements. Presently, the Bank's capital funds are maintained at a level far higher than the BOT's minimum requirements and are sufficient to meet additional D-SIBs requirements.

Governance Structure

The risk management system is complemented by our risk management governance structure with three important components:

- 1) The Board of Directors is responsible for market risk appetite approval and authority delegation to the Risk Management Committee to manage and control market risk consistent with the Bank's policy.
- 2) The Asset and Liability Management Committee (ALCO) establishes guidelines for appropriately managing assets, liabilities, and off-balance sheet items.
- 3) The Bank's organizational structure clearly segregates the responsibilities and duties of the units responsible for executing transactions, operations, and risk management to avoid conflicts of interest.

Market Risk Management Framework

Market risk management is overseen by the Risk Management Committee. The Market Risk Management Division has provided strategic risk management options and reported risk exposure to the committee to manage and control market risk consistent with the Bank's policy. The Global Markets Group executes transactions and manages positions under risk limits approved by the Board. The Strategic Assets and Liabilities Management Department provides ALCO with analyses of the Bank's and competitors' balance sheet management as well as strategic risk options for more effective market risk management.

Measurement

The Bank continues to enhance market risk measurement to align with new international frameworks for market risk capital requirements and interest risk management in the banking book issued by the Basel Committee on Banking Supervision (BCBS) such as the Fundamental Review of the Trading Book (FRTB) and Interest Rate Risk in the Banking Book (IRRBB) with continuous, strong MUFG support and knowledge-sharing.

In 2017 many projects especially the ongoing development were initiated to enhance risk measurement tools including the IT system, work process efficiency, and employee expertise to comply with revised and new regulatory reporting standards, while also keeping up with our peers and maximizing our treasury product potential, amid more complex customer demands.

2017 Trading Book Transaction Risks

Market Risk Management in the Trading Book

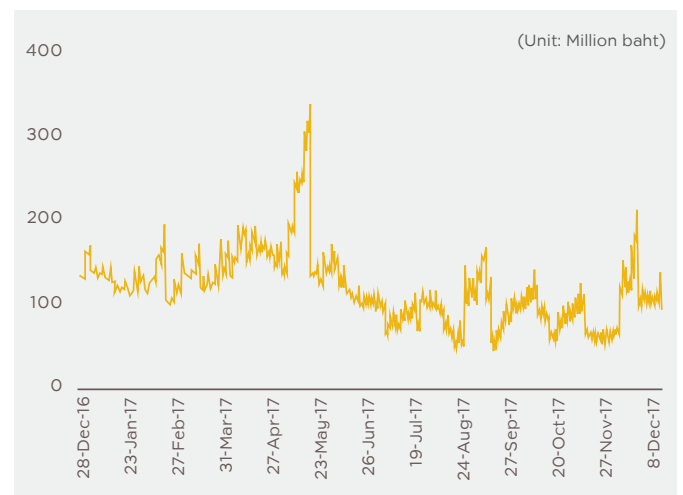
Given that movements in market risk factors are external and beyond our control, we emphasize effective market risk management and monitoring market risk exposure closely for timely responses to changes in the business environment. We continue to use Value-at-Risk (VaR) as our risk assessment tool and conduct backtesting to assess the reliability of the models. We also conduct stress testing to assess risk under crisis situations.

Global Financial Market Volatility and Risk Management in 2017

The Thai economy continued to face ongoing major external risks ongoing since 2016. Uncertainty in global politics and US Federal Reserve Bank interest rate hikes triggered turbulence in the global money market, capital inflows and lower long-term government bond yields.

More active front office position trading exposing the Bank to market risk has been closely monitored, with timely reporting to the management and related committees. These practices were adopted to ensure that we remain within our market risk appetite.

2017 Total Daily Value-at-Risk (VaR) Movement

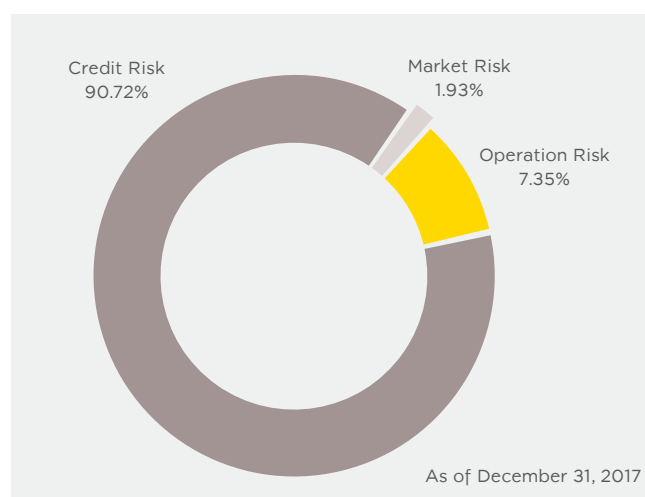


The Bank's aggregate 2017 market risk was well within acceptable levels. The VaR for a 10-day holding period at the 99 percent confidence level of the trading book averaged 90.04 million baht.

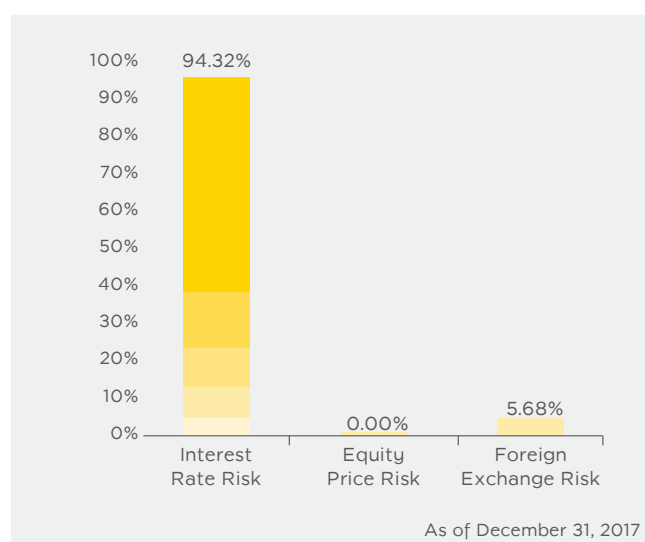
Market Risk Capital Requirement

Krungsri assesses and maintains Krungsri and Financial Business Group capital charges for market risk in accordance with the Basel III standardized approach (SA) that complies with the Bank of Thailand's notification on guidelines for financial institutions' market risk supervision.

Financial Group: Minimum Market Risk Capital Requirement



Financial Group: Minimum Market Risk Capital Requirement (Classified by risk type)



2017 Banking Book Transaction Risks

Managing Interest Rate Risk in the Banking Book

Assessing, controlling, and monitoring interest rate risk in the banking book:

Our interest rate risk has been mitigated through bond portfolio rebalancing strategically proposed and conducted by the Global Markets team thanks to limited probability for policy rate changes and yield-curve projections.

Short-term effect analysis: The Bank assesses the probable impact on net interest income from an earnings perspective resulting from mismatches between the interest rate structure and on- and off-balance sheet positions. We also conduct repricing gap analysis by static simulation and dynamic simulation based on projected interest rate trends.

Long-term effect analysis: We analyze interest rate risk reflecting the sensitivity of the economic value of shareholder equity (economic value perspective).

Krungsri Group Net Interest Income Sensitivity and 2017 Repricing Gap Profile

Our net interest income sensitivity over the next 12 months has been simulated and reported to the management and related committees to ensure that interest rate risk is within the risk appetite approved by the Board. Results of the Group's interest rate risk assessment and repricing mismatch (assuming a 1.00% increase in interest rates of all types of assets, liabilities, and off-balance sheet items at their different repricing periods) are shown below:

Impact on Financial Business Group's Net Interest Income (Earnings Perspective)

(Unit: Million baht)

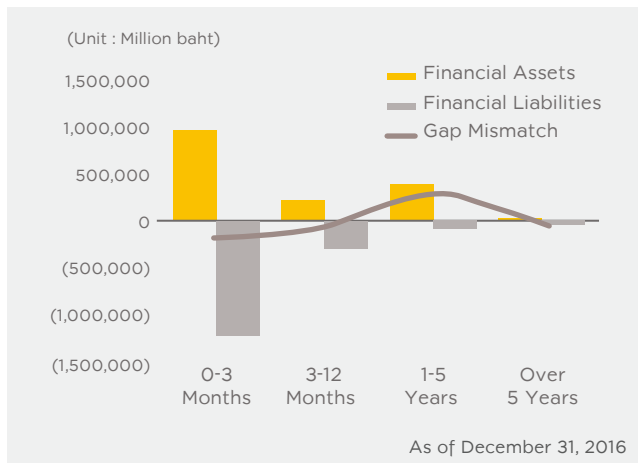
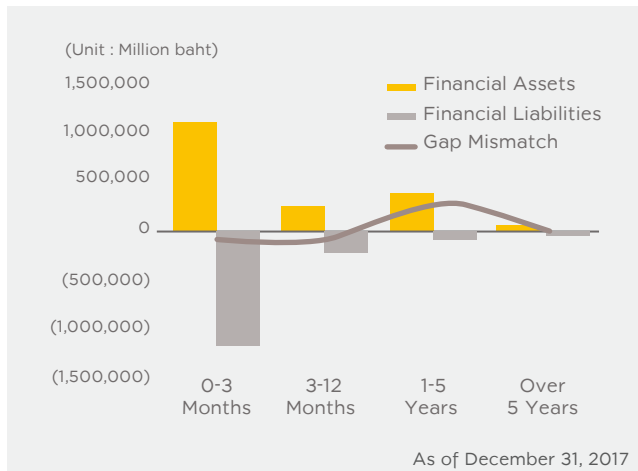
Currency	As of December 31, 2017
THB	-419.25
Other Foreign Currencies	-469.04
Total Impact	-888.29
% of Total Net Interest Income	-1.220%

Impact on Financial Business Group's Economic Value of Equity (Economic Value Perspective)

(Unit: Million baht)

Currency	As of December 31, 2017
THB	-4,214.30
Other Foreign Currencies	-256.39
Total Impact	-4,470.69
% of Capital Fund	-1.773%

Comparison of Financial Business Group's Assets and Liabilities based on Next Repricing Maturity



Financial assets consist of interbank and money market items, investments, and loans to customers.

Financial liabilities consist of deposits, interbank and money market items, debt issued, and borrowings.

LIQUIDITY RISK MANAGEMENT

To meet the resulation requirement and ensure efficient risk management amid the transition to digital banking and the shift in consumer behavior caused by the emergence of the financial technology (FinTech) business.

Liquidity Risk

Liquidity risk arises from failure to repay debts and contingent liabilities by the due dates because of an inability to convert assets into cash; it also relates to failure to obtain sufficient funds or higher-than-expected funding costs, thus adversely affecting income and capital funds.

Liquidity Risk Governance

Principles

The Bank's liquidity management uses qualitative and quantitative approaches to ensure appropriate risk diversification. Krungsri recognizes the importance of regulatory compliance and emphasizes managing and controlling liquidity risk consistent with our risk appetite and reasonable operating costs, while complying with Bank of Thailand guidelines on the Liquidity Coverage Ratio (LCR) since January 1, 2016. Preparations are made to comply with the BOT's potential guidelines on Net Stable Funding Ratio (NSFR) although they remain under the central bank's consideration. In addition, the Bank established emergency contingency plans and effective excess liquidity management commensurate with the current economic situation. We seek to ensure that adequate cash and other liquid assets are available for both Krungsri's and our subsidiaries' business operations.

Governance Structure

Our risk governance structure comprises three important components:

- 1) The Board has delegated authority to the Risk Management Committee for managing and controlling liquidity risk in accordance with Board-approved risk policies and limits.
- 2) The Asset and Liability Management Committee (ALCO) closely monitors liquidity positions and risk.
- 3) Our organizational structure is established with clear segregation of duties and responsibilities of the business units responsible for transaction execution, operations, and risk management to avoid conflicts of interest.

Liquidity Risk Management Framework

Funding risk management is overseen by the Risk Management Committee. The Market Risk Management Division provides strategic options for risk management and reports risk exposure to the committee for liquidity risk management and control in line with the Bank's policy. The Strategic Assets and Liabilities Management Department provides ALCO with analysis of the Bank's and competitors' balance sheet management including our liquidity risk and funding strategic options. The Global Markets Group is responsible for monitoring and managing daily liquidity.



Measurement

The Bank of Thailand has imposed guidelines for the Liquidity Coverage Ratio (LCR) under the Basel III Liquidity Framework. We've also studied the quantitative impact of the Net Stable Funding Ratio (NSFR) and make the preparation to comply with the guidelines, which have yet to be introduced by the BOT.

We realize the significance of adequate liquidity risk measurement tools and methodologies appropriate for the size and complexity of transactions both on- and off-balance sheet, while employing various liquidity risk management tools such as cash flow and liquidity projections and liquidity gap analysis by assets, liabilities, and contingent liabilities. The Bank also manages foreign currency liquidity risk by determining appropriate levels of foreign-currency-denominated liquid assets and providing balance sheet analysis in major currencies in accordance with Krungsri balance sheet structure. In addition, a liquidity cushion has been provided, with regular testing of liquidity contingency plans.

Moving toward digital banking and challenges arising from shifts in customer behavior

Government policy moved forward in developing the financial sector with new innovative industry - Thailand 4.0 and the digital economy - introducing the national e-Payment system using the PromptPay service jointly provided by all commercial banks. Furthermore, the emergence of a new generation of financial technology - FinTech - resulted

in a complete ecosystem of supporting structures including the banking system.

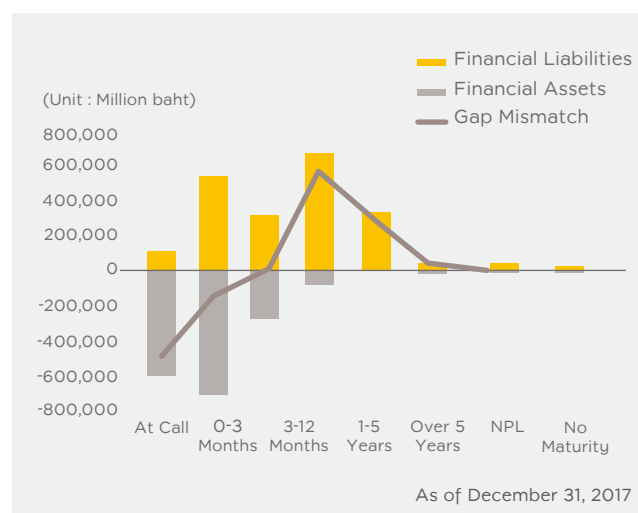
Challenges have arisen from the shift in depositors' behavior and more intense competition resulting from the transition to the digital economy, technological advancements, and the emergence of FinTech companies. To brace for future technological developments in the financial market and changing consumer behavior in the digital economy, the Bank is dedicated to maintaining our competitiveness for both banking and non-banking businesses while advancing our presence in new markets. In March the Bank established Krungsri Finnovate Company Limited to sharpen our competitive advantages and forge partnerships to jointly innovate new financial products and services.

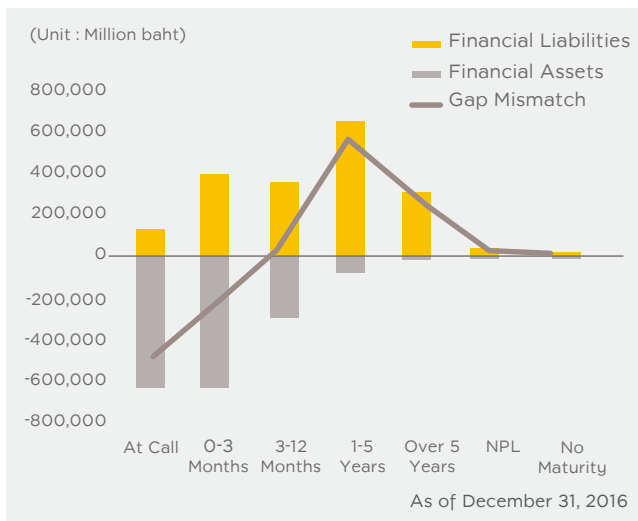
2017 Risk Factors and Liquidity Risk Management

The Bank's aggregate liquidity risk has been relatively low considering our liquidity cushion to support maturity mismatches per the liquidity gap report and huge capital inflows in the domestic financial market. Early warning signs for monitoring liquidity risk were also within our risk appetite.

With the liquidity gap based on remaining contractual maturities and to ensure efficient liquidity risk reporting and monitoring, the Bank also considers, under both normal and crisis situations, adjusting the results based on behavioral maturities aligned with the actual behavior of significant items. Methods used for assets included prepayment rates or early payment rates, and rollover rates (since certain loans may not generate cash inflow under the agreements). Methods used for liabilities included analysis to understand the "stickiness" of the Bank's deposit portfolio, early withdrawal rates or rollover rates even upon deposit due.

Comparison of Financial Group Assets and Liabilities Based on Remaining Contractual Maturity





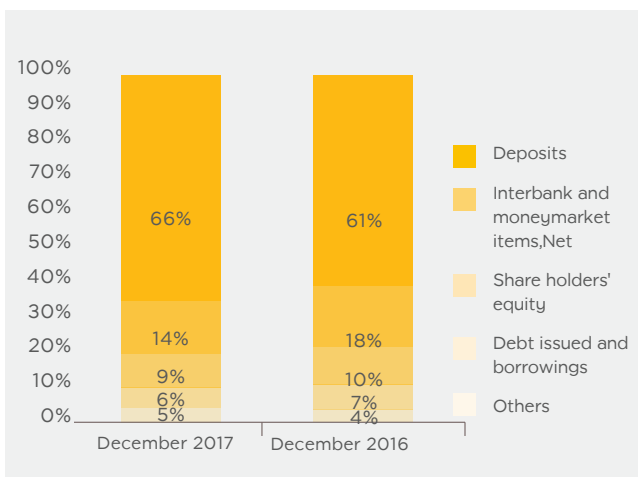
Financial assets: interbank and money market items, investments, and loans to customers

Financial liabilities: deposits, interbank and money market items, debt issued, and borrowings

We have also reviewed the structure of our funding sources to suit changing market conditions and liquidity trends in the commercial banking system. The Bank's main funding sources are short-term deposits of mostly less than one year including non-matured deposits, while the use of funds for lending have longer maturity dates than the deposits. Our liquidity risk factors arise from the structure of funding sources and the use of funds.

Customer deposits are our major funding source: they are well diversified by customer type and deposit type. Deposit campaigns and mobile banking service are provided to facilitate banking transactions. Other funding sources include interbank and money market items as well as debt issued and MUFG borrowings.

Financial Group Funding Sources



OPERATIONAL RISK MANAGEMENT

The Bank's operational risk includes the risk of loss resulting from inadequate or failed internal procedures, technology problems, human factors, and external events; this also includes legal risk, but excludes strategic and reputational risks.

Key risk factors can arise from: misconduct by internal or external parties; flawed procedural design or internal controls; noncompliance with laws or regulations; system collapse or inadequate systems that may lead to data corruption; system errors; security breaches; and system failures. The risk factors from external events such as political crises, pandemics, flooding, and other environmental impacts are uncontrollable.

Operational risks may occur in any part of the Bank's business and can result in financial or non-financial impacts including legal and regulatory breaches or reputational impacts. The Bank is committed to effectively managing and mitigating major operational risks with a proactive approach as well as continuing to embed a culture of operational risk awareness throughout the Bank and its subsidiaries.

Principles

We place considerable emphasis on operational risk management with sufficient resources provided to control the risk level under our risk appetite and to promote sound operational risk management governance and frameworks. Every employee is accountable for managing operational risk.

Organization and Structure

Operational risk is managed under Krungsri Group's operational risk management policies, approved by the Board of Directors. Krungsri policy stipulates the minimum requirements for a framework that is implemented throughout the organizational structure along three lines of defense to ensure independent oversight of operational risk management throughout Krungsri Group. All business units as primary operational risk owners and risk-takers have prime responsibility for day-to-day identifying and managing of operational risk inherent in their products, activities, procedures, and systems in accordance with the Bank's policy.

The Risk Management Committee, assigned by the Board of Directors, is responsible for formulating strategies and for overseeing the adequacy of risk and control procedures. The Committee meets monthly to review and make recommendations on operational risk profiles. The Operational Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for designing, maintaining, and continuously developing the operational risk framework and measurement system to ensure that operational risk is well-mitigated and properly managed. This division also monitors and reports significant risks and risk-related incidents to senior management and relevant committees. In addition, the Internal Audit function provides an independent check on the design, adequacy, and effectiveness of our internal controls.

Operational Risk Management Framework and Tools

The Bank's information technology enhancement, as part of our endeavor to deliver digital banking products and services through electronic channels, could result in greater diversity of operational risks, including technology risk. We continue to strengthen and improve risk management across the Bank and its subsidiaries to brace for potential risks.

The Risk and Control Self-Assessment (RCSA) Program, a tool that provides a forward-looking view of key risks, is reviewed regularly based on historical loss data and changes in the business environment. We also conduct risk assessment on new products, processes, and systems to ensure that all new products or significant changes of existing processes and systems are subject to comprehensive risk evaluation and approved by the management before launch.

Key risk indicators are collected and tracked for both the Bank and the business units to provide early warning signals of deterioration in Krungsri Group's internal controls. Appropriate action plans must be put in place to prevent losses should that the risk level exceeds acceptable thresholds.

All departments are responsible for reporting operational risk incidents that result in direct and indirect losses beyond a certain threshold, including near-miss and nonfinancial impact events to the Operational Risk Management Division. The Bank established a Significant Incident Management Working Group: For significant incidents a root cause is analyzed and raised through working group discussion to ensure effective preventive



Krungsri Group recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across Krungsri Group, key products and customer services can be provided or recovered within a reasonable period.

measures and root-cause analysis and to leverage lessons learned from significant operational risk incidents to others business units.

An ongoing process to manage and monitor potential operational risks that might stem from outsourcing or insourcing arrangements is in place: When considering the continuity of business operations, providing customer service, and suitable protection of customer information are our main benchmarks for accountability.

Krungsri Group recognizes the importance of business continuity management to ensure that if disruptions occur anywhere across Krungsri Group, key products and customer services can be provided or recovered within a reasonable period. Key risks and threats are periodically assessed and reviewed by senior management from a business-continuity perspective, including political crises, pandemics, technology disruptions, flooding, and other environmental impacts.

A risk-reporting process is in place within Krungsri Group, with all units and subsidiaries accountable for reporting their operational risks such as RCSA, KRI, and data loss to the Operational Risk Management Division for analysis. Our operational risk profiles and performance reports

are then prepared and delivered to the Risk Management Committee and the Board regularly to detect early changes in key operational risks within Krungsri Group and to drive decision-making process..

Capital Requirements

We currently use the Standardized Approach (SA) to calculate operational risk capital within Krungsri Group. These capital requirements are detailed in this table:

Krungsri Operational Risk Minimum Capital Requirements

as of December 31, 2017 and December 31, 2016

(Unit: Million baht)

Standardized approach	2017	2016
Total operational risk		
capital charge	8,223	7,437
Equivalent risk weighted		
assets for operational risk	102,786	92,960



CORPORATE GOVERNANCE



Krungsri commits to always and continuously applying good corporate governance criteria and guidelines.

Krungsri places importance on conducting business under "Good Corporate Governance Principles" ("the Principles") which will benefit organization and all stakeholders as well as the capital market and society at large. Krungsri therefore commits to always and continuously applying good corporate governance criteria and guidelines which can be seen from its operations summarized into five sections as follows:

SECTION 1 SHAREHOLDERS' RIGHTS

1.1 Policy on and Protection of Shareholders' Rights

Krungsri realizes and places importance on equality of all shareholders' rights and does not commit any action that will violate or deprive of the shareholders' rights or restrict their opportunities to learn information about Krungsri. The shareholders are entitled to access Krungsri's information via the Stock Exchange of Thailand's disclosure channels as well as Krungsri's website under the heading "Investor Relations", which contains updated operating performance, shareholders' and investors' information, exercise of the shareholders' rights and also Krungsri's activities.

Krungsri encourages its shareholders to exercise their rights including their basic legal rights such as the right to purchase, sell or transfer shares, the right to participate in and vote at meetings of shareholders, the right to receive profits/dividends and the right to equitable treatment in share buy-backs (if any). The shareholders are entitled to take part in decision-making of meetings of shareholders on significant or affect issues such as directors' remuneration, amendment to the Articles of Association, allocation of capital increase or decrease shares and business acquisition where the price appraisal is done by an independent party.

In addition, Krungsri's current shareholder structure has no cross or pyramid shareholding among Krungsri Group.

1.2 Meetings of Shareholders

Krungsri organized the Annual General Meeting of Shareholders 2017 ("the AGM") No. 105 on April 27, 2017 in compliance with the Bank's Articles of Association, applicable laws and relevant regulations and in line with the quality assessment principles of the AGM Checklist, the good corporate governance standard designated by the regulators as well as the criteria for survey and assessment of good corporate governance of Thai listed companies based on the ASEAN CG Scorecard as follows:



- The minority shareholders were entitled to propose agendas and nominate qualified persons to be elected as the directors three months prior to the end of the fiscal year (September – November 2016). The criteria, procedures and methods for exercising such rights were posted on Krungsri's website. The shareholders were informed at the AGM that no shareholder had proposed any agenda or nominated any person for director election.
- The notification of the AGM was published both in Thai and English and dispatched together with the annual report in CD-ROM 28 days prior to the AGM date. It was also disseminated on Krungsri's website more than 30 days prior to the AGM date in order to give the shareholders adequate time to study the information.
- The shareholders can use the request form attached to the notification of the AGM or download it on Krungsri's website in order to submit their questions concerning Krungsri or AGM agendas requiring replies at the AGM, including a request for a published annual report.
- The notification of the AGM was posted at the Head Office and all Krungsri branches 14 days prior to the closing date of the share register and advertised for 3 consecutive days in a local newspaper more than three days prior to the AGM date.
- The notification contained clear information on the date, time, venue and details of the agendas which clearly indicated the purpose of request either acknowledgement or approval. The details of agenda comprise of sufficient facts and reasons, adequate and precise opinion given by the Board of Directors and relevant committees as supporting information for consideration. The agendas on the election and remuneration of directors are separated from each



other. In addition, details on the registration process and a list of documents to be presented to Krungsri's officers in accordance with rules and regulations stipulated by the regulators prior to attending the AGM, both in person and by proxy, as well as meeting participation methods, the Bank's Articles of Association on meetings of shareholders, voting procedure and method, including a map of the venue are also provided.

- Krungsri neither added any agenda nor changed any significant information without prior notice to the shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the AGM. In case a shareholder wishes the other person to present at the meeting on his/her behalf, he/she can use the proxy form to express his/her voting. Krungsri also provided duty stamps. Moreover, Krungsri clearly indicated a list of required documents and procedures with uncomplicated conditions for proxy appointment. The Chairman of the Board and two independent directors were nominated as options for the shareholders to appoint as their proxies whereby their brief profiles were also provided.
- Krungsri appropriately supported and facilitated all shareholders including institutional shareholders in exercising their rights to participate in and vote or authorizing a proxy to participate in the meeting and vote on their behalf. The AGM was organized at Krungsri's Head Office which is convenient to travel to and Krungsri did not make any attempt to obstruct opportunities for the shareholders to communicate with each other.

- The officers of the Public and Investor Relations Department are assigned to coordinate, provide information and answer questions from the investors and shareholders.
- For the agenda on election of directors, votings were made on individual director being nominated whereby their brief profiles i.e. name-surname, age, educational background and working experiences separated by listed and non-listed companies were provided, besides the information on selection criteria and procedures, type of directors and shareholding of Krungsri's securities. For those being nominated for re-election, the number of Board meetings they attended in the previous year, appointment date and other relevant and necessary information being useful for the shareholders' consideration are also shown. In addition, before consideration of this agenda, the directors who retired by rotation and were nominated for re-election left the meeting room and returned to the meeting only when subsequent agendas arose, so that the shareholders could discuss and cast their votes independently. In casting votes, ballots from all participating shareholders were collected.
- For the agenda on directors' remuneration, the amount and each type of remuneration i.e. remuneration, attendance fee and other annual compensation as well as remuneration for the committee members reporting to the Board of Directors, along with the policy and criteria for consideration of payments were specified.
- For the agenda on auditor appointment and auditor fee, details of nominated auditor(s) to be appointed/reappointed, including companies they are working for, their experiences, competence, independence, number of years serving as Krungsri's auditor, audit and non-audit fees and other relevant and necessary information as per the regulations of the regulators were provided for the shareholders' consideration.
- For the agenda on annual dividend payment, the dividend payment policy, the pay-out rate and the proposed dividend amount with a comparison to those of the past 5 years along with the date of payment, rationale and other supporting information for consideration were stated.

The shareholders would receive their dividend payments within 30 days after the shareholders' approval (in case of an annual dividend payment)/the Board of Directors' approval (in case of an interim dividend payment).

Krungsri appropriately supported and facilitated all shareholders including institutional shareholders in exercising their rights to participate in and vote or authorizing a proxy to participate in the meeting and vote on their behalf.

- For the registration and vote-count process, Krungsri used the standardized barcode system which is able to calculate and demonstrate accurate and instant result [Remark: operated by Inventtech Systems (Thailand) Co., Ltd., which provides service to listed companies via Thailand Securities Depository Co., Ltd. (TSD)]. The shareholders are able to register for participation at least 2 hours prior to the meeting time. To save participants' time and for their convenience, Krungsri has arranged for 14 registration counters separated into 12 counters for ordinary and juristic persons and 2 counters for mutual funds and custodians.
- The shareholders who attended the AGM in person were able to register by presenting either their ID cards, civil servant/state enterprise officer ID cards, driving licenses or passports. After the AGM was duly convened, the shareholders were entitled to register to exercise their rights to vote on the agendas for which resolutions had not yet been passed. The shareholders who had already registered received ballots to exercise their voting rights on each agenda.
- Those attending the AGM included the Chairman of the Board, the President and Chief Executive Officer and the chairman of every committee reporting to the Board of Directors. The latter comprised the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Risk and Compliance Committee and the Chairman of the Executive Committee together with Krungsri's senior executives, auditor, representatives from Allen & Overly (Thailand) Co., Ltd., the law firm serving as the meeting's inspector to ensure transparency and compliance with laws and the Bank's Articles of Association, as well as a delegate from the Thai Investors Association, whom Krungsri invited to join the AGM as an observer. The Chairman of the Board introduced these persons to the AGM one by one and invited the shareholders who wish to observe the vote-count in agenda 6: The election of directors but it appeared that there was no volunteered shareholder.
- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating, both in person and by proxy, in the AGM and explained the criteria and procedures for meeting, vote casting and vote counting. Before voting on each agenda, the shareholders were entitled to express their opinions or raise questions about the agenda under discussion or about Krungsri independently. After the vote counting, the results including approval, disapproval and abstention in each agenda were announced to the meeting.
- Currently, Krungsri has one type of share i.e. common share. One share is equal to one vote and a majority vote is required unless otherwise specified by law. The shareholders with special conflicts of interest on any agendas were not entitled to vote on such agendas, except for agenda of the election of directors. For this agenda, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.
- For Krungsri's shareholding structure, none of the directors hold more than 25% of the registered and paid-up common shares.
- Krungsri video taped the entire meeting and separated the file into video clips of each agenda for dissemination on Krungsri's website.
- On the same day of the AGM, Krungsri conveyed a summary of the meeting resolutions and the voting results on each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels. The results of the vote were posted on Krungsri's website on the following working day. Additionally, Krungsri sent the notice on appointment of director as proxy and the thank-you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.
- Krungsri prepared accurate, complete and comprehensive minutes of the AGM, with the name list and titles of the directors and the senior

executives who attended and did not attend the meeting. The minutes also specified that Krungsri has invited the inspector, the observer from the Thai Investors Association and the volunteered shareholder to witness the vote-count, as well as method of vote casting and vote-count which has been presented before starting the meeting, use of ballots, details of each agenda, opinions of the Board of Directors on each agenda, opportunity to raise inquiries and comments, questions and answers, valuable observations and suggestions of the shareholders, meeting resolutions on an item-by-item basis together with the voting results for each agenda which clearly separated into approval, disapproval or abstention. The Minutes were presented to the Chairman of the Board and all members of the Audit Committee for review before submitting to the Chairman of the Board for sign off and then sending to the relevant government authorities within 14 days after the AGM date. Furthermore, the Minutes were also disseminated on Krungsri's website.

SECTION 2 EQUAL TREATMENT TO THE SHAREHOLDERS

All shareholders are regarded as the owner of Krungsri. Thus, Krungsri places importance on all of its shareholders, minority and foreign shareholders alike. It is Krungsri's policy as part of Good Corporate Governance Principles to treat every individual shareholder equally and protect their rights regardless of gender, age, nationality, religion, political opinion or physical disability.

2.1 Treatment to the Shareholders in the Meeting of Shareholders

Krungsri conducts meetings of shareholders in accordance with transparent and correct procedures e.g.

- In case any director, who may have a special conflict of interest in a particular agenda, is appointed as a proxy, such director shall abstain from voting on such agenda unless the grantor specifies his/her intended vote in the proxy. If a shareholder appoints any person as a proxy, such proxy has the right to participate in a meeting and cast votes on such shareholder's behalf in all cases;
- An adequate amount of time for shareholder meetings is allocated;
- Opportunities to the shareholders and proxies to express their opinions and raise questions at a meeting are provided;

- In casting votes on each agenda, the ballots which the shareholders received at the time of registration are used.

Details of the procedures under this topic are shown in Section 1 Shareholders' Rights.

2.2 Policy for Prevention of Any Transactions that May Lead to a Conflict of Interest and Any Use of Inside Information to Seek Unlawful Benefits for Themselves or Others.

- All of Krungsri's directors, executives and employees are required to strictly abide by the relevant laws, directives and policies as well as code of conduct and ethics of Krungsri. It is prohibited to use Krungsri's inside information or undisclosed information to the public for personal or others' benefits.
- The use of inside information for stock trading is prohibited, illegal and contradicts the principles governing conflicts of interest. All of Krungsri's directors, executives and employees must comply with the relevant laws and regulations as well as the law governing financial institution business and the law on securities and exchange.
- This policy must be conveyed to all Krungsri's directors, executives and employees for their acknowledgement and compliance. At any time Krungsri is going to disclose any important financial data to the public, a blackout period will be announced to prohibit any trading of Krungsri's shares by Krungsri's directors, executives and employees for 3 business days both before and after notification to the Stock Exchange of Thailand. In addition, for those shares acquired during the term of office of directors, executives and employees including their related persons such as spouse and minor children, the sale or transfer can be made after the first three months of the acquisition unless permitted by the President and Chief Executive Officer or other designated persons.
- Directors and executives of Krungsri including their spouses or cohabitating couple and minor children as specified by law and Krungsri itself must report any changes of their holding of Krungsri's securities due to any purchase, sale, transfer or acceptance of a transfer within 3 business days after the date of purchase, sell, transfer or acceptance of a transfer of Krungsri's securities to the Securities and Exchange Commission and to the Board of Directors for acknowledgement. In 2017, there were no cases of insider trading committed by Krungsri's directors, executives and employees.

- All employees shall manage non-disclosure information appropriately. Any disclosure of such information shall only be made on a "need-to-know" basis in order for the recipients to properly discharge their job responsibilities.
- All employees shall avoid any direct and indirect action that may be a conflict of interest and well handle any conflict situations in normal business. Misusing resources or image of Krungsri is also prohibited. These are to ensure fair treatment for customers.

2.3 Transactions between Krungsri or Its Subsidiaries and Stakeholders

- Krungsri has neither violated nor failed to comply with the criteria for related party transactions as well as sale and purchase of assets.
- Krungsri's directors and executives with conflicts of interest will abstain from consideration and voting on any transactions between Krungsri or its subsidiaries and any related party having either actual or potential conflicts of interest.
- Transactions are normally executed fairly under an arms' length basis and shall be considered and approved by the authorized person and/or the Board of Directors according to the type and value of the transaction.
- The Audit Committee will provide opinions relating to the necessity of such transactions and the propriety of the pricing as well as consider the disclosure of any transaction that may incur a conflict of interest to ensure its accuracy, adequacy and transparency.
- In case of a related party transaction requiring approval from a meeting of shareholders, Krungsri will disclose details and rationale of the transaction as well as opinions of the Board of Directors to the shareholders before making the transaction.
- For transactions undertaken in 2017, Krungsri showed all details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Related Party Transactions". The details showed that such transactions were Krungsri's normal business activities, made at the market value on an arm's length basis.

2.4 Conflict of Interest of Directors and/or Senior Executives of Krungsri

- Directors and senior executives of Krungsri are obligated to provide reports on their own and any other related persons' conflict of interest relating to the management of Krungsri or its subsidiaries in terms of holding of position, shareholding and transaction, which the reporting procedures are clearly established. The reports shall be delivered to the Chairman of the Audit Committee and the Chairman of the Board for acknowledgement, respectively.
- In any meeting of the Board of Directors, directors who have related interest in any agenda do not participate in consideration and have no right to vote. However, for the agenda that directors may have potential stake, such directors would refrain from participating in consideration and abstain from voting. This is recorded in the minutes of the meeting.
- Krungsri establishes a policy prohibiting granting of any loan, loan-like transaction or debt guarantee to its directors, senior executives and other related persons, except loans granted in the form of credit card or loan as a part of welfare loan in compliance with the regulations of the Bank of Thailand.

SECTION 3 ROLES OF STAKEHOLDERS

3.1 Treatment to the Stakeholders

Krungsri equally recognizes importance of and has respect for every group of stakeholders' rights whereby the followings are incorporated in the Principles – business philosophy and roles towards all groups of stakeholders e.g. investors, shareholders, Board of Directors, executives, employees, customers, business partners, creditors, and commercial banks or related financial institutions as well as Krungsri's responsibilities towards society and environment. Details of which are below:

- **Investors:** Krungsri recognizes importance of disclosure of both financial and general information that is accurate, adequate, transparent, regular, and consistent in a timely manner by releasing the information through various channels and media. Krungsri has established the Public and Investor Relations Department to coordinate, answer enquiries, present important operating results of Krungsri and create good relationship with the investors and stakeholders.

- **Shareholders:** Krungsri equally gives priority and has respect for all shareholders' rights and also provides its shareholders with opportunities to consider any important issues and provide comments or suggestions from which the useful ones will be applied for improvement of business operations to drive growth and better performance, which would lead to appropriate returns to the shareholders in the long term. Significant information are normally disclosed to the shareholders in a correct and adequate manner with transparency and accountability. In addition, Krungsri provides assistance to the shareholders to fully exercise their rights.
- **Board of Directors:** Krungsri provides opportunities for all directors to fully perform their duties independently including expressing opinions and giving recommendations to the Management on Krungsri's operations. In this regard, the Corporate Secretariat Department is to ensure that the Board of Directors' activities are accurate and adequacy according to the Principles and laws. In addition, Krungsri provides each director with a Directors' Handbook, in which the content has been regularly updated and, on a quarterly basis, information of training courses organized by the Thai Institute of Directors Association (IOD) as well as any other appropriate courses for their time allocation to participate.
- **Executives:** Krungsri provides opportunities for executives to perform their duties independently without any intervention under their assigned roles and responsibilities. Moreover, Krungsri also provides them with training courses in various areas on a regular basis for their personnel development and career path.
- **Employees:** Krungsri recognizes that its employees at all levels are valuable resources and key drivers of business success. Krungsri therefore defines appropriate policies for enhancing the employees' effective duties performance by providing good working environment and proper remuneration and welfares as well as skill and competency development for their career path opportunity, details can be summarized as follows:
 - Providing employees with appropriate and fair remuneration in accordance with their performance as measured against goals and key performance indicators under Balanced Scorecard applicable throughout the organization by taking into account Krungsri's performances in both short and long terms. Such remuneration is comparable to those of peers.
 - Providing welfare higher than what is required by laws, which includes other forms of benefits for the purpose of retaining employees and creating inducement for them to add more value to Krungsri and the shareholders in a long run. For example, establishing a provident fund for its employees, to which Krungsri is obliged to make partial contributions, so that employees have savings to use in the event that they retire, resign, become disabled, or for use as insurance for their families in the case of death. In addition, Krungsri communicates the information regarding the benefits to which the employees are entitled via various channels such as by email and organizing training program in order to enhance employees' good knowledge and understanding about the provident fund, the benefits that they will receive, the fund's investment policy, and the risks associated with the investment. In 2018, Krungsri plans to change the investment policy from a "single fund with one investment policy" approach to a "single fund with multiple investment policy" approach. As a result, employees will have the freedom to choose their desired investment policy or investment plan (Employee's Choice) by taking into consideration their age level, the returns and the level of risk which best meet their needs.
 - Providing other welfare benefits to meet employees' potential needs which might have in the future. These aim to help unburden employees so that they can work free of stress. Welfare benefits are divided into three major categories: "financial aid", "health and insurance", and "employee loans". Details are conveyed to employees for their acknowledgement via the Employee Handbook and the Krungsri People online system in order to realize benefits of their own and families.





- In terms of employees' healthcare, Krungsri stipulates a set of principles on the working environment, health and safety stated in S&L. Krungsri has set up a committee specifically to oversee safety, occupational health and the working environment in order to ensure that employees' life and properties are safe all the time. For example, Krungsri provides annual influenza vaccinations, annual physical examinations, and physical examinations for respiratory and hearing vulnerable groups. Other services include a Krungsri medical room, antiseptic spraying at workplaces, and cleaning office equipment and devices to prevent the spread of contagious conditions. Also, Krungsri has created health insurance, life insurance and accident insurance programs in addition to the government's social security program. Krungsri has set up a "5 Soh" activity, and an indoor exercise area where employees can relax from work. In addition, a number of clubs including bicycling, jogging, badminton and soccer have been established. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Social Responsibility". In 2017, there was an employee having the work-related accident, however, there was no employee having illness causing from work.
- Krungsri is strongly determined to develop its employees' excellence by designing and developing learning programs to encourage their understanding and advancement to be in line with Krungsri's Vision and Mission. Above all, the programs respond to the development needs of individual employees. The emphasis is on the variety of courses and learning models, which

must respond sufficiently to the employees' needs through the Krungsri Learning Companion or KLC, a new learning management approach. In this respect, Cloud Computing Technology is employed in learning and personnel development activities. This provides employees with facilities and opportunities to access a wider range of knowledge as well as the latest information on training "anywhere and anytime" which employees are convenient. In order to drive its business toward success more effectively, Krungsri encourages knowledge sharing in every business entity as well as a self-learning culture. In 2017, all employees participated in various training courses in an average of 60.66 hours per person.

- Apart from aiming to foster excellence among its personnel by encouraging employees to express themselves through Krungsri Core Values and showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed learning programs that support its employees to be good citizens, including being responsible to consumers, participating in the development of their communities and society, and preserving environment. Examples of these programs such as Krungsri ... Preserve the World, the Good Corporate Governance courses, etc.

- **Customers:** Krungsri operates its business under "Customer Centricity" value by focusing on compliance with all applicable laws and standards and treating the customers on the basis of honesty, integrity and fairness. Krungsri also provides the customers with services and advice equally in order to protect their best interest and deliver maximum customer satisfaction. Krungsri develops and offers high-quality products and excellent services and also applies high technology innovations to its products and services so as to serve the customers with convenience and readiness as well as to make the customers' life easier which is in line with the slogan "Make Life Simple". In addition, Krungsri provides accurate, adequate, clear and straight-forward and non-misleading information to its customers.

Krungsri has stipulated the stringent measures for safeguarding the customers' personal information to prevent any violation of the customers' personal information rights, details of which are stated in the Employee Handbook. The measures require that the customers' information or secrets must not be disclosed, unless required by laws or



authorized in writing by the customers, and the use of the customers' information for its own benefit is prohibited. In this regard, every employees and executives must study S&L every 2 years via the Krungsri Learning Companion (KLC). S&L is a part of the Code of Conduct that focuses on honesty under the scope of laws and the Principles, which is intended to enhance transparency and responsibility to the stakeholders in carrying out Krungsri's business. Krungsri also arranges training programs which extend knowledge and understanding of "Customer Centricity" value to employees in order to strengthen and enhance their variety of skills as well as competencies in efficiently responding the customers' need and expectation. The training programs are, for examples, Krungsri Service Plus on how to deliver an impressive customer experience, Industry Knowledge, Total Solution Sales Strategy and Cash Management Product.

Krungsri encourages the customers to share their opinions for further improvement of its services. Krungsri assesses the customers' satisfaction and also designates a clear target by providing a customer satisfaction survey form, the results of which will be analyzed to develop and improve the quality of services provided by its employees. Moreover, the customers can file any complaints or make recommendations to Krungsri via several channels: Call Center at 1572; e-Mail: webmaster@krungsri.com; Krungsri's website under the heading "Contact Us"

- **Business Partners:** Krungsri treats its business partners with honesty, integrity and fairness in their best interest. Krungsri provides each business partner with accurate and adequate detailed information and significant conditions in a standardized manner and strictly complies with all agreement and conditions as agreed upon by each business partner, including encourages activities that promote a good understanding between all parties. In addition, Krungsri has drawn up policies and guidelines for treatment towards the business partners stated in S&L including

Supplier Relationships Policy and operating manual of Procurement Department which cover criteria for selecting business partners.

According to the selection process, Krungsri selects the business partners based on their compliance with laws, fair treatment towards their employees including providing safe and eco-friendly working environment as well as their ability to comply with required conditions. There are a number of other factors that play a role in Krungsri's selection of business partners, for example, the price, quality, performance, financial position (depending on the risk level of each transaction), technical abilities, customer service, compliance with the work rules or other technical details, as well as each business partner's Business Continuity Plan (BCP). Information provided by the business partners will be kept in confidentiality and be only disclosed to persons involved.

Moreover, in order to avoid conflict of interest so as to foster fairness, transparency, and verifiability with respect to the selection of its business partners, Krungsri has stipulated Gift and Entertainment Policy, to which employees must adhere and inform the business partners for acknowledgement.

- **Creditors:** Krungsri demonstrates its awareness of the importance of its responsibility to every group of creditors by strictly following the agreed conditions, relevant regulations and laws on the basis of honesty, equality and fairness. Krungsri does not disclose the creditors' confidential information, while providing them with accurate and adequate information as well as promoting activities that will lead to better mutual understanding.

Krungsri has stipulated a comprehensive managerial structure for business operation and has outlined a clear strategy on capital management for the organization's stability and strength to ensure that Krungsri will not fall into any financial difficulty that would eventually result in its inability to repay debts.



Krungsri's liquidity management enables it to repay debts on time according to their maturity periods as well as to be ready to repay debts in an emergency situation. This managerial structure will ensure that Krungsri is capable of repaying its debts even when it has to confront a liquidity crisis. In case that Krungsri is unable to comply with the agreed conditions, it will notify its creditors in advance in order that they can jointly consider the issues and find potential solutions.

Krungsri has also established a clear and concrete policy on fair treatment and responsibility to the creditors, in particular with the guarantee conditions, capital management and default of repayment. Additional details are shown in Sustainability Report.

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to follow a policy on compliance with the competition laws without any exception. Punitive measures will be imposed in case of violation since Krungsri has a clear intention to

prevent any unfair competition. Furthermore, Krungsri's employees must treat its business competitors in line with international principles under the scope of laws relating to business competition, while also adhering to the rules of fair competition impartially.

Krungsri cooperates in any activities beneficial to the overall business to prevent any impact to the commercial banking system. Moreover, Krungsri promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. For example, Krungsri neither seeks any confidential information in a dishonest or inappropriate manner nor makes any accusations or disparaging comments. In addition, Krungsri also cooperates to reduce the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in Sustainability Report.

On March 28, 2017, Krungsri signed MOU and declared its cooperation in establishing the Banking Industry Code of Conduct which aims to build commercial banking standard practices in operating business with morality and to ensure that the customers are provided fair services and accurate information of products before making decision. The Banking Industry Code of Conduct is also established in accordance with the 5-year strategic plan of the Thai Bankers Association and based on three primary principles which are integrity, fairness and accountability to shareholders. Currently, Krungsri operations are in line with the principles of the Banking Industry Code of Conduct.

- **Responsibility to Society and Environment:** Krungsri takes into account the importance of embedding awareness of responsibility for a sustainable advancement and the growth of society as a whole to all its employees. This is because sustainability is a fundamental element for Krungsri to accomplish its mission, which is "To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth". Krungsri has translated this concept into concrete actions through socially responsible business practices (so called CSR-in-process) and various social activities (so called CSR-after-process). As well, as one of the biggest commercial banks in Thailand, Krungsri strives for achievement of the mission to be a responsible financial service provider which emphasizes on 3 dimensions of sustainability development as follows:



- **Economic sustainability:** Krungsri aligns business strategies with the economic outlook and maintaining a well-balanced portfolio while serving as our customers' trusted business partner and financial advisor;
- **Social sustainability:** Krungsri improves financial services access and enhancing financial literacy among Thai people and continuously engaging the Krungsri Group's employees in community development initiatives and valued CSR activities;
- **Environmental sustainability:** Krungsri places importance on minimizing the negative impact to our environment through implementation of green initiatives within Krungsri business and through our prudent support of customers' eco-friendly initiatives.

Krungsri has established Policy for Social Contribution and Project Formulation as a basic framework in providing financial support and contributions to CSR activities as well as created a procedure of CSR operations on behalf of Krungsri or its subsidiaries to ensure that social contribution/donations is performed and benefit the society and in line with the said policy. Krungsri defines the CSR activities into 4 categories:

1. Creating sustainable value: focusing on employees' and executives' understanding of CSR and sustainability. In addition, it focuses on practices regarding a long-term engagement with stakeholders as well as conducting sustainability reporting in order to evaluate corporate sustainability performance and raise awareness among stakeholders.
2. Giving back to the community: focusing on community engagement, for areas surrounding Krungsri's operational sites and society at large through three social projects/activities.
 - (1) Financial literacy and education support e.g. providing financial knowledge, educational facilities and equipment support
 - (2) Social and community development e.g. breast cancer campaign, blood drive activity and disaster support. With respect to community development, Krungsri organizes activities in connection with its potential, expertise and resources as financial service provider, for example, Krungsri Financial Literacy Project which was initiated in 2015. As part of the project, employees acting as representatives from each group help senior elementary school

students (grade 4 -6) learn how to save and spend money wisely through recreational activities and equip them with financial knowledge and savings discipline since childhood. The project has been on-going until the present. Krungsri continuously monitors and assesses the progress of the project. This project not only uses the potential of Krungsri's personnel, as financial service providers, for the benefit of the society, but also fosters both community engagement and employee engagement.

(3) Art, cultural and traditional support e.g. historical site preservation

3. Preserving environment: focusing on cultivation of employees' habit and conscience on preserving environment through environmental projects/activities along with promotion of environmental impact minimization throughout our operational process.
4. Providing financial support: focusing on financial support and social aids in various cases, e.g. scholarships, disaster relief, donations to public benefit organizations, etc.

Krungsri has also established CSR Committee which President and Chief Executive Officer has been appointed as the Chairman. Its responsibilities are to formulate Krungsri Group's corporate social responsibility policy, direction, and framework in alignment with the concept of sustainable development; including to supervise compliance with the action plan; to provide recommendations to improve Krungsri Group's performance related to corporate social responsibility measures to ensure alignment with corporate social responsibility guidelines, recommendations and rules prescribed by supervisory bodies at national and global levels. In addition, the committee shall report its performance to the Executive Committee and the Board of Directors on regular basis.

In addition, Krungsri has made the sustainable development report (SD report) under Global Reporting Initiative (GRI) framework in separation from the annual report. Information on material sustainability issues is disclosed in accordance with the GRI international reporting standard which covers to the impacts from economic, environmental and social operations. Those issues will be identified, prioritized, validated and reviewed by Corporate Social Responsibility Department and CSR Committee every year.

Krungsri has established the Policy for Efficient Resource Utilization for Environmental Protection in order to encourage environmental protection and conservation of nature by requiring the efficient use of resources for its operations, and the use of eco-friendly resources. The materials used will be made from eco-friendly manufacturing processes and materials. In addition, Krungsri encourages the employees to recognize and to participate in the use of resources in a manner that maximizes their efficiency, and also established measures for achieving concrete results. These measures are, for example: electricity saving measures (e.g. energy-saving lighting and control of in-office temperature); and environmental measures (e.g. use of recycled water and eco-friendly air conditioners). Furthermore, Krungsri promotes the employees' understanding of the efficient use of resources and organizes energy conservation projects in which its employees participate, so as to ensure effectiveness. Krungsri also requires that the executives shall be responsible for the management and control of operation of the relevant sector within the appropriate costs of operations considering the circumstances.

Krungsri has also established the working group on energy management and energy management evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007)) to ensure efficient energy management of Krungsri. The working group is responsible for the management of energy in line with the energy conservation policy, and for communicating and requesting participation from the employees to recognize the value of the resources, and to save energy. It is also responsible for organizing training and giving information on and promoting activities concerning energy conservation.

Krungsri provides training through Krungsri Learning Companion (KLC) available for its employees to apply to improve their knowledge about sustainable development including economic, social and environmental sustainability. Krungsri also encourages employees to participate in various projects/activities for society organized by Krungsri. Details of the CSR activities are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic "Social Responsibility" and Sustainability Report.



3.2 Adherence to Human Rights

Krungsri adheres to the international human rights principles and is bound by any laws concerning freedom of association, privacy, working time, wages and working hours, as well as non-discrimination of employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri operates its business. In this regard, Krungsri has determined appropriate policies of employment, compensation and welfare including rules and guidelines on fair employment. Krungsri not only complies with the law declaring a strong intention for not violating the human rights, but also promotes a culture of mutual respect.

It is required that directors, executives and employees must respect and comply with the principles of human rights; and have no support to human rights violation. This is deemed as one of the good governance principles. Appropriate welfare to the employees; safe workplaces and environment; compliance with the relevant laws and regulations regarding the environment, health and safety; creation of working environment with non-discrimination, and protection of employees' information are all in place.

Krungsri conducts surveys to sound out employees' opinions on Krungsri via the Voice of Krungsri (VOK). Those opinions have been used in determining operating plan for further improvement of Krungsri.



3.3 Non-violation of Intellectual Properties or Copyright

Krungsri has clear policies and guidelines on non-violation of intellectual properties or copyright stated in S&L which prohibits its employees from using intellectual properties of other people without authorization e.g. copyright, patent, trademark, software or other proprietary data. This is to ensure non-violation of other people's rights and compliance with laws.

3.4 Anti-Fraud and Anti-Corruption, and Bribery Prohibition

Krungsri explicitly commits itself to continuously improving anti-fraud and anti-corruption measures. Krungsri realizes that being an organization with transparent operations and no involvement with fraud and corruption will help building confidence among all stakeholders and this is also in line with the Principles. Details of Krungsri Group's policies and programs relating to anti-fraud and anti-corruption are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic "Anti-Corruption and Counter Bribery" and Sustainability Report.

Krungsri establishes Policy for Anti-Corruption and Anti-Corruption Program whereby processes of warning and reporting, whistleblowing, and protecting the whistleblowers are initiated. In this connection, Krungsri provides the employees and outsiders with easy-to-access whistleblowing channels where they can trust and have no risk in requesting for consultation, guidance, and whistleblowing. When a suspect issue is reported, an investigation shall be made by fraud and corruption investigation committee which is set up to conduct an investigation, provide solution and feedback as well as report its findings to the senior executives, the Audit Committee and the Board of Directors.

To ensure effectiveness and efficiency of the anti-fraud, anti-corruption and anti-bribery, Krungsri has established various measures such as formulating policies and regulations relating to giving or receiving gift and entertainment, providing knowledge and support to employees in order to create awareness of the importance of anti-fraud and anti-corruption. In this regard, Krungsri has arranged for 4 compulsory courses via Krungsri Learning Companion (KLC) i.e. Good Corporate Governance Principles (CG); The Spirit & The Letter (S&L) covering anti-fraud and anti-corruption (CAC), Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and Gift and Entertainment.

In addition, reports on compliance with anti-fraud and anti-corruption measures shall be submitted to the Audit Committee, the Risk and Compliance Committee and the Board of Directors at least on an annual basis.

The efficiency of the applied measures shall be reviewed at least once every 2 years. Furthermore, Krungsri shall apply for the re-certification of its participation as a member of the Thailand's Private Sector Collective Action Against Corruption (CAC) of the CAC Council every 3 years and requires all employees to sign for acknowledgement of and compliance with related policies and guidelines on an annual basis. In 2017, Krungsri participated in the Anti-Corruption Day with the Anti-Corruption Organization of Thailand (ACT) in order to demonstrate its support for anti-corruption, same as every year.

3.5 Receipt of Complaints by and Communication Channels with

The Board of Directors sets up the following communication channels to ensure that all stakeholders can contact with Krungsri to ask for information, to complain in case their rights are violated, or to undertake whistleblowing conveniently and quickly:

- Whistleblowing on unlawful actions or violation of the code of conduct, incompleteness of financial data, internal control system and other matters can be made to the Audit Committee through:
 - Mail to
Chairman of the Audit Committee
(Miss Potjanee Thanavaranit), or
Audit Committee Member
(Mr. Virat Phairatphiboon), or
Audit Committee Member
(Mr. Phong-adul Kristnaraj), or
Secretary to the Audit Committee
(Miss Puntipa Hannoraseth)
and send to

Bank of Ayudhya PCL, Head Office
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120

- email: audit.committee@krungsri.com
- Krungsri's website under the heading "About Us", sub-heading "Receipt of Complaints"
- Whistleblowing or other enquiries can be made via
 - Call Center at 1572
 - email: webmaster@krungsri.com
 - Krungsri's website under the heading "Contact Us"

As for Krungsri's employees, apart from the above-mentioned channels, they can file complaints, suspect issue regarding integrity or any whistleblowing of wrongdoing or violation of the policies, rules and regulations of Krungsri via 4 channels as follows:

1. Ombudspersons: Miss Ladawan Kongkruapun and Mrs. Thidararat Sethavaravichit, Krungsri executives who are accepted by employees and executives in terms of integrity, honesty, ethics and non-discrimination behavior;
2. Branch Operational Risk Management Department;
3. Human Resources Group;
4. Audit Committee.

Krungsri provides clear procedure and system on receiving complaints where a whistleblower may or may not give his/her name. Complaints including whistleblower's information will be treated confidential which cannot be accessed by unrelated persons and, if necessary, shall be disclosed to responsible person(s) having duty to seek a solution only.

Complaints received will be recorded and solved under appropriate procedures without delay. The findings will also be reported to the executives or the Board of Directors, as the case may be.

Krungsri strictly prohibits any counteraction against the whistleblower or intervention in the problem-solving process. Any counteractions will result in a supreme disciplinary punishment, including termination of employment.

In 2017 and earlier years, Krungsri had not been under any investigation by any regulator for failure to disclose information regarding significant incidents within the period designated by such regulators.

SECTION 4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

4.1 Shareholding Structure

Krungsri discloses its shareholding structure both on its website and annual report in which a list of the major shareholders and ordinary shareholders with over 0.5% of all issued shares are 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 they must be disclosed in both Thai and English via easy accessible channels with a correct, adequate, transparent, rapid, timely and equal manner and in compliance with the relevant laws and regulations of the government's authorities. Krungsri regularly updates important information so that they are always up-to-date.

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

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 the 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 those permitted and/or already disclosed to 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 the investors, analysts, fund managers and other parties, unless otherwise authorized by senior executives or until the actions in relation to such issue are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers and other parties;

- As regards information disclosure on 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 those already disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission and/or other relevant authorities;
- Any disclosure of unjustified-solicit information such as those being persuasive, convincing or propagandist for marketing purposes on sale of products and services including those containing unsubstantiated wordings that create a sense of superiority over others, must be approved by Regulatory Compliance Department and/or General Counsel.
- Any person preparing, involving in, or knowing unrevealed information is not allowed to disclose and convey the same to any person closely related to him/her or other persons without permission by the authorized person, and such information shall be treated confidential until the permission is granted and/or such information is already reported to the Stock Exchange of Thailand;
- Disclosure channels to the public must be suitable to 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 Chief Financial Officer, related Head of Group/Chief Officer and/or President and Chief Executive Officer;
- The Public and Investor Relations Department shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions relating to investments. If the information is found incorrect, the Public and Investor Relations Department, with the approval from 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;
- President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to the investors, analysts, fund managers and other parties. If there is any question being under the responsibilities 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 President and Chief Executive Officer. Krungsri spokesperson must complete communications training to ensure credibility and effectiveness of the communication;

- The Public and Investor Relations Department shall be the center for handling interview requests and information from the investors, analysts, fund managers and other parties and proposing to Chief Financial Officer for consideration on giving interviews and approval of disclosed information;
- Disclosure of information pertaining to incidents having impact on reputation and credibility of Krungsri such as corruption, critical complaint, court decision, theft and severe disaster happened with the employees or Krungsri shall be handled by the Public and Investor Relations Department with approvals from President and Chief Executive Officer, Chief Financial Officer and the General Counsel prior to disclosure to the public;
- Information of target investors, analysts, fund managers and others shall be kept in the database categorized by the type of investors, analysts, fund managers and etc. and shall contain the basic information particularly their names, addresses, and contact phone number, which must be updated from time to time.
- **Information 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".

