



krungsri  
กรุงศรี

A member of  MUFG  
a global financial group

75<sup>th</sup>  
Anniversary

ANNUAL REPORT 2019

# Sustainable Banking for a Sustainable Future







# INTEGRATING ESG TOWARD SUSTAINABLE GROWTH FOR ALL

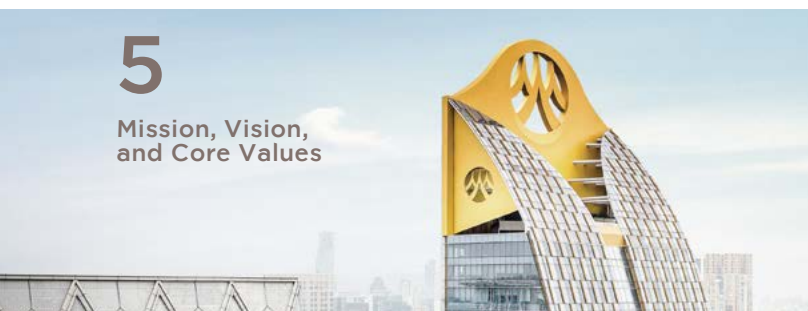
Sustainability encompasses not only economic outcomes, but also the creation of environmental and social impacts. As a D-SIB, Krungsri aims to positively contribute to progress toward economic, environmental, and social sustainability for the Thai society.



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A high-angle photograph of four business professionals (three women and one man) sitting in a circle on white armchairs, engaged in a meeting. One man is using a laptop, and another woman is holding a tablet. The setting appears to be a modern office or lounge with large windows in the background.

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A close-up photograph showing several hands pointing at and reviewing financial documents and charts spread out on a desk. A laptop and a calculator are also visible in the foreground.

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A photograph of two young women in a bright office environment. They are both smiling and looking at a laptop screen. One woman is pointing at the screen while the other looks on.

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A wide-angle photograph of a city skyline at night, featuring several prominent skyscrapers with their lights on. The sky is a mix of orange and blue from the sunset or sunrise.

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# MISSION VISION

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

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

## CORE VALUES

### Customer Centricity

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

### Integrity

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

### 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.

### Passion for Excellence

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

### Making Innovative Changes

We start by changing ourselves and intend to improve every day by creating changes for the better that will positively benefit our customers along with Krungsri.

### Global Awareness

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



**In remembrance of**  
**Mr. Veraphan Teepsuwan**

**Chairman of Bank of Ayudhya Public Company Limited, 2007-2019**



The Board of Directors, Management, and Staff  
Bank of Ayudhya Public Company Limited





# BOARD OF DIRECTORS' REPORT





In 2019, Krungsri once more made significant progress toward our medium-term aspiration to become 'a top-tier financial group in Thailand'. Despite an operating environment marked by difficulties on both external and domestic fronts, Krungsri's competitive strengths advanced us on to new financial and ESG heights.

Among the key achievements were record net profits supported by the strongest loan and deposit growth among D-SIBs, inauguration of the first private-sector gender bond in the Asia Pacific region, announcement of the acquisition of SB Finance Company, Inc. (SBF) in the Philippines, and the establishment of a new technology subsidiary, 'Krungsri Nimble'.

Of equal importance to our enduring commitment to sustainable banking excellence, our corporate sustainability excellence, as reflected in responsible practices, was recognized through a total of 13 industry awards in environmental, social, and governance categories, domestically and internationally.

Even as we celebrate these accomplishments, we must acknowledge that 2019 was a year of great loss to our financial group as we mourned the passing of Chairman Veraphan Teepsuwan. Under his chairmanship, Krungsri emerged and was recognized as a Domestic Systemically Important Bank (D-SIB) by the Bank of Thailand – accounting for not only our size but also our responsible contributions toward the financial sector's stability and the country's economic development. We will carry on with Chairman Veraphan's exemplary conduct of commercial banking business with environmental, social, and governance considerations, while acting with the spirit and responsibility of a D-SIB.

Amidst the multi-faceted challenges facing the banking sector, 2020 marks the final year under our current Medium-Term Business Plan. Considering both external and domestic developments, and having assessed our current position and competitive strengths as well as stakeholder interests and expectations, the key strategic thrusts and directions under the Medium-Term Business Plan remain intact, while business execution plans and targets for 2020 have been updated and approved by the Board of Directors.

Our strategic priorities continue to include digital innovation enhancement, customer experience excellence, and business platform enrichment. In particular, we will pursue the opportunities presented by our distinctive business paradigm through the formation of ecosystems across different industries and partnership platforms, while strengthening our organization's agility and data analytics capabilities. Furthermore, we will continue to leverage our strategic partnership with MUFG, one of the world's top financial groups, in delivering business opportunities and financial solutions to meet the ever-changing needs of both retail and commercial customers.

Even as we grow new business opportunities and digital capabilities, we will accelerate our corporate sustainability efforts through the integration of economic, social, and environmental elements into policy and strategy formulation, as well as throughout our business operations. ESG risk management and assessment systems will be developed and deployed in establishing a prudent portfolio structure and aligning with best prudential standards. Through our lending activities, we pledge to support the government's efforts in achieving the UN's SDG on climate change by transiting Thailand toward a low-carbon economy.

We remain committed to becoming 'a top-tier financial group in Thailand', delivering products and services to our customers with the utmost financial sustainability and in support of the socio-economic development of Thailand.



**Karun Kittisataporn**  
Chairman



**Noriaki Goto**  
Vice Chairman

# MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER





In 2019, Krungsri delivered solid operating results despite an operating environment debilitated by both external and internal factors. Macro-economic turbulence and regulatory implications included export contraction due to both trade tensions and weakening global demand, slowing domestic demand, the introduction of Loan to Value (LTV) measures on mortgage lending, as well as two policy rate cuts.

Furthermore, despite the increasingly competitive and complex business environment, marked by both disrupting non-bank players and rapidly shifting customer demands and expectations, Krungsri saw robust loan growth of 8.7 percent, exceeding the Bank's target range of 6 to 8 percent. Such loan growth also stemmed from the Bank's agility in realigning our loan portfolio toward high-yield segments, thus moving Krungsri closer to the targeted optimal portfolio mix between commercial and retail loans at a 50:50 ratio. Deposits also grew strongly at 9.9 percent. Both loan and deposit growth outperformed those of Domestic Systemically Important Bank (D-SIB) peers, as well as the industry average.

Our net profit amounted to 32,749 million baht, a stout increase of 32.0 percent from 2018, prompted by significantly higher non-interest income due to recognized gains on investments from the sale of 50 percent of shares in Ngern Tid Lor Company Limited (NTL) in the first quarter of 2019, and higher net interest income, supported by the aforementioned vigorous loan growth. Return on equity (ROE) was at 12.76 percent, the highest among leading banks. Meanwhile, our asset quality remained strong with an NPL ratio of 1.98 percent, the lowest among industry peers.

On other developmental fronts, guided by our strategic 2018-2020 Medium-Term Business Plan, we secured multiple achievements in 2019 including a new milestone in our regional expansion plan, the establishment of Krungsri's technology subsidiary, and our corporate sustainability endeavors.

Leveraging MUFG's extensive ASEAN network and Krungsri's consumer finance expertise, one measure taken in our pursuit of regional expansion was the announcement of our plan to acquire SB Finance Company, Inc. (SBF), a leading finance company in the Philippines. This exemplifies the Bank's ongoing mission to pursue ASEAN business opportunities, particularly in fast-growing economies, while applying our industry-leading expertise and conducting best practices through retail and consumer banking businesses.

To further reinforce our digital market shaper position and build new platforms for the next generation of banking services, a new subsidiary, 'Krungsri Nimble', was established. With an agile organizational structure, Krungsri Nimble is an IT solutions hub for enhancement of Krungsri Group's financial technology and innovation development capabilities, entailing, among other aims, creative digital commercial solutions aiming to deliver the best customer experience.

As a D-SIB, Krungsri is committed to helping set industry standards and engendering innovations to address social, economic, and environmental challenges. In August 2019, Krungsri and 14 other commercial banks together signed an MOU on sustainable banking, outlining our collective goal to provide sustainable financial products and services corresponding to social, environmental, and governance (ESG) foundations. This MOU on sustainable banking is fully aligned with our core values and resonates with our 'Environmental and Human Rights Policy Disclosure Statements' announced earlier in 2019.

Reflecting our responsible banking practices and accountability to all stakeholders through environmental, social, and corporate governance responsibilities, we were presented with 13 ESG and IR excellence awards in 2019, including the 'Gold' category from The Asset on ESG and 'Best IR Professionals' from Corporate Governance Asia. We are greatly honored by both achievements and our stakeholders' recognition of our ESG strength.

2020 will be the last fiscal year under our present Medium-Term Business Plan (2018-2020). Despite the uncertainties surrounding the Thai banking sector, while being prudent, Krungsri will continue our journey on a robust and sustainable growth path, focusing on prioritized initiatives, such as cultivating our customer-centric culture, promoting digital innovation, and upgrading our risk and governance frameworks. At the same time, we will continue to leverage MUFG's global strength, and partnership networks.

On the social front, we sincerely believe that, given our societal role as a financial intermediary, we can create a positive impact on people's lives. We will move forward in doing better business for society, namely through our financial inclusion agenda. We will continue to build on our success through bringing many 'firsts' to the Thai financial sector; for instance, we are the first Asia Pacific bank to issue gender bonds.

On behalf of our management, we thank our valued customers, shareholders, employees, and all other stakeholders for your continued support. To celebrate our 75<sup>th</sup> anniversary in serving the Thai economy and society, we wish to reiterate our commitment to conducting our business with the utmost responsibility, aiming to be 'a top-tier financial group in Thailand' with a global reach, attaining complete trust and confidence among all of our stakeholders.



**Seiichiro Akita**

President and Chief Executive Officer

# I BOARD OF DIRECTORS



1. **Mr. Karun Kittisataporn**  
Independent Director  
Chairman

2. **Mr. Noriaki Goto**  
Vice Chairman  
Nomination and Remuneration Committee Member

3. **Mr. Seiichiro Akita**  
Executive Director  
Chairman of the Executive Committee

4. **Mr. Virat Phairatphiboon**  
Independent Director  
Audit Committee Member  
Nomination and Remuneration Committee Member  
Chairman of the Risk and Compliance Committee

5. **Mr. Pornsanong Tuchinda**  
Executive Director  
Executive Committee Member

6. **Miss Potjanee Thanavaranit**  
Independent Director  
Chairman of the Audit Committee



7. **Miss Nopporn Tirawattanagool**  
Director  
Nomination and Remuneration Committee Member  
Risk and Compliance Committee Member
8. **Dr. Jamlong Atikul**  
Independent Director  
Audit Committee Member  
Chairman of the Nomination and Remuneration Committee
9. **Miss Junko Kawano**  
Director

10. **Mr. Toru Matsuda**  
Director  
Risk and Compliance Committee Member
11. **Miss Duangdao Wongpanitkrit**  
Executive Director  
Executive Committee Member
12. **Mrs. Tongurai Limpiti**  
Independent Director  
Audit Committee Member  
Risk and Compliance Committee Member  
(Effective January 2, 2020)



# SENIOR MANAGEMENT



1. **Mr. Seiichiro Akita**  
President and Chief Executive Officer
2. **Mr. Pornsanong Tuchinda**  
Head of Commercial Banking
3. **Mr. Yuzo Nakada**  
Head of JPC/MNC Banking
4. **Mr. Dan Harsono**  
Head of Retail and Consumer Banking

5. **Miss Phawana Niemloy**  
General Counsel
6. **Miss Duangdao Wongpanitkrit**  
Chief Financial Officer
7. **Mr. Tak Bunnag**  
Head of Global Markets Group
8. **Mr. Phonganant Thanattrai**  
Head of Retail Banking and Distribution Group



9. **Mrs. Voranuch Dejakaisaya**  
Chief Information and Operations Officer

10. **Mr. Sayam Prasitsirigul**  
Head of SME Banking Group

11. **Mr. Pairote Cheunkrut**  
Head of Krungsri Auto Group

12. **Mr. Chandrashekar Subramanian Krishoolndmangalam**  
Chief Risk Officer

13. **Miss Puntipa Hannoraseth**  
Head of Internal Audit Group

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

15. **Mr. Vasin Udomratchatavanich**  
Head of Human Resources Group

# | SENIOR MANAGEMENT: SUBSIDIARIES



1. **Mrs. Kittiya Srisanit**  
Managing Director  
Ayudhya Capital Auto Lease PCL
2. **Miss Nayanee Peaugkham**  
Managing Director  
Ayudhya Capital Services Co., Ltd.
3. **Mr. Hout Ieng Tong**  
President & CEO  
Hattha Kaksekar Limited

4. **Miss Siriporn Sinacharoen**  
Managing Director  
Krungsri Asset Management Co., Ltd.
5. **Mr. Piyasak Ukritnukun**  
Managing Director  
Ngern Tid Lor Co., Ltd.
6. **Mr. Okart Supamornpun**  
Managing Director  
Ayudhya Development Leasing Co., Ltd.



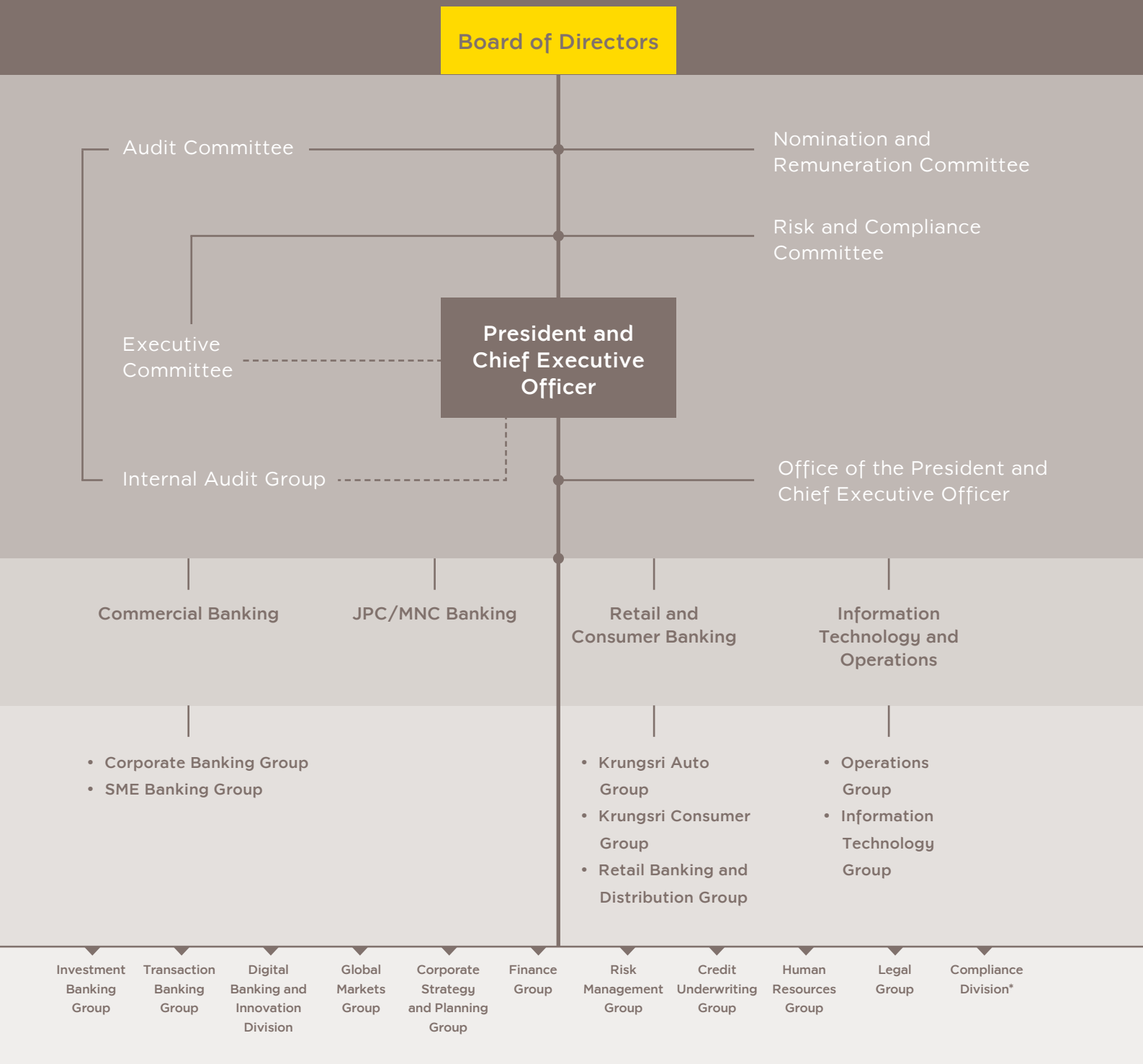


- 7. **Mr. Udomkarn Udomsab**  
Managing Director  
Krungsri Securities PCL
- 8. **Mr. Somwang Toraktrakul**  
Managing Director  
Krungsriyudhya Card Co., Ltd.
- 9. **Mr. Atis Ruchirawat**  
Managing Director  
General Card Services Ltd.

- 10. **Mr. Nick Smart**  
Chief Executive Officer  
Tesco Lotus Money Services Ltd.  
Tesco Life Assurance Broker Ltd.  
Tesco General Insurance Broker Ltd.
- 11. **Mr. Sam Tanskul**  
Managing Director  
Krungsri Finnovate Co., Ltd.
- 12. **Miss Saisunee Hanprathueangsil**  
Managing Director  
Krungsri Nimble Co., Ltd.

# ORGANIZATION STRUCTURE

(As of January 1, 2020)



\* The Compliance Division reported directly to the Risk and Compliance Committee.

# ABOUT OUR CORPORATE GOVERNANCE

The Board of Directors recognizes that good corporate governance is a foundation for the organization's sustainable growth, and a significant element facilitating effective and transparent business operations as well as fulfilling our responsibilities to our diverse stakeholders. Krungsri Group strives to continually develop corporate governance by taking into account the risks and liabilities to stakeholders as well as supporting sustainable development of the economy, society, and environment. Krungsri also encourages its employees to perform their duties in accordance with international good corporate governance principles in order to enhance confidence among shareholders, investors and all relevant stakeholders, as well as add long-term value to Krungsri's business.

With this in mind, the Board of Directors established 'Good Corporate Governance Principles' (the Principles), a document which covers shareholders' rights and their equitable treatment, 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, and Krungsri Group's business philosophy and roles with regard to the stakeholders. The Principles also address Krungsri's Mission, Vision and Core Values, Employees' Code of Conduct, and compliance. In addition, the Principles must be reviewed on an annual basis, or immediately in case of any significant change. This is to ensure the appropriateness of the Principles in changing circumstances, and their alignment with relevant regulations, Krungsri's organizational structure, and the environmental situation of corporate governance of the Bank, its subsidiaries and joint ventures (Krungsri Group). Krungsri continuously disseminates and promotes the Principles through various approaches, e.g. Krungsri's website under the topic of corporate governance, and various activities to promote comprehensive understanding amongst employees, including the training courses via Krungsri Learning Companion (KLC), while also communicating the Principles to its subsidiaries as a fundamental guideline for the adoption or creation of their own good corporate governance principles in accordance with the nature of their business.