- **Information 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, Thai Institute of Directors Association including the Banking Industry Code of Conduct of Thai Bankers' Association in 5 core sections: shareholders' rights; equal treatment to the 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 aim and medium-term to long-term goals. Details are as follows:

- Mission: To be a leading regional financial institution with global reach, committed responsibly to 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 also 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 the 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 financial information being shown in the annual report of Krungsri are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, practiced on a regular basis including rational estimation 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, which are beneficial to the shareholders and general investors. The 2017 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, there are a number of rewards received by Krungsri, 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 measured customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Scores (NPS) on annual basis for the purpose of tracking the interests and preferences of the customers towards Krungsri brand. It is expected that NPS can be used as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2017, Krungsri's NPS score is at 62. In addition, operating performance and success of each business function are assessed each year; in 2017, the market shares of products are as follows: 30 percent for personal loan, 16 for credit card business, 26 percent for hire-purchase facility, 5 percent for SME business, and 12 percent for corporate business.
5. The nature of business and competition situation, as well as important developments in terms of government authorities' regulations, the business environment, and important advancement of Krungsri relevant to its performance in each year.
6. The 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. The important risk factors that may affect Krungsri's business operations including credit risk, market risk, liquidity risk, and operational risk. Nature of each type of risk and risk management for controlling 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 complaint process and communication channels with Krungsri are specified in order that different groups of the stakeholders can contact, ask for information, make complaints or whistleblowing conveniently and rapidly.
 10. The names of directors as of December 31, 2017 totaling 12 directors consisting of 5 non-executive directors, 4 independent directors and 3 executive directors.
 11. The Directors' profiles such as name-surname, age, position, educational background, work experiences, shareholding and etc. as well as type of directorship i.e. non-executive director, independent director 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 higher remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis.
 13. The number of meetings of the Board of Directors and the committees reporting to Board of Directors and the number of meetings attended by each director.
 14. The information on participation in development and training courses of directors in the previous year.
 15. The 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 increase/decrease of the shares held during the year. The directors and executives as well as their spouses and minor children must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission and the Board of Directors for acknowledgement.
 16. The 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 Board of Directors. The directors and executives with conflict of interest will not join the consideration and vote on any transaction between Krungsri or its subsidiaries and any related party or the one that may have potential conflict of interest in the future. Krungsri discloses the related party transactions executed each year.
 18. Selection and appointment of 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 related to or have any interest with Krungsri, its executives, major shareholders or related party in any manner that may lead to any impact on his/her independence in performing work. In addition, Krungsri also discloses the auditor's remuneration (audit fee and other service fees).
 19. Krungsri makes a report of the Board of Directors' responsibility for financial reporting whereby the Board of Directors is responsible for Krungsri's financial statements and consolidated financial statements of Krungsri and its subsidiaries, as well as the financial information that appears in the annual report which has been prepared in accordance with the Financial Reporting Standards. Krungsri always selects appropriate accounting policies together with justified projection in the preparation of the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements which have been audited with unqualified opinion by an independent auditor. Krungsri 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 relating to both financial and general matters so that the stakeholders can access the information easily, thoroughly and equally. The content 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 report, meetings with analysts and investors by all means, press conference including the delivery of notification of the 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 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 significant information that may have an impact on 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 the disclosure process on a regular basis. In 2017 and the previous years, Krungsri has never received any execution or complaint from the Securities and Exchange Commission or the Stock Exchange of Thailand due to its failure to disclose any information in compliance with regulations.

4.3 The Unit to Foster Relationships with the Investors and Stakeholders

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

- **Establishment of the Public and Investor Relations Department:** Krungsri established the Investor Relations Department in 2002. Its core mission is to manage work and activities relating to investor relations, particularly the disclosure of financial information and non-financial information of Krungsri under the Principles and the guideline for disclosure of information which are in line with the policies relating to information disclosure and relevant laws. In addition, it is also responsible for the disclosure of information relating to Krungsri Group which includes financial performance and position, current operations, and competitiveness. In 2017, Krungsri consolidated the Public Relations Department and Investor Relations Department into one department called the Public and Investor Relations Department for more efficiency.

Contact Information:

Investor Relations Department

Bank of Ayudhya PCL, Head Office, Floor 7

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Tel.: 0-2296-2977

Fax: 0-2683-1341

e-Mail: irgroup@krungsri.com

- **Major Stakeholders:** include the shareholders, investors, employees, securities analysts and credit rating agencies, both domestic and abroad.
- **Number of Activities and Scope of Responsibility of the Public and Investor Relations Department:** have become far more developed and covered a wider scope since Krungsri become a subsidiary of Mitsubishi UFJ Financial Group ("MUFG"). The Public and Investor Relations Department communicates Krungsri's increasing business potential to its stakeholders aside from meeting with MUFG's investor relations team to share their experience and discuss about the good practical guidelines for information disclosure and investor relations activities.
- **Engagement by Senior Executives:** both in planning and participating in investor relations activities, is an essential factor reinforcing the effectiveness of two-way communication with the stakeholders. The senior executives meet with the investors, both domestically and abroad, to exchange perspectives on business development and strategy as well as business trends.

The participants in the investor relations activities throughout 2017 included President and Chief Executive Officer, Chief Financial Officer, Head of Corporate Strategy and Planning Group, Executive Vice President of Corporate Communications Division.

The Public and Investor Relations Department continues to organize investor relations activities continually, including meetings with the investors and analysts, participating in domestic and international conferences, and meeting one-on-one with the investors/analysts. The 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 2017, Krungsri's executives and the Public and Investor Relations Department disclosed information via various activities, such as:**
 - President and Chief Executive Officer gave an interview to the Nikkei concerning Krungsri's success in performance and business plan. The Nikkei is the leading business newspaper in Japan which its



Thailand office serves as its news center for the Asian region.

- President and Chief Executive Officer gave an interview to Prachachat Turakij business newspaper, ASEAN 100 special edition published in the 2017 under the topic "Digital Transformation... The Evolution of Business!" for business persons and investors to learn about guidelines on reforming and handling with future changes in consumer behaviors. Krungsri was ranked among the top 100 companies in ASEAN categorized by the highest volume of profits, earnings and assets of listed companies in the Stock Exchanges.
- President and Chief Executive Officer gave a special interview to The Banker Magazine.
- President and Chief Executive Officer gave a special interview to Asiamoney and Euromoney magazines.
- President and Chief Executive Officer gave a special interview to The Nation.
- President and Chief Executive Officer gave an opening speech to the "Thailand Economic Outlook 2018: An Era of Business Transformation" seminar organized by Krungthepturakij newspaper and Krungsri Securities PCL.
- The Public and Investor Relations Department gave lectures to and participated in discussions on Krungsri's operations with the senior executives of Rastriya Banijya Bank (Nepal) and Small & Medium Industrial Development (Republic of the Union of Myanmar).
- The Public and Investor Relations Department gave lectures on Thailand's economic situation, commercial banking system and Krungsri's business outlook to the students from Monywa University (Republic of the Union of Myanmar).



- The Public and Investor Relations Department gave lectures to participants from the Asian Institute of Technology (AIT) on Krungsri's business outlook, Small and Medium Enterprise (SME) in Thailand, the challenges and opportunities, including Krungsri's strategies for allocating funds to SME businesses.
- The Public and Investor Relations Department took the analysts and investors on Site Visit to automobile sales agencies and microfinance business for first-hand experience of both businesses in Thailand.

Major investor relations activities in 2017 can be summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits with investors/analysts	15	47	80
Participation in domestic conferences/meetings with domestic investors*	27	107	124
Meetings with securities analysts**	1	29	36
Meeting with credit rating agencies for Krungsri Group**	4	4	15
Site Visit	4	10	106
Press conference	13	487	643
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 external stakeholders as mentioned above, the Public and Investor Relations Department follows up Krungsri's operating performance and other factors relating to Krungsri's business operations to be regularly reported to the Board of Directors and senior executives, and also reports comments and viewpoints of securities analysts, important developments that may have an impact on Krungsri's stock price, analysis and reports of shareholding structure. In addition, the investor relations activities (participation in meetings with local and foreign investors) and activities plan are reported to the Board of Directors by the Public and Investors Relations 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 important information that may affect Krungsri's stock price. These communication channels include electronic communication to the stakeholders.

In addition, the Public and Investor Relations Department provides historical financial information on a quarterly basis, which is regularly updated so that the investors and persons who are interested in Krungsri's financial information can download from Krungsri's website under the topic "Investor Relations" (<http://www.krungsri.com/bank/InvestorRelations/FinancialInformationAndReports/KrungsriTimeseriesSheet.html>).

The Public and Investor Relations Department regularly delivers information, operating performance reports and other important developments of Krungsri to the investors continuously, so that they are constantly aware of any important information and developments of Krungsri. In addition, communication channel with a contact person is disseminated on Krungsri's website.

The Public and Investor Relations Department's roles and responsibilities on information disclosure, support, relationship development, as well as building confidence among the shareholders, investors and analysts are to ensure that Krungsri's stock price reflects its fair value in the long term.

In 2017, the Public and Investor Relations Department won the "Best Investor Relations Company (Thailand)" from the Corporate Governance Asia Magazine for 4 consecutive years. The award reflects its excellence in adequate, correct, and transparent communication capability, and the investor relations activities.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- The Board of Directors initiated and established the Principles to serve as the policy and guidelines for supervision of business operations as well as set up its roles and responsibilities. The Principles were reviewed by the committees overseeing corporate governance before submitting to the Board of Directors for approval, and then were disseminated to all employees and on Krungsri's website.

The Board of Directors has approved the Medium-Term Business Plan which is a strategic framework formulated as guidelines for business operations over the period of 2018 – 2020 and shall review the plan on an annual basis to ensure it corresponds to prevailing conditions as well as monitor its implementation by the management.

In addition, the Principles have been communicated to the subsidiaries on an annual basis for adaptation in alignment with their nature of businesses which will help strengthen Krungsri Group's operating performance under good corporate governance.

- To ensure the appropriateness of the Principles towards changing of business circumstances and situations, the Board of Directors has assigned Legal Group to review these Principles every year or without delay if there is any significant change before further proposing to the committees overseeing corporate governance and the Board of Directors for approval respectively.
- The Board of Directors has established The Spirit and The Letter (S&L), which serves as the Code of Conduct and has been announced throughout the organization and posted on Krungsri's website. S&L serves as policy on integrity applying to all directors, executives and employees of Krungsri who must understand and follow regularly in both literally and in its spirit of integrity. The supervisors shall have duties on knowledge and information sharing about the Code of Conduct to the employees and monitoring to ensure that all employees are aware that the business performance is not important than ethical behavior and compliance with Krungsri's policy, and in case of any violation, Krungsri will impose disciplinary actions which may include employment termination.
- To ensure that every employee in the organization has knowledge and understanding on the Principles and the Code of Conduct as well as can perform duty correctly and appropriately, compulsory course via Krungsri Learning Companion has been developed. Every employee must complete such course every 2 years or when there is any significant update of the content thereof. The participants must pass tests with not less than 70% score. Those who fail to meet the criteria must re-study and re-take the test until they meet the designated benchmark.
- The Board of Directors clearly determines Krungsri vision and mission, which are announced to all employees for acknowledgement and to be upheld as guidelines for accomplishing their work as targeted. The Board of Directors will review these vision, mission and core values on an annual basis to correspond with any circumstance changes. In 2017, The Board of Directors has made the review and resolved that the Krungsri's vision, mission and core values shall remain unchanged.
- Krungsri separated the roles and responsibilities of the Board of Directors and the management. The Board of Directors undertakes the fiduciary duties of overseeing the management. In addition, Krungsri clearly stipulates the approval authority of the Board of Directors in respect of significant matters, such as the important policies for the Krungsri Group's operations, the annual operating plan and budget. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Roles and Responsibilities of the Board of Directors".
- The Board of Directors has approved the Medium-Term Business Plan which is a strategic framework formulated as guidelines for business operations over the period of 2018 – 2020 and shall review the plan on an annual basis to ensure it corresponds to prevailing conditions as well as monitor its implementation by the management. In this regard, the management is responsible for reporting its actual performance versus plan to the Board of Directors for acknowledgement on a monthly basis.

- The Board of Directors prepares the report on the Board of Directors' Responsibility for Financial Reporting and discloses in the annual report in order to enhance shareholders' and investors' confidence that the report reflects the financial status as well as actual performance of Krungsri.

5.1 Board of Directors

- The Board of Directors comprises 12 directors: 5 non-executive directors; 4 independent directors (including one woman); and 3 executive directors. The Board of Directors plays an important role in establishing policies, directions and strategies for business operations, and overseeing and inspecting operations to ensure transparency and compliance with laws. It is also responsible for corporate governance to ensure overall maximum benefits of Krungsri and its shareholders.
- In selection of the directors, apart from individual qualifications and other prerequisites as stipulated in relevant laws and regulations, the Articles of Association, which are in line with international good corporate governance principles, the Board diversity in terms of special skills that Krungsri may be lacking, expertise, gender and specialized proficiency beneficial to Krungsri, for example in economics, business administration, accounting, international trade, computer and laws, are also taken into account. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Selection and Appointment of Directors and Senior Executives".
- Krungsri clearly identifies the definition of the independent director that he/she must be independent from the management and major shareholders. More stringent criterion on shareholding is also applied.
- Details of director selection and appointment criteria are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Selection and Appointment of Directors and Senior Executives".
- Currently, the Board of Directors consists of qualified persons with experiences in commercial banking and related businesses at the national and international levels as well as experiences in management of governmental organizations. No executive director is serving as a director of other listed companies.
- The Chairman of the Board is a non-executive director, therefore performs his duties independently.

Furthermore, he is not President and Chief Executive Officer and their roles and responsibilities are clearly separated. The Chairman of the Board plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated directions and strategies. Krungsri discloses details of roles and responsibilities of the Chairman of the Board in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading "Roles and Responsibilities of the Chairman of the Board".

5.2 Term of Offices of Directors, President and Chief Executive Officer and Senior Executives of Krungsri

The Board of Directors has specified that a director may hold the position(s) of chairman, executive director or authorized signatory director of other companies but no more than 3 business groups, in compliance with the criteria stipulated by the Bank of Thailand in order to ensure that the directors have sufficient time to perform their duties in Krungsri. In addition, the Board of Directors meeting No. 10/2560 (2017) held on October 20, 2017 had set a guideline that after October 2017, directors being appointed or elected are able to hold directorship of not more than 5 listed companies in any stock markets (including the Bank).

Moreover, President and Chief Executive Officer and senior executives can serve as committee members or directors in the subsidiaries, but not more than 6 committees or boards, except in case of necessity.

5.3 Board of Directors Meetings

- A Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each monthly meeting stipulated in advance for the whole year. In case of necessity or urgency, an extraordinary meeting may be called from time to time as determined by the Chairman of the Board.
- The Chairman of the Board and President and Chief Executive Officer have the duty to jointly consider matters to be included in the agenda of Board of Directors meetings. However, other directors including independent directors also have opportunities to review and may provide opinion (if any) on the agenda items before delivering a notification of each meeting to all directors. In this regard, the directors may propose agendas to the meeting by informing the Chairman of the Board, President and Chief Executive Officer or the Corporate Secretary.

- The Corporate Secretary has a duty to dispatch the notification of the meeting together with the agendas and supporting documents by means of e-Document to the directors for consideration and study at least 7 days prior to the meeting date. If the directors require additional information or documents, they can make their requests to the executive directors or the Corporate Secretary.
- Every director is obligated to attend every Board of Directors meeting, unless he/she has imperative business such as a meeting with a government agency, an overseas business trip, or has fallen ill. In 2017, every director attended at least 75 percent of all meetings. However, in average the directors attended 95.83 percent of all meetings.
- A meeting requires not less than half of all directors to constitute a quorum and a resolution of the meeting shall be passed by majority of vote. In case of tied vote, the Chairman shall have an additional vote as the casting vote. In compliance with the good corporate governance guideline, a minimum quorum of at least two-thirds for board decisions at the time of voting is required.
- Each Board of Directors' meeting takes an average of 4 hours. The Chairman of the Board provides an opportunity for all directors to make inquiries, suggestions and to debate and express their opinions on issues fully and independently to ensure prudent discretion. The senior executives and officers responsible for each issue discussed are also invited to answer questions, receive suggestions and observations made by the Board of Directors.
- The minutes of the meeting clearly and adequately identify in detail the date and time that the meeting is declared open and close, lists of absent and present directors, summary of the agendas, issues discussed and recommendations of the Board of Directors, including explanations by the management, and resolutions of the Board of Directors. The minutes of the meeting are signed by the chairman of the meeting and the minutes taker. In addition, any director having conflict of interest in any agenda does not join the consideration and voting on such particular agenda. In this regard, the Corporate Secretary normally checks information on conflict of interest and notifies all directors prior to the meeting as well as records in the minutes of the meeting.
- After the minutes of the meeting are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the minutes of the meeting to the relevant internal and external units within the prescribed time and safe-keeping the same in the form of hard copy and soft file for the purpose of reference and verification. Any amendment to the minutes of the meeting cannot be made without the approval from the Board of Directors meeting.
- The Board of Directors encourages the non-executive directors to organize meetings among themselves to independently discuss various issues without the presence of the management and to report a summary of their opinions to President and Chief Executive Officer for acknowledgement. In 2017, 2 meetings of non-executive directors were held on May 24, 2017 and November 22, 2017.

5.4 Board of Directors Self-Assessment

- Krungsri stipulates that the Board of Directors' performance be evaluated annually to ensure that the duties of the Board of Directors are in accordance with the Principles and reflect the effectiveness and productivity of the Board of Directors and the management. In addition, the evaluation gives the Board of Directors an opportunity to review its performance, problems and any obstacles encountered during the previous year for further improvement. Criteria and procedures are as follows:
 - **Criteria:** The Board of Directors self-assessment form is adopted from the guidelines of the Stock Exchange of Thailand in order to suit the characteristics and structure of the Board of Directors. The assessment form is proposed to the Nomination and Remuneration Committee for consideration before delivering to individual directors for assessment. The assessment form covers 6 major issues as follows:
 1. Structure and characteristics of the board;
 2. Roles and responsibilities of the board;
 3. Board meetings;
 4. The board's performance of duties;
 5. Relationship with management;
 6. Self-development of directors and executives.
 - **Procedures:** The Corporate Secretariat Department will send the assessment form to every director in November of each year as well as gather and summarize the assessment results for submission to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement and discussion as well as giving observations and recommendations for further improvement, which the Management can apply to enhance the effectiveness of the operations and bring ultimate benefits.

Krungsri holds orientation for every new director where senior executives who are responsible for each core business group of Krungsri will present summary of Krungsri's businesses, various areas of its operations, laws that directors should be aware of, and other related information.

- The overall assessment result is at the score of 3.78 out of 4.00.
- In 2017, the committees reporting to the Board of Directors have assessed their performance as a whole i.e. the Audit Committee, the Risk and Compliance Committee, and the Executive Committee.

5.5 Remuneration of Directors and Executives of Krungsri

- Krungsri has established policy on remuneration of the directors to ensure that the remuneration is appropriate and commensurate with the responsibilities of directors as well as comparable to the same industry benchmark. In this regard, the Nomination and Remuneration Committee is responsible for proposing to the shareholder meeting through the Board of Directors for approval on the remuneration of the directors and members of committees reporting to the Board of Directors on an annual basis.
- The remuneration is based on the type of director i.e. non-executive director, independent director and executive director. The remuneration structure consists of a retainer fee, attendance fee and other annual compensation, including directors' remuneration as members of the committees reporting to the Board of Directors.
- The Board of Directors (except the executive directors) shall approve the remuneration of President and Chief Executive Officer and senior executives of Krungsri under the guideline and policy stipulated by the Board of Directors, which shall be in line with Krungsri's performance, short-term and long-term targets as well as KPI result from each individual performance. Krungsri stipulates a fair, reasonable and incentivizing remuneration in order to retain proficient employees as well as create long-time

value added for the shareholders. Nonetheless, the executive who also serves as a member of the committees reporting to the Board of Directors, a member of the committees in the executives level, or a director in any Krungsri's subsidiaries, does not receive additional remuneration.

- Krungsri discloses related details of remuneration in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Remuneration for Directors and Executives".

5.6 Board of Directors and Executives Development

- Krungsri holds orientation for every new director where senior executives who are responsible for each core business group of Krungsri e.g. Head of Commercial Banking, Chief Financial Officer, General Counsel, Head of Human Resources Group and Chief Risk Officer will present summary of Krungsri's businesses, various areas of its operations, laws that directors should be aware of, and other related information. The documentations including Directors Manual are prepared for each director as the information for performing his/her duties.
- The Board of Directors has policy that encourages the directors to continuously develop their knowledge, and to attend seminars and training courses relevant to their work, organized by Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other local and international training institutes. Krungsri will subsidize all the expenses including those of In-house training courses. In 2017, there were 9 directors attending training courses as follows:

Name	Training Courses/Seminars
1. Mr. Veraphan Teepsuwan	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.
2. Miss Nopporn Tirawattanagool	<ul style="list-style-type: none"> National Director Conference 2017 "Steering Governance in a Changing World", Thai Institute of Directors Association Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.
3. Mr. Karun Kittisataporn	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. Director Briefing "Sleeping Giants of Succession", Thai Institute of Directors Association Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
4. Miss Potjaneer Thanavarant	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
5. Mr. Phong-adul Kristnaraj	<ul style="list-style-type: none"> Successful Formulation & Execution of Strategy (SFE 29/2017), Thai Institute of Directors Association Seminar in the topic of "Legal Update: Criminal Liabilities of Directors", Thai Institute of Directors Association PwC Consulting's Seminar "Smart Approach for Cyber security for Thailand 4.0", PwC Thailand Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. The Audit Committee's Role in Compliance and Ethical Culture Oversight, Thai Institute of Directors Association Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
6. Mr. Virat Phairatphiboon	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.
7. Mr. Noriaki Goto	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
8. Mr. Pornsanong Tuchinda	<ul style="list-style-type: none"> Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
9. Miss Duangdao Wongpanitkrit	<ul style="list-style-type: none"> Boards Matters and Trends (BMT 2/2017), Thai Institute of Directors Association Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand

Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)".

- In each quarter, the Corporate Secretary gathers information on available training courses organized by IOD and delivers it to the directors in advance so that they can plan their schedules for the courses. In this regard, the Corporate Secretary will organize the training registration process and other relevant activities. Books containing details on the roles and duties of directors are also available for the purpose of further research and study.
- The Board of Directors encourages executives, the Corporate Secretary and other employees whose work relates to corporate governance to continuously attend seminars and training courses relevant to their work not only external training courses but also those via Krungsri Learning Companion system (KLC) e.g. Good Corporate Governance, The Spirit & The Letter and IT Security policy, which can be accessed via computer, mobile phone or tablet connected to internet.

5.7 Succession Plan and Executives Development Plan

- The Nomination and Remuneration Committee is responsible for approval of succession plans for senior executives to ensure that Krungsri has a plan and is well prepared in terms of personnel substitution for the position deemed vital to business operation. In case of a vacancy, a qualified successor can be appointed immediately without interruption and appropriately.
- Krungsri prepares succession plans and specific training and development plans by considering the employees at the executive level of Krungsri Group, who achieve outstanding performance and show potential to be developed as higher-level of roles and responsibilities. Head of Human Resources Group is responsible for reporting performance results under succession plan and executive development plan to the Board of Directors on an annual basis.
- Krungsri's succession plan is divided into 4 levels as follows:
 1. those who are ready now;
 2. those who will be ready to move up to a new position within 1-2 years (Successors);
 3. those who will be ready within 2-5 years (Future Successors);
 4. those who will be ready, which may be develop more than 5 years (Successors in Pipeline).

Krungsri also designates emergency candidates in case of any immediate change or emergency in an executive position. This is to also wait for readiness of the successor.

Krungsri makes career plans for successors based on analysis of roles and responsibilities, necessity and has a training and development plan to promote employees' self-development in line with the competency based management concept. In addition, Krungsri encourages every employee to plan the individual development plan emphasizing development of vital skills and knowledge useful for their work. Krungsri also focused on developing leadership capability in alignment with 6 areas of Krungsri Leadership Competency. Krungsri expects that its successors receive continual development of the knowledge and skills necessary for their performance, including qualifications and competency for being leader.

5.8 Performance Assessment of President and Chief Executive Officer

Krungsri has conducted performance assessment of President and Chief Executive Officer on a regular basis whereby its criteria, guideline, objective and performance result are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, goal, strategy and long-term benefits.

The Board of Directors (except the executive directors) shall assess performance of President and Chief Executive Officer, and that the result will be used for considering bonus payment and annual compensation increment. Assessment criteria and result are normally communicated to President and Chief Executive Officer.

5.9 Committees Reporting to the Board of Directors and other Sub-committees

- The Board of Directors appoints the committees reporting to the Board of Directors i.e. the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee and the Executive Committee, with clearly specified roles and responsibilities in order to assist in performing duties. Each member's background and qualification, composition of the committee, number of meetings and individual statistics on meeting attendance are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Management Structure" and "Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)".
- Other committees in the executive level are also appointed to filter related matters before submitting to the Board of Directors such as Risk Management Committee and Compliance Committee. Composition, qualifications, roles and responsibilities of each committee are specified in respective charters.

5.10 Reporting of the Audit Committee

- The Audit Committee reports its performance and provide opinions on various matters as assigned by the Board of Directors in the Audit Committee's minutes of meetings on a regular basis.
- The Audit Committee reports on revisions of financial reports, internal control and risk management systems, compliance with regulations. The Audit Committee considers related party transactions or transactions which may deem to be a conflict

of interest. The Audit Committee's duties include consideration, selection and nomination of independent individuals to be appointed as auditors; or determination to terminate the employment of auditor. Moreover, the Audit Committee reports its members' opinions of overall business operations. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Report of the Audit Committee".

- In 2017, there were a total of 12 Audit Committee meetings and 11 special meetings of Audit Committee.

5.11 Internal Control and Internal Audit Systems

- Krungsri has established a clear internal audit system in line with the international practice, Three Lines of Defense which comprises the business unit, compliance unit and internal audit unit. These three units cooperate via working procedures stipulated for each level.
- Krungsri has established an independent unit reporting to the Audit Committee i.e. Internal Audit being responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the Board of Directors for acknowledgement. In this regard, the Board of Directors appointed Miss Puntipa Hannoraseth, Head of Audit Group, to be responsible for audit work. Also, any appointment, transfer, termination of employment, remuneration and annual merit review will be considered and approved by the Audit Committee of Krungsri.
- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Internal Control and Risk Management".

5.12 The Risk and Compliance Committee

- The Board of Directors appointed the Risk and Compliance Committee to review and assess the overall risk management policies as well as other significant types of risk before proposing to the Board of Directors.
- The Risk and Compliance Committee has the duties to review and assess the compliance policies and determine the roles and responsibilities and scope

of the Risk Management Group and the Compliance Division and conduct an evaluation of the Chief Compliance Officer. Should there be any improvement needed on the implementation of Risk and Compliance-related policies, the Risk and Compliance Committee must review and report to the Board of Directors. A report of non-compliance cases must be made to the Audit Committee for acknowledgement. The Risk and Compliance Committee must monitor the implementation of integrated risk management strategies and compliance policies to ensure coverage, effectiveness and appropriateness, provide recommendations on good corporate governance, code of conduct and The Spirit & The Letter, and perform any other tasks as assigned by the Board of Directors.

5.13 Risk Management

- The Board of Directors appoints the Risk Management Committee to manage and supervise Krungsri's overall risk management in compliance with Good Corporate Governance Principles. The Risk Management Committee is responsible for approving and giving advice and recommendations to the Board of Directors for consideration of policies and regulations relating to risk management. The Risk Management Committee reviews and assesses policies and regulations related to integrated risk management for the improvement of Krungsri's overall risk management to be more effective.
- The Risk Management Committee defines levels of Key Risk and Key Risk Indicator (KRI) appetite and set strategies that correspond to Krungsri's overall risk management policies. Enterprise Wide Risk Management Department is responsible for managing those through the Policy for Enterprise Wide Risk Management by means of assessing, monitoring and ensuring appropriate risk level. Enterprise Wide Risk Management Framework tools such as Risk Appetite, Risk Map, Heat Map, and key risk identification procedures to identify, assess, and monitor risks using an integrated approach i.e. strategic, credit, market and operational risk which covers Information Technology Risk and Cyber Risk are already in place. Moreover, an assessment and monitor of KRI, summary report on IT Incident Management including action plan and any other risks that could affect the reputation of Krungsri Group are summarized in the Enterprise Wide Risk report which shall be reported to Risk Management Committee, Executive Committee, Risk and Compliance Committee and the Board of Directors respectively.

- The Risk Management Committee is responsible for setting the working scope of loan portfolio management and review overall loan portfolio quality of Krungsri Group.
- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topic "Risk Factors" and the Annual Report (Form 56-2) under the topic "Risk Factors and Risk Management".

5.14 Corporate Secretary

The selection of the Corporate Secretary is based on appropriate qualifications, direct work experiences and graduation in laws.

The Board of Directors appointed Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of Corporate Secretariat Department, as Corporate Secretary and act as Secretary to the Board of Directors and Secretary to the Executive Committee, with the main responsibilities as follows:

1. Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;
2. Ensure that various activities of the Board of Directors are in compliance with relevant laws, rules and regulations;
3. Organize meetings of shareholders and Board of Directors meetings and prepare minutes of meetings in compliance with laws and the Bank's Articles of Association, including follow up of matters arising from meeting resolutions;
4. Advise the Board of Directors on relevant legal issues, rules and the Bank's Articles of Association that it has to know in performing its duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate with secretaries of the committees reporting to the Board of Directors.

Krungsri encourages the Corporate Secretary to take related training courses beneficial to the performance of duties, which are organized by IOD and other agencies, e.g. Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP) and Corporate Governance for Executives (CGE). In addition, the Corporate Secretary was assigned to attend seminars on "The Demanding and Changing Role of the Corporate Secretaries" and "Enhancing Good Corporate Governance

based on CGR Scorecard", apart from field trips to learn more about corporate secretary tasks domestically and abroad for gaining more experience. In 2017, the Corporate Secretary attended a training course namely Master Class "Corporate Governance and Director Duties Excellence 2017".

5.15 Others

Moreover, Krungsri conducts matters in compliance with the good corporate governance principles by:

- There has not been any case involving accusations due to misconduct or violation of the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand;
- There has not been any case on fraud or violation of moral standards;
- There has not been any case of a non-executive director resigning for a reason relating to Krungsri's corporate governance;
- There has not been any case of defamation as a consequence of the failure of the Board of Directors to perform its supervisory duty.
- There have not been any case of the director or senior executive of Krungsri, who have worked for or been a partner of the outside audit company, providing its services to Krungsri during the past 2 years.

CORPORATE GOVERNANCE FOR SUBSIDIARIES AND JOINT VENTURES

The Bank has regulatory mechanisms in place for supervising and overseeing the operation of subsidiaries and joint ventures across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, the Bank assigns relevant executives and company directors within the Bank's business group to supervise business operations, plans and annual budgets, and to provide the bank with important information for approval before action. The Bank monitors the operation of companies within the Krungsri Group through monthly operational reports submitted to the Bank and reported to the Bank's Board of Directors.

The Bank has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in the Bank's financial business group. According to the procedures, the Bank shall nominate qualified executives of the Bank for appointment

as directors of companies in the financial business group to ensure that the business operations of these companies are in alignment with the Bank's business directions, strategies and policies as well as in compliance with relevant laws and regulations. In so doing, executives of Krungsri Group or external candidates who are fully qualified according to regulatory requirements will be nominated for consideration of suitability by the Nomination and Remuneration Committee.

In addition, directors must ensure the establishment of policies and procedures important for the companies' operations and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders.

The Bank disclosed information regarding the related party transactions under section 7.23 of notes to the consolidated and the Bank's financial statement for the year ended December 31, 2017.



If nominated candidates possess appropriate qualifications, the Nomination and Remuneration Committee will pass a resolution to propose the candidates to the Bank's Board of Directors for consideration and endorsement for further appointment/election as companies' directors. As for managing directors of companies in the Bank's financial business group, after the Bank's Board of Directors grants endorsement, Secretary to the Nomination and Remuneration Committee shall prepare a letter to the Bank of Thailand to request endorsement for the appointment (only for appointment of managing directors of companies under solo consolidation). Secretary to the Nomination and Remuneration Committee shall inform companies in the Bank's financial business group of the resolution of the Bank's Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further actions.

Roles and responsibilities are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the companies' code of conduct and good corporate governance principles. The directors of companies in the Bank's financial group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and the Bank's direction.

The Bank and its subsidiaries have transactions with joint ventures and related companies in which the Bank and/or its subsidiaries hold the shares and/or have the same major shareholders and/or the director or executive officer of the Bank and/or its subsidiaries it has appointed as director of the entity. Such related party transactions are priced at an arm's length basis during the normal course of business of the Bank and its subsidiaries with the same conditions as other customers. The allowance for doubtful accounts policy complies with the same Bank of Thailand regulations as those granted to other debtors. The details can be found in the Related Party Transactions Section.

The Bank recognizes the importance of internal controls over the Bank's financial business group. Each company is required to maintain an adequate internal control system. This should encompass the business functions unit, supervisory units and the internal audit function to ensure efficiency in promoting proper business operations in compliance with good governance principles. It also contributes to the risk management system and enables managers to formulate viable business strategies to achieve the Bank's goals. Details can be found in the Internal Control and Internal Audit System Sections.

INSIDER INFORMATION POLICY AND MEASURES

The Bank recognizes the importance of preventive measures on insider information — strictly forbidden by law — and has established written policies and measures to prevent the use of insider information. Krungsri also enforces strict disciplinary action and penalties on anyone who breaches these policies and measures, and such misconduct becomes a factor in evaluating employee performance through key performance indicators (KPIs) and affects employee promotion. Penalties include disgorging profits, liquidating holdings, and termination.

Therefore, the Bank's executives and employees are required to electronically sign e-acceptances agreeing to adhere to these policies and to perform their duties by following The Spirit & The Letter (S&L), which covers prohibiting unlawful use of insider information and preventing conflicts of interest. The Bank also includes these policies and measures in S&L e-learning as a compulsory course where all employees have to complete relevant training and testing with a 75 percent minimum score and pass a refresher course every two years. In addition, Krungsri's executives and employees with access to insider-related information must disclose their securities trading details to the Bank to determine whether they use non-public information to take advantage of any third party unlawfully. This is to ensure that the Bank's preventive measures for illegal use of insider information are enforced.

As for any non-public financial information that may affect the share price, Krungsri does not allow its people, either executives or employees, to trade the Bank's shares during three working days before and after announcing the financial performance data (a blackout period) so as not to affect the share price. The Bank also prohibits the trading of the Bank's shares by restricted persons to prevent insider trading. Further, employees and executives must hold the Bank's shares for at least three months after purchase unless otherwise approved by the President and Chief Executives Officer or authorized persons.

With regard to information on customers, the Bank has designated certain business units related to specific transactions to review possible conflicts of interest before building business relationships with customers. For incidents that could lead to conflicts of interest, related business units have to follow stipulated measures, such as setting up an "Information Wall" to prevent disclosures between parties that may result in one party gaining advantages or being disadvantaged from transactions, classifying customer documents as confidential information, and reviewing information transfers through electronic channels such as an email Control log.

More importantly, the Bank strongly believes that sharing knowledge internally together with testing and implementing new technologies will raise employee awareness and lead to a compliance culture and compliance excellence. Moreover, in 2017 the Bank reviewed and revised procedures for securities registered on watch lists and restricted lists making them applicable to all relevant business units under our new organizational structure. In addition, securities trading disclosure form was revised to strengthen the efficiency in preventing the unlawful use of insider information.

INTERNAL CONTROL AND INTERNAL AUDIT

INTERNAL CONTROL SYSTEMS

Krungsri recognizes the importance of internal controls and has adopted the Three Lines of Defense model — an international governance standard involving the business functions, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that we practice good governance and apply effective internal control principles based on the COSO (the Treadway Commission's Committee of Sponsoring Organizations) Internal Control Integrated Framework consisting of five key components:



- **Control Environment:** The organizational structure is aligned with the Bank's business operations; duties are segregated to achieve checks and balances; scope of authority is a clearly defined; and integrity and professionalism are emphasized.
- **Risk Assessment:** Opportunities and impacts associated with possible incidents that affect achieving our goals are assessed to determine risk management and control measures.
- **Control Activities:** The Bank has established well-defined policies and procedures, effective resource maintenance and utilization processes, segregation of duties, and operations reviews.

- **Information and Communication:** The Bank has implemented information and communication systems that ensure timely responses as well as reliable and accurate financial records and reporting.
- **Monitoring Activities:** Continuous monitoring and assessments are conducted to ensure effective, appropriate risk management.

The Bank complies with the Sarbanes-Oxley Act (SOX), including US-SOX of the United States and J-SOX of Japan. The SOX laws include applying COSO internal control principles focusing on internal control over the financial reporting process. The Internal Audit Group is responsible for conducting reviews to ensure that financial reporting process internal controls are effective.

INTERNAL AUDIT FUNCTION

The internal audit function assesses the adequacy and appropriateness of internal controls for operational processes and work systems, and for Krungsri Group as well as outsourced activities. Internal Audit performs its duties independently and reports directly to the Audit Committee comprising independent directors. (Internal auditors are not involved in our day-to-day business operations.)

THE NATURE OF AUDIT WORK

Internal audit systematically evaluates and supports the adequacy and effectiveness of good corporate governance, risk management, and internal controls to give us reasonable assurance that they operate effectively to achieve our objectives and goals.

INTERNAL AUDIT GROUP RESPONSIBILITIES AND GOALS

The Internal Audit Group continuously enhances our audit methodology efficiency to meet international audit standards, emphasizing five key areas:

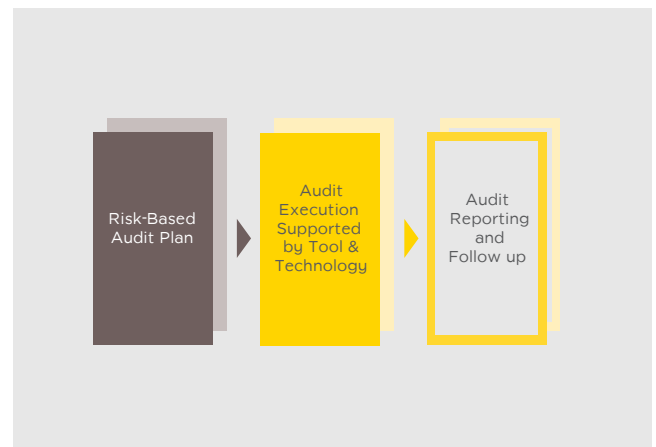


1. Assurance service
2. Consulting service
3. Personnel development
4. Audit quality control and improvement and,
5. Added Value

1. Assurance Service

1.1 Annual audit plan

This plan is formulated using a risk-based approach where opinions of senior executives and external auditors are considered and approved by the Audit Committee. The audit plan is reviewed and amended during the year in response to new or changing risks. Also, MUFG risk assessment guidelines are shared with the Internal Audit Group and adapted to improve our risk assessment approach. The Internal Audit Group also organizes meetings to jointly discuss and follow up on emerging risks using this information to regularly amend the plan.



1.2 Audit process and supporting IT systems

We have adopted an integrated audit approach, incorporating IT auditing with operational auditing to improve efficiency. Data audits or computer-assisted audit techniques (CAATs) are also integrated with operational audits to reduce sampling risks and facilitate analyzing potential irregularities from emerging risks and new products. Auditing software is also used to manage auditing processes, including audit planning, resource allocation, audit data recording and archiving, and audit issue tracking. The Internal Audit Group analyzes the root causes of audit issues to better rectify them and has also improved audit methodology to meet global standards by adapting various audit practices leveraged from MUFG'S Internal Audit and Credit Examination Division.

1.3 Audit report presentation and audit tracking

The results of internal control reviews are directly reported to executives of audited functional units and relevant business units to jointly improve operations and rectify flaws according to the determined timeframe: the internal audit function is required to monitor how these flaws are rectified in response to audit recommendations and report the results to senior executives and the Audit Committee monthly. Audit issue follow-up is done using our electronic audit tracking system, enabling audited parties to report on progress and retrieve reports in various formats from the system at anytime for greater efficiency.

2. Consulting Service

In addition to annual audits, the Internal Audit Group also advises on implementing internal controls for other bank business units. An Audit Buddy Line project has been established to offer advice or answers to internal control inquiries. Also, the Internal Audit Group has developed a cooperative relationship with the Branch Operational Risk Management Department and the Fraud Management Division — considered the second line of defense — to continually monitor risks arising from bank operations.

3. Personnel Development

In cooperation with the Human Resources Learning and Development Department, the Internal Audit Group developed a competency model and a career path for auditors to ensure alignment with the Internal Audit Group's vision and mission and with international standards to evaluate their competency, enhance their capabilities, and to develop an annual training roadmap. Audit officers are given in-house and professional training, including professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, IT system knowledge, fraud risk, audit methodology, and our newly revised professional principles. In 2017 candidates for Certified Internal Auditor (CIA) certification underwent a training course with guidelines on how to prepare themselves for all three parts of this exam. Knowledge tests (e-quizes) covering new rules and regulations have regularly been given through online tests. In addition, the internal audit function continuously develops self-learning (e-learning) courses specifically designed for audit officers to facilitate convenience in accessing educational materials. Audit officers are given opportunities to propose projects that improve audit-related operations. External consultants are hired to jointly perform audits to share knowledge with audit officers. In 2017 a total of 86 bank audit officers received 133 audit certificates.

4. Audit Quality Control and Improvement

To control and improve audit quality, the Internal Audit Group has employed several approaches such as supervisor evaluation of each audit task, including a post-audit satisfaction e-survey to gather opinions of key stakeholders. Furthermore, audit quality is regularly reviewed by an independent functional unit: The Internal Audit Group arranges this external quality assessment every five years performed by an external consulting firm. The latest assessment was conducted in 2014 and found that our audit operations complied with international audit standards. As a subsidiary of MUFG, a peer review was conducted by their Internal Audit and Credit Examination Division to regularly provide recommendations on our audit practices as well.

5. Added Value

To achieve our business target using good governance and effective internal control principles, the Internal Audit Group developed an e-learning program, Internal Control Framework under COSO Principles, as a basic training course to be completed every two years by all employees on the principles, background, and importance of internal control. In addition, the Internal Audit Group launched the Control Black Belt (CBB) project for the second consecutive year to enhance internal control effectiveness. This is to ensure that it can be used as a key strategic approach to achieve its target by developing competency for participants from other functional units. The Internal Audit Group added an ongoing monitoring process in 2017 to continuously monitor risks relating to operations and business units. This monitoring data is used to support proactive auditing, allowing prompt, timely responses to significant risks. For example, the Internal Audit Group participated in our important digital technology-based projects to support financial services, including a project using blockchain technology for international funds transfers, through advice on web application security. The Internal Audit Group also joined the National e-Payment project to offer advice on IT internal control.

Head of Internal Audit Group

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraseth, First Executive Vice President and Head of the Internal Audit Group.

Academic degrees and certificates

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (First Class Honors), Thammasat University
- Certified Public Accountant (CPA Thailand)

- Certified Internal Auditor (CIA), and
- Advanced Audit Committee Program certificate.

Relevant work experience: Bank of Ayudhya Public Company Limited

- April 2013 – Present: First Executive Vice President
- September 2010 – Present, and January – September 2009: Secretary to the Audit Committee
- November 2009 – March 2013: Executive Vice President
- April 2009 – Present: Head of Internal Audit Group
- April – September 2009: Acting Manager, Audit Department
- January – April 2009: Senior Vice President and Manager, Audit Department
- 2007 – December 2008: Senior Vice President, Audit Department

Training

- Audit Committee Program (ACP)
- Monitoring the Internal Audit Function (MIA)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Quality of Financial Reporting (MFR)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Thai Institute of Directors Association: Company Secretary Program

Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

In June, the Bank was recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption. This confirms our determination to prioritize countering all forms of corruption and bribery in accordance with our written Anti-Corruption and Anti-Bribery Policy and Program which serve as business practices guidelines for measurable sustainability.

All Krungsri Group directors, executives, and employees must sign and observe a binding agreement to adhere to our anti-corruption efforts, with disciplinary action for employees who violate these provisions. Moreover, the Bank, through the Compliance Division, promotes easily accessible whistleblowing channels through internal news and messages. Employees are informed of the ways they can give leads to ombudspersons upon finding fraud or



non-compliance with our policies, regulations, or requirements. Whistleblowers are protected and any retaliation against them is considered a violation of the Bank's policy, meaning that those who retaliate are also subject to disciplinary action. More importantly, we investigate whistleblower leads to determine how issues can be rectified and reported to Senior Executives, the Audit Committee, the Risk and Compliance Committee, as well as the Board of Directors.

In addition, the Bank requires employees and executives to be trained to conduct business in line with our guidelines by enrolling them in a compulsory e-learning course, which must be repeated every two years. The Bank has also been promoting anti-corruption campaigns in the form of short films, posters, and staff activities, all of which aim to underline the importance of performing duties with integrity, transparency, and auditability — the key principles of a comprehensive anti-corruption program.

Krungsri Group executives and employees participate regularly in national anti-corruption events for the betterment of society. In September, the Anti-Corruption Organization of Thailand organized Anti-Corruption Day 2017 under the topic "New Government, Same Corruption?" at the Centara Grand and Bangkok Convention Centre: Our people joined the Thai Bankers' Association, the Thai Institute of Directors, and other top-tier Thai organizations as part of the social forces, driving, creating, and expanding the country's anti-corruption network. In December, Krungsri Group took part in International Anti-Corruption Day (Thailand) under the topic "Thais Have Zero Tolerance for Corruption". The event was initiated by the government and organized by the Anti-Corruption Organization of Thailand together with the Office of the National Anti-Corruption commission, Office of Public Sector Anti-Corruption Commission, including public, state-owned enterprise, private, and social partnerships at IMPACT Arena, Exhibition and Convention Center.



MANAGEMENT STRUCTURE



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The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that Krungsri's operations are carried out in compliance with law and consistent with the business code of conduct and Good Corporate Governance Principles.



Krungsri's management structure consists of the Board of Directors and 4 committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. Krungsri's operations are divided into 2 parts based on the responsibilities, namely business units and support units.

Roles and Responsibilities

The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that Krungsri's operations are carried out in compliance with law and consistent with the business code of conduct and Good Corporate Governance Principles.

Currently, the Chairman of the Board is not the same person as the President and Chief Executive Officer and their responsibilities are clearly separated.

The Chairman of the Board is not an independent director, but his performance of duties is independent from the management and the major shareholders, focusing mainly on the benefits of Krungsri and its shareholders.

Board of Directors

The Board of Directors consists of 12 directors, i.e. 5 non-executive directors, 4 independent directors, and 3 executive directors.

• Structure and Composition

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties. The Board of Directors shall consist of not less than 3 independent directors or at least one third of the all directors, whichever is higher. Not less than half of all directors shall have domiciles in Thailand.

• Qualifications

The Board of Directors comprises the members with directorship qualifications for financial institutions as required by law. In addition, they shall have expertise, extensive knowledge and experience as prescribed, and have comprehensive understanding on their roles and responsibilities as well as nature of business, and be able to devote their time for performance as directors, and be appointed under prescribed nomination process.

• Term of Office

The directors' term of office is clearly specified in the Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992) that an every annual general meeting of shareholders, one third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of 3, the number nearest to one third shall retire.

Furthermore, the internal procedure is stipulated that a director shall retire when reaching the age of 72 years. If a director reaches the age of 72 years while holding the directorship position, the director is allowed to hold the office until the end of the term of office. If a director has yet not reached the age of 72 years at the time of nominating for election, the director may be re-elected for another term.

Besides, for the case of Mr. Veraphan Teepsuwan who has reached 72 years old, the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"), the major shareholder of Krungsri has proposed to the Board of Directors and the Annual General Meeting of Shareholders No.102 and No.105 respectively to consider re-electing, Mr. Veraphan Teepsuwan as the director for a special case, and they have agreed as proposed.

• Roles and Responsibilities of the Chairman of the Board

1. Ensure proper structure of the Board of Directors, including oversee and monitor their performance is balanced in terms of corporate governance and achieving key objectives and goal of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.
4. Preside over the Board of Directors meetings, oversee the allocation time for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without presence of executive directors.

6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow a sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.
7. Encourage the directors to attend seminars and training courses relating to their duties and good corporate governance for knowledge development.
8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as to ensure that the directors perform their duties in line with Good Corporate Governance Principles.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage the awareness and compliance among the directors, executives and all employees.
10. Be a role model to promote good relationship between the executive and non-executive directors, and between the Board of Directors and the management.

• Roles and Responsibilities of the Board of Directors

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of the Group as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Group's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Group.
3. Duty of Obedience, which requires a director to comply with the laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.



In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies.
2. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.
3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanism over the Group's policies and operations is in place, and promote comprehensive and correct understanding on the same.
4. Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.
5. Consider and approve the annual business plan and budget proposed by the management.
6. Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.
7. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.
8. Ensure the establishment of the policy relating to prevention of use of insider information and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.

9. Ensure the establishment of the policy and control mechanism relating to risk management with regular reviews, and support Risk Management Committee in performing efficient and professional duties with independence from business units.
 10. Ensure the establishment and communication of the policy and program relating to anti-fraud and anti-corruption.
 11. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.
 12. Monitor the Group's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.
 13. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.
 14. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with the Group's needs, stimulates business opportunities and performance, strengthens risk management, and supports the Group's objectives and key goals.
 15. Ensure clear and transparent policy and procedures for selection and nomination of the directors, and determination of director remuneration which requires a meeting of shareholders' approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.
 16. Ensure a proper mechanism for the nomination and remuneration of the President and Chief Executive Officer including senior executives, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.
 17. Define clear roles and responsibilities of the President and Chief Executive Officer and the management and monitor their proper performance of duties.
 18. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance.
 19. Ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.
 20. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws.
 21. Ensure that the Group's business operations reflect the Group-wide implementation of environmental and social responsibility standards.
 22. Ensure the defining, communication and fulfillment of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, executives and employees including Banking Industry Code of Conduct.
 23. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.
 24. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.
 25. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.
 26. Ensure the Group's creation of a mechanism for handling complaints and whistleblowing.
- The Board of Directors' approval authority, in brief, is the approval of significant matters of the Group, the matters as stipulated by law, regulations of the regulators as well as Krungsri's Articles of Association and direction including the important policies for the Group's operations, the annual operating plan and budget as well as following up the management to

ensure the efficient and effective implementation of those approved policies/plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer and/or change of positions of senior executives as well as the appointment of Krungsri's executives to serve as the directors of the companies in the Group.

• Roles and Responsibilities of Executives

Executives shall perform duties under the moral and ethical framework as follows:

1. Adhere to integrity, fairness, morality, responsibility and business ethics as well as perform duties and supervise the business with prudence and thoroughness or the best interest of the organization and stakeholders under principles and guidelines of Business Judgment Rule. In addition, executives must recognize and uphold the organization's interest with awareness on organizational matters and operations.
2. Play key roles on promoting good governance in order to enhance trust from shareholders, customers, supervision agencies and all stakeholders for the best interest of the organization, industrial sector and country.
3. Operate the business management in accordance with strategies, policies and plans approved by the Board of Directors.
4. Support the Board of Directors to formulate and review strategies, goals and operating plan; ensure the appropriateness and adequacy of Risk Management and internal control systems; define the management's authority to be in accordance with their responsibilities; set the policies relating to resource allocation, development and budgeting; monitor and evaluate the Group's operating performance and ensure the disclosure of important information, both financial and non-financial.
5. Fulfill the management's duties to ensure the appropriate and efficient implementation of the policies.
6. Strictly comply with policy and systems of risk management, realize any possible risks and protect the Group's interest as well as control any possible

damage to be at acceptable level under efficient risk management.

7. Avoid any possible conflict of interest and if there is a conflict of interest, such conflict of interest shall be handled fairly without delay. Executives' transaction towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be mainly attentive.

• Roles and Responsibilities of the President and Chief Executive Officer

The President and Chief Executive Officer as the top executive of the Bank shall be responsible for performing duties as one of the directors and an executive, as well as the following duties as a leader of all executives:

1. Perform tasks assigned by the Board of Directors and committees reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies.
2. Monitor and control the Bank's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Bank and its subsidiaries as approved by the Board of Directors as well as compliance with applicable laws and regulations.
3. Report significant operating performance to the Board of Directors on regular basis.
4. Promote compliance with Good Corporate Governance Principles as well as highest standards of integrity, ethics and corporate social responsibility.
5. Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain capable management team to effectively perform duties according to the Bank's strategies and objectives.
6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf.
7. Seek business opportunities which are consistent with the Bank's vision and strategic direction.

• Members of the Board of Directors

As of December 31, 2017, the Board of Directors consists of 12 directors as below:

Name - Surname	Position
Non-Executive Directors	
1. Mr. Veraphan Teepsuwan	Chairman
2. Mr. Takayoshi Futae	Vice-Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
3. Mr. Takeshi Ogasawara	Director / Risk and Compliance Committee Member
4. Mr. Hirotake Taguchi	Director
5. Miss Nopporn Tirawattanagool	Director (Authorized Signatory) / Nomination and Remuneration Committee Member / Risk and Compliance Committee Member
Independent Directors	
6. Mr. Karun Kittisataporn	Independent Director / Chairman of the Nomination and Remuneration Committee
7. Miss Potjane Thanavaranit	Independent Director / Chairman of the Audit Committee
8. Mr. Virat Phairatphiboon	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
9. Mr. Phong-adul Kristnaraj	Independent Director / Audit Committee Member / Chairman of the Risk and Compliance Committee
Executive Directors	
10. Mr. Noriaki Goto	Director (Authorized Signatory) / Chairman of the Executive Committee
11. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
12. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

Mrs. Thidarat Sethavaravichit serves as the Secretary to the Board of Directors.

Remark: The last updated profile of directors are shown under the topic "Details of Directors, Executives, Persons with Managerial Authority and Corporate Secretary".

The directors authorized to sign on behalf of Krungsri are that Mr. Takayoshi Futae and Mr. Noriaki Goto jointly sign and affix the Company's seal; or either Mr. Takayoshi Futae or Mr. Noriaki Goto co-sign with either Miss Nopporn Tirawattanagool or Mr. Pornsanong Tuchinda or Miss Daungdao Wongpanitkrit, a total of two directors, jointly sign and affix the Company's seal.



• Meetings of the Board of Directors

In 2017, there were a total of 12 meetings as scheduled in advance with details below:

Members of the Board of Directors	Number of Meetings Attended / Total Number of Meetings Held				
	Board of Directors	Nomination and Remuneration Committee	Audit Committee	Risk and Compliance Committee	Executive Committee
Non-Executive Directors					
1. Mr. Veraphan Teepsuwan	12/12				
2. Mr. Takayoshi Futae	12/12	13/15			
3. Mr. Takeshi Ogasawara	9/12			8/12	
4. Mr. Hirotake Taguchi	10/12				
5. Miss Nopporn Tirawattanagool	12/12	15/15		12/12	
Independent Directors					
6. Mr. Karun Kittisataporn	12/12	14/15			
7. Miss Potjanee Thanavarani	12/12		23/23		
8. Mr. Virat Phairatphiboon	12/12	15/15	23/23		
9. Mr. Phong-adul Kristnaraj	12/12		23/23	12/12	
Executive Directors					
10. Mr. Noriaki Goto	12/12				41/42
11. Mr. Pornsanong Tuchinda	11/12				36/42
12. Miss Duangdao Wongpanitkrit	12/12				40/42

Additionally in 2017, 2 meetings of non-executive directors were held: on May 24, 2017 and November 22, 2017.

Nomination and Remuneration Committee

• Structure and Composition

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than 3 non-executive directors (currently, 2 independent directors and 2 non-executive directors). Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Head of Human Resources Group shall act as the Secretary to the Committee by position.

• Qualifications

The Nomination and Remuneration Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their roles and responsibilities.

• Term of Office

The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibility

1. Determine policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:

- 1.1 The policies, rules and procedures of nomination of directors, members of sub-committee and senior executives of the Bank at the level of Executive Vice President and above.
- 1.2 The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing director or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.
- 1.3 The policies, rules and procedures for payment of remuneration and other benefits to directors, sub-committee members and senior executives of the Bank at the level of Executive Vice President and above including directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares.
2. Select and/or screen candidates for appointment to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:
 - 2.1 Directors of the Bank
 - 2.2 Members of the various sub-committees reporting to the Board of Directors
 - 2.3 Senior executives at the level of Executive Vice President and above
 - 2.4 Directors and managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares
3. Determine remuneration and other benefits commensurate with roles and responsibilities towards the Bank and/or companies in its financial business group comparable to other commercial banks based on the Bank's regulations.
 - 3.1 Determine remuneration and other benefits for directors, members of the various sub-committees and senior executives of the Bank at the level of Executive Vice President and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.
 - 3.2 Determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares for submission to the Board of Directors for consideration and approval.
 - 3.3 Ensure that Bank directors, managing directors and directors of entities in which the Bank holds 50% or more of shares, and senior executives of the Bank at the level of Executive Vice President and above who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.
4. Ensure that the size and composition of the Board of Directors are suitable for the organization and modify them as appropriate in consideration of the changes in the environment. The Board of Directors shall, as a rule, be endowed with members who are knowledgeable, competent and experienced in a variety of fields.
5. Ensure that the evaluation of the performance is undertaken uniformly across all companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.
 - 5.1 Consider performance evaluation guidelines and endorse performance evaluation forms prepared by the Bank for use in evaluating performance of duties of the entire Board of Directors.
 - 5.2 Endorse performance evaluation guidelines, goals & objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares in order to consider the annual remuneration.
 - 5.3 Consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.
 - 5.4 Consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

6. Develop a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for consideration and approval, Also, to consider and approve a succession plan for the various functional group heads.
7. Consider appropriateness of the Bank's organization chart restructuring at Division level and above.
8. Perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.
9. Disclose relevant policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.
10. The Committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.



• Names of Members and Meetings of the Nomination and Remuneration Committee

In 2017, there were a total of 15 meetings as scheduled in advance with details below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Karun Kittisataporn	Chairman	14/15
2. Mr. Virat Phairatphiboon	Member	15/15
3. Miss Nopporn Tirawattanagool	Member	15/15
4. Mr. Takayoshi Futae	Member	13/15

Secretary to the Nomination and Remuneration Committee is Mr. Wittapon Jawjit

Audit Committee

• Structure and Composition

The Board of Directors appoints the Audit Committee which consists of no less than 3 independent directors.

• Qualifications

The Audit Committee members shall have the qualifications as per regulations stipulated by the Capital Market Supervisory Board, and not being a director who has been assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiary company,

associated company, same-level subsidiary company, major shareholders or control person of the Bank, and not being a director of listed companies which are subsidiary company or same-level subsidiary company.

The Audit Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities as well as the nature of business operations and risk management of the Bank and the companies in the financial business group ("the group companies"). Besides, at least 1 Audit Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

• Term of Office

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibility

- Financial Reports and External Auditor

1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting ("ICFR") to ensure that internal controls and financial reporting preparation process was designed effectively, and the Bank's financial reports and any disclosed documents relating to the financial performance of the Bank and its group companies is accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.
2. Consider, select, propose the independent persons to the Board of Directors, candidates for appointment or termination of the external auditor, including their remunerations prior to submit to the Bank of Thailand for endorsement before proposing them to the shareholders' meeting of the Bank. Hold at least one meeting a year with the external auditor without the presence of management.
3. Review the process in relation to non-audit services from the auditor firm of the external auditor and give consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.

- Internal Control, Risk Management System, Compliance System, and Internal Audit

4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable,

adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal, remuneration and annual merit review of the Head of Audit Group of the Bank.

5. Consider internal control, risk management, and compliance with relevant laws and regulations by considering minutes of meetings of Risk and Compliance Committee, Risk Management Committee, and Compliance Committee.
 6. Consider and approve Internal Audit's plan as well as consider the Internal Audit Charter, Internal Audit Policy, and Policy for reviewing of credits, credit-like transactions and contingent liabilities, and give consent to the amendment onto annual Credit Review Plan after being approved by the Bank's Board of Directors.
 7. Ensure that relevant appropriate and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established the Audit Committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or concerned board of directors of the group companies.
 8. Review and cooperate with the senior management and internal audit team in reviewing and examining irregular, errant or suspicious matters to establish corrective methods and finalize solutions to rectify such matters.
- ### - Related Parties Transactions or Transactions that May Create Conflict of Interest
9. Consider the accuracy and completeness on the matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the disclosure of such information as necessary.

- Good Governance

10. Arrange for a procedure on receiving traces from the employee regarding the unqualified of financial statement report or other matters while ensuring to such employee the independence of investigation and monitoring appropriate actions to resolve such matter. Receive and consider complaint or other information from interested party and acknowledging the result of complaint resolution from the responsible department through internal audit team.

- Compliance with Regulatory Requirements

11. Oversee and monitor the operations, business undertaking or actions taken by the Bank to ensure compliance with Securities and Exchange Act, the Stock Exchange of Thailand regulations or laws, announcements and regulations pertaining to commercial banking business including internal policies and procedures.

- Others

12. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor under Section 89/25 of the Securities and Exchange Act within 30 days from the date they are notified by the external auditor. The further detail investigations shall be carried out as appropriate and report the result to the Bank's Board of Directors to rectify within appropriate timeline.
13. Consider inviting the management of internal control, risk management and compliance function for meeting as necessary to assure the appropriateness of internal control, risk management and compliance with relevant laws and regulations.
14. Prepare the Audit Committee's report and disclose the same in the Bank's Annual Report, comprising of at least the following information:
 - (1) Opinion on the accuracy, completeness and creditability of the Bank's financial report;
 - (2) Opinion on the adequacy of the internal control system;

- (3) Opinion on the compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, or laws pertaining to commercial banking business;
 - (4) Opinion on the suitability of an external auditor;
 - (5) Opinion on the transactions that may lead to conflict of interest;
 - (6) The number of the Audit Committee meetings and the attendance of such meetings by each committee member;
 - (7) Opinion or overall observation of the Audit Committee from its performance of duties in accordance with its charter; and
 - (8) Other matters which, according to the Audit Committee's opinion, should be revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.
15. Where there is a material change in the composition or in the duties of the Audit Committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.
 16. Ensure clear written announcement of the Audit Committee's scope of duties and any material change which may affect the Audit Committee's performance and disclose the same to the shareholders in the Bank's Annual Report.
 17. Submit timely reports to the Board of Directors for remedial action upon the Audit Committee finding or suspects any misconduct in the following areas:
 - Any transaction with conflict of interest.
 - Any fraud or irregularity or material defect in the internal control system.
 - Any breach of the Bank's rules and regulations, the Articles of Association as well as laws governing the banking business.

If the Board of Directors or the senior management does not take remedial action within the timeline determined by the Audit Committee, the Audit Committee shall disclose such failure in the Annual Report and report to the Securities and Exchange Commission and the Bank of Thailand.
 18. Obtain outside counsel or other professional advice as the committee deems appropriate.
 19. Conduct annual performance assessment of the Audit Committee and report the assessment result to the Bank's Board of Directors.
 20. Perform any other tasks as assigned by the Bank's Board of Directors as consented by the Audit Committee.

• Names of Members and Meetings of the Audit Committee

In 2017, there were a total of 23 meetings, i.e. 12 ordinary meetings and 11 special meetings, 2 out of 23 meetings were made with the external auditors without the presence of the management. Detailed are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Miss Potjaneer Thanavarant	Chairman	23/23
2. Mr. Virat Phairatphiboon	Member	23/23
3. Mr. Phong-adul Kristnaraj	Member	23/23

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All the three members are competent and experienced in the review of Krungsri's financial statements.

Risk and Compliance Committee

• Structure and Composition

The Board of Directors appoints the Risk and Compliance Committee which consists of no less than a total of 3 non-executive directors. Chairman of the Risk and Compliance Committee shall be an independent director.

• Qualifications

The Risk and Compliance Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments to ensure benefits to the Bank and/or companies in the financial business group.

• Term of Office

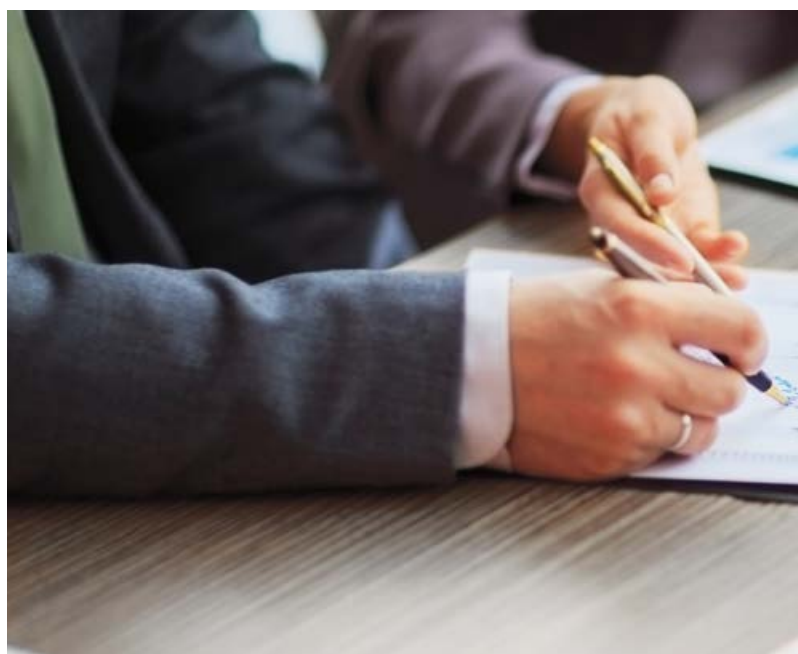
The Risk and Compliance Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibilities

1. Review, assess and propose to the Board of Directors, in timely manner, annual compliance report and a policy/policies for overall risk management which shall include major risks but

not limited to credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk and compliance risks.

2. Determine and review compliance policies including seek approval on principles and practices for effective compliance measures, set Risk Management Group and Compliance Division's duties and scope of work commensurate to the complexity of commercial banking business and in accordance with this Charter.
3. Formulate and monitor implementation of strategies for integrated risk management and compliance policy to ensure coverage, effectiveness and appropriate level of the Bank's risk appetite.
4. Continuously review the adequacy of the overall risk management and compliance policy and system, the effectiveness of system and policy implementation in order to improve the level of awareness, control level and effectiveness of the same.



5. Review and regularly report to the Board of Directors on improvements needed to ensure effectiveness of the risk and compliance policy and measures and inform the Audit Committee on non-compliance issue for acknowledgement.
6. Review and monitor all pending/overdue issues from the Bank of Thailand, National Credit Bureau Co., Ltd., the Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance related issues to ensure that they are rectified per the specified timeline.
7. Evaluate the performance of Head of Compliance to ensure independency and prevent possible conflict of interest.
8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.
9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.
10. Conduct an annual performance assessment of the Risk and Compliance Committee and report the assessment result to the Board of Directors.
11. Perform any other tasks as assigned by the Board of Directors as agreed by Risk and Compliance Committee.

• Names of Members and Meetings of the Risk and Compliance Committee

In 2017, there were a total of 12 meetings as scheduled in advance with details below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended /Total Number of Meetings Held
1. Mr. Phong-adul Kristnaraj	Chairman	12/12
2. Miss Nopporn Tirawattanagool	Member	12/12
3. Mr. Takeshi Ogasawara	Member	8/12

Secretary to the Risk and Compliance Committee is Mr. Saengchart Wanichwatphibun

Executive Committee

• Structure and Composition

The Board of Directors appoints the Executive Committee consisting of no less than 11 members namely President and Chief Executive Officer as

the Chairman of the Executive Committee, Head of Commercial Banking, Head of Retail and Consumer Banking, Head of JPC/MNC Banking, General Counsel, Chief Financial Officer, Chief Information and Operations Officer, Chief Risk Officer, Head of Corporate Strategy and Planning Group, Head of Global Markets Group, Head of Human Resources Group and other suitable executives.

• Qualifications

The Executive Committee members shall have extensive knowledge, capability, experience, and through understanding of their duties and responsibilities, with good judgment in acting for the benefit of the business.



• Term of Office

The term of office is two years or as per the directives of the appointment of the Executive Committee. In case of additional Executive Committee members, additional Executive Committee members have a term of office as per the directive of their appointments. In case of vacancy in the committee due to any reasons other than completion of term, the vacant seat shall be replaced by the new incumbent of such position for the remaining period. The member may be re-appointed to the Committee.

• Scope of Authority and Responsibility

1. Be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.
2. Be in charge of the Bank's business management to achieve the set goals, policies, strategies and business plans.
3. Assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.
4. Screen strategic plans, annual business plan, capital expenditure budgets, operational objectives and other project plans, including income/non-interest expenditure controls before submitting to the Board of Directors.
5. Assign the management committees and sub-committees to consider matters which occur from the Bank's ordinary operations.
6. Prepare reports as assigned by the Board of Directors.
7. Review policy and business plans prepared by the President and Chief Executive Officer, which have been reviewed by the Financial Management Committee and propose the business plans which have been review to the Board of Directors for approval.
8. Consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board of Directors.
9. Consider, approve and monitor the following operations:
 - 9.1 High cost investment.
 - 9.2 Launching of new product or cessation of providing service or adjustment of prices which have been approved.

- 9.3 Go into business by capital investment, share investment, business partnership or contracts or agreements.
- 9.4 Provision of credits or guarantee apart from the Bank's ordinary operations.
- 9.5 Any actions resulting in property rights or right over the Bank's assets.
- 9.6 Liability payment or liability payment before due date.
- 9.7 Changes of remuneration or employee benefit policy.
- 9.8 Changes of strategies relating to the provision of credit and acceptance of deposits.
- 9.9 Credit limits opening and closing.
- 9.10 Enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.
- 9.11 Credit requests and also relevant operations relating to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.
10. Monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.
11. Review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modern, up-to-date and correspond to the fast changing economic situation.
12. Have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the Committee may fulfill its objectives.
13. Have the authority to appoint and set the roles and responsibilities of sub-committees and/or individuals as deemed appropriate to assist the management of the Bank.
14. Undertake assignments from the Board of Directors.
15. Report the Bank's operations and various activities that have major implications to the Board of Directors.
16. Operate matters relating to the Bank's overall businesses or operations.
17. Monitor operations of the committees and sub-committees reporting to the Executive Committee.
18. Approve quarterly (reviewed) financial statements after review by the Audit Committee.

• Names of Members and Meetings of the Executive Committee

In 2017, there were a total of 42 meetings as scheduled in advance with details below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Noriaki Goto	Chairman	41/42
2. Mr. Pornsanong Tuchinda	Member	36/42
3. Mr. Sudargo (Dan) Harsono	Member	38/42
4. Mr. Masaaki Suzuki	Member	20/42
5. Miss Phawana Niemloy	Member	35/42
6. Miss Duangdao Wongpanitkrit	Member	40/42
7. Mrs. Voranuch Dejakaisaya ^{1/}	Member	36/42
8. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	40/42
9. Mr. Rohit Khanna	Member	35/42
10. Mr. Tak Bunnag	Member	39/42
11. Mr. Wittapon Jawjit ^{2/}	Member	34/39

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remark: ^{1/} Appointed as the Executive Committee member ex officio, effective on January 1, 2017.

^{2/} Appointed as the Executive Committee member ex officio, effective on February 1, 2017.

Nomination and Appointment of Directors and Senior Executives

Nomination of Directors

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which is suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors as follows:

• Qualifications of the Directors

1. A director shall have the following characteristics:
 - (1) Demonstrate integrity and accountability.
 - (2) Make decisions based on information (informed judgement).
 - (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
 - (4) Work in accordance with principles.
 - (5) Spend sufficient time dedicating oneself to performing duties as a director.
 - (6) Attentively perform duties within his/her scope of responsibilities.

2. A director shall have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, knowledge about banking industry, international trade, risk management, accounting and finance, organization and human resources management, and crisis management.

In addition to the aforementioned characteristics, knowledge and expertise, a director shall possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

• Method for the Nomination of Directors

1. Nomination
There are several methods stipulated by Krungsri for the nomination of appropriate persons to serve as a director such as (1) Nominated by a director, (2) Nominated by the NRC, (3) Nominated by an outsource firm hired by Krungsri, (4) Nominated by a minority shareholder.

2. Consideration process

The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/screening by taking into consideration of all required characteristics and qualifications before passing to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

• Voting on Election/Appointment of Directors:

There are two voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution such as election of new director to replace a director whose term of office expires and/or election of additional director (new director) will be in accordance with the procedures stipulated in the Bank's Articles of Association as follows:
 - (1) Each shareholder shall have one vote for one share.
 - (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.
 - (3) The election of candidates is decided by a majority vote, and in the event of a tie votes, the Chairman of the meeting shall have the casting vote.
2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation which requires votes not less than three-quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors three months before Krungsri delivers the notification of annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the SET's system and the nomination criteria are disclosed on Krungsri's website.

• Qualifications for Independent Directors

Krungsri has established the following qualifications for independent directors which conform to the notification of Capital Market Supervisory Board, with

a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank. Any shares held by related persons* must also be counted.
2. Within two years prior to the appointment, not being or having never been an executive director, contract staff, employee, salaried advisor or control person of the Bank, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or control person of the Bank.
3. Having no family blood or legitimate registration relationship as father, mother, spouse, brother, sister, child and child's spouse with other director(s), any executive, major shareholder, control person or person nominated as a director, executive or control person of the Bank, subsidiary company or associated company.
4. Within two years prior to the appointment, not having or having never had business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank in the manner that may obstruct the independent discretion. Also, not being or having never been a principal shareholder or control person of those having business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.
5. Within two years prior to the appointment, not being or having never been the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank including principal shareholder, control person or partnership of an audit firm which employed the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.
6. Within two years prior to the appointment, not being or never been the professional service provider including legal advisor or financial advisor obtaining more than THB 2.0 million annual service fee from the Bank, parent company, subsidiary

company, associated company, major shareholder or control person of the Bank, including a principal shareholder, control person or partnership of such professional firm.

7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder or other shareholder related to the major shareholder of the Bank.
8. Not operating any business which has the same nature as and is in competition with the business of the Bank, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of other company/partnership which operates the same business and is in competition of the business of the Bank, subsidiary company or associated company.
9. Not having any other characteristics which may cause incapability to provide independent opinions relating to the business operation of the Group.

However, consideration of the above relationship period must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decision relating to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remark:* "Related person" as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:

- (a) a spouse of such person;
- (b) a minor child of such person;
- (c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;
- (d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities or a partner with limited liabilities holding shares in an aggregate number of more than thirty percent of the total number of shares of such limited partnership;
- (e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (g) a juristic person in which such person has managing authority as a representative of the juristic person.

Nomination of Senior Executives

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

- **Qualifications of Executives**
 1. Characteristics
 - (1) Demonstrate integrity and accountability.
 - (2) Make decisions based on informed judgement.
 - (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
 - (4) Work in accordance with principles.
 2. Have knowledge and expertise as well as experience relating to the banking industry.
 3. Possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.
- **Method for the Nomination/Promotion/Appointment of Executives at the Level of Executive Vice President and above**

Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.

Shareholding of Directors and Executives in Krungsri

(As defined by the Capital Market Supervisory Board and Krungsri)

Name-Surname	December 31, 2017			December 31, 2016			Total Shares Increase / (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) ^{1/}	No. of Shares (shares)		Total Shareholding (%) ^{1/}	
	Directors / Executives	Spouse and Minor child		Directors / Executives	Spouse and Minor child		
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan	1,960	251,901	0.0035	1,960	251,901	0.0035	-
2. Mr. Takayoshi Futae	-	-	-	-	-	-	-
3. Mr. Takeshi Ogasawara	-	-	-	-	-	-	-
4. Mr. Hirotake Taguchi	-	-	-	-	-	-	-
5. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
Independent Directors							
6. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
7. Miss Potjanee Thanavaranit	-	-	-	-	-	-	-
8. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
9. Mr. Phong-adul Kristnaraj	-	-	-	-	-	-	-
Executive Directors							
10. Mr. Noriaki Goto	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executives							
13. Mr. Sudargo (Dan) Harsono	-	-	-	-	-	-	-
14. Mr. Masaaki Suzuki	-	-	-	-	-	-	-
15. Mrs. Voranuch Dejakaisaya	-	-	-	-	-	-	-
16. Miss Phawana Niemloy	-	-	-	-	-	-	-
17. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
18. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
19. Mr. Rohit Khanna	-	-	-	-	-	-	-
20. Mr. Tak Bunnag	-	-	-	-	-	-	-
21. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
22. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
23. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
24. Mr. Thakorn Piyapan	-	-	-	-	-	-	-
25. Mr. Wittapon Jawjit	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
26. Mr. Nuttawit Boonyawat	1	-	0.0000	1	-	0.0000	-
27. Mr. Yoichiro Tsukamoto	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
28. Mr. Kazuhiro Sudo	-	-	-	-	-	-	-
29. Mr. Tsutomu Kamagata	-	-	-	-	-	-	-
30. Mr. Kenji Fukaya	-	-	-	-	-	-	-
31. Mr. Suratun Kongton	-	-	-	-	-	-	-
32. Mr. Dharittee Kritsernvong	-	-	-	-	-	-	-
33. Mrs. Katchariya Chongpaisansakul	-	-	-	-	-	-	-
34. Mr. Wirote Chuenratanakul	-	-	-	-	-	-	-
35. Mr. Yuzo Nakada	-	-	-	-	-	-	-
36. Mr. Hironori Okada	-	-	-	-	-	-	-
37. Mr. Takehiko Iwamoto	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
38. Miss Suwanna Jakraworavudh	-	-	-	-	-	-	-
39. Mr. Udomkarn Udomsab	-	-	-	-	-	-	-
40. Mrs. Kittiya Srisanit	-	-	-	-	-	-	-
41. Miss Siriporn Sinacharoen	-	-	-	-	-	-	-
42. Mr. Somwang Toraktrakul	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
43. Mr. Congsin Congcar	-	-	-	-	-	-	-

Name-Surname	December 31, 2017			December 31, 2016			Total Shares Increase / (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) ^{1/}	No. of Shares (shares)		Total Shareholding (%) ^{1/}	
	Directors / Executives	Spouse and Minor child		Directors / Executives	Spouse and Minor child		
Executives (cont ¹)							
44. Miss Pisara Pattanasiri	-	-	-	-	-	-	-
45. Mr. Kriangsak Jongsukkiparnich	-	-	-	-	-	-	-
46. Miss Jiraporn Popairoj	2,374	-	0.0000	2,374	-	0.0000	-
47. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-	-
48. Miss Pornnapa Patarasatienkul	-	-	-	-	-	-	-
49. Mrs. Akanit Mattison	-	-	-	-	-	-	-
50. Mr. Khomson Adunwitthayakorn	-	-	-	-	-	-	-
51. Mr. Jamorn Phianphrom	2	-	0.0000	2	-	0.0000	-
52. Mrs. Orawan Julapol	-	-	-	-	-	-	-
53. Miss Sukanda Thawilwang	-	-	-	-	-	-	-
54. Miss Wimol Sivarorosakul	-	-	-	-	-	-	-
55. Mr. Montien Jangsutimon	-	-	-	-	-	-	-
56. Mr. Shoji Oishi	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
57. Mr. Vatchara Pumnoi	-	-	-	-	-	-	-
58. Mr. Teerasak Nimnaparaj	-	-	-	-	-	-	-
59. Miss Soamkulaya Pinkayan	-	-	-	-	-	-	-
60. Miss Siriporn Sribooncharoen	-	-	-	-	-	-	-
61. Mrs. Samanporn Chantanahom	-	-	-	-	-	-	-
62. Mrs. Kamoltip Jittimaphorn	-	-	-	-	-	-	-
63. Miss Rattaporn Pornprasit	-	-	-	-	-	-	-
64. Miss Benjawan Surachutikarn	-	-	-	-	-	-	-
65. Mrs. Anantaya Padanupong	-	-	-	-	-	-	-
66. Mr. Takashi Kanai	-	-	-	-	-	-	-
67. Miss Thatsaphin Cholsuwat	-	-	-	-	-	-	-
68. Miss Sunan Pimsawang	-	-	-	-	-	-	-
69. Miss Porntip Undamrongkarn	-	-	-	-	-	-	-
70. Miss Thitiporn Kittipiyakul	-	-	-	-	-	-	-
71. Mr. Vichai Kolsonvoravattanakul	-	-	-	-	-	-	-
72. Mrs. Suchavalee Srisarakorn	-	-	-	-	-	-	-
73. Mr. Suwit Eurpiyachart	-	-	-	-	-	-	-
74. Miss Ananya Nopkhun	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
75. Mr. Suphawut Kitkuakosol	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
76. Mrs. Tatsawan Dumrisomkul	-	-	-	-	-	-	-
77. Miss Thanawan Santananont	-	-	-	-	-	-	-
78. Miss Chanida Kwansanerthechin	-	-	-	-	-	-	-
79. Miss Chavakorn Chavalerdpanyakul	-	-	-	-	-	-	-
80. Miss Sujinda Ninatkiattikul	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}

Newly appointed executives after December 31, 2017 in the total of 3 persons are 1) Mr. Yoshio Ueyama and 2) Miss Napaporn Teerakittiwattana did not hold any of Krungsri's share^{1/} on the appointment date; and 3) Mr. Piti Krasaesian held Krungsri's shares^{1/} in the total of 7,924 or 0.0001% of all issued shares on the appointment date.

Additional Executives as defined by Krungsri effective as of January 16, 2018 in the total of 4 persons are 1) Mr. Chatchawan Permsukjarasap 2) Mr. Sam Tanskul 3) Mr. Okart Supamornpun and 4) Mr. Siriyot Pronanunt. All did not hold any of Krungsri's share^{1/} on the directive date

Remarks: ^{1/} Including spouse and minor child As at December 31, 2016 and December 31, 2017, Krungsri had a total of 7,355,761,773 issued shares. ^{2/} In 2016, he/she was not the director and/or the executive falling under the definition of the Capital Market Supervisory Board and Krungsri.

Details of Directors, Executives, Persons with Managerial Authority and Corporate Secretary (As defined by the Capital Market Supervisory Board and Krungsri)

• Board of Directors



Mr. Veraphan Teepsuwan

Chairman

Age: 76 years

Nationality: Thai

Education and training:

- MBA., Northeastern University, USA
- Bachelor of Economics, Boston University, USA
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of the Chairman Program (RCP), Year 2008

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jan 3, 2007 – Present Chairman
- **Positions in other listed companies (2 companies):**
2002 – Present Chairman, Sri Ayudhya Capital PCL
2003 – Present Vice Chairman, Eastern Star Real Estate PCL
- **Positions in non-listed companies/organizations (1 company):**
Jan 16 2017 – Present Chairman, Krungsri Foundation

Work experiences (in the last 5 years):

- | | |
|---------------------|---|
| Nov 2006 – Apr 2017 | Chairman,
Siam City Cement PCL |
| Sep 2010 – Dec 2016 | Director,
Exclusive Senior Care
International Co., Ltd. |
| 1983 – Mar 2014 | Director,
Bangkok Broadcasting &
T.V. Co., Ltd. |

Years of directorship: 11 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child):

- 253,861 ordinary shares or 0.0035% of the total voting shares (shareholding is unchanged when compared to that from every closing date for suspension of share transfer during the previous year)

Family relationship with directors and executives: None



Mr. Takayoshi Futae

Vice-Chairman (Authorized Signatory)

Nomination and Remuneration Committee Member

Age: 56 years

Nationality: Japanese

Education and training:

- Master of Business Administration, The University of Chicago, Booth School of Business
- Bachelor of Art in Economics, Osaka University, Japan

Training and seminar held by Thai Institute of Directors Association (IOD):

None

Current positions:

- **Positions in Bank of Ayudhya PCL:**
May 1, 2016 – Present Vice-Chairman (Authorized Signatory)
May 1, 2016 – Present Nomination and Remuneration Committee Member
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (2 companies) :**
May 2016 – Present Managing Executive Officer, Chief Executive Officer for Asia & Oceania, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
Apr 2016 - Present Director, Security Bank Corporation, Makati, Philippines

Work experiences (in the last 5 years):

- | | |
|---------------------|---|
| May 2014 – May 2016 | Managing Executive Officer in charge of Japanese Credit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |
| May 2011 – May 2014 | Executive Officer and General Manager, Corporate Banking Credit Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |

Years of directorship: 1 year 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child):

None

Family relationship with directors and executives: None



Mr. Takeshi Ogasawara

Director
Risk and Compliance Committee Member

Age: 64 years

Nationality: Japanese

Education and training:

- Bachelor of Law (LL.B.), Faculty of Law, Kyoto University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jan 1, 2015 – Present Risk and Compliance Committee Member
Jan 2, 2014 – Present Director
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (2 companies):**
Jun 28, 2017 – Present Chairman & Representative Director, Misonoza Inc. Nagoya, Japan
Jun 28, 2016 – Present Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Work experiences (in the last 5 years):

- | | |
|---------------------------|---|
| May 2012 – Jun 27, 2016 | Deputy President, Central Region of Japan, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |
| May 2011 – May 2012 | Senior Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning, non-Japanese Credit, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |
| Jan 2, 2014 – Jan 4, 2015 | Compliance Review Committee Member, Bank of Ayudhya PCL |

Years of directorship: 4 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Mr. Hirotake Taguchi

Director

Age: 50 years

Nationality: Japanese

Education and training:

- Bachelor of Economics, The University of Tokyo, Japan
- Certificate of the Executive Education program, Columbia University Graduate School of Business, USA, Year 2011
 - General Management Leadership Program
 - Customer Centricity
 - Strategic Marketing Management
- Certificate in Business Excellence, Columbia Business School, USA, Year 2011

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jul 27, 2016 – Present Director
- **Positions in other listed companies:** None
- **Positions in other listed companies (2 companies):**
May 2016 – Present General Manager, Retail Business Promotion Planning Division, Mitsubishi UFJ Financial Group, Inc.
May 2016 – Present General Manager, Retail Business Promotion Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Work experiences (in the last 5 years):

- | | |
|---------------------|--|
| May 2015 – May 2016 | General Manager, Retail Banking Planning Division, Asian Retail Banking Strategy Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |
| Nov 2011 – Feb 2012 | Senior Manager, Global Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) |
| Mar 2013 – May 2015 | General Manager, Corporate Planning Division (Secondment), JCB Co., Ltd. |
| Feb 2012 – Mar 2013 | Senior Manager (for planning business strategy in EMEA), Planning Division for Europe Middle East, and Africa, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (London, United Kingdom) |

Years of directorship: 1 year 5 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Miss Nopporn Tirawattanagool

Director (Authorized Signatory)
Nomination and Remuneration Committee Member
Risk and Compliance Committee Member

Age: 63 years

Nationality: Thai

Education and training:

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP), Year 2003
- Role of the Compensation Committee (RCC), Year 2009
- Audit Committee Program (ACP), Year 2010
- Director Certification Program (DCP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Program for Corporate Leaders (RCL), Year 2015
- National Director Conference 2017 "Steering Governance in a Changing World", Year 2017

Current positions:

• Positions in Bank of Ayudhya PCL:

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Jan 2, 2014 – Present	Director (Authorized Signatory)
Apr 28, 2010 – Present	Nomination and Remuneration Committee Member

• Positions in other listed companies (4 companies):

Apr 20, 2016 – Present	Director, Grand Canal Land PCL
Oct 17, 2014 – Present	Director, Srivichaivejvivat PCL
Jul 22, 2014 – Present	Director of Nomination and Compensation Committee, Siam City Cement PCL
Jul 22, 2014 – Present	Director of Governance, Risk and Compliance Committee, Siam City Cement PCL
Apr 2012 – Present	Director, Siam City Cement PCL
May 14, 2013 – Present	Nomination and Remuneration Committee Member, Sri Ayudhya Capital PCL
Apr 22, 2013 – Present	Director, Sri Ayudhya Capital PCL

• Positions in non-listed companies/organizations (22 companies):

Apr 19, 2017 – Present	Director (Authorized Signatory), BBTB Asset Management Co., Ltd.
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May 8, 2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory), Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTB Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), GL Asset Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), Mahakij Holdings Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTB Productions Co., Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTB Alliance Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTB Bond Street Building Ltd.
Aug 2012 – Present	Director (Authorized Signatory), ITBC Business Consultant Group Co., Ltd.
Apr 2011 – Present	Director (Authorized Signatory), Exclusive Senior Care International Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTB International Holdings Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), Sunrise Equity Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTB Equity Co., Ltd.

Work experiences (in the last 5 years):

May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
Apr 8, 2010 – Jan 1, 2014	Director, Bank of Ayudhya PCL

Years of directorship: 7 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Mr. Karun Kittisataporn

Independent Director
Chairman of the Nomination and Remuneration Committee

Age: 70 years

Nationality: Thai

Education and training:

- MA., (International Trade), Syracuse University, NY, USA (USAID Scholarship)
- BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)
- Degree from the National Defense College Class 8, (Joint State - Private Sector)
- Certificate of Commercial Policy Course, GATT, Geneva
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors

Association (IOD):

- Director Certification Program (DCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2009
- Financial Statements for Directors (FSD), Year 2009
- Financial Institutions Governance Program (FGP), Year 2011
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Monitoring the Internal Audit Function (MIA), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Briefing "Sleeping Giants of Succession", Year 2017
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017

Current positions:

Positions in Bank of Ayudhya PCL:

- Apr 9, 2008 – Present Independent Director
- Apr 9, 2008 – Present Chairman of the Nomination and Remuneration Committee

Positions in other listed companies (3 companies):

- Nov 1, 2017 – Present Risk Management Committee Member, Khon Kaen Sugar Industry PCL
- Sep 2017 – Present Chairman of the Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL

Feb 2010 – Present

Independent Director,
Khon Kaen Sugar Industry PCL

Apr 2015 – Present

Chairman of the Nomination and Remuneration Committee, Central Pattana PCL

Jan 2011 – Present

Audit Committee Member, Central Pattana PCL

Apr 2009 – Present

Independent Director, Central Pattana PCL

Nov 2008 – Present

Audit Committee Member, Sahamit Machinery PCL

Positions in non-listed companies/organizations (4 companies):

- Jan 16, 2017 – Present Director, Krungsri Foundation
- Jan 2017 – Present Member, ASEAN Association – Thailand
- Apr 28, 2016 – Present Member, Committee on International Economic Policy
- Nov 2006 – Present Member of the Council of State, Office of the Council of State

Work experiences (in the last 5 years):

- Jun 26, 2013 – Oct 31, 2017 Corporate Governance Committee Member, Khon Kaen Sugar Industry PCL
- Nov 2012 – Oct 31, 2017 Audit Committee Member, Khon Kaen Sugar Industry PCL
- Feb 2010 – Sep 2017 Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL
- May 2008 – Oct 2017 Chairman of the Executive Committee, The SUPPORT Arts and Crafts International Centre of Thailand (Public Organization)
- Apr 2009 – Apr 2015 Nomination and Remuneration Committee Member, Central Pattana PCL
- Aug 13 – Sep 2014 Election Committee Member, Election Committee for National Reform Council
- Oct 2007 – Sep 2014 Commissioner, Insurance Commission

Years of directorship: 9 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Miss Potjanee Thanavaranit

Independent Director
Chairman of the Audit Committee

Age: 71 years

Nationality: Thai

Education and training:

- MBA., Syracuse University, NY, USA (USAID Scholarship)
- Bachelor of Accountancy, Chulalongkorn University
- Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship)
- Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship)
- Certificate of Executive Development Program (EDP.1 Class 18), Institute of the Civil Service Commission
- Degree from the National Defense College, Class 42
- Certificate of Top Executive Program, Capital Market Academy, Class 8
- Certificate of Top Executive Program in Commerce and Trade, Commerce Academy, Class 3
- Certificate of Advanced Security Management Program, The National Defense College Association of Thailand, Class 2
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Role of the Chairman Program (RCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2007
- Audit Committee Program (ACP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014
- Driving Company Success with IT Governance (ITG), Year 2016
- Audit Committee Forum "New Auditor's Report: What is it for you?", Year 2016

Current positions:

- **Positions in Bank of Ayudhya PCL:**
 - Apr 25, 2012 – Present Chairman of the Audit Committee
 - Apr 8, 2010 – Present Independent Director
- **Positions in other listed companies (5 companies):**
 - Nov 14, 2017 – Present Independent Director, Berli Jucker PCL
 - Nov 14, 2017 – Present Chairman of Risk Management Committee, Berli Jucker PCL
 - May 2014 – Present Chairman of the Remuneration Committee, Oishi Group PCL
 - May 2014 – Present Chairman of the Good Corporate Governance Committee, Oishi Group PCL
 - Feb 2009 – Present Independent Director, Oishi Group PCL
 - Feb 2009 – Present Audit Committee Member, Oishi Group PCL
 - Apr 2014 – Present Audit Committee Member, Thai Reinsurance PCL
 - May 2007 – Present Independent Director, Thai Reinsurance PCL
 - Apr 2007 – Present Independent Director, Bangkok Insurance PCL
 - Apr 2007 – Present Audit Committee Member, Bangkok Insurance PCL
 - 2007 – Present Chairman of the Board (Independent Director), Univentures PCL
 - 2007 – Present Audit Committee Member, Univentures PCL
 - 2007 – Present Chairman of the Compensation, and Nomination Committee, Univentures PCL
- **Positions in non-listed companies/organizations (6 companies):**
 - Jan 31, 2018 – Present Independent Director, Thai Beverage PCL (Listed in Singapore Exchange)
 - Jun 26, 2017 – Present Vice-Chairman, Thai Institute of Directors Association
 - Mar 24, 2017 – Present Qualified member of the Committee, Thai Investors Association
 - Jan 16, 2017 – Present Director, Krungsri Foundation
 - 2007 – Present Qualified member of the Committee, The Federation of Thai Insurance Organization
 - Oct 2006 – Present Member of the Council of State, Office of the Council of State



Work experiences (in the last 5 years):

May 3, 2016 – Nov 13, 2017	Chairman of the Audit Committee, Big C Supercenter PCL
Apr 25, 2016 – Nov 13, 2017	Independent Director, Big C Supercenter PCL
May 29 – Jun 25, 2017	Director, Thai Institute of Directors Association
Jun 2009 – Mar 21, 2016	Independent Director, Berli Jucker PCL
Oct 2, 2014 – Sep 6, 2015	Member of National Reform Council, National Reform Council
Jun 2012 – Apr 2014	Nomination and Remuneration Committee Member, Thai Reinsurance PCL
Apr 2010 – Jul 2013	Director, BJC Logistics and Warehouse Co., Ltd.
Nov 2008 – Mar 2013	Chairman of the Audit and Evaluation Committee of Ministry of Commerce, Ministry of Commerce
Apr 28, 2010 – Apr 24, 2012	Audit Committee Member, Bank of Ayudhya PCL
Sep 2007 – Apr 2012	Member and Treasurer, Bhumirajanagarindra Kidney Foundation

Years of directorship: 7 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None

Mr. Virat Phairatphiboon

Independent Director
Audit Committee Member
Nomination and Remuneration Committee Member

Age: 69 years

Nationality: Thai

Education and training:

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Audit Committee Program (ACP), Year 2004
- Role of the Compensation Committee (RCC), Year 2008
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014

Current positions:

Positions in Bank of Ayudhya PCL:

Feb 21, 2007 – Present	Nomination and Remuneration Committee Member
May 21, 1999 – Present	Audit Committee Member
Dec 2, 1998 – Present	Independent Director

Positions in other listed company (1 company):

May 2012 – Present	Chairman of the Audit Committee, Tipco Foods PCL
2007– Present	Independent Director, Tipco Foods PCL

Positions in non-listed companies/organizations: None

Work experiences (in the last 5 years):

2007 – May 2012	Audit Committee Member, Tipco Foods PCL
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Years of directorship: 19 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Mr. Phong-adul Kristnaraj

Independent Director
Audit Committee Member
Chairman of the Risk and Compliance Committee

Age: 67 years

Nationality: Thai

Education and training:

- MBA., Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Accountancy in Banking and Finance, Chulalongkorn University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- Seminar on "Roles of the Board of Directors of Listed Companies on Cyber Risk Mitigation, Challenges and Solutions", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2012
- Audit Committee Program (ACP), Year 2013
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Financial Institutions Governance Program (FGP), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Committee Program (RMP), Year 2014
- Director Certification Program Update (DCPU), Year 2015
- How to Develop a Risk Management Plan (HRP), Year 2015
- Role of the Nomination and Governance Committee (RNG), Year 2015
- Role of the Chairman Program (RCP), Year 2016
- Financial Statements for Directors (FSD), Year 2016
- Driving Company Success with IT Governance (ITG), Year 2016
- National Director Conference 2016: "Enhancing Growth Through Governance in Family – Controlled Business", Year 2016
- Audit Committee Forum "New Auditor's Report: What is it for you?", Year 2016
- Seminar in the topic of "Legal Update: Criminal Liabilities of Directors", Year 2017
- Successful Formulation & Execution of Strategy (SFE), Year 2017
- Risk Management Program for Corporate Leaders (RCL), Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jan 1, 2015 – Present Chairman of the Risk and Compliance Committee
Apr 25, 2012 – Present Audit Committee Member
Apr 24, 2012 – Present Independent Director
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (2 companies):**
Oct 2012 – Present Audit Committee Member, Thai Public Broadcasting Service
2010 – Present Advisor, Tangthanasin Co., Ltd.

Work experiences (in the last 5 years):

- Jun 24, 2013 – Jan 4, 2015 Chairman of the Compliance Review Committee, Bank of Ayudhya PCL
- 2010 – Apr 2012 Member of the Asset Management Working Team, Sukhumvit Asset Management Co., Ltd.

Years of directorship: 5 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None

**Mr. Noriaki Goto**

Director (Authorized Signatory)
President and Chief Executive Officer
Chairman of the Executive Committee

Age: 55 years

Nationality: Japanese

Education and training:

- Master of Business Administration, Graduate School of Business, The University of Chicago, USA
- Bachelor of Arts (Law), School of Law, Waseda University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP-English), Year 2015

Current positions:• **Positions in Bank of Ayudhya PCL:**

Jan 5, 2015 – Present	President and Chief Executive Officer
Jan 2, 2014 – Present	Director (Authorized Signatory)
Jan 2, 2014 – Present	Chairman of the Executive Committee

• **Positions in other listed companies:** None• **Positions in non-listed companies/organizations (1 company):**

Jan 16, 2017 – Present	Vice Chairman, Secretary and Treasurer, Krungsri Foundation
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Work experiences (in the last 5 years):

May 28, 2015 – Jun 23, 2016	Chairman, Krungsri Asset Management Co., Ltd.
May 14, 2014 – May 27, 2015	Director, Krungsri Asset Management Co., Ltd.
Jan 2, 2014 – Jan 4, 2015	Chief Executive Officer, Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Chairman of the Risk Management Committee, Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Advisor to the Compliance Review Committee, Bank of Ayudhya PCL
Aug – Dec 2013	Executive Officer & General Manager, Global Planning Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
Jul 2012 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division, Mitsubishi UFJ Financial Group Inc. (New York, USA)
Feb 2009 – Jun 2012	Executive Officer & General Manager, Corporate Governance Division for the U.S, Mitsubishi UFJ Financial Group Inc. (New York, USA)
Jul 2011 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
Oct 2010 – Aug 2013	Executive Officer & General Manager, Planning Division for the Americas, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)

Years of directorship: 4 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Mr. Pornsanong Tuchinda

Director (Authorized Signatory)
Head of Commercial Banking
Acting Head of Investment Banking Group
Senior Executive Vice President
Executive Committee Member

Age: 56 years

Nationality: Thai

Education and training:

- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA
- BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP), Year 2004
- Audit Committee Program (ACP), Year 2006
- Director Certification Program (DCP), Year 2008

Current positions:

• Positions in Bank of Ayudhya PCL:

Jan 1, 2018 – Present*	Acting Head of Investment Banking Group
Oct 1, 2015 – Present	Director (Authorized Signatory)
Jan 5, 2015 – Present	Head of Commercial Banking
Feb 24, 2010 – Present	Executive Committee Member
Jan 13, 2010 – Present	Senior Executive Vice President

Remark: * Last updated information as of January 1, 2018

- Positions in other listed companies: None
- Positions in non-listed companies/organizations: None

Work experiences (in the last 5 years):

Dec 1, 2015 – Jan 31, 2017	Acting Head of Human Resources Group, Bank of Ayudhya PCL
Dec 1, 2015 – Jan 31, 2017	Secretary to the Nomination and Remuneration Committee, Bank of Ayudhya PCL
Jul 1 – Dec 31, 2015	Acting Head of Corporate and Investment Banking Group, Bank of Ayudhya PCL
Jan 5 – Jun 30, 2015	Acting Head of Corporate Banking Group, Bank of Ayudhya PCL
Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 1, Bank of Ayudhya PCL

Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 3, Bank of Ayudhya PCL
Jan 1, 2014 – Apr 1, 2015	Advisor to the Board of Directors, Bank of Ayudhya PCL
Oct 1, 2012 – Jan 4, 2015	Head of Corporate Banking, Bank of Ayudhya PCL
Jul 1, 2012 – Jan 4, 2015	Risk Management Committee Member, Bank of Ayudhya PCL
Nov 11, 2013 – Jul 24, 2014	Acting Head of Transaction Banking Business, Bank of Ayudhya PCL
Jan 2007 – Dec 31, 2013	Director, Bank of Ayudhya PCL
Jul – Sep 2012	Acting Head of Corporate Banking, Bank of Ayudhya PCL
Jan 2010 – Sep 2012	Head of Transformation, Bank of Ayudhya PCL
Nov 2009 – Mar 15, 2015	Chairman (Authorized Signatory), Krungsri Securities PCL
Mar 2010 – Jun 2014	Audit Committee Member, Focus Development and Construction PCL
May 2008 – Jun 2014	Remuneration Committee Member, Focus Development and Construction PCL
Mar 2005 – Jun 2014	Independent Director, Focus Development and Construction PCL

Years of directorship: 2 years 3 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None



Miss Duangdao Wongpanitkrit

Director (Authorized Signatory)
Chief Financial Officer
First Executive Vice President, Finance Group
Executive Committee Member

Age: 48 years

Nationality: Thai

Education and training:

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD):

- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2013
- Risk Management Committee Program (RMP), Year 2013
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Boards Matters and Trends (BMT), Year 2017

Current positions:

Positions in Bank of Ayudhya PCL:

Mar 28, 2016 – Present	Director (Authorized Signatory)
Apr 1, 2013 – Present	First Executive Vice President, Finance Group
Jan 1, 2013 – Present	Chief Financial Officer
Jan 1, 2013 – Present	Executive Committee Member

Positions in other listed companies: None

Positions in non-listed companies/organizations (4 companies):

Mar 27, 2017 – Present	Director (Authorized Signatory), Krungsri Finnovate Co., Ltd.
Sep 12, 2016 – Present	Director, Hattha Kaksekar Limited
Nov 26, 2015 – Present	Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
May 29, 2015 – Present	Director, Ngern Tid Lor Co., Ltd.

Work experiences (in the last 5 years):

Nov 2009 – May 14, 2017	Director (Authorized Signatory), Ayudhya Capital Services Co., Ltd.
May 4, 2016 – May 4, 2017	Director (Authorized Signatory), Krungsri Factoring Co., Ltd.
Apr 21, 2015 – May 3, 2017	Director, Krungsri Ayudhya AMC Ltd.
Jan 2013 – Feb 29, 2016	Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL
Feb 1, 2013 – Jan 6, 2015	Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group, Bank of Ayudhya PCL
Jan 1, 2013 – Jan 4, 2015	Risk Management Committee Member, Bank of Ayudhya PCL
Jan 1, 2013 – Jan 4, 2015	Compliance Review Committee Member, Bank of Ayudhya PCL
Jun 2007 – Dec 31, 2012	Executive Vice President, Financial Planning and Analysis Division, Finance Group, Bank of Ayudhya PCL
Apr 2009 – Jul 2013	Director (Authorized Signatory), Ayudhya Card Services Co., Ltd.
Apr 2009 – Jun 2012	Director, Ayudhya Total Solutions PCL

Years of directorship: 1 year 9 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child): None

Family relationship with directors and executives: None

• Executives and Persons with Managerial Authority of Krungsri

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Sudargo (Dan) Harsono Age 57 years - Head of Retail and Consumer Banking (Jul 1, 2015) - Senior Executive Vice President (Sep 1, 2015) - Executive Committee Member (Jul 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master of Business Administration in Finance and Marketing, Indiana University, Bloomington, IN, USA - Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008 	Sep 1, 2015 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Head of Retail and Consumer Banking	
		Jul 1, 2015 – Present	Executive Committee Member	
		Jul 1, 2015 – Jan 31, 2016	Acting Head of Personal Loan Division	
		Jan 7, 2015 – Jan 31, 2016	Acting Head of E-Business Division	
		Jul 1 – Dec 31, 2015	Acting Head of Krungsri Consumer Group	
		Jul 1 – Sep 30, 2015	Acting Head of Krungsri Auto Group	
		Aug 3, 2007 – Aug 31, 2015	First Executive Vice President	
		Jan 5 – Jun 30, 2015	Head of Marketing and Branding Group	
		Oct 1, 2013 – Jan 4, 2015	Head of Marketing and International Business Development	
		Apr 2010 – Sep 2013	Head of Marketing and Cross Sell	
		<u>Other Companies/ Organizations</u>		Hattha Kaksekar Limited Krungsri Asset Management Co., Ltd. Krungsri Securities PCL
		Sep 12, 2016 – Present	Chairman	
		Jul 7, 2016 – Present	Chairman	
		Sep 28, 2015 – Present	Chairman (Authorized Signatory)	
		Sep 8, 2015 – Present	Chairman (Authorized Signatory)	Tesco Card Services Ltd.
		Sep 30, 2015 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		May 29 – Sep 29, 2015 Nov 2009 – May 28, 2015	Director Chairman (Authorized Signatory)	
		Dec 24, 2015 – Present	Chairman (Authorized Signatory)	General Card Services Ltd.
		Dec 3 - 23, 2015 Feb 24 – Dec 2, 2015 Nov 2009 – Feb 23, 2015	Chairman Director Director (Authorized Signatory)	
		Sep 29, 2014 – Present	Chairman (Authorized Signatory)	
		Aug 25, 2014 – Present	Director (Authorized Signatory)	Krungsri Leasing Services Co., Ltd. Dan Siam Co., Ltd.
		Aug 25, 2014 – Present	Director (Authorized Signatory)	Sam Siam Co., Ltd.
		May 11 – Dec 30, 2015	Director	
		Jan 2008 – Apr 23, 2015	Director (Authorized Signatory)	Krungsri Ayudhya Card Co., Ltd. Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
2. Mr. Masaaki Suzuki Age 52 years - Head of JPC/MNC Banking (Jul 13, 2015) - Acting Head of Transaction Banking Group (Jan 1, 2018) - Senior Executive Vice President (Jul 13, 2015) - Executive Committee Member (Jul 13, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Bachelor of Economics, Yokohama National University	Jan 1, 2018 – Present*	Acting Head of Transaction Banking Group	Bank of Ayudhya PCL
		Jul 13, 2015 – Present	Head of JPC/MNC Banking	
		Jul 13, 2015 – Present	Senior Executive Vice President	
		Jul 13, 2015 – Present	Executive Committee Member	
		Other Companies/ Organizations Aug 2013 – Jul 12, 2015 Dec 2011 – Aug 2013	General Manager Osaka Corporate Banking Division No. 3 Deputy General Manager	The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Osaka, Japan) The Bank of Tokyo- Mitsubishi UFJ, Ltd., Singapore Branch
3. Mrs. Voranuch Dejakaisaya Age 57 years - Chief Information and Operations Officer (Jan 1, 2017) - First Executive Vice President (Jul 8, 2009) - Executive Committee Member (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006	Jan 1, 2017 – Present	Chief Information and Operations Officer	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Executive Committee Member	
		Jul 8, 2009 – Present	First Executive Vice President	
		Jan 1 – Dec 31, 2016	Deputy Chief Information and Operations Officer	
		Jan 1 – Dec 31, 2016	Acting Head of IT Strategic and Program Management Office Division	
		Jan 7 – Dec 31, 2015	Acting Head of IT Service Governance and Program Management Division	
		Jul 8, 2009 – Dec 31, 2015	Head of Information Technology Group	
		Other Companies/ Organizations Mar 27, 2017 – Present	Director	Krungsri Finnovate Co., Ltd.
		Apr 21, 2015 – Present	Director	Ayudhya Capital Services Co., Ltd.
		Apr 3, 2015 – Present	Director	Krungsri Securities PCL
		Nov 2009 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		Nov 2009 – Feb 12, 2015	Director (Authorized Signatory)	General Card Services Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
4. Miss Phawana Niemloy Age 58 years - General Counsel (May 18, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jun 27, 2007) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- LL.M., Harvard Law School, USA - Bachelor of Law (Gold Medal), Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006	May 18, 2007 – Present Jun 27, 2007 – Present Jan 3, 2007 – Present Jul 11, 2007 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Sep 2002 – Present	General Counsel Executive Committee Member First Executive Vice President Vice Chairman of the Compliance Review Committee Director Executive Director and Secretary to the Board	Bank of Ayudhya PCL Mae Fah Luang Foundation under Royal Patronage
5. Miss Puntipa Hannoraseth Age 49 years - Head of Internal Audit Group (Jan 1, 2018) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None Remark: * Last updated information as of January 1, 2018	- MBA., Thammasat University - Bachelor of Accounting (1 st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017 - Strategic IT Governance (for non-IT), Year 2017 - Seminar on "Roles of the Board of Directors of Listed Companies on Cyber Risk Mitigation, Challenges and Solutions", Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP), Year 2009 • Audit Committee Program (ACP), Year 2009 • Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010	Jan 1, 2018 – Present* Apr 1, 2013 – Present Sep 16, 2010 – Present Apr 27, 2009 – Dec 31, 2017* Jan 7, 2015 – Apr 15, 2017 Jan 7 – May 6, 2015 Nov 2009 – Mar 31, 2013	Head of Internal Audit Group First Executive Vice President Secretary to the Audit Committee Head of Audit Group Acting Head of Internal Audit Division Acting Head of Credit Examination Division Executive Vice President	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<div>6. Mr. Chandrashekar Subramanian Krishoolndmangalam Age 55 years</div> <div><div>- Chief Risk Officer (Jan 3, 2007)</div><div>- First Executive Vice President (Jan 3, 2007)</div><div>- Executive Committee Member (Jan 3, 2007)</div></div> <div>% Shareholding^{1/} -None-</div> <div>Family Relationship with Directors and Executives -None-</div>	<div>- Master in Commerce, Bombay University, India</div> <div>- Strategic IT Governance (for non-IT), Year 2017</div> <div>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)</div> <div>• Director Certification Program (DCP-English), Year 2008</div>	<div>Jan 3, 2007 – Present</div> <div>Jan 3, 2007 – Present</div> <div>Jan 3, 2007 – Present</div> <div>Jan 2, 2014 – Jan 4, 2015</div> <div>Jul 11, 2007– Jan 4, 2015</div> <div>Jan 3, 2007 – Jan 1, 2014</div> <div>Other Companies / Organizations</div> <div>Sep 12, 2016 – Present</div> <div>May 29, 2015 – Present</div> <div>Mar 26, 2015 – Present</div> <div>Mar 20, 2014 – Jan 27, 2015</div> <div>May 7, 2014 – Present</div> <div>Nov 2011 – Mar 19, 2014</div> <div>Apr 21, 2015 – Present</div> <div>May 2008 – Apr 20, 2015</div> <div>Apr 2008 – Present</div>	<div>Chief Risk Officer</div> <div>Executive Committee Member</div> <div>First Executive Vice President</div> <div>Risk Management Committee Member</div> <div>Compliance Review Committee Member</div> <div>Vice Chairman of the Risk Management Committee</div> <div>Director</div> <div>Director</div> <div>Director (Authorized Signatory)</div> <div>Chairman (Authorized Signatory)</div> <div>Director (Authorized Signatory)</div> <div>Director (Authorized Signatory)</div> <div>Chairman (Authorized Signatory)</div> <div>Director (Authorized Signatory)</div> <div>Director</div>	<div>Bank of Ayudhya PCL</div> <div>Hattha Kaksekar Limited</div> <div>Ngern Tid Lor Co., Ltd.</div> <div>Ayudhya Development Leasing Co., Ltd.</div> <div>Krungsri Factoring Co., Ltd.</div> <div>Krungsri Ayudhya AMC Ltd.</div> <div>Ayudhya Capital Auto Lease PCL</div>
<div>7. Mr. Rohit Khanna Age 44 years</div> <div><div>- Head of Corporate Strategy and Planning Group (Jul 1, 2015)</div><div>- First Executive Vice President (Mar 2010)</div><div>- Executive Committee Member (Jan 27, 2016)</div></div> <div>% Shareholding^{1/} -None-</div> <div>Family Relationship with Directors and Executives -None-</div>	<div>- Master in Business Management, XLRI, India</div> <div>- Bachelor of Engineering, Mangalore University, India</div> <div>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)</div> <div>• Director Certification Program (DCP-English), Year 2012</div>	<div>Jan 27, 2016 – Present</div> <div>Jul 1, 2015 – Present</div> <div>Mar 2010 – Present</div> <div>Jan 7, 2015 – Mar 31, 2016</div> <div>Mar 15 – Jun 30, 2015</div> <div>Jan 5 – Mar 14, 2015</div> <div>May 1, 2012 – Jan 4, 2015</div> <div>Mar 2010 – Apr 30, 2012</div> <div>Other Companies/ Organizations</div> <div>Mar 27, 2017 – Present</div>	<div>Executive Committee Member</div> <div>Head of Corporate Strategy and Planning Group</div> <div>First Executive Vice President</div> <div>Acting Head of Business Transformation Division</div> <div>Head of Corporate Planning Group</div> <div>Co-Head of Corporate Planning Group</div> <div>Head of Business Transformation</div> <div>First Executive Vice President, Back Office Integration Division, Transformation Group</div> <div>Director</div>	<div>Bank of Ayudhya PCL</div> <div>Bank of Ayudhya PCL</div> <div>Krungsri Finnovate Co., Ltd.</div>

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
7. Mr. Rohit Khanna (Cont')		Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
		Oct 13, 2015 – Present	Chairman (Authorized Signatory)	Siam Realty and Services Security Co., Ltd.
		Aug 2012 – May 11, 2015	Director (Authorized Signatory)	Krungsriyudhya Card Co., Ltd.
		Oct 2010 – Apr 29, 2015	Chairman (Authorized Signatory)	Total Services Solutions PCL
8. Mr. Tak Bunnag Age 57 years	<ul style="list-style-type: none"> - MBA. (Finance), Golden Gate University, USA - BS. (Management), Golden Gate University, USA - BS. (Banking and Finance), Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 	Jul 1, 2015 – Present	First Executive President Vice	Bank of Ayudhya PCL
- Head of Global Markets Group (Jan 5, 2015)		Jan 5, 2015 – Present	Head of Global Markets Group	
- First Executive Vice President (Jul 1, 2015)		Jan 5, 2015 – Present	Executive Committee Member	
- Executive Committee Member (Jan 5, 2015)		Jan 1, 2013 – Jan 4, 2015	Head of Treasury	
		May 2005 – Dec 31, 2012	Executive Vice President, Treasury Division, Treasury Group	
% Shareholding ^{1/} -None- Family Relationship with Directors and Executives - None-		<u>Other Companies/ Organizations</u>		
		Apr 26, 2017 – Present	Director	Tris Corporation Ltd.
		Jul 2008 – Apr 23, 2015	Director	Ayudhya Capital Auto Lease PCL
9. Mr. Sayam Prasitsirigul Age 48 years	<ul style="list-style-type: none"> - MBA. (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, USA - Bachelor of Electrical Engineering, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 	Jan 1, 2018 – Present*	Acting Head of SME Credit Analysis Division	Bank of Ayudhya PCL
- Head of SME Banking Group (Jan 1, 2017)		Jan 1, 2017 – Present	Head of SME Banking Group	
- Acting Head of SME Credit Analysis Division (Jan 1, 2018)		Jul 1, 2011 – Present	First Executive Vice President	
- First Executive Vice President (Jul 1, 2011)		Jul 1, 2015 – Dec 31, 2016	Head of Retail and Commercial Banking Products Group	
		Jul 1, 2015 – Dec 31, 2016	Acting Head of Retail and Consumer Product Management Division	
% Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		Apr 1, 2012 – Jun 30, 2015	Head of SME Banking Group	
		Apr 1, 2012 – Jan 4, 2015	Risk Management Committee Member	
		Apr 1, 2012 – Jan 4, 2015	Credit Committee Member	
		Sep 2011 – Oct 2012	Head of Corporate & SME Products	
Remark: * Last updated information as of January 1, 2018		<u>Other Companies/ Organizations</u>		
		Mar 26, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Jul 25, 2012 – Present	Chairman (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Dec 2011 – Jul 24, 2012	Director	Krungsri Asset Mangement Co.,Ltd.
		Jul 7, 2016 – May 3, 2017	Director (Authorized Signatory)	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
10. Mr. Phonganant Thanattrai Age 53 years - Head of Retail Banking and Distribution Group (Jan 1, 2017) - Acting Head of Provincial Branch Business Division (Jan 7, 2015) - First Executive Vice President (Apr 1, 2012) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2017 – Present	Head of Retail Banking and Distribution Group	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Acting Head of Provincial Branch Business Division	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jul 1, 2015 – Apr 30, 2017	Acting Head of Metropolitan Branch Business Division	
		Jul 1, 2015 – Dec 31, 2016	Head of Distribution Group	
		Jan 5 – Jun 30, 2015	Head of Retail Banking and Distribution Group	
		Nov 1, 2011 – Jan 4, 2015	Compliance Review Committee Member	
		Nov 1, 2011 – Jan 4, 2015	Head of Distribution	
		Nov 2011 – Mar 2012	Executive Vice President	
		<u>Other Companies/ Organizations</u>		
		Mar 23, 2017 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
		Apr 3 – Sep 15, 2015	Director	
		Mar 2, 2017 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		Apr 20, 2015 – Present	Director	Krungsriayudhya Card Co., Ltd.
		Aug 4, 2014 – Mar 22, 2017	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		Dec 2010 – Aug 3, 2014	Director	
11. Mr. Pairote Cheunkrut Age 52 years - Head of Krungsri Auto Group (Oct 1, 2015) - First Executive Vice President (Oct 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University	Oct 1, 2015 – Present	Head of Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	First Executive Vice President	
		Jan 5 – Sep 30, 2015	First Executive Vice President, Office of the President and CEO	
		Oct 1, 2014 – Jan 4, 2015	First Executive Vice President, Krungsri Auto Group	
		<u>Other Companies/ Organizations</u>		
		Apr 3, 2014 – Present	Director	Krungsri Leasing Services Co., Ltd.
		Aug 19, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 10, 2008 – Aug 18, 2015	Director (Authorized Signatory)	
		May 2007 – Sep 30, 2015	Managing Director	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
12. Mr. Thakorn Piyapan Age 46 years - Head of Krungsri Consumer Group (Jan 1, 2016) - Head of Digital Banking and Innovation Division (Jan 1, 2017) - First Executive Vice President (May 1, 2012) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Finance, University of Colorado at Denver, USA - Bachelor of Economics, Thammasat University	Jan 1, 2017 – Present Jan 1, 2016 – Present May 1, 2012 – Present Feb 1 – Dec 31, 2016 Feb 1 – Dec 31, 2016 May 1, 2012 – Dec 31, 2015 Jul 1, 2010 – Apr 30, 2012 <u>Other Companies/ Organizations</u> Mar 27, 2017 – Present Jan 1, 2016 – Present Feb 24 – Dec 31, 2015 Jan 1, 2016 – Present Oct 2, 2012 – Dec 31, 2015 Jan 1, 2016 – Present Nov 5, 2009 – Dec 31, 2015 May 1, 2012 – Dec 31, 2015 Oct 6, 2015 – Present May 12, 2015 – Present	Head of Digital Banking and Innovation Division Head of Krungsri Consumer Group First Executive Vice President Acting Head of Personal Loan Division Head of E-Business Division First Executive Vice President, Office of the President and CEO Executive Vice President, Head of Primary Banking Division and Acting Department Manager, Consumer Secured Loan Department, Consumer Banking Group Chairman (Authorized Signatory) Chairman (Authorized Signatory) Director (Authorized Signatory) Chairman (Authorized Signatory) Director Chairman (Authorized Signatory) Director (Authorized Signatory) Managing Director Chairman (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
13. Mr. Wittapon Jawjit (Cont') - First Executive Vice President (Feb 1, 2017) % Shareholding -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Certificate of Achievement "Managing a Multigenerational and Diverse Workforce", IEEE, Year 2016 - Training on "Managing People from a Global Perspective", Thunderbird School of Global Management, Year 2017 - Certificate of Achievement "M&A Professional Certificate Part 1 – Concepts and Theories: An Introduction", New York Institute of Finance, USA, Year 2016 - Honor Code Certificate of "FINANCEx: Personal Finance", Purdue University, Year 2016 - Certificate of Achievement "FC201.1x: Introduction to Banking & Financial Markets-I", Indian Institute of Management Bangalore, India, Year 2016 - Certificate of Achievement "FC201.2x: Banking & Financial Markets: A Risk Management Perspective", Indian Institute of Management Bangalore, India, Year 2016 - Certificate of Achievement "FMAX: Financial Markets Analysis", the International Monetary Fund through edX., Year 2017 - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Director Certification Program (DCP), Year 2014 	<u>Other Listed Companies</u> 2014 – 2016	First Executive Vice President	Kiatnakin Phatra Financial Group
		2014 – 2016	Head of Human Resource Management Group	
		<u>Other Companies/ Organizations</u> Mar 27, 2017 – Present	Director	Krungsri Finnovate Co., Ltd.
		2010 – Present	Director	Human Resource Capability Development Institute, Federal of Thai Industries
		2015 – 2016	Director	Kiatnakin Bank Foundation
		2011 – 2013	Chairman	Marsh McLennan Company Group (Thailand)
		2006 – 2013	Managing Director	Mercer (Thailand) Ltd.
		2010 – 2013	Co-Managing Director	Mercer (Philippines) Pte