Additionally, Krungsri has drawn up 'The Spirit & The Letter' (S&L), outlining key principles of integrity under applicable laws and good corporate governance, to which directors, executives, and employees shall adhere, whereby matters to be acknowledged, complied with, and aware of, as well as punitive measures in case of violation, are specified. To strengthen all employees' awareness of S&L, Krungsri requires that they sign the commitment for acknowledgement and compliance, and arrange S&L Compliance Excellence activities, on an annual basis. In addition, Krungsri appoints each business function's 'Compliance Champion' to serve as a conduit for communications, knowledge sharing and enhancement of understanding in compliance issues including rules and regulations, policies and procedures, or corporate governance requirements stipulated by Krungsri with the employees in each particular function to ensure their acknowledgement and compliance.

In 2019, the Board of Directors reviewed the Principles and resolved that the existing ones are still appropriate and applicable for the current situation, and are in compliance with good corporate governance criteria and guidelines stipulated by related regulatory bodies. Furthermore, from a thorough assessment of Krungsri's operations toward good corporate governance criteria and guidelines, it was found that most of them have already been applied. However, some are sensitive and complicated so that the Board of Directors resolved that the implementation should be suspended pending study on potential impacts. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.





A photograph of a greenhouse interior. The structure is made of a curved, translucent plastic cover supported by a metal frame. Inside, rows of green plants, likely corn, are growing in the foreground and middle ground. The lighting is bright and even, suggesting a sunny day.

# LAY THE FOUNDATION FOR SUSTAINABILITY

We strive to create a sustainable business environment, to serve as a solid basis contributing to positive results for the entire economic system.







# PROMOTE EQUALITY TO STRENGTHEN THE ECONOMY

We encourage financial inclusion among customers by issuing a gender bond providing financial support for women-led SMEs, in order to create opportunities that help drive business growth.



# SERVE AS AN EXEMPLARY SUSTAINABLE BANK

We insist upon operating our business with integrity, accountability, transparency, and fairness, as well as complying with the law and regulatory requirements. We also intend to establish ourselves as a role model for sustainable banking practices that build trust and confidence among stakeholders.







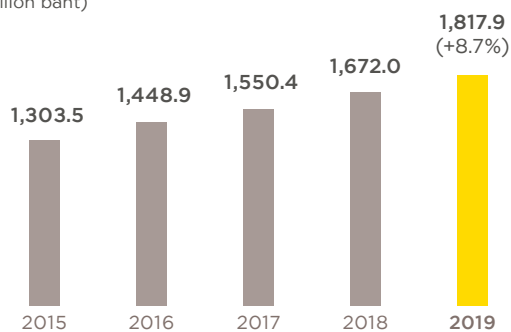


# FINANCIAL HIGHLIGHTS

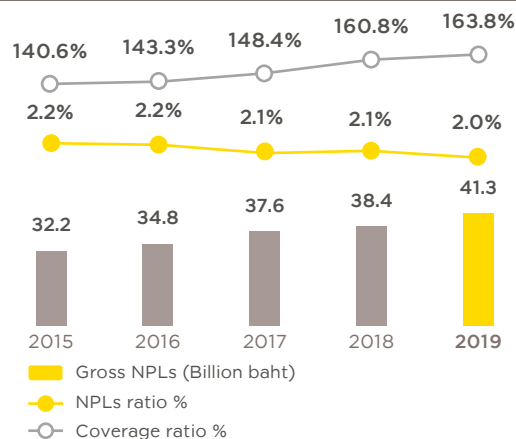
(Consolidated)

## Loans

(Billion baht)

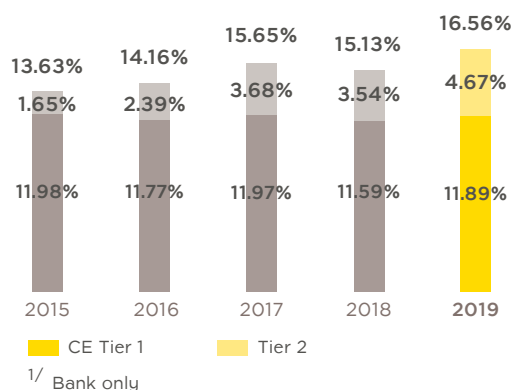


## NPL Ratio



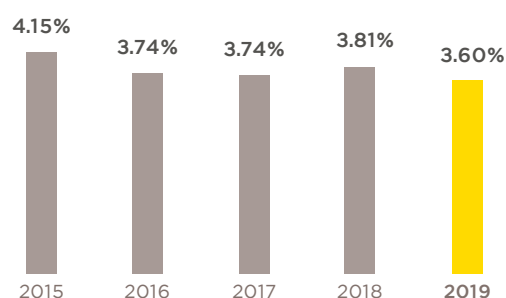
## Capital Adequacy Ratio <sup>1/</sup>

(Percent)



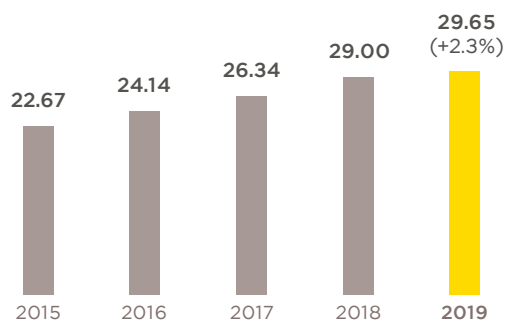
## Net Interest Margin (NIM)

(Percent)



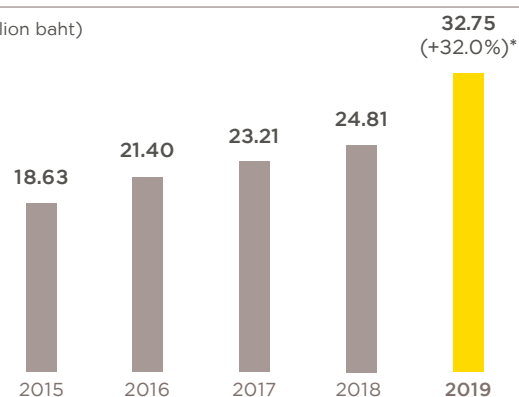
## Fees and Service Income

(Billion baht)



## Net Profit <sup>2/</sup>

(Billion baht)

<sup>2/</sup> Attributable to equity holders of the Bank

Remark: \*Excluding the one-off items in 2019 from the recognition of gains on investment from the Ngern Tid Lor Co., Ltd. (NTL) transaction and the provision in accordance with the amended Labor Protection Act, the normalized net profit for 2019 was recorded at Baht 26.94 billion, increasing by 8.6% from 2018.

# Consolidated Financial Statements

	2019	2018	2017	2016	2015
<b>Financial position information (Million baht)</b>					
Total assets	<b>2,359,592</b>	2,173,622	2,088,772	1,883,188	1,705,517
Loans to customers <sup>1/</sup>	<b>1,817,877</b>	1,672,018	1,550,404	1,448,882	1,303,454
Allowance for doubtful accounts	<b>67,384</b>	61,360	55,476	49,462	44,944
Net NPLs	<b>19,164</b>	16,455	16,243	15,653	14,919
Gross NPLs	<b>41,334</b>	38,446	37,622	34,834	32,239
Total liabilities	<b>2,087,476</b>	1,929,904	1,862,785	1,674,420	1,514,769
Deposits	<b>1,566,885</b>	1,426,348	1,319,229	1,108,288	1,046,290
Total shareholders' equity	<b>272,116</b>	243,718	225,987	208,768	190,748
<b>Operating performance (Million baht)</b>					
Interest income	<b>110,455</b>	107,132	94,998	85,925	81,947
Interest expense	<b>34,032</b>	31,804	26,463	23,948	25,596
Interest income, net	<b>76,423</b>	75,328	68,535	61,977	56,350
Fees and service income, net	<b>21,777</b>	21,248	19,675	18,175	17,230
Non-interest and non-fee income	<b>23,408</b>	13,003	12,270	11,335	9,193
Other operating expenses	<b>52,169</b>	51,741	48,210	43,080	38,947
Impairment loss of loans and debt securities	<b>28,203</b>	26,180	22,970	21,315	20,186
Net profit <sup>2/</sup>	<b>32,749</b>	24,813	23,209	21,404	18,634
<b>Financial ratios</b>					
Return on average assets (%)	<b>1.44</b>	1.16	1.17	1.19	1.28
Return on average equity (%)	<b>12.76</b>	10.61	10.71	10.74	11.59
Net profit per share (Baht)	<b>4.45</b>	3.37	3.16	2.91	2.54
Cost to income ratio (%)	<b>42.90</b>	47.22	47.98	47.09	47.05
Capital adequacy ratio <sup>3/</sup> (%)	<b>16.56</b>	15.13	15.65	14.16	13.63
Common Equity Tier 1 ratio <sup>3/</sup> (%)	<b>11.89</b>	11.59	11.97	11.77	11.98
Book value per share (Baht)	<b>36.99</b>	33.13	30.72	28.38	25.93
Loan to deposit ratio (%)	<b>116.02</b>	117.22	117.52	130.73	124.58
Loan to deposit plus debenture and bills of exchange ratio (%)	<b>108.37</b>	108.93	109.53	116.90	114.38
Net NPLs / loan <sup>4/</sup> (%)	<b>0.93</b>	0.90	0.90	1.00	1.05
Gross NPLs / loan <sup>5/</sup> (%)	<b>1.98</b>	2.08	2.05	2.21	2.24
Coverage ratio (%)	<b>163.82</b>	160.76	148.43	143.25	140.55

<sup>1/</sup> Loans to customers less deferred revenue

<sup>2/</sup> Attributable to equity holders of the Bank

<sup>3/</sup> Bank only

<sup>4/</sup> Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves

<sup>5/</sup> Represents percentage of gross NPLs divided by loans including money market loans

# AWARDS AND RECOGNITION IN 2019





## BEST BANK AWARD

### IDC Financial Insights

- Best Bank in Asia-Pacific

## BANK OF AYUDHYA

## ENVIRONMENT, SOCIAL, AND GOVERNANCE

### The Asset

- The Asset ESG Corporate Award – Gold 2019

### Corporate Governance Asia

- Asia's Best CEO (Investor Relations) for Mr. Noriaki Goto (5<sup>th</sup> consecutive year)
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (5<sup>th</sup> consecutive year)
- Best Investor Relations Company (Thailand) (6<sup>th</sup> consecutive year)
- Best Environmental Responsibility

### GC Powerlist

- Ms. Phawana Niemloy, Krungsri General Counsel enlisted in GC Powerlist Southeast Asia 2019

### Thaipat Institute

- Certificate of ESG100 Company (4<sup>th</sup> consecutive year)
- Honorary Award: Sustainability Disclosure

### The Stock Exchange of Thailand (SET)

- Enlisted on Thailand Sustainability Investment (THSI) (4<sup>th</sup> consecutive year)

### American Chamber of Commerce in Thailand (AMCHAM)

- CSR Excellence Recognition (Gold Level) (7<sup>th</sup> consecutive year)
- Special Award: Excellence in Project Supporting Thai Development

### Ministry of Social Development and Human Security

- CSR Excellence

## DIGITAL & INNOVATION

### International Data Cooperation (IDC)

- 2019 Digital Transformer for Thailand (Krungsri Mobile Application)
- 2019 Information Visionary for Thailand for Smart Advisor on Krungsri Mobile Application

### Ministry of Digital Economy and Society

- Excellence in Enterprise Innovation, Thailand

### OpenGov

- Recognition of Excellence 2019

### Asian Banking and Finance (ABF)

- The Thailand Domestic Technology & Operations Bank of the Year
- Corporate Client Initiative of the Year

### The Asset

- Best Payments and Collections Solution in Thailand

## INFORMATION AND TECHNOLOGY

### CIO50

- Mrs. Voranuch Dejakaisaya, Chief Information and Operations Officer enlisted in CIO50, ASEAN's top 50 senior technology and digital chiefs

### The Asian Banker

- The Chief Information and Technology Officer of the Year for Mrs. Voranuch Dejakaisaya

## COMMERCIAL BANKING

### International Banker

- Best Commercial Bank in Thailand

### International Finance

- Best Corporate Bank in Thailand
- Best SME Bank in Thailand

### Asiamoney

- Best Bank for SMEs in Thailand (2<sup>nd</sup> consecutive year)

## INVESTMENT BANKING

### International Banker

- Best Investment Bank in Thailand

## RETAIL BANKING

### Efma and Accenture

- Gold Medal: Phygital Distribution & Experience (Global Award) for Krungsri Digital Home Loan
- Gold Medal: Phygital Distribution & Experience (Asia-Pacific Award) for Krungsri Digital Home Loan

### Retail Banker International

- Winner of Excellence in Mass Affluent Banking for KRUNGSRI PRIME
- Best Mortgage Offering 2019

### The Asset

- Best Digital Wealth Management Experience
- Most Innovative Digital Branch Project

### The Asian Banker

- Best Productivity, Efficiency and Automation Initiative, Application or Programme for Di-sales application (International Excellence)
- Best Digital Sales Initiative, Application or Programme, Thailand
- Best Branch Digitization Initiative, Application or Programme, Thailand

### The Digital Banker

- Winner of Best Customer Loyalty Program for Krungsri GIFT
- Winner of Outstanding Customer Service Transformation
- Winner: Best Client On-Boarding Initiative (Next-Gen Customer Experience in Financial Services Awards 2019)
- Winner for Best Customer Loyalty Program for Krungsri GIFT (Next-Gen Customer Experience in Financial Services Awards 2019)
- Highly Acclaimed: Outstanding Personalized 1:1 Marketing Initiative
- Highly Acclaimed: Outstanding Machine Learning Initiative
- Highly Acclaimed: Outstanding IT Transformation
- Highly Acclaimed: Best Technology Implementation Front End (Next-Gen Customer Experience in Financial Services Awards 2019)

### International Business

- Best Mobile Banking Application Product for Krungsri GIFT
- Most Innovative Mobile Banking Application Product for Krungsri GIFT

### Asian Banking and Finance (ABF)

- Bronze Award: Branch Innovation of the Year
- Mobile Banking Initiative of the Year - Thailand for Krungsri GIFT
- Mortgage and Home Loan Product of the Year - Thailand

### International Data Cooperation (IDC)

- 2019 Digital Transformer for Thailand (Analytics Based Decision Platform)

## PEOPLE

### The Asset

- Best Initiative in Diversity and Inclusion

### Human Resources Excellence Awards 2019

- Excellence in Learning & Development

### Employer Branding Institute

- Top 100 Asia's Best Employer Brands 2019

### Thailand Best Employer Brand Awards 2019

- Diversity Impact Award
- Award for Excellence in Training





## MARKETING & BRANDING

### LINE Thailand

- Most Used Sponsored Stickers in category of finance & insurance for 'Yeah!! Happy Every Day' sticker
- Most Active Watched LINE TV for an achievement of Krungsri iFIN advertisement

### Money and Banking

- Best Design Excellence Award

## OPERATIONS

- Straight Through Processing (STP) Excellence Award 2019 in USD Payment from HSBC, New York
- Straight Through Processing (STP) Award from The Bank of New York Mellon
- Certificate of Excellence Best Payment Partner Bank from Bank of America Merrill Lynch

## KRUNGSRI FINNOVATE

### International Data Cooperation (IDC)

- 2019 Talent Accelerator for Thailand for Krungsri RISE

### International Finance

- Best New Fintech Accelerator

### The Digital Banker

- Highly Acclaimed: Outstanding Innovation Program

## KRUNGSRI AUTO

### Grand Prix International

- Best Car & Bike Finance of the Year 2019 (6<sup>th</sup> consecutive year)

### BrandAge

- Thailand's Most Admired Brand 2019 (7<sup>th</sup> consecutive year)

### The Asian Banker

- Best API Initiative, Application or Programme, Thailand

### Asian Banking and Finance (ABF)

- Social Media Initiative of the Year - Thailand

### LINE Thailand

- Best LINE Today Billboard

### Superbrands Thailand Council

- Superbrand Thailand (8<sup>th</sup> consecutive year)

### The Digital Banker

- Winner of Loan Offering of the Year
- Highly Acclaimed: Best Customer Centric Business Model

### The Indian Chamber of Commerce

- Special Recognition for Broker of the Year

## KRUNGSRI CONSUMER

### Shared Services & Outsourcing Network (SSON)

- Excellence in Automation Award for its Robotic Process Automation (RPA) Initiative
- Best Process Innovation Award for its Merchant Management System

### IDC Financial Insights

- Asia's Most Transformative Bank 2019 for Robotic Process Automation (RPA)

### Retail Banker International

- Channel Innovation Awards – Excellence in Mobile Banking – Overall for UCHOOSE

### The Asian Banker

- Best Process Automation Initiative, Application or Programme, Thailand
- Consumer Finance Product of the Year, Thailand for Krungri First Choice
- Retail Payment Product of the Year, Thailand for Central The 1 Credit Card

### The Digital Banker

- Winner of Credit Card of the Year for Central The 1 Credit Card
- Highly Acclaimed: Excellence in Digital Innovation
- Highly Acclaimed: Best Automated Advisory Service

### Human Resources Excellence Awards 2019

- Excellence in Workplace Well-Being

### Wise Sight (Thailand)

- Best Brand Performance on Social Media in category of financial service (non-bank) for Krungsri First Choice

### Media Agency Association of Thailand

- Bronze Award: Best Use of Content for Good for Krungsri First Choice's 60 Days Dream Building for Baan Mae Nok online campaign

### Marketing Association of Thailand (MAT)

- Marketing Campaign of the Year 2019 in category of service sector for Krungsri First Choice

## KRUNGSRI ASSET MANAGEMENT

### International Finance

- Most Inspirational Managing Director for Ms. Siriporn Sinacharoen, Managing Director
- Fastest Growing Mutual Fund House – Thailand

### The Asset

- Asset Management Company of the Year, Thailand (3<sup>rd</sup> consecutive year)

### Asian Investor

- Fund House of the Year, Thailand 2019

### Alpha Southeast Asia

- Best Overall Asset and Fund Manager (2<sup>nd</sup> consecutive year)
- Best Online & Mobile Platform (Asset Manager)

### Global Banking & Finance Review

- Best Asset Management Thailand 2019
- Best Fund Management Company Thailand 2019

### Money & Banking Magazine

- Excellent Fund Awards in 2019 for three funds, namely
  - KFSPLUS: Best Money Market General Fund
  - KFENSET50: Best Equity Large Fund
  - KFS100RMF: Best RMF Equity Fund

## NGERN TID LOR

### Retail Banker International

- Excellence in Employee Engagement (Trailblazer Asia Award 2019)
- Excellence in Employee Engagement (Trailblazer in Human Capital and Society)

### The Asian Banker

- Best Digital Employee Engagement Initiative or Programme (International Excellence)

### Advertising Association of Thailand

- Bronze Award: Adman Awards & Symposium 2019 in category of TVC for 'Installment Payment' advertisement
- Bronze Award: Adman Awards & Symposium 2019 in category of TVC for 'Hurry' advertisement
- Bronze Awards: Adman Awards & Symposium 2019 in category of online film for 'Hurry' advertisement

### BrandAge

- Thailand's Most Admired Brand 2019 in category of vehicle title loans
- Brand Maker 2019

### Wise Sight (Thailand)

- Best Brand Performance on Social Media (Finalist) in category of financial service (non-bank)



# 1

# OPERATING ENVIRONMENT







krungsri EXCLUSIVE  
ขอเชิญร่วมฉลองความสำเร็จ  
ของธนาคารกรุงศรีอยุธยา จำกัด (มหาชน)  
กับ 7 สาขาใหม่



krungsri  
กรุงศรี



krungsri  
กรุงศรี





## THE THAI ECONOMY IN 2019 AND TRENDS FOR 2020

### THE US-CHINA TRADE WAR AND DOMESTIC POLITICS WEIGH ON THE ECONOMY THROUGHOUT 2019

Against the backdrop of worsening domestic and international scenes, the Thai economy grew by just 2.4 percent in 2019, its worst performance in five years and a sharp drop from 2018's 4.2 percent growth. Export demand fell on the combination of a global economic slowdown – in its weakest state since the 2008 global financial crisis – and the escalating trade conflict between China and the United States, which has led to the reemergence of global trade barriers. Meanwhile, following Thailand's general election in March, there were delays in establishing a new government which then slowed the passing of the 2020 budget. The net effect of these domestic and external pressures has been an erosion of consumer confidence and depressed domestic spending.