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
14. Mr. Nuttawit Boonyawat Age 55 years - First Executive Vice President, Office of the President and CEO (Jan 5, 2015) - Advisor to the President and CEO (Jan 5, 2015) % Shareholding^{1/} 0.0000% (1 Share) Family Relationship with Directors and Executives -None-	- Master of Science, Abilene Christian University, USA - Bachelor of Arts (Economics), University of the Thai Chamber of Commerce - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2005	Jan 5, 2015 – Present	First Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Advisor to the President and CEO	
		Nov 1, 2013 – Jan 4, 2015	First Executive Vice President, Risk Management Group	
		Nov 1, 2010 – Oct 31, 2013	First Executive Vice President, Risk Management Group and Acting Department Manager, Collateral Valuation Department	
		<u>Other Listed Companies</u>		
		Apr 24, 2015 – Present	Director	Eastern Star Real Estate PCL
		Apr 28, 2014 – Present	Executive Director	Matching Maximize Solution PCL
		<u>Other Companies/ Organizations</u>		
		Feb 23, 2015 – Present	Director (Authorized Signatory)	Home Sukhumvit Co., Ltd.
		Aug 2, 2013 – Present	Director (Authorized Signatory)	TV Digital HR Co., Ltd.
		Oct 6, 2010 – Present	Director (Authorized Signatory)	Grand Larn Luang Co., Ltd.
		Nov 13, 1997 – Present	Director	K.S. Fortune Co., Ltd.
15. Mr. Yoichiro Tsukamoto Age 49 years - Deputy Head of JPC/ MNC Banking (May 15, 2017) - Head of Multinational Corporate Banking Division JPC/MNC Banking (Jan 1, 2016) - Executive Vice President (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Business and Commerce, from Keio University	May 15, 2017 – Present	Deputy Head of JPC/ MNC Banking	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Head of Multinational Corporate Banking Division JPC/MNC Banking	
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 7, 2015 – May 14, 2017	Co-Head of Corporate Banking Division 4 Corporate and Investment Banking Group	
		Jan 7 – Dec 31, 2015	Head of Multinational Corporate and Financial Institution Division	
		Jan 7 – Dec 31, 2015	Acting Head of Financial Institution Department (Banks only)	
		<u>Other Companies/ Organizations</u>		
		Nov 2013 – Jan 2015	Deputy General Manager (Non-Japanese Business)	Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
		Mar 2011 – Nov 2013	Assistant General Manager, Corporate Finance Department 2	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
16 Mr. Kazuhiro Sudo Age 49 years - Deputy Head of Commercial Banking (Apr 28, 2016) - Executive Vice President (Mar 14, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Bachelor of Arts in Economics, Keio University, Japan	Apr 28, 2016 – Present	Deputy Head of Commercial Banking	Bank of Ayudhya PCL
		Mar 14, 2016 – Present	Executive Vice President	
		Apr 28, 2016 – Dec 31, 2017*	Head of Corporate Banking Division 3, Corporate and Investment Banking Group	
		<u>Other Companies/ Organizations</u>		
		Apr 26, 2016 – Present	Director	Ayudhya Capital Auto Lease PCL
		Apr 18, 2016 – Apr, 2017	Director (Authorized Signatory)	Krungsri Securities PCL
		May 11, 2016 – Mar, 2017	Director	General Card Services
		Oct 2013 – Mar 2016	Chief Manager, Head of Global Subsidiary Banking Department, Global Corporate Banking Division	The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		May 2012 – Oct 2013	Executive Director and Head of Planning Department, Corporate Banking Division for EMEA	
		Jul 2011 – May 2012	Senior Vice President and Head of Planning Department, European Business Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
17. Mr. Tsutomu Kamagata Age 47 years - Deputy Head of Retail and Consumer Banking (May 1, 2016) - Executive Vice President (Mar 18, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Keio University, Japan	May 1, 2016 – Present	Deputy Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Mar 18, 2016 – Present	Executive Vice President	
		Mar 18 – Apr 30, 2016	Executive Vice President, Retail and Commercial Banking	
		<u>Other Companies/ Organizations</u>		
		Nov 3, 2016 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		May 4 – Nov 2, 2016	Director	
		May 16, 2016 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		May 11, 2016 – Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		May 11, 2016 – Present	Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		May 11, 2016 – Present	Director (Authorized Signatory)	General Card Services Ltd.
		May 10, 2016 – Present	Director (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		Apr 26, 2016 – Present	Director	Ayudhya Capital Auto Lease PCL
		May 2013 – Mar 2016	Chief Manager, Asian Retail Banking Strategy Office, Retail Banking Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		May 2007 – May 2013	Manager, Senior Manager, Chief Manager Retail Affiliate Office, Retail Banking Planning Division	
18. Mr. Kenji Fukaya Age 49 years - Chief Credit Officer (Jul 1, 2015 – Jan 2, 2018) - Executive Vice President (Oct 1, 2014 – Jan 2, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Employment with Krungsri ended, effective January 3, 2018	- Bachelor of Economics (Economics), Shiga University, Japan	Jul 1, 2015 – Jan 2, 2018*	Chief Credit Officer	Bank of Ayudhya PCL
		Oct 1, 2014 – Jan 2, 2018*	Executive Vice President	
		Jan 5 – Jun 30, 2015	Deputy Chief Credit Officer	
		Jan 5 – Jun 30, 2015	Acting Chief Credit Officer	
		Oct 1, 2014 – Jan 4, 2015	Deputy Chief Risk Officer	
		<u>Other Companies/ Organizations</u>		
		Dec 2012 – Oct 2014	Deputy General Manager, International Credit Division (Singapore)	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)
		Jul 2011 – Dec 2012	Assistant General Manager, International Credit Division (Singapore)	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
19. Mr. Suratun Kongton Age 51 years - Head of Corporate Banking Group (Jan 1, 2018) - Acting Head of Corporate Credit Analysis Division (Jan 1, 2018) - Executive Vice President (May 1, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Master of Public Administration University of Southern California, Los Angeles, California, USA - Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University	Jan 1, 2018 – Present* Jan 1, 2018 – Present* May 1, 2012 – Present Jan 1, 2016 – Dec 31, 2017* Jan 1 – Apr 30, 2016 Jul 1, 2015 – Apr 30, 2016 Jan 6 – Dec 31, 2015 Jan 5 – Feb 28, 2015 Jun 1, 2014 – Jan 5, 2015 Jan 1, 2013 – Jan 5, 2015 May 1 – Dec 31, 2012 <u>Other Companies/ Organizations</u> May 4, 2017 - Present Apr 28, 2017 - Present Feb 13, 2015 – Present Jan 1, 2010– Apr 2012	Head of Corporate Banking Group Acting Head of Corporate Credit Analysis Division Executive Vice President Head of Corporate and Investment Banking Group Acting Head of Corporate Banking Banking Division 2 Acting Head of Corporate Banking Department 7 Executive Vice President and Head of Corporate Banking Division 2 Acting Head of Corporate Banking Department 6 Acting Head of Corporate Banking Department 9 Executive Vice President and Head of Corporate Banking Division 3 Executive Vice President and Head of Corporate Banking Division 2 Director Director Director (Authorized Signatory) Executive Director (Head of Corporate Banking and Treasury Services)	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
20. Mr. Dharithee Kritsernvong Age 53 years <ul style="list-style-type: none"> - Head of Information Technology Group (Jan 1, 2016) - Acting Head of IT Infrastructure and Operations Technology Division (Jan 1, 2016) - Executive Vice President (Jun 16, 2011) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master of Science in Finance, Chulalongkorn University - Bachelor of Business Administration Program in Information System, Rajamangala University of Technology 	Jan 1, 2016 – Present Jan 1, 2016 – Present Jun 16, 2011 – Present Jun 16, 2011 – Dec 31, 2015	Head of Information Technology Group Acting Head of IT Infrastructure and Operations Technology Division Executive Vice President Executive Vice President, IT Infrastructure and Operations Technology Division	Bank of Ayudhya PCL
21. Mrs. Katchariya Chongpaisansakul Age 58 years <ul style="list-style-type: none"> - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Apr 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - Master of Management (Information System), West Coast University, USA - Bachelor of Economics (Finance), Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Financial Institutions Governance Program, Year 2012 • Development Risk Management Program, Year 2016 	Jan 1, 2017 – Present April 1, 2014 – Present Jan 1 – Dec 31, 2016 Jan 1 – Jan 31, 2016 April 1, 2014 – Dec 31, 2015 Jan 1, 2011– Mar 31, 2014	Co-Head of Operations Group Executive Vice President Head of Operations Middle Office Group Acting Head of Credit Control Division Executive Vice President, Head of Credit Control Division Senior Vice President, Head of Operations Processing and Customer Services Division	Bank of Ayudhya PCL
22. Mr. Wirote Chuenratanakul Age 50 years <ul style="list-style-type: none"> - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - MBA. (Finance), National Institute Development Administration - Bachelor of Business Administration (Finance), Thammasat University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Successful Formulation & Execution of Strategy, Year 2015 	Jan 1, 2017 – Present Jan 5, 2015 – Present Jan 1 – Dec 31, 2016 Jan 5 – Dec 31, 2015 <u>Other Companies/ Organizations</u> Jul 1, 2014 – Jan 4, 2015 Feb 2009 – Jun 30, 2014	Co-Head of Operations Group Executive Vice President Head of Operations Back Office Group Executive Vice President, Head of Operations Control Division Deputy General Manager Assistant General Manager, Head of Operations Planning and Control	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
23. Mr. Yuzo Nakada Age 49 years - Deputy Chief Financial Officer (Mar 16, 2015) - Head of Corporate Planning Division, Corporate Strategy and Planning Group (Jul 1, 2015) - Executive Vice President (Mar 9, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Columbia University in the City of New York - Bachelor of Arts in Foreign Studies, Sophia University Tokyo, Japan	Jul 1, 2015 – Present	Head of Corporate Planning Division, Corporate Strategy and Planning Group	Bank of Ayudhya PCL
		Mar 16, 2015 – Present	Deputy Chief Financial Officer	
		Mar 9, 2015 – Present	Executive Vice President	
		Apr 3 – Jun 30, 2015	Head of Planning Division, Corporate Planning Group	
		Mar 9 – Apr 2, 2015	Executive Vice President - Planning Division, Corporate Planning Group	
		<u>Other Companies/ Organizations</u>		
		Sep 2013 – Mar 2015	Chief Manager, Head of Planning, Krungsri Project Management Office, Global Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		May 2012 – Sep 2013	Managing Director, Head of CIBA Planning, Investment Banking Division for the Americas (New York)	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
		Feb 2011 – May 2012	Managing Director, Head of Alliance Strategy Office/ Planning Division for the Americas (New York)	
24. Mr. Hironori Okada Age 51 years - Deputy Chief Risk Officer (Jan 1, 2014) - Executive Vice President (Jan 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Laws (Public Law), University of Tokyo, Japan	Jan 1, 2014 – Present	Deputy Chief Risk Officer	Bank of Ayudhya PCL
		Jan 1, 2014 – Present	Executive Vice President	
		Jan 7 – Jun 30, 2015	Acting Head of Commercial Credit Risk Management Division	
		<u>Other Companies/ Organizations</u>		
		May 2, 2014 – Present	Director	Krungsri Ayudhya AMC Ltd.
		Apr 2010 – Dec 31, 2013	Chief Manager, Credit Policy and Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
25. Mr. Takehiko Iwamoto Age 46 years - Deputy Head of Global Markets Group (Apr 2, 2017) - Head of Sales and Trading Division, Global Markets Group (Apr 2, 2017) - Executive Vice President (Jan 23, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Bachelor Degree in Economics, Waseda University	Apr 2, 2017 – Present	Deputy Head of Global Markets Group	Bank of Ayudhya PCL
		Apr 2, 2017 – Present	Head of Sales and Trading Division, Global Markets Group	
		Jan 23, 2017 – Present	Executive Vice President	
		Apr 2, 2017 – Dec 31, 2017*	Head of Corporate Treasury Division, Global Markets Group	
		<u>Other Companies/ Organizations</u>		
		Nov 2014 – Apr 2017	Chief Manager, Central Japan Marketing Department, Japanese Customer Marketing Office, Global Markets Marketing Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		Apr 2012 – Nov 2014	Senior Manager, East Japan Marketing Department, Japanese Customer Marketing Office Global Markets Marketing Division	
		Oct 2007 – Apr 2012	Senior Manager, Market Sales and Trading Department	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
26. Miss Suwanna Jakraworavudh Age 57 years - Executive Vice President, Office of the President and CEO (Aug 19, 2013) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA, Assumption University - Bachelor of Veterinary Medicine, Chulalongkorn University	Aug 19, 2013 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1, 2012 – Aug 18, 2013	Executive Vice President, Process Improvement Project Delivery Division, Business Transformation Group	
		Mar 1, 2011 – Apr 30, 2012	Executive Vice President, Distribution Planning and Development Division, Distribution Group	
		<u>Other Companies/ Organizations</u>		
		Aug 19, 2013 – Present	Executive Vice President, Head of Operations	Ayudhya Capital Services Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
27. Mr. Udomkarn Udomsab Age 42 years - Executive Vice President, Office of the President and CEO (Nov 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> - MBA. (Finance), Case Western Reserve University, USA - Master of Science (Economics), University of Illinois at Urbana champaign, USA - Master of Arts (International Economics and Finance), Chulalongkorn University (International Program) - Bachelor of Science (Accounting), Thammasat University (International Program) - Certificate of Top Executive Program, Capital Market Academy, Class 22/2016 - Certificate of Thammasat Leadership Program (TLP), Class 10/2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Director Certification Program (DCP), Year 2015 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015 	Nov 1, 2014 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Other Listed Companies Dec 1, 2015 – Present	Advisor to the Board of Directors	Pylon PCL
		Other Companies/Organizations Nov 1, 2014 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
		Nov 1, 2014 – Present	Managing Director	
		Aug 2013 – Oct 2014	Chief Business Development	CIMB Principal Asset Management Co., Ltd.
		Apr 2011 – Jul 2013	Senior Vice President, Head of Institutional Business and Investment Strategy Department	ING Asset Management Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
28. Mrs. Kittiya Srisanit Age 56 years - Executive Vice President, Office of the President and CEO (Oct 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Marymount University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Oct 1, 2015 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Oct 1, 2014 – Sep 30, 2015	Executive Vice President, Krungsri Auto Credit and Operations Management Division, Krungsri Auto Group	
		<u>Other Companies/ Organizations</u>		
		Jun 1, 2016 – Present	Managing Director	Ayudhya Capital Auto
		Aug 2015 – Present	Director (Authorized Signatory)	Lease PCL
		Oct 1, 2015 – May 31, 2016	Acting Managing Director	
29. Miss Siriporn Sinacharoen Age 39 years - Executive Vice President, Office of the President and CEO (Jan 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), Columbia University, USA - Bachelor of Business Administration in Banking and Finance (1 st Class Honors), Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI), Year 2016	Jan 1, 2016 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u>		
		Jan 4, 2016 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		Jan 1, 2016 – Present	Managing Director	
		May 2014 – Dec 2015	Deputy Chief Investment Officer	Allianz Investment Management Singapore Pte. Ltd.
		Jan 2008 – May 2014	Head of Fixed-Income Asia	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
30. Mr. Somwang Toraktrakul Age 49 years - Executive Vice President, Office of the President and CEO (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Business Management (Marketing), Royal Melbourne Institute of Technology, Australia	Jan 1, 2017 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1, – Dec 31, 2016	Executive Vice President, Head of Marketing Planning Division and Acting Head of Marketing Management Department	
		Oct 1, 2015 – Apr 30, 2016	Executive Vice President, Head of Marketing and Branding Division	
		Apr 1, 2012 – Sep 30, 2015	Executive Vice President, Marketing Planning Division	
		Jan 1, 2010 – Mar 31, 2012	Senior Vice President, Marketing Planning Division	
		<u>Other Companies/ Organizations</u>		
		Jan 1, 2017 – Present Dec 30, 2016 – Present	Managing Director Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Aug 25, 2014 – Present Aug 25, 2014 – Present	Director (Authorized Signatory) Director (Authorized Signatory)	Dan Siam Co., Ltd. Sam Siam Co., Ltd.
31. Mr. Congsin Congcar Age 47 Years - Executive Vice President (Oct 1, 2014) - Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group (Jul 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- SASIN Executive Program (SEP25 Alumni), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Commerce – Finance & Accounting, University of Alberta, Canada - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2013	Jan 1, 2017 – Present	Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	Executive Vice President	
		Jul 1, 2015 – Dec 31, 2016	Head of Krungsri Auto Strategic Division, Krungsri Auto Group	
		Jul 1, 2015 – Dec 31, 2016	Acting Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	
		Oct 1, 2014 – Jun 30, 2015	Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	
		<u>Other Companies/ Organizations</u>		
		May 15, 2017 – Present	Director	Ayudhya Capital Services Co., Ltd.
		2009 – Sep 30, 2014	Chief Financial Officer	Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
33. Mr. Kriangsak Jongsukgiparnich Age 48 years - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, Finance Group (Jan 7, 2015) - Acting Head of Operational Controllership Department, Finance Group (Jan 7, 2015)	<ul style="list-style-type: none"> - MBA. (Finance), Western Michigan University, USA - Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand) - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017 	Mar 1, 2016 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Accounting Division, Finance Group	
		Jan 7, 2015 – Present	Acting Head of Operational Controllership Department, Finance Group	
		Jan 7, 2015 – Feb 29, 2016	Senior Vice President	
		Jul 1, 2013 – Jan 6, 2015	Senior Vice President and Manager, Operational Controllership Department, Finance Group	
		Mar 2011 – Jun 30, 2013	Senior Vice President, Operational Controllership Division, Finance Group	
% Shareholding^{i/v} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies/ Organizations</u> May 5, 2017 – Present	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
34. Miss Jiraporn Popairoj Age 56 years - Senior Vice President, Head of Financial Governance Risk and Compliance Division, Finance Group (Jan 1, 2016) - Acting Head of Internal Control Department, Finance Group (Jan 1, 2016) - Acting Head of Related Party Transaction and Insourcing/Outsourcing Department, Finance Group (Jan 1, 2016) - Acting Head of Financial Compliance and Control Department, Finance Group (Jun 16, 2017)	<ul style="list-style-type: none"> - Master of Science in Accounting, Thammasat University - Master of Law (Taxation Law), Assumption University - BA. in Accounting, Thammasat University - Bachelor of Law, Ramkhamhaeng University - Higher Diploma in Auditing, Thammasat University - Certified Public Accountant (CPA Thailand) - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015 	Jun 16, 2017 – Present	Acting Head of Financial Compliance and Control Department, Finance Group	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Senior Vice President, Head of Financial Governance Risk and Compliance Division, Finance Group	
		Jan 1, 2016 – Present	Acting Head of Internal Control Department, Finance Group	
		Jan 1, 2016 – Present	Acting Head of Related Party Transaction and Insourcing/Outsourcing Department, Finance Group	
		Sep 16, 2010 – Dec 31, 2015	Senior Vice President and Head of Financial Compliance Department, Finance Group	
% Shareholding^{i/v} 0.0000% (2,374 shares) Family Relationship with Directors and Executives -None-				

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
34. Miss Jiraporn Popairoj (Cont')		<u>Other Companies/ Organizations</u> Jun 19, 2015 – Jun 22, 2016 Aug 24, 2015 – Jun 22, 2016 Jan 15 – Aug 12, 2015 Aug 4, 2014 – Jun 18, 2015 Aug 4, 2014 – Jan 14, 2015	Director (Authorized Signatory) Audit Committee Member Acting Chief Financial Officer Director Chairman of the Audit Committee	Krungsri Asset Management Co., Ltd.
35. Mrs. Varabhorn Achakornlak Age 53 years - Senior Vice President, Head of Procurement Department, Finance Group (Sep 16, 2010) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. International Business, Nova University, Florida, USA - Advance International Certificate PSCM (Purchasing & Supply Chain Management), International Trade Center, UNCTAD/WTO - Advance Purchasing Research (IFPM), The International Federation of Purchasing and Materials of Management, Salzburg, Austria	Sep 16, 2010 – Present	Senior Vice President, Head of Procurement Department, Finance Group	Bank of Ayudhya PCL
36. Miss Pornnapa Patarasatiengkul Age 45 years - Senior Vice President, Head of Financial Planning and Analysis – Commercial Department, Finance Group (Jan 5, 2015) - Acting Head of Corporate Financial Planning and Analysis Section, Finance Group (May 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science (Finance), Thammasat University - Bachelor of Banking and Finance, Assumption University	May 1, 2016 – Present Jan 5, 2015 – Present Jun 18, 2012 – Jan 4, 2015	Acting Head of Corporate Financial Planning and Analysis Section, Finance Group Senior Vice President, Head of Financial Planning and Analysis Commercial Department, Finance Group Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
36. Miss Pornnapa Patarasatienkul (Cont')		Mar – Jun 17, 2012	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Oct 2010 – Feb 2012	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jul 2011 – Apr 28, 2015	Director	Siam Realty and Services Security Co., Ltd.
37. Mrs. Akanit Mattison Age 44 years - Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Banking and Finance, Assumption University	Jan 5, 2015 – Present	Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group	Bank of Ayudhya PCL
		Jun 16, 2012 – Jan 4, 2015	Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u> Apr 2006 – Jun 2012	Senior Analyst, Financial Planning and Analysis Department, Finance Group	GE Capital, UK
38. Mr. Khomson Adunwitthayakorn Age 44 years - Senior Vice President, Head of Accounting and Control Department, Finance Group (Jul 1, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science (Finance), Chulalongkorn University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jul 1, 2013 – Present	Senior Vice President, Head of Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Mar – Jun 30, 2013	Senior Vice President and Manager, Accounting and Control Department, Finance Group	
		Sep 2010 – Feb 2013	Vice President, Accounting and Control Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
39. Mr. Jamorn Phianphrom Age 56 years - Senior Vice President, Head of Tax and Disbursement Department, Finance Group (Mar 1, 2014) % Shareholding^{1/} 0.0000% (2 Shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Dhurakij Pundit University - BA., Chiangmai University - Diploma in Tax Law, Thammasat University	Mar 1, 2014 – Present Jul 1, 2013 – Feb 28, 2014 Sep 2010 – Jun 30, 2013	Senior Vice President, Head of Tax and Disbursement Department, Finance Group Vice President, Tax and Disbursement Department, Finance Group Vice President, Tax Management and Payment Verification Department, Finance Group	Bank of Ayudhya PCL
40. Mrs. Orawan Julapol Age 50 years - Senior Vice President, Head of Financial Reporting Department, Finance Group (Jul 1, 2015) - Acting Head of Basel Reporting Section, Finance Group (Jan 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science in Accounting, Thammasat University - Bachelor of Accounting, Thammasat University - Bachelor of Law, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 1, 2016 – Present Jul 1, 2015 – Present Jul 1, 2013 – Jun 30, 2015 Jun 2012 – Jun 30, 2013 <u>Other Companies/ Organizations</u> Jul 2009 – Jun 2012	Acting Head of Basel Reporting Section, Finance Group Senior Vice President, Head of Financial Reporting Department, Finance Group Vice President and Head of Financial Reporting Department, Finance Group Vice President, Data Management and Reporting Department, Finance Group Accounting Director	Bank of Ayudhya PCL Double A (1991) PCL
41. Miss Sukanda Thawilwang Age 43 years - Senior Vice President, Head of Financial Planning and Analysis - Global Markets Department, Finance Group (Jul 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University - Bachelor of Economics (International Program), Thammasat University	Jul 1, 2015 – Present Jan 5 – Jun 30, 2015 Sep 1, 2012 – Jan 4, 2015	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group Vice President and Head of Global Markets Financial Planning and Analysis Department, Finance Group Vice President, Treasury Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
41. Miss Sukanda Thawilwang (Cont')		<u>Other Companies/ Organizations</u> Jul 1997 – Aug 2012	Senior Manager (SVP), Business Finance Global Markets, Finance and Accounting Division	Standard Chartered Bank (Thai) PCL
42. Miss Wimol Sivarorosakul Age 56 years - Senior Vice President, Financial Liaison and Planning Department, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Thai Bankers Association Training School	Jan 1, 2016 – Present Jan 5 – Dec 31, 2015 <u>Other Companies/ Organizations</u> 2007 – Jan 4, 2015	Senior Vice President, Financial Liaison and Planning Department, Finance Group Senior Vice President and Head of Accounting Department (Bangkok Sathon Office), Finance Group Assistant General Manager, Accounting Department	Bank of Ayudhya PCL The Bank of Tokyo- Mitsubishi UFJ, Ltd., Bangkok Branch
43. Mr. Montien Jangsutimon Age 36 years - Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department Finance Group (Mar 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand) - Diploma in Tax Law, Thammasat University	Mar 1, 2017 – Present Mar 1, 2014 – Feb 28, 2017 Mar 2011 – Feb 28, 2014	Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group First Assistant Vice President, Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
44. Mr. Shoji Oishi Age 48 years - Head of Financial Liaison and Planning Department, Finance Group (Apr 29, 2017) - Senior Vice President, Financial Liaison and Planning Department, Finance Group (Apr 10, 2017)	- Bachelor of Economics, Kyoto University	Apr 29, 2017 – Present Apr 10, 2017 – Present	Head of Financial Liaison and Planning Department, Finance Group Senior Vice President, Financial Liaison and Planning Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
44. Mr. Shoji Oishi (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies/ Organizations</u> May 2014 – Apr 2017 Feb 2010 – May 2014	Chief Manager, Financial Planning Division, Financial Accounting Office Director, Planning Division For the Americas, Controllers Group	The Bank of Tokyo - Mitsubishi UFJ, Ltd. (Tokyo, Japan)
45. Mr. Vatchara Pumnoi Age 50 years - Senior Vice President, Head of Krungsri Auto Controllershship Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Kasetsart University - Bachelor of Finance and Accounting (Accounting), Thammasat University	Jan 1, 2017 – Present Oct 1, 2014 – Dec 31, 2016 <u>Other Companies/ Organizations</u> Mar – Sep 30, 2014 Feb 2008 – Feb 2014	Senior Vice President, Head of Krungsri Auto Controllershship Department Senior Vice President, Head of Krungsri Auto Finance and Accounting - Controllershship Department Senior Vice President, Finance and Accounting Division Vice President, Finance and Accounting Division	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
46. Mr. Teerasak Nimnaparaj Age 42 years - Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance and Accounting), University of Illinois, Chicago, USA - Bachelor of Business Administration (Finance and Banking), Chulalongkorn University	Jan 1, 2017 – Present Jan 1, 2017 – Present Jan 1, 2017 – Present Nov 1, 2015 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/ Customer/Competitor Section Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
46. Mr. Teerasak Nimnaparaj (Cont')		Jul 1 – Oct 31, 2015	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	Bank of Ayudhya PCL
		Oct 1, 2014 – Jun 30, 2015	Vice President and Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting	Ayudhya Capital Auto Lease PCL
47. Miss Soamkulaya Pinkayan Age 39 years - Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance and Accounting), University of Iowa, USA - Bachelor of Public Administration, Faculty of Political Science, Chulalongkorn University	Jan 1, 2017 – Present	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL
		May 1 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	
		Mar 1 – Dec 31, 2016	Acting Head of Krungsri Auto Finance and Accounting – OPEX/ Branch Channel Section	
		Mar 1 – Apr 30, 2016	Senior Vice President, Krungsri Auto Strategic Division	
		Oct 1, 2014 – Feb 29, 2016	Vice President, Head of Krungsri Auto Finance and Accounting - OPEX/ Branch Channel Section	
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting – OPEX/ Branch Channel	Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
48. Miss Siriporn Sribooncharoen Age 44 years - Vice President, Head of SME Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MS. (Finance), Chulalongkorn University - BBA. (Finance), Assumption University	Jan 5, 2015 – Present	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL
		Nov 20, 2012 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Jun 2004 – Nov 2012	Vice President, SME Financial Planning and Analysis Department, Finance Group Vice President - FP&A Expense Management, Consumer Banking	Citibank N.A., Thailand
49. Mrs. Samanporn Chantanahom Age 56 years - Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MPA. (Public Administration), Southern University, USA - MS. (Economics), the National Institute of Development Administration - BA. (Economics) Thammasat University	Jan 1, 2016 – Present	Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2012 – Dec 31, 2015 Mar 2007 – Feb 28, 2012	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group First Assistant Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
50. Mrs. Kamoltip Jittimaporn Age 56 years - Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllership Department, Finance Group (Dec 1, 2013) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Computer), Cleveland State University, USA - Bachelor of Business Administration (Accounting), Thammasat University	Dec 1, 2013 – Present	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Jul – Nov 30, 2013	Vice President and Section Manager, Finance System Management Section, Operational Controllership Department, Finance Group	
		Oct 2012 – Jun 2013	Vice President and Section Manager, Accounting Information System Section, Finance Group	
		Sep – Oct 2012	Vice President, Accounting and Control Department, Finance Group	
		Other Companies/ Organizations Aug 2011 – Aug 2012	Senior Manager	Wipro Technologies (Thailand) Co., Ltd.
51. Miss Rattaporn Pornprasit Age 42 years - Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Rector's Award for Academic Excellence Certification, Assumption University - MBA., Assumption University - BBA. (Finance), University of the Thai Chamber of Commerce	Jan 5, 2015 – Present	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL
		Apr 18, 2013 – Jan 4, 2015	Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group	
		Other Companies/ Organizations Jul 2012 – Apr 2013	Senior Business Finance Manager	Standard Chartered Bank (Thai) PCL
		Jul 2010 – Jul 2012	Finance Manager (Alcon Division)	Novartis (Thailand) Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
52. Miss Benjawan Surachutikarn Age 47 years - Vice President, Head of Foreign Business Accounting Department, Finance Group (Jan 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Cleveland State University, USA - Bachelor of Business Administration, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 1, 2016 – Present Aug 1, 2013 – Dec 31, 2015 <u>Other Companies/ Organizations</u> Oct 2006 – Jun 2013	Vice President, Head of Foreign Business Accounting Department, Finance Group Vice President and Head of Foreign Branch Financial Reporting Section, Financial Compliance Department, Finance Group Vice President, Financial Accounting Department	Bank of Ayudhya PCL Credit Agricole Corporate and Investment Bank, Bangkok Branch
53. Mrs. Anantaya Padanupong Age 40 years - Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Commerce in Accounting and Finance Macquarie University, Australia - Bachelor of Science (Accounting) Thammasat University	Jan 5, 2015 – Present Nov 16, 2013 – Jan 4, 2015 <u>Other Companies/ Organizations</u> May – Nov 2013 Nov 2004 – Apr 2013	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group Vice President and Section Manager, Distribution Financial Planning and Analysis Section, Finance Group Vice President, Business Finance Business Finance Manager	Bank of Ayudhya PCL United Overseas Bank (Thai) PCL Standard Chartered Bank (Thai) PCL
54. Mr. Takashi Kanai Age 50 years - Vice President, Head of Foreign Financial Reporting Department, Finance Group (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Faculty of Economics, Keio University, Japan	Jan 5, 2015 – Present Jan 2, 2014 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Sep 2006 – Dec 2013	Vice President, Head of Foreign Financial Reporting Department, Finance Group Vice President, Finance Group Manager Financial Accounting Office, Corporate Planning Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
55. Miss Thatsaphin Cholsuwat Age 41 years - Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group (Feb 16, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Innovation in Management International program), Mahidol University - Bachelor of Science in Statistics (Business Information Technology) Faculty of Commerce and Accountancy, Chulalongkorn University	Feb 16, 2014 – Present <u>Other Companies/ Organizations</u> Aug 2010 – Feb 2014	Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group Principle Consultant	Bank of Ayudhya PCL Oracle Corporation (Thailand) Co., Ltd.
56. Miss Sunan Pimsawang Age 46 years - Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group (Mar 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. Bangkok University - Bachelor of Accounting, Rajamangala University of Technology Thanyaburi	Mar 1, 2014 – Present Jan 2012 – Feb 28, 2014	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group First Assistant Vice President, BOT Reporting Section, Finance Group	Bank of Ayudhya PCL
57. Miss Porntip Undamrongkarn Age 42 years - Vice President, Foreign Financial Reporting Department, Finance Group (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Accounting Thammasat University	Jan 5, 2015 – Present Aug 16, 2014 - Jan 4, 2015 <u>Other Companies / Organizations</u> Feb – Aug 15, 2014 Jan 2013 – Jan 2014 Jan 2009 – Dec 2012	Vice President, Foreign Financial Reporting Department, Finance Group Vice President, Accounting Division, Finance Group Core Banking Project – Lending Stream Lead Lending Operations Senior Manager Operations Support Senior Manager	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
58. Miss Thitiporn Kittipiyakul Age 43 years - Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group (Dec 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Accounting), Kasetsart University - Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present	Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Jan 5 – Nov 30, 2015	Vice President, Accounting Department (Bangkok Sathon Office), Finance Group	
		<u>Other Companies / Organizations</u> Apr 1, 2014 – Jan 4, 2015	Accounting Senior Manager	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
		2009 – Mar 30, 2014	Accounting Manager	
59. Mr. Vichai Kolsonvoravattanukul Age 38 years - Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group (Mar 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accountancy, Chulalongkorn University - Bachelor of Business Administration (Accounting), Assumption University	Mar 1, 2015 – Present	Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 2011 – Feb 28, 2015	First Assistant Vice President and Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	
60. Mrs. Suchavalee Srisarakorn Age 49 years - Vice President, Finance Group (Dec 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present	Vice President, Finance Group	Bank of Ayudhya PCL
		<u>Other Companies / Organizations</u> Dec 1, 2015 – Present	Senior Vice President, Head of Finance & Accounting, Finance & Accounting Department	Ayudhya Development Leasing Co., Ltd.
		Oct 2005 – Nov 30, 2015	Senior Vice President, KTB Leasing Co., Ltd. Accounting and Finance Department, Support Division	KTB Leasing Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
61. Mr. Suwit Eurpiyachart Age 43 years - Vice President, Finance Group (Jul 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2018	- Master of Accountancy (Financial Accounting), Faculty of Commerce and Accountancy, Chulalongkorn University - Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University - Certified Public Accountant (CPA Thailand)	Jul 1, 2017 – Present Jul 1, 2016 – Jun 30, 2017 <u>Other Companies/ Organizations</u> Jan 1, 2018 – Present* Nov 1, 2016 – Dec 31, 2017 Jan – Jun 2016 Jan 2012 – Dec 2015	Vice President, Finance Group Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group Chief Financial Officer Acting Chief Financial Officer Vice President, Emerging Risk and Control Department, Local Regulatory and Balance Sheet Control Head Vice President, Operation & Technology Risk and Control Department, Balance Sheet Control Group, Head and Account Reconciliation Unit Head	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd. Citibank N.A., Thailand
62. Miss Ananya Nopkhun Age 41 years - Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jul 16, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), University of Technology Sydney, Australia - Bachelor of Business Administration (International Business Management), University of the Thai Chamber of Commerce	Jul 16, 2017 – Present <u>Other Companies/ Organizations</u> Mar 2007 – Jul 2017	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group Senior Manager, Business Finance, Wholesale Banking	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL
63. Mr. Suphawut Kitkuakosol Age 38 years - Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group (Oct 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., (Business Administration), Chulalongkorn University - Bachelor of Laws (Business Laws), Chulalongkorn University - Bachelor of Accountancy (Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand)	Oct 1, 2017 – Present <u>Other Companies/ Organizations</u> Sep 2013 – Sep 2017 Jul 2001 – Aug 2013	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group Vice President, Head of Business Operational Risk, Retail Banking Senior Manager	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL Pricewaterhouse Coopers ABAS Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
64. Mrs. Tatsawan Dumrisomkul Age 45 years - Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllership Department (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Accounting, Bangkok University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllership Department	Bank of Ayudhya PCL
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllership Department	
		<u>Other Companies/ Organizations</u> Mar 1 – Sep 30, 2014 Jan 1, 2007 – Feb 28, 2014	Vice President, Finance and Accounting Division (Accounting) Assistant Vice President, Finance and Accounting Division (Accounting)	Ayudhya Capital Auto Lease PCL
65. Miss Thanawan Santananont Age 53 years - Vice President, Head of Krungsri Auto Procurement Section (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (English Program), Business Communication, University of the Thai Chamber of Commerce - Bachelor of Political Science (Public Administration), Thammasat University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Procurement Section	Bank of Ayudhya PCL
		Oct 1, 2014 – Dec 31	Vice President, Head of Krungsri Auto Finance and Accounting - Sourcing Section, Controllership Department	
		<u>Other Companies/ Organizations</u> 2014 – Sep 30, 2014 2008 – 2013	Vice President, Finance and Accounting - Sourcing Assistant Vice President, Finance and Accounting Division – Sourcing	Ayudhya Capital Auto Lease PCL
66. Miss Chanida Kwansanerthechin Age 47 years - Vice President, Head of Krungsri Auto Tax Controllership Section (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Taxation, University of the Thai Chamber of Commerce - Bachelor of Finance and Accounting, University of the Thai Chamber of Commerce - Tax Auditor	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Tax Controllership Section	Bank of Ayudhya PCL
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Tax Controller Section	
		<u>Other Companies/ Organizations</u> Feb 2007 – Sep 30, 2014	Vice President, Finance and Accounting – Tax Controller Unit, Auto Business	Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
67. Miss Chavakorn Chavalerdpanyakul Age 42 years - Vice President, Head of Krungsri Auto Financial Planning and Analysis - Product Section, Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Finance) College of Management, Mahidol University - Bachelor of Administration Management (Accounting) Ramkhamhaeng University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Financial Planning and Analysis – Product Section, Krungsri Auto Financial Planning and Analysis Department	Bank of Ayudhya PCL
		Mar 1, 2016 – Dec 31, 2016	Vice President, Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		Oct 1, 2014 – Feb 29, 2016	First Assistant Vice President, Krungsri Auto Finance and Accounting - Financial Planning and Product Analysis Department	
		<u>Other Companies/ Organizations</u> Mar 1, 2012 – Sep 30, 2014 Mar 1, 2008 – Feb 28, 2012	Assistant Vice President Finance & Accounting - Financial Planning and Product Analysis Department Manager	Ayudhya Capital Auto Lease PCL
68. Miss Sujinda Ninatkiattikul Age 39 years - Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Industrial Engineering, Faculty of Engineering, Chulalongkorn University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	Bank of Ayudhya PCL
		Oct 1, 2015 – Dec 31, 2016	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	
		Jun 1, 2011 – Sep 30, 2015	First Assistant Vice President, Krungsri Auto Quality and CE Strategy	

Remark: ^{1/} Including spouse and minor child.

• Newly Appointed Executives after December 31, 2017 in the total of 3 persons are as follows:

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Yoshio Ueyama Age 45 years - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Hitotsubashi University, Japan	Jan 3, 2018 – Present Nov 6, 2017 – Present <u>Other Companies/ Organizations</u> Oct 2015 – Nov 2017 Oct 2011 – Oct 2015	Chief Credit Officer Executive Vice President Chief Manager, Head of Country Credit Team, Department No. 3, International Credit Division Senior Manager, Country Credit Team, Department No. 3, International Credit Division	Bank of Ayudhya PCL The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Singapore)
2. Mr. Piti Krasaesian Age 50 years - Deputy Chief Credit Officer (Jan 1, 2018) - Executive Vice President (May 1, 2016) % Shareholding^{1/} 0.0001% (7,924 shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Xavier University - Bachelor of Business Administration (Marketing), Chulalongkorn University	Jan 1, 2018 – Present May 1, 2016 – Present May 1, 2016 – Dec 31, 2017 <u>Other Listed Companies</u> Jan 1, 2013 – Aug 31, 2014 Jan 1 – Dec 31, 2012	Deputy Chief Credit Officer Executive Vice President Head of Commercial Credit Analysis Division Commercial Banking Head of Business Banking – Upcountry Executive Vice President Head of Lending & Structured Products Executive Vice President	Bank of Ayudhya PCL TMB Bank PCL
3. Miss Napaporn Teerakittiwattana Age 49 years - Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 8, 2018) - Acting Head of Profitability Management Section, Financial Group (Jan 8, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. Assumption University - Bachelor of Accounting, Thammasat University	Jan 8, 2018 – Present Jan 8, 2018 – Present <u>Other Companies/ Organizations</u> Oct 2012 – Dec 2017	Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group Acting Head of Profitability Management Section, Financial Group Senior Manager, Head of CB CIB and GM, Finance and Control	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL

Remark: ^{1/} Including spouse and minor child

• **Additional Executives as defined by Krungsri** effective as of January 16, 2018 in the total of 4 persons are as follows:

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Chatchawan Permsukjarusap Age 37 years - Senior Vice President, Office of the President and CEO (Oct 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Engineering, University of Technology, Sydney - Bachelor of Engineering, Thammasat University	Oct 1, 2016 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jan 1 – Sep 30, 2016	Senior Vice President, Vientiane Branch, International Banking Department	
		Nov 1, 2014 – Dec 31, 2015	Senior Vice President, Vientiane Branch, International Business Development Department	
		Oct 1, 2013 – Oct 31, 2014	Senior Vice President, International Business Division	
		<u>Other Companies/ Organizations</u> Nov 1, 2016 – Present Oct 1, 2015 – Present	Managing Director Director (Authorized Signatory)	Krungsri Leasing Service Co., Ltd.
2. Mr. Sam Tanskul Age 37 years - Senior Vice President, Head of FinTech/Startup Section, Innovation Department (Apr 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Economics in Finance and Management, University of Bristol, UK - Bachelor of Business Administration in Banking and Finance, (Cum-Laude Honors), Assumption University - Academy of Business Creativity, Sripatum University	Apr 1, 2017 – Present	Senior Vice President, Head of FinTech/Startup Section, Innovation Department	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Apr 1, 2017 – Present	Senior Vice President, Head of Innovation & Fintech Department	Ayudhya Capital Services Co., Ltd.
		Apr 1, 2017 – Present	Managing Director	Krungsri Finnivate Co., Ltd.
		Mar 27, 2017 – Present	Director (Authorized Signatory)	
		Apr 17, 2005 – Mar 31, 2017	Senior Vice President	Krungsriayudhya Card Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
3. Mr. Okart Supamornpun Age 47 years - Senior Vice President, Office of the President and CEO (Oct 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - Bachelor of Business Administration, Assumption University	Oct 1, 2017 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Oct 1, 2017 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Oct 1, 2017 – Present	Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Deputy Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Chief of Finance and Operation Officer	
		Jun – Oct 2013	Managing Director	Master Car Rental Co., Ltd.
		Feb 2010 – May 2013	Vice President, Business Strategy and Marketing	Kasikorn Factory and Equipment Co., Ltd.
4. Mr. Siriyot Pronanunt Age 43 years - Senior Vice President, Office of the President and CEO (Sep 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- LL.M., Case Western Reserve University, School of Law, USA - Bachelor of Laws, Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Sep 1, 2016 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1 – Aug 31, 2016	Senior Vice President, Head of Transactional Legal – Retail and Consumer Department	
		Mar 1, 2012 – Apr 30, 2016	Senior Vice President and Section Manager, Special Project Section	
		<u>Other Companies/ Organizations</u> 2009 – Present	Director	Ngern Tid Lor Co., Ltd.
		Sep 1, 2016 – Present	Head of Legal & Compliance Department	Ayudhya Capital Auto Lease PCL

Remark: ^{1/} Including spouse and minor child

• **Corporate Secretary**

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mrs. Thidarat Sethavaravichit Age 48 years - Senior Vice President, Head of Corporate Secretariat Department (Jul 1, 2010) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) - Secretary to the Executive Committee (Jul 1, 2008)	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class "Corporate Governance and Director Duties Excellence 2017", Singapore - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> • Company Secretary Program (CSP), Year 2002 • Board Reporting Program (BRP), Year 2009 • Director Certification Program (DCP), Year 2012 • Corporate Governance for Executives (CGE), Year 2014 	Jul 1, 2010 – Present Jul 1, 2008 – Present Jul 1, 2008 – Present Nov 2008 – Dec 2017	Senior Vice President, Head of Corporate Secretariat Department Corporate Secretary and Secretary to the Board of Directors Secretary to the Executive Committee Ombudsperson	Bank of Ayudhya PCL
% Shareholding^{1/} 0.0000% (1,000 Shares)				
Family Relationship with Directors and Executives -None-				

Remark: ^{1/} Including spouse and minor child.

Roles and Responsibilities of the Corporate Secretary

1. Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;
2. Ensure that various activities of the Board of Directors are in compliance with relevant laws, rules and regulations;
3. Organize meetings of shareholders and Board of Directors, prepare minutes of those meetings in compliance with laws and the regulations and follow up matters arising from the meetings' resolutions;
4. Provide the Board of Directors with advice on relevant legal issues and the regulations to be aware of in performing their duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate with the secretaries to the Committees being appointed by the Board of Directors.

Remuneration of Directors and Executives

(as per definitions determined by the SEC)

Remuneration of Directors: The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

Remuneration of Executives: Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

Remuneration in 2017: Remuneration paid by the Bank in 2017 to directors and executives is as per the following details:

Cash Remuneration

(1) Total directors' remuneration (retainer fee, pension and attendance fee) of the 12 directors amounts to 52,130,133.40 baht. Details of the remuneration paid to each director are as follows:

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension				
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan ^{1/} - Chairman of the Board of Directors	2,658,933.33	1,185,066.67	1,654,266.67	-	-	-	5,498,266.67
2. Mr. Takayoshi Futae - Vice Chairman - Member of the Nomination and Remuneration Committee	2,941,733.33	1,418,800.00	1,486,933.33	-	793,600.00	-	6,641,066.66
3. Mr. Takeshi Ogasawara - Member of the Risk and Compliance Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	-	793,600.00	5,470,800.01
4. Mr. Hirotake Taguchi	2,360,666.67	1,134,266.67	1,182,266.67	-	-	-	4,677,200.01
5. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	793,600.00	793,600.00	6,264,400.01
Independent Directors							
6. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	829,600.00	-	5,506,800.01

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension				
7. Mr. Virat Phairatphiboon - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	2,360,666.67	1,134,266.67	1,182,266.67	793,600.00	793,600.00	-	6,264,400.01
8. Ms. Potjane Thanavarant - Chairman of the Audit Committee	2,360,666.67	1,134,266.67	1,182,266.67	829,600.00	-	-	5,506,800.01
9. Mr. Phong-adul Kristnaraj - Chairman of the Risk and Compliance Committee - Member of the Audit Committee	2,360,666.67	1,134,266.67	1,182,266.67	793,600.00	-	829,600.00	6,300,400.01
Executive Directors *							
10. Mr. Noriaki Goto	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remark: *Executive directors are not entitled to remuneration paid to directors.

^{1/} Waived the right to receive directors' remuneration of 3 months, i.e. February, August and September 2017, and contributed the amount for various purposes such as donation to support construction of Siriraj Hospital's new building, donation for the Bank's annual Kathin merit-making ceremony.

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2017 in the form of salary and bonus to the executives as defined by the Capital Market Supervisory Board which is prescribed by the Bank, i.e. President and Chief Executive Officer, Segment Head and Deputy Segment Head, Group Head and Deputy Group Head, and Executive Vice President and above under the Office of the President and CEO and Finance and Accounting Group/Division totaling 39 persons, amounts to 441,214,702.54 baht.

Remark: • 2 new executives joined the Bank during the year.

• 3 executives resigned from the Bank during the year.

Other Remuneration

Contribution to the provident fund for executives (3) amounts to 17,905,030.46 baht. The Bank does not provide any non-cash remuneration such as shares/warrants to executives.



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CORPORATE SOCIAL RESPONSIBILITY



Our commitment to create shared value is upheld by employees across the Krungsri Group as demonstrated through our CSR-in-process practices and CSR-after-process activities.

With the mission 'to be a leading regional financial institution with global reach, committed responsibly to meeting needs of customers and serving society through sustainable growth', Krungsri firmly believes that sustainable business growth can only be achieved through community and societal engagement and contribution. Equally important, we are mindful of the impact our business has on all stakeholders, and duly take responsibility for this.

Our commitment to create shared value is upheld by employees across the Krungsri Group as demonstrated through our CSR-in-process practices and CSR-after-process activities. As one of Thailand's leading banks, Krungsri is determined to remain a responsible financial service provider, committed to promoting sustainable socioeconomic and environmental development and well-being.

In 2017, the Group continued standing on these four CSR pillars:

1. Creating sustainability value
2. Giving back to community
3. Preserving environment, and
4. Providing financial support.

These CSR initiatives underscore Krungsri's leadership as a financial institution operating under the principle of good corporate governance and upholding responsibility toward society and all stakeholder groups. Krungsri follows the Stock Exchange of Thailand's corporate social responsibility guidelines encompassing all economic, social, and environmental dimensions.

1. GOOD SUPERVISION IN BUSINESS OPERATIONS

The Bank fully complies with the principles of good supervision in business operations concerning the roles, rights, and equitable treatment of shareholders, information disclosure and transparency, as well as the responsibility of the Board of Directors.

Moreover, determined practice guidelines cover internal control systems, internal audit, and effective risk management measures including continuous monitoring and reporting, with measures for filing complaints about employees' or other stakeholders' unethical acts or misconduct that suggest wrongdoing. The Bank has also adopted a code of conduct called The Spirit & The Letter and a manual on good supervision in business operations, revised to align with the international standard framework, CG ASEAN Scorecard, including regulator guidelines from the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) for all executives and employees.

2. FAIR BUSINESS PRACTICES

Krungsri promotes fair competition and proper treatment of stakeholders and the supply chain, ranging from shareholders, business partners, counterparties, customers, competitors, and professional associations joined by Krungsri. To ensure the fair treatment of stakeholders, Krungsri advocates fair competition, promoting responsibility toward society as a business partner, and respect for intellectual property rights to create shared values.

In 2017, Krungsri won Asia's ICON on Corporate Governance Award, recognizing our continuous corporate governance excellence for the sixth consecutive year (2012-2017) at the 12th Corporate Governance Asia Recognition Awards 2017 hosted by Corporate Governance Asia Magazine.

3. ANTI-CORRUPTION

Krungsri's anti-corruption policies include fraud risk management plans, anti-corruption practices, continuous supervision and monitoring of compliance with anti-corruption policies, whistleblowing, as well as employee training in anti-corruption practices in line with The Spirit & The Letter.

Krungsri has also developed anti-corruption policies and an anti-corruption program with guidelines for combating all forms of corruption and bribery – both direct and indirect. The policies and the program are also implemented as Krungsri regulations to be strictly applied in our business operations. Krungsri also formed an anti-corruption committee intended to effectively manage any corruption problems within the organization.

We also encourage our people to be well informed and to observe the Bank's anti-corruption policies and practices. All Krungsri employees are required to attend training courses every two years: Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT); The Spirit & The Letter (S&L); Gifts & Entertainment (G&E); and Good Corporate Governance. These training courses are knowledge management for practical implementation of anti-corruption.

4. RESPECTING HUMAN RIGHTS

Respect for the human rights and dignity of all stakeholders is enshrined in Krungsri's values – fair and equitable treatment regardless of ethnicity, faith, gender, or age is the foundation of our human resources development and relations within the business. Not only does the Bank observe the law and the universal principles of human rights, we treat all stakeholder groups fairly and equitably; business practices that violate human rights are prohibited. Equal service for every customer is encouraged: for example, specially designed buildings with facilities for the disabled or physically challenged are provided.

Moreover, the Bank realizes the importance of children's rights aligned with business principles as per the Children's Rights and Business Principles (CRBP) set out by UNICEF. A child care facility is provided on the 12th floor of the Head Office. The Bank also provides a procedure for stakeholders who may wish to file human rights violation complaints via our Call Center 1572 or our internal channels for employees.

5. FAIR LABOR PRACTICES

Krungsri respects and observes fair labor practices by honoring employment rights according to the principles of human rights and fundamental rights at work, offering proper working conditions with a non-discrimination and respectful working environment, social protection, health protection, and including work place safety. Furthermore, the Safety, Occupational Health and Environment Committee was established composing of employees and executives according to the ratio stipulated by law. Practical guidelines determine fair hiring, proper employee welfare, safe working conditions, compliance with environmental laws and regulations, and hygiene. Annual health check-up is offered for employees every year as well as an infirmary where professional medics can administer primary care to the ill. Moreover, for the first time in 2017, the 'Happy Heart Center' was launched to provide psychological and consultation services as we realized how the mental health can significantly impact the physical health of our employees.



We encourage our people to maintain good health by arranging evening yoga and aerobic classes for interested employees. The spacious Krungsri Fitness Center on the 10th floor at the Head Office offers various exercise equipment, shower rooms, and locker room facilities. In addition, fitness trainers and nutritionists are available to provide personal consultancy to achieve desired results safely. We installed a registration system for employees to track their progress and exercise records for each session. The service is offered during three periods: morning (6.30-9.00 hrs.), noon (11.00-13.30 hrs.), and evening (17.00-21.00 hrs.). In addition to good health, our employees saved money as they did not have to pay for personal fitness training elsewhere.

Voice of Krungsri (VOK) is an employee communication channel that conducts an annual survey on employee engagement within the organization, allowing every employee to suggest how the working environment can be improved to achieve optimum working conditions. The survey results are processed by the Human Resources Group to improve the working environment and employee welfare, and serve as a channel for our key stakeholders to voice their opinions. In addition, employees' freedom to establish the Labor Union of Bank of Ayudhya reflects our respect for employee rights and freedoms.

Employees can make inquiries about welfare and benefits, file complaints, or inform the Human Resources Group of rights and working-condition issues through the internal channel (HR Service 5577) anytime during office hour (8.30-17.30 hrs.).

6. RESPONSIBILITY TOWARDS CONSUMERS

Customer Centricity is one of our core values and is vital in our business operations to ensure that we offer suitable financial products and excellent services. Customer centricity has helped the Bank's business continuously meet customer demand and comply with regulations including the rules set by the Bank of Thailand, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, the Office of the Insurance Commission, and the Office of the Consumer Protection Board.

In addition to providing customers with suitable financial products, Krungsri operates its business in a fair manner and values complete and accurate disclosure of product information to consumers, including product characteristics, risks, details, and key conditions so that consumers can make sound decisions.

7. SOCIAL AND COMMUNITY DEVELOPMENT

Krungsri continues to demonstrate its responsibility toward society under the concept 'Simple to Share' through its various activities and initiatives. To accentuate its leadership as a financial institution, Krungsri focuses on promoting financial literacy for individuals and communities, understanding that this can lay a solid foundation for a stable life and thus a strong, sustainable society.

Krungsri's CSR success is grounded on cooperation from all groups of employees which started with the 'Krungsri Volunteers' initiative. The Group takes pride in its employees' remarkable contribution to the CSR activities conducted year-round. On February 14, 2017, Krungsri held the second annual CSR Open House event under the theme 'Live Community, Give Community' to raise employee awareness of sustained social development. Announced at the event were the Group's CSR 4 Pillars designated for: 1) Creating sustainability value; 2) Giving back to community; 3) Preserving environment; and 4) Providing financial support. Employees were invited to sign up as Krungsri volunteers to support all 4 pillars of Krungsri's CSR practices.

Krungsri volunteers would obtain the CSR Volunteer Hour – an employee key performance indicator (KPI). Krungsri executives' KPIs include encouraging subordinates to contribute at least eight CSR volunteer hours a year.



Giving Back to Society

Financial Literacy and Educational Support

- **Krungsri Financial Literacy Project: Simple to Learn**
With the continuous success of 'the Krungsri Financial Literacy Project' under the theme 'Simple to Learn', Krungsri aims to maintain its role as a responsible financial institution by taking part in social development. In 2017, it has been a great honor for Krungsri that Her Royal Highness Princess Maha Chakri Sirindhorn granted an audience to Krungsri people while she graciously presided over the official opening of Insi Asa Ban Huay Nam Kuen Border Patrol Police School, Wawi Sub-district, Mae Saruay District, Chiang Rai Province, on August 3. Also, at the event Mr. Phong-adul Kristnaraj, Krungsri's Independent Director, gave a briefing on background and progress of Krungsri Financial Literacy Project to Her Royal Highness.

Krungsri Financial Literacy Project is the project wherein Krungsri volunteers share financial knowledge to primary school students year 4-6 under the theme of 'Simple to Learn'. In this regard, on July 20, 2017, Krungsri volunteers organized such activity for students at Insi Asa Ban Huay Nam Kuen Border Patrol Police School. Apart from providing financial knowledge for youths, this activity saw the first cooperation among three parties, namely Siam City Cement PLC, the main sponsor of the school construction; Bangkok Broadcasting & TV Co., Ltd. (BBTV Channel 7), the main sponsor of the school library renovation and computer room construction; and Bank of Ayudhya PCL, the financial knowledge provider for the school's students.

Thanks to the cooperation of Krungsri employees across the Group, allowing an increase in the number of participating schools to 95 in 26 provinces by year-end. The project received participation from employees across the Group who volunteered to teach financial basics to 5,174 students. Apart from sharing financial knowledge, Krungsri's contribution to the participating schools also included activities intended as service to the school and recreational activities to make learning fun and effective. Overall, 7,530 employees were engaged in the project.

- **'Life Roll Onward' Project**

As a leading financial institution with a strong competitive edge in the retail segment, Krungsri places importance on financial inclusion together with financial and debt-management knowledge to propel both society and the organization forward together.

Ngern Tid Lor (NTL) realizes its duty in creating shared value (CSV) between the business and society through providing financial knowledge for low-income communities, vendors, industrial workers as well as NTL's employees. Since 2015, the project 'Life Roll Onward' was initiated as a financial literacy project recruiting NTL employees as training volunteers. The participating employees can contribute to the society as well as learn of the living of local communities, creating understanding and reflecting the importance of providing fair and transparent financial opportunities for people in the communities sustainably. At present, the project has conducted a total of 16 sessions with more than 585 participants and over 247 NTL employees serving as coaches. NTL plans to continue this program in the future, providing financial knowledge opportunities for the communities continuously.

- **More Trust More Gain Workshop**

Hattha Kaksekar Limited (HKL) has conducted financial education workshops for university students to help pave their career path and plan their finance. The project aims to promote student understanding of financial products and services usage as well as instilling wise financial management. In 2017, the program received participation from a total of 923 students in 7 universities.





- **Krungsri's Library for Kids Project**

The Krungsri Auto Library Project was launched in 2010 to improve educational quality and provide a learning center and intelligence archive for children and communities. The goal is to encourage disadvantaged children to pursue education in a sustainable way. To date thirteen Krungsri Auto libraries have been delivered nationwide. For the 2017-2018 plan, Krungsri Auto set to renovate all the delivered libraries by adding more book and modern materials such as computers, Wi-Fi routers, and smart televisions, including improving the surrounding landscape for 12 schools. In 2017, the renovation project was carried out at six schools altogether, including Baan Salao School in Buriram Province, Wicha Wadi School in Nakhon Sawan Province, Wat Plak Chamao Community School in Songkhla Province, Ban Khlong Ta Man School in Prachinburi Province, Ban Na Ang School in Udon Thani Province, and Ban Wang Yao School in Prachuap Khiri Khan Province. The project has benefited 670 students.

- **Krungsri Consumer Library Renovation at Ban Nong Phak Nok, Saraburi Province**

Krungsri Consumer also gave back to communities by promoting educational development and opportunities for youths in remote areas in order to ensure equitable education for those children, enabling them to access knowledge like the children in urban areas. Krungsri Consumer initiated a project to renovate libraries as well as donate books and textbooks. On November 25, 2017, a total of 110 Krungsri Consumer executives and volunteers renovated the library at Ban Nong Phak Nok School in Saraburi Province.



Community Development

- **Krungsri Breast Cancer Awareness**

Breast cancer is the second most common type of cancer diagnosed among Thai women. Mindful of this, Krungsri has joined the Thanyarak Foundation under the patronage of HRH the Princess Mother to provide free breast cancer screenings to disadvantaged women residing along Rama III Road and in the Yan Nawa District where the Group's Head Office is located. Mobile mammograms have been provided since 2010 and have benefited 2,336 women through the years.

In 2017, Krungsri volunteers facilitated the mammogram service for the communities in the vicinity of the Head Office with 100 participants of low-income women. In addition, Krungsri also donated 500,000 baht to cover these breast cancer screening costs in 2017.

- **Giving More...Receiving More**

Krungsri, in collaboration with the Red Cross Society's National Blood Center, has been organizing blood donation drives since 2007. In 2017, Krungsri exceeded its goal to acquire one million cc of blood donated by employees in commemoration of its tenth collaboration with the National Blood Center. By the end of 2017, Krungsri organized 13 blood donation drives at 12 provincial branches and four drives at the Rama III Head Office, receiving a total of 1,068,700 cc of blood from 2,677 donors.



Arts, Culture, and Tradition Support

- **Krungsri Cultural Heritage Preservation**

Krungsri joined up with the Department of Fine Arts to help preserve the unique culture and ancient sites in Phra Nakhon Si Ayutthaya Province, the home province of the Bank. Krungsri has supported the preservation of historic arts and sites in the province in the form of funds for architectural restoration and landscape improvement activities which saw generous participation from Krungsri volunteers.

Every year we invite Krungsri volunteers to take part in this cultural heritage preservation by helping to conserve the Ayutthaya Historical Park temples. Along with the conservation work, unwanted plants are removed to prevent damage to the ancient buildings – the country's valuable heritage. These conservation activities took place seven times, with 657 volunteers participating at six sites:

1. Wat Jao Ya, on March 25, 2017 and September 16, 2017
2. Wat Jong Krom, on May 20, 2017
3. Wat Phra Ngam, on June 24, 2017
4. Wat Takrai, on July 22, 2017
5. Wat Choeng Tha, on August 26, 2017
6. Wat Phraya Man, on September 30, 2017

In 2017, Krungsri Group united to preserve the historical buildings at Wat Choeng Tha, believed to be the temple where King Taksin the Great of Thon Buri Kingdom had ordained as a novice monk. Krungsri Group raised fund through our annual Kathin Robe presentation ceremony and provided financial support of 5,722,232.40 baht for the conservation work.





Financial Support

Scholarships

As education is crucial for national development, Krungsri has been continually promoting and supporting education among Thai youth through various scholarship initiatives. The year of 2017 was particularly special as 'Krungsri Foundation' was officially established on January 16, 2017 to promote and support activities related to educational development, art and culture, environmental conservation, disaster mitigation, and other social causes. 2017, thus, was the first time Krungsri granted scholarships through the operations of Krungsri Foundation, which include:

- **72 Years, 72 Scholarships**

To celebrate the Group's 72nd anniversary on April 1 in addition to an alms-giving ceremony and employee service awards, the Group, for the eighth consecutive year, granted scholarships to underprivileged children who demonstrated academic and personal merit. Awarded were children under the care of seven organizations: the Sri Sangwan School for Disabled Children; the Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother; the Pakkret Home for Children with Disabilities; the Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen; the Maharaj Home for Boys; the Setsatian School for the Deaf under the Royal Patronage of HRH Crown Prince Maha Vajiralongkorn; the Rajvithi Home for Girls; and the Foundation for Slum Child Care under the Royal Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra.

A total of 72 scholarships worth 5,000 baht each, or 360,000 baht total was granted in a ceremony attended by Krungsri's Board of Directors and senior executives. For 2017, Krungsri granted scholarships through the operations of Krungsri Foundation to boost engagement from all parties. Held on 31 March, the scholarship presentation ceremony was presided by Mr. Veraphan Teepsuwan, Chairman of the Board of Directors and Chairman of Krungsri Foundation.

- **National Youth Day Scholarships**

On National Youth Day, Krungsri, through Krungsri Foundation, granted 107,000 baht worth of scholarships to 15 students with academic and personal merit under the care of the Mahamek Home for Boys. The Group has continued the scholarship program for 32 years, providing underprivileged children an opportunity to receive education through the university level.

- **Ruamchit Normklao Foundation (for Children and Youth) under Her Majesty's Royal Patronage**

The Bank, together with the Ruamchit Normklao Foundation (for Children and Youth) under Her Majesty's Royal Patronage, established a permanent fund since 1983. In 2017, Krungsri donated 50,000 baht to the foundation to extend education assistance for youths.

Furthermore, Krungsri Group also supported scholarships for youths through various other projects and activities, for instance:

- 100,000 baht financial support granted to the Thai-Nichi Institute of Technology
- 170,000 baht scholarships for the financially challenged students of the Faculty of Commerce and Accountancy, Chulalongkorn University, by Krungsri Consumer
- 100,000 baht scholarships through financial institutions in Lao PDR by Krungsri's Vientiane and Savannakhet branches

Other Community Development Activities

Apart from our continued support for multiple CSR initiatives, in 2017 Krungsri supported various social development projects and activities of the organization and other foundations, for example:

- 12,888,600 baht donation for the extension construction project of Chulabhorn Hospital
- 2,500,000 baht donation to the Mae Fah Luang Foundation Under Royal Patronage by Krungsri, Krungsri Auto, and Ngern Tid Lor
- 1,000,000 baht donation for the restoration of Japanese Village in Phra Nakhon Si Ayutthaya Province of the Thai-Japanese Association
- 929,000 baht donation for public benefits to Wat Pa Na Kham Noi, Udon Thani Province, by Krungsri Auto
- 300,153 baht donated by employees of Ngern Tid Lor for public benefits to Wat Phra That Pang Mu, Mae Hong Son Province, and matched with the same amount by the company.
- 250,000 baht donation for the 'Royal Tribute: One Million and Five Hundred Thousand Paces Run (Chiang Mai – Bangkok route)' project
- 200,000 baht donation to the Foundation of the 50th Anniversary Mahavajiralongkorn Hospital

- 1,980,000 baht and 12,706,144.84 baht (including the budget from archaeological restoration of Wat Choeng Tha) donations from the Bank and its employees to support annual Kathin Robe presentation ceremonies held at nine temples consisting of Wat Chotikul Suwannaram in Chiang Mai, Wat Amphawan in Bangkok, Wat Pho Si Sattanak in Udon Thani, Wat Tha It in Nonthaburi, Wat Nong Kabok in Rayong, Wat Rong Khe in Samut Sakhon, Wat Par Sri Boon Reung in Nakhon Ratchasima, Wat Samae Khao Charoen Rat Saththaram in Chachoengsao, and Wat Choeng Tha in Phra Nakhon Si Ayutthaya



Fundraising

Krungsri assisted charitable organizations by giving them free space to hold fundraising activities at our Rama III Head Office. Throughout 2017, various organizations have received generous support from Krungsri employees through these:

- 297,593 baht proceed from the 'Following HM the Queen's Royalsteps in Supporting Thai Arts and Crafts' fair
- 159,500 baht proceed from the donation and sale of products of the Operation Smile Thailand Foundation
- 142,950 baht proceed from donation activities for Pan Kan Shop to provide scholarships for youths of Yuvabadhana Foundation
- 100,000 baht proceed from polo shirt sales to aid the Southern flood victims, donated to the First Army Area by Krungsri Consumer
- 100,000 baht proceed from polo shirt sales and 200,000 baht donation, granted as scholarships to students in three southern provinces by Krungsri Consumer
- Other fundraising programs and activities organized by external parties were also welcomed throughout the year, including sales of Love Earth tote, glass set, and bag by the Thai Red Cross Society; sales of Mother's Day jasmine flower by the National Council on Social Welfare of Thailand; sales of Baan Cheun flowers by the Foundation for the Welfare of the Mentally Retarded of Thailand; and so on.

8. ENVIRONMENTAL CONSERVATION

In-process Environmental Management Approach

• Shred2Share Project

As a financial service provider, our use of resources such as office supplies and utilities is a significant portion of our operating expense, but we also realize the importance of conserving resources and mitigating our environmental impact. Thus we collaborated with InfoZafe under SCG Paper, Thailand's first provider of comprehensive information security service, in the Shred2Share campaign to help reduce resource consumption through paper recycling. The campaign reinforces a green culture which contributes to long-term energy conservation. Krungsri has participated in this campaign for eight consecutive years. Performance regarding paper recycling of January – December 2017 is illustrated in the table

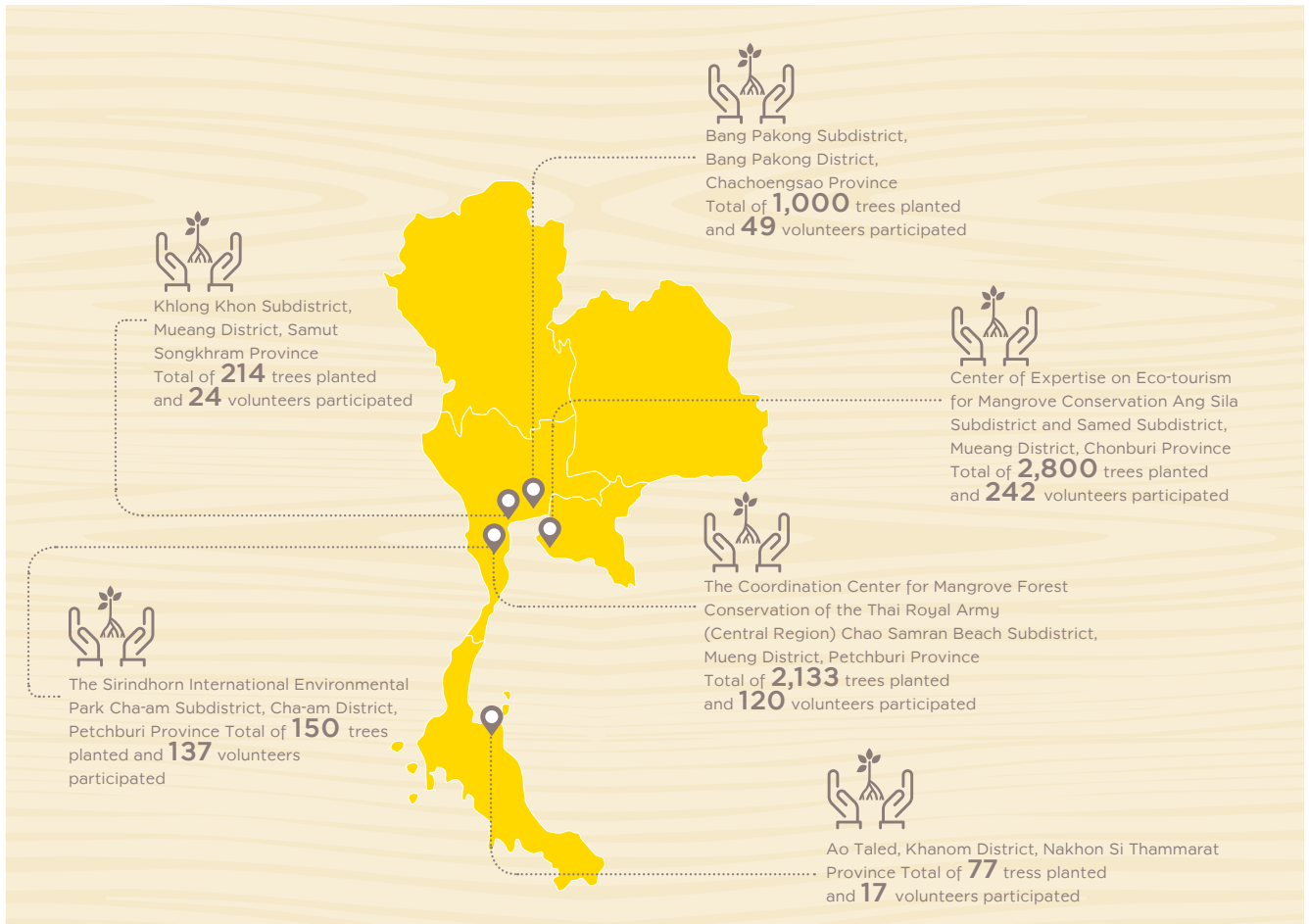
Shred2Share campaign by InfoZafe	2017
Paper recycled	260.87 tons
CO ₂ emission reduction	67,825.53 kg.
Coal reduction	28,695.84 kg.
Water saved	13,043.56 m ³

Remarks: Combined data from Krungsri and Krungsri Auto

• Energy and Water Conservation

Krungsri's Central Administration Division established an energy management committee responsible for monitoring and assessing the organization's energy consumption. In 2017, our energy consumption slightly increased by 1.27 percent due to a strategic decision to relocate the IT backup center to the Rama III Head Office, more overtime working hours, and a 24-hour operations of wastewater treatment. Nevertheless, we were able to decrease water consumption by 8.96 percent.





After-process Environmental and Natural Resources Conservation Activity

Krungsri also promotes environmental conservation awareness and habits among our employees through various voluntary activities, particularly those in the areas of forest and natural resources conservation, including mangrove plantation and check dam building projects. The environmental conservation activities held throughout 2017 were organized by the organization as well as initiated by the staff with the sense of environmental accountability.

- Mangrove Forest Planting and Upstream Forest and Landscape Improvement**

Realizing the magnificent ecological values of mangrove forests, Krungsri volunteers have held a number of mangrove forest conservation activities in 2017 with a total of 5,933 mangrove trees planted in various locations.





• **Check Dams**

At the end of each year, Krungsri people unite to preserve the environment by building check dams for the forests in northern Thailand. In November 2017, a team of over 300 executives and volunteers from Krungsri and Krungsri Group subsidiaries, namely Ayudhya Capital Auto Lease PLC and Ngern Tid Lor Co., Ltd., as well as Phatra Securities PCL and the Bank of Thailand, built a total of 34 check dams to maintain moisture and fertility in the forest for the 16-rai (2.56-hectare) area of Ban Pa Yang Musoe and Ban Huai Pu Mai villages in the Doi Tung Development Project (Royal Working Area), Chiang Rai Province. Since 2009, Krungsri has presented over 8 million baht of financial support to the Mae Fah Luang Foundation under Royal Patronage and contributed to the building of a total of 633 check dams. These check dams can help slow the velocity of runoff from watersheds, resulting in retention of soil sediments. This fertilizes the soil, allowing trees to thrive while soil moisture also acts as an insulator against forest fires.

Furthermore, the Corporate Social Responsibility Department along with other functional units, subsidiaries, and employee clubs of the Bank also organized check dam building activities.

• **Upstream Forests, Wild Animals, and Biodiversity**

Krungsri contributed further in supporting environmental conservation through activities promoting biodiversity, reforesting upstream lands, raising seedlings, preserving food sources for wild animals, and nursing land and marine life. Most activities were initiated by employees themselves, reflecting Krungsri people's strong conscience in fostering a sustainable society and environment. Below are example activities.

- Building 60 reservoirs to store water for wild animals during droughts at 15 points around the Khao Somphot non-hunting area, Chai Badan District, Lopburi Province;
- Restoring the coastal ecosystem by planting 1,110 coral branches in Sattahip District, Chonburi Province; and
- Raising seedlings at the Siri Charoenwat Forest Plantation Project, Sattahip District, Chonburi Province.

9. INNOVATION AND DISCLOSURE OF INNOVATIVE CSR PRACTICES

With 'Embracing Change' as one of our core values, Krungsri is committed to developing new technology and innovation to ensure readiness for fast-changing conditions. The Group has also adapted to customers' changing behavior and demand by launching a digital banking service through three channels: SMS Banking; Internet Banking; and Mobile Banking. All these electronic channels are aimed at greater customer convenience, lower transaction costs, and reduced pollution thanks to paperless operations.

In 2017, Krungsri Mobile Application (KMA) has been modified as more efficient innovation offering financial services to meet with satisfaction of our key stakeholder, the 'customers.' Equipped with artificial intelligence (AI) and machine learning, the KMA platform will soon serve as a chatbot answering customer queries through text and voice responses, offering more satisfaction and convenience for customers.

In addition, the robo advisor technology has been adopted to boost customer service efficiency particularly investment advisory service. Appropriate investment advisory service based on solutions provided by this innovation will be used for greater staff efficiency in offering this service. Furthermore, the end-to-end digital lending, set to launch in the near future through KMA, will offer customer convenience in loan application, loan follow-ups, money receiving, as well as virtual card, viewing statement on a real-time basis. Such financial innovation development not only creates customer experience, but also benefits the society in providing thorough, quick, and easier financial access to capital and services for customers and the public. This counts as a key sustainability for a financial service provider in support of sustainable economic system development.

To embrace the National e-Payment policy, Krungsri has developed the QR code system for its payment service used at the Bank's cafeteria for innovative experience for Krungsri staff through Krungsri Di Wallet application. Additionally, a QR code reader has already been embedded as a feature of the KMA menu. Krungsri is currently developing a mobile application to enable

payment and funds transfer for merchants through a common QR code standard. Other application features will also be included in response to merchants' demand.

Moving forward, Krungsri aspires to build an innovation culture aiming to encounter changes from the side of competition as well as from the side of contribution to society. Krungsri Group is focusing on financial technology (FinTech) development to simplify financial transactions while ensuring that our services are still provided responsibly.

10. SUSTAINABILITY REPORTING

In 2017, Krungsri produced its fourth sustainability report, referencing the Global Reporting Initiative (GRI) for Financial Service Sector Disclosure under G4 covenants independent of the Krungsri annual report to communicate to stakeholders the principles and procedures for promoting sustainable development via three major dimensions: economic sustainability, social responsibility, and environmental responsibility. This was our commitment to social responsibility and reaffirms our transparency and adherence to the principles of good corporate governance. The report is available at:

<https://www.krungsri.com/bank/en/Other/CSR/sustainability-development-reports.html> or





FINANCIAL REPORTING AND FINANCIAL STATEMENTS



MANAGEMENT DISCUSSION AND ANALYSIS

Executive Summary:

Krungsri delivered a record net profit of 23,209 million baht in 2017, representing an 8.4%, or 1,805 million baht increase from 2016. The increase in net profit was attributed to higher net interest income, driven by loan growth, and solid performance in non-interest and non-fees income, and net fees and service income.

Total loans outstanding reached 1,550,404 million baht, an increase of 101,522 million baht, or 7.0% from 2016. For the year, the retail segment was the key driver with a robust growth of 12.8% underscored by a broad-based expansion in auto hire purchase, mortgage as well as credit cards and personal loan businesses. Corporate and SME loans grew by 2.3% and 2.4%, respectively.

Deposits totaled 1,319,229 million baht, an increase of 210,941 million baht, or 19.0%, from December 2016, strengthening Krungsri's liquidity position in anticipation of stronger loan demand.

Non-interest income increased by 8.3% from 2016, driven by an increase in net fees and service income, mainly from card-related, wealth & fund management and securities, and auto hire purchase businesses, as well as an increasing in non-interest and non-fees income from gains on trading and foreign exchange transactions and gains on investment.

Non-Performing Loans (NPLs) ratio improved from 2.21% in 2016 to 2.05% in 2017, the lowest level since the Asian Financial Crisis. In 2017, Krungsri sold 2,858 million baht of NPLs.

Our **loan loss reserves** stood at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements improved to 149.4%. The coverage ratio also improved to 148.4% from 143.3% at the end of 2016.

Corresponding to the higher net profit, **earnings per share (EPS)** rose to 3.16 baht in 2017, compared to 2.91 baht in 2016.

In 2018, the Thai economy is forecast to grow steadily and become more broad-based with GDP growth of 4.0%. A sustained growth in the export and tourism sectors together with the intended acceleration of infrastructure investments will provide key catalysts for loan growth. With a favorable operating environment together with our strategic executions under the new Medium-Term Business Plan (2018-2020), we target a loan growth of 6-8% for the year.

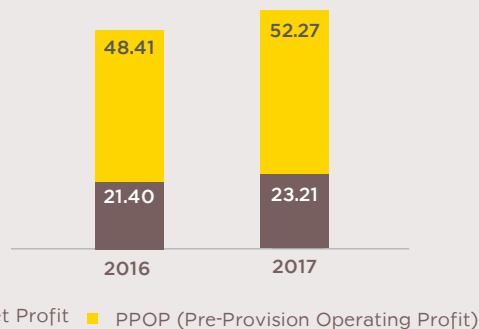
Summary of Financial Performance and Status:

Key 2017 deliverables:

- **Loan Growth:**
Increased by 7.0%, or 101,522 million baht, compared to December 2016, driven by a broad-based expansion in the retail segment.
- **Deposit Growth:**
Strongly grew by 19.0%, or 210,941 million baht, compared to December 2016 mainly driven by an increase in time deposit, strengthening Krungsri's liquidity position in anticipation of stronger loan demand.
- **Net Profit:**
Recorded at 23,209 million baht, representing an 8.4% increase over 2016.
- **Net Interest Margin (NIM):**
Recorded at 3.74%, unchanged from 2016.
- **Non-Interest Income:**
Increased by 8.3% from 2016, mainly driven by an increase in net fees and service income, gains on trading and foreign exchange transactions, and gains on investment.
- **Cost to Income Ratio:**
Recorded at 48.0%, increased from 47.1% in 2016.
- **Non-Performing Loans (NPLs) Ratio:**
Improved to 2.05%, compared to 2.21% in December 2016.
- **Coverage Ratio:**
Recorded at a strong level of 148.4%.
- **Capital Adequacy Ratio:**
Recorded at 15.65%, compared to 14.16% in December 2016.

PPOP & Net Profit

(Billion baht)



In 2017, operating profit was 52,270 million baht, representing an increase of 3,863 million baht, or 8.0% from 2016, driven by higher net interest income, supported by loan expansion, together with a solid performance in non-interest and non-fees income, and net fees and service income.

Net profit increased to 23,209 million baht in 2017, representing an 8.4%, or 1,805 million baht increase over 2016, largely attributed to higher operating profits.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated	2017	2016	Change YoY	
			Million baht	%
Interest Income	94,998	85,925	9,073	10.6
Interest Expense	26,463	23,948	2,515	10.5
Interest Income, Net	68,535	61,977	6,558	10.6
Fees and Service Income	26,341	24,142	2,199	9.1
Fees and Service Expense	6,666	5,967	699	11.7
Fees and Service Income, Net	19,675	18,175	1,500	8.3
Non-interest and Non-fees Income	12,270	11,335	935	8.2
Other Operating Expenses	48,210	43,080	5,130	11.9
Pre-Provision Operating Profit (PPOP)	52,270	48,407	3,863	8.0
Impairment Loss of Loan and Debt Securities	22,970	21,314	1,656	7.8
Income Tax Expense	5,739	5,409	330	6.1
Net Profit	23,561	21,684	1,877	8.7
Other Comprehensive Income, Net	8	2,303	(2,295)	(99.7)
Total Comprehensive Income	23,569	23,987	(418)	(1.7)
Net Profit Attributable To				
Owners of the Bank	23,209	21,404	1,805	8.4
Non-Controlling Interest	352	280	72	25.7
Net Profit	23,561	21,684	1,877	8.7
Total Comprehensive Income Attributable To				
Owners of the Bank	23,220	23,709	(489)	(2.1)
Non-Controlling Interest	349	278	71	25.5
Total Comprehensive Income	23,569	23,987	(418)	(1.7)
Earning Per Share (Baht)	3.16	2.91	0.25	8.6

FINANCIAL PERFORMANCE

Net Interest Income

Consolidated	2017	2016	Change YoY	
			Million baht	%
INTEREST INCOME				
Interest on loans	61,095	56,483	4,612	8.2
Interest on interbank and money market items	3,425	2,833	592	20.9
Hire purchase and financial lease income	28,209	24,322	3,887	16.0
Investments and trading transactions	81	139	(58)	(41.7)
Investments in debt securities	2,188	2,148	40	1.9
Total Interest Income	94,998	85,925	9,073	10.6
INTEREST EXPENSE				
Interest on deposits	12,628	12,450	178	1.4
Interest on interbank and money market items	3,959	3,202	757	23.6
Interest on borrowings	4,079	3,052	1,027	33.7
Contributions to Financial Institution Development Fund and Deposit Protection Agency	5,751	5,222	529	10.1
Borrowing fee expenses	28	7	21	300.0
Other interest expenses	18	15	3	20.0
Total Interest Expenses	26,463	23,948	2,515	10.5
Interest Income, Net	68,535	61,977	6,558	10.6
Net Interest Margin	3.74%	3.74%		
Yield on Earning Assets	5.19%	5.19%		
Cost of Funds	1.60%	1.59%		

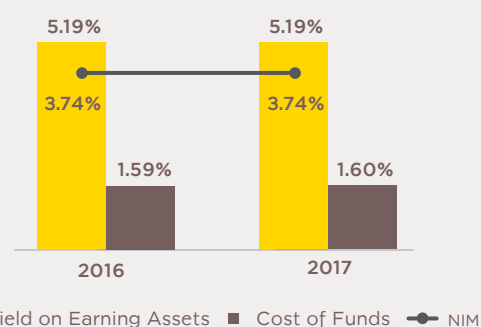
For 2017, interest income was recorded at 94,998 million baht, representing an increase of 9,073 million baht, or 10.6%, compared to 2016, driven by an increase in interest on loans as well as hire purchase and financial lease income, resulting primarily from loan portfolio expansion. Interest expenses were recorded at 26,463 million baht, representing an increase of 2,515 million baht, or 10.5%, driven by an increase in:

- 1) Interest on borrowings of 1,027 million baht, or 33.7%, mainly from higher volume of debentures and issuances of two tranches of subordinated debentures of 17,007 million baht in May 2017 (with a tenor of 10.5 years at an interest rate of 3.9%) and 14,978 million baht in November 2017 (with a tenor of 10 years at an interest rate of 3.4%), offset by early redemption of subordinated debentures of 14,844 million baht in November 2017 (with a tenor of 10 years at an interest rate of 4.7%),
- 2) Interest on interbank and money market items of 757 million baht, or 23.6%, and
- 3) Contributions to Financial Institutional Development Fund (FIDF) and Deposit Protection Agency (DPA) of 529 million baht, or 10.1%, as a result of strong deposits mobilization.

Consequently, net interest income was recorded at 68,535 million baht, an increase of 6,558 million baht, or 10.6% from 2016.

Notwithstanding the lending rate cut in May 2017, overall yield on earning assets was maintained at 5.19%, reflecting a larger component of high yield segments. Underlining our effective funding management, our cost of funds slightly increased to 1.60% from 1.59% in 2016, despite a robust growth of deposit with a higher mix of time deposits. NIM therefore recorded at 3.74% in 2017, unchanged from 2016, and outperforming the Bank's full year guidance of 3.70%.

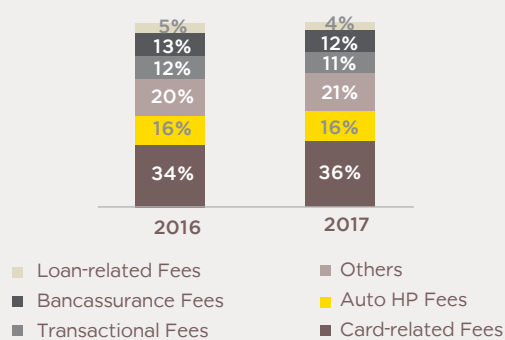
Net Interest Margin (NIM)



Net Fees and Service Income

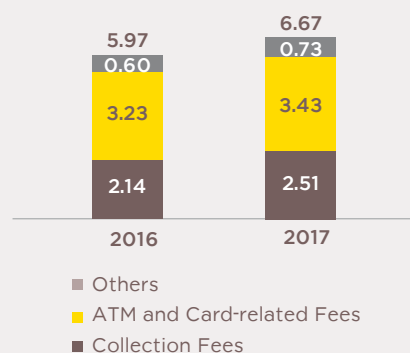
Consolidated	2017	2016	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	537	501	36	7.2
Other fees and service income	25,804	23,641	2,163	9.1
Fees and service income	26,341	24,142	2,199	9.1
Fees and service expense	6,666	5,967	699	11.7
Fees and service income, net	19,675	18,175	1,500	8.3

Fees & Service Income Breakdown



Fees & Service Expense

(Billion baht)



Net fees and service income in 2017 was 19,675 million baht, increased by 1,500 million baht, or 8.3% compared to 2016. Fees and service income increased by 2,199 million baht, or 9.1%. The increase in fees and service income was mainly driven by a significant increase of 1,205 million baht, or 14.7% in card-related fees, an increase of 793 million baht, or 23.5% in wealth & fund management and securities-related fees - mirroring the capital market

conditions in 2H/17 - and an increase of auto hire purchase fees of 533 million baht, or 14.2%. Meanwhile, loan-related fees and bancassurance fees decreased by 8.5% and 5.5% respectively. Fees and service expenses increased 699 million baht, or 11.7%, mainly due to an increase in expense relating to card business, wealth & fund management & securities-related activities and collection fee expenses.

Non-interest and Non-fees Income

Consolidated	2017	2016	Change YoY	
			Million baht	%
Gains (losses) on trading and foreign exchange transactions	4,233	3,905	328	8.4
Gains (losses) on investments	896	598	298	49.8
Share of profit (loss) from investment for using equity method	302	348	(46)	(13.2)
Bad debt recoveries	5,161	4,711	450	9.6
Other operating income	1,678	1,773	(95)	(5.4)
Total Non-interest and Non-fees Income	12,270	11,335	935	8.2

Total non-interest and non-fees income increased by 935 million baht or 8.2%, driven primarily by an increase in bad debt recoveries of 450 million baht, gains on trading and foreign exchange transactions of 328 million baht and gains on investments of 298 million baht respectively,

offset by a decrease in other operating income of 95 million baht - mainly from a decrease in gains on sales of properties for sale of 113 million baht offsetting by an increase in dividend income of 34 million baht.

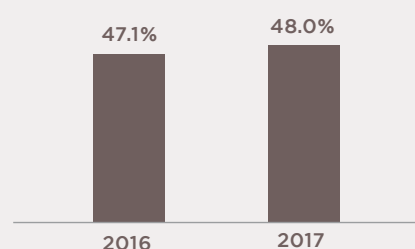
Other Operating Expenses

Consolidated	2017	2016	Change YoY	
			Million baht	%
Employee expenses	24,438	21,334	3,104	14.5
Premises and equipment expenses	8,248	7,356	892	12.1
Taxes and duties	2,605	2,544	61	2.4
Directors' remuneration	58	49	9	18.4
Other expenses	12,861	11,797	1,064	9.0
Total Other Operating Expenses	48,210	43,080	5,130	11.9

For 2017, total other operating expenses increased by 5,130 million baht, or 11.9% from 2016, largely driven by an increase in employee expenses of 3,104 million baht, or 14.5%, mainly due to an increase in annual merit increase, staff promotions, and number of employees of Krungsri Group which increased by 7.8% from the end of 2016. Other expenses increased by 1,064 million baht, or 9.0%, mainly from marketing promotion expenses of 566 million baht corresponding to the growing retail business volume, and an increase in IT expenses of 210 million baht.

In 2017, the cost-to-income ratio recorded at 48.0%, an increase from 47.1% in 2016.

Cost to Income Ratio



Impairment Loss of Loans and Debt Securities

Consolidated	2017	2016	Change YoY	
			Million baht	%
Impairment loss on debt instrument (reversal)	(50)	-	(50)	-
Bad debt and doubtful accounts	21,508	20,528	980	4.8
Loss on debt restructuring	1,512	786	726	92.4
Total impairment loss of loan and debt securities	22,970	21,314	1,656	7.8

Loan loss provision in 2017 amounted to 22,970 million baht, an increase of 1,656 million baht, or 7.8%, from 2016, corresponding to a higher loan volume in 2017.

As of December 31, 2017, total loan loss reserves recorded at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements, representing 149.4% of the requirements. Consequently, the loan loss coverage ratio improved to 148.4% from 143.3% at the end of 2016.

FINANCIAL STATUS

Statement of Financial Position

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
ASSETS				
Cash	38,244	36,142	2,102	5.8
Interbank and money market items, net	330,797	200,283	130,514	65.2
Investments, net	83,934	131,782	(47,848)	(36.3)
Investments in subsidiaries and joint ventures, net	2,222	1,919	303	15.8
Loans to customers	1,619,358	1,506,222	113,136	7.5
Accrued interest receivable	3,917	3,865	52	1.3
Deferred revenue	(68,954)	(57,340)	(11,614)	(20.3)
Allowance for doubtful accounts	(54,173)	(48,274)	(5,899)	(12.2)
Revaluation allowance for debt restructuring	(1,303)	(1,188)	(115)	(9.7)
Properties for sale, net	3,685	4,256	(571)	(13.4)
Others	131,045	105,521	25,524	24.2
TOTAL ASSETS	2,088,772	1,883,188	205,584	10.9
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	1,319,229	1,108,288	210,941	19.0
Interbank and money market items, net	279,721	314,400	(34,679)	(11.0)
Debt issued and borrowings	142,866	160,326	(17,460)	(10.9)
Others	120,969	91,406	29,563	32.3
TOTAL LIABILITIES	1,862,785	1,674,420	188,365	11.2
Issued and paid-up share capital	73,558	73,558	-	-
Retained earning	95,198	77,680	17,518	22.6
Others	57,231	57,530	(299)	(0.5)
TOTAL SHAREHOLDERS' EQUITY	225,987	208,768	17,219	8.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,088,772	1,883,188	205,584	10.9
Book value per share (Baht)	30.72	28.38	2.34	8.2

As of December 31, 2017, total assets reached 2,088,772 million baht, representing an increase of 205,584 million baht, or 10.9%, from December 2016. Key items are as follows:

- Net interbank and money market items increased by 130,514 million baht, or 65.2%, driven by an increase in repurchase agreements of 172,358 million baht, offset by a decrease in deposits with financial institution of 20,765 million baht and loans to financial institution of 21,078 million baht.
- Total loans (net of deferred revenue) increased by 101,522 million baht, or 7.0%.
- Other assets increased by 25,524 million baht, or 24.2%, mainly owing to an increase in claim on securities of 33,296 million baht, offset by a decrease in derivative assets of 14,556 million baht.
- Net investments decreased by 47,848 million baht, or 36.3%, mainly from a decrease in the Available for Sale (AFS) portfolio.

As of December 31, 2017, total liabilities stood at 1,862,785 million baht, representing an increase of 188,365 million baht, or 11.2%, from December 2016. Key items are as follows:

- Deposits increased by 210,941 million baht, or 19.0%, largely driven by time deposits with maturity of less than one year.
- Net interbank and money market items decreased by 34,679 million baht, or 11.0%, mainly due to a decrease in financial institution loans of 30,682 million baht.
- Debt issued and borrowings decreased by 17,460 million baht, or 10.9%, driven by a decrease in bills of

exchange of 41,809 million baht, offset by net issuance of Krungsri Group's subordinated debentures of 17,058 million baht and debentures of 7,050 million baht.

Total shareholders' equity rose to 225,987 million baht, reflecting an increase of 17,219 million baht, or 8.2%, from December 2016 due to an increase in equity holders' net income of 23,209 million baht for 2017, which was partially offset by dividends paid of 6,252 million baht.

Book value per share as of December 31, 2017 increased by 8.2% to 30.72 Baht from 28.38 Baht at the end of 2016.

Loans to Customers

Loans by segment

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Corporate	601,797	588,167	13,630	2.3
- Thai corporate	431,136	426,445	4,691	1.1
- International corporate (JPC/MNC)	170,661	161,722	8,939	5.5
SMEs	220,627	215,549	5,078	2.4
Retail	727,980	645,166	82,814	12.8
- Hire purchase	336,627	292,268	44,359	15.2
- Mortgage	217,098	196,385	20,713	10.5
- Credit cards and personal loans	157,400	141,625	15,775	11.1
- HKL personal loans	16,855	14,888	1,967	13.2
Total *	1,550,404	1,448,882	101,522	7.0

* Loans to customers net of deferred revenue

As of December 31, 2017, total outstanding loans (net of deferred revenue) stood at 1,550,404 million baht, an increase of 101,522 million baht, or 7.0% from December 2016.

In 2017, the retail segment was the key growth driver with a robust growth of 12.8% underscored by a broad-based expansion in auto hire purchase, mortgage, as well as credit cards and personal loans. Corporate and SME loans grew by 2.3% and 2.4% respectively.

As a result of substantial growth in the retail segment, the proportion of retail loan as of end of December 2017 represented 47% of our total loan portfolio, while commercial loan (Corporate and SME) represented the remaining 53%.

Details of loan performance by segment are as follows:

Corporate loans grew by 2.3% in 2017. Thai Corporate loans increased by 1.1%. International corporate loans increased by 5.5%, mirroring the improvement of global economic conditions.

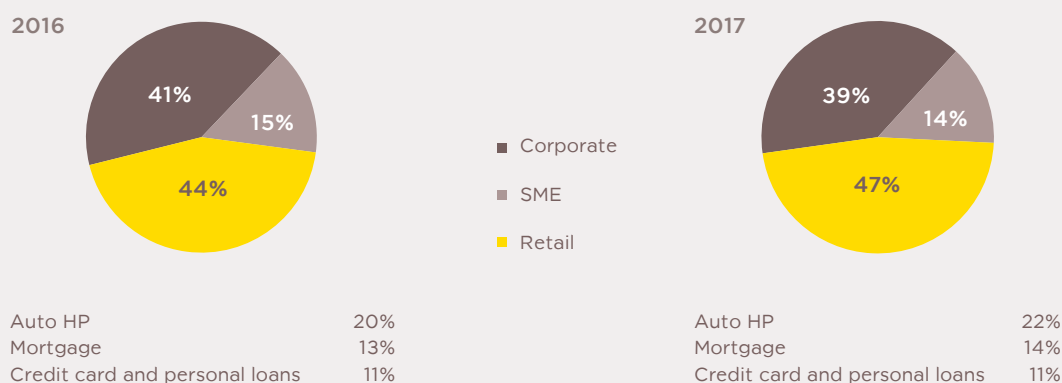
SME loans grew by 2.4% in 2017. The growth of SME loans was driven by medium and small-sized SMEs mainly from the expansion of trade finance loan and supply chain solutions.

Auto hire purchase loans recorded a 15.2% growth in 2017. The robust performance in auto hire purchase loans was broad-based, comprising new car, used car, refinancing (car for cash), and motorcycle portfolios, mirroring not only improved domestic car sales but also Krungsri's strong partnerships with auto dealers and manufacturers, as well as enhanced service channels through digital platforms.

Mortgage loans grew by 10.5% in 2017. The growth of mortgage loans amid the slightly cooling property market condition was supported by Krungsri's strategic focus on services efficiency enhancement and employment of digital platforms to improve customer experience.

Credit cards and personal loans grew by 11.1% in 2017, largely attributed to a strong growth of 10.2% in 4Q/17, attributed to improved domestic confidence, seasonal year-end spending pattern, and tax break measures for year-end shopping.

Loan Composition



Loan classification and provision

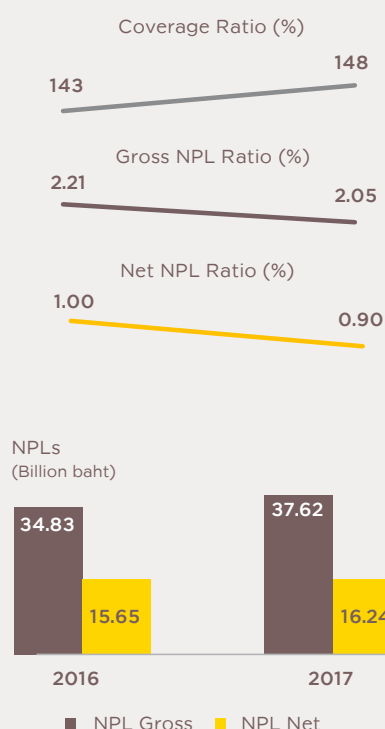
(Unit: million baht)

Consolidated	Dec. 31, 2017		Dec. 31, 2016		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,462,823	11,863	1,359,936	10,426	102,887	1,437
Special mention	53,876	2,998	57,976	3,100	(4,100)	(102)
Substandard	11,279	5,938	12,564	7,254	(1,285)	(1,316)
Doubtful	7,021	3,902	5,876	2,388	1,145	1,514
Doubtful of loss	19,322	11,020	16,395	9,050	2,927	1,970
Total	1,554,321	35,721	1,452,747	32,218	101,574	3,503
Surplus reserve		18,452		16,056		2,396
Total	1,554,321	54,173	1,452,747	48,274	101,574	5,899

Non-performing loans

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Non-performing loans (Net)	16,243	15,653	590	3.8
Non-performing loans (Gross)	37,622	34,834	2,788	8.0
Loans loss reserves (LLR)	55,841	49,900	5,941	11.9
Coverage ratio	148.4%	143.3%	5.1%	3.6
BOT requirement	37,389	33,844	3,545	10.5
Actual/Required LLR	149.4%	147.4%	2.0%	1.4

NPLs and Coverage Ratio



As of December 31, 2017, gross NPLs stood at 37,622 million baht, an increase of 2,788 million baht, or 8.0%, from 34,834 million baht at the end of 2016. The gross NPL ratio improved to 2.05% at the end of 2017, compared to 2.21% at the end of 2016.

In 2017, the Bank sold two tranches of NPLs to third parties in 2Q/17 and 4Q/17, reducing outstanding NPLs by 2,858 million baht.

As of December 31, 2017, loan loss reserves stood at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 149.4%. The coverage ratio also improved to 148.4% from 143.3% at the end of 2016.

Investment in Securities

As of December 31, 2017, Krungsri Group had investments in government securities with a book value of 52,202 million baht for the primary purpose of maintaining liquidity under the Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of 31,732 million baht.

Funding Structure

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Current	36,798	33,173	3,625	10.9
Savings	550,962	550,757	205	-
Time	731,469	524,358	207,111	39.5
< 6 Months	341,517	188,335	153,182	81.3
6 Months and < 1 Year	285,292	260,313	24,979	9.6
1 Year and over 1 Year	104,660	75,710	28,950	38.2
Total Deposit	1,319,229	1,108,288	210,941	19.0
B/E	8	41,817	(41,809)	(100.0)
Debentures	96,325	89,275	7,050	7.9
Total Funding	1,415,562	1,239,380	176,182	14.2

As of December 31, 2017, overall funding for the Bank, including deposits, bills of exchange and debentures, increased by 176,182 million baht, or 14.2%, from December 2016.

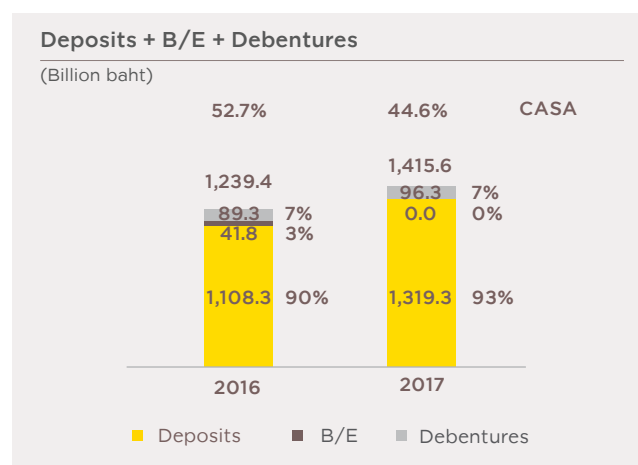
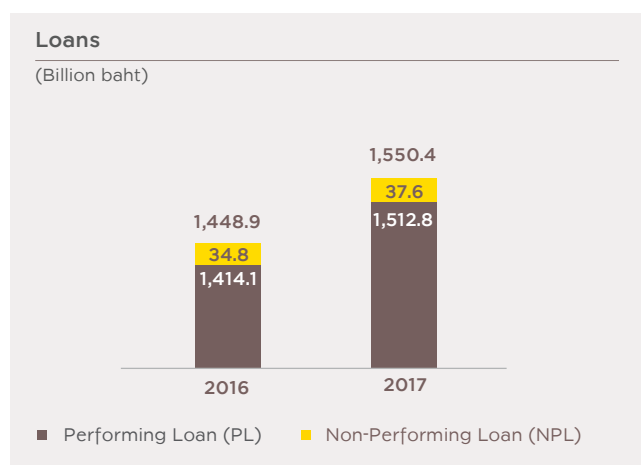
Deposits totaled 1,319,229 million baht, an increase of 210,941 million baht, or 19.0%, from December 2016, strengthening Krungsri's liquidity position in anticipation of stronger loan demand. The growth of deposits largely resulted from time deposits with maturity less than one year of 178,161 million baht.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 44.6%, compared to 52.7% in December 2016.

Bills of exchange (B/E) totaled 8 million baht, a significant decrease of 41,809 million baht, or 100.0%, from December 2016, reflecting the Bank's deliberated effort in shifting to deposits to accommodate customers' requirements.

Debentures stood at 96,325 million baht as of December 2017. The increase of 7,050 million baht or 7.9% from December 2016 was driven largely by the net issuance of Krungsri Group's debentures.

Consequently, the loan to deposit ratio and the loan to deposit plus bills of exchange and debentures ratio in 2017 improved to 118% and 110%, respectively.



	2016	2017
L/D	131%	118%
L/D + B/E + Debentures	117%	110%

Contingencies

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Avals to bills and Guarantees of loans	3,005	1,565	1,440	92.0
Liability under unmatured import bills	1,437	1,601	(164)	(10.2)
Letters of credit	7,744	8,425	(681)	(8.1)
Other contingencies	100,010	110,105	(10,095)	(9.2)
Total	112,196	121,696	(9,500)	(7.8)

Krungsri Group's contingencies as of December 31, 2017 totaled 112,196 million baht, a decrease of 9,500 million baht, or 7.8%, from December 31, 2016. The decrease was

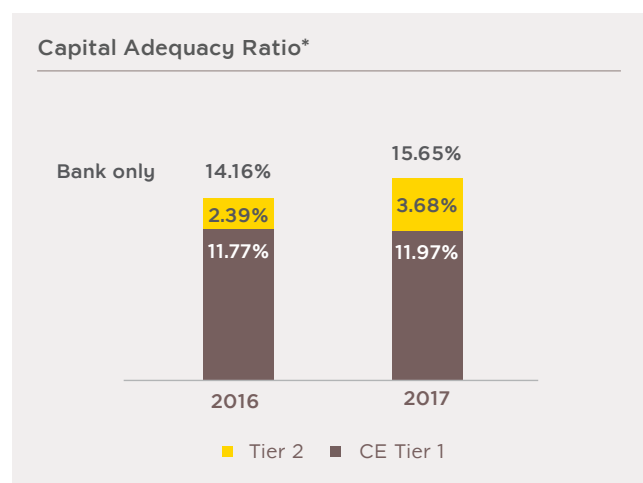
driven mainly by a decrease in other contingencies of 10,095 million baht, mainly from unused overdraft limit.

Statutory Capital

As of December 31, 2017, the Bank's capital increased to 219,033 million baht, equivalent to 15.65% of risk-weighted assets, compared to 14.16% in December 2016.

The improvement in the capital adequacy ratio was largely attributed to the net issuance of the Bank's subordinated debentures totaling 17,141 million baht in 2017 in support of Krungsri's business growth plan.

The Bank of Thailand (BOT) has adopted a supervisory framework for Domestic Systemically Important Banks (D-SIBs) by requiring qualified banks to maintain a higher capital to better absorb losses from their operations. Krungsri has been identified as a D-SIB and is required to maintain an additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.



* The BOT requires the Bank to maintain a minimum CAR at 8.5% and gradually increases the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.5% by January 1, 2019.

Billion baht	Dec. 31, 2016	Dec. 31, 2017
CE Tier 1	158.83	167.53
Tier 2	32.26	51.50
Total Capital	191.09	219.03

CREDIT RATINGS

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2017 are shown in the table below.

1. Moody's Investors Service

Bank Deposits

Long Term	Baa1
Short Term	Prime-2

Debt

Long Term - Senior Debt	Baa1
Debt and Deposit Rating Outlook	Stable

Baseline Credit Assessment (BCA)	Ba1
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2. Standard and Poor's

Issuer Credit Rating (ICR)

Long Term	BBB+
Short Term	A-2

Foreign Currency

Long Term - Senior Debt	BBB+
Short Term	A-2

Stand-alone Credit Profile (SACP)	bb+
Outlook	Stable

3. Fitch Ratings

International Ratings (Foreign Currency)

Long Term	A-
Subordinated Debt	BBB+
Short Term	F2
Viability Rating	bbb
Support	1
Outlook	Stable

National Ratings

Long Term - Debenture	AAA (tha)
Subordinated Debt	AA+ (tha)
Short Term	F1+ (tha)
Outlook	Stable

4. TRIS Rating

National Ratings

Company Rating	AAA
Issue Rating (subordinated)	AA+
Outlook	Stable

2017 KEY PERFORMANCE TARGETS

Consolidated	2016	2017	2017 Targets	
Loan Growth (Net)	+145.4 bn +11.2%	+101.5 bn +7.0%	6-8%	✓
NPLs Ratio	2.21%	2.05%	< 2.5%	✓
Deposit Mix: Savings and Current	53%	45%	> 50%	~
Loan Mix : Retail	44%	47%	~ 40%	✓
Loan/Deposit+B/E+Debenture	117%	110%	n.d.	-
NIM	3.74%	3.74%	~ 3.7%	✓
Non-interest Income Growth* (YoY)	11.7%	8.3%	5.0%+	✓
Cost to Income Ratio	47.1%	48.0%	< 50%	✓
Provisions	147 bps	149 bps	~ 140 bps	~
Loan Loss Coverage	143%	148%	140%+	✓
CAR (Bank Only)	14.16%	15.65%	n.d.	-

* Net fees income + Non-interest and non-fees income



REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries and all financial information appearing in the annual report. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on consistent basis, using the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the actual financial standing and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, consisting of three (3) independent members, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2017.



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Bank of Ayudhya Public Company Limited comprises 3 independent directors, who have sufficient knowledge and experience to reliably review the financial statement. The members of the Audit Committee are:

- | | |
|------------------------------|---------------------------------|
| 1. Ms. Potjanee Thanavaranit | Chairman of the Audit Committee |
| 2. Mr. Virat Phairatphiboon | Audit Committee Member |
| 3. Mr. Phong-adul Kristnaraj | Audit Committee Member |

Ms. Puntipa Hannoraseth, Head of Audit Group, serves as Secretary to the Audit Committee.

The Audit Committee performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors. In 2017, the Audit Committee held a total of 23 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee met with the external auditor for 2 meetings without participation of the management, and reported the results of each meeting to the Board of Directors for acknowledgement. The details of actions taken by the Audit Committee can be summarized as follows:

- **Financial reports**

The Audit Committee reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the Accounting Division to consider financial statements to ensure that financial reports of the Bank and its subsidiaries and any disclosed documents relating to the Bank's financial performance are accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and comply with accounting standards, practices, and the requirements of the Bank of Thailand and the Securities and Exchange Commission. The Audit Committee also held special meetings with the external auditor without participation of the management to enquire about independence in performing their duties and expressing opinions, cooperation obtained from the Bank as well as issues that may result in significant loss or fraud. In 2017, the auditors did not have any material findings or reports of any suspicious behavior.

The Audit Committee has reviewed the financial statements of Bank of Ayudhya Public Company Limited and the consolidated financial statements for the year ended December 31, 2017 and is of the opinion that these financial statements are in accordance with Thai Financial Reporting Standards and with appropriate accuracy in significant essence and sufficient disclosure of information. The external auditor has expressed an opinion thereon as presented in their report to the Board of Directors and to shareholders. Also, the external auditor performed their duties and expressed their opinions independently.

- **Internal control system and internal audit**

The Audit Committee reviewed effectiveness and adequacy of internal control system by considering internal audit results of the Bank and the companies in the financial business group (the Bank and the group companies), internal control adequacy assessment result by using the internal control assessment form developed by the Securities and Exchange Commission under the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), summary of fraud investigation reports as well as reviewing and monitoring of the Bank's and the group companies' findings identified by the regulatory authorities as well as the external auditor to consider the adequacy, appropriateness and effectiveness of the internal control system of the Bank and its group companies and ensure that root causes were determined, rectification actions and preventive measures were appropriately undertaken. The Bank has established the Internal Control over Financial Reporting process in order to ensure that internal controls and financial reporting preparation process were designed and implemented effectively.

For internal audit activities, the Audit committee considered the independence and adequacy of internal audit resources, considered and endorsed the revision of the Charter and the Audit Policy of the Audit Group before submission to the Board of Directors. It also approved Audit Group's mid-term business plan, staff development and training plan, and audit plans as well as revised audit plan, monitored monthly auditing activities, and regularly provided recommendations to the Audit Group.

The Audit Committee consented to the annual credit review plan prior to submission to the Board of Directors, considered credit review results and a follow-up on corrective actions undertaken by departments concerned. In this regard, the Audit Committee also enquired about findings identified from the review to ensure that the credit granting processes of the Bank and its group companies are appropriate.

The Audit Committee is of the opinion that internal control and internal audit systems of the Bank and its group companies are sufficient, appropriate, and continuously developed. Also, the Audit Committee is of the opinion that the Head of Audit Group has adequate and appropriate educational background, work experience, training to carry out its duties. An annual performance evaluation of the Head of Audit Group was considered.

- **Related party transactions or transactions that may create conflicts of interest**

The Audit Committee considered related party transactions or transactions that may create conflicts of interest to ensure that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits, before submission to the Board of Directors.

The Audit Committee is of the opinion that related party transactions or transactions that may create conflicts of interest are rational and represent normal business undertakings.

- **Good governance**

The Audit Committee received complaint and acknowledged the result of complaint resolution from the responsible department.

The Audit Committee is of the opinion that complaint resolution management has been appropriately and transparently conducted.

- **Risk management**

The Audit Committee considered minutes of the Risk and Compliance Committee and minutes of the Risk Management Committee meetings regarding control, supervision, assessment, monitoring and management of the overall risks of the Bank.

The Audit Committee is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

- **Compliance with regulatory requirements**

The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business as well as the Bank's policies and procedures by considering results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Audit Group, the Bank of Thailand, and external auditor on a regular basis.

The Audit Committee is of the opinion that the Bank and its group companies have supervised and examined operations of its business units to ascertain that every business unit operates properly and is in compliance with relevant requirements and regulations.

- **External auditor**

The Audit Committee considered, selected and nominated the external auditor of the Bank and its group companies by taking into consideration the qualifications specified by the Bank of Thailand, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, whereby such auditor does not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and does not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered appropriateness of audit fee. In addition, the Audit Committee prudently considered the independence of external auditor in providing non-audit services.

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the independent auditors of the Bank and its group companies for 2017, and has also considered audit fee as deemed appropriate. In this regard, the shareholders' meeting has already granted approval on auditor and the audit fee.

- **Others**

The Audit Committee Charter was reviewed and updated to be clearer and more comprehensive.

The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2017, the overall assessment result was excellent.

The Audit Committee performed its duties as specified in its Charter. Its performance adhered to prudence, independence, and transparency, provide constructive comments and recommendations for the equal benefit of stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statement of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has monitored changes so that it is well prepared to face potential risks that may arise in the future.



Ms. Potjane Thanavarant
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is appointed by the Board of Directors, and is currently composed of four Bank directors, two of which are independent directors, namely Mr. Karun Kittisataporn who serves as Chairman of the NRC and Mr. Virat Phairatphiboon, and the other two are non-executive directors, namely Mr. Takayoshi Futae and Ms. Nopporn Tirawattanagool. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee which stipulates that the NRC shall consist of at least 3 non-executive directors whereby the Chairman must be an independent director of the Bank.

The Nomination and Remuneration Committee performed duties as set forth in the NRC Charter which include formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of committees reporting directly to the board, and senior executives of the Bank as well as directors and managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares.

In 2017, the Nomination and Remuneration Committee held a total of 15 meetings and carried out supervisory role to ensure compliance with nomination and remuneration policies and strategies according to the established framework.

The NRC was well aware of digitization trends in banking and financial service sector and thus the importance of proactive human resources management approaches to embrace changes and minimize impacts. In the past year, priorities were given to strengthening human resources management which is fundamental for the organization to achieve sustainable growth. Constructive advice was constantly given to the management on areas related to human resources management and development of essential tools including formulation of comprehensive HR policies that would be applied throughout Krungsri Group and introduction of job family based pay which also takes into account international best practice, clear and transparent criteria, and market benchmark. Suggestions were also given on process improvement to enhance effectiveness both in day-to-day operations and disciplinary process. The NRC also focused on career advancement of talents and encouraged job rotation to further employees' career path and create successors as well as increase capabilities of employees at all levels. More importantly, suggestions were given to the management to regularly study and review internal compensation and benefits structure to appropriately reward and retain employees.

Regarding performance evaluation of senior executives, the NRC advised the management to also focus on qualitative measurements that support business strategies aside from quantitative indicators. Furthermore, the NRC ensured strict compliance with the Bank's policies on compensation adjustment for senior executives to achieve internal equity, and always placed greatest importance on appropriate response to regulatory observations.

In terms of supervision over companies in the financial group, in addition to carrying out duties as per the Charter, the NRC suggested measures to tighten up control to ensure execution of established strategy and supervision of the subsidiaries.

Last but not least, with Krungsri Core Values in mind, the NRC fostered the "Global Awareness" value by promoting global career advancement opportunities for senior management of the Bank and encouraging learning and development programs in collaboration with Mitsubishi UFJ Financial Group, Inc. (MUFG) to drive the Bank toward becoming a leading financial institution in the regional and global arena with sustainable growth.



Mr. Karun Kittisataporn

Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of 3 directors as follows:

1. Mr. Phong-adul Kristnaraj	(Independent Director)	Chairman
2. Ms. Nopporn Tirawattanagool	(Non-executive Director)	Member
3. Mr. Takeshi Ogasawara	(Non-executive Director)	Member

Mr. Saengchart Wanichwatphibun, Chief Compliance Officer, was also appointed as the Risk and Compliance Committee Secretary.

As per the Bank's Board of Directors assignments and the Committee Charter, the Risk and Compliance Committee ("the Committee") assesses, opines and monitors comprehensive risk management. The Committee, moreover, reviews, audits and opines on principles of compliance measures for business of the Bank and the companies in the financial business group, including good governance to ensure proper implementation of Policy, Procedure and working processes to avoid undesirable consequence to the Bank and subsidiaries. In 2017, there were 12 meetings, every resolution and minutes were reported to the Board of Directors. The summaries are:

- **Policy**

The Committee assessed and opined on various bank policies, which are beyond risk and compliance related policies, prior to proposing to the Board of Directors. There 57 Policies which the Committee had given out valuable advice and suggestion to ensure consistency with regulations, requirements and guidelines stipulated by the regulators.

- **Risk management and compliance**

The Committee audited, followed up and gave advices on strategic and guidelines for risk management and comprehensive compliance to ensure that policies, risk management systems and compliance measures are proper and effective for business operations of the Bank and the companies in the financial business group. Furthermore, the Committee reviewed reports and annual business plan of Compliance Division before submitted to the Bank of Thailand and other relevant regulators with the Bank's Board of Directors approval.

- **Others**

The Committee had conducted revision of RCC Charter, which has already been approved by the Board of Directors to include Information Technology and cyber risk under the Committee responsibility. Moreover, requirements on the Charter revision and the Committee member evaluation are included for better clarity.

As per the Charter, with intention, determination and full capacity, the Committee has responsibly performed its roles and responsibilities with upholding righteousness, transparency, consistency and business corporate governance for the best interest of the Bank and the companies in the financial business group. Furthermore, the Committee has also conducted a committee performance assessment to utilize the assessment result as a guideline to enhance the Committee's performance in a more efficient manner.



Mr. Phong-adul Kristnaraj

Chairman of the Risk and Compliance Committee

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS BANK OF AYUDHYA PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the "Bank and subsidiaries") and the Bank's financial statements of Bank of Ayudhya Public Company Limited (the "Bank"), which comprise the consolidated and Bank's statements of financial position as at December 31, 2017, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in 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 Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2017, and financial performance and 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 Bank's Financial Statements section of our report. We are independent of the Bank and subsidiaries 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 Bank's 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and Bank's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
Allowance for doubtful accounts	
The allowance for doubtful accounts is considered to be a matter of most significance as it requires the application of judgment and use of subjective assumptions by management of the Bank and subsidiaries. The Bank and subsidiaries recognized both general and specific allowances of loans to customers, in accordance with the Bank of Thailand (the "BOT")'s notifications.	<ul style="list-style-type: none">Understood whether there were any changes in accounting policies and procedures regarding allowance for credit losses. If any, assessed the reasonableness of the changes and identified the impact of the changes.Tested the design and operating effectiveness of the controls over loan classification, collateral value and loan credit review.

Key Audit Matters	Audit Responses
Allowance for doubtful accounts	
The specific allowances used the specific percentage on loan classification based on collateralized approach on fair value of collateral whether its valuation is evaluated appropriately.	<ul style="list-style-type: none"> Tested the accuracy of loan classification and calculation of the specific allowance based on the specific percentage according to the BOT's notifications. For the valuation of collateral, the appraisal method and amount evaluated by independent authorized appraiser was approved by the Bank's appraisal committee and complied with the BOT's regulation. The appraisal date was in a period of time determined in the BOT's notification.
The general allowances used the qualitative factors in assessment the ability to pay of debtors, including deteriorating economic and industry.	
Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 4.5 and 7.7 to the financial statements, respectively.	<ul style="list-style-type: none"> Tested the adequacy of allowance and the appropriateness of management assumption on general provision and analysis the economic and industry. Tested the loan impairment methodology calculated the expected loss of the loan portfolio by segmentation based on historical data to assess the adequacy of allowance.

Other Information

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

Our opinion on the consolidated and Bank's 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 Bank's 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 those charged with governance and the management of the Bank.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

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

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' 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 Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's 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 Bank's 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 Bank's 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 Bank and subsidiaries' 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 Bank and subsidiaries' 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 Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and Bank's 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 Bank and subsidiaries 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 Bank's 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.