For the first time in four years, the export sector shrank, declining by 3.2 percent and with losses seen in almost every market. These movements were in step with a cyclical slowdown in the global economy, which has been exacerbated by the trade war, especially with regard to goods that are produced in or connected to Chinese supply chains. At the same time, however, the trade war had at least one positive side effect as some American market segments showed solid growth where Thai producers benefitted from their ability to fill shortfalls created by the absence of Chinese goods. As regards tourism, the situation was mixed. The sector's recovery was slower than anticipated due to Chinese tourists' caution in returning to Thailand following the tragic sinking of a ferry in Phuket in mid-2018, the extensive smog pollution in early 2019, and the slowing of the Chinese economy.

On the other hand, the sector benefitted from government measures that waived visa-on-arrival (VOA) fees, which helped boost arrivals from key markets, especially China, which began to recover, and India, a rapidly growing market. As such, growth in foreign arrivals for all of 2019 reached 4.2 percent.



In terms of domestic spending, growth in private consumption slowed to 4.5 percent on the weakening of household income in both agricultural and non-agricultural sectors. This was caused by persistently low prices for agricultural goods and the impacts of drought and other problems on agricultural output in certain parts of the country. At the same time, industries producing for export began to lay off workers, and this too cut into consumer spending power. The news was not consistently bad throughout the year, though, and government measures went some way toward alleviating these problems and lifting consumption. Such measures included, for example, official efforts to help with the cost of living for farm workers and low-income earners, together with measures to stimulate spending and tourism at year-end. Private investment also weakened in line with the slowing export sector and softening domestic demand. Investor confidence has also been undercut by the lack of clarity and slow progress on the buildout of government infrastructure, especially the major projects required to get the Eastern Economic Corridor (EEC) up and running.

Compared to the situation in 2018, government spending, and government investment in particular, slowed substantially for the year. This was caused in part by the delay of state enterprises' disbursement for large-scale investments in the wake of the general election, and in part by the delay in passing the 2020 budget. However, the government also acted proactively, moving to stimulate the economy at all levels, from helping with grassroots spending to national-level expenditure, which helped to stave off a more drastic economic slowdown.

With the Thai economy suffering under weakening domestic and international circumstances and a continued failure to hit inflation targets, the Bank of Thailand decided to cut the policy interest rate for the first time in four years. The rate was cut twice in the year, first in August and once more in November, falling to 1.25 percent from 1.75 percent at the end of 2018. This action mirrored those made by other central banks

in the leading global economies and in other countries in the region, which all moved to relax monetary policy through the latter half of the year. Commercial banks then passed along the benefits of the Bank of Thailand's policy rate cut to support consumption and investment.

At the end of the year, the Bank of Thailand also revised its regulations to encourage capital outflows, which helped balance capital flows and reduce upward pressure on the baht, which had steadily appreciated against the dollar and other regional currencies on Thailand's large current account surplus and speculative inflows looking for returns in countries with a relative degree of economic stability, such as Thailand.

## THE ECONOMY WILL SEE A CONTINUED SLOWDOWN IN 2020 AMID NUMEROUS HEADWINDS.

The economy is forecast to grow by 1.5 percent in 2020, slower than 2019 and significantly below its potential. The outbreak of novel coronavirus disease 2019 (COVID-19) has impacted the globe, spilling over into the tourism, export, and other sectors under the regional production supply chain. This has occurred at the same time as a drought which is expected to persist for the entire first half of 2020. Its adverse impacts would be seen in not only the agriculture sector, but also manufacturing in industrial and business sectors under the supply chain. In addition, the delay in 2020 budget disbursement could hinder domestic investment as well as consumer and investor confidence.

After being the key economic driver at the end of 2019, the tourism sector is headed for a sharp contraction in the first half of 2020 and is forecast to see a decrease of 6.7 percent for the year, the first negative growth in six years. The spread of the COVID-19 has struck fear among tourists, particularly those from China – the epicenter of the deadly viral outbreak – resulting in the Chinese government's partial outbound travel bans. However, Thai

tourism is expected to manage a turnaround in the second half of 2020, as the outbreak may tend to subside or become manageable. The export sector should see a continued drop from 2019, as 2020 global economic and trade growth have been interrupted by the aforementioned outbreak, and could grow at lower rates than those predicted in early 2020 by the International Monetary Fund (IMF) at 3.3 percent and 2.9 percent, respectively, compared to 2019 at 2.9 percent and 1.0 percent, respectively. The economic slowdown could be seen particularly in China and its ASEAN trade partners which rely largely on trade with and tourism from China. The adverse impacts may include disruption in manufacturing supply chains involving China. In the meantime, US-China trade tensions continue to provide uncertainties and could further pressure global trade, despite some settlements derived from the recent agreements. Moreover, Thai exports could feel the pinch from progress of the European Union-Vietnam Free Trade Agreement (EVFTA), expected to take effect in 2020.

Domestic spending is expected to be sluggish. Although the economy will benefit from the central bank's move to relax monetary policy, the 2020 budget disbursement has been delayed to almost the second quarter, rather than October 2019. As a result, new infrastructure investments could be postponed, and consequently impact private investment and business confidence. In addition, excessive production capacity in the export sector could impede investments in related sectors. Private investment growth is expected to occur at a slower pace in 2020.

Private consumption growth will be limited. Thailand has increased national minimum wage recently and there is rising spending by middle- and high-income earners. However, farm incomes are suppressed by persistent low prices for agricultural goods, and the effects will be amplified by weak crop yields due to drought which could last until May. Meanwhile, non-farm income linked to export-related businesses are registering a slow improvement. Income of the service sector could be hard-hit by the slump in tourism, particularly in the first half of 2020. Faltering consumer confidence and still-high household debt continue to undermine overall domestic purchasing power.

Given the combination of worse-than-expected and significantly below-potential economic growth, and with inflation close to the low end of the official target range, Thailand needs a monetary policy that actively mitigates the risk of recession. On this note, the BOT is expected to cut its policy interest rate by a total of 50 basis points in the first quarter of 2020, possibly to a historic low of 0.75 percent. And, to increase the effectiveness of monetary policy transmission mechanisms, the BOT is likely to engage in targeted monetary easing.

Challenges that will be closely monitored into 2020: The international scene will feature heavily. Potential headwinds include the severity and persistence of the COVID-19 outbreak, as well as lingering trade barriers between the

US and its trade partners, risk to Thailand's economy arising from the loss of GSP (Generalized System of Preferences) privileges effective April 25, 2020, for some exports to the US. Beyond this, there is also the slowing China economy, turbulence in financial markets, the direction of monetary policy decisions by central banks in major economies, and international political conflicts. In Thailand, political stability, progress in infrastructure projects, and government policies, will influence the continuity and strength of economic growth as well as help the country to address the risks and uncertainty that lie ahead.

## THAILAND'S COMMERCIAL BANKS IN 2019 AND THE 2020 OUTLOOK

### 2019 SECTOR OVERVIEW

2019 saw numerous challenges at home and abroad that impacted commercial banks' operations, including a global economic slowdown caused by US-China trade tensions which consequently hindered Thailand's economic growth. In the meantime, the policy rate was cut twice with the intent of shoring up the economic expansion.

Given the above-stated factors, Thai commercial banks' lending growth was slow at 2.0 percent in 2019, against 6.0 percent in 2018, driven mainly by retail loan growth.

The industry's commercial loans contracted 0.8 percent, as a result of the economic slowdown and debt repayments across multiple business sectors, under which corporate loans dropped 1.9 percent, and SME loans shrank 2.1 percent. In contrast, banks' retail loans rose, though at a slower pace of 7.5 percent, hampered by sluggish housing and auto loan growth at 5.4 percent and 7.7 percent, respectively, while credit card and personal loan growth grew healthily at 10.1 percent and 11.8 percent, respectively.

Deposits increased 4.1 percent from 2018, mostly boosted by an increase in fixed deposits, leading to a satisfactory liquidity level of the banking industry in 2019. The loan to deposit ratio stood at 96.25 percent, compared to 98.27 percent in 2018.

The ongoing slow economic growth has dented banks' asset quality, with some industrial sectors being hit by the trade war. However, Thai commercial banks managed to maintain their non-performing loan ratio at an average of 2.98 percent, compared to 2.94 percent in 2018, thanks to their portfolio management through heightened cutting of losses and debt restructuring. In this regard, banks' loan loss reserves stood at 701.2 billion baht, increasing by 32.4 billion baht from 2018, while the coverage ratio was recorded at 149.9 percent.

In 2019, commercial banks posted a total net profit of 270.9 billion baht, growing 30.8 percent from 2018, substantially bolstered by special gains on investments, as well as rising



net interest income due to strong retail loan growth. Net fee income decreased slightly, caused by falling funds transfer fees and securities commissions, while employee expenses were higher from the provision for compensation in personnel expenses in accordance with the amended Labor Protection Act, as well as the provision buffers to withstand economic uncertainties.

Return on assets (ROA) was recorded at 1.39 percent, up from 1.11 percent in 2018, while net interest margin (NIM) was stable at 2.73 percent.

Operating with secure and stable financial status, Thai commercial banks saw their capital thrive as it reached a total of 2,845 billion baht, a level that comfortably withstood economic volatilities. The solid capital was earned from their respective net profits, raising of capital through a rights issue by a medium-sized bank to facilitate its merger and acquisition deal, and subordinated debt issuance by some commercial banks. As a result, their capital adequacy ratio soared to 19.6 percent, while the liquidity coverage ratio remained high at 187.5 percent.

Consistently embracing ever-changing technology, numerous banks have reduced their branch numbers and adjusted their branch service types, while racing to roll out product and service innovations. Their product lines were revised and extended, such as bancassurance of major banks, merger and acquisition among medium-sized banks to strengthen their stability and competitiveness, and expansion to boost overseas income through business acquisition in ASEAN.

## 2020 BUSINESS OUTLOOK

Looking ahead, 2020 will be another turbulent year for commercial banks amid even slower economic growth, the Bank of Thailand (BOT)'s supervisory requirements, and the new financial reporting standard (Thai Financial Reporting Standards 9: TFRS9) effective January 1, 2020. These factors have significant implications for the future banking business environment.

In light of this, the banking industry's loan growth is expected to be slower at 2.0-3.0 percent, driven by commercial lending, private investment, and infrastructure investment, while retail lending may grow even slower due to the limitations for new borrowings. Therefore, net interest income growth is on a downward trend, due mainly to slower lending expansion as well as reduced lending rates following the policy rate cuts at the end of 2019 and in early 2020, despite rate cuts in some deposit products. Moreover, non-interest income could rise at a slower rate, as a result of both sluggish economic activity and fee collection regulatory changes imposed by the BOT that focus on responsible and fair customer service provision.

In this regard, commercial banks' asset quality should be closely monitored, as the debt servicing ability of SME and retail customers may deteriorate from the economic slowdown, not to mention other risk factors, including the COVID-19 outbreak and customers' already high debt levels.

Apart from the economic difficulties, the banking sector will continue to encounter threats from FinTech companies which will compel banks to take their digital-based services to the next level, i.e., joining hands with business partners to offer complete digital financial service ecosystems in response to ever-changing customer lifestyles.

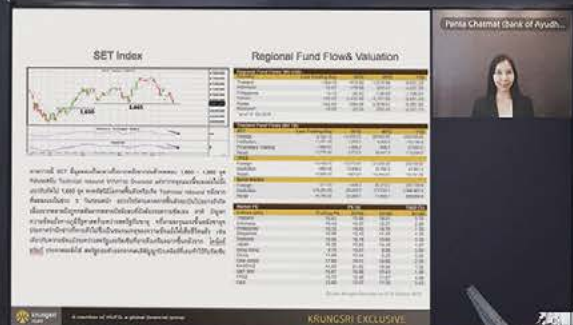
In addition, the BOT is promoting responsible lending principles among commercial banks, encouraging them to operate their business by taking into account environmental, social, and governance impacts for sustainable economic stability and financial institutions.



# 2

## COMPETITIVE CAPABILITY







## 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 being listed on the Stock Exchange of Thailand on September 26, 1977. The Bank has grown steadily to the present day. As of year-end 2019, Krungsri boasted total registered capital of 75,741 million baht and 73,558 million baht of paid-up capital.

As one of Thailand's domestic systemically important banks (D-SIBs) which play a key role in driving the country's economy and overall financial system, Krungsri is currently Thailand's fifth-largest bank by assets, loans, and deposits, and is a strategic member of MUFG Bank, Ltd. (MUFG Bank) which is wholly owned by the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group and among the world's largest.

Krungsri, our 21 subsidiaries and joint ventures (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 banking. 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, microfinance personal loans, and sales finance.

## TOWARD SUSTAINABLE BANKING

The Bank of Thailand recognizes the role of financial institutions as financial intermediaries in the country's economic system that contribute to the realization of sustainable development, and thus encourages Thai financial institutions to adopt the principles of 'sustainable business operations', benefiting both the financial system and Thai society in the long run.



**KRUNGSRI MADE A JOINT DECLARATION TO OPERATE BANKING BUSINESSES SUSTAINABLY IN TERMS OF RESPONSIBLE LENDING BY JOINTLY SIGNING THE MEMORANDUM OF UNDERSTANDING ON 'SUSTAINABLE BANKING GUIDELINES- RESPONSIBLE LENDING'**





Our operations and businesses are undertaken with a sense of social and environmental responsibility in alignment with good governance principles.

Steadfast in our sustainable development journey, Krungsri made notable progress in 2018 by establishing the Environmental, Social and Governance Division to take care of operations, strategic policies, and activities within the sustainable banking framework. In addition, the Bank issued our Environmental and Human Rights Disclosure Statements to announce our intention and commitment to all stakeholder groups regarding Krungsri's business directions in the social and environmental dimensions.

## 2019 Sustainability Milestones

Krungsri is resolute in our sustainable business practices. In 2019, we made a joint declaration to operate banking businesses sustainably in terms of responsible lending by jointly signing the memorandum of understanding on 'Sustainable Banking Guidelines – Responsible Lending' with the executives of 14 other commercial banks in the Bangkok Sustainable Banking Forum 2019 organized by the Bank of Thailand and the Thai Bankers' Association. The MOU emphasizes operating business based on four core elements, namely leadership and responsible lending commitment, stakeholder engagement, internal implementation mechanisms, and transparency, all of which serve as commercial banks' stepping stones to leadership in sustainable development.

Determined to expand our business in line with sustainable banking targets, especially the provision of inclusive financial services, Krungsri issued gender bonds, being the first private sector entity to do so in the Asia-Pacific region. It was also the first social bond issuance among Asian emerging markets in compliance with the International Capital Markets Association Social Bond Principles and the ASEAN Social Bond Standards.

These gender bonds were designed with the particular aim of raising funds as assets and loan sources for women-led small and medium-sized enterprises (WSMEs) in Thailand. To ensure that applicants do not operate businesses that have a negative social or environmental impact, they must pass our exclusionary screening. In this regard, the Bank appointed a committee with roles and responsibilities to determine the criteria and requirements for the exclusionary screening, including the duties to manage, monitor, and analyze spending of the proceeds from the bond's issuance.

Aside from sourcing funds via issuance of gender bonds, the Bank also promotes internal awareness of initiatives regarding ESG best practices and sustainable financial development through the drafting of policies and procedures, and the drafting of the Environmental and Social Management System (ESMS), including employee training at both the management and operating levels in conducting environmental and social operations in accordance with standards of excellence.

Furthermore, in 2019 Krungsri Group adapted sustainable banking principles for the development of products and services that take account of key environmental, social, and governance matters as follows:

### Environmental

- Commercial Banking encouraged granting loans to businesses harnessing forms of alternative energy that are clean and environment-friendly. The volume of loans granted to renewable energy operators was 12,064 million baht as of December 31, 2019.
- Krungsri Auto supported the use of 'green' auto innovations by extending electric vehicle loan services to cover both cars and motorcycles.
- The organization's carbon footprint was assessed for the second year to calculate the amount of greenhouse gases

## KRUNGSRI GROUP ADAPTED SUSTAINABLE BANKING PRINCIPLES FOR THE DEVELOPMENT OF PRODUCTS AND SERVICES THAT TAKE ACCOUNT OF KEY ENVIRONMENTAL, SOCIAL, AND GOVERNANCE MATTERS

released from the Head Office. Krungsri has managed to continuously reduce greenhouse gas emissions.

### Social

- Adhered to the conviction to be a responsible lender that underwrites loans proportionate to customers' debt servicing capabilities and discourages taking on excessive debt
- Expanded financial transaction services via banking agents in depositing and withdrawing cash for customers' convenience throughout the country
- Shared financial knowledge and arranged financial literacy activities for employees, customers, students, and the public in order to help efficiently improve quality of life through financial stability

### Governance

- Sending of emails from the Bank's Procurement Department to external parties to proclaim that the Bank, together with its subsidiaries and joint ventures, as a certified member of Thailand's Private Sector Collective Action Coalition Against Corruption, has a policy of preventing and eliminating corruption in all forms, whether direct or indirect
- Cooperation between Krungsri Asset Management and investors including other stakeholders to follow up on, rectify, or otherwise find solutions for investment companies that have not yet embraced environmental, social, and governance approaches

In addition, Krungsri Group adopted digital innovations to our products and services to boost the customer experience as well as productivity.

### Key digital product developments in 2019

- **QR Cross-Border Payment:** The first e-payment platform enabling cross-border payment by scanning a Thai QR code with the Krungsri Mobile Application and the mobile applications of other banks within the project. The service was launched at the Takeya Department Store and will later be available throughout Japan, thanks to Krungsri and MUFG's synergy.
- **Facial Recognition e-KYC:** Facial recognition technology was adopted to the deposit account opening service at the Bank's branches.
- **Krungsri Blockchain Interledger:** Funds are transferred from Lao PDR to Thailand in real time in either US dollars or Thai baht, facilitating trade between the two countries and broadening business horizons.
- **Krungsri Simple Sure Travel Insurance:** The Bank has collaborated with Sompoo Insurance (Thailand) PCL to create a new type of policy that provides coverage before, during, and after a trip. Purchase is made easy via the Krungsri Mobile Application.
- **e-Consent:** Krungsri Auto blazed the trail in using e-Consent in the auto loan application process in Thailand to enhance the accuracy, security, and speediness of services.

Krungsri successfully issued Asia Pacific's first private-sector social bond under the theme of 'Gender' or 'Women Entrepreneur', which was in compliance with the International Capital Markets Association (ICMA) Social Bond Principles and the ASEAN Social Bond Standards.