Permsak Wongpatcharapakorn

Certified Public Accountant (Thailand)

Registration No. 3427

BANGKOK

February 28, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

FINANCIAL STATEMENTS

FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

BAHT: '000

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
CASH	38,244,197	36,142,429	37,671,005	35,670,918
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.2)	330,797,381	200,283,418	325,640,238	194,452,735
CLAIM ON SECURITY	47,134,759	13,838,550	47,134,759	13,838,550
DERIVATIVES ASSETS (Note 7.3)	14,561,586	29,117,399	14,572,899	29,117,399
INVESTMENTS, NET (Note 7.4)	83,934,465	131,781,831	83,702,705	131,762,520
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET (Note 7.5)	2,222,431	1,919,378	57,869,606	55,710,546
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 7.6)				
Loans to customers	1,619,357,880	1,506,222,326	1,473,612,160	1,371,970,480
Accrued interest receivables	3,916,985	3,864,375	2,295,796	2,316,251
Total loans to customers and accrued interest receivables	1,623,274,865	1,510,086,701	1,475,907,956	1,374,286,731
Less Deferred revenue	(68,953,805)	(57,340,352)	(50,190,371)	(36,656,980)
Less Allowance for doubtful accounts (Note 7.7)	(54,172,854)	(48,273,619)	(38,493,249)	(32,647,817)
Less Revaluation allowance for debt restructuring (Note 7.8)	(1,302,828)	(1,187,903)	(48,016)	(28,026)
Net loans and accrued interest receivables	1,498,845,378	1,403,284,827	1,387,176,320	1,304,953,908
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	500,108	476,024	500,108	476,024
PROPERTIES FOR SALE, NET (Note 7.9)	3,684,841	4,256,248	2,088,299	2,388,268
PREMISES AND EQUIPMENT, NET (Note 7.10)	26,401,168	25,221,074	24,344,496	23,326,968
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 7.11)	16,756,121	16,698,596	3,630,013	3,585,090
DEFERRED TAX ASSETS (Note 7.12)	4,823,047	4,713,693	-	-
ACCOUNTS RECEIVABLE FOR INVESTMENTS	1,315,317	52,668	1,315,317	52,668
OTHER ASSETS, NET (Note 7.13)	19,551,268	15,402,070	14,163,285	10,631,652
TOTAL ASSETS	2,088,772,067	1,883,188,205	1,999,809,050	1,805,967,246

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

BAHT: '000

LIABILITIES AND EQUITY	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2017	As at December 31, 2016	As at December 31, 2017	As at December 31, 2016
DEPOSITS (Note 7.14)	1,319,228,951	1,108,287,927	1,316,704,846	1,102,914,201
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.15)	279,720,847	314,399,699	284,477,010	317,482,684
LIABILITY PAYABLE ON DEMAND	6,296,314	4,176,569	6,296,270	4,176,258
LIABILITY TO DELIVER SECURITY	47,134,759	13,838,550	47,134,759	13,838,550
DERIVATIVES LIABILITIES (Note 7.3)	15,723,571	20,581,038	15,723,571	20,581,236
DEBT ISSUED AND BORROWINGS (Note 7.16)	142,866,150	160,325,732	111,994,878	133,918,957
BANK'S LIABILITY UNDER ACCEPTANCE	500,108	476,024	500,108	476,024
PROVISIONS (Note 7.17)	7,467,766	7,333,340	6,549,941	6,456,427
DEFERRED TAX LIABILITIES (Note 7.12)	106,529	456,479	103,853	293,890
ACCOUNTS PAYABLE FOR INVESTMENTS	1,587,891	65,526	1,587,891	65,526
OTHER LIABILITIES (Note 7.19)	42,151,955	44,479,313	23,210,217	27,037,238
TOTAL LIABILITIES	1,862,784,841	1,674,420,197	1,814,283,344	1,627,240,991
EQUITY				
SHARE CAPITAL (Note 7.20)				
Authorized share capital				
7,574,143,747 ordinary shares of				
Baht 10 each	75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital				
7,355,761,773 ordinary shares of				
Baht 10 each	73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES	52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES	3,496,606	4,062,842	3,820,139	3,963,430
RETAINED EARNINGS				
Appropriated				
Legal reserve	5,006,800	4,371,800	5,006,800	4,371,800
Unappropriated	90,190,736	73,308,328	50,262,400	43,954,658
TOTAL BANK'S EQUITY	225,130,509	208,179,337	185,525,706	178,726,255
NON-CONTROLLING INTEREST	856,717	588,671	-	-
TOTAL EQUITY	225,987,226	208,768,008	185,525,706	178,726,255
TOTAL LIABILITIES AND EQUITY	2,088,772,067	1,883,188,205	1,999,809,050	1,805,967,246

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
INTEREST INCOME (Note 7.28)	94,997,812	85,924,554	64,955,061	59,792,189
INTEREST EXPENSES (Note 7.29)	26,463,003	23,947,857	24,738,869	23,007,155
INTEREST INCOME, NET	68,534,809	61,976,697	40,216,192	36,785,034
FEES AND SERVICE INCOME	26,340,619	24,141,661	13,736,349	12,468,812
FEES AND SERVICE EXPENSES	6,665,529	5,967,022	4,145,390	3,609,910
FEES AND SERVICE INCOME, NET (Note 7.30)	19,675,090	18,174,639	9,590,959	8,858,902
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET (Note 7.31)	4,233,207	3,904,876	4,215,117	3,820,764
GAINS ON INVESTMENTS, NET (Note 7.32)	895,933	598,512	795,933	598,512
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD	301,603	347,617	-	-
DIVIDEND INCOME	194,826	161,010	3,221,218	6,536,572
BAD DEBTS RECOVERIES	5,161,214	4,710,949	845,386	1,174,901
GAINS ON SALE PROPERTIES FOR SALE	516,064	629,237	363,045	338,238
OTHER OPERATING INCOME	967,236	983,262	858,236	992,495
TOTAL OPERATING INCOME	100,479,982	91,486,799	60,106,086	59,105,418
OTHER OPERATING EXPENSES				
Employee's expenses	24,437,909	21,333,840	16,604,677	15,269,448
Directors' remuneration	57,775	49,003	52,130	45,859
Premises and equipment expenses	8,248,116	7,355,727	6,326,456	5,723,570
Taxes and duties	2,605,339	2,544,174	1,749,670	1,758,098
Others	12,860,814	11,797,235	6,968,724	6,626,447
Total other operating expenses	48,209,953	43,079,979	31,701,657	29,423,422
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES (Note 7.33)	22,970,491	21,314,536	13,578,693	11,674,922
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	29,299,538	27,092,284	14,825,736	18,007,074
INCOME TAX EXPENSES (Note 7.34)	5,738,988	5,408,596	2,142,481	2,275,627
NET PROFIT	23,560,550	21,683,688	12,683,255	15,731,447

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss:				
Gain (loss) on remeasuring available-for-sale investments	162,971	(241,898)	162,971	(241,898)
Gain (loss) arising from translating the financial statements of a foreign operation	(527,143)	120,297	-	-
Income tax relating to components of other comprehensive income (Note 7.35)	68,589	24,307	(32,595)	48,380
Items that will not be reclassified subsequently to profit or loss:				
Changes in assets revaluation surplus	-	3,047,249	-	3,047,249
Actuarial gain (loss) on defined benefit plans	378,329	(41,964)	297,771	70,196
Share of other comprehensive income of joint venture	1,449	(3,815)	-	-
Income tax relating to components of other comprehensive income (Note 7.35)	(75,666)	(601,028)	(59,554)	(623,489)
Total other comprehensive income, net	8,529	2,303,148	368,593	2,300,438
TOTAL COMPREHENSIVE INCOME	23,569,079	23,986,836	13,051,848	18,031,885
NET PROFIT ATTRIBUTABLE				
Owners of the Bank	23,209,271	21,404,034	12,683,255	15,731,447
Non-controlling interest	351,279	279,654	-	-
	23,560,550	21,683,688	12,683,255	15,731,447
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
Owners of the Bank	23,220,052	23,708,754	13,051,848	18,031,885
Non-controlling interest	349,027	278,082	-	-
	23,569,079	23,986,836	13,051,848	18,031,885
EARNINGS PER SHARE OF OWNERS OF THE BANK				
BASIC EARNINGS PER SHARE BAHT	3.16	2.91	1.72	2.14
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES SHARES	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CHANGES IN EQUITY

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS										
	Owners of the Bank									Non-	
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total Bank's Equity	Controlling Interest	Total
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Foreign Currency Translation	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2016	73,557,618	52,878,749	6,243,620	952,099	3,168	(5,217,755)	3,584,800	58,352,894	190,355,193	392,525	190,747,718
Change in revaluation surplus	-	-	(258,815)	-	-	-	-	258,815	-	-	-
Dividend payment (Note 7.20.2)	-	-	-	-	-	-	-	(5,884,610)	(5,884,610)	(81,936)	(5,966,546)
Increase in legal reserve	-	-	-	-	-	-	787,000	(787,000)	-	-	-
Total comprehensive income	-	-	2,437,799	(193,518)	96,244	-	-	21,368,229	23,708,754	278,082	23,986,836
Balance as of December 31, 2016	73,557,618	52,878,749	8,422,604	758,581	99,412	(5,217,755)	4,371,800	73,308,328	208,179,337	588,671	208,768,008
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	99,412	(5,217,755)	4,371,800	73,308,328	208,179,337	588,671	208,768,008
Change in revaluation surplus	-	-	(273,668)	-	-	-	-	273,668	-	-	-
Dividend payment (Note 7.20.2)	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(81,936)	(6,334,333)
Increase in legal reserve	-	-	-	-	-	-	635,000	(635,000)	-	-	-
Total comprehensive income	-	-	-	130,377	(423,838)	-	-	23,513,513	23,220,052	349,027	23,569,079
Change in shareholding in subsidiaries company	-	-	-	-	893	-	-	(17,376)	(16,483)	955	(15,528)
Balance as of December 31, 2017	73,557,618	52,878,749	8,148,936	888,958	(323,533)	(5,217,755)	5,006,800	90,190,736	225,130,509	856,717	225,987,226

Notes to the consolidated and the Bank's financial statements form an integral part of these statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	THE BANK'S FINANCIAL STATEMENTS							
	Issued and Paid-up Share Capital	Premium on Share Capital	Asset Appraisal Surplus	Other reserves Revaluation Surplus on Investments	Deficit from Business Combination under Common Control	Retained Earnings Appropriated Legal Reserve	Unappropriated	Total
Balance as of January 1, 2016	73,557,618	52,878,749	6,224,030	952,099	(5,217,755)	3,584,800	34,599,439	166,578,980
Change in revaluation surplus	-	-	(239,225)	-	-	-	239,225	-
Dividend payment (Note 7.20.2)	-	-	-	-	-	-	(5,884,610)	(5,884,610)
Increase in legal reserve	-	-	-	-	-	787,000	(787,000)	-
Total comprehensive income	-	-	2,437,799	(193,518)	-	-	15,787,604	18,031,885
Balance as of December 31, 2016	73,557,618	52,878,749	8,422,604	758,581	(5,217,755)	4,371,800	43,954,658	178,726,255
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	(5,217,755)	4,371,800	43,954,658	178,726,255
Change in revaluation surplus	-	-	(273,668)	-	-	-	273,668	-
Dividend payment (Note 7.20.2)	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve	-	-	-	-	-	635,000	(635,000)	-
Total comprehensive income	-	-	-	130,377	-	-	12,921,471	13,051,848
Balance as of December 31, 2017	73,557,618	52,878,749	8,148,936	888,958	(5,217,755)	5,006,800	50,262,400	185,525,706

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CASH FLOWS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	29,299,538	27,092,284	14,825,736	18,007,074
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	3,887,437	3,657,044	2,984,804	2,716,220
Interest expenses from finance lease	1,299	1,818	819	1,636
Impairment loss on loans and debt securities	22,970,491	21,314,536	13,578,693	11,674,922
(Gain) loss on translation in foreign currencies	(13,872,500)	566,751	(13,872,500)	566,751
Share of profit from investment using equity method	(301,603)	(347,617)	-	-
Gain on investments	(895,933)	(598,512)	(795,933)	(598,512)
Increase (decrease) in discount on investments	114,378	(251,178)	114,378	(251,178)
Gain on sales of properties for sale	(516,064)	(629,237)	(363,045)	(338,238)
Loss on sales of premises and equipment	12,292	2,047	39,123	8,065
Loss on impairment of properties for sale	481,011	433,237	250,825	191,313
Loss on impairment of premises and equipment (reversal)	132	(90,223)	(76)	(89,025)
Loss on impairment of other assets (reversal)	105,088	(133,577)	61,733	124,512
Increase in other reserves	86,834	574,583	346,090	345,371
Interest income, net	(68,534,809)	(61,976,697)	(40,216,192)	(36,785,034)
Interest received	94,930,634	92,038,652	64,868,176	49,109,412
Interest paid	(26,076,307)	(23,118,153)	(24,305,089)	(22,586,368)
Dividend income	(194,826)	(161,010)	(3,221,218)	(6,536,572)
Dividends received	198,339	156,718	197,808	155,962
Increase in other accrued expenses	1,065,296	498,712	501,169	302,048
Income tax paid	(5,436,105)	(5,258,575)	(1,833,534)	(2,407,322)
Income from operations before changes in operating assets and liabilities	37,324,622	53,771,603	13,161,767	13,611,037
(Increase) decrease in operating assets				
Interbank and money market items	(132,802,223)	(1,755,863)	(133,497,714)	(3,887,328)
Derivatives assets	14,918,292	6,547,471	14,906,979	6,547,471
Current investments - securities for trading	275,604	565,225	275,866	565,225
Loans to customers	(132,833,393)	(161,448,578)	(106,839,735)	(123,326,675)
Properties for sale	8,696,473	5,720,513	5,753,772	4,872,623
Other assets	(4,543,475)	8,183,653	(3,927,740)	5,626,455
Increase (decrease) in operating liabilities				
Deposits	215,417,046	51,803,007	218,266,666	51,635,711
Interbank and money market items	(15,574,105)	39,471,597	(13,900,926)	41,318,022

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Liability payable on demand	2,292,117	1,037,924	2,292,384	1,037,660
Derivatives liabilities	(6,563,416)	(6,097,209)	(6,563,614)	(6,097,216)
Other liabilities	(4,160,288)	(3,957,188)	(5,462,818)	(3,452,533)
Net cash from operating activities	(17,552,746)	(6,157,845)	(15,535,113)	(11,549,548)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	129,361,447	134,758,647	129,311,447	134,758,647
Cash paid for purchases of investments in securities	(80,581,297)	(156,540,725)	(80,369,111)	(156,538,000)
Cash paid for investment in subsidiaries	(15,528)	(4,961,638)	(2,259,060)	(6,814,928)
Dividend received from subsidiaries	-	-	3,026,924	6,376,318
Proceeds from sales of premises and equipment	78,792	82,909	7,720	3,735
Cash paid for purchases of premises and equipment	(3,926,441)	(3,748,891)	(3,102,329)	(2,975,154)
Cash paid for purchases of other assets	(1,094,420)	(946,119)	(822,612)	(912,541)
Net cash from investing activities	43,822,553	(31,355,817)	45,792,979	(26,101,923)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	279,104,267	337,942,874	266,731,361	329,458,198
Cash paid for repayment of debts issued and borrowings	(296,555,730)	(290,443,999)	(288,655,440)	(283,816,792)
Cash paid for repayment of liabilities under finance lease agreements	(21,316)	(20,097)	(21,316)	(20,097)
Dividend payment	(6,334,333)	(5,966,546)	(6,252,397)	(5,884,610)
Net cash from financing activities	(23,807,112)	41,512,232	(28,197,792)	39,736,699
Total	2,462,695	3,998,570	2,060,074	2,085,228
Gain (loss) arising from translating the financial statements of a foreign operation	(278,541)	120,297	-	-
Effect of exchange rate change on cash	(59,987)	(10,141)	(59,987)	(10,141)
Net Increase in cash and cash equivalents	2,124,167	4,108,726	2,000,087	2,075,087
Cash and cash equivalents as at January 1,	39,576,980	35,468,254	35,670,918	33,595,831
Cash and cash equivalents as at December 31,	41,701,147	39,576,980	37,671,005	35,670,918

Notes to the consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at December 31, 2017 and 2016, the Bank has 17 subsidiaries as follows:

- 1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991 and is located at 1222, 16th Floor, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited was incorporated in Thailand on November 27, 1995 and is located at 87/2, 26th, 30th and 48th Floor, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 Ngern Tid Lor Company Limited was incorporated in Thailand on October 24, 2006, and is located at 89/170, 4th, 5th, 9th and 10th Floor, Juthamard Building, Viphavadi Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.
- 1.4 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994 and is located at 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.5 General Card Services Limited was incorporated in Thailand on January 24, 1995 and is located at 87/1, 1st-6th and 8th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.6 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996 and is located at 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.7 Siam Realty and Services Security Company Limited was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car rental services and personnel services.
- 1.8 Total Services Solutions Public Company Limited was incorporated as a public company limited in Thailand on May 19, 1997 and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.
- 1.9 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996 and is located at 898, 1st-2nd zone A, 12th and 18th Floor zone B, Ploenchit Tower Building, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.

- 1.10 Krungsri Ayudhya AMC Limited was incorporated in Thailand on August 18, 2000 and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from financial institutions.
- 1.11 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004 and is located at 898, 3rd Floor, Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.
- 1.12 Krungsri Factoring Company Limited was incorporated in Thailand on February 1, 2007 and is located at 1222, 19th Floor, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring.
- 1.13 Krungsri Life Assurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.
- 1.14 Krungsri General Insurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007 and is located at 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.
- 1.15 Krungsri Finnovate Company Limited was incorporated in Thailand on March 27, 2017 and is located at 1222, 10th Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is venture capital.
- 1.16 Krungsri Leasing Services Company Limited as at December 31, 2017 and 2016, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 78% and 35% and Ayudhya Capital Services Company Limited of 12%, and 35%, respectively, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014 and is located at 355, Unit 12, Kamphengmeung Road, Phonethan Village, Sayseththa District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.
- 1.17 Hattha Kaksekar Limited was incorporated in Cambodia in November 1996, has changed its registered address from 606, Street 271, Village 06, Sangkat Phsar Daeum Thkov, Khan Chamka Morn, Phnom Penh, the Kingdom of Cambodia to 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is providing loans, deposits and other financial services.

During 2017, the Bank has one subsidiary which was dissolved as follows:

- 1.18 Ayudhya Card Services Company Limited was incorporated in Thailand on December 4, 1997 and is located at 1222, 5th A Floor, Building C, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is credit cards and personal loans. Subsidiary registered the completion of liquidation in 2017.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions (FAP), the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"), where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2016) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Thai Financial Reporting Standards announced but not effective in 2017

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards, which are effective for the accounting period beginning on or after January 1, 2018 onwards. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events After the Reporting Period
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2017)	Borrowing Cost
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2017)	Share-based Payment
TFRS 3 (Revised 2017)	Business Combinations
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

Thai Standards Interpretations ("TSIC")

TSIC 15 (Revised 2017)	Operating Leases - Incentives
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 14 (Revised 2017)	TAS 19 (Revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 21 (Revised 2017)	Levies

The management of the Bank and subsidiaries anticipate that the above Thai Financial Reporting Standards will be adopted in the Bank and subsidiaries' financial statements when they become effective. The adoption of those standards will have no material impact on the financial statements of the Bank and its subsidiaries in the period of initial application.

- 2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

	Business type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at December 31,	
			2017	2016
Subsidiaries				
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Thailand	100.00	100.00
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Thailand	-	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental service and personnel services	Thailand	100.00	100.00
Total Services Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00

	Business type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at December 31,	
			2017	2016
Subsidiaries (Continued)				
Krungsri Securities Public Company Limited	Securities	Thailand	99.84	98.71
Krungsri Factoring Company Limited	Factoring	Thailand	100.00	100.00
Krungsri Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited ⁽²⁾	General insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture capital	Thailand	100.00	-
Krungsri Leasing Services Company Limited ⁽³⁾	Hire-purchase, leasing and sales finance	Lao PDR	90.00	70.00
Hattha Kaksekar Limited	Micro finance	Cambodia	100.00	100.00

⁽¹⁾ Subsidiary registered the completion of liquidation in 2017.

⁽²⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

⁽³⁾ As at December 31, 2017 and 2016, indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 78% and 35% and Ayudhya Capital Services Company Limited of 12% and 35%, respectively.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2017, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards ("TFRSs") issued by the Federation of Accounting Professions, which are effective on the financial statements for the accounting periods beginning on or after January 1, 2017. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events After the Reporting Period
TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2016)	Borrowing Cost
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2016)	Earnings per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets

Thai Accounting Standards ("TAS") (Continued)

TAS 40 (Revised 2016)	Investment Property
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Standards Interpretations ("TSIC")

TSIC 15 (Revised 2016)	Operating Leases - Incentives
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (Revised 2016)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2016)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standards Interpretations ("TFRIC")

TFRIC 1 (Revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 21 (Revised 2016)	Levies

Guideline on Accounting

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The above TFRSs have no material impact to the Bank and its subsidiaries' financial statements except Thai Accounting Standard No. 38 (Revised 2016) "Intangible Assets". The Bank and its subsidiaries have changed amortization method of intangible assets from revenue-based method to be straight-line method. The effects of such change are as follows:

Unit: Million Baht

	Consolidated Financial Statements	The Bank's Financial Statements
Statements of profit or loss and other comprehensive income for the year ended December 31, 2017		
Decrease in other expenses – amortization expenses	123	2
Increase in profit from operating before income tax expenses	123	2

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

4.2.1 Derivatives for trading are recorded at fair value and profit or loss from the price appraisal is recognized as income or expense in the statements of profit or loss and other comprehensive income.

4.2.2 Derivatives for hedging are recorded and profit or loss from the price appraisal is recognized as income or expense based on the accrual basis in line with the underlying transactions.

4.3 Investments

The Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015, requiring commercial banks to present the investments as investments, net and investments in subsidiaries, associates and joint ventures, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market value. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of profit or loss and other comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and dividend income, respectively.

Debt securities which the Bank and subsidiaries have the intention 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. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale, disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of profit or loss and other comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associates and joint ventures are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associates are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of profit or loss and other comprehensive income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of profit or loss and other comprehensive income.

4.4 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivables and finance lease receivables are carried at contract amount plus initial direct cost.

Other loans are stated at the principal amounts.

Unearned discount from notes are presented in deferred revenue.

Unearned interest income and deferred subsidy income on hire-purchase contract and finance lease are presented in deferred revenue and recognized by the effective interest rate method.

Initial direct cost is recognized by the effective interest rate method.

4.5 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio into six categories and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which exclude collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

Allowance for doubtful accounts for hire-purchase receivables of the Bank and its subsidiaries are calculated by using the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Loans to customers are written-off in the year that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debts and doubtful accounts are shown as expenses in the statements of profit or loss and other comprehensive income.

Bad debt recovery is recorded as income in the statements of profit or loss and other comprehensive income when received.

4.6 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of profit or loss and other comprehensive income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method to estimate a loss amount and the net present value method which represents expected future cash flows by applying the discounted market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of profit or loss and other comprehensive income.

The Bank has recalculated the fair value of restructured debts in every month based on the discounted market interest rate as of the processing date and based on the discounted market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted interest rate at contractual rate. The Bank adjusts the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior to January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of profit or loss and other comprehensive income for the year and classified investments in receivables as loans in accordance with the BOT's criteria.

4.7 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

4.8 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank's suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50 years
Equipment, furniture, fixtures, office equipment and vehicles	2 - 10 years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expenses in the statements of profit or loss and other comprehensive income.

4.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 3 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network, are calculated by the projected cash flow over the expected future economic benefit period between 8 - 20 years. Since January 1, 2017, amortization of other intangible assets received from business combinations are calculated by the straight-line method.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.10 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis, except interest income on hire-purchase contract is recognized by the effective interest rate method.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are required by the BOT to stop accruing interest income from debtors when more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on a cash basis.

The asset management subsidiary recognizes interest income from investments in receivables and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivables and loans on a cash basis.

The hire-purchase business recognizes income for finance leases and hire-purchase contracts by the effective interest rate method.

4.11 Recognition of expenses

The Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

4.12 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

4.12.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.12.2 Post-employment benefit obligations

- Pension plan

The employees who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the Bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

4.12.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

4.12.4 Other benefit

The employee of a subsidiary will receive "other benefit" upon resignation or retirement in accordance with the subsidiary's policy.

The cumulative of other benefit is recognized as a provision in the statement of financial position.

The expense is categorized as defined contribution plan and recorded as employee's expenses in the statements of profit or loss and other comprehensive income.

4.13 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and comprehensive income.

4.14 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.15 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax

4.15.1 Current tax

The current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it 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. Current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.15.2 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 basis used in the computation of taxable profit (tax base). The Bank and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences and recognize deferred tax assets 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 the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to

the extent that it becomes probable that the Bank and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

The Bank and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when the Bank and its subsidiaries have 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.

The Bank and its subsidiaries present income tax expenses or income related to profit or loss in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income in equity.

4.16 Earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

4.17 Foreign currency transactions

4.17.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

4.17.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.18 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognizes the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognized using the net book value at the date of business combination. The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank's equity in the statement of financial position.

5. RISK MANAGEMENT

5.1 Information of risk of the Bank

Through financial instruments both on-statement of financial position and off-statement of financial position, the Bank conducts its normal course of business to meet the financing needs of its customers, as well as for its investment purposes and to reduce exposure due to the fluctuations in foreign exchange rates and interest rates. The off-statement of financial position's financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contractual notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The introduction of new derivative products require an approval from the Board of Directors. Operating processes, including the breach of prescribed limits, and risk control are governed under the Derivatives Product Program and BOT's notification regarding guidelines on risk management for derivatives transactions.

In 2017 Bank has continuously conducted the forward-looking risk management to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT. In addition, Bank has continued to enhance market risk measurement to align with new international's framework issued by Basel Committee on Banking Supervision (BCBS) such as Fundamental Review of the Trading Book (FRTB) and Interest Rate Risk in Banking Book (IRRBB) etc., with continuous BTMU strong support and knowledge sharing.

Credit risk

Credit risk refers to the risk that customer or counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank reviews the policy on a regular basis and the Bank has adopted the policy in dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of allowance for doubtful accounts (see Note 7.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position's financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-statement of financial position's financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments. The Bank uses the same credit policies in making commitments and conditional obligations as it does for the on-statement of financial position's financial instruments. For interest rate swap and forward foreign exchange contracts, the contractual notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings, change in fair value of financial instruments and the shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from mismatch in repricing rates of its assets, liabilities and contingencies.

Interest rate risk management is carried out by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO), which have been empowered by the Board of Directors with the authority to manage interest rate risk. ALCO is responsible for determining interest rate risk management, together with monitoring and controlling interest rate risk to ensure that it is at an acceptable risk appetite and in line with the interest rate risk management policy as approved by the Board of Directors. Bank will review such policy on a regular basis to commensurate with operating environments and changes in business.

The Bank employs various tools and method for its interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position and Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

Foreign exchange rate risk

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from exchange rate fluctuations that affected foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap its net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. In addition, the Bank enters into forward foreign exchange contracts as part of its risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency and aggregate net FX position under an acceptable risk level and regularly reviews to be in line with business strategy and change in market circumstance, meanwhile the RMC ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as the tool to manage the exchange rate risk and prepares a report on regular basis for the Bank's top management in the relevant departments.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purposed. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and reviews it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a report on regular basis for the Bank's management in relevant departments.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations when due because of its inability to convert liquid assets into cash, or its failure to procure enough fund, or, if it can, that the fund comes with an exceptionally high cost that may affect income and capital fund now and in the future.

The Bank has established the liquidity risk management policy and the liquidity management guideline. In addition, liquidity contingency plan and guideline are formulated and conducted a plan testing to ensure readiness to deal with crisis situations. All of these are aimed at ensuring the efficiency of the Bank's liquidity risk management.

The Bank maintains liquidity buffer at a level commensurate with the economic situation. The Bank seeks to ensure that there is adequate cash for its business and its subsidiaries' business operations. In addition, the maintenance of liquid assets and Liquidity Coverage Ratio (LCR) "Liquid assets to the expected net cash outflows over 30 days under acute stressed scenarios" are to comply with the BOT's requirements at least 60% by January 2016 and rise by 10% each year to reach 100% on January 2020 onwards. Liquidity management utilizes qualitative and quantitative methods to ensure appropriate risk diversification. Liquidity risk management of Bank is under the supervision of the ALCO. ALCO also monitors and manages liquidity risk to ensure that it is at an acceptable risk appetite and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank reviews such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

BOT still has required commercial banks to prepare and submit the liquidity risk reports in accordance with the Basel III guidelines, namely, and Report on Net Stable Funding Ratio ("NSFR") so that the BOT can use the information for analyzing the impact and developing an appropriate guideline for Thailand going forward. Bank has assessed impacts of compliance and calculated and reported the monthly NSFR ratios to relevant committee in order to ensure that compliance will not have any impact on the liquidity risk management of the Bank and Consolidation.

5.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries' financial assets and liabilities classified by maturity of interest repricing as at December 31, 2017 and 2016 are summarized as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2017						
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	284,587	2,083	2,300	-	-	41,827	330,797
Investments, net	9,101	33,711	33,970	1,970	-	5,182	83,934
Loans to customers	842,885	217,768	356,783	24,541	37,622	70,805	1,550,404
Financial liabilities							
Deposits	969,734	288,909	23,764	24	-	36,798	1,319,229
Interbank and money market items, net	241,207	31,397	2,780	474	-	3,863	279,721
Debt issued and borrowings	5,259	31,549	63,865	42,168	-	25	142,866

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2016						
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	153,200	4,003	-	-	-	43,080	200,283
Investments, net	15,580	46,439	60,865	3,079	-	5,819	131,782
Loans to customers	805,348	193,361	333,106	16,821	34,834	65,412	1,448,882
Financial liabilities							
Deposits	809,104	250,324	15,663	24	-	33,173	1,108,288
Interbank and money market items, net	302,959	3,096	2,098	2,389	-	3,858	314,400
Debt issued and borrowings	46,432	23,029	65,425	25,376	-	64	160,326

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2017						
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	282,463	1,983	2,300	-	-	38,894	325,640
Investments, net	9,101	33,711	33,970	1,970	-	4,951	83,703
Loans to customers	850,300	179,975	334,138	24,048	30,419	4,542	1,423,422
Financial liabilities							
Deposits	971,572	283,876	23,439	22	-	37,796	1,316,705
Interbank and money market items, net	244,668	31,397	4,061	474	-	3,877	284,477
Debt issued and borrowings	4,010	21,000	45,000	41,985	-	-	111,995

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2016						
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	149,815	3,904	-	-	-	40,734	194,453
Investments, net	15,580	46,439	60,865	3,079	-	5,800	131,763
Loans to customers	814,080	160,589	313,458	16,879	26,992	3,316	1,335,314
Financial liabilities							
Deposits	808,279	244,939	15,381	22	-	34,293	1,102,914
Interbank and money market items, net	306,594	3,070	1,559	2,389	-	3,871	317,483
Debt issued and borrowings	45,490	13,585	50,000	24,844	-	-	133,919

5.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the years ended December 31, 2017 and 2016.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	189,941	3,425	1.8	168,883	2,833	1.7
Investments	97,751	2,269	2.3	106,835	2,287	2.1
Loans to customers	1,473,633	89,304	6.1	1,356,201	80,804	6.0
Total	1,761,325	94,998		1,631,919	85,924	
Interest bearing financial liabilities						
Deposits	1,142,519	17,955	1.6	1,037,262	17,319	1.7
Interbank and money market items	279,338	3,959	1.4	297,708	3,202	1.1
Debt issued and borrowings	157,359	4,549	2.9	121,551	3,427	2.8
Total	1,579,216	26,463		1,456,521	23,948	

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	187,472	3,413	1.8	167,303	2,822	1.7
Investments	97,473	2,269	2.3	106,517	2,287	2.1
Loans to customers	1,355,068	59,273	4.4	1,257,582	54,683	4.3
Total	1,640,013	64,955		1,531,402	59,792	
Interest bearing financial liabilities						
Deposits	1,137,844	17,145	1.5	1,038,803	17,070	1.6
Interbank and money market items	283,375	4,004	1.4	300,362	3,216	1.1
Debt issued and borrowings	128,825	3,590	2.8	99,594	2,721	2.7
Total	1,550,044	24,739		1,438,759	23,007	

5.4 Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2017 and 2016.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2017							
	Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	48,008	275,593	2,891	3,020	1,082	-	203	330,797
Investments, net	-	7,257	17,453	52,561	2,084	-	4,579	83,934
Loans to customers	64,205	243,889	285,943	598,353	320,392	37,622	-	1,550,404
Financial liabilities								
Deposits	587,760	418,468	289,192	23,785	24	-	-	1,319,229
Interbank and money market items, net	11,115	263,326	2,065	2,742	473	-	-	279,721
Debt issued and borrowings	-	5,348	32,921	62,554	42,035	-	8	142,866

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2016							
	Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	60,296	123,079	14,034	1,252	1,429	-	193	200,283
Investments, net	-	8,139	29,907	84,897	3,201	-	5,638	131,782
Loans to customers	63,613	242,882	290,699	533,367	283,487	34,834	-	1,448,882
Financial liabilities								
Deposits	583,930	256,256	252,389	15,689	24	-	-	1,108,288
Interbank and money market items, net	13,281	293,572	3,177	1,981	2,389	-	-	314,400
Debt issued and borrowings	-	46,500	23,338	65,450	24,998	-	40	160,326

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2017							
	Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	44,270	275,357	2,791	3,019	-	-	203	325,640
Investments, net	-	7,257	17,453	52,561	2,083	-	4,349	83,703
Loans to customers	63,285	229,963	220,290	560,859	318,606	30,419	-	1,423,422
Financial liabilities								
Deposits	593,275	416,094	283,854	23,460	22	-	-	1,316,705
Interbank and money market items, net	14,606	263,301	2,041	4,056	473	-	-	284,477
Debt issued and borrowings	-	4,010	21,000	45,000	41,985	-	-	111,995

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2016							
	Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non- Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	56,176	122,553	13,934	1,252	345	-	193	194,453
Investments, net	-	8,139	29,907	84,898	3,199	-	5,620	131,763
Loans to customers	62,813	230,932	228,909	503,225	282,443	26,992	-	1,335,314
Financial liabilities								
Deposits	587,687	254,884	244,913	15,408	22	-	-	1,102,914
Interbank and money market items, net	17,074	293,399	3,070	1,551	2,389	-	-	317,483
Debt issued and borrowings	-	45,490	13,585	50,000	24,844	-	-	133,919

5.5 Fair value of financial instruments

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most a liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date
- Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable
- Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial assets and liabilities as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	38,244	38,244	-	36,142	36,142
Interbank and money market items, net	-	330,797	330,797	-	200,283	200,283
Derivatives assets	14,520	42	14,562	23,380	5,737	29,117
Investments, net	67,152	16,782	83,934	114,922	16,860	131,782
Loans to customers and accrued interest receivables, net	-	1,498,845	1,498,845	-	1,403,285	1,403,285
Total	81,672	1,884,710	1,966,382	138,302	1,662,307	1,800,609
Financial liabilities:						
Deposits	-	1,319,229	1,319,229	-	1,108,288	1,108,288
Interbank and money market items, net	-	279,721	279,721	-	314,400	314,400
Liability payable on demand	-	6,296	6,296	-	4,177	4,177
Derivatives liabilities	12,741	2,983	15,724	19,758	823	20,581
Debt issued and borrowings	-	142,866	142,866	-	160,326	160,326
Total	12,741	1,751,095	1,763,836	19,758	1,588,014	1,607,772

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	37,671	37,671	-	35,671	35,671
Interbank and money market items, net	-	325,640	325,640	-	194,453	194,453
Derivatives assets	14,531	42	14,573	23,380	5,737	29,117
Investments, net	67,152	16,551	83,703	114,922	16,841	131,763
Loans to customers and accrued interest receivables, net	-	1,387,176	1,387,176	-	1,304,954	1,304,954
Total	81,683	1,767,080	1,848,763	138,302	1,557,656	1,695,958
Financial liabilities:						
Deposits	-	1,316,705	1,316,705	-	1,102,914	1,102,914
Interbank and money market items, net	-	284,477	284,477	-	317,483	317,483
Liability payable on demand	-	6,296	6,296	-	4,176	4,176
Derivatives liabilities	12,741	2,983	15,724	19,758	823	20,581
Debt issued and borrowings	-	111,995	111,995	-	133,919	133,919
Total	12,741	1,722,456	1,735,197	19,758	1,559,315	1,579,073

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2017				2016			
	Fair value			Carrying amount	Fair value			Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	14,520	14,520	14,520	-	23,380	23,380	23,380
Investments - trading	-	355	355	355	-	425	425	425
Investments								
- available-for-sale	3,082	63,715	66,797	66,797	3,420	111,077	114,497	114,497
Derivative liabilities								
- trading book	-	12,741	12,741	12,741	-	19,758	19,758	19,758

	THE BANK'S FINANCIAL STATEMENTS							
	2017				2016			
	Fair value			Carrying amount	Fair value			Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	14,531	14,531	14,531	-	23,380	23,380	23,380
Investments - trading	-	355	355	355	-	425	425	425
Investments								
- available-for-sale	3,082	63,715	66,797	66,797	3,420	111,077	114,497	114,497
Derivative liabilities								
- trading book	-	12,741	12,741	12,741	-	19,758	19,758	19,758

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the years ended December 31, 2017 and 2016.

Valuation technique for financial assets and liabilities measured at fair value are as follows:

Derivatives - trading book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Financial assets and liabilities not measured at fair value

Fair value of financial assets and liabilities which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

CONSOLIDATED FINANCIAL STATEMENTS										
	2017					2016				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	38,244	38,244	38,244	-	-	36,142	36,142	36,142
Interbank and money market items, net	-	-	330,797	330,797	330,797	-	-	200,283	200,283	200,283
Derivatives assets - banking book	45	-	-	45	42	5,444	-	-	5,444	5,737
Held to maturity and general investments	-	16,043	783	16,826	16,782	-	16,050	860	16,910	16,860
Loans to customers and accrued interest receivables, net	-	-	1,498,845	1,498,845	1,498,845	-	-	1,403,285	1,403,285	1,403,285
Total	45	16,043	1,868,669	1,884,757	1,884,710	5,444	16,050	1,640,570	1,662,064	1,662,307
Financial assets:										
Deposits	1,319,620	-	-	1,319,620	1,319,229	1,108,734	-	-	1,108,734	1,108,288
Interbank and money market items, net	-	-	279,721	279,721	279,721	-	-	314,400	314,400	314,400
Liability payable on demand	-	-	6,296	6,296	6,296	-	-	4,177	4,177	4,177
Derivatives liabilities- banking book	3,045	-	-	3,045	2,983	871	-	-	871	823
Debt issued and borrowings	139,337	4,464	10	143,811	142,866	113,880	4,355	41,327	159,562	160,326
Total	1,462,002	4,464	286,027	1,752,493	1,751,095	1,223,485	4,355	359,904	1,587,744	1,588,014

THE BANK'S FINANCIAL STATEMENTS										
	2017					2016				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	37,671	37,671	37,671	-	-	35,671	35,671	35,671
Interbank and money market items, net	-	-	325,640	325,640	325,640	-	-	194,453	194,453	194,453
Derivatives assets - banking book	45	-	-	45	42	5,444	-	-	5,444	5,737
Held to maturity and general investments	-	16,043	552	16,595	16,551	-	16,050	841	16,891	16,841
Loans to customers and accrued interest receivables, net	-	-	1,387,176	1,387,176	1,387,176	-	-	1,304,954	1,304,954	1,304,954
Total	45	16,043	1,751,039	1,767,127	1,767,080	5,444	16,050	1,535,919	1,557,413	1,557,656
Financial liabilities:										
Deposits	1,317,022	-	-	1,317,022	1,316,705	1,103,331	-	-	1,103,331	1,102,914
Interbank and money market items, net	-	-	284,477	284,477	284,477	-	-	317,483	317,483	317,483
Liability payable on demand	-	-	6,296	6,296	6,296	-	-	4,176	4,176	4,176
Derivatives liabilities banking book	3,045	-	-	3,045	2,983	871	-	-	871	823
Debt issued and borrowings	112,864	-	10	112,874	111,995	91,967	-	41,575	133,542	133,919
Total	1,432,931	-	290,783	1,723,714	1,722,456	1,196,169	-	363,234	1,559,403	1,559,315

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Held to maturity and general investments

The carrying amount of held to maturity and general investments presented in the statement of financial position is the approximated fair value, except for investment in asset-backed security which fair value calculated based on discounted cash flows.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives - banking book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

5.6 Capital funds

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Financial Business Group and the Bank.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at December 31, 2017 and 2016, the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

Unit : Million Baht

	Basel III Consolidated Supervision	
	2017	2016
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Statutory reserve	5,007	4,372
Unappropriated retained earning	78,166	62,305
Other comprehensive income	8,590	8,959
Owner changes - other	(5,218)	(5,218)
Less Deduction items from Common Equity Tier 1 capital	(21,056)	(20,220)
Total Common Equity Tier 1 capital	191,926	176,635
Additional Tier 1	1,307	1,387
Total Tier 1 capital	193,233	178,022
Tier 2 capital	58,936	41,080
Total capital fund	252,169	219,102

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III Consolidated Supervision	
	2017	2016	2017	2016
Total Common Equity Tier 1 capital / Total risk weighted assets	5.75	5.125	12.56	12.14
Total Tier 1 capital / Total risk weighted assets	7.25	6.625	12.64	12.24
Total capital / Total risk weighted assets	9.75	9.125	16.50	15.06
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			252,169	219,102
Capital ratio after deducting capital add-on arising from Single Lending Limit			16.50	15.06

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Unit : Million Baht

	Basel III The Bank	
	2017	2016
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Statutory reserve	5,007	4,372
Unappropriated retained earning	44,704	36,052
Other comprehensive income	8,938	8,988
Owner changes - other	(5,218)	(5,218)
Less Deduction items from Common Equity Tier 1 capital	(12,337)	(11,803)
Total Common Equity Tier 1 capital	167,531	158,828
Additional Tier 1	-	-
Total Tier 1 capital	167,531	158,828
Tier 2 capital	51,502	32,266
Total capital fund	219,033	191,094

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III The Bank	
	2017	2016	2017	2016
Total Common Equity Tier 1 capital / Total risk weighted assets	5.75	5.125	11.97	11.77
Total Tier 1 capital / Total risk weighted assets	7.25	6.625	11.97	11.77
Total capital / Total risk weighted assets	9.75	9.125	15.65	14.16
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			219,033	191,094
Capital ratio after deducting capital add-on arising from Single Lending Limit			15.65	14.16

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT's Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 20, 2017
Information as at	June 30, 2017

The disclosure for the year ended December 31, 2017 will be provided on or before April 30, 2018 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles requires management to make estimates and assumptions under certain circumstances. Such estimates and assumptions affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements which may differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for doubtful accounts

The Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independently and/or internally performed appraisals.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statement date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

6.8 Significant judgement on classification of joint arrangement

Tesco Card Services Limited is a separate limited liability company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of interests under the joint arrangement agreement which requires unanimous consent from the parties to the agreement for the relevant activities. Furthermore, there is no contractual arrangement or any other facts and circumstances indicate that Ayudhya Capital Services Company Limited and the party to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are also separate limited liability companies that Tesco Card Services Limited wholly holds 100% of interest. Accordingly, Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Increase (decrease) in revaluation surplus on investments	163	(242)	163	(242)
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(326)	(324)	(326)	(299)
Increase in changes assets revaluation surplus	-	3,047	-	3,047
Properties for sale debt repayment	8,070	7,742	5,322	4,251
Properties and premises transferred to be properties for sale	20	34	20	-

7.1.2 In accordance with a resolution passed by the Bank's Annual General Meeting of Shareholders No. 104 held on April 28, 2016, it approved the Bank to acquire all registered and issued shares (100%) of Hattha Kaksekar Limited ("HKL"), operated the microfinance business in Cambodia from the existing shareholders.

On September 12, 2016, the Ministry of Commerce of Cambodia approved the transaction and the legal transfer of HKL has been completely transferred to the Bank. The acquisition date is on September 12, 2016.

Fair value of assets and liabilities of subsidiary and book value of each item are as follows:

Consolidated financial statements

Unit : Million Baht

	Book Value	Fair Value
Assets		
Cash	361	361
Receivable and loans	14,246	14,705
Intangible assets	-	161
Others	4,806	4,752
	19,413	19,979
Liabilities		
Deposit and borrowings	15,591	15,604
Others	1,725	1,858
	17,316	17,462
Net assets	2,097	2,517
Goodwill		2,806
Cash payment to acquire shares		5,323
<u>Less</u> Cash of the subsidiary		(361)
Net cash payment		4,962

During the year ended December 31, 2017, the Bank has adjusted the fair value of assets and liabilities based on the Final Purchase Price Allocation Report. Therefore, the Bank made an adjustment to goodwill, which had been previously recognized on the acquisition date in the consolidated statements of financial position as at December 31, 2017 as follows:

Unit : Million Baht

	Fair value as previously reported	Increase (decrease)	Fair value as final reported
Net assets	2,846	(329)	2,517
Purchase price	5,323	-	5,323
Goodwill	2,477	329	2,806

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	15,903	233,150	249,053	13,199	62,770	75,969
Commercial banks	1,629	2,603	4,232	1,262	18,765	20,027
Specialized financial institutions	-	6,279	6,279	-	13,733	13,733
Other financial institutions	392	38,610	39,002	203	33,458	33,661
Total	17,924	280,642	298,566	14,664	128,726	143,390
Add Accrued interest receivables	-	108	108	-	34	34
Less Allowance for doubtful accounts	-	(366)	(366)	-	(439)	(439)
Total domestic items	17,924	280,384	298,308	14,664	128,321	142,985
Foreign items						
US Dollar	16,647	2,090	18,737	23,559	11,045	34,604
Yen	10,735	-	10,735	16,224	-	16,224
Euro	638	-	638	489	-	489
Other currencies	2,064	315	2,379	5,359	615	5,974
Total	30,084	2,405	32,489	45,631	11,660	57,291
Add Accrued interest receivables	-	-	-	1	6	7
Total foreign items	30,084	2,405	32,489	45,632	11,666	57,298
Total domestic and foreign items	48,008	282,789	330,797	60,296	139,987	200,283

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2017			2016		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	15,903	233,150	249,053	13,199	62,770	75,969
Commercial banks	161	2,473	2,634	252	18,635	18,887
Specialized financial institutions	-	6,279	6,279	-	13,733	13,733
Other financial institutions	392	38,608	39,000	203	33,456	33,659
Total	16,456	280,510	296,966	13,654	128,594	142,248
<u>Add</u> Accrued interest receivables	-	107	107	-	34	34
<u>Less</u> Allowance for doubtful accounts	-	(366)	(366)	-	(439)	(439)
Total domestic items	16,456	280,251	296,707	13,654	128,189	141,843
Foreign items						
US Dollar	14,765	1,008	15,773	21,110	9,960	31,070
Yen	10,735	-	10,735	16,224	-	16,224
Euro	638	-	638	489	-	489
Other currencies	1,676	111	1,787	4,699	122	4,821
Total	27,814	1,119	28,933	42,522	10,082	52,604
<u>Add</u> Accrued interest receivables	-	-	-	-	6	6
Total foreign items	27,814	1,119	28,933	42,522	10,088	52,610
Total domestic and foreign items	44,270	281,370	325,640	56,176	138,277	194,453

7.3 Derivatives

7.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Risk type	2017			2016		
	Fair value / Readjustment based on an accrual basis			Fair value / Readjustment based on an accrual basis		
	Assets	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
Exchange rate	9,162	10,633	945,452	24,039	15,030	1,086,297
Interest rate	5,400	5,091	712,294	5,078	5,551	871,189
Total	14,562	15,724	1,657,746	29,117	20,581	1,957,486

Unit: Million Baht

Risk type	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Fair value / Readjustment based on an accrual basis			Fair value / Readjustment based on an accrual basis		
	Assets	Liabilities	Notional Amount	Assets	Liabilities	Notional Amount
Exchange rate	9,162	10,633	945,452	24,039	15,030	1,086,229
Interest rate	5,411	5,091	713,863	5,078	5,551	871,189
Total	14,573	15,724	1,659,315	29,117	20,581	1,957,418

7.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2017 and 2016 are as follows:

Unit : Million Baht

Counterparty	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Proportion (%)	Proportion (%)	Proportion (%)	Proportion (%)
Financial institution	57.38	57.62	57.32	57.62
Related company	15.37	19.14	15.45	19.15
Third party	27.25	23.24	27.23	23.23
Total	100.00	100.00	100.00	100.00

7.4 Investments, net

Investments, net as at December 31, 2017 and 2016 consist of the following:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2017				2016			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	355	-	-	355	425	-	-	425
Domestic marketable equity securities	-	-	-	-	-	-	-	-
	355	-	-	355	425	-	-	425
<u>Add</u> Revaluation allowance	-			-	-			-
Total	355			355	425			425
Securities Available-for-Sale								
Government and state enterprise securities	51,612	235	-	51,847	95,728	296	(66)	95,958
Private sector's debt securities	10,601	392	-	10,993	13,358	399	(25)	13,732
Domestic marketable equity securities	3,757	605	(121)	4,241	4,747	532	(188)	5,091
	65,970	1,232	(121)	67,081	113,833	1,227	(279)	114,781
<u>Add</u> Revaluation allowance	1,111			-	948			-
<u>Less</u> Allowance for impairment	(284)			(284)	(284)			(284)
Total	66,797			66,797	114,497			114,497
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,050			
Investment in accounts receivable	452				714			
	16,452				16,764			
<u>Less</u> Allowance for impairment	(14)				(64)			
Total	16,438				16,700			
Securities for General Investments								
Domestic non-marketable equity securities	525				322			
Foreign non-marketable equity securities	3				30			
	528				352			
<u>Less</u> Allowance for impairment	(184)				(192)			
Total	344				160			
Total Investments, net	83,934				131,782			

THE BANK'S FINANCIAL STATEMENTS								
	2017				2016			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	355	-	-	355	425	-	-	425
Domestic marketable equity securities	-	-	-	-	-	-	-	-
	355	-	-	355	425	-	-	425
<u>Add</u> Revaluation allowance	-			-	-			-
Total	355			355	425			425
Securities Available-for-Sale								
Government and state enterprise securities	51,612	235	-	51,847	95,728	296	(66)	95,958
Private sector's debt securities	10,322	392	-	10,714	13,079	399	(25)	13,453
Domestic marketable equity securities	3,757	605	(121)	4,241	4,747	532	(188)	5,091
	65,691	1,232	(121)	66,802	113,554	1,227	(279)	114,502
<u>Add</u> Revaluation allowance	1,111			-	948			-
<u>Less</u> Allowance for impairment	(5)			(5)	(5)			(5)
Total	66,797			66,797	114,497			114,497
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,050			
Investment in accounts receivable	452				714			
	16,452				16,764			
<u>Less</u> Allowance for impairment	(14)				(64)			
Total	16,438				16,700			
Securities for General Investments								
Domestic non-marketable equity securities	278				287			
Foreign non-marketable equity securities	3				30			
	281				317			
<u>Less</u> Allowance for impairment	(168)				(176)			
Total	113				141			
Total Investments, net	83,703				131,763			

For the years ended December 31, 2017 and 2016, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit : Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2017	2016
Beginning balance	948	1,190
Net amount transferred to profit or loss	(312)	(170)
Net change in fair value	475	(72)
Ending balance	1,111	948

As at December 31, 2017 and 2016, the Bank and its subsidiaries had investments in general investments in the consolidated and the Bank's financial statements of 3 companies and 1 company, respectively, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

7.5 Investments in subsidiaries and joint ventures, net

Investments in subsidiaries and joint ventures net as at December 31, 2017 and 2016 consist of the following:

Unit: Million Baht

					CONSOLIDATED FINANCIAL STATEMENTS			
					2017			
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital		Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures								
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080		50.00	1,040	2,000	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12		50.00	-	60	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107		50.00	-	162	-
Investments in joint ventures, net						1,040	2,222	-

Unit: Million Baht

					CONSOLIDATED FINANCIAL STATEMENTS			
					2016			
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital		Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures								
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080		50.00	1,040	1,715	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12		50.00	-	57	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107		50.00	-	147	-
Investments in joint ventures, net						1,040	1,919	-

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

			THE BANK’S FINANCIAL STATEMENTS				
			2017				
			Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend	
Subsidiaries							
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-	
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	2,759	
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	3,290	100.00	3,126	-	
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock			1	-	
General Card Services Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-	
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-	
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-	
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-	
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-	
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	268	
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-	
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-	
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-	
Krungsri Finnovate Company Limited	Venture capital	Common stock	700	100.00	700	-	
Hattha Kaksekar Limited	Micro finance	Common stock	1,031	100.00	6,208	-	
Investments in subsidiaries					62,922	3,027	
Less Allowance for impairment					(5,052)	-	
Investments in subsidiaries net					57,870	3,027	

			THE BANK'S FINANCIAL STATEMENTS				
Company Name	Business Type	Securities Investment Type	2016				
			Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend	
Subsidiaries							
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-	
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	4,708	
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	3,290	100.00	3,126	1,000	
Ayudhya Card Services Company Limited ⁽¹⁾	Credit cards and personal loans	Common stock			1	-	
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	180	100.00	-	-	
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-	
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	400	
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-	
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-	
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-	
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	268	
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-	
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-	
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-	
Hattha Kaksekar Limited	Micro finance	Common stock	237	100.00	5,415	-	
Investments in subsidiaries					60,663	6,376	
Less Allowance for impairment					(4,952)	-	
Investments in subsidiaries net					55,711	6,376	

⁽¹⁾ Subsidiary registered the completion of liquidation in 2017.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

Unit : Million Baht

	2017	2016
Cash flows from operating activities		
Income before income tax	188	175
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts	21	11
Loss on impairment of properties for sale	17	55
Depreciation and amortization	1	1
Gain on sales of properties for sale	(118)	(92)
Employment benefits expenses	7	5
Interest income, net	(145)	(103)
Interest received	145	103
Income tax paid	(41)	(28)
Income from operations before changes in operating assets and liabilities	75	127
(Increase) decrease in operating assets		
Investment in receivables	22	35
Loans to customers	2	11
Properties for sale	338	335
Other assets	59	(4)
Decrease in operating liabilities		
Other liabilities	(24)	(5)
Net cash from operating activities	472	499
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	472	499
Cash and cash equivalents as at January 1,	957	458
Cash and cash equivalents as at December 31,	1,429	957

7.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2017 and 2016 are as follows:

(1) Classified by products

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Overdrafts	60,432	55,297	60,382	55,243
Loan against contract	792,493	737,450	810,399	782,688
Trade bill	283,266	296,147	285,321	297,178
Hire-purchase receivable	400,930	344,044	309,557	232,016
Lease contract receivable	14,707	14,413	3,923	3,452
Credit card receivable	62,007	56,542	-	-
Others	5,523	2,329	4,030	1,394
Total	1,619,358	1,506,222	1,473,612	1,371,971
<u>Less</u> Deferred revenue	(68,954)	(57,340)	(50,190)	(36,657)
Loans to customers after deferred revenue, net	1,550,404	1,448,882	1,423,422	1,335,314
<u>Add</u> Accrued interest receivables	3,917	3,865	2,296	2,316
Loans to customers and accrued interest receivable after deferred revenue, net	1,554,321	1,452,747	1,425,718	1,337,630
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
- Individual approach	(26,805)	(24,525)	(21,992)	(20,006)
- Collective approach	(8,916)	(7,693)	(6,984)	(5,220)
2) Surplus reserve	(18,452)	(16,056)	(9,518)	(7,422)
<u>Less</u> Revaluation allowance for debt restructuring	(1,303)	(1,188)	(48)	(28)
Total loans to customers, net	1,498,845	1,403,285	1,387,176	1,304,954

(2) Classified by currency and residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,452,878	11,159	1,464,037	1,350,834	11,571	1,362,405
US Dollar	55,437	26,225	81,662	60,759	21,891	82,650
Other currencies	980	3,725	4,705	1,575	2,252	3,827
Total	1,509,295	41,109	1,550,404	1,413,168	35,714	1,448,882

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,345,001	10,426	1,355,427	1,253,181	10,846	1,264,027
US Dollar	55,437	8,983	64,420	60,759	6,079	66,838
Other currencies	980	2,595	3,575	1,575	2,874	4,449
Total	1,401,418	22,004	1,423,422	1,315,515	19,799	1,335,314

(3) Classified by business type and classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	18,510	1,080	109	121	800	20,620
Manufacturing and trading	371,182	12,402	3,396	2,620	8,803	398,403
Real estate and construction	89,539	3,946	806	374	1,541	96,206
Public utilities and services	138,883	10,781	270	244	1,693	151,871
Housing loans	209,100	2,749	1,238	1,191	2,820	217,098
Others	631,929	22,681	5,460	2,471	3,665	666,206
Total	1,459,143	53,639	11,279	7,021	19,322	1,550,404

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2016					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,101	658	93	103	777	18,732
Manufacturing and trading	377,983	15,831	4,187	1,411	6,250	405,662
Real estate and construction	83,854	2,834	1,321	172	1,587	89,768
Public utilities and services	146,896	13,020	275	530	1,700	162,421
Housing loans	191,176	2,045	1,197	1,419	2,266	198,103
Others	539,300	23,350	5,491	2,241	3,814	574,196
Total	1,356,310	57,738	12,564	5,876	16,394	1,448,882

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	14,663	1,071	85	78	163	16,060
Manufacturing and trading	366,965	12,152	3,370	2,590	8,201	393,278
Real estate and construction	88,414	3,936	792	372	1,467	94,981
Public utilities and services	138,869	10,781	270	244	1,376	151,540
Housing loans	207,318	2,749	1,236	1,187	2,805	215,295
Others	532,545	13,540	2,377	1,811	1,995	552,268
Total	1,348,774	44,229	8,130	6,282	16,007	1,423,422

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	13,074	645	84	94	158	14,055
Manufacturing and trading	374,203	15,590	4,178	1,383	5,579	400,933
Real estate and construction	83,072	2,835	1,226	171	1,581	88,885
Public utilities and services	146,864	13,019	275	530	1,317	162,005
Housing loans	188,055	2,040	1,195	1,416	2,241	194,947
Others	457,110	11,815	2,095	1,539	1,930	474,489
Total	1,262,378	45,944	9,053	5,133	12,806	1,335,314

(4) Classified by type of classification

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
2017				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,462,823	985,804	1, 2	11,863
Special mention	53,876	39,273	2, 15	2,998
Substandard	11,279	7,561	50, 100	5,938
Doubtful	7,021	4,724	46, 100	3,902
Doubtful of loss	19,322	9,251	100	11,020
Total	1,554,321	1,046,613		35,721 ⁽¹⁾
2. Surplus Reserve				18,452 ⁽²⁾
Total				54,173

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2016			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,359,936	907,176	1	10,426
Special mention	57,976	45,028	2, 14	3,100
Substandard	12,564	8,493	50, 100	7,254
Doubtful	5,876	2,964	46, 100	2,388
Doubtful of loss	16,395	7,385	100	9,050
Total	1,452,747	971,046		32,218 ⁽¹⁾
2. Surplus Reserve				16,056 ⁽²⁾
Total				48,274

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2017 and 2016, of Baht 8,916 million and Baht 7,693 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2017 and 2016, at the rate of 1% of Baht 102,882 million and Baht 118,284 million equal to Baht 1,029 million and Baht 1,183 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

⁽³⁾ % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2017 and 2016, of Baht 1,303 million and Baht 1,188 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2017 and 2016, of Baht 366 million and Baht 439 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2017			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,350,928	883,154	1, 2	10,549
Special mention	44,371	30,378	2, 10	2,287
Substandard	8,130	4,511	38, 100	3,731
Doubtful	6,282	4,043	38, 100	3,425
Doubtful of loss	16,007	7,319	100	8,984
Total	1,425,718	929,405		28,976 ⁽¹⁾
2. Surplus Reserve				9,518 ⁽²⁾
Total				38,494

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
2016				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,264,559	819,366	1	9,378
Special mention	46,079	34,415	2, 12	2,157
Substandard	9,053	5,164	41, 100	4,819
Doubtful	5,133	2,280	41, 100	2,035
Doubtful of loss	12,806	5,356	100	6,837
Total	1,337,630	866,581		25,226 ⁽¹⁾
2. Surplus Reserve				7,422 ⁽²⁾
Total				32,648

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2017 and 2016, of Baht 6,984 million and Baht 5,220 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2017 and 2016, at the rate of 1% of Baht 102,882 million and Baht 118,284 million, equal to Baht 1,029 million and Baht 1,183 million, respectively.

⁽³⁾ % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2017 and 2016, of Baht 48 million and Baht 28 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2017 and 2016, of Baht 366 million and Baht 439 million, respectively.

For the years ended December 31, 2017 and 2016, the Bank entered into agreements to sell non-performing loans (NPLs) to the third parties as follows:

Unit : Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS		
	2017	2016
Book value	2,858	2,878
Net book value	2,084	2,095
Sale price	2,084	2,095

As at December 31, 2017 and 2016, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit : Million Baht

	2017		
	The Bank	AMC	The Bank and AMC
Non-performing loans	30,419	491	30,910
Percentage of total loans	1.78	100.00	1.81
Non-performing loans, net	14,279	334	14,613
Percentage of total loans, net	0.85	100.00	0.86

Unit : Million Baht

	2016		
	The Bank	AMC	The Bank and AMC
Non-performing loans	26,992	541	27,533
Percentage of total loans	1.84	100.00	1.88
Non-performing loans, net	13,300	359	13,659
Percentage of total loans, net	0.92	100.00	0.94

As at December 31, 2017 and 2016, the Bank and its subsidiaries' non-performing loans are Baht 37,622 million and Baht 34,834 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2017 and 2016, the Bank and its subsidiaries had restructured the following debts:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
Form of Restructuring	2017				2016			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	23,613	6,363	-	-	22,478	7,500	-	-
Reduction of principal and interest	6,694	330	-	-	6,497	331	-	-
Various forms of restructuring	929	6,647	-	-	817	5,402	-	-
Total	31,236	13,340	-	-	29,792	13,233	-	-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	2017				2016			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	2,358	4,817	-	-	1,012	5,146	-	-
Various forms of restructuring	929	6,647	-	-	817	5,402	-	-
Total	3,287	11,464		-	1,829	10,548		-

For the years ended December 31, 2017 and 2016, the Bank and its subsidiaries calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
Method	2017				2016			
	Average Aging (Year)	Number of Debtors	Amount of Debt		Average Aging (Year)	Number of Debtors	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	4.75	23,112	5,195	5,181	4.63	21,920	3,152	3,170
Fair value of collateral	8.11	501	1,168	1,166	9.19	558	4,348	4,348

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Method	2017				2016			
	Average Aging (Year)	Number of Debtors	Amount of Debt		Average Aging (Year)	Number of Debtors	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	4.83	1,906	3,653	3,637	5.08	531	809	804
Fair value of collateral	8.98	452	1,164	1,162	10.66	481	4,337	4,337

For the years ended December 31, 2017 and 2016, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of profit or loss and other comprehensive income as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Losses on debt restructured (reversal)	1,512	786	39	(376)
Interest received from debt restructured	1,128	807	691	520

As at December 31, 2017 and 2016, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2017 and 2016, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Balances of total debt restructured	20,542	19,541	15,801	14,803
Balances of debt restructured during the years	11,271	11,976	9,426	9,880

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	100,122	231,619	83,896	415,637
<u>Less</u> Unearned interest income				(68,929)
Present value of the minimum lease payments				346,708
<u>Less</u> Allowance for doubtful accounts				(12,848)
Total lease receivables, net				333,860

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2016			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	94,225	204,456	59,776	358,457
<u>Less</u> Unearned interest income				(57,293)
Present value of the minimum lease payments				301,164
<u>Less</u> Allowance for doubtful accounts				(11,874)
Total lease receivables, net				289,290

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2017			
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	58,715	179,117	75,648	313,480
<u>Less</u> Unearned interest income				(50,174)
Present value of the minimum lease payments				263,306
<u>Less</u> Allowance for doubtful accounts				(6,984)
Total lease receivables, net				256,322

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2016			
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	42,952	139,794	52,722	235,468
<u>Less</u> Unearned interest income				(36,619)
Present value of the minimum lease payments				198,849
<u>Less</u> Allowance for doubtful accounts				(5,220)
Total lease receivables, net				193,629

7.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,426	3,100	7,254	2,388	9,050	16,056	48,274
Doubtful accounts	1,579	468	4,866	4,416	7,845	2,407	21,581
Bad debts written off	(124)	(570)	(6,177)	(2,886)	(5,103)	-	(14,860)
Bad debts written off from sales of NPLs	(3)	-	(1)	(11)	(774)	-	(789)
Other	(15)	-	(4)	(5)	2	(11)	(33)
Ending balance	11,863	2,998	5,938	3,902	11,020	18,452	54,173

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	9,204	3,802	6,255	4,271	6,346	13,340	43,218
Items arising from business combination	143	-	26	12	6	18	205
Doubtful accounts (reversal)	1,256	(281)	6,356	1,125	9,277	2,727	20,460
Bad debts written off	(177)	(421)	(5,383)	(2,996)	(5,809)	(28)	(14,814)
Bad debts written off from sales of NPLs	-	-	-	(24)	(770)	-	(794)
Other	-	-	-	-	-	(1)	(1)
Ending balance	10,426	3,100	7,254	2,388	9,050	16,056	48,274

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	9,378	2,157	4,819	2,035	6,837	7,422	32,648
Doubtful accounts	1,298	700	108	4,287	5,170	2,099	13,662
Bad debts written off	(124)	(570)	(1,195)	(2,886)	(2,255)	-	(7,030)
Bad debts written off from sales of NPLs	(3)	-	(1)	(11)	(768)	-	(783)
Other	-	-	-	-	-	(3)	(3)
Ending balance	10,549	2,287	3,731	3,425	8,984	9,518	38,494

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	8,462	2,537	3,750	3,574	2,726	5,238	26,287
Doubtful accounts	1,092	41	1,499	1,482	5,683	2,185	11,982
Bad debts written off	(176)	(421)	(430)	(2,997)	(802)	-	(4,826)
Bad debts written off from sales of NPLs	-	-	-	(24)	(770)	-	(794)
Other	-	-	-	-	-	(1)	(1)
Ending balance	9,378	2,157	4,819	2,035	6,837	7,422	32,648

As at December 31, 2017 and 2016, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Allowance for doubtful accounts*	37,389	33,844	29,389	25,692

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

The Bank and its subsidiaries recorded allowance for doubtful accounts* in the financial statements as follows:

Unit: Million Baht

	2017	2016
Consolidated financial statements	55,841	49,900
The Bank and Krungsri Ayudhya AMC Limited	39,220	33,433
The Bank's financial statements	38,907	33,114

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

As at December 31, 2017 and 2016, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2017			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	5	1,180	673	524
Total	5	1,180	673	524

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2016			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	2,220	623	1,595
Total	2	2,220	623	1,595

7.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Beginning balance	1,188	1,726	28	412
Increase (decrease) during the years	1,512	786	39	(376)
Amount written off	(1,397)	(1,324)	(19)	(8)
Ending balance	1,303	1,188	48	28

7.9 Properties for sale, net

Properties for sale, net as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Acquisition	Disposition	Balance as at December 31, 2017
1. Assets acquired from debt repayment				
1.1 Immovable	4,750	37	(642)	4,145
1.2 Movable	763	8,033	(7,904)	892
Total	5,513	8,070	(8,546)	5,037
2. Others	89	20	(22)	87
Total properties for sale	5,602	8,090	(8,568)	5,124
Less Provision for impairment	(1,346)	(1,353)	1,260	(1,439)
Total properties for sale	4,256	6,737	(7,308)	3,685

Unit: Million Baht

Type of Properties For Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2016	Acquisition	Disposition	Balance as at December 31, 2016
1. Assets acquired from debt repayment				
1.1 Immovable	5,468	32	(750)	4,750
1.2 Movable	744	7,710	(7,691)	763
Total	6,212	7,742	(8,441)	5,513
2. Others	131	34	(76)	89
Total properties for sale	6,343	7,776	(8,517)	5,602
Less Provision for impairment	(1,293)	(1,608)	1,555	(1,346)
Total properties for sale	5,050	6,168	(6,962)	4,256

Unit: Million Baht

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Acquisition	Disposition	Balance as at December 31, 2017
1. Assets acquired from debt repayment				
1.1 Immovable	2,760	26	(355)	2,431
1.2 Movable	337	5,296	(5,089)	544
Total	3,097	5,322	(5,444)	2,975
2. Others	90	19	(22)	87
Total properties for sale	3,187	5,341	(5,466)	3,062
Less Provision for impairment	(799)	(229)	54	(974)
Total properties for sale	2,388	5,112	(5,412)	2,088

Unit: Million Baht

Type of Properties For Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2016	Acquisition	Disposition	Balance as at December 31, 2016
1. Assets acquired from debt repayment				
1.1 Immovable	3,192	30	(462)	2,760
1.2 Movable	275	4,221	(4,159)	337
Total	3,467	4,251	(4,621)	3,097
2. Others	131	-	(41)	90
Total properties for sale	3,598	4,251	(4,662)	3,187
Less Provision for impairment	(741)	(179)	121	(799)
Total properties for sale	2,857	4,072	(4,541)	2,388

Immovable assets for sale classified by external and internal appraisers as at December 31, 2017 and 2016 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,400	1,498	1,345	1,444
Appraised by internal appraisers	2,745	3,252	1,086	1,316
Total	4,145	4,750	2,431	2,760

7.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017
Land					
Cost	4,307	-	(1)	-	4,306
Appraisal increase (Year 2016)	7,102	-	(16)	-	7,086
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,344	164	(3)	-	7,505
Appraisal increase (Year 2016)	11,649	-	(8)	-	11,641
Appraisal decrease (Year 2016)	(86)	-	-	-	(86)
Equipment	15,859	1,887	(1,388)	(36)	16,322
Leasehold improvement	3,582	363	(49)	(4)	3,892
Total	49,720	2,414	(1,465)	(40)	50,629
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(4,013)	(331)	1	-	(4,343)
- Appraisal increase (Year 2016)	(8,221)	(324)	5	-	(8,540)
Equipment	(10,905)	(1,518)	1,275	25	(11,123)
Leasehold improvement	(2,074)	(460)	35	3	(2,496)
Total	(25,213)	(2,633)	1,316	28	(26,502)
Construction in progress	714	1,697	(137)	-	2,274
Premises and equipment, net	25,221				26,401

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2016	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Other	Balance as at December 31, 2016
Land						
Cost	4,286	-	21	-	-	4,307
Appraisal increase (Year 2016)	5,174	-	1,928	-	-	7,102
Appraisal decrease (Year 2016)	(78)	-	-	41	-	(37)
Premises						
Cost	7,104	-	278	(38)	-	7,344
Appraisal increase (Year 2016)	7,708	-	4,039	(98)	-	11,649
Appraisal decrease (Year 2016)	(134)	-	-	48	-	(86)
Equipment	14,235	366	2,090	(1,077)	245	15,859
Leasehold improvement	3,096	49	506	(70)	1	3,582
Total	41,391	415	8,862	(1,194)	246	49,720
<u>Less</u> Accumulated depreciation						
Premises						
- Cost	(3,736)	-	(300)	23	-	(4,013)
- Appraisal increase (Year 2016)	(5,077)	-	(3,218)	74	-	(8,221)
Equipment	(10,108)	(220)	(1,354)	1,018	(241)	(10,905)
Leasehold improvement	(1,747)	(29)	(348)	51	(1)	(2,074)
Total	(20,668)	(249)	(5,220)	1,166	(242)	(25,213)
Construction in progress	270	1	592	(149)	-	714
Premises and equipment, net	20,993					25,221

Unit : Million Baht

	2017	2016
Depreciation for the years	2,633	2,301

As at December 31, 2017 and 2016, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 11,479 million and Baht 8,625 million, respectively.

As at December 31, 2017 and 2016, the Bank and its subsidiaries had equipment which are under finance leases, with the original costs amounting to Baht 464 million and Baht 463 million, respectively.

Land and premises of the Bank was revalued in 2016 by the independent professional qualified appraisers. The basis of valuation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017
Land					
Cost	4,307	-	(1)	-	4,306
Appraisal increase (Year 2016)	7,102	-	(16)	-	7,086
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,344	164	(3)	-	7,505
Appraisal increase (Year 2016)	11,649	-	(8)	-	11,641
Appraisal decrease (Year 2016)	(86)	-	-	-	(86)
Equipment	11,914	1,224	(1,102)	-	12,036
Leasehold improvement	2,230	228	(35)	-	2,423
Total	44,423	1,616	(1,165)	-	44,874
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(4,013)	(331)	1	-	(4,343)
- Appraisal increase (Year 2016)	(8,222)	(324)	5	-	(8,541)
Equipment	(8,595)	(1,087)	1,060	-	(8,622)
Leasehold improvement	(961)	(305)	19	-	(1,247)
Total	(21,791)	(2,047)	1,085	-	(22,753)
Construction in progress	695	1,631	(103)	-	2,223
Premises and equipment, net	23,327				24,344

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2016	Increase	Decrease	Other	Balance as at December 31, 2016
Land					
Cost	4,286	21	-	-	4,307
Appraisal increase (Year 2016)	5,174	1,928	-	-	7,102
Appraisal decrease (Year 2016)	(78)	-	41	-	(37)
Premises				-	
Cost	7,066	278	-	-	7,344
Appraisal increase (Year 2016)	7,610	4,039	-	-	11,649
Appraisal decrease (Year 2016)	(134)	-	48	-	(86)
Equipment	10,926	1,612	(857)	233	11,914
Leasehold improvement	1,920	337	(27)	-	2,230
Total	36,770	8,215	(795)	233	44,423
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(3,713)	(300)	-	-	(4,013)
- Appraisal increase (Year 2016)	(5,004)	(3,218)	-	-	(8,222)
Equipment	(8,225)	(992)	855	(233)	(8,595)
Leasehold improvement	(774)	(204)	17	-	(961)
Total	(17,716)	(4,714)	872	(233)	(21,791)
Construction in progress	266	575	(146)	-	695
Premises and equipment, net	19,320				23,327

Unit : Million Baht

	2017	2016
Depreciation for the years	2,047	1,795

As at December 31, 2017 and 2016, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 8,913 million and Baht 6,340 million, respectively.

As at December 31, 2017 and 2016, the Bank had equipment which are under finance leases, with the original costs amounting to Baht 445 million and Baht 444 million, respectively.

7.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017
Cost					
Goodwill	12,470	329	-	(242)	12,557
Software	8,347	1,205	(1,001)	(9)	8,542
Other intangible assets	5,763	7	-	(13)	5,757
Total	26,580	1,541	(1,001)	(264)	26,856
Accumulated amortization					
Software	(5,252)	(1,061)	990	7	(5,316)
Other intangible assets	(4,609)	(154)	(2)	1	(4,764)
Total	(9,861)	(1,215)	988	8	(10,080)
Allowance for impairment	(20)	-	-	-	(20)
Goodwill and other intangible assets, net	16,699				16,756

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2016	Balance of Subsidiary as at Purchase Date	Increase	Decrease	Other	Balance as at December 31, 2016
Cost						
Goodwill	9,947	2,477	-	-	46	12,470
Software	7,396	95	887	(34)	3	8,347
Other intangible assets	5,596	161	1	-	5	5,763
Total	22,939	2,733	888	(34)	54	26,580
Accumulated amortization						
Software	(4,171)	(70)	(1,042)	33	(2)	(5,252)
Other intangible assets	(4,271)	-	(338)	-	-	(4,609)
Total	(8,442)	(70)	(1,380)	33	(2)	(9,861)
Allowance for impairment	(20)	-	-	-	-	(20)
Goodwill and other intangible assets, net	14,477					16,699

Unit : Million Baht

	2017	2016
Amortization for the years	1,215	1,380

As at December 31, 2017 and 2016, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 2,197 million and Baht 2,299 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Increase	Decrease	Balance as at December 31, 2017
Cost				
Goodwill	1,054	-	-	1,054
Software	6,929	962	(1,008)	6,883
Other intangible assets	57	-	-	57
Total	8,040	962	(1,008)	7,994
Accumulated amortization				
Software	(4,409)	(897)	989	(4,317)
Other intangible assets	(46)	(1)	-	(47)
Total	(4,455)	(898)	989	(4,364)
Goodwill and other intangible assets, net	3,585			3,630

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2016	Increase	Decrease	Balance as at December 31, 2016
Cost				
Goodwill	1,054	-	-	1,054
Software	6,254	675	-	6,929
Other intangible assets	57	-	-	57
Total	7,365	675	-	8,040
Accumulated amortization				
Software	(3,497)	(912)	-	(4,409)
Other intangible assets	(36)	(10)	-	(46)
Total	(3,533)	(922)	-	(4,455)
Goodwill and other intangible assets, net	3,832			3,585

Unit : Million Baht

	2017	2016
Amortization for the years	898	922

As at December 31, 2017 and 2016, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 1,637 million and Baht 1,855 million, respectively.

7.12 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Deferred tax assets	4,823	4,714	-	-
Deferred tax liabilities	(106)	(457)	(104)	(294)
Net	4,717	4,257	(104)	(294)

Movements of deferred tax assets and deferred tax liabilities during the years are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2017	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Others	Balance at December 31, 2017
Deferred tax assets					
Impairment of assets	343	30	-	-	373
Loans and accrued interest receivables, net	5,592	379	-	-	5,971
Provisions	1,515	134	(73)		1,576
Others	463	137	92	(2)	690
Total	7,913	680	19	(2)	8,610
Deferred tax liabilities					
Asset appraisal surplus	2,178	(68)	-	-	2,110
Investments	76	-	26	-	102
Others	1,402	399	-	(120)	1,681
Total	3,656	331	26	(120)	3,893
Deferred tax assets - net	4,257	349	(7)	118	4,717

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance at January 1, 2016	Balance of Subsidiary as at Purchase Date	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Others	Balance at December 31, 2016
Deferred tax assets						
Impairment of assets	350	-	(7)	-	-	343
Loans and accrued interest receivables, net	5,743	34	(185)	-	-	5,592
Provisions	1,390	-	116	9	-	1,515
Others	773	44	(305)	(49)	-	463
Total	8,256	78	(381)	(40)	-	7,913
Deferred tax liabilities						
Asset appraisal surplus	1,634	-	(65)	609	-	2,178
Investments	174	-	-	(98)	-	76
Others	1,111	223	42	26	-	1,402
Total	2,919	223	(23)	537	-	3,656
Deferred tax assets - net	5,337	(145)	(358)	(577)	-	4,257

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2017	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2017
Deferred tax assets				
Impairment of assets	233	35	-	268
Loans and accrued interest receivables, net	977	415	-	1,392
Provisions	1,277	94	(59)	1,312
Others	193	(57)	(8)	128
Total	2,680	487	(67)	3,100
Deferred tax liabilities				
Asset appraisal surplus	2,105	(68)	-	2,037
investments	198	-	25	223
Others	671	273	-	944
Total	2,974	205	25	3,204
Deferred tax assets (liabilities) - net	(294)	282	(92)	(104)

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	Balance at January 1, 2016	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2016
Deferred tax assets				
Impairment of assets	206	27	-	233
Loans and accrued interest receivables, net	1,401	(424)	-	977
Provisions	1,194	97	(14)	1,277
Others	244	(1)	(50)	193
Total	3,045	(301)	(64)	2,680
Deferred tax liabilities				
Asset appraisal surplus	1,556	(60)	609	2,105
investments	296	-	(98)	198
Others	490	181	-	671
Total	2,342	121	511	2,974
Deferred tax assets (liabilities) - net	703	(422)	(575)	(294)

7.13 Other assets, net

Other assets, net as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Accrued income	2,018	1,733	324	314
Prepayment	1,168	1,809	664	1,306
Other receivables	12,011	9,391	8,680	6,737
Margin call to counterparty	3,032	1,019	3,032	1,019
Others	1,322	1,450	1,463	1,256
Total	19,551	15,402	14,163	10,632

7.14 Deposits

Deposits as at December 31, 2017 and 2016 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current deposit	36,798	33,173	37,796	34,293
Savings deposit	550,962	550,757	555,479	553,394
Time deposit				
- Less than 6 months	341,517	188,335	342,587	188,774
- 6 months and less than 1 year	285,292	260,313	283,739	251,016
- 1 year and over	104,660	75,710	97,104	75,437
Total	1,319,229	1,108,288	1,316,705	1,102,914

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,255,331	1,949	1,257,280	1,038,089	1,945	1,040,034
US Dollar	36,758	11,881	48,639	41,889	11,978	53,867
Other currencies	8,251	5,059	13,310	8,524	5,863	14,387
Total	1,300,340	18,889	1,319,229	1,088,502	19,786	1,108,288

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,264,789	1,619	1,266,408	1,045,442	1,591	1,047,033
US Dollar	36,758	1,737	38,495	41,889	1,349	43,238
Other currencies	8,251	3,551	11,802	8,524	4,119	12,643
Total	1,309,798	6,907	1,316,705	1,095,855	7,059	1,102,914

7.15 Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	1,166	1,166	-	3,506	3,506
Commercial banks	628	47,190	47,818	614	56,140	56,754
Specialized financial institutions	25	6,804	6,829	8	8,986	8,994
Other financial institutions	8,184	1,913	10,097	6,807	660	7,467
Total domestic items	8,837	57,073	65,910	7,429	69,292	76,721
Foreign items						
US Dollar	1,208	211,533	212,741	4,817	231,825	236,642
Yen	-	-	-	-	-	-
Euro	243	-	243	21	-	21
Other currencies	827	-	827	1,014	2	1,016
Total foreign items	2,278	211,533	213,811	5,852	231,827	237,679
Total domestic and foreign items	11,115	268,606	279,721	13,281	301,119	314,400

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	1,166	1,166	-	3,506	3,506
Commercial banks	628	47,190	47,818	614	56,140	56,754
Specialized financial institutions	25	6,804	6,829	8	8,986	8,994
Other financial institutions	11,675	3,914	15,589	10,600	661	11,261
Total domestic items	12,328	59,074	71,402	11,222	69,293	80,515
Foreign items						
US Dollar	1,208	210,797	212,005	4,817	231,116	235,933
Yen	-	-	-	-	-	-
Euro	243	-	243	21	-	21
Other currencies	827	-	827	1,014	-	1,014
Total foreign items	2,278	210,797	213,075	5,852	231,116	236,968
Total domestic and foreign items	14,606	269,871	284,477	17,074	300,409	317,483

Additional information on interbank and money market items, net (liability) is as follows:

As at December 31, 2017 and 2016, the outstanding balances of borrowing from the Bank of Thailand is Baht 1,166 million and Baht 3,506 million, respectively bearing an interest rate at 0.01% per annum. The borrowing is restricted to a soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at a rate not over 3% per annum. The soft loan program duration is 5 years and will end on December 31, 2018.

7.16 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS					
				2017			2016		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated									
debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	24,844	-	24,844
	USD	7.50 - 10.85	2019-2027	-	823	823	-	907	907
Senior securities	THB	1.73 - 4.50	2018-2022	96,325	-	96,325	89,275	-	89,275
Bill of exchange	THB	-	-	8	-	8	41,817	-	41,817
Other borrowings	THB	0.00 - 9.00	2018-2023	2	276	278	7	339	346
	USD	0.00 - 7.59	2018-2023	-	3,381	3,381	-	3,037	3,037
	KHR	10.25 - 10.50	2018	-	66	66	-	100	100
				138,320	4,546	142,866	155,943	4,383	160,326

Unit: Million Baht

				THE BANK'S FINANCIAL STATEMENTS					
				2017			2016		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated									
debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	24,844	-	24,844
Senior securities	THB	1.85 - 2.89	2018 - 2020	70,000	-	70,000	67,500	-	67,500
Bill of exchange	THB	-	-	8	-	8	41,568	-	41,568
Other borrowings	THB	0.00	2023	2	-	2	7	-	7
				111,995	-	111,995	133,919	-	133,919

Additional information on debts issued and borrowings is as follows:

- On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of Baht 14,844 million for a 10-year tenor at the fixed interest rate of 4.7% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or on any interest payment date after the fifth anniversary subject to the approval of the BOT.

On September 28, 2017, the Bank obtained the approval from the BOT to early redeem subordinated debentures. Therefore, the Bank exercised the right to redeem the subordinated debentures on November 7, 2017.

2. On August 11, 2016, the Bank issued subordinated debentures No. 1/2016 in amount of Baht 10,000 million for a 10-year and 6-month tenor at the fixed interest rate of 3.5% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.
3. On May 24, 2017, the Bank issued subordinated debentures No. 1/2017 in amount of Baht 17,007 million for a 10-year and 6-month tenor at the fixed interest rate of 3.9% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.
4. On November 17, 2017, the Bank issued subordinated debentures No. 2/2017 in the amount of Baht 14,978 million for a 10-year tenor at the fixed interest rate of 3.4% per annum, payable quarterly in February, May, August, and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

7.17 Provisions

Provisions for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2016	Increase (Decrease)	Balance at December 31, 2016	Increase (Decrease)	Balance at December 31, 2017
Provision for post-employment benefits obligation	4,751	490	5,241	80	5,321
Others	2,008	84	2,092	55	2,147
Total	6,759	574	7,333	135	7,468

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2016	Increase (Decrease)	Balance at December 31, 2016	Increase (Decrease)	Balance at December 31, 2017
Provision for post-employment benefits obligation	4,157	323	4,480	51	4,531
Others	1,981	(5)	1,976	43	2,019
Total	6,138	318	6,456	94	6,550

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Opening defined benefits obligation	5,241	4,751	4,480	4,157
Current service cost	446	398	343	327
Interest cost	165	156	141	137
Actuarial (gains) losses				
- Experience	27	59	40	23
- Demographic assumptions	(476)	(83)	(382)	(149)
- Financial assumptions	70	66	44	56
Benefit paid	(153)	(108)	(132)	(81)
Transfer employee from subsidiaries	1	2	(3)	10
Closing defined benefit obligation	5,321	5,241	4,531	4,480

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Included in retained earnings:				
As at 1 January	695	653	461	531
Recognized during the years	(379)	42	(298)	(70)
As at 31 December	316	695	163	461

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current service cost	446	398	343	327
Interest on obligation	165	156	141	137
	611	554	484	464

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2017	2016
Financial assumptions		
Discount rate	1.16% - 4.50%	1.54% - 5.00%
Salary increase rate	6.0%	6.0%
Retirement age	55 and 60 years	55 and 60 years

Significant Actuarial Assumptions - Impact on increase (decrease) in Defined Benefit Obligation as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Discount rate - 1% increase	(526)	(530)	(427)	(433)
Discount rate - 1% decrease	611	617	492	500
Salary increase rate - 1% increase	946	935	831	822
Salary increase rate - 1% decrease	(840)	(830)	(742)	(734)

7.18 Finance lease liabilities

Finance lease liabilities as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	11	1	12	24	1	25
One year to five years	11	-	11	21	-	21
Total	22	1	23	45	1	46

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	6	-	6	19	1	20
One year to five years	4	-	4	11	-	11
Total	10	-	10	30	1	31

7.19 Other liabilities

Other liabilities as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Accrued expenses	14,032	12,585	9,653	8,720
Tax payable	4,165	3,298	1,846	1,161
Deposit	4,282	4,514	1,283	1,059
Unearned income from customer loyalty program	2,804	2,814	3	106
Other payables	3,822	2,395	2,724	1,663
Margin call from counterparty	1,962	9,040	1,962	9,040
Others	11,085	9,833	5,739	5,288
Total	42,152	44,479	23,210	27,037

7.20 Share capital

7.20.1 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank 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 not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.20.2 Dividend payment

The Annual General Meeting of Shareholders No. 104 held on April 28, 2016, approved the dividend payment for the six-month period ended December 31, 2015 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on May 26, 2016.

The Board of Directors' Meeting No. 8/2016 held on August 24, 2016, approved the interim dividend payment for the six-month period ended June 30, 2016 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 22, 2016.

The Annual General Meeting of Shareholders No. 105 held on April 27, 2017, approved the dividend payment for the six-month period ended December 31, 2016 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 25, 2017.

The Board of Directors' Meeting No. 8/2017 held on August 23, 2017, approved the interim dividend payment for the six-month period ended June 30, 2017 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 21, 2017.

7.21 Assets with obligations and restrictions

As at December 31, 2017 and 2016, government and state enterprise securities with book value of Baht 59 million and Baht 38,737 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.22 Contingencies

Contingencies as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Avals to bills	1,636	1,475	1,636	1,475
Guarantees of loans	1,369	90	1,369	90
Liability under unmatured import bills	1,437	1,601	1,437	1,601
Letters of credit	7,744	8,425	7,744	8,425
Other contingencies				
- Unused overdraft limit	6,390	17,903	6,390	17,903
- Unused credit line	36,052	31,968	41,915	31,962
- Other guarantees	57,196	60,038	57,196	60,038
- Others	372	196	372	196
Total	112,196	121,696	118,059	121,690

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019 with a local company. As at December 31, 2017 and 2016, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 1,034 million and Baht 1,885 million, respectively.

As at December 31, 2017 and 2016, the Bank has commitments to pay regarding the information technology services the amounts of Baht 2,659 million and Baht 1,496 million, respectively.

As at December 31, 2017 and 2016, the Bank has commitment payment amount of Baht 645 million and Baht 1,479 million as a result of entering to the construction agreement of the office building, respectively.

7.23 Related party transactions

The Bank has business transactions with subsidiaries, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor. 8/2560 regarding the "Guideline on Consolidated Supervision" dated April 27, 2017, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy
The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.
2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy
The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management processes, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

- 7.23.1 Assets, liabilities and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS											
	2017											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	11,889	-	-	1,987	458	-	211,311	-	1,429	1,430	308,370	7,115
Total	11,889	-	-	1,987	458	-	211,311	-	1,429	1,430	308,370	7,115
Joint ventures												
Tesco Card Services Limited		10,006	21	-	83	402	-	-	-	1	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	136	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	574	-	-	-	2	-	-
<u>Less</u> Allowance for doubtful accounts	-	(100)	-	-	-	-	-	-	-	-	-	-
Total	-	9,906	21	-	83	1,112	-	-	-	3	-	-
Related companies having joint major shareholders or directors												
	4	7,728	25	621	16	9,265	172	-	50	11	18,320	1,471
<u>Less</u> Allowance for doubtful accounts	-	(72)	-	-	-	-	-	-	-	-	-	-
Total	4	7,656	25	621	16	9,265	172	-	50	11	18,320	1,471
Individual and related parties												
	-	468	-	-	-	4,665	-	-	-	774	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	468	-	-	-	4,665	-	-	-	774	-	-
Total	11,893	18,030	46	2,608	557	15,042	211,483	-	1,479	2,218	326,690	8,586

CONSOLIDATED FINANCIAL STATEMENTS												
	2016											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo- Mitsubishi UFJ Ltd.	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Total	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Joint ventures												
Tesco Card Services Limited	-	8,502	24	-	89	288	-	-	-	4	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	126	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	1	554	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	-	8,417	24	-	90	968	-	-	-	4	-	-
Related companies having joint major shareholders or directors												
	12	18,141	38	200	-	9,585	263	1,094	356	10	28,597	2,170
<u>Less</u> Allowance for doubtful accounts	-	(77)	-	-	-	-	-	-	-	-	-	-
Total	12	18,064	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Individual and related parties												
	-	469	-	-	-	1,178	-	-	-	396	-	-
<u>Less</u> Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	468	-	-	-	1,178	-	-	-	396	-	-
Total	18,255	26,949	62	3,733	880	11,731	231,936	1,094	3,788	917	464,712	9,579

	THE BANK'S FINANCIAL STATEMENTS											
	2017											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo- Mitsubishi UFJ Ltd.	11,889	-	-	1,987	458	-	211,311	-	1,429	1,430	308,370	7,115
Total	11,889	-	-	1,987	458	-	211,311	-	1,429	1,430	308,370	7,115
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	7,171	2	-	3	7	-	-	-	1	-	44
Ayudhya Capital Auto Lease Public Company Limited	-	19,669	78	-	77	675	-	-	-	111	-	-
Ngern Tid Lor Company Limited	-	3,390	1	-	15	213	-	-	-	-	-	2
Ayudhya Capital Services Company Limited	-	29,020	87	-	80	1,026	-	-	-	12	-	3
General Card Services Limited	-	10,554	20	-	88	353	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	27,225	32	-	718	1,183	-	-	-	9	-	1
Siam Realty and Services Security Company Limited	-	585	-	-	1	90	-	-	-	58	-	-
Total Services Solutions Public Company Limited	-	-	-	-	2	1,333	-	-	-	10	-	-
Krungsri Asset Management Company Limited	-	-	-	-	116	-	3,440	-	-	18	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	1	1,429	-	-	-	64	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	2	2,053	-	-	8	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	198	-	-	-	-	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	1,051	-	-	-	1	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	1,427	-	-	-	1	-	-

	THE BANK'S FINANCIAL STATEMENTS (CONTINUED)											
	2017											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)												
Krungsri Leasing Services Company Limited	-	3,993	2	-	2	26	-	-	-	-	-	-
Hattha Kaksekar Limited	-	1,275	7	11	2	-	-	-	-	-	1,569	-
Krungsri Finnivate Company Limited	-	-	-	-	2	471	-	-	-	-	-	-
Total	-	102,882	229	11	1,109	9,484	5,493	-	-	293	1,569	85
<u>Less</u> Allowance for doubtful accounts	-	(1,029)	-	-	-	-	-	-	-	-	-	-
Total	-	101,853	229	11	1,109	9,484	5,493	-	-	293	1,569	85
Joint ventures												
Tesco Card Services Limited	-	10,006	21	-	50	402	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	136	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	574	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(100)	-	-	-	-	-	-	-	-	-	-
Total	-	9,906	21	-	50	1,112	-	-	-	-	-	-
Related companies having joint major shareholders or directors												
	4	7,728	25	621	-	9,265	172	-	50	10	18,320	1,471
<u>Less</u> Allowance for doubtful accounts	-	(72)	-	-	-	-	-	-	-	-	-	-
Total	4	7,656	25	621	-	9,265	172	-	50	10	18,320	1,471
Individual and related parties												
	-	363	-	-	-	4,518	-	-	-	575	-	-
Total	11,893	119,778	275	2,619	1,617	24,379	216,976	-	1,479	2,308	328,259	8,671

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS												
2016												
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo- Mitsubishi UFJ Ltd.	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Total	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	5,484	1	-	3	2	-	-	-	1	-	45
Ayudhya Capital Auto Lease Public Company Limited	-	35,857	113	-	118	411	-	-	-	145	-	-
Ngern Tid Lor Company Limited	-	5,055	2	-	11	105	-	-	-	-	-	1
Ayudhya Capital Services Company Limited	-	26,255	79	-	67	996	-	-	-	13	-	3
General Card Services Limited	-	12,506	25	-	53	315	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	30,821	47	-	456	864	-	-	-	7	-	1
Siam Realty and Services Security Company Limited	-	555	-	-	1	41	-	-	-	51	-	-
Total Services Solutions Public Company Limited	-	-	-	-	2	1,211	-	-	-	11	-	-
Krungsri Asset Management Company Limited	-	-	-	-	68	-	2,376	-	-	6	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	5	957	-	-	-	65	-	38
Krungsri Securities Public Company Limited	-	-	-	-	3	3	1,417	-	-	7	136	-
Krungsri Factoring Company Limited	-	-	-	-	1	196	-	-	-	1	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	889	-	-	-	1	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	1,363	-	-	-	1	-	-

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)												
	2016											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)												
Krungsri Leasing Services Company Limited	-	1,751	1	-	1	92	-	-	-	-	-	-
Hattha Kaksekar Limited	-	-	-	-	1	-	-	-	-	-	-	-
Total	-	118,284	268	-	790	7,445	3,793	-	-	309	136	88
<u>Less</u> Allowance for doubtful accounts	-	(1,183)	-	-	-	-	-	-	-	-	-	-
Total	-	117,101	268	-	790	7,445	3,793	-	-	309	136	88
Joint ventures												
Tesco Card Services Limited	-	8,502	24	-	31	288	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	126	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	1	554	-	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	-	8,417	24	-	32	968	-	-	-	-	-	-
Related companies having joint major shareholders or directors												
	12	18,141	38	200	-	9,585	263	1,094	356	10	28,597	2,170
<u>Less</u> Allowance for doubtful accounts	-	(77)	-	-	-	-	-	-	-	-	-	-
Total	12	18,064	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Individual and related parties												
	-	405	-	-	-	1,178	-	-	-	271	-	-
Total	18,255	143,987	330	3,733	1,612	19,176	235,729	1,094	3,788	1,097	464,848	9,667

As at December 31, 2017 and 2016, the Bank charges interest rates to related parties at 0.75% - 26.47% p.a. and 0.60% - 23.00% p.a., respectively.

As at December 31, 2017 and 2016, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 1,029 million and Baht 1,183 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.23.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 7.5 and has investments in related companies for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS							
	Business Type	Registered Share Capital	Ownership (%)	2017		2016	
				Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related company							
Sri Ayudhya Capital Public Company Limited	Investment holding company	250	8.50	326	37	326	43
Less Allowance for impairment				(5)	-	(5)	-
Investment in related company, net				321	37	321	43

7.23.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2017				2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1	(373)	3,037	570	5	3,620	2,124	1,278
Total	1	(373)	3,037	570	5	3,620	2,124	1,278
Joint ventures								
Tesco Card Services Limited	232	495	-	6	231	466	-	6
Tesco Life Assurance Broker Company Limited	-	6	2	-	-	6	2	-
Tesco General Insurance Broker Limited	-	23	4	-	-	21	4	-
Total	232	524	6	6	231	493	6	6
Related companies having joint major shareholders or directors								
	253	1,140	59	275	367	47	67	171
Total	253	1,140	59	275	367	47	67	171
Individual and related parties								
	17	5	33	1	12	3	11	-
Total	503	1,296	3,135	852	615	4,163	2,208	1,455

	THE BANK'S FINANCIAL STATEMENTS							
	2017				2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1	(373)	3,037	570	5	3,620	2,124	1,278
Total	1	(373)	3,037	570	5	3,620	2,124	1,278
Subsidiaries								
Ayudhya Development Leasing Company Limited	218	14	-	(5)	115	(29)	-	-
Ayudhya Capital Auto Lease Public Company Limited	1,056	541	17	581	2,017	622	2	442
Ngern Tid Lor Company Limited	171	49	-	1	218	50	-	1
Ayudhya Capital Services Company Limited	738	280	-	4	718	250	-	40
General Card Services Limited	228	44	-	8	292	37	-	6
Krungsriayudhya Card Company Limited	597	143	1	191	644	171	1	157
Siam Realty and Services Security Company Limited	13	4	-	529	13	2	-	517
Total Services Solutions Public Company Limited	-	2	18	51	-	2	16	78
Krungsri Asset Management Company Limited	-	949	38	14	-	620	20	10
Krungsri Ayudhya AMC Limited	-	6	1	(3)	-	10	1	-
Krungsri Securities Public Company Limited	-	21	20	10	-	21	15	14
Krungsri Factoring Company Limited	-	4	-	(1)	-	6	-	-
Krungsri Life Assurance Broker Limited	-	1	11	-	-	1	10	-
Krungsri General Insurance Broker Limited	-	1	14	-	-	2	12	-
Krungsri Leasing Services Company Limited	153	5	-	-	56	13	-	-
Hattha Kaksekar Limited	36	23	-	-	-	-	-	-
Krungsri Innovate Company Limited	-	6	-	-	-	-	-	-
Total	3,210	2,093	120	1,380	4,073	1,778	77	1,265
Joint ventures								
Tesco Card Services Limited	232	30	-	5	231	25	-	4
Tesco Life Assurance Broker Company Limited	-	-	2	-	-	-	2	-
Tesco General Insurance Broker Limited	-	11	4	-	-	10	4	-
Total	232	41	6	5	231	35	6	4
Related companies having joint major shareholders or directors	253	1,134	59	190	367	47	67	171
Total	253	1,134	59	190	367	47	67	171
Individual and related parties	14	5	14	-	12	3	11	-
Total	3,710	2,900	3,236	2,145	4,688	5,483	2,285	2,718

- 7.23.4 For the years ended December 31, 2017 and 2016, compensations paid to key management personnel under TAS 24 (Revised 2016) "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Short-term employee benefits	1,883	1,658	1,215	1,099
Post-employment benefits	58	53	39	37
Other long-term benefits	20	-	17	-
Total	1,961	1,711	1,271	1,136

- 7.23.5 For the years ended December 31, 2017 and 2016, related party transactions among subsidiaries included collection services and other services of Baht 961 million and Baht 977 million, respectively, and office and vehicle rental and facilities service of Baht 71 million and Baht 64 million, respectively.
- 7.23.6 For the years ended December 31, 2017 and 2016, subsidiaries had related party transactions from the licenses relevant to technology and software of Baht 51 million and Baht 53 million, respectively.
- 7.23.7 For the years ended December 31, 2017 and 2016, related party transactions among subsidiaries from other services were Baht 1,511 million and Baht 1,509 million, respectively.
- 7.23.8 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and the Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, BTMU shall provide various services to the Bank as agreed between the Bank and BTMU prior to the transfer. Such services shall include existing services provided by BTMU to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service to BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and BTMU will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date BTMU holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for BTMU to provide funding assistance to the Bank and BTMU shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If BTMU agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with BTMU under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility. Total facility amount is JPY 900,000 million or USD equivalent which equals to Baht 292,500 million using the exchange rate of Baht 32.50:JPY 100.

7.24 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, in 2017, the subsidiary had sold assets to managements in the amount of Baht 6 million with the book value of Baht 6 million.

7.25 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental and service as at December 31, 2017 and 2016 which are summarized as follows:

Unit: Million Baht

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Land and/or premises and equipment	Within 1 year	1,278	1,422	1,082	1,054
	Greater than 1-5 years	1,349	1,203	1,073	936
	Greater than 5 years	218	239	25	30
		2,845	2,864	2,180	2,020

7.26 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transactions for preparation of consolidated financial statements.

During the years ended December 31, 2017 and 2016, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENT			
	2017			
	Retail	Commercial	Others	Total
Interest income, net	46,556	21,924	55	68,535
Other operating income	25,172	8,302	(1,529)	31,945
Total operating income	71,728	30,226	(1,474)	100,480
Operating expenses	36,569	11,356	285	48,210
Impairment loss of loans and debt securities	16,349	4,534	2,087	22,970
Profit (loss) before tax	18,810	14,336	(3,846)	29,300
Taxation	3,779	2,689	(729)	5,739
Net profit (loss)	15,031	11,647	(3,117)	23,561
Total assets	820,603	1,441,891	(173,722)	2,088,772

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENT			
	2016			
	Retail	Commercial	Others	Total
Interest income, net	38,629	23,334	14	61,977
Other operating income	22,753	8,075	(1,318)	29,510
Total operating income	61,382	31,409	(1,304)	91,487
Operating expenses	32,367	9,586	1,127	43,080
Impairment loss of loans and debt securities	16,315	2,816	2,184	21,315
Profit (loss) before tax	12,700	19,007	(4,615)	27,092
Taxation	2,578	3,775	(945)	5,408
Net profit (loss)	10,122	15,232	(3,670)	21,684
Total assets	723,458	1,343,525	(183,795)	1,883,188

7.27 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017			
	Domestic	Foreign	Elimination	Total
Total assets	2,062,031	39,196	(12,455)	2,088,772
Interbank and money market items, net (Assets)	323,049	7,748	-	330,797
Investments, net*	86,156	1	-	86,157
Loans to customers and accrued interest receivable, net	1,474,719	24,126	-	1,498,845
Deposits	1,305,174	14,055	-	1,319,229
Interbank and money market items, net (Liabilities)	274,989	4,732	-	279,721
Debt issued and borrowings	137,045	5,821	-	142,866

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2016			
	Domestic	Foreign	Elimination	Total
Total assets	1,859,911	29,055	(5,778)	1,883,188
Interbank and money market items, net (Assets)	192,861	7,422	-	200,283
Investments, net*	133,700	1	-	133,701
Loans to customers and accrued interest receivable, net	1,384,619	18,666	-	1,403,285
Deposits	1,093,458	14,830	-	1,108,288
Interbank and money market items, net (Liabilities)	311,917	2,483	-	314,400
Debt issued and borrowings	155,968	4,358	-	160,326

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2017			
	Domestic	Foreign	Elimination	Total
Total assets	1,997,683	9,274	(7,148)	1,999,809
Interbank and money market items, net (Assets)	321,187	4,453	-	325,640
Investments, net*	141,572	-	-	141,572
Loans to customers and accrued interest receivable, net	1,386,140	1,036	-	1,387,176
Deposits	1,314,657	2,048	-	1,316,705
Interbank and money market items, net (Liabilities)	284,475	2	-	284,477
Debt issued and borrowings	111,995	-	-	111,995

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2016			
	Domestic	Foreign	Elimination	Total
Total assets	1,803,616	6,287	(3,936)	1,805,967
Interbank and money market items, net (Assets)	191,464	2,989	-	194,453
Investments, net*	187,473	-	-	187,473
Loans to customers and accrued interest receivable, net	1,303,858	1,096	-	1,304,954
Deposits	1,100,903	2,011	-	1,102,914
Interbank and money market items, net (Liabilities)	317,462	21	-	317,483
Debt issued and borrowings	133,919	-	-	133,919

*Includes investments in subsidiaries and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017			
	Domestic	Foreign	Elimination	Total
Interest income	91,583	3,603	(188)	94,998
Interest expenses	25,212	1,446	(195)	26,463
Net interest income	66,371	2,157	7	68,535
Fees and service income, net	19,634	41	-	19,675
Other operating income	19,139	91	(6,960)	12,270
Other operating expenses	76,516	1,617	(6,953)	71,180
Profit from operating before tax	28,628	672	-	29,300

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2016			
	Domestic	Foreign	Elimination	Total
Interest income	84,852	1,133	(60)	85,925
Interest expenses	23,510	498	(60)	23,948
Net interest income	61,342	635	-	61,977
Fees and service income, net	18,115	60	-	18,175
Other operating income	19,147	68	(7,880)	11,335
Other operating expenses	71,725	550	(7,880)	64,395
Profit from operating before tax	26,879	213	-	27,092

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2017			
	Domestic	Foreign	Elimination	Total
Interest income	64,891	64	-	64,955
Interest expenses	24,729	10	-	24,739
Net interest income	40,162	54	-	40,216
Fees and service income, net	9,568	23	-	9,591
Other operating income	17,197	55	(6,953)	10,299
Other operating expenses	52,029	204	(6,953)	45,280
Profit from operating before tax	14,898	(72)	-	14,826

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2016			
	Domestic	Foreign	Elimination	Total
Interest income	59,692	100	-	59,792
Interest expenses	22,998	9	-	23,007
Net interest income	36,694	91	-	36,785
Fees and service income, net	8,833	26	-	8,859
Other operating income	21,278	62	(7,879)	13,461
Other operating expenses	48,858	119	(7,879)	41,098
Profit from operating before tax	17,947	60	-	18,007

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.28 Interest income

Interest income for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Interbank and money market items	3,425	2,833	3,413	2,822
Investment and trading transactions	81	139	81	139
Investment in debt securities	2,188	2,148	2,188	2,148
Loans to customers	61,095	56,483	44,392	43,845
Hire purchase and finance lease	28,209	24,322	14,881	10,838
Total interest income	94,998	85,925	64,955	59,792

7.29 Interest expenses

Interest expenses for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Deposits	12,628	12,450	11,832	12,213
Interbank and money market items	3,959	3,202	4,004	3,215
Contributions to Financial Institution Development Fund and Deposit Protection Agency	5,751	5,222	5,751	5,222
Debt issued and borrowings				
- Subordinated debenture	1,500	866	1,409	837
- Other	2,579	2,186	1,728	1,505
Borrowing fee expense	28	7	11	11
Other	18	15	4	4
Total interest expenses	26,463	23,948	24,739	23,007

7.30 Fees and service income, net

Fees and service income, net for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Fees and service income				
- Acceptances, aval and guarantees	537	501	537	502
- Other	25,804	23,641	13,199	11,967
Total fees and service income	26,341	24,142	13,736	12,469
Fees and service expenses	6,666	5,967	4,145	3,610
Total fees and service income, net	19,675	18,175	9,591	8,859

7.31 Gains on trading and foreign exchange transactions, net

Gains on trading and foreign exchange transactions, net for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	4,264	3,652	4,231	3,571
- Derivative of interest rates	(46)	250	(25)	250
- Debt securities	7	(2)	7	(2)
- Equity securities	7	4	2	2
- Other	1	1	-	-
Total	4,233	3,905	4,215	3,821

7.32 Gains on investments, net

Gains on investments, net for the years ended December 31, 2017 and 2016 are as follows

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Gains on sales of investments				
- Available-for-sale	892	545	892	545
- General investments	4	54	4	54
	896	599	896	599
Losses on impairments				
- Subsidiaries	-	-	(100)	-
Total	896	599	796	599

7.33 Impairment loss on loans and debt securities

Impairment loss on loans and debt securities (reversal) for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Interbank and money market items	(73)	69	(73)	69
Impairment loss on debt instrument (reversal)	(50)	-	(50)	-
Loans to customers	21,581	20,460	13,662	11,982
Loss on troubled debt restructuring (reversal)	1,512	786	39	(376)
Total	22,970	21,315	13,578	11,675

7.34 Income tax expenses

Income tax expenses for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current tax for the years	6,088	5,051	2,424	1,854
Deferred tax	(349)	358	(282)	422
Total income tax expenses	5,739	5,409	2,142	2,276

Reconciliation of effective tax rate

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2017		2016		2017		2016	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	29,300		27,092		14,826		18,007	
Income tax at the domestic tax rate	5,860	20.00	5,418	20.00	2,965	20.00	3,601	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	867	2.96	1,462	5.40	97	0.65	105	0.58
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(988)	(3.38)	(1,471)	(5.43)	(920)	(6.21)	(1,430)	(7.94)
Income tax expenses as per statements of profit or loss and other comprehensive income	5,739	19.58	5,409	19.97	2,142	14.44	2,276	12.64

7.35 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the years ended December 31, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2017			2016		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified eventually to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	163	(33)	130	(242)	48	(194)
Gains (losses) arising from translating the financial statements of a foreign operation	(527)	101	(426)	120	(24)	96
Item that will not be reclassified subsequently to profit or loss						
Changes in assets revaluation surplus	-	-	-	3,047	(609)	2,438
Actuarial gains (losses) on defined benefit plans	379	(75)	304	(42)	8	(34)
Share of other comprehensive income of joint venture	1	-	1	(4)	1	(3)
Other comprehensive income	16	(7)	9	2,879	(576)	2,303

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2017			2016		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	163	(33)	130	(242)	48	(194)
Item that will not be reclassified subsequently to profit or loss						
Changes in assets revaluation surplus	-	-	-	3,047	(609)	2,438
Actuarial gains (losses) on defined benefit plans	298	(59)	239	70	(14)	56
Other comprehensive income	461	(92)	369	2,875	(575)	2,300

7.36 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 28, 2018.

AUDITOR'S FEE

Audit fees*

The Bank and its affiliates paid audit fees as the following:

- To the Bank and its affiliates' auditors of 26,754,085 baht.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 101,040.

Non-audit fees

The Bank paid non-audit fees for services consisting of preparation of special reporting as required by Bank of Thailand, special audit etc., to:

The Bank's auditors

- In the past year, sum of 324,895 baht, and in the future, an additional sum of 702,000 baht will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank's auditors employed

- In the past fiscal year, sum of 0 baht, and in the future, an additional sum of HKD 170,500 will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

GENERAL INFORMATION

COMPANY INFORMATION

Name of company:	Bank of Ayudhya Public Company Limited
Registration number:	0107536001079
Business type:	Commercial bank
Head office address:	1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone:	0-2296-2000
Facsimile:	0-2683-1304
Krungsri call center:	1572
Website:	www.krungsri.com

Investors can study more about Krungsri from Annual Registration Statement (Form 56-1), disclosed in www.sec.or.th or company website www.krungsri.com.

Nature of Business

The Bank engages in business as defined by the Commercial Banking Act, the Securities Act, the Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into three core categories:

- 1. Deposit services** - The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types:
 - Current accounts
 - Savings accounts
 - Time deposits
 - Foreign currency deposits
- 2. Loan services** - The Bank provides different loan services as follows:
 - Overdrafts (O/D)
 - Loans, including promissory notes and term loans to business customers
 - Housing loans and personal loans to retail customers
 - Foreign currency loans
 - Trade finance credit
 - Other loan services, such as aval/acceptance, letter of guarantee/Bank guarantee, letter of credit and financial status certification issue, etc.
- 3. Other services**
 - Banking services through e-channels
 - Domestic money transfer services
 - International money transfer services
 - Electronic banking services to facilitate international trade via Krungsri Trade Link
 - Automatic account debit and credit (auto payments), life insurance and non-life insurance brokerage services
 - Investment banking services
 - Securities business services
 - Cash management services
 - Transaction banking services
 - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rates and interest rates
 - Trade finance services
 - Government bonds, treasury bills and state enterprise bonds

SHAREHOLDING STRUCTURE

As of the latest closing date on September 8, 2017.

The list of shareholders holding ordinary shares over 0.5% of the total shares (7,355,761,773 issued and paid-up ordinary shares at a par value of 10 baht per share) is as follows:

Item	Shareholder Name	Number of Shares	% of Total Shares
1.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. BAY Account	5,655,332,146	76.88
2.	Stronghold Assets Company Limited	166,536,980	2.26
3.	The Great Luck Equity Company Limited	166,478,940	2.26
4.	GL Asset Company Limited	166,414,640	2.26
5.	BBTV Satelvision Company Limited	166,151,114	2.26
6.	BBTV Asset Management Company Limited	163,112,900	2.22
7.	Bangkok Broadcasting & T.V. Company Limited	160,789,220	2.19
8.	Mahakij Holdings Company Limited	158,726,810	2.16
9.	Tun Rung Rueng Company Limited	157,889,440	2.15
10.	Super Assets Company Limited	51,421,714	0.70
11.	C.K.R Company Limited	48,528,834	0.66
	Other Shareholders	294,379,035	4.00
	TOTAL	7,355,761,773	100.00

Remark: During the year, the investors can access the up-to-date information at www.krungsri.com under the heading-Investor Relations > General Information > Shareholder Structure

THE BANK'S SECURITIES

Number of Registered and Paid-up Capital as of December 31, 2017

Registered capital:	75,741,437,470.00 baht	
	Number of shares: 7,574,143,747	Par value: 10.00 baht
Paid-up capital:	73,557,617,730.00 baht	
	Number of shares: 7,355,761,773	Par value: 10.00 baht

Debt Instruments or Convertible Securities

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2017
Long Term Bonds (Non-Collaterals)				
1. Subordinated Instrument No. 1/2016 (BAY272A) Amount: 10,000.00 Issue date: August 11, 2016 Debenture rating (Fitch): AA+ Agent: None	3.50%	February 11, 2027 (10.5 years)	-	10,000.00
2. Subordinated Instrument No. 1/2017 (BAY27NA) Amount: 17,007.00 Issue date: May 24, 2017 Debenture rating (Fitch): AA+ Agent: None	3.90%	November 24, 2027 (10.5 years)	-	17,007.00
3. Subordinated Instrument No. 2/2017 (BAY27NB) Amount: 14,978.00 Issue date: November 17, 2017 Debenture rating (Fitch): AA+ Agent: None	3.40%	November 17, 2027 (10 years)	-	14,978.00
4. Debenture No. 1/2015 Series 2 (BAY182A) Amount: 4,000.00 Issue date February 27, 2015 Debenture rating (Fitch): AAA Agent: None	2.89%	February 27, 2018 (3 years)	-	4,000.00
5. Debenture No. 2/2015 Series 2 (BAY189A) Amount: 7,000.00 Issue date: September 30, 2015 Debenture rating (Fitch): AAA Agent: None	2.25%	September 30, 2018 (3 years)	-	7,000.00
6. Debenture No. 1/2016 (BAY193A) Amount: 12,000.00 Issue date: February 29, 2016 Debenture rating (Fitch): AAA Agent: None	1.86%	March 1, 2019 (3 years)	-	12,000.00
7. Debenture No. 2/2016 Series 1 (BAY186A) Amount: 5,000.00 Issue date: June 24, 2016 Debenture rating (Fitch): AAA Agent: None	1.89%	June 24, 2018 (2 years)	-	5,000.00

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2017
8. Debenture No. 2/2016 Series 2 (BAY196A) Amount: 7,000.00 Issue date: June 24, 2016 Debenture rating (Fitch): AAA Agent: None	1.96%	June 24, 2019 (3 years)	-	7,000.00
9. Debenture No. 3/2016 Series 1 (BAY180A) Amount: 9,000.00 Issue date: October 27, 2016 Debenture rating (Fitch): AAA Agent: None	1.94%	October 27, 2018 (2 years)	-	9,000.00
10. Debenture No. 3/2016 Series 2 (BAY190A) Amount: 6,000.00 Issue date: October 27, 2016 Debenture rating (Fitch): AAA Agent: None	2.09%	October 27, 2019 (3 years)	-	6,000.00
11. Debenture No. 1/2017 (BAY203A) Amount: 10,000.00 Issue date: March 29, 2017 Debenture rating (Fitch): AAA Agent: None	2.25%	March 29, 2020 (3 years)	-	10,000.00
12. Debenture No. 2/2017 (BAY20NA) Amount: 10,000.00 Issue date: November 3, 2017 Debenture rating (Fitch): AAA Agent: None	1.85%	November 3, 2020 (3 years)	-	10,000.00

Other Debt Instruments (Non-Collaterals) (Issued in 2017)

1. Bill of Exchange, Major Investment Amount: 437,155.36 Issue date: January 4 – September 29, 2017 Debenture rating (Fitch): AAA Agent: None	0.50% - 1.25%	Depending on the date of purchase (not over 270 days)	-	0.00
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Remarks: - Thailand Securities Depository Co., Ltd. is the Registrar for the Bank's ordinary share.
 - Securities Services Operations Department is the Registrar for the Bank's Debenture.
 - Treasury and Capital Market Operations Department is the Registrar for the Bank's Bill of Exchange.

Debentures redeemed during 2017

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collaterals)			
1. Subordinated Debenture No.1/2012 (BAY22NA)	14,843.60	November 7, 2012	November 7, 2017
2. Debenture No. 1/2015 Series 1 (BAY172A)	4,000.00	February 27, 2015	February 27, 2017
3. Debenture No. 1/2014 Series 2 (BAY174A)	5,500.00	April 4, 2014	April 4, 2017
4. Debenture No. 2/2015 Series 1 (BAY179A)	8,000.00	September 30, 2015	September 30, 2017
Other Debt Instruments (Non-Collaterals) (Issued in 2017)			
1. Bill of Exchange, Major Investment	437,155.36	January 4 – September 29, 2017	Depending on the date of purchase (2 – 186 days)

The Bank obligations on share issuance in the future
 -None-

DIVIDEND PAYOUT POLICY

1. Our Dividend Payout Policy

The Bank will determine dividend payment by taking into consideration capital adequacy as the first priority and other factors including the actual operating results, returns to shareholders and regulatory requirements (with additional conditions).

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, that states 'Dividends shall not be paid from other sources than profits. The company shall allocate as reserves a portion of its net annual profit not less than the proportion specified by the Laws. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, and after approval by the shareholders' at the AGM.

The Bank may from time to time pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's consolidated profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

Dividends shall be paid within the period prescribed by the Law, beginning from the date that the dividend resolution is passed by the general meeting of the shareholders or by the Board of Directors. A written notice shall also be sent to shareholders and dividend payment announcements shall be published in a newspaper.'

The Bank's dividend payments are subject to regulatory requirements and the Bank of Thailand notification no. SorNorSor. 20/2558 Re: Guidelines on Accounting of Financial institutions section 8 of dividend Policy dated December 4, 2015 which stipulate that financial institutions should not pay dividends from unrealized gains, no real cash inflow, and profit from non-true sales transactions.

2. Our Subsidiaries' Dividend Payout Policy

All dividend payments by the Bank's subsidiaries must be approved by a resolution of the shareholders at a general shareholder meeting and must be in compliance with relevant rules and regulations.

The subsidiaries may from time to time pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels.

In each case, the company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's registered capital.

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar

- Ordinary shares : Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building,
Rachadapisek Road, Din Daeng, Bangkok 10400
Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Debenture No. 1/2016 : Bank of Ayudhya PCL
- Subordinated Instrument No. 1/2017 : 1222 Rama III Road, Bang Phongphang,
- Subordinated Instrument No. 2/2017 : Yan Nawa, Bangkok 10120
- Long Term Debenture No. 1/2015 (1 tranche) Tel: 0-2296-2833, 0-2296-4772 and 0-2296-5696
- Long Term Debenture No. 2/2015 (1 tranche) Fax: 0-2683-1389
- Long Term Debenture No. 1/2016 (1 tranche)
- Long Term Debenture No. 2/2016 (2 tranches)
- Long Term Debenture No. 3/2016 (2 tranches)
- Long Term Debenture No. 1/2017 (1 tranche)
- Long Term Debenture No. 2/2017 (1 tranche)

Debenture Holder Representative

- Subordinated Instrument No. 1/2016 : None
- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Long Term Debenture No. 1/2015 (1 tranche) : None
- Long Term Debenture No. 2/2015 (1 tranche) : None
- Long Term Debenture No. 1/2016 (1 tranche) : None
- Long Term Debenture No. 2/2016 (2 tranches) : None
- Long Term Debenture No. 3/2016 (2 tranches) : None
- Long Term Debenture No. 1/2017 (1 tranche) : None
- Long Term Debenture No. 2/2017 (1 tranche) : None

Auditors

- : Mr. Permsak Wongphatcharakorn Certified Public Accountant Registered No. 3427
- Mr. Niti Jungnitnirundr Certified Public Accountant Registered No. 3809
- Mr. Chavala Tienpasertkij Certified Public Accountant Registered No. 4301

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
11/1 AIA Building, Sathon Tower, Floor 23-27,
South Sathon Road, Yan Nawa, Sathon, Bangkok 10120
Tel: 0-2034-0000, Fax: 0-2034-0100

Legal Advisors

- : Mr. Kanok Indrambarya
- Mr. Chotechuong Thapvongse
- Pol. Gen. Ajiravid Subarnbhesaj
- Bank of Ayudhya PCL
- 1222 Rama III Road, Bang Phongphang,
- Yan Nawa, Bangkok 10120
- Tel: 0-2296-3872 and 0-2296-3882, Fax: 0-2683-1436

GROUP OF COMPANIES

SUBSIDIARIES AND JOINT VENTURES

Krungsri AMC

Krungsri Ayudhya AMC Ltd.

Bank of Ayudhya PCL Head Office, Floor 11
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2296-4100
Facsimile: 0-2683-1400

Krungsri Factoring

Krungsri Factoring Co., Ltd.

Bank of Ayudhya PCL Head Office, Floor 19
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone: 0-2208-2849
Facsimile: 0-2208-2858

Krungsri Leasing

Ayudhya Development Leasing Co., Ltd.

Krungsri Ploenchit Tower, Floor 14
550 Ploenchit Road, Lumpini,
Pathumwan, Bangkok 10330
Telephone: 0-2208-2300
Facsimile: 0-2208-2274

Krungsri Auto

Ayudhya Capital Auto Lease PCL

Krungsri Ploenchit Tower, Floor 16
550 Ploenchit Road, Lumpini,
Pathumwan, Bangkok 10330
Telephone: 0-2627-6010, 0-2740-7400
Facsimile: 0-2627-8211

Krungsri Microfinance

Ngern Tid Lor Co., Ltd.

Juthamard Building, Floor 4, 5, 9, 10
89/170 Moo 3, Vibhavadi Rangsit Road,
Talad Bangkhen, Laksi, Bangkok 10210
Telephone: 0-2792-1888
Facsimile: 0-2792-1949

Hattha Kaksekar Limited

606, Street 271, Sansam Kosal 3 Village,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, the Kingdom of Cambodia

Krungsri Consumer

Ayudhya Capital Services Co., Ltd.