The Women Entrepreneur Bond is a 7-year USD-denominated senior unsecured bond with floating interest indexed to six-month USD LIBOR plus 1.015 percent with the total subscription of USD 220 million through a private placement, with the International Finance Center (IFC) – a member of the World Bank Group, and Deutsche Investitions- und Entwicklungsgesellschaft (DEG) as investors. The Women Entrepreneur Bond is structured as a themed bond, the proceeds of which are aimed to grow assets or lending for eligible woman-led small and medium-sized enterprises (WSMEs) in Thailand. Such eligible assets and customers are assessed to have low environmental and social (E&S) risks through exclusionary screening. For an appropriate and transparent process, the Bank has nominated a working team with clear roles and responsibilities to ensure compliance

with the eligibility and exclusionary criteria, together with the management of the proceeds.

As a requirement of a social bond, the Bank has developed the Women Bond Framework (accessible through the Krungsri website) that represents the four pillars under the Social Bond Principles (SBPs). The framework has been reviewed and confirmed to be in alignment with global standards by Sustainalytics, one of the leading independent global providers of ESG and corporate governance research and ratings for investors, through the issuance of a Second-Party Opinion.

Apart from being a new source of funding for the Bank, the gender bond has helped create awareness, new ESG-related initiatives, and development regarding sustainable financing within the Bank. The gender bond issuance reflected the Bank's strong intention in providing a financial opportunity to a specific and focused segment, aiming to provide women entrepreneurs access to funding, improve business productivity, and eventually raise the living standards of families in Thailand. Thus the benefits are not only felt internally, but are hoped to help society as a whole.

## MEDIUM-TERM BUSINESS PLAN

In refocusing the Bank around our clients, our goal of being a top-tier financial group in Thailand serving all client segments through synergies with MUFG has been reflected clearly in the Bank's Medium-Term Business Plan (MTBP). Bringing our vision to life, the current MTBP helps build the Bank's business on the foundation and achievements of the previous plan. It lays out our corporate objectives over three years and includes analyses and strategies to cope with the changing economic environment we are operating in. We remain committed to enhancing our global network in helping corporate and retail customers thrive through the best advice and solutions that are suited to their needs.

## THE SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We established our second MTBP (2018-2020) with consideration of our performance during the first MTBP (2015-2017) as well as the market environment and outlook. In our MTBP (2018-2020), 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 Platform, and Achieve Sustainable Growth

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

### 6 Core Business Strategies

1. Enhance Customer Experience toward Customer Engagement
2. Upgrade Advisory Capabilities and Service Quality of Retail Banking
3. Grow SME Banking through Digital and Innovation Capabilities
4. Execute Commercial Banking Transformation
5. Strengthen Product Capabilities to Offer Financial Solutions
6. Expand Collaboration within Krungsri and Synergy with MUFG and Strategic Partners

### 5 Management Platform Strategies

1. Enhance Business Competitiveness through HR Platform
2. Build Robust and Smart Technology to Digitize Business and Operations
3. Ensure Security and Soundness
4. Improve Productivity and Efficiency
5. Accelerate Digital and Innovation Execution



To carry out these strategies, each business and support unit established relevant targets and plans to help produce tangible results. Details of these targets and plans are different and depend on each business unit's needs, while we ensure alignment across Krungsri Group.

## PROGRESS OF SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We were able to make significant progress in our strategy and initiatives under our current MTBP (2018-2020), while continuing to drive strong financial performance. However, we are aware that the banking industry is facing challenges with rapid market changes notably driven by digital innovation. While we strive to follow the MTBP, our medium-term strategic roadmap, we must ensure that we remain flexible enough to swiftly and appropriately adjust our plan as the ever-changing market environment may dictate.

We run our PDCA (plan-do-check-act/adjust) cycle against our strategies and initiatives to consider adjustments and take necessary actions in response to the desired progress and market conditions, while ensuring organization-wide alignment.

## LEVERAGING SYNERGIES WITH MUFG

### Synergy Highlights

Our focus on leveraging the complementary strengths of Krungsri and MUFG showed steady progress throughout 2019. The power of synergy between the two boosts our competitive strength and ability to offer superior products and services, as demonstrated by various successes.



## Krungsri-MUFG Business Matching Fair in Bangkok 2019



- **Payroll account acquisition:** Acquired more than 80,000 payroll accounts since the integration with MUFG Bank's Bangkok Branch in 2015, and promoted cross-selling of retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.
- **Cross-border QR code payment:** Krungsri, together with Mitsubishi UFJ NICOS (a wholly owned subsidiary of MUFG) and MUFG Bank, officially launched a cross-border QR code payment system in August 2019. This service provides greater payment convenience and security for Thai tourists, as they no longer need to worry about carrying or exchanging large amounts of cash. Customers can use the Krungsri Mobile Application or mobile banking applications of any other participating banks for QR code scanning.
- **Supply chain financing:** The Bank promoted end-to-end solutions from supplier financing to dealer financing, tapping into the market of Japanese manufacturers and their supply chains. Leveraging 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 2019, Krungsri and MUFG jointly organized their sixth Business Matching Fair in Thailand, attracting around 200 companies from Thailand, Japan, and ASEAN, resulting in around 400 business pairs matched. The Business Matching Fair in 2019 widened the scope of industry coverage, such as tourism, elderly care, and smart business, i.e., smart agriculture, robots, smart devices, etc. This created opportunities for Thai companies to expand into the Japanese and ASEAN markets, while providing a platform for MUFG customers to connect with Thai entrepreneurs.
- **Investment banking:** We enhanced cross-selling of investment banking products, focusing on the debt and equity capital markets, project financing, merger and acquisition (M&A) financing, syndication, and M&A advisory, for which we could leverage MUFG's global product capabilities and Krungsri's domestic investment banking services. Investment banking successes in 2019 included: 1) Krungsri and MUFG Bank provided financial advisory services to a leading Thai company for investment in the power and gas business in Myanmar; and 2) Krungsri closed a financing deal for a 2,500 MW Independent Power Plant (IPP) for a leading electricity power producer in Thailand.
- **Transaction banking:** Leveraging MUFG's products, Krungsri customers who venture abroad to set up operations can access their overseas accounts via MUFG's Global Cash Management Services (GCMS) to make payments, view statements, and monitor movements of funds in their account, on a secure electronic platform anytime, anywhere, worldwide. This product satisfies Krungsri customers' increasing need for global cash management.
- **Cross-border business:** We utilized MUFG's global network to support local corporations and other customers in Thailand that are becoming increasingly globalized and are in need of effective global banking services, whether

within ASEAN or further afield. One cross-border business success in 2019 was Krungsri and MUFG Bank's support for an M&A activity in East Asia, with financing and currency swap to help mitigate the client's foreign exchange risk.

During 2019, Krungsri and MUFG synergies allowed Krungsri to better respond to our clients' financial needs. Looking to 2020, Krungsri will continue to enhance our customer service capabilities by uniting MUFG's global platform and networks with local expertise and strengths.

## EXPANDING OUR BUSINESS IN THE REGION

Krungsri continues to pursue opportunities for regional expansion, particularly in fast-growing economies, while applying our industry-leading expertise and best practices conducted through Thailand's retail and consumer banking platforms, and commercial banking in neighboring markets.

In 2019, Krungsri planned to enter the Philippines market by announcing to acquire a 50 percent stake in SB Finance Company, Inc. (SBF) from Security Bank Corporation (SBC). This transaction will give Krungsri an opportunity to expand its consumer finance business to the next level while emphasizing the Bank's strategy in its inorganic growth plan. With MUFG's extensive global network, Krungsri holds a robust position to leverage its strength in retail banking and consumer finance and extend its footprint, covering countries in the region beyond CLMV. The Philippines's GDP growth is the highest among Southeast Asian countries and is expected to maintain the same pace in the foreseeable future. The Philippines has Southeast Asia's (SEA) second-largest population, with 107 million inhabitants, and strong growth is expected over the coming years. The demographic structure is highly favorable

for consumer finance growth with: 1) a young population with a median age of 25; 2) more than 50 percent of the population at working age; and 3) increasing life expectancy.

Apart from seeking new business expansion opportunities in Asia, Krungsri also focused on fortifying our foreign subsidiary Hattha Kaksekar Limited (HKL), which is a microfinance deposit-taking institution (MDI) in Cambodia. Acquiring HKL, Krungsri has helped reinforce the company's manpower, which has been equipped with the Bank's know-how in retail business so that it can develop new products, while HKL has also been given advice on governance best practices. In addition, Krungsri assisted HKL to be ready for transforming the company's status from MDI to a commercial bank in terms of registered capital and other key areas required by Cambodian regulators. Upon approval from the regulators, HKL will be able to serve a broader group of customers amid the country's robust economic growth.

The Bank will continue to expand our business in ASEAN, focusing on growth opportunities in the consumer finance area including but not limited to auto hire purchase and retail and consumer banking, while using MUFG's global network to expand our corporate customer base.

## DIGITAL BANKING AND INNOVATION

As digital technology has come into play prompting significant adjustments in the financial industry and resulting in ever-faster changes in consumers' behaviors, attitudes, and lifestyles, Krungsri is determined to transform into a complete digital platform in order to stay abreast of such changes. Throughout the past several years, the Bank has attempted to understand customer desires, discern their



pain points, and create solutions aiming to deliver the best customer experience through our digital channels. As such, the Bank has invested in several digital technologies such as blockchain, the National Digital ID (NDID) project, facial recognition technology, open application programming interfaces (APIs), artificial intelligence (AI), machine learning, big data analytics, robotic process automation (RPA), and microservices, while implementing new work methods such as an agile framework, design thinking, and customer centricity. Moreover, we have cooperated with financial technology (FinTech) firms to develop a variety of products and services through the Krungsri Mobile Application (KMA).

## CONSUMER DIGITAL SOLUTIONS

As an innovation for fulfilling customers' needs, the Krungsri Mobile Application (KMA) is developed based on three main customer-centric approaches: 'Acquisition', which ensures customer convenience in accessing the Bank's products; 'Self Service', which ensures simplicity for customers in processing transactions and managing accounts, and 'Mobile Marketing', which allows the Bank to demonstrate its grasp of customers' desires with pertinent communications in line with each customer's needs at a particular time.

For Acquisition, Krungsri has developed a digital lending platform where customers can apply for personal loans and over 72 types of Krungsri Group credit cards. This reduces their burden in document submission as the customers can simply take photos of the required documents and upload them through the KMA. In addition, the digital lending platform also provides the features of prompt notification of transaction results and online tracking of application status. Other types of accounts that can also be opened via the online platform include online savings and mutual fund accounts. Moreover,

users can easily purchase travel insurance with immediate coverage through the KMA. Finally, Krungsri together with MUFG initiated the Thai QR code standard allowing Thai travelers to use their mobile banking applications to make bill payments when overseas. The innovative payment method was launched in Japan in 2019 and will be expanded to Singapore, Cambodia, Lao PDR, and Vietnam in 2020.

On the self service front, the Bank provides customers a one-stop service in conducting transactions and managing accounts by themselves, including basic transactions like money transfer, bill payment, top-up, reviewing account statements, requesting an account confirmation certificate, withdrawal of money from credit card limit, and redemption of credit card points. Equipped with the Smart Advisor feature, which integrates artificial intelligence (AI) and human intelligence (HI), the KMA provides investment advisory services comparable to a professional consultant in managing customers' investment portfolios. Users can easily track their investments, investment unit subscription, redemption, and switching, as well as tax planning, or choose to purchase investment units from various leading asset management companies including Krungsri Asset Management Company Limited, Principal Asset Management Company Limited, Phatra Asset Management Company Limited, One Asset Management Company Limited, and Manulife Asset Management Company Limited.

In relation to mobile marketing, the Bank promotes and maintains customer relations, while creating customer engagement by becoming part of customers' lifestyles. Through the KMA Marketplace, the app becomes a mobile marketing platform in which customers shop with special privileges or discounts through a reliable and secure payment system.

In 2019, the total number of KMA transactions registered more than 1.5 billion, amounting to a total of around 1 trillion baht. Funds transfers increased significantly, by 240 percent to over 130 million transactions, while there were 12 million bill payment transactions, 11 million top-ups, and 7 million cardless cash withdrawals. At least 30,000 applications were approved via the digital lending platform, while investment unit subscription and redemption transactions reached 12 billion baht.

The KMA will be consistently enhanced for greater customer access to funding anywhere, anytime. To gain customer trust and create the best customer experience, fresh digital banking standards will be established to seek the best customer insight, while maintaining utmost data security at a global standard. The Bank aims to increase the user base to 5 million in 2020. Krungsri is committed to not only making a difference for customers, but also strengthening their financial security in order to make their lives simple.







## COMMERCIAL DIGITAL SOLUTIONS

Sustaining our leadership position in digital banking and innovation in 2019, Krungsri strives to move forward with cutting-edge technologies, while taking part in building digital technology infrastructure for the banking industry.

- Joined hands with the Bank of Thailand to implement a Central Bank Digital Currency (CBDC) in Project Inthanon, which would be enhanced in its next phase with cross-border payments between Thailand and Hong Kong using R3/s Corda blockchain
- Became one of the leading banks in the blockchain consortium for Letters of Guarantee (e-LG)

A robust transaction banking volume was delivered through digital solutions widely recognized as the industry's digital innovations that help boost transaction volume.

- Krungsri Biz Online (KBOL) and mobile transactions jumped 94.3 percent in 2019, with the number of active users rising 37.7 percent.
- Krungsri e-payment transactions saw a substantial increase of 40.7 percent in 2019. Going forward, the product's market penetration strategy will focus on supply chain financing.

## Key Achievements in 2019

- **Government-Driven and National e-Payment**
  - o Payment for Capital Market Phase 2.0 (Cross Bank T+2 Settlement) – managing settlement cycles and securities trading transactions between other banks' accounts and Krungsri's accounts

- o Completion of PCM IWT (industry-wide testing conducted along with FinNet Innovation Network Co., Ltd (FinNet), securities companies, and 12 member banks) which went live in November 2019

### • New Corporates to Bank

- o BAU H2H Integration – creating host-to-host service for large corporate banking services focusing on more than 20 groups of companies

### • Blockchain and Blockchain Community Initiative (BCI)

- o Project Inthanon Phase II – a collaborative project in developing and testing a proof-of-concept prototype for:
  - Aggregation of NRBA/NRBS balances across different banks while ensuring compliance with regulatory limits
  - Fraud detection validation by reconciling multiple sources of information before funds transfer
  - Use of smart contracts for Delivery versus Payment (DvP) for bond repurchase and trading using Wholesale Central Bank Digital Currency (Wholesale CBDC)
- o Project Inthanon Phase III – a collaborative project in developing and testing a proof-of-concept prototype to support ASEAN trade and investment flows through a cross-border payment network using wholesale CBDC
- o BCI Thailand – a collaborative blockchain project developed among six banks with BCI (Thailand) Co. Ltd. established to provide bank guarantee services based on blockchain technology. The first use cases of the service were those provided for other member banks in June 2019.

- **New Features via New Channels**

- o Juristic Account Opening: A new acquisition platform for onboarding juristic customers and driving digital revenues by creating outstanding experiences to increase customer satisfaction, helping banks create dynamic product offerings and supporting instant go-to-market. The project's concept development, scope, and initiation phases were completed with the first use case.
- o Krungsri Biz Online (KBOL) for Lao PDR: To facilitate internet banking services for our corporate customers as an additional service channel for customers who find it inconvenient to conduct transactions at a branch. Customers will be able to easily connect to Krungsri in Lao PDR via internet to seek payment instructions, transfer funds, and view their real-time bank statements, etc.
- o e-Custodian: To facilitate online services for securities customers including viewing custodian reports and uploading or downloading files
- o e-Drawdown on KBOL: Electronic drawdown for ST revolving loan to facilitate electronic drawdown for SME customers including online services of revolving loan, repayment, and balance inquiry

- **New Features via Existing Channels**

- o e-Government Procurement System (e-GP): Biz Guarantee on Blockchain (KBOL)
- o e-Fund Registrar for Tax Deduction

## DIGITAL AND SOCIAL MEDIA MARKETING STRATEGIES

Krungsri continues to focus on customer centricity in carrying out our digital and social media marketing strategies, while delivering on our brand promise of 'Make Life Simple' in order to consistently provide customers a superior financial experience and make their life simple on a sustainable basis.

Social media plays a crucial role as one of consumers' primary communication channels, including Krungsri's customers. There is no doubt that digital and social media marketing strategies have become our vital tools in creating awareness and building customer confidence in the products and services provided under Krungsri's brand promise, 'Make Life Simple'. Directions and goals have been established to maximize the Bank's communication achievements through all social media platforms such as Krungsri's website, LINE, Facebook, Messenger, Instagram, and YouTube.

In 2019, the Bank successfully reached our goals through efficient digital and social media marketing strategy as reflected in the results:

### Social Media Marketing

- A 465 percent increase in Krungsri's share of voice (SOV) from 2018
- A 78 percent increase in the engagement rate on Krungsri's social media platforms from 2018
- Developed a platform through LINE BCRM used for sending segmented messages regarding products and services customized to meet customer needs, for which 690,095 users registered



### Website: [www.krungsri.com](http://www.krungsri.com)

- Developed an online content hub, 'Plearn Plearn by Krungsri GURU', to promote financial literacy as well as provide lifestyle insights, resulting in a 40 percent growth of visitors from 2018 with 500,000 page views per month, 60 percent of which were from new users
- The Bank's 2019 website traffic saw significant growth from 2018 with increases of 54.6 percent in visitors and 36.6 percent in page views.
- Redesigned and optimized the website and search system to make the website appear more prominently in Google search results, with an increase of 35,035 search results in 2019 accounting for a 35.33 percent growth

### Online Acquisition Marketing

In 2019, the Bank achieved successful online acquisition marketing through media planning and optimization. Three loan products, namely SME, personal, and mortgage loans, were applied for new via our website representing 6.9 billion baht in total, or an increase of 127 percent from 2018.



## KRUNGSRI FINNOVATE

Krungsri Finnovate Company Limited (Krungsri Finnovate) is a FinTech entity that aims to be a fully strategic investor supporting startups to grow toward their set goals through the Krungsri RISE Accelerator program and our corporate venture capital (CVC) investment, made possible with collaboration from the Bank's related business units.

Our key mission is to support and promote not only FinTech businesses but also other banking-related tech startups in Thailand and other Southeast Asian countries, in the forms of accelerators and academic collaboration, startup strategic partnerships, and CVC investment. Project areas include:

### Krungsri RISE Accelerator

Krungsri RISE is Thailand's first FinTech synergy-driven accelerator project, under which Krungsri Finnovate works in collaboration with RISE Accelerator to increase the capacity and accelerate the growth of FinTech startups with competitiveness equivalent to that of the regional level. Krungsri RISE Accelerator has completed three acceleration cohorts since its inception in 2016.

In 2019, Krungsri Finnovate, in collaboration with RISE, organized the RISE.AI Accelerator Program, Southeast Asia's first corporate AI Accelerator. With the participation of a number of startups and investors, the RISE.AI Demo Day 2019 was held to provide a stage for approximately 30 global startups to showcase their solutions. Many of the participating startups collaborated with Krungsri in implementing their pilot projects, paving the way for enhancing their growth potential, while using AI to create opportunities for these new businesses.

## Startup Strategic Partnership

Krungsri Finnovate's key objective is to promote collaboration among the Bank's business units, startups, and technology companies in eliminating weaknesses and pain points or enhancing efficiency of the Krungsri Group's business units, while developing new products and services for customers.

Driven mainly by collaboration between startups and Krungsri Group, Krungsri Finnovate also completed 60 projects in 2019.

## Corporate Venture Capital

Krungsri Finnovate allocates its proprietary capital for startup investments. The company aims to be a strategic investor, with all startup investment being of clear strategic value to the Bank's business. Areas of interest include:

- Online, online-to-offline, QR code payment, and digital e-wallet
- Blockchain and related applications
- Lending technology
- Robo advisor and wealth management technology
- Insurance technology
- SME and personal finance tools and technology
- Artificial intelligence and machine learning
- Remittance and international remittance technology and
- Cybersecurity

Krungsri Finnovate expanded with two investment projects in 2019. First, it invested in Choco Card Enterprise Company Limited, a Thai startup and a leading provider of customer relationship management (CRM) and point of sale (POS) platforms and services. The investment was intended to expand the Bank's customer base by developing payment systems and diverse financial products. Second, the company made an investment in Silot (Cayman) Limited, a startup registered in the Cayman Islands, which develops AI and data management technologies, so that the Bank can use its services or work with it to jointly develop solutions for customers.

## OUR PHILOSOPHY

Our mission is to become a leading regional financial institution with sustainable growth achieved through all stakeholders' confidence in the organization. We consider good governance an essential ingredient in the recipe for sustainable growth, and adhering to the best in good governance practices is part of our core philosophy. Thus, we have devoted great care and effort to comprehensively developing a 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 of our undertakings, using a customer-centric approach that we apply to all of 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 allow us to deepen our engagement and relationships with customers, as evidenced by the numerous marks of recognition and awards conferred on Krungsri by various national and international organizations as well as professional associations throughout 2019.

## 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 a cornerstone considering risks, responsibilities, and fair treatment to stakeholders and all relevant parties, together with our support of sustainable economic, social, and environmental development.

Our Board of Directors has instituted Good Corporate Governance Principles, in alignment with relevant regulations including Krungsri's organization structure and environmental situation of corporate governance of Krungsri, subsidiaries, and joint ventures (Krungsri Group), to be used as a framework for business conduct and to enhance our international standard practices. These principles also serve as guidelines of behavior to be strictly adhered to by directors, executives, and employees in performing their duties, including Krungsri's subsidiaries and joint ventures, which have the option of adopting their own corporate governance principles based on the nature of their respective businesses.

With our adherence to the Good Corporate Governance Principles covering guidelines on various areas including investor relations and corporate social responsibility (CSR) projects, Krungsri has earned an 'Excellent' level of recognition based on the Corporate Governance Report of Thai Listed Companies (CGR) assessed by the Thai Institute of Directors Association (IOD) for nine years in 2009-2013 and 2016-2019 (after the adjustment of assessment criteria). Krungsri has also been recognized with the Asia's Icon on Corporate Governance Award from Corporate Governance Asia for six consecutive years (2014-2019), and The Asset ESG Awards – Gold 2019 for environmental, social, and governance (ESG) principles.

Krungsri was selected for the Thailand Sustainability Investment (THSI) 2019 list by the Stock Exchange of Thailand for the fourth consecutive year, listed on the ESG100, and received a certificate of recognition from the Thaipat Institute for the fourth 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 adopted new operating models by switching from product centricity to customer centricity, resulting in products that better respond to customer needs.

Technology plays an ever-greater role in people's changing lifestyles; the Bank is well aware of the importance and benefits that technology brings through product and service enhancement, as well as business operating processes, so that our capability in financial service provision could be heightened in terms of service efficiency, service access, and risk hedging for customers' transactions. All of this leads to impressive customer experiences that surpass expectations.

## COMMERCIAL BANKING

In 2019, the Commercial Banking focused on enhancing the quality of management, strengthening overall operations and customer services, understanding customer requirements, and ensuring credit portfolio quality amidst the ongoing economic deceleration.

Krungsri's unwavering commitment to supporting corporate customers with an emphasis on the remarkable strength of synergies between Krungsri's local expertise and MUFG's global network allowed us to provide differentiated financial services and a broader range of banking products across all of our customer segments and industries. We also offered Krungsri Business Empowerment, with value-added services



of knowledge sharing, business matching and networking activities to help our corporate and SME customers expand their business potential and create long-term strength.

## CORPORATE BANKING GROUP

Aiming to be a 'thought partner' for corporate customers, we have continued to pursue a solution-based approach in providing financial services to our customers. We made good progress in enhancing portfolio profitability and quality, increasing our fee-based business, and raising the foundation for a new landscape to help corporate customers achieve sustainable growth. Despite slow economic growth, in 2019 we were able to satisfactorily grow business activities with our customers.

### 4 key initiatives developed were:

#### 1. Enhanced portfolio profitability and quality

- Banking services and products were structured to match customers' requirements as well as the Bank's risk appetite and return hurdle. Credit limit utilization for each customer was reviewed and boosted to ensure optimal use of the Bank's capital and resources.
- Solutions were extended beyond traditional products, e.g., derivative products, structured finance, debt capital market, and investment banking products. This allowed the Bank to better serve its customers and increase its fee-based income.

#### 2. Proactively advised solutions that best fit corporate customers

- Developed thematic solutions so that relationship managers could proactively introduce them to specific customers; such solutions were later replicated for large-scale corporate customers.
- Comprehensive solutions captured customers' end-to-end business flows both in Thailand and overseas.



#### 3. Raised the operating foundation to keep up with the competitive banking landscape

- Enhanced internal processes to save time so that we could spend more of that time with our customers, in order to understand their businesses and devise solutions that suit them.
- Strengthened platforms and processes with customer touchpoints to be able to compete on a level playing field with other top-tier banks and to render better service to customers.

#### 4. Utilized MUFG network to better serve our customers

- Continued to leverage our MUFG network and global expertise by working with MUFG to support our customers who need sophisticated financial services or plan overseas expansion.

In 2019, the Bank and MUFG acted as a total financial solution provider for our leading Thai power customer in its greenfield power project in Indonesia, whereby the Bank and MUFG worked jointly as advisor, financier, and hedging product provider for the project.

## Strategic Plans for 2020

We will continue to promote sustainable growth and become a trusted banking partner via holistic financial solutions, accentuating our local expertise with MUFG's global network to help our customers expand locally and overseas as follows:

- Building the future – to grow our exposure and enhance our profitability in core segments that are the backbone of the economy. We aim to expand our customer base in high-potential industries for greater profitability.
- Driving value creation – to customize superior solutions for both key accounts and industry-based segments to best serve customers' needs.

## CREATE A NEW DIGITAL EXPERIENCE AND IMPLEMENT MODELS TO MORE EFFECTIVELY ACQUIRE NEW CUSTOMERS

3. Creating a scalable platform – to create a new digital experience and implement models to more effectively acquire new customers. We will invest in technology and platforms to improve work efficiency through a data-driven culture.

## SME BANKING GROUP

The SME Banking Group continued to focus on our goal of becoming a main operating bank for SME customers through collaboration with MUFG and enhancement of business opportunities for Thai entrepreneurs. Despite the challenging business environment and intense competition, Krungsri's SME portfolio continuously expanded at a double-digit growth rate of 11.2 percent, the strongest in the market.

We launched innovative products while improving processes to better serve SME customers. Our assets were boosted with a focus on these customers' working capital solutions.

- The launch of Krungsri Supply Chain on Blockchain, equipped with deep-learning artificial intelligence (AI), helped deliver great customer experiences as we leveraged the cutting-edge technology in the construction industry, which will utterly transform the supply chain ecosystem.
- Krungsri Cashless Chain – Thailand's first business-to-business (B2B) cashless solution – reinforced our leadership in digital solutions for the whole business chain and created a truly cashless environment in the supply chain industry. Businesses can reduce risks and processes of cash handling, while cutting related expenses as well as improving cost and time management. This helps improve the B2B customer experience and business growth opportunities minus the worry of physical cash management.

We have also provided knowledge sharing, business matching and networking activities through Krungsri SME Business Empowerment, a value-added service designed to help our SME customers grow their business potential and create long-term strength. These activities included:

- Krungsri Business Journey: 'Advanced Food Technologies in Japan' – a trip organized to provide Thai entrepreneurs the opportunity to observe food-related businesses in Japan; and 'Digital Commerce in China' – a trip to visit and learn from digital technology businesses in China. Both events created growth opportunities for Thai SMEs, emphasizing Krungsri's capability and MUFG's global strength.
- Krungsri Business Talk 2019: Digital Moves, Driving Business with Digitalization – events held in Bangkok, Phuket, and Udon Thani, organized to provide insights of business management and strategies to enhance business potential and opportunities based on the platform economy concept.
- Krungsri Business Forum 2019 - Platform Economy: The New Business Revolution – one of the year's biggest business seminars, aimed at providing entrepreneurs knowledge and strategies to augment their competitiveness in the digital economy.
- Krungsri SME Online Business Matching – an online platform that provides channels for both SMEs and corporates to help market their products and extend their networks onshore and offshore.

## Strategic Plans for 2020

- Focus on becoming 'The main bank for SME customers' by offering total lending and financial transaction services including innovative working capital, trade finance, and supply chain solutions, together with Krungsri SME Business Empowerment, a value-added service to give SMEs knowledge, insights, and business opportunities.
- Provide sustainable loan growth for SME-Medium (SME-M) and SME-Small (SME-S) segments.
- Continue to develop innovative products and solutions to enhance customer experiences and create stickiness.
- Continue to develop digital platforms and improve operational efficiency for better and faster customer service.





- Enhance customers' global business opportunities via Krungsri SME Business Empowerment and our partners worldwide.

## JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

In 2019, JPC/MNC Banking further strengthened the foundation for our road ahead through our service development, improvements in the customer experience, and greater operational efficiency. We remain focused on meeting the financial needs of our customers. In addition, we aim to be a business partner to support our customers' sustainable growth through our value-added financial services and products.

Despite the challenging business environment and intense competition, JPC/MNC Banking delivered outstanding results in 2019. Our loans grew by 13.1 percent, while deposits expanded by 6.5 percent compared to 2018. Our Japanese corporate banking has the highest market penetration, covering the majority of Japanese corporates in Thailand. Our multinational corporate banking business also continues to grow in reputation as a banking partner among multinational corporates in Thailand. We are deepening relationships with our valued customers, and continuously acquiring new customers for our client base.

Our 2019 initiatives were intended to support our core businesses, i.e., loans, deposits, FX and derivatives, trade and settlement, and to strengthen our internal platforms, i.e. operational excellence, data intelligence, and professional skill enhancement, to increase workplace efficiency and enhance employee capability. We also continue to focus on research and advisory functions and business matching services to contribute to the customers' business developments. Furthermore, we initiated an industry vertical approach and up-tiering strategies to reinforce our strategic initiatives. We also set up an EEC department to explore new business opportunities in the high growth potential Eastern Economic Corridor (EEC).

In 2019, JPC/MNC Banking helped facilitate collaboration between Japanese and multinational companies and Thai corporates in real estate joint venture projects in Thailand, thanks to the close cooperation of MUFG and Krungsri's Corporate Banking Group. Currently, we have supported financial facilities to 13 Japanese and multinational-Thai real estate joint venture projects with a total amount of 13,000 million baht. In addition, JPC/MNC Banking supported a Japanese automotive manufacturer's subsidiary in acquiring a foreign business license, and provided the service of a principal-only cross-currency swap transaction of local currency for the customer in Indonesia. The transaction marked the first time that Krungsri executed a cross-currency swap transaction of Indonesian Rupiah for

**TO BE A BUSINESS PARTNER TO SUPPORT OUR CUSTOMERS' SUSTAINABLE GROWTH THROUGH OUR VALUE-ADDED FINANCIAL SERVICES AND PRODUCTS**

the customer. These are only a few examples among many other achievements of JPC/MNC Banking for 2019.

Meanwhile, good corporate governance is essential in strengthening our sustainable performance. We place great emphasis on maintaining Krungsri's corporate governance standards. We have strong compliance and risk management to ensure transparent, secure, and fair business operations for our customers, stakeholders, and society, while giving high priority to not only internal risk management, but also external risks.

## Key Plans and Strategies for 2020

In 2020, weaker business sentiment stemming from multiple uncertainties may pose a significant challenge for us. However, we will continue to commit ourselves to maintaining our leading position in the Japanese corporate market and being the most preferred bank for multinational corporate customers in Thailand, while boosting our customer base among multinational corporates. Our strategies and initiatives which were the key drivers for our achievements in 2019 will continue to be implemented in 2020. Furthermore, we will focus more on specific high-potential areas, such as the EEC, which strongly attract investors including JPC/MNC Banking customers. Additional strategies include customer base expansion and extending our collaboration with the SME Banking Group to seek business opportunities in the Japanese SME segment in Thailand. Furthermore, JPC/MNC Banking will continue to enhance our service and product quality by increasing value for our customers' sustainable growth.

## INVESTMENT BANKING GROUP

In 2019, the Investment Banking Group endeavored to provide total investment banking solutions and fee-based services for corporate customers by strengthening our investment banking capabilities – equipped with a team of professionals – and honing our efficiency and expertise in capital-raising, advisory services, and specialized financial products. By leveraging synergies between Krungsri's local expertise and MUFG's global network, Krungsri maintained its commitment to delivering service excellence for the demands of the business sector, with competitive terms and conditions.

The Investment Banking Group provides a comprehensive range of financial products and services to our corporate customers, including project finance, merger and acquisition advisory services, funds mobilization via debt and equity capital markets, initial public offering (IPO) advisory services, and real estate investment trust (REIT) establishment.



Our successes for 2019 included:

- Offered bridge loan and bond takeout for Global Power Synergy Public Company Limited to finance Glow Group's acquisition deal, a total investment banking solution provided through collaboration between the Debt Capital Markets Department and the Project Finance and Structured Finance Department;
- Provided real estate investment trust (REIT) advisory and underwriting services to AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust (AIMCG), wherein Krungsri provided financial advisory service and Krungsri Securities Public Company Limited was a lead underwriter;
- Facilitated Krungsri's gender bond issuance through collaborating with MUFG Securities and acting as a bond structuring advisor, arranger, and placement agent;
- Provided merger and acquisition advisory services for Food Factors in its acquisition of KT Restaurant Company Limited (operator of the Santa Fe and Meng Nua Nua restaurant chains);
- Provided financing support for the Gulf Independent Power Producer (IPP) Project by collaborating with MUFG Bank to leverage MUFG's project financing expertise;
- Provided financial advisory services – working together with MUFG – to Thai customers with investments in Myanmar.

## Strategic Plans for 2020

With our aim of becoming a trusted banking partner, the Bank's ability to customize total solutions with a wide array of products, digital platforms, commercial advisory services, as well as ever-adapting internal processes, will eventually make us customers' main operating bank that best offers services meeting their needs.

- Providing total solutions by leveraging both debenture and equity products
- Enhancing our collaboration with MUFG to utilize their global network

## TRANSACTION BANKING GROUP

The Transaction Banking Group (TBG) was established to allow full focus on the various transaction products of all banking groups across the Bank, including cash management, trade finance, and merchant acquisitions, as well as developing customized end-to-end solutions for customers on a digital platform. The combined resources of Krungsri and MUFG provide our customers' overseas operations access to world-class financial solutions such as MUFG's Global Cash Management Services (GCMS) to make payments, view statements, and monitor movements of funds in their accounts, anytime, anywhere, on a secure electronic global platform.

In addition, TBG can support Krungsri's customers, exporters, or sellers who want to receive cash upfront for goods sold to MUFG customers, importers, or buyers, based in more than 50 countries, through the use of Accounts Receivable Purchases Programs, a factoring business which purchases the account receivables upfront from the buyers.

### Toward Sustainable Banking

We place a great deal of importance on environmental, social and governance (ESG) practices in managing the Bank's environmental and social (E&S) impacts and risks, and establishing effective internal controls together with transparent disclosure.

One area in which TBG has helped uphold the Bank's key strategy of 'Toward Sustainable Banking' is managing the E&S impacts and risks associated with customer transaction banking activities. In 2019, we successfully teamed with one of the largest savings and credit co-operatives in Thailand to equip them with the Krungsri Smart COOP Application, a financial innovation which provides co-operative members the financial freedom to easily manage and track their co-operative account activities via mobile phone, at any place or time. Via the application, co-operative members can also transfer funds from their co-operative accounts to Krungsri accounts for cardless withdrawal, and make electronic funds transfers and bill payments. These services mark the initial stage of the co-operative service achievement and are the first of their kind in Thailand's banking industry.



With this innovative product, we have been able to contribute to the ESG elements lessening the environmental impact of deforestation through the reduced need for paper, and the reduction of gas emissions as customers no longer need to travel to the nearest co-operative office or to meet their representatives, driving their vehicles or riding their motorcycles. They now use the Smart COOP application, developed solely on a digital platform, to access the services via electronic devices. The innovation also helps monitor social risks and promotes stakeholder engagement by allowing a degree of transparency in due diligence that is necessary for governance.

With Krungsri's secure digital platform and quality credit facilities provided to co-operatives, the Bank is able to support co-operative members in attaining and maintaining a better standard of living, while ensuring that they do not have to resort to borrowing at exorbitant interest from loan sharks. Other key achievements in TBG services and solutions, developed on a digital platform, include e-Donations, e-Excise, and Make A Pay (KMA Market Place).

### Strategic Plans for 2020

In 2020, TBG will remain focused on gaining customer trust by being a competitive end-to-end solution provider for cash management and trade finance products. We will further enhance our application capabilities, Application Program Interface (API) or payment gateway, financial and global trade platforms, and payment businesses.

We will also continue to position ourselves as customers' preferred banking partner in transaction banking activities, having a strong local network and global reach via the MUFG Bank network in over 50 countries, including MUFG subsidiaries, and partner banks in Asia, namely Indonesia, the Philippines, and Vietnam.



## GLOBAL MARKETS GROUP

2019 was marked by significant milestones for the Global Markets Group. Authorized by central banks of Thailand, Malaysia, and Indonesia as an Appointed Cross Currency Dealer (ACCD) under the Local Currencies Settlement Framework (LCSF), we facilitated customers in hedging foreign exchange risk for cross-border trade in their respective local currencies, of which robust growth in transactions was seen.

Obtaining the Ministry of Finance's primary bond license in 2019, we enhanced our capability in serving our local institutional clients with a strong trading and sales team, as well as the collaboration with MUFG and its global network of offshore clients. Clients were provided a top-notch business solution for sourcing opportunistic bonds and debentures, as well as foreign exchange hedging solutions, with a greater franchise value.

In 2019, we successfully issued the first private-sector gender bond in the Asia-Pacific region. Structured under the theme of the 'Women Entrepreneur Bond', the scheme allowed us to secure long-term funds at a relatively low cost to be passed on to women-led small and medium-sized enterprises (WSMEs) in Thailand, allowing them to grow while developing society toward sustainable growth.

In an increasingly complex and fast-changing market environment, the Global Markets Analysis and Research Section, acting as an effective strategist, successfully served all customer segments with the combined outstanding aspects

of Krungsri and MUFG, providing in-depth views on both the domestic market landscape and global dynamics. Over the past year, the team engaged in an exceptionally large number of seminar events and bond pitching, and has been warmly received with more extensive brand awareness through our commentary distributed via diverse media channels.

In other developments, as our foreign exchange volume thrived, with sales transaction growth nearly doubling in five years since the integration with MUFG Bank, Bangkok branch, in 2019 we successfully implemented a new foreign exchange system with a straight-through process to the back-end systems perfect for offering efficient customer services. We also initiated the development of an automated foreign exchange position pooling system ready to plug in to other electronic channels, leading to more efficient position management on a near real-time basis.

Moreover, we took part in promoting the country's standardized QR code for faster, more secure and convenient payments. Thai travelers can now easily make a payment by using their mobile applications to scan QR codes for shopping at Takeya, with attractive foreign exchange rates.

In 2020, the Global Markets Group will continue our customer-centric journey formulating total solutions and products to best accommodate our customers' demands, while retaining our unyielding commitment of leveraging IT and digital platforms to deliver a superb customer experience as one of our key goals.

## KRUNGSRI AUTO

### Robust growth confirms leadership in comprehensive automotive finance

Automotive finance showed the initial signs of a slowdown, with private consumption weakened by falling household income as well as a steady decline in exports. The automotive finance industry's new lending volume in 2019 dropped by 5 percent. However, Krungsri Auto has been able to maintain our leadership in comprehensive automotive finance, and with overall outstanding loan exceeding 400,000 million baht as of August, we thus achieved our target for all of 2019. This success resulted from our ongoing development of digital auto lending innovations, close collaboration with partners – both manufacturers and dealers, and skill enhancement for Krungsri Auto staff, equipping them with expertise that satisfies customer needs through their financial advisory services.

In 2019, Krungsri Auto grew steadily with strong performance across all products. Krungsri Auto's outstanding loan amounted to 417,855 million baht, rising by 14 percent from the previous year, and our new lending volume reached 216,506 million baht, an increase of 12 percent from the previous year.





## Accelerating the digital journey with a business model for the age of disruption

Krungsri Auto continued to build on our digital innovation success through establishing the foundation for a new business model, the 'Krungsri Auto Ecosystem', which will allow Krungsri Auto to more fully respond to the lifestyles of auto users.

In strengthening our position as the digital market shaper, Krungsri Auto continuously rolled out innovative automotive finance services. For example, Krungsri Auto unveiled the first digital auto lending platform on the mobile web, 'Krungsri Auto PromptStart'. Krungsri Auto also launched a revamped edition of the 'Car4Cash' website that is more user-friendly and covers all products, including hire purchase and loan services for cars and motorcycles. In addition, Krungsri Auto officially introduced 'Krungsri Auto Broker', a web-based digitalized automotive insurance service that allows customers to buy insurance policies in line with their budgets. Additionally, to provide customers seamless digital experiences, Krungsri Auto has set up a digital hub unit to guarantee customer convenience in using all of our financial services through digital channels.

In 2019, Krungsri Auto took our first step in collaborating with a lifestyle partner, The 1, on providing privilege programs and experiences that cover a wide range of life-related needs. In 2020, Krungsri Auto will be implementing a new business model suited to the daily lives of automobile owners, particularly through the creation of a digital platform that will combine the information and services of Krungsri Auto and our partners in the same place.

## Driving sustainable business and society

Krungsri Auto has operated in compliance with sustainable banking guidelines in the areas of environment, society, and governance through the following projects and activities:

### Environmentally-friendly automotive financial services

- Supporting environmentally-friendly automotive innovation through financing for electric cars and motorcycles
- Reducing the use of physical materials by replacing paper vouchers with electronic vouchers

### Adhering to good governance through the improvement of business practices

- Krungsri Auto debuted the online E-Consent service for the approval of credit disclosure by auto loan applicants. This service offers accurate, secure, and fast service, and increases efficiency in credit disclosure process by as much as 80 percent.
- Krungsri Auto is committed to responsible lending practices by providing loans in accordance with each customer's debt servicing ability, and does not encourage unnecessary debts.
- Krungsri Auto is determined to maintain business transparency. we have also been certified by Thailand's Private Sector Collective Action Coalition Against Corruption.
- Krungsri Auto provided aid for flood victims in the Northeast and the North through the 'Krungsri Auto 2019 Flood Relief' program. This program introduced measures to offer grace periods, reduce installments, and waive overdue fees and fines to alleviate the burdens of Krungsri Auto's flood-affected customers.



## KRUNGSRI CONSUMER CREDIT CARD AND PERSONAL LOANS

Krungsri Consumer provides credit card, sales financing and personal loans services, as well as life and non-life insurance brokerage services. Our credit card products include Krungsri Credit Card, HomePro Credit Card, AIA Credit Card, Central The 1 Credit Card, Simple Visa Card, Tesco Lotus Visa Card, and Krungsri First Choice Visa Platinum Card.

Krungsri Consumer is a leader in sales finance and personal loans, with a 15 percent market share. The main products are Krungsri First Choice Card, Central The 1 First Choice Card, and Krungsri First Choice Care Card.

### 2019 Performance

Krungsri Consumer continued to maintain the leading position, and achieved our business expansion goal. At present, Krungsri Consumer has a total of 9 million customer accounts with combined spending of 315 billion baht. The value of our assets increased by 11 percent, while non-performing loans were less than the industry average. To sustainably grow our business, Krungsri Consumer has adopted innovative technologies, while developing new products and services to ensure utmost customer satisfaction as follows:

- **HomePro Visa Platinum Credit Card, Krungsri HomePro Corporate Card, HomePro First Choice Card, and MegaHome First Choice Card**

Krungsri Consumer has expanded the scope of its cooperation with Home Product Center Plc. by improving benefits and privileges for holders of the HomePro Visa Platinum Credit Card to better address their needs in home decoration. The company also launched three new co-branded cards – Krungsri HomePro Corporate Card for

corporate customers wanting an efficient expense report system, HomePro First Choice, and MegaHome First Choice Card. A special offer of zero-percent interest installment for up to 12 months is also available for every HomePro purchase for HomePro First Choice cardholders, and at MegaHome for MegaHome First Choice cardholders, an option ideal for working professionals who are interested in home decoration and wish to manage their money wisely.

- **Tesco Lotus Platinum Beyond Card, and Tesco Lotus Platinum Reward Card**

Tesco Card Services Ltd. (TCS) rebranded as Tesco Lotus Money Services Ltd. and launched new credit cards – Tesco Lotus Platinum Beyond and Tesco Lotus Platinum Reward. The credit cards offer a variety of benefits such as cash coupons for customers shopping at Tesco Lotus, cash back at Esso service stations, and other benefits when shopping worldwide.

- **Continue to win with big data analytics**

Krungsri Consumer has deepened and broadened our big data analytics capabilities with various machine learning models. Aiming to deliver customers the right product at the right time and the right place, we have developed recommender suite geolocation, and best-time-to-call models. Moreover, we have started using unstructured data to develop respective AIs such as facial recognition and voice sentiment analytics to improve operational productivity. Also of note, we have initiated a 'Data Citizen' project to enhance enterprise-wide data analytics capabilities.

- **Digital lending and information-based lending**

Krungsri Consumer has developed a 'digital lending' platform for an online self-service application that allows customers to apply for loans anywhere, anytime via Krungsri Mobile Application (KMA) with electronic Know Your Customer (e-KYC). Customers can verify their credit information, take photos of necessary documents, and track approval status in the application. Krungsri Consumer has also developed a new underwriting policy using alternative data, or 'information-based lending', to approve loans for customers who previously had no access to formal loans, while developing our systems to support joint customer data analysis between Krungsri Consumer and its partners, including Lalamove, SIX Network, and so forth.

- **Tablet Application**

With continuous improvement in technology for customer convenience, Krungsri Consumer developed 'Tablet Application' to facilitate easy card application, so applicants can be granted both personal loans and credit cards within 30 minutes. Krungsri Consumer is the pioneer in using an



ID card reader system for customer authentication as well as a one-time password (OTP) security system for credit bureau checking consent, which reduces problems related to inaccurate signatures. Apart from this, a 'Pre-Screen' feature matches customers with suitable products using specific criteria for efficiency enhancement.

- **'Manow', the AI Virtual Agent**

The AI virtual agent 'Manow' has been used to improve the customer interaction process and provide customers easy access to basic services, i.e., account balance query, short-term loan application, and reporting a lost card. AI Manow uses data analytics to prioritize, identify type of business, and analyze caller information, all of which enables Krungsri Consumer to receive calls 24/7 and reduces customer wait time. As a result, customers receive services faster and the duration of conversation is 50 percent shorter.



- **UCHOOSE Mobile Application**

UCHOOSE provides customers greater transaction convenience and has helped reduce Krungsri Consumer's operating expenses by approximately 200 million baht. Currently, over 4 million Krungsri Consumer cardholders have downloaded and registered to use the application, an increase of more than 60 percent compared to 2018. Services available in the application cover a wide range, from movie ticket purchase by redeeming credit card points, an immediate approval of credit limit adjustment, and e-coupons, to conversion of payment amount into installment payment plan, temporary card freezing, and 'scan-to-pay' service.

- **Robotic Process Automation (RPA)**

Robotic Process Automation (RPA) helps reduce operational processes and increase efficiency. In the first year, 24 use cases were selected for further development by Krungsri

Consumer's robotic engineering group at the Center of Excellence. This has helped Krungsri Consumer save 5,500 person-hours while increasing operational efficiency in related areas by 85 percent.

## MICROFINANCE NGERN TID LOR

Krungsri offers microfinance service through Ngern Tid Lor Company Limited (Ngern Tid Lor), the leader in providing title loans using automobiles as collateral, purchase financing for used trucks, and nano-financing. Ngern Tid Lor is 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 aims to enhance the standard of the title loan business in Thailand, serving as a responsible and transparent source of financing for low-income earners by providing them appropriate and fair products and services.

In 2019, Ngern Tid Lor achieved our target of expanding our customer base by 23 percent, offering opportunities to more than 500,000 customers with total outstanding loans of 47,970 million baht, or a 21 percent growth compared to 2018. As regards the sale of non-life insurance, Ngern Tid Lor generated an insurance premium revenue of 2,855 million baht, or 50 percent growth compared to 2018. The value of motor insurance premiums was more than 2,600 million baht, or a 59 percent growth from 2018. In addition, Ngern Tid Lor added 187 branches in 2019, reaching a total of 1,000 branches providing a nationwide service network, increasing our customers' opportunities to access fair and transparent financial services.



**HKL CONTINUES  
MOVING TOWARD  
THE NEXT LEVEL  
OF BECOMING  
A COMMERCIAL  
BANK TO HAVE  
A GREATER IMPACT  
ON THE CAMBODIAN  
MARKET**

In 2019, Ngern Tid Lor expanded our services through digital channels by launching LINE BC (LINE Business Connect) in an effort to reduce operational costs and ensure that customers can access financial and insurance services more conveniently. The website was also revamped to be more user-friendly, enabling customers to more easily search for information about products and services.

In 2020, Ngern Tid Lor plans to establish 150 more branches, totaling 1,150 branches, and increase service channels through mobile platforms to ensure greater customer convenience and enhance their access to our wide array of services.

Furthermore, Ngern Tid Lor realizes our duty in creating shared value (CSV) and will continue our 'Life Rolls Forward' project in a bid to create sustainable financial knowledge among low-income communities, market vendors, and factory workers, as well as NTL's employees. In addition, the company was graciously bestowed with the great opportunity to support the 'Kamlangjai (Inspire) Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha' in providing opportunities for those who once took the wrong path to reintegrate into society when their prison term ends. Ngern Tid Lor's support was given through three

projects, financial literacy activities, startup capital, and purchase of their products.

Ngern Tid Lor is determined to create fair and transparent financial opportunities for our customers, while our employees sincerely offer simple, convenient, and timely products and services that truly match the customers' needs, such as purchase financing for all types of trucks through a formal and standardized financial system, and non-life insurance products to ensure that customers gain financial security to alleviate damages from unexpected events. All of these services are just small steps that can improve the quality of life of low-income earners and self-employed persons, in accordance with the brand promise, 'Ngern Tid Lor - Life Rolls Forward'.

## 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 second-largest microfinance institution in the Cambodian financial industry. HKL continues moving toward the next level of becoming a commercial bank to have a greater impact on the Cambodian market, with the strong credential of local expertise – having more than 25 years of experience – along with stronger international support as the business alliances.

Through extensive experience in financial services, HKL achieved a remarkable track record. We continued with strong business performance while pushing our operational standards toward commercial bank benchmarks.

In 2019, our outstanding portfolio was at USD 1,051 million, representing 38.8 percent growth from 2018. We continued to serve both individuals and small businesses to the best of our ability with a strong nationwide network for greater impact on their lives and business results.

The non-performing loan ratio was well-managed at 0.37 percent, among the best in the market. Deposits grew to USD 599 million.



Our staff strength reached 4,498 to ensure that we continue to grow the business with sufficient capacity across the organization.

HKL has defined key strategic priorities in its drive to be the most admired microfinance deposit-taking institution and in preparing to achieve commercial bank status. Below are selected highlights for 2019:

- Advanced our market position to be the second-largest Microfinance Deposit-Taking Institution (MDI) by asset size
- Refined corporate vision, mission, and core values to align with strategic directions toward future commercial bank standards; complemented with an internal campaign, 'I Love HKL'
- Obtained the company's credit rating at BBB+ with 'Stable' outlook for two consecutive years from TRIS Rating Co., Ltd.
- Launched a sales finance product under the brand Hattha First Choice to address retail consumer lending through mobile phones and digital products
- Implemented an anti-money laundering system to strengthen compliance capability

For 2020, HKL has defined a strategic theme to further enhance its market competitiveness as follows:

- Expand customer base through retail consumer lending and new product introduction
- Enhance digital capability with a formalized digital team, and enhance digital services on mobile banking
- Promote customer experience for both digital and branch channels
- Continue to strengthen platforms for the future commercial banking business

With the favorable country economic outlook, HKL is confident that it will outperform the industry and continue its efforts to promote the enhancement of Cambodians' lifestyles via our retail consumer products as well as the growth of micro, small and medium enterprises (MSMEs) in Cambodia, via our complete financial solutions that meet business needs while also contributing to sustainable social development.

## ASSET MANAGEMENT

### 2019 Achievements

Amidst more intense competition in the industry and various risk factors, such as taxation of debt securities, regulatory changes, and technological advancement which has encouraged a large number of new players to enter the market – affecting the overall growth of the mutual fund industry – Krungsri Asset Management Company Limited (KSAM) continues to grow and gain investors' confidence. Total assets under management (AUM) in 2019 amounted to 530,537 million baht, representing an overall growth rate of 5.8 percent from 2018. The new customer base increased by 30,960 accounts from the previous year to a total of 367,332 accounts, largely driven by the mutual fund business, with total AUM of approximately 373,504 million baht.

The company's private fund business saw its AUM value stand at 113,157 million baht in 2019, marking the industry's third largest AUM of private funds. The company has been entrusted by both individual and leading institutional investors with their asset management services. In 2019, the company was appointed by the Government Pension Fund as one of its equity fund managers.

The provident fund business has grown continuously with 43,876 million baht in AUM registered in 2019, increasing by 7.3 percent from 2018. Given provident fund members' need for the appropriate allocation of investment portfolios in matching risks and changing market conditions, the company has launched the Life Path Investment Option Plan to help investors allocate their investments based on their age range. It is one of the most popular investment options for pension funds in many countries.

In 2019, we continued to offer new fund products in response to changing economic and investment situations, as well as investor demand. Six new funds were launched as follows:

**AMIDST MORE INTENSE COMPETITION IN THE INDUSTRY AND VARIOUS RISK FACTORS, KRUNGSRI ASSET MANAGEMENT COMPANY LIMITED (KSAM) CONTINUES TO GROW AND GAIN INVESTORS' CONFIDENCE**





- **Krungsri Global Healthcare Equity Hedged FX Fund (KFHH CARE):** This fund's policy is to focus its investment on global health-related industries through the master fund, JPMorgan Funds – Global Healthcare Fund. This fund is offered as an option for those wishing to invest in this industry and requiring FX hedging in full.
- **Krungsri Super Life Fund (KFSUPER) and Krungsri Super Life RMF (KFSUPERRMF):** These are mixed funds designed with portfolio rebalancing by fund managers to suit changing market outlook. These funds are ideal for young investors who can accept risk from stock investment as their proportion of investment in equities, REITs, and infrastructure funds is in the range of 0-75 percent.
- **Krungsri World Tech Equity Hedged FX Fund (KFHTECH):** This fund seeks investment opportunities in the midst of innovation and technological advancement through investment in the master fund – BGF World Technology Fund.
- **Krungsri Preferred Mix Hedged FX Fund (KFPREFER):** This fund invests in the master fund, Manulife Global Fund – Preferred Securities Income Fund, emphasizing investment in preferred securities, which combines the benefits of returns higher than debt instruments and fluctuation to a lesser degree than equities.
- **Krungsri Enhanced Active Fixed Income Fund (KFENFIX):** This fund offers investors the opportunity to get greater returns from long-term fixed income instruments held by a superior debt instrument management team that has been awarded a number of accolades.

In addition, the company has expanded fund distribution channels by adding more selling agents, such as Siam Commercial Bank Public Company Limited, CIMB Thai Bank

Public Company Limited, Merchant Partners Asset Management Limited, and Krungsri Bank Public Company Limited, to cover and access a wider group of investors.

In 2019, the company showed our commitment to improving customers' investment experience by launching a mobile application called '@ccess mobile', facilitating investors in checking fund information and making transactions in a single application. Transactions include checking dividend payout history, managing long-term equity funds (LTFs) and retirement mutual funds (RMFs), updating investment news, information and investment trends for managing portfolios and making the best investment decisions. Currently, there are more than 14,848 registered users.

In addition, for investor convenience, QR code payment service is provided via @ccess Online Service, while a Facebook fanpage has been launched as a fresh communication channel for greater customer engagement.



## Key Plans and Strategies for 2020

Amidst the global economic slowdown along with market fluctuations, including challenges from heightened competition and rapid changes in technology and related regulatory requirements, the company places great importance on sustainable and stable growth, setting business operational guidelines in accordance with three-year strategic plans as follows:

- Developing quality and comprehensive products in line with changing economic and investment situations;
- Expanding distribution channels to reach investors in various groups through cooperation with potential selling agents such as Krungsri, and strengthening digital channels to access and respond to the changing investment behaviors of the new generation; and

- Developing services continuously, such as opening fund accounts and creating investment plans ideal for investor needs through online channels, creating a new communication channel via chatbots, and adopting technology to enhance operational efficiency.

## SECURITIES

The Thai stock market was highly volatile in 2019 due chiefly to the U.S.-China trade dispute, while the Thai economy grew at a slower-than-expected pace. Amid dropping trade turnover, competition in the securities business was intense as several securities firms started to engage in the wealth management business to offset the significant downtrend in brokerage commission revenues.

The SET Index ended 2019 at 1,579.84 points, up by merely 1.0 percent from the previous year. For the first time, the turnover proportion of foreign investors outpaced those of all other investor segments at 41 percent, up from 36 percent in 2018, while the trading value of local investors fell substantially to 34 percent in 2019 from 41 percent in 2018.

Buying behaviors changed as more individual investors turned to the internet platform to submit their trading orders, with a hefty growth of over 70 percent. Recognizing the trend, the company prioritized efforts to develop an internet trading system that ensures convenient, user-friendly, and fast transactions to enhance investors' confidence in our services. In 2019, we introduced a service that allows clients to open a securities trading account online via [krungsrionline.com](http://krungsrionline.com) (KOL) without the need to visit a branch. In addition, we are developing a service that will allow clients to open a new account via Krungsri Mobile Application (KMA). We are also conducting research and development on an Algorithmic Trading Application to help investors establish conditions for automatic trading order submission, with its official launch expected in 2020.

Apart from technology development, the company also launched a new offshore deposit instrument of Hattha Kaksekar Limited (HKL) in 2019. Investing through private funds, the 12-month product has attracted a number of clients.

Looking forward, the company is committed to improving the way we conduct our business by providing more online services, creating digital investment platforms as well as developing the investment recommendation process and research papers to accommodate clients' demand. We also aim to expand our businesses, offering comprehensive products and services to ensure business sustainability.

## RETAIL BANKING AND DISTRIBUTION GROUP

In 2019, the Retail Banking and Distribution Group remained focused on customer centricity by aiming to serve as customers' main bank in accordance with the MTBP 2018-2020, with the objective of serving all customer segments, namely Krungsri Exclusive, Krungsri Prime, Mass Retail, and SME Business Banking segments. The Bank placed emphasis on boosting service quality to ensure swiftness and convenience as well as improving the potential and quality of advice related to wealth management and loans to deliver a favorable customer experience in accordance with their changing lifestyles. In response to these endeavors, several marketing strategies were launched, including pull-marketing to attract new customers, push-marketing to expand the customer base, cross-selling, and upselling to increase the number of customers using Krungsri as their main bank.

## KRUNGSRI EXCLUSIVE

Krungsri Exclusive refers to customers with assets under management (AUM) with the Bank of at least 5 million baht. Driving the Bank to become a leading regional financial institution with global reach, in 2019, the Bank achieved success in expanding the Krungsri Exclusive customer base by 13 percent and AUM growth by 9 percent.

In terms of services, the Bank strived to deliver an outstanding experience to all customer segments by creating a holistic wealth management business strategy and roadmap. In 2019, action was taken according to the plan as follows:

1. Upgraded wealth management platform to enhance wealth advisory and investment management which is in line with international standards



2. Offered investment products through the open architecture approach that provides customers more options to diversify their investment portfolio and maximize return on investment
3. Fostered collaboration among the Retail Banking and Distribution Group, the SME Banking Group, and the Corporate Banking Group, together with external partners in various industries such as automobile manufacturers and property developers to extend the scope of the Bank's services in covering both individual and business needs
4. Enhanced knowledge and skill sets of relationship managers and branch wealth officers by partnering with Chulalongkorn University to design and introduce an exclusive investment advisory program that allows relationship managers and branch wealth officers to tailor each customer advisory according to different investment objectives and risk profiles
5. Upgraded the capability of the wealth management service through collaboration with internationally recognized financial institutions to strengthen wealth advisory services, investment management, product development, and other financial services that accommodate Krungsri Exclusive customers

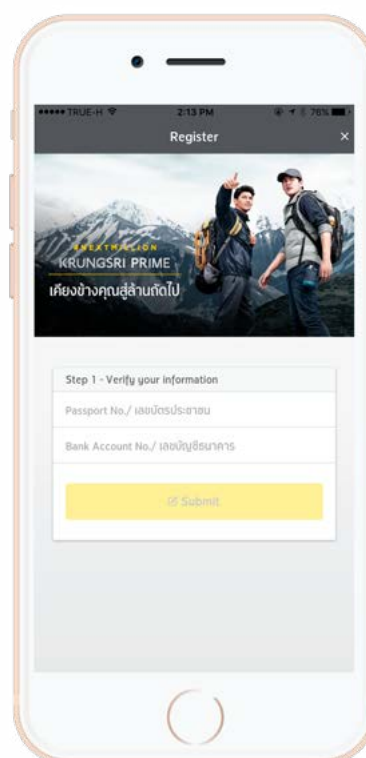
Customer satisfaction is at the core of the Bank's service. In 2019, the Bank expanded 'The Advisory' service to metropolitan and provincial areas including the 101 The Third Place Smart Branch, the Central Plaza Westgate Smart Branch, and the Phuket Branch. In addition to financial and investment services from the Bank's specialists, Krungsri provided a wide range of comprehensive facilities such as a video conferencing service, a digital wall display featuring a real-time financial data board, and a meeting space that helps facilitate customers to save time. Moreover, the Bank has continually organized weekly activities and seminars to increase customers' knowledge about personal and business finance, investment management, and lifestyles.

In 2019, Krungsri Exclusive also adopted digital tools to enhance efficiency and transactional speed to facilitate customer convenience when making transactions such as identity verification of Krungsri Exclusive status through mobile phone number, added a channel for enjoying privileges and benefits via Krungsri Mobile Application (KMA), broadcasted and communicated financial and investment updates through the LINE application, and summarized financial and investment outlooks on a weekly and quarterly basis in response to the needs of the new generation. Additionally, we focused on providing service to customers who may be less familiar with technology by communicating with them

regarding updates and privileges through both digital media and printed materials. This effort aimed to provide customers in all generations equal access to our quality services.

## KRUNGSRI PRIME

Krungsri Prime refers to customers with assets under management (AUM) with the Bank starting at 1 million baht. With the objective of supporting our customers to 'Move Life Forward', we launched the NextMillion campaign, which highlighted our benefits in terms of personal financial consultancy for Krungsri Prime customers at three main channels: Krungsri Plan Your Money service (our personal financial advisory call center), Krungsri The Advisory, and Krungsri branches. Customers can contact our advisory teams and receive consultation on their personal financial and investment plans as well as identify alternatives to appropriately grow their wealth. In addition, self-service investment transactions can be easily conducted on our Krungsri Mobile Application (KMA) anytime and anywhere, which provides another seamless linkage from our human interaction with the digital banking service to enhance customers' convenience. Alongside this, we have improved our Krungsri Prime application with upgraded privileges by AUM tier so customers can enjoy even better benefits as they move up the tiers. In addition, the application opens new features for customers to access a Weekly Economic Update and our Prime Time magazine for lifestyle and financial content.





## MASS RETAIL SEGMENT

In today's digital world, customers are more well-informed, their expectations have continuously risen, and we must accelerate our innovations to deliver them a personalized experience. Customer insight is critical for designing the right products and services as well as laying out the appropriate customer journey to create a frictionless customer experience. With the large customer base of the Mass Retail segment, an analytics-based decision platform was introduced to bring in the most efficient approach to provide insightful recommendations for all interactions with customers across all touchpoints and drive effective business operations. Leveraging the cutting-edge machine learning algorithms applied to big data ranging from traditional banking data to digital data, the platform produces smart predictions and consistent recommendations including products and services to offer and suggestions or actions to cater to customers. In addition, we improved our marketing automation system and upgraded our customer touchpoints with the new sales management tool that helps manage acquisition and cross-selling activity in a more effective, real-time manner. An AI-based recommendation engine is embedded into our branch sales management tool to assist our branch staff in offering the right products, delivering appropriate interaction with customers, and helping solve the right problems. We also applied AI in our telemarketing channel to improve sales productivity through contact prioritization and suggesting the best time for the contact. Moreover, we improved our online marketing conversion rate through creation of personalized communication content and relevant advertisements from our insights provided by customers' digital footprint. All of these innovations aim to promote a continuously positive customer experience and ultimately win customers' long-term engagement. Our constant focus on digital technologies and advanced analytics has been recognized by multiple organizations both in Thailand and overseas.

## SME BUSINESS BANKING

SME Business Banking refers to juristic person customers with sales turnover of up to 20 million baht or businesses with a commercial credit limit of up to 15 million baht. The Bank provided financial support to these customers through comprehensive financial packages that match the needs of each type of customer. In addition, the Bank placed emphasis on the provision of beneficial advice by teams of branch experts who specialize in commercial credit, to strengthen our customers' competitiveness.



In 2019, SME Business Banking supported the Bank in expanding SME market share with the following deliveries:

- Developed credit products for medical entrepreneurs with a maximum credit facility of 15 million baht and loan installment repayment up to 10 years, as well as a special interest rate for the first two years
- Provided a special loan for female SME Business Banking customers, who play a significant role in driving the economy of the country, to promote financial inclusion as well as foster awareness of environmental and social issues
- Signed a memorandum of understanding with the Office of Small and Medium Enterprise Promotion (OSMEP) to enhance the capability of Thai SMEs, wherein the Bank proposed the SME Quick Loan with a special interest rate for the first two years for OSMEP-member SMEs, and organized knowledge-sharing sessions to increase their business acumen
- Extended services to new groups of customers – at the end of 2019, the Bank participated in the Care Expo Thailand, Two Wheels Asia, and Loan Fair Market events to support and present opportunities and encourage entrepreneurs to realize the importance of developing their products in response to both domestic and international demand

In 2019, loans increased by 18 percent compared to 2018, being ranked fifth in market share. For 2020, the Bank has formulated a plan to improve the customer experience in credit underwriting and loan processes such as reducing the steps for credit application, amendments to the process of using the service through digital channels to enhance convenience, granting credit approval using digital tools and



**KRUNGSRI IS THE FIRST BANK IN THAILAND TO INTRODUCE FACIAL RECOGNITION FOR DEPOSIT ACCOUNT OPENING BY IMPLEMENTING ELECTRONIC KNOW YOUR CUSTOMER (E-KYC) AT OUR BRANCHES**



new platforms, and decreasing paper usage to enhance transactional swiftness. Also, to fulfill customer needs in the digital era, we added features in our mobile application and digital platform to support customers' businesses, such as overdraft, term loans, promissory notes, and letter of guarantee.

## RETAIL AND SME BUSINESS BANKING PRODUCTS

### DEPOSIT PRODUCTS

At the end of 2019, Krungsri had 1.57 trillion baht in deposit balance, increasing by 9.9 percent from 2018 and representing a market share of 11 percent. These figures were higher than the deposit industry average, and both individual and juristic, especially JPC/MNC Banking customers.

With the determination to implement technology to serve our customers, in March 2019, Krungsri is the first bank in Thailand to introduce facial recognition for deposit account opening by implementing Electronic Know Your Customer (e-KYC) at our branches nationwide, enabling branch officers to mitigate risk related to customer identification and increasing customer confidence.

In October 2019, the Bank utilized the e-KYC process for opening deposit accounts through mobile phone, allowing existing deposit customers to open a Mee Tae Dai Account via Krungsri Mobile Application (KMA). New deposit customers can use the service upon the availability of National Digital ID platform.

For 2020, the Bank has set a goal to continually grow deposits by expanding the customer base to various segments where the Bank will focus on developing and enhancing the service offered via KMA for better customer experience. Our customers can access to our products and services anywhere, anytime.

For juristic customers, we plan to deploy technology to enhance their competitiveness and ensure that they can run their businesses seamlessly in the digital era.





## INVESTMENT PRODUCTS

Under the customer-centric approach, the Bank has been striving to develop high-quality wealth advisory services corresponding to different customers' investment objective and risk profile. In the first and second quarter of 2019, the Bank formed a partnership with asset management companies, namely Krungsri Asset Management Company Limited, Principal Asset Management Company Limited, Phatra Asset Management Company Limited, UOB Asset Management (Thailand) Company Limited, Manulife Asset Management (Thailand) Company Limited, and One Asset Management Limited, to launch an initial public offering (IPO) of funds as well as select funds with outstanding performance to support customers to diversify their investment portfolios and thus meet their investment objective regardless of financial market conditions.

During the third quarter of 2019, the Bank developed its service infrastructure to step into the digital era by introducing an online account opening service for mutual funds through Krungsri Mobile Application (KMA) and Krungsri Online (KOL) in line with the lifestyle of today's customers who tend to make transactions themselves. The service helps customers to open an account and receive investment advice from the Smart Advisor when performing fund subscription and redemption. Simultaneously, they can manage their investment portfolio anywhere, anytime.

To sustainably drive the Bank's business in 2020, we are determined to deliver an exceptional customer experience by nurturing the potential of our professional investment consultants. We will employ technology and develop a state-of-the-art investment design system to drive our internal processes for enhanced operating efficiency.

## BANCASSURANCE

In 2019, the Bank had 6,762 million baht in new business insurance premium, an increase of 6 percent compared to 2018. Bank branches are still the main contributor to the production, and the Bank focused on offering simple and unsophisticated insurance products through modern and swift digital channels. In 2019, the Bank introduced a variety of products and services to match the needs of each target customer, as follows:

**THE BANK STRIVES TO DEVELOP HIGH-QUALITY WEALTH ADVISORY SERVICES CORRESPONDING TO DIFFERENT CUSTOMERS' INVESTMENT OBJECTIVE AND RISK PROFILE**



ประกันเดินทาง

## ทริปชิล ไม่ช็อกชัวร์

ช้อกรุ่นศรีประกันเดินทาง

### Simple Sure

ผ่าน KMA - Krungsri Mobile App

เที่ยวง่ายสบายใจครบ!  
ทั้งก่อน ระหว่าง และหลังเดินทาง

เงื่อนไข - ครอบคลุมการเดินทางทั้งในและต่างประเทศ - คุ้มครองอุบัติเหตุและภัยธรรมชาติ - คุ้มครองการล่าสัตว์และภัยธรรมชาติ





1. Endowment insurance product 'Krungsri Ruem Ngai Dai Fin Fin 16/8' targeting the newly employed to help them plan their life and launch their savings plan in a simple way
2. Unit linked insurance product 'Krungsri Unit Linked Super Smart', a product for protection and investment purpose, where the insurance premium payment can be made in installments. The product offers high coverage, allowing customers to modify the sum insured during any stage of their life, and offers an opportunity to generate income from the linked mutual funds. The product aims to capture the target customer group who needs high insurance coverage for their family while still being able to plan for a longer term horizon.
3. Travel insurance product 'Krungsri Travel Insurance Simple Sure' offered through the online channel, customers can swiftly purchase the insurance through Krungsri Mobile Application (KMA) anywhere, anytime

In addition, the Bank places importance on equipping its sales representatives with product knowledge and necessary skills as well as developing and enhancing their capabilities as a financial advisor through various internal and external training. This is to ensure that customers receive best professional services from the Bank's officers.

In 2020, the Bank will emphasize creating a unique image that raises the customers' awareness and perception of the Krungsri brand, including product presentation, product application procedures, after-sales services, and privileges that exceed customers' expectations. The Bank will also focus on developing comprehensive financial solutions to accommodate the diverse needs of all customer segments

through the Bank's experts. In order to increase customer convenience, the Bank is expanding its distribution channels online via the Bank's website by the end of 2020.

## DEBIT CARD, MONEY TRANSFER AND ATM CHANNELS

### DEBIT CARD

In 2019, the Bank placed importance on launching innovative products with high security standards to enhance customer confidence and offer additional privileges to customers, as follows:

- Issued a chip card according to the Thailand standard format in replacement of the magnetic debit card to enhance security of debit card usage in line with the policy of the Bank of Thailand (BOT). Furthermore, Krungsri introduced a new type of debit card, 'VISA payWave', to enable customers to swiftly and securely make payment for products and services as they can simply tap their card at payment terminals bearing the payWave symbol.
- Offered privileges to customers with Krungsri Debit Card whereby they can enjoy shopping discounts both in Thailand and overseas, as well as receive special discounts from merchants in Japan that are partners of Mitsubishi UFJ NICOS Company Limited

For 2020, the Bank plans to continue its marketing campaign to communicate with customers about payment for products and services via Krungsri debit card domestically and internationally. Also, we plan to develop the system to ensure that customers can adjust the withdrawal limit, make payment through the card, and activate or deactivate debit

card usage through Krungsri Mobile Application (KMA) to enhance convenience and security.

## MONEY TRANSFER AND ATM CHANNELS

In 2019, the Bank launched a series of campaigns to raise awareness and encourage customers to use services via the ATM channel. Moreover, the Bank coordinated with business partners and appointed banking agents to ensure customer access to the Bank's services. Details are as follows:

- 'Krungsri is Right Here Beside You' at Counter Service in 7-Eleven**  
 Krungsri joined forces with Counter Service Company Limited to offer cash deposit at the Counter Service in 7-Eleven stores nationwide, starting February 15, 2019.
- 'Krungsri is Right Here Beside You' at Max Mart in PT gas stations**  
 Krungsri partnered with PTG Energy Public Company Limited to offer cash deposit service into Krungsri accounts where withdrawals can be made using a Krungsri Debit or ATM card, and provide an account balance inquiry service using a Krungsri Debit or ATM card, at Max Mart in PT gas stations during 8.00 – 22.00 hrs., starting April 22, 2019.
- 'Krungsri is Right Here Beside You' at the Bank for Agriculture and Agricultural Cooperatives (BAAC)**  
 Krungsri collaborated with BAAC to offer cash deposit service into Krungsri accounts where withdrawals can be made using a Krungsri Debit or ATM card, and provide an account balance inquiry service using a Krungsri Debit or ATM card, at BAAC branches during the BAAC business hours, starting October 9, 2019.

In 2020, the Bank plans to expand its service networks and enhance its service channels through banking agents to facilitate convenience for customers in all areas – especially remote areas – to ensure that they have easier access to financial services.



## KRUNGSRI WESTERN UNION

In 2019, Krungsri was determined to establish itself as a leading money receiving or sending agent through Western Union in Thailand, in response to diverse financial needs. The Bank offered another payment channel for e-commerce customers through Amazon.com, where they could make payment for products and services, in addition to branches and FX booths, through Krungsri ATMs.

With the Bank's strategies geared toward the digital society, we encouraged customers to use electronic channels, especially access to fast and convenient money sending and receiving service through Western Union. Therefore, the Bank launched marketing campaigns for customers who opened accounts to regularly receive and send money via Western Union; these campaigns enjoyed positive feedback. The effort emphasized the Bank's leading position as a Western Union agent – as reflected in the 'best performance' awards for four consecutive years.

## MORTGAGE LOANS

2019 was another challenging year for the real estate business. Overall, the business landscape was not as favourable as 2018, as a result of negative domestic and international forces such as the lingering trade war, decelerating foreign investment – especially from China, baht appreciation, and stubbornly high household debt. Moreover, the pressures arising from these negative factors were intensified after the Bank of Thailand launched financial institution supervisory guidelines to monitor the economic system, effective since April 2019. Despite all of the headwinds, the Bank was able to maintain mortgage loan growth at a level commensurate with 2018 performance.

As regards 2019, the mortgage growth was attributed to the Bank's Medium-Term Business Plan (MTBP) that helped make Krungsri Mortgage Loan recognized as being at the top of both customers' and real estate developer partners' mind under the concept of sustainable banking. In other words, the credit underwriting and product development of the Bank aligned with the mortgage loan supervisory guidelines of the Bank of Thailand. Furthermore, the customers' debt service ratio was taken into consideration in the underwriting process to prevent excessive financial burdens.

In terms of product innovation, the Bank integrated deposit privileges into the mortgage loan, allowing customers to maximize their benefits by saving the mortgage interest while still generating returns from the savings account interest as usual. Additionally, since Thailand is becoming an aging society, the Bank is developing mortgage products for seniors. Moreover, the Bank launched TV commercials

for Home4Cash, under the theme, 'Your Home is a Financial Opportunity', which received positive customer feedback, contributing to the higher-than-target growth of Krungsri Home4Cash Loan at 7 percent.

Regarding the development of digital tools in 2019, the Bank focused on developing tools of the sales representatives, or 'Di-Sales' application, incorporating updated data and regulatory requirements related to mortgage loans, to simplify and facilitate the customer service process. This endeavor truly raised the capability of the sales representatives and helped them to deliver a good customer experience by responding to their needs in a swift, correct, and complete fashion. Furthermore, the Bank placed a focus on fostering the skills of the officers to ensure that they have the necessary skillset and expertise regarding the products they are introducing to customers. We also coordinated with business partners to implement technology in the operating processes of the Bank and its business partners to enhance speed and efficiency. In 2019, the Bank developed Krungsri Home Loan Connect, which was linked to the systems of property developers in order to exchange information. Also, the Bank is planning to connect the system with leading real estate developers that are ready to support it, to upgrade the capability to track customers' loan application status and monitor the effectiveness of operations between the Bank and the real estate companies. This will ensure that the Bank receives information on customers who wish to apply for a home loan on a real-time basis, and the Bank can immediately report the status of the application to the real estate partners. In addition, the Bank plans to continue technological adoption to optimize the loan application, credit underwriting, and appointment processes, so it can deliver a good customer experience.

## DISTRIBUTION

In 2019, the Bank committed to running our business as per the core value of customer centricity, with the aspiration to establish ourself as a digital-driven organization.

The Distribution Group developed an omni-channel service network to deliver a seamless online and offline customer experience by redesigning the physical branches in response to customers' diverse needs in the digital era, and encouraged customers to make transactions via automatic machines. The Bank expanded the branch network and offered new branch services as follows:

- **Smart Branch** – a branch equipped with automatic machines for self-service transactions and full-time staff presence for advice. In 2019, the Bank opened four smart branches, namely 101 the Third Place Smart Branch, Samyan Mitrtown Smart Branch, Central Plaza Westgate Smart Branch, and The Mall Ngamwongwan Smart Branch, to promptly respond to customers' digital lifestyles.
- **Partnership Branch** – a special branch jointly run with other organizations, i.e., universities. In 2019, the Bank renovated its branch at Assumption University to offer services that specifically match the lifestyles of the students and university staff.
- **Offered service through banking agents** to enhance access to Krungsri services: Customers can make cash deposit into their account and withdraw cash using Krungsri Debit or ATM cards at several locations such as the Counter Service at 7-Eleven, Max Mart in PT gas stations, and branches of the Bank for Agriculture and Agricultural Cooperatives (BAAC).

Furthermore, the Bank installed wireless technology by setting up Wifi connection spots in 254 branches across Thailand to enhance customer convenience when making online transactions. In 2019, the Bank employed facial recognition technology at branches nationwide to accommodate the account opening process, whereby the customer's face is compared with their national ID card photo; branch officers can refer to such information when opening accounts in order to enhance the security of the Bank's transactions.







In 2020, the Bank is committed to raising security standards and planning to develop facial recognition technology to support cash withdrawal services and thus offer convenient and swift service to customers.

## CORPORATE BRANDING AND MARKETING DIVISION

Customer centricity and enhancing customer insights are two of the most powerful strategies to ensure sustainable marketing and brand management. Krungsri is committed to satisfying customer needs while delivering on our promise to 'Make Life Simple'. Therefore, customer insights have been gathered and analyzed before being communicated across the organization so that products, services, and customer benefits, as well as customer experience, can be improved to truly address the identified customer needs through any service channels.

For instance, since Japan has recently surged in popularity as a tourism destination among our customers, Krungsri has leveraged our synergy with MUFG to extend our financial solutions to Japan, while our promotional campaign 'Krungsri, the Genuine Expert on Japan!' has been launched. With our services, customers can use QR code payment when shopping at Takeya, a shopping center in Japan, or use Krungsri debit or credit cards at selected hotels or restaurants to get discounts and special privileges.

To ensure greater customer awareness of our brand and their access to information, communication has been carried out through diverse channels with content designed to match the characteristics of each media outlet, internal and external, including online social media, to access customers with different needs.

In 2019, a follow-up corporate campaign, 'Krungsri is right here beside you', was also launched to reinforce the message conveyed to customers since last year that Krungsri is always at their side so that 'all difficult matters can be made simple'. The storytelling content used in the campaign demonstrates how Krungsri products can make life simple.

Considering the Net Promoter Score (NPS) and brand surveys which have been conducted consistently, reflecting a stronger awareness of Krungsri's brand, as well as the importance of customer access and insights in building a stable customer base and sustainable business.

In 2020, we will continue to emphasize customer insights, develop new campaigns, and communicate to our customers how 'all difficult matters can be made simple' with Krungsri by their side. Additionally, Krungsri will continue to leverage our strength of being a strategic member of MUFG for more diverse customer services and benefits.

## CORPORATE STRATEGY AND PLANNING GROUP

2019 marked another year of change for the financial and banking industry, which underscored the need to make faster moves toward the new business chapter and take a broader view of customers. Therefore, Krungsri has since 2018 adopted the banking ecosystem concept, which has become increasingly important of late. For sustainable growth, the Bank gears our business model toward platform service providing, while investing in relevant technology and resources accordingly. To drive our business faster, Krungsri also adopted business agility to determine delivery models, while at the same time we continued to create an impressive customer experience (CX).

For agile organization transformation, the Bank remained committed to transforming our agile delivery process, while the agile transformation and human resource teams provided relevant training for more than 900 Krungsri staff members and equipped them with the agile mindset, methodology and tools to enable them to transform their operations in an agile way. Over the past two years, a total of 27 agile squads have been set up and have consistently performed with excellence. In this regard, the Bank organized the second batch of the CX Master Program and is planning for its third batch. Staff attending the program will become change agents who, together with agile project teams, can help bring changes to business units throughout the Bank. The Business Transformation Division also takes part in the agile workforce that manages squads working on mortgage loan, Smart Advisor, and digital lending, while successfully delivering the new foreign exchange system which will help make Krungsri a top-tier bank in Thailand's Global Market business transactions. In 2019, the Business Transformation Division also delivered smart contract automation that helps automate contract preparation. The division also enhanced the operating system of the Securities Services Operations Department, which will consequently boost Krungsri's capabilities in service provision.

CX is the customers' perception toward an organization or brand, while internally, CX is the Bank's strategy to operate our business. Therefore, our CX strategy focuses on following four strategic intents which address the Bank's key themes:

1. Think Customer Journey (Outside-In) – innovative work processes via design thinking, customer journey mapping and digital experience design and delivery
2. Build Omni Channel Experience Platform – a Bank-wide omni channel experience platform through offline and online interactions
3. Strengthen Experience Governance – unify the target customer experience vision across the Bank; visibility and transparency of customer experience performance metrics
4. Cultivate Customer-Centric Culture – customer-centric culture with the right mindsets and skillsets to deliver a superior customer experience

The business transformation team also played a key role in driving the Krungsri payment program in accordance with the Bank of Thailand's payment landscape roadmap while boosting the competitiveness of our customers. Krungsri also helped heighten competitive advantages of our merchant

customers by enabling them to receive payments via PromptPay, Visa, Mastercard, Alipay, and WeChat. We are also the first bank in Thailand to provide Thai QR payment to Thai tourists for making payment while shopping in Japan via Thai mobile applications.

In addition, to facilitate rising business volume with more complex information, the Re-generation Process and Automation (RPA) was necessary to automate processes and ensure that the Bank will have enough manpower for the expansion with limited cost. The project employed tools and techniques such as the Lean Process Re-engineering and Robotic Process Automation. More than 30 processes have been automated to date, and an equivalent of at least 400,000 hours of manual operations is expected to be replaced by automation per annum over the next four years.

At the back-end, the finance and risk management team has delivered projects related to financial reporting as required by regulators. Therefore, the Bank successfully delivered the IFRS9 financial reporting standards and has already performed daily reporting execution.

For better governance of rolling out innovative financial technology to the market, the Digital Innovation Sub-Committee has been established to govern and manage experimental projects focusing on new financial technology to allow faster market rollout while ensuring efficient customer information protection.

## INFORMATION TECHNOLOGY

Given Krungsri's mission, 'To be a leading regional financial institution with global reach', committed to meeting customer needs and serving society through sustainable growth, our multitude of achievements was in line with our aim to provide sustainable financial products and services corresponding to environmental, social, and governance (ESG) foundations. The Information Technology Group used the digital banking technology adopted in recent years to develop corporate systems, expanding the customer segment vertically (B2B2C) with new financial products and services. Not only did the Bank ensure continuous development in online and mobile banking channels to improve the customer experience, but we also strengthened our global markets business growth sustainably in all dimensions such as foreign exchange, bond, and money market transactions.

We continued to fulfill our IT aspiration, 'Go Digital, Make Life Simple', for our customers by building a future-ready, robust, and adaptable technology platform through agility and innovation.

Looking at our transformation through the technology aspect, we have developed our investment plan in several major areas to provide the most complete and effective digital financial services, which are:

- Artificial intelligence (AI) and machine learning (ML) to develop a learning and memorization system: Krungsri became the first bank in Thailand to use AI as a call center agent. The call center AI, which is called Manow, served over 60,000 customers in the first month after it went live in August 2019.
- Blockchain to help increase speed and transparency in transactions: In May 2019, Krungsri was one of 22 financial institutions that teamed to establish a new company called Blockchain Community Initiative (BCI), providing innovative financial services, described as the world's first blockchain-based L/G issuing firm. Also, Krungsri Biz Guarantee on Blockchain will improve business efficiency with more convenience, speed, and security, and reduced operating costs.
- Smart Application Programming Interfaces (APIs) to provide customers good and fast services through online channels: The Krungsri API Factory project has been approved and is under development together with several digital initiatives.
- Biometric authentication to access data to increase security: For enhanced security at Krungsri branches and in response to the National e-Payment Master Plan, we have adopted facial recognition technology for the account opening process, using the customer's photo stored in their Thai ID chip card for comparison with their photo taken at a Bank counter. In phase 1, customers can come to a branch for upgrading their level and can use their biometric data for Krungsri account opening. In this way, we can verify the identity of individuals wishing to open accounts and make financial transactions in the future, preventing fraud and enhancing our reliability.
- The Bank has experimented with the adoption of Robotic Process Automation (RPA) to enable a digital workforce by enhancing related IT infrastructure and building capabilities of related staff. Through adjusting our processes together with RPA implementation, Krungsri staff could adopt such technology to create a better customer experience. Simple and repetitive tasks would be automated, while Krungsri staff could be upskilled and focus more on higher-level tasks and improving customer service.

- Super Mobile Application to support all financial services and payment in various ways: e-Donation, Krungsri COOP (EGAT) financial service, QR Biz Mungmee with AliPay, WeChat, Visa and Master Card, and e-Customs will become channels through which taxes can be paid to the Customs Department. Moreover, KMA e-Marketplace and KBOL Laos were also launched in November 2019.

Following Krungsri's 'Think Digital First' strategy and our commitments to making innovative changes and delivering the best customer experience through new product development and deployment, Krungsri Nimble was introduced in November 2019 as a new subsidiary of Krungsri. Krungsri Nimble is an IT solutions hub established to develop Krungsri's financial technology, while heightening our market competitiveness. The company is set to give the younger generation of talent great opportunities to leverage their IT engineering expertise and motivation in making novel changes and growing along with the company in an innovation-friendly co-working space where agility and collaborative work are key drivers. All of this will enhance creative thinking and openness among IT architecture experts and developers of the new generation, facilitating Krungsri's financial innovation development in the future.

To support the Bank's collective goal of providing sustainable financial products and services corresponding to environmental, social, and governance (ESG) foundations, the Information Technology Group has adopted digital banking technology in recent years to develop corporate systems, expanding the customer segment vertically (B2B2C) with new financial products and services:

- Developed registrar system to finance environmental and social opportunities: We were the first bank in Asia Pacific to issue gender bonds.
- Developed e-Custodian web applications interfacing with core Bank systems as a single real-time transaction via web services and host-to-host protocol for customers' ability to manage their securities effectively through the end-to-end process.
- Applied APIs and host-to-host protocol to connect the Cash Management System with internal and external systems on a real-time basis to support corporate customers and their customers in making transactions and managing their funds' availability efficiently through the end-to-end process. Examples of services on the Cash Management System linked to other systems included:



- Connected to retail payments on Krungsri Mobile Application Marketplace for funds transfer or QR payment.
- Connected to the Excise Department's system for our corporate customers' excise tax payment.
- Connected to logistics agents' system for logistics transactions and fee payments.
- Utilized cloud and API technology to connect Krungsri Supply Chain with the Core Deposit System for a real-time statement inquiry feature. We also plan to extend API services to transaction authorization via mobile phone in 2020.
- Developed remittance and SWIFT to expand the customer base and cross-border funds transfer service to corporate customers and their partners via Ripple and SWIFT. Additionally, we expect to continuously develop and improve the infrastructure for international funds transfer via SWIFT gpi network in 2020 as well.

2019 was a year of success for the Global Markets Solution Department and the Information Technology Group with the implementation of the Murex system, which is a world-class global market system chosen by many international and leading local banks. Krungsri deployed Murex on November 18, 2019, to support sustainable global markets business growth in all dimensions such as foreign exchange, bond, and money market transactions, with an uninterrupted increase of transaction volume. In addition, the Murex system is used to support a variety of global market products and services to serve the needs of all customer segments.

The advance of information technology is a significant driver to support the banking business and its operations in achieving the Bank's strategies and goals. Krungsri has visibility of cyber risk and threat landscapes while progressively strengthening our protection of the Bank's systems, data, and services in alignment with the IT Security Triad (Confidentiality, Integrity, and Availability), international standards, and best practices as shown in numerous initiatives, such as establishing a Threat Intelligence Platform, Cybersecurity Monitoring Operations in service channels, enhancing the Data Leakage Prevention system, ISO/IEC 27001 surveillance for BAHTNET and Imaged Cheque Clearing and Archive System (ICAS), SWIFT Customer Security Controls Framework Implementation, etc.

As a strategic member of Mitsubishi UFJ Financial Group (MUFG), Krungsri adapts and leverages knowledge and know-how to ultimately elevate our IT Security program. We are committed to sustaining and always improving the protection mechanisms to further guard the sensitive information and services of Krungsri's customers.

Good governance principles and regulatory compliance, one aspect of the ESG framework, are among our core values. We maintain compliance 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 major IT projects under the Finance and Risk Program to support the following practices:

- International Financial Reporting Standard 9 (IFRS 9) platform development was completed at the end of 2019, giving us lead time to prepare before submitting an official report to the Bank of Thailand in the first quarter of 2020;
- The International Financial Reporting Standard 16 (IFRS 16) module, introducing a single lessee accounting model and requiring the lessee to recognize assets and liabilities for all leases with a term of more than 12 months, is planned to go live and report from 2020 onward;
- The new BOT DMS system has a new automated reporting process for two different system platforms, improved data reconciliation, and an easy-to-trace process.

Regulatory scrutiny is also shining a light on sustainability. Regulators are paying closer attention to nearly every aspect of the business – from monitoring impacts to issuing directives in multiple areas i.e. the BOT project called 'Regulatory Guillotine Digital Banking' and the SME Financial Services Project which is composed of a regulatory sandbox, relaxation of digital banking business through e-KYC, e-Document and e-Application, as well as Market Conduct, High Debt-Service Ratio (DSR), and the Personal Data Protection Act (PDPA) to address customer privacy.

Economic uncertainty will continue to set the tone for how business is conducted, but it's also pushing our Information Technology Group to rethink how we manage and utilize our resources. The onus is on our group to find new, sustainable ways to build initiatives without additional, unnecessary costs – and all while strengthening our supply with greater productivity.

## OPERATIONS GROUP

To support Krungsri's drive toward sustainable banking, the Operations Group maintains its focus on customers' confidence and trust as our top priority. Among our key roles and responsibilities is to execute financial transactions with accuracy and transparency under excellent service standards; we applied new and innovative technology to enhance operations and thus meet customers' heightened expectations as we move into the digital banking era.

With successful implementation of QR Cross Border payment at Takeya Department Store, Tokyo, Japan led Krungsri to become the first bank in Thailand launching new convenient payment channel outside Thailand. In the meantime, we also took part in deployment of Alipay QR acceptance to facilitate payment and had partnership with main retailers such as Counter Services (7-Eleven), PT Max Mart, BAAC branches to expand banking services channel as Krungsri Banking Agents. To emphasize that enhancing more positive customer experience is our core mission, we have never stopped challenge ourselves to fulfill our customer's needs.

Likewise, to step up on trade finance service, we developed a new feature for automatic submission of export bill status report to customers via email so that our customers could experience prompt service in export bill status checking.

Additionally, we launched a new FX system to support Global Markets products in better response to all customer segments and to provide a new channel through email delivery of automated trade confirmations as well as enabling straight-through processing (STP) from the front to back offices for FX, money market, and capital market products with more efficient reconciliation and reporting.

For credit operations, we had a great achievement by introducing the LG Blockchain service jointly developed with five partner banks. With this initiative, we can smoothly support key clients who wish to leverage more advanced technology together with the end-to-end operational process for their service provision. This was the first important step toward enhancement of other products in response to customer needs, e.g. Audit Confirmation and Supply Chain Contract Channel, which are currently under development. In addition, starting from the end of 2019, customers will be able to request deposit certificates through our Krungsri Mobile Application for improved, 24/7 service.

During 2019, we also explored a data analytics solution to further improve our productivity in collateral valuation by partnering with Baania, a property technology company, to automate the appraisal process with their strength of

IT capability and ample data source integration through machine learning and artificial intelligence. This marks the most advanced technology to be applied in the collateral valuation process of the Thai valuation business. We anticipate full implementation of the project by early 2020.

In 2019, we moved to improve all customer touchpoints by expanding our services to cover non-voice service channels through social media via Facebook, Twitter and a popular web board; in addition, a 24/7 AI-based chatbot service has been implemented to ensure seamless service in response to all customer enquiries. Moreover, a customer feedback management system has been established to swiftly and efficiently collect and analyze feedback from all touchpoints and collaborate with related functions to provide solutions for strengthening our service excellence and meeting customer needs.

For cross-border remittance, a blockchain-based service, we have significantly expanded our scope of payments on the RippleNet platform to other international banks, including MUFG in Japan. This also helps enhance our capability to be ready for commercial payments of inbound baht transactions from Krungsri in Lao PDR to Bangkok, and outbound SGD transactions from Bangkok to Standard Chartered Bank in Singapore.

As for securities services in 2019, the growth momentum of net assets under the fund supervisory service was maintained, while the asset size under the custodian service contributed by foreign clients grew significantly. As a market leader for securities registrar and bond holder representative services, we continue to maintain our market share in these segments, which contributed substantially to overall asset growth in 2019. Moreover, our securities services continued to facilitate Krungsri's groundbreaking deals, namely the gender bond issuance and the investment banking deal of AIM Commercial Growth Freehold and Leasehold Real Estate Investment Trust.

In terms of operations efficiency, an e-custodian system was developed to provide an efficient and secure electronic channel for receiving and sending instructions, information, and files. Enhancing the straight-through processing (STP) and control and service capabilities of custody-related systems, covering the securities valuation, settlement, compliance and post servicing, the Securities Services Operations Department was able to effectively implement these enhanced systems to accommodate the growing transaction volume and new customer segments,

Since 2018, the Operations Group has focused on enhancing our operation capability by using robotic processing automation (RPA) to increase productivity and efficiency. We established a special taskforce to ensure that staff at all levels participated in addressing more areas of improvement

than that of the original RPA program. In 2019, as many as 34 initiatives were proposed by staff, five of which were RPA tools successfully developed and adopted to replace manual and complex operating processes. Eight other tools were also developed as solutions for greater