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8000

Krungsri Leasing Services Co., Ltd.

House No. 355, Nui 12 Khampheang Meung Road,
Phonethan Village, Saysettha District,
Vientiane Capital, Lao PDR.

General Card Services Limited

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8111
Facsimile: 0-2627-8381

Krungsriayudhya Card Co., Ltd.

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2646-3000
Facsimile: 0-2646-3001

Krungsri Life Assurance Broker Limited

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8028
Facsimile: 0-2627-4117

Krungsri General Insurance Broker Limited

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 0-2627-8029
Facsimile: 0-2627-4117

Tesco Card Services Limited

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 1712
Facsimile: 0-2627-8615

Tesco Life Assurance Broker Limited

Krungsri Ploenchit Tower
550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Telephone: 1712
Facsimile: 0-2627-8611

Tesco General Insurance Broker Limited

Krungsri Ploenchit Tower

550 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Telephone: 1712

Facsimile: 0-2627-8611

Krungsri Securities**Krungsri Securities PCL**

898 Ploenchit Tower Floor 3,

Ploenchit Road, Pathumwan, Bangkok 10330

Telephone: 0-2659-7000

Facsimile: 0-2646-1100

Krungsri Asset Management**Krungsri Asset Management Co., Ltd.**

898 Ploenchit Tower Floor 1-2 Zone A

and Floor 12, 18 Zone B,

Ploenchit Road, Pathumwan, Bangkok 10330

Telephone: 0-2657-5757

Facsimile: 0-2657-5777

Krungsri Services**Siam Realty and Services Security Co., Ltd.**

Bank of Ayudhya PCL Head Office (Tower C Floor 5A)

1222 Rama III Road, Bang Phongphang,

Yan Nawa, Bangkok 10120

Telephone: 0-2296-3435, 0-2296-2364

Facsimile: 0-2296-2369

Total Services Solutions PCL

2/3 Moo 14, Bangna Tower B,

Bangna-Trad Road, K.M.6.5, Bangkaew, Bangplee,

Samutprakarn

Telephone: 0-2714-5199

Facsimile: 0-2777-0009

Venture Capital**Krungsri Finnovate Co., Ltd.**

Bank of Ayudhya PCL Head Office, Floor 10

1222 Rama III Road, Bang Phongphang,

Yan Nawa, Bangkok 10120

Telephone: 0-2646-3649

COMPANIES THAT THE BANK HOLDS SHARES OF 10% BUT LESS THAN 20% OF ITS PAID-UP CAPITAL**P.P. Parawood Co., Ltd.**

111/1 Moo 1 Tambonbanchang, Phanatnikom,

Chonburi 20140

Telephone: (038) 464-270-73

Rent Trade and Service Co., Ltd.

888 Moo 9, Soi Roongcharoen, Lieb Klong Suvarnabhumi

Road, Bangpla, Bangplee, Samutprakarn 10540

Telephone: 0-2130-0668

Facsimile: 0-2130-0689

Finnomena Company Limited⁽¹⁾

99/37 Soi Bang Waek 17, Bang Waek, Phasi Charoen,

Bangkok 10160

Telephone: 097-054-8730

COMPANIES WITH SHARES ACQUIRED THROUGH DEBT RESTRUCTURING**Lenso Phonecard Co., Ltd.**

292 Srinakarin Road, Huamark, Bangkok, Bangkok 10240

Telephone: 0-2351-8116

Facsimile: 0-2351-8009

UMC Metals Limited

32/40 Sino-Thai Tower, Floor 16,

Sukhumvit 21 Road (Asok),

North Klongteoy, Wattana, Bangkok 10110

Telephone: 0-2259-2942-5

Facsimile: 0-2259-2946

Remark: ⁽¹⁾ Indirectly holding via Krungsri Finnovate Co., Ltd. of 13.158%

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

AS OF DECEMBER 31, 2017

HEAD OFFICE

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Telephone:

0-2296-2000

Krungsri Call Center:

1572

Facsimile:

0-2683-1304

Website:

www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand

700

Greater Bangkok and vicinity

299

Upcountry

401

Number of overseas branches outside Thailand

2

Foreign Currency Exchange Booths

92

Exclusive Banking Zones

39

No.	Branch	Telephone
1	RAMA III OFFICE	02-2962000
2	PLOENCHIT OFFICE BRANCH	02-2082170, 02-2082111, 02-2082172, 02-2082196, 02-2082197
3	RAJWONGSE BRANCH	02-2245510, 02-2245624-6
4	PHAHURAD BRANCH	02-2211604, 02-2217740
5	PRATUNAM BRANCH	02-2513277, 02-2538963, 02-2515388
6	VORACHAK BRANCH	02-2217678, 02-2217422, 02-2219738
7	BANGRAK BRANCH OFFICE	02-2377177, 02-2377158
8	BANGKRABUE BRANCH	02-2433256, 02-2433262
9	PAKKLONG-TALAD BRANCH	02-2230530, 02-2229637
10	WONGWIEN 22 KARAKADA BRANCH	02-2227585, 02-2230760
11	BANGLAMPOO BRANCH	02-2828253-4
12	KLONGTEOI BRANCH	02-2498012-4
13	SAPAN-KWAI BRANCH	02-2722990-4
14	EKAMAI BRANCH	02-7140082-5
15	WONGWIEN-YAI BRANCH	02-4370173-4, 02-4378029
16	BANGKHAE BRANCH	02-4542947-50
17	CHOL BURI BRANCH	038-282301-3
18	SUPHAN BURI BRANCH	035-523961-3
19	NAKORNRAJSIMA BRANCH	044-251341-2, 044-242099, 044-242388, 044-253023
20	BANPHAI BRANCH	043-272108, 043-272680, 043-272162, 043-272655
21	UDORNDHANI BRANCH	042-246511, 042-221497, 042-244737
22	UBOLRAJHDHANI BRANCH	045-244885, 045-254065
23	CHAIYAPHOOM BRANCH	044-821339-41
24	LAMPANG BRANCH	054-323269-72, 054-227077
25	CHIENGMAI BRANCH	053-252441, 053-251130-1, 053-277261
26	PETCHABOON BRANCH	056-722572-3, 056-711110

No.	Branch	Telephone
27	CHANTABURI BRANCH	039-346386, 039-311023, 039-311562
28	HAADYAI BRANCH	074-239065-6, 074-243051
29	TUNGSONG BRANCH	075-412684-5, 075-411475, 075-411575
30	TRANG BRANCH	075-218338, 075-218038
31	PATTANI BRANCH	073-332772-3
32	NARADHIWAAS BRANCH	073-511202-3
33	PAKCHONG BRANCH	044-313908-9
34	PETCHBURI NEW EXT. RD. BRANCH	02-3080042-5
35	BANGKAPI BRANCH	02-3771724, 02-3775352, 02-3771212
36	SAO-CHINGCHA BRANCH	02-2225206, 02-2248805
37	PHRA-PRADAENG BRANCH	02-4630115, 02-4631012, 02-4634208
38	DAO-KHANONG BRANCH	02-4760036, 02-4765369
39	SUAN-PHLU BRANCH	02-2873011-3
40	KHON-KAEN BRANCH	043-220856-7, 043-221293
41	PRANBURI BRANCH	032-622345, 032-622038, 032-621997
42	NONG-PHAI BRANCH	056-781411-5
43	RATCHATHEVI BRANCH	02-6536720-1, 02-2511251, 02-2516992, 02-2523033
44	FUTURE MART RAMA III BRANCH	02-2920673-4, 02-2891141
45	SAMYAEK BRANCH OFFICE	02-2211520-9
46	BANG-KHEN BRANCH	02-5613017-8, 02-5791619
47	TRAD BRANCH	039-521151-3
48	HIN-KONG BRANCH	036-379013-4, 036-390572-3
49	PHRABUDHABATH BRANCH	036-268022-4
50	KLONGSARN BRANCH	02-4371377, 02-4372646, 02-4371351
51	DIN-DAENG BRANCH	02-6428838-40, 02-2454241-2

No.	Branch	Telephone
52	KLONG PRAPA BRANCH	02-2700829, 02-2713171
53	CHAKRAPHAT PHONG BRANCH	02-2801757-8
54	MUAKLEK BRANCH	036-341076-7, 036-341048-9
55	WANG NOI BRANCH	035-271882-3
56	TIWANON (KHAERAI) BRANCH	02-5883671, 02-9514292-3
57	SONGPHINONG BRANCH	035-531491-2, 035-531015, 035-531097
58	AYUDHYA BRANCH	035-245718-20, 035-241783
59	PHITSANULOK BRANCH	055-302599, 055-302600-3
60	CHACHOENGSAO BRANCH	038-514272-3, 038-511220
61	FUTURE PARK RANGSIT BRANCH	02-9580245-9
62	SAMRONG BRANCH	02-3843623-4
63	THANON NANG LINCHI BRANCH	02-6783016-8, 02-2868842, 02-2865892
64	TAPHAN-HIN BRANCH	056-622313-4, 056-622680
65	PHUNPHIN BRANCH	077-311523, 077-311967, 077-311423, 077-311127
66	DONMUANG (NEW BRIDGE) BRANCH	02-9725644-7, 02-5211466-7
67	UTTARADIT BRANCH	055-411357, 055-411457
68	OCEAN CHUMPHON BRANCH	077-511491, 077-511493, 077-503043, 077-501446, 077-511459, 077-501861
69	SRI CHIENGMAI BRANCH	042-451336-8
70	SIYAEK WISUTKASAT BRANCH	02-2824688-9
71	SIYAEK SAPAN KRUNGTHON BRANCH	02-4240125, 02-4245023
72	YALA BRANCH	073-211688-9
73	HUA-HIN BRANCH	032-511768, 032-511444 (Fax)
74	THA MUANG BRANCH	034-612412-3, 034-611139
75	PRAISANEKLANG BRANCH	02-2334372-3
76	U THONG BRANCH	035-551081, 035-551933, 035-551944
77	DET-UDOM BRANCH	045-361001-2
78	BAN PONG BRANCH	032-201949-50, 032-221869, 032-211416, 032-211872
79	PHIBUN MANGSAHAN BRANCH	045-441400-1, 045-441160, 045-441180
80	CHAINAT BRANCH	056-412696-9
81	PHON THONG BRANCH	043-571035-7
82	KRATHUMBAEN BRANCH	034-472580-1, 034-471476-7
83	BANG PAKONG BRANCH	038-531250-1, 038-532026-7
84	SI RACHA BRANCH	038-311375, 038-311857, 038-311852
85	BAN BUNG BRANCH	038-444019-20, 038-443623
86	CHUM PHAE BRANCH	043-311309-10, 043-311076
87	PHAN BRANCH	053-721251-2
88	SAM PHRAN BRANCH	034-322795-9
89	LUK KAE BRANCH	034-566423-4, 034-566140, 034-566072
90	TAKHLI BRANCH	056-261249, 056-261530
91	RAJAVAT BRANCH	02-2413978, 02-2414143
92	SUAN MALI BRANCH	02-2235413, 02-2237305
93	THA RUA BRANCH	035-341969-70, 035-341119
94	SONGKHLA BRANCH	074-321077-9, 074-311755, 074-311955, 074-316131-2
95	CHARU MUANG BRANCH	02-2142352-3
96	TAK BRANCH	055-513511-3
97	SAMUT PRAKAN BRANCH	02-3871814-5
98	MAHA SARAKHAM BRANCH	043-722227-8, 043-711130

No.	Branch	Telephone
99	ROI ET BRANCH	043-511615-6, 043-511910, 043-519757
100	SING BURI BRANCH	036-520697-8, 036-510000, 036-520697-9, 036-511356, 036-511778, 036-511766
101	KALASIN BRANCH	043-811556-7
102	UNION MALL LAT PHRAO BRANCH	02-5113149, 02-5111698
103	TALAT PHLU BRANCH	02-4669766, 02-4669672
104	NAKHON NAYOK BRANCH	037-312644-5
105	SIYAEK ASOK BRANCH	02-2618119-21
106	CHIANG RAI BRANCH	053-744641-2, 053-717661-2
107	LOP BURI BRANCH	036-411599-600, 036-420658-9
108	THA DIN DAENG BRANCH	02-4372509, 02-4373359
109	SAMRAY BRANCH	02-4386811-2, 02-4372590, 02-4374725
110	TAO PUN BRANCH	02-5854217, 02-5856799
111	SUKHUMWIT 35 BRANCH	02-2590020-3
112	YAOWARAT BRANCH	02-2231555, 02-2235336-7
113	PHRAE BRANCH	054-511595-6
114	RATCHABURI BRANCH	032-325650, 032-337991-2, 032-325651-2
115	SIYAEK SUAPA BRANCH	02-2235334-5, 02-2235310
116	SAMUT SAKHON BRANCH	034-411986-7
117	NAKHON SAWAN BRANCH	056-228017-8
118	SIAM SQUARE BRANCH	02-2551116-7
119	PHETCHABURI BRANCH	032-425888, 032-425999, 032-428612
120	SURAWONG BRANCH	02-6314050-9
121	SURAT THANI BRANCH	077-283116-9, 077-273007-8
122	BANG SU BRANCH	02-5870635-6
123	SAM YOD BRANCH	02-2230785-7, 02-2239637-8
124	BURI RAM BRANCH	044-614128-30
125	URUPHONG BRANCH	02-2157000-1
126	SAPHANLUANG BRANCH	02-2154593-4, 02-6117929, 02-2161340, 02-2161341
127	SURIN BRANCH	044-515061-2
128	THANON CHAN BRANCH	02-2874384-8
129	PHANAT NIKHOM BRANCH	038-461378-9, 038-788011-3, 038-462378-9
130	SIKHIU BRANCH	044-412465-6
131	KLAENG BRANCH	038-674427-8
132	PAK KRET BRANCH	02-9607961-2, 02-5837073, 02-5837726, 02-5838593
133	NAM PHONG BRANCH	043-431341-2
134	PHUKET BRANCH	076-211110, 076-211592, 076-221512, 076-211811
135	PRATU CHANG PHUAK BRANCH	053-211700-1, 053-217576-8
136	NAKHON SI THAMMARAT BRANCH	075-342789, 075-346125
137	THA PHRA BRANCH	02-4570067, 02-4570534
138	HUAMARK BRANCH	02-3146746-7, 02-3145841, 02-3181136
139	THANON MITTRAPHAP (NAKHON RATCHASIMA) BRANCH	044-256866, 044-256900
140	CHAKKRAWAT BRANCH	02-2221677, 02-2221848
141	SANAM POA BRANCH	02-6150198-9
142	NONTHABURI BRANCH	02-9672000-1
143	NAKHON PATHOM BRANCH	034-251155-7
144	SARABURI BRANCH	036-315696-9, 036-222277-9 (Fax)

No.	Branch	Telephone
145	RAYONG BRANCH	038-6115340, 038-612648, 038-612846
146	RATCHADAPHISEK (HUAIKHWANG) BRANCH	02-2754906-10
147	KANCHANABURI BRANCH	034-515058-9, 034-512396-7
148	SAPHAN PHRACHAO TAKSIN BRANCH	02-4370230, 02-4387726
149	SUTTHISAN BRANCH	02-2700164-5
150	SAPHAN PRA PINKLAO BRANCH	02-4330085-8
151	SI SAKET BRANCH	045-612293-4
152	ARUN-AMARIN BRANCH	02-4126186-8
153	THANON PHET KASEMHAT YAI BRANCH	074-230557-8
154	PHUTTHAISONG BRANCH	044-689114-5
155	BANG PLA MA BRANCH	035-587623-4, 035-587088, 035-587358
156	RANONG BRANCH	077-811777, 077-821205, 077-821622, 077-821206, 077-812841, 077-812941
157	PHU WIANG BRANCH	043-291290-2
158	NON SUNG BRANCH	044-379111-3
159	WIANG SA BRANCH	077-361958-60
160	SAMUT SONGKHRAM BRANCH	034-713039-40, 034-715496-8
161	YASOTHON BRANCH	045-711844-5, 045-712956
162	SUKHOTHAI BRANCH	055-612671-2
163	THANON PHATTHANAKAN BRANCH	02-3183289, 02-3147700
164	LAT PHRAO 102 BRANCH	02-5394508-11
165	KAMPHAENG PHET BRANCH	055-713013-4
166	SAKON NAKHON BRANCH	042-713001-2, 042-713790 Ext. 112 (Fax)
167	NAN BRANCH	054-772584-6
168	THANON MALIWAN BRANCH	043-239790-1, 043-243821, 043-239762
169	PATTAYA BRANCH	038-426907-8, 038-424440, 038-424151, 038-427943-5
170	NA KLANG BRANCH	042-359023-4
171	PHANOM PHRAI BRANCH	043-591141-2
172	SIYAEK KHAO RAI YA BRANCH	039-471206-8, 039-471091
173	BANG SAI BRANCH	035-741111-5
174	RAT BURANA BRANCH	02-4641445-6, 02-4635772-4
175	WANON-NIWAT BRANCH	042-791165-6
176	HUAI KRA BOK BRANCH	032-291091-3, 032-291184-85, 032-291237, 032-291238 (Fax)
177	BANG-O BRANCH	02-4240948, 02-4352257, 02-4357328, 02-4357329
178	BAN TAK BRANCH	055-591249-50
179	SUKHUMVIT 101/1 (PIYAROM PLACE) BRANCH	02-7305549-51
180	KHAO YOI BRANCH	032-562057-8, 032-561682-3, 032-561056 (Fax)
181	KHAI BANG RACHAN BRANCH	036-597050-2, 036-535427-8
182	SRINAKARIND-ON NUT BRANCH	02-3211584, 02-3218838
183	CHAENG WATTHANA 14 BRANCH	02-5746174-6
184	THANON PHRARAM THI 4 (KLONGTEOI) BRANCH	02-2609506-10
185	BO PHLOI BRANCH	034-581055-6, 034-581051, 034-581096

No.	Branch	Telephone
186	BAN RONG PO BRANCH	038-241031-4
187	THUNG YAI BRANCH	075-489004-5
188	BIG C WONGSAWANG BRANCH	02-9139708-13
189	PRACHIN BURI BRANCH	037-213217-8
190	NONG KHAI BRANCH	042-420743-4
191	MUANG SAMSIP BRANCH	045-489004-5
192	SUKHUMWIT 23 BRANCH	02-2611914-7
193	PHATTHALUNG BRANCH	074-612998-9
194	RATCHADAPHISEK (THAPHRA-TAKSIN) BRANCH	02-4779692-4
195	KO SAMUI BRANCH	077-420176-8, 077-420179
196	KANCHANADIT BRANCH	077-379028-30
197	PATONG BRANCH	076-340809-10
198	THANON CHAYANGKUN UBONRATCHATHANI BRANCH	045-244594-5
199	THA RUA PHRA THAEN BRANCH	034-562005-6, 034-562013, 034-562119, 034-561454, 034-561682
200	KAMPHAENG SAEN BRANCH	034-351705-6
201	SIYAEK WANG HIN BRANCH	02-5705584-5
202	NONGBUA UDONTANI BRANCH	042-243434, 042-243436
203	THAP PUT BRANCH	076-599044-6, 076-599290-1
204	BANGBON BRANCH	02-4168366, 02-4168367
205	PHAYAO BRANCH	054-481863-4
206	THANON CHANG KHLAN CHIANG MAI BRANCH	053-270431-4, 053-273069, 053-275397, 053-270434 (Fax)
207	NONG PRATHIP CHIANG MAI BRANCH	053-240240-4, 053-249215 (Fax)
208	LOM SAK BRANCH	056-702009-11
209	BANG MUN NAK BRANCH	056-631844-7
210	BIG C SRINAKARIN BRANCH	02-3834763-7
211	THANON SI PHUWANAT HAT YAI BRANCH	074-221003-5
212	UTHAI THANI BRANCH	056-512561-4
213	MAP TA PHUT BRANCH	038-608991-4
214	PATHUM THANI BRANCH	02-5813908-10
215	SATTAHIP BRANCH	038-437780-3, 038-438522
216	SAMMAKORN PLACE RAMKHAMHAENG 110 BRANCH	02-3734740-2
217	WONG WIEN SA KAE LOB BURI BRANCH	036-422601-2
218	THANON SAWANWITHI NAKHON SAWAN BRANCH	056-227866-7, 056-227493-4
219	SUNGA KOLOK BRANCH	073-615741-3
220	MIN BURI BRANCH	02-5179897-9
221	LAT BUA LUANG BRANCH	035-379350-2
222	THANON TIWANON (KHLONG BANG TALAT) BRANCH	02-5806611, 02-5806622
223	KRABI BRANCH	075-664002-5
224	PRACHUAP KHIRI KHAN BRANCH	032-611980-1, 032-601521
225	THA YANG BRANCH	032-771067-9
226	THANON SUKHUMWIT CHOLBURI BRANCH	038-274520-1, 038-272653-5, 038-289097
227	MAE HONG SON BRANCH	053-612334-5
228	PHANGNGA BRANCH	076-411989, 076-412444, 076-412333, 076-412003, 076-412399, 076-412499

No.	Branch	Telephone
229	BANG MOT BRANCH	02-4284389-90
230	LOEI BRANCH	042-812619-20
231	ROJANA INDUSTRIAL PARK BRANCH	035-330515, 035-330525
232	THANON RAT BURANA(BANGPAKOK) BRANCH	02-4284534-5, 02-4284537
233	THANON CHAROEN NAKHON SOI 4 BRANCH	02-4389424, 02-4379978-9
234	FORTUNE TOWN BRANCH	02-2483380-3
235	AO UDOM BRANCH	038-352466-9, 038-351970, 038-352904-6, 038-352791
236	SOI THONG LO BRANCH	02-3816428-30
237	LUMPINI BRANCH	02-2856696-9
238	PHOTHARAM BRANCH	032-354317-8, 032-233291-4
239	NAVANAKORN BRANCH	02-5292076-8
240	SAM LIAM DIN DAENG BRANCH	02-6424020-1
241	KACHET BRANCH	038-648295-6
242	NONG DON BRANCH	036-397225-8
243	THANON RAMKHAMHAENG 19 BRANCH	02-7189302-3
244	BANG BUA THONG BRANCH	02-5713530-4
245	LAT KRABANG BRANCH	02-3268815-8
246	THANON SUKHAPHIBAN 1 BRANCH	02-3755801-2, 02-7346967
247	BANG YAI BRANCH	02-5940608-9, 02-5940605
248	SATUN BRANCH	074-722500-2
249	ON NUJ 23 BRANCH	02-3322737, 02-3322837
250	PHICHIT BRANCH	056-612510-4
251	CHA-AM BRANCH	032-472047-51
252	NAKHON PHANOM BRANCH	042-513082-5
253	THANON RAM INDRA KM.8 BRANCH	02-5095880-3
254	PHANOM SARAKHAM BRANCH	038-551840-3
255	THANON SURASAKI SIRACHA BRANCH	038-324272-6
256	THANON ROT FAI RATCHABURI BRANCH	032-322388-92
257	PRACHA NIWET 1 BRANCH	02-9543880-2, 02-5807108-9
258	SA KAE0 BRANCH	037-241810-3
259	MAKHAMTIA BRANCH	077-288750-3
260	TALAT SI MUM MUANG BRANCH	02-5368154-6
261	THANON RATCHADAPHISEK (OLYMPIA THAI TOWER)	02-5138731-5
262	PLOENCHIT TOWER BRANCH	02-2630667-9
263	NAKHON CHAIS1 BRANCH	034-333640-4
264	HANG DONG BRANCH	053-441986-7
265	SEACON BANGKAE BRANCH	02-4548701-5
266	CENTRAL PLAZA LAMPANG BRANCH	054-811690-4
267	THANON RANGSIT-NAKHON NAYOK (KHLONG 2) BRANCH	02-9660916-8
268	ANG THONG BRANCH	035-611817-8, 035-611048, 035-611984
269	MUKDAHAN BRANCH	042-613035-6
270	THANON SUKHAPHIBAN 2 BRANCH	02-3741935-8

No.	Branch	Telephone
271	THANON POON PHOL PHUKET BRANCH	076-221885-6, 076-221009
272	SENA BRANCH	035-202009, 035-202279
273	THANON BANG NA-TRAT (CENTRAL CITY) BRANCH	02-3610625-6, 02-3610562-4
274	THANON PHET KASEM 55 BRANCH	02-4546969, 02-4549966
275	THANON THIAM RUAM MIT BRANCH	02-2744008-10
276	MAE SOT BRANCH	055-533781-3
277	HA YAEK PHOKHUN MENGRAI BRANCH	053-711793, 053-711292
278	THANON CHOM THONG BRANCH	02-4765740-1, 02-4688096
279	TESCO LOTUS CHARAN SANITWONG 15 BRANCH	02-4114264, 02-4114268, 02-411396-8
280	THANON SRINAKARIND-KRUNG THEP KRITHA BRANCH	02-3751249, 02-3753917, 02-3755503
281	NONGKHAEM BRANCH	02-4442958-9
282	CHUMPHON BRANCH	077-505032, 077-505034, 077-505069
283	PARADISE PARK BRANCH	02-7460194-9
284	THANON NGAM WONG WAN BRANCH	02-5916676, 02-9518403-4
285	THANON SRINAKARIND-SUKHUMWIT BRANCH	02-3891443, 02-3891465, 02-7030334-5
286	LANG SUAN BRANCH	077-582513-5, 077-541514, 077-541541
287	SAPHAN PRA NANGKLAO BRANCH	02-5270241-5
288	THANON HAI SOKE ROI ET BRANCH	043-511830, 043-513307, 043-515002
289	LAMPHUN BRANCH	053-510246-50
290	MAYA CHIANG MAI BRANCH	053-219803-6, 053-221312
291	THANON SUKHUMWIT 71 BRANCH	02-3901936, 02-3812171
292	LAM NARAI BRANCH	036-461994-5
293	THANON RAM INDRA KM.2 BRANCH	02-9716678-82
294	SAPHAN CHOM KLAO PHETCHABURI BRANCH	032-400641-3, 032-400704-5, 032-400703 (Fax)
295	THANON WAT KINGKAE0 BRANCH	02-3169495-6, 02-7501718-9
296	THANON SATHU PRADIT BRANCH	02-2951104-5
297	THANON CHAENG WATTHANA (SOFTWARE PARK) BRANCH	02-9623104-8
298	THANON PRACHA UTHIT BRANCH	02-4271041, 02-4271415
299	MAE SAI BRANCH	053-731506-9, 053-731505
300	THANON SONG PRAPHA BRANCH	02-5664291-3
301	THANON BANG NA TRAT(INTERLINK TOWER) BRANCH	02-7514036-40
302	THANON PATTAYA TAI BRANCH	038-425524-5, 038-411993, 038-411992
303	OM NOI BRANCH	02-4310131-6
304	THANON SUEKSA CHAROEN PHETCHABOON BRANCH	056-722247-8
305	THA PHRA KHON KAEN BRANCH	043-261661-5

No.	Branch	Telephone
306	THANON RAMA II BRANCH	02-4514094-8
307	BANG PA-IN BRANCH	035-261125, 035-261356, 035-261465
308	PHRAN NOK BRANCH	02-4114543, 02-4182515, 02-4125615-6
309	THANON BANG KHUN THIAN BRANCH	02-4163481-2
310	NARESUAN UNIVERSITY BRANCH	055-261125-6
311	PROMENADA RESORT MALL CHIANG MAI BRANCH	053-142746-50
312	THANON VIBHAVADIRANGSIT (SUNTOWERS) BRANCH	02-6176486-90
313	KAENG KHOI BRANCH	036-245320-3
314	NONG KHAIE BRANCH	036-380238-41
315	SUKHUMWIT 103 (UDOM SUK) BRANCH	02-3838793-7
316	PHRA PRATHON BRANCH	034-242826-7
317	BANG SAPHAN BRANCH	032-691891-2, 032-691885-7, 032-691574 (Fax)
318	RAMA IX-SRINAKARIND BRANCH	02-3001642, 02-3001645
319	KABIN BURI BRANCH	037-210976-9, 037-210980
320	THANON THEP KRASATTRI PHUKET BRANCH	076-236337-8, 076-222892, 076-222183
321	THANON MITTRAPHAP- YAEK PAKTHONGCHAI BRANCH	044-277324-5
322	SAN KAMPHAENG BRANCH	053-392592, 053-330106-8, 053-330110 (Fax)
323	THANON SUKHUMWIT 63 BRANCH	02-7114600-6
324	BANG PU BRANCH	02-3243581-5
325	WARIN CHAMRAP BRANCH	045-322372-6
326	NONG BUA LAM PHU BRANCH	042-312536-40
327	THANON KANCHANAWANIT SONGKHLA BRANCH	074-325806-10
328	MAE RIM BRANCH	053-299916-9
329	THANON SUKHUMWIT TRAD BRANCH	039-520993, 039-520997
330	THANON PHRAEKSA SAMUTPRAKAN BRANCH	02-3870081-2, 02-3870804
331	HUA THALE NAKHON RATCHASIMA BRANCH	044-246833-6, 044-2468358
332	AMNAT CHAROEN BRANCH	045-511731-4
333	RACHA TEWA BRANCH	02-3124795-7, 02-3124898-9
334	KASETSART UNIVERSITY BRANCH	02-5610643, 02-5613490-1, 02-5610638
335	PHON SAWAN BRANCH	042-595119, 042-595091
336	PRATUNAM PHRA-IN BRANCH	035-354011-4
337	BANG BO BRANCH	02-7085393, 02-7085419, 02-7084495, 02-7083054, 02-7084920
338	DON PHUT BRANCH	036-385112-4
339	THANON RAM INDRA- VACHARAPHOL BRANCH	02-5094993, 02-5095095, 02-5095071
340	THANON CHAROEN NAKHON SOI 35 BRANCH	02-4391104, 02-4396448, 02-4390615, 25
341	SI BANPHOT BRANCH	074-689164-6

No.	Branch	Telephone
342	THANON BOROMARAJAJONANI (TALING CHAN) BRANCH	02-4336910, 02-4333417
343	THANON THEPHARAK BRANCH	02-3850975-9
344	THANON SUKSAWAT 53 BRANCH	02-4632510, 02-4632920, 02-4632560
345	THANON PHATTHANAKAN KHUKHWANG BRANCH	075-349232-3, 075-349587-8
346	THANON MITTRAPHAP KHONKAEN BRANCH	043-227617, 043-227620, 043-227623, 043-227624-5
347	THANON CHOTANA CHIANGMAI BRANCH	053-217815-6, 053-271829-30, 053-217814 (Fax)
348	BIG C SUPHANBURI BRANCH	035-494956-9, 035-494960
349	THANON BOROMARAJAJONANI (PINKLAO) BRANCH	02-4331468, 02-4334985, 02-4333273, 02-4348962
350	THANON PHAHONYOTHIN 26 (ELEPHANT TOWER) BRANCH	02-9374984-90
351	THANON SATHON NUA (A.I.-CENTER) BRANCH	02-6377276-85
352	THANON AKATOSAROT PHITSANULOK BRANCH	055-259111, 055-259113-5, 055-259118
353	CHOKCHAI 4 BRANCH	02-5301696, 02-5303790
354	THANON PRACHARAT SAI 1 BRANCH	02-5852610, 02-5868897
355	NANG RONG BRANCH	044-631811-14
356	ON NUJ 69 BRANCH	02-7260475-8
357	THANON RATCHADAPHISEK (CENTRAL RAMA III) BRANCH	02-6736309-14
358	BETONG BRANCH	073-835816-7, 073-235819-20
359	THANON PHAHON YOTHIN SARABURI BRANCH	036-214270-3
360	FANG BRANCH	053-451720-4
361	NOENTENG CHOLBURI BRANCH	038-261101-3
362	THANON KANCHANAWANIT HAT YAI BRANCH	074-298724-6
363	SIYAEK SANAMBIN CHIANGMAI BRANCH	053-280525-7, 053-904065 (Fax)
364	ONG KHARAK BRANCH	037-322268-9
365	THANON RAT BANCHOP SAMUT SAKHON BRANCH	034-428126-7
366	THANON PHOSI UDONTANI BRANCH	042-249736-7
367	THANON LAMLUKKA (KHLONG 2) BRANCH	02-5233933-5
368	ASSUMPTION UNIVERSITY (THANON BANGNA-TRAD KM.26) BRANCH	02-7070350-4
369	NAKHON RATCHASIMA RAJABHAT UNIVERSITY BRANCH	044-248405-6
370	SUAN DUSIT RAJABHAT UNIVERSITY BRANCH	02-2418325-7
371	SAKON NAKHON RAJABHAT UNIVERSITY BRANCH	042-970101-3
372	CHIANGRAI RAJABHAT UNIVERSITY BRANCH	053-776038, 053-776066, 053-776166-7

No.	Branch	Telephone
373	CHAWENG BEACH BRANCH	077-413736-8, 077-413709
374	CENTRAL LAT PHRAO BRANCH	02-5411176-7
375	ASSUMPTION UNIVERSITY (HUA MARK) BRANCH	02-3004452-4
376	BURI RAM RAJABHAT UNIVERSITY BRANCH	044-601519, 044-614159
377	MAE NAM BRANCH	077-427787-8, 077-447404-5, 077-427789
378	AO NANG KRABI BRANCH	075-695429-31, 075-695493-5
379	IRPC RAYONG BRANCH	038-623939-41
380	STAR IT CENTER RAYONG BRANCH	038-623842-4, 038-623381-2
381	CENTRAL RAMA II BRANCH	02-8721478-80
382	KHAO LAK PHANG-NGA BRANCH	076-485425-7
383	KHONKAEN UNIVERSITY BRANCH	043-202260-1, 043-342388
384	LAMPANG RAJABHAT UNIVERSITY BRANCH	054-241140-2
385	CHULALONGKORN 42 BRANCH	02-2191624-6
386	UBON RATCHATHANI RAJABHAT UNIVERSITY BRANCH	045-255416, 045-255537
387	NIKHOM PHATTHANA RAYONG BRANCH	038-637585-6, 038-637495 (Fax)
388	EASTERN SEABOARD INDUSTRIAL ESTATE BRANCH	038-656256-7, 038-954704
389	BIG C UDON THANI BRANCH	042-212733-4, 042-128613
390	LAMAI BEACH BRANCH	077-419017-8, 077-601716
391	TESCO LOTUS AMATA NAKORN CHONBURI BRANCH	038-457462-5
392	HA YAEK CHALONG PHUKET BRANCH	076-384034-6
393	THE MALL BANG KAPI BRANCH	02-3746177-8, 02-3746294
394	THE MALL BANG KHAE BRANCH	02-4553930-1, 02-4553921
395	QUEEN SIRIKIT NATIONAL CONVENTION CENTER BRANCH	02-2295592-4
396	304 INDUSTRIAL PARK PRACHIN BURI BRANCH	037-274300-1, 037-208314
397	RAJAMANGALA UNIVERSITY OF TECHNOLOGY THANYABURI BRANCH	02-5774504-5, 02-9274744
398	IMPACT MUANG THONG THANI BRANCH	02-5045162-4, 02-5034694
399	KAMALA BEACH PHUKET BRANCH	076-278113-4, 076-385473, 076-385474 (Fax)
400	THANON SAI ASIA NAKHONSANAWAN BRANCH	056-228188-90
401	HI-TECH INDUSTRIAL ESTATE BRANCH	035-314337-9
402	SOCIAL SECURITY OFFICE BRANCH	02-5269610-2
403	WELLGROW INDUSTRIAL ESTATE BRANCH	038-517820-1, 038-842253

No.	Branch	Telephone
404	BLUPOINT HUA HIN RESORT MALL BRANCH	032-523233-6, 032-523237 (Fax)
405	THE MALL NGAM WONG WAN BRANCH	02-5500630-1
406	TESCO LOTUS PATTAYA (NORTH) BRANCH	038-423399, 038-423044, 038-370641
407	CENTRAL FESTIVAL PHUKET BRANCH	076-367005-7
408	THANON RATCHAWITHI NAKHON PATHOM BRANCH	034-275020-1, 034-280282
409	FASHION ISLAND BRANCH	02-9475140-1, 02-9475483-6
410	THANON BANG KHUN THIAN-CHAI THALE BRANCH	02-8946537-9
411	PHI PHI ISLAND BRANCH	075-601010-2
412	KASEMRAD PRACHACHUEN HOSPITAL BRANCH	02-5874240-1
413	SOI NOEN PLUB WAN PATTAYA BRANCH	038-406272, 038-732085, 038-406273
414	TESCO LOTUS PHUKET BRANCH	076-524235-8
415	J-AVENUE THONG LO BRANCH	02-1853113-4
416	CHOENG THALE PHUKET BRANCH	076-325062, 076-325139
417	THANON CHALOEM PHRA KIAT PHUKET BRANCH	076-376001, 076-376005
418	BEACH ROAD (CHAWENG) BRANCH	077-413464-8, 077-413463
419	TALAT THANOMMIT VACHARAPHOL BRANCH	02-3470292-5
420	TESCO LOTUS MAHACHAI 2 BRANCH	034-866334-8
421	SI YAEK PAK RUAM BRANCH	038-337245-6
422	KO CHANG BRANCH	039-551431-2
423	EMPIRE TOWER BRANCH	02-6701648-50
424	GRAND CANAL BRANCH	02-5752163-4
425	KASEMRAD RATTANATIBETH HOSPITAL BRANCH	02-5940937-9
426	TALAT WONGSAKORN BRANCH	02-5635341-2, 02-5635350, 02-5635343-4
427	THANON CHOMSIN HUA HIN BRANCH	032-515370-1, 032-513084-5, 032-515406 (Fax)
428	ROBINSON BANGRAK BRANCH	02-2355812-4, 02-2355815 (Fax)
429	LAEM CHABANG BRANCH	038-493542-3, 038-493556
430	TALAT MIN BURI BRANCH	02-5171022-3, 02-5171025, 02-5172278-9
431	THAI SUMMIT TOWER BRANCH	02-2513114-6
432	CENTRAL PINKLAO BRANCH	02-4334830-1, 02-4334833, 02-4334923, 02-4334836 (Fax)
433	THANON KHEHA ROMKLAO BRANCH	02-5571033-5
434	TESCO LOTUS PHATTHANAKAN BRANCH	02-3221278-80, 02-3222416, 02-3212537
435	TESCO LOTUS BANGYAI BRANCH	02-4592190, 02-4592195-8
436	THANON NA NAI PATONG BRANCH	076-345163-4, 076-345161 (Fax)

No.	Branch	Telephone
437	CHOENG MON BEACH BRANCH	077-448223, 077-417139
438	TALAAD THAI BRANCH	02-5291121, 02-5291960, 02-5292508
439	TESCO LOTUS BOWIN BRANCH	038-117120-3
440	ZUELLIG HOUSE BRANCH	02-2335134-6
441	THANON SUKHUMWIT PATTAYA BRANCH	038-424376, 038-424722-3, 038-410972
442	KHLONG KHRU SAMUT SAKHON BRANCH	034-426917, 034-426897, 034-4268917
443	KING MONGKUT'S INSTITUTE OF TECHNOLOGY LADKRABANG BRANCH	02-3264715-7
444	KABINBURI INDUSTRIAL ZONE BRANCH	037-455334, 037-455502-3
445	CENTRAL WORLD BRANCH	02-2517055-9
446	Q. HOUSE CONVENT BRANCH	02-2345475-7
447	NAVA NAKORN INDUSTRIAL PROMOTION ZONE BRANCH	02-5291295, 02-5293266, 02-5293974
448	NORTHERN REGION INDUSTRIAL ESTATE (LAMPHUN) BRANCH	053-582112-4
449	SAHA GROUP INDUSTRIAL PARK SIRACHA BRANCH	038-482325, 038-482334, 038-482366, 038-482078-9
450	HOME PRO RATCHAPHRUEK BRANCH	02-4233645-8
451	HOME PRO BANG NA BRANCH	02-3251167-9, 02-3251170-71
452	EASTERN SEABOARD INDUSTRIAL ESTATE 2 BRANCH	038-656446-7
453	BIG C CHAENG WATTHANA 2 BRANCH	02-5841411, 02-5841432, 02-5841664
454	CENTURY PLAZA BRANCH	02-2459517-9
455	CENTRAL RATTANATHIBET BRANCH	02-5254546-7
456	CENTRAL AIRPORT CHIANG MAI BRANCH	053-281660-2
457	SIAM PARAGON BRANCH	02-1294560-5
458	BIG C KANLAPAPHRUEK BRANCH	02-4170630-4
459	PTT THANON RATCHAPHRUEK BRANCH	02-4322223-5
460	KO PHA-NGAN BRANCH	077-377276, 077-377627, 077-377651
461	BOPHUT BRANCH	077-427540-2, 077-427542
462	BANG PHUN BRANCH	02-5818545-7, 02-5818564-6
463	PTT THANON PHUTTHAMONTHON SAI 4 BRANCH	02-4292051, 02-4292104, 02-4292130
464	Q. HOUSE LUMPINI BRANCH	02-3438791-3
465	PTT THANON CHALONG KRUNG BRANCH	02-3605213-5, 02-3605084-5
466	BANGKOK PATTAYA HOSPITAL BRANCH	038-422514, 038-422526, 038-422534
467	PINTHONG INDUSTRIAL ESTATE BRANCH	038-348184-6
468	TESCO LOTUS RANGSIT KLONG 7 BRANCH	02-5774636-8, 02-5775833-4
469	THANON PATAK (KARON) BRANCH	076-398249-51

No.	Branch	Telephone
470	SOI BOONSAMPAN PATTAYA BRANCH	038-406683-5, 038-406684
471	SOI BUAKHAO PATTAYA BRANCH	038-415873-5
472	SOI NAKLUEA 16 PATTAYA BRANCH	038-416617-9
473	DON HUALO (AMATA NAKHON CHON BURI) BRANCH	038-453049-51
474	KO PHO CHON BURI BRANCH	038-209787-9
475	PTT THANON EKKACHAI BRANCH	034-418190-2, 034-867708-10
476	PTT THANON SURANARAI NAKHON RATCHASIMA BRANCH	044-257061-3
477	THANON CHALOEM PHRA KIAT (PATTAYA SAI 3) BRANCH	038-413485, 038-413486, 038-413487 (Fax)
478	TESCO LOTUS WARIN CHAMRAP BRANCH	045-323770-3
479	TESCO LOTUS KHON KAEN BRANCH	043-472611, 043-472659-60, 043-472674-5
480	SILPAKORN UNIVERSITY (SANAM CHANDRA PALACE CAMPUS) BRANCH	034-271133, 034-271484, 034-271598
481	THANON PHRAYASATCHA CHON BURI BRANCH	038-272319-20, 038-272400, 038-287744
482	BAN SAI YUAN (RAWAI) BRANCH	076-388804-6, 076-388004
483	PTT THANON TIWANON BRANCH	02-5845501-3
484	HOMEPRO KHON KAEN BRANCH	043-271624-6
485	HOMEPRO UDON THANI BRANCH	042-246000, 042-246733-4
486	HUA HIN MARKET VILLAGE BRANCH	032-526463-6, 032-526467 (Fax)
487	PAI BRANCH	053-699062, 053-699097
488	ESPLANADE RATCHADA BRANCH	02-6609120-22
489	PETCHASEM AVENUE BRANCH	02-8092961-2, 02-8092403
490	J.J. MALL BRANCH	02-2659544-6
491	PHATTHANANIKHOM SOI 12 (LOPBURI) BRANCH	036-436066, 036-943611-4, 036-436574-5
492	ALL SEASONS PLACE	02-2501240-1, 02-2501244, 02-6853032-3
493	HUACHIEW CHALERMPRAKIET UNIVERSITY BRANCH	02-3126625, 02-3126719, 02-3126765
494	IMPERIAL WORLD SAMRONG BRANCH	02-3806214-6
495	ROBINSON SRIRACHA BRANCH	038-322067, 038-322086, 038-322107
496	TALAT SAVE ONE NAKHON RATCHASIMA BRANCH	044-222131, 044-222141, 044-222158
497	THANON PHUTTHAMONTHON SAI 5 BRANCH	02-4207715, 02-4207720, 02-4207723
498	JUNGCEYLON PHUKET BRANCH	076-366029-30, 076-366141, 076-366031 (Fax)
499	THE AVENUE CHAENGWATTHANA BRANCH	02-5738106, 02-5738107, 02-5738108

No.	Branch	Telephone
500	THE AVENUE PATTAYA BRANCH	038-052003-5
501	THANON PHRABARAMI PHUKET BRANCH	076-322179-80, 076-322183
502	THANON THEPHARAK KM.22.5 (YES BANGPHLI) BRANCH	02-3152984-6
503	PA KHLOK PHUKET BRANCH	076-379850-2, 076-379853 (Fax)
504	THANON CHAO FA (EAST) PHUKET BRANCH	076-525071-2, 076-525073 (Fax)
505	THANON WIRAT HONGYOK PHUKET BRANCH	076-522190-4
506	TESCO LOTUS SALAYA BRANCH	02-4822100-1
507	PTT THANON SERI THAI BRANCH	02-3798910, 02-3798914, 02-3798916
508	SOI KHAO TA LO PATTAYA BRANCH	038-333255-7
509	PTT RATCHAPHRUEK-RATTANATHIBET BRANCH	02-1919864-6
510	CENTRAL FESTIVAL EAST VILLE BRANCH	02-5536188-92
511	LAEMTHONG BANGSAEN BRANCH	038-385353-7
512	CENTRAL FESTIVAL SAMUI BRANCH	077-410497-500, 077-410501
513	BIG C AYUTTHAYA BRANCH	035-747152-4
514	THANON ASSUMPTION SRIRACHA BRANCH	038-338461-4, 038-338446
515	THE GOVERNMENT COMPLEX COMMEMORATING (BUILDING B) BRANCH	02-1439636-8
516	CENRAL CHAENG WATTHANA BRANCH	02-1938081-3
517	CENTRAL FESTIVAL PATTAYA BEACH BRANCH	038-043250-3
518	HARBOR MALL LAEM CHABANG BRANCH	038-493673-5
519	CENTRAL CHON BURI BRANCH	038-053601-3
520	SUNEE TOWER UBONRATCHATHANI BRANCH	045-316804-5, 045-316015
521	TERMINAL 21 KORAT BRANCH	044-498561-5
522	SAHATHAI GARDENT PLAZA SURATTHANI BRANCH	077-910133-5, 077-910136 (Fax)
523	BAN CHANG BRANCH	038-603349-50
524	LAT PHRAO 101 BRANCH	0-23755553, 0-23755452, 0-23755318
525	PTT THANON KANCHANAPHISEK 2 BRANCH	02-4479050-1
526	SOI MANGKORN SAMUT PRAKAN BRANCH	02-3343334-6
527	CENTRAL PLAZA KHON KAEN BRANCH	043-288100-2
528	ENERGY COMPLEX BRANCH	02-5370130-1
529	JOMTIEN BEACH (KONGDONGTAN) BRANCH	038-059572-4

No.	Branch	Telephone
530	ODEAN FASHION MALL HATYAI BRANCH	074-223861-3
531	SAHATHAI PLAZA THUNGSONG BRANCH	075-411666, 075-411900
532	THANON BANGNA-TRAT BANGNA TOWER BRANCH	02-3120370-2
533	BIG C RAMA IV BRANCH	02-2593704-8
534	THE MALL NAKHONRATCHASIMA BRANCH	044-393457-9
535	THANON EAKKACHAI PHOJAE BRANCH	034-451636-8
536	TESCO LOTUS KAMTHIENG CHIANG MAI BRANCH	053-222873-5
537	BO BAE BRANCH	02-2820524-5, 02-2820538
538	TESCO LOTUS ARANYAPRATHET BRANCH	037-541718-20
539	ROBINSON TRANG BRANCH	075-820301-3
540	CHAMCHURI SQUARE BRANCH	02-1605240-2
541	THANON ROJANA (AYUDHYA) BRANCH	035-323597-9
542	TESCO LOTUS CHUMPHON BRANCH	077-659917-8, 077-659927
543	SEACON SQUARE BRANCH	02-1385711-3
544	CENTRAL PLAZA CHIANG RAI BRANCH	053-179712-4
545	BIG C HATYAI BRANCH	074-214570-2
546	SILOM BRANCH	02-2353950-2
547	PA PAYOM PHATTHALUNG BRANCH	074-841144-6
548	THANON MAHARAT KRABI BRANCH	075-624580-2
549	TESCO LOTUS HATYAI-NAI BRANCH	074-255098, 074-255754-5
550	TESCO LOTUS THALANG PHUKET BRANCH	076-311522-4
551	SUKHUMVIT 15 BRANCH	02-2551763-5
552	CENTRAL PLAZA PHITSANULOK BRANCH	055-338490-2
553	CENTRAL PLAZA GRAND RAMA 9 BRANCH	02-1602912-4
554	BIC G CHANTABURI BRANCH	039-436467-9
555	WANG WISET TRANG BRANCH	075-296189-92
556	THE CRYSTAL BRANCH	02-5150980-2
557	TESCO LOTUS KHLONG THOM KRABI BRANCH	075-699530-2
558	BUENG KAN BRANCH	042-491692, 042-491961, 042-491965
559	KANTHARALAK BRANCH	045-661282, 045-661812, 045-662594
560	TALAT-RANGSIT BRANCH	02-5672453-5
561	EXCHANGE TOWER BRANCH	02-2611686-8
562	TESCO LOTUS LAMTHAP KRABI BRANCH	075-702184-6
563	SATHORN SQUARE BRANCH	02-1632811-3
564	ROBINSON SUPHANBURI BRANCH	035-454366-8
565	BIG C NAKHONPATHOM BRANCH	034-272086-9

No.	Branch	Telephone
566	THAKHONYANG MAHASARAKHAM BRANCH	043-970304-6
567	CENTRAL PLAZA UDONTHANI BRANCH	042-921433-5
568	THAI LIFE INSURANCE BUILDING (RATCHADAPISEK ROAD) BRANCH	02-2460091-3
569	TESCO LOTUS KLONG NGAE BRANCH	074-241325-7
570	BIG C CHACHOENGSAO BRANCH	038-512364, 038-512365, 038-512406
571	THONGLOR (VASU BUILDING) BRANCH	02-7138453, 02-7147941, 02-7149908, 02-7138617
572	MEGA BANGNA BRANCH	02-1051530-2
573	PATPONG BRANCH	02-2336681-3
574	TESCO LOTUS CHAIYA BRANCH	077-431502-3, 077-431753, 077-431754 (Fax)
575	SAMMAKORN PLACE RATCHAPHRUEK BRANCH	02-1948476-8
576	ZEER RANGSIT BRANCH	02-9927271-3
577	AYUTTHAYA PARK SHOPPING COMPLEX BRANCH	035-801221-4
578	ASAWANN SHOPPING COMPLEX NONG KHAI BRANCH	042-414131, 042-414137, 042-414142
579	CENTRAL STATION TOWER BRANCH	02-2366037-40
580	BIG C BANG PHLI BRANCH	02-3122252-3, 02-3122433-4
581	CENTRAL PLAZA SURATTHANI BRANCH	077-489802, 077-489803, 077-489804, 077-489805
582	TALAT NAKLUEA SOI 11 BRANCH	038-413723-4, 038-413741-3
583	BIG C NAKHONSAWAN 2 BRANCH	056-370746-50
584	PHANTHAINORASING BRANCH	034-872052-6
585	THANON KASIKORN THUNGSANG KHON KAEN BRANCH	043-242641-43, 043-242820-21
586	ROBINSON KANCHANABURI BRANCH	034-603410-14
587	TESCO LOTUS BANG PU BRANCH	02-3239254-8
588	CENTRAL PLAZA UBON RATCHATHANI BRANCH	045-422451-5
589	SERMTHAI COMPLEX MAHASARAKHAM BRANCH	043-970626-8, 043-970512, 043-970516
590	CENTRAL PLAZA BANG NA BRANCH	02-3995307-11
591	ROBINSON SAKON NAKHON BRANCH	042-971744-8
592	TESCO LOTUS CHIANG KHONG BRANCH	053-791185-6, 053-791203-5
593	SUEN HENG PLAZA SISAKET BRANCH	045-644171-5
594	TESCO LOTUS WIANG SA BRANCH	077-310745-8, 077-310750 (Fax)
595	TESCO LOTUS BUAYAI BRANCH	044-913733-8
596	CENTRAL FESTIVAL CHIANG MAI BRANCH	053-288755-9, 053-288759 (Fax)
597	ROBINSON SARABURI BRANCH	036-351480-4
598	CENTRAL FESTIVAL HAT YAI BRANCH	074-339913-7

No.	Branch	Telephone
599	ROBINSON SURIN BRANCH	044-042766-70
600	TESCO LOTUS NAKHON SI THAMMARAT BRANCH	075-357213-7
601	TESCO LOTUS ROJANA BRANCH	035-330479-83
602	MAHBOONKRONG CENTER BRANCH	02-6114546, 02-6114549, 02-6114663, 02-6114678
603	CENTRAL PLAZA SALAYA BRANCH	02-4296506-10
604	THANON NUANCHAN BRANCH	02-3638976-9
605	ROBINSON CHACHOENGSAO BRANCH	038-564260-4
606	ROBINSON ROI ET BRANCH	043-540779-83
607	iPLACE LIFEESCAPE GARDEN LAEM CHABANG BRANCH	038-190119, 038-190120-4
608	AUTO BUSINESS BANGKAE BRANCH	02-8038000
609	AUTO BUSINESS BANGNA BRANCH	02-7773555
610	AUTO BUSINESS BIG C BANGNA BRANCH	02-7440515, 02-7440305
611	AUTO BUSINESS BANGYAI BRANCH	02-7624223
612	AUTO BUSINESS RAMINDRA BRANCH	02-5179894
613	AUTO BUSINESS NONTABURI BRANCH	02-7624224
614	AUTO BUSINESS LAKSI BRANCH	02-7624225
615	AUTO BUSINESS YAOVARAT BRANCH	02-2322999
616	AUTO BUSINESS NAKHON RATCHASIMA BRANCH	044-708555
617	AUTO BUSINESS UBON RATCHATHANI BRANCH	045-208777
618	AUTO BUSINESS SISAKET BRANCH	045-633444
619	AUTO BUSINESS HATYAI BRANCH	074-491555
620	AUTO BUSINESS SURAT THANI BRANCH	077-243555
621	AUTO BUSINESS NAKHON SI THAMMARAT BRANCH	075-365555
622	AUTO BUSINESS TRANG BRANCH	075-265555
623	AUTO BUSINESS PHUKET BRANCH	076-298555
624	AUTO BUSINESS CHONBURI BRANCH	038-295555
625	AUTO BUSINESS RAYONG BRANCH	038-953555
626	AUTO BUSINESS CHIANG MAI BRANCH	053-307555
627	AUTO BUSINESS NAKHON SAWAN BRANCH	056-321555
628	AUTO BUSINESS PHITSANULOK BRANCH	055-229555
629	AUTO BUSINESS CHIANG RAI BRANCH	053-700555
630	AUTO BUSINESS ROIET BRANCH	043-521555
631	AUTO BUSINESS UDON THANI BRANCH	042-308555
632	AUTO BUSINESS SAKON NAKHORN BRANCH	042-744300

No.	Branch	Telephone
633	AUTO BUSINESS NAKHON PATHOM BRANCH	034-362555
634	AUTO BUSINESS AYUTTHAYA BRANCH	035-714555
635	AUTO BUSINESS PRANBURI BRANCH	032-542520
636	ROBINSON PRACHINBURI BRANCH	037-454745-9
637	ROBINSON MUKDAHAN BRANCH	042-672419-23
638	AUTO BUSINESS SURIN BRANCH	044-539515
639	AUTO BUSINESS KRABI BRANCH	075-810250
640	AUTO BUSINESS SARABURI BRANCH	036-328555
641	AUTO BUSINESS PRACHIN BURI BRANCH	037-200734
642	AUTO BUSINESS LAMPANG BRANCH	054-377555
643	AUTO BUSINESS KAMPHAENG PHET BRANCH	055-720555
644	AUTO BUSINESS KHON KAEN BRANCH	043-367555
645	AUTO BUSINESS PHETCHABUN BRANCH	056-744199
646	AUTO BUSINESS CHUMPHON BRANCH	077-576555
647	BANGKOK SATHORN BRANCH	02-2663057-8, 02-2663071-3
648	EMQUARTIER BRANCH	02-0036540-4
649	CENTRAL PLAZA RAYONG BRANCH	038-942812-6
650	NONG PLING NAKHON SAWAN BRANCH	056-255748-52
651	BIG C PATTAYA KLANG BRANCH	038-411619-20, 27, 29, 31
652	BIG C KALASIN BRANCH	043-810206-10
653	ROBINSON BURIRAM BRANCH	044-600737-41
654	CENTRAL PLAZA RAM INDRA BRANCH	02-5226388-92
655	INDRA PRATUNAM BRANCH	02-2528900-4
656	CENTRAL PLAZA WESTGATE BRANCH	02-1942795-9
657	TESCO LOTUS SURATTHANI BRANCH	077-603055-60
658	KO TAO BRANCH	077-457136-40
659	MUEANG PHON BRANCH	043-415114-8
660	THE MALL THA PRA BRANCH	02-4777204-8
661	AEON SIRACHA SHOPPING CENTER BRANCH	038-312232-3, 038-312277-9
662	FUTURE PARK RANGSIT 2	02-5676091-5
663	BIG C SUKHAPHIBAN 3 BRANCH	02-9163504-8
664	ROBINSON SI SAMAN BRANCH	02-5015778-82
665	PHANG KHON BRANCH	042-771628, 927, 042-772038, 051, 061
666	THE PROMENADE BRANCH	02-1304201, 02-1304231, 02-1304257, 02-1304275-6, 02-1304279

No.	Branch	Telephone
667	ROBINSON MAE SOT BRANCH	055-530420-4
668	BIG C LOP BURI BRANCH	036-784403, 406, 422-4
669	KUMPHAWAPI BRANCH	042-334828-30, 042-344775-76
670	BIG C NAKHONSAWAN (V-SQUARE) BRANCH	056-233036-40
671	TESCO LOTUS PAKCHONG BRANCH	044-929411-2, 044-929471-3
672	BIG C KRANUAN BRANCH	043-251620-3
673	BIG C UBON RATCHATHANI BRANCH	045-314352-6
674	AMATA NAKORN INDUSTRIAL ESTATE CHON BURI BRANCH	038-213238-42
675	BIG C LAMPHUN BRANCH	053-581856, 865, 900, 902-3
676	TESCO LOTUS RAMA III BRANCH	02-2943384-7, 02-2943391
677	THANON PRACHA UTHIT (BIG C PRACHA UTHIT) BRANCH	02-4638371-5
678	CENTRAL PLAZA NAKHON SI THAMMARAT BRANCH	075-392813-7
679	TESCO LOTUS SRINAKARIN BRANCH	02-1380507, 02-1380510-3
680	ROBINSON CHANTABURI BRANCH	039-460271-5
681	TESCO LOTUS NAVANAKORN BRANCH	02-5203356-9, 02-5203362
682	BIG C SUKSAWAT BRANCH	02-4639060-4
683	TALAT RONG KLUEA BRANCH	037-247270-4
684	PHRA PATHOM CHEDI BRANCH	034-270125-9
685	ROBINSON RATCHABURI BRANCH	032-322543-7
686	TESCO LOTUS LAT PHRAO BRANCH	02-0334991-5
687	CENTRAL PLAZA MARINA BRANCH	038-197316-20
688	MAE JO BRANCH	053-354530, 053-354532-5
689	DAN NOK-SADAO BRANCH	074-557251-5
690	TESCO LOTUS PRACHACHUEN BRANCH	02-5868722-5
691	TESCO LOTUS UDON THANI BRANCH	042-221070, 074-075080-1
692	TESCO LOTUS BANFA LAMLUKKA BRANCH	02-1474620-5
693	G TOWER GRAND RAMA 9 BRANCH	02-1698246-50
694	ROBINSON PHETCHABURI BRANCH	032-491767-71
695	CENTRAL RAMA II (2) BRANCH	02-4168113-7
696	PEARL BANGKOK BRANCH	02-0291400-4
697	TESCO LOTUS SUKHUMWIT 50 BRANCH	02-1361659, 2013, 2172, 2311, 3203
698	CENTRAL PLAZA NAKHON RATCHASIMA BRANCH	044-229359-63
699	CENTRAL PLAZA MAHACHAI BRANCH	034-491715-9
700	TESCO LOTUS BAN PONG BRANCH	032-222954-8

SUMMARY OF SPECIFIED ITEMS PER FORM 56-2

ITEM	PAGE
1. Policy and overall business operations	
- Income structure	100
- Major changes in business operation	36
2. Nature of business	36-103
3. Risk factors and risk management	104-119
4. General information	
- Company information	356
- Other companies where shareholding is 10% or more	98
- Other references	361
5. Shareholders	357
6. Dividend payout policy	360
7. Management structures	
- Structure and scope of power and duty of the committees	154
- Names of directors and nominating process	160
- Board of Directors meeting	161
- Profile of executives and corporate secretary	174
- Nomination of directors and executives	156
- Shareholding of executives	172
- Remuneration for directors and executives	222
- Supervision of the use of inside information	150

ITEM	PAGE
8. Good corporate governance	120
9. Corporate Social Responsibility	224
10. Internal control and risk management	150
11. Related party transactions	337
12. Important financial information	
- Financial highlights	24
- Consolidated and the Bank's financial statements	262-354
13. Management Discussion and Analysis	238

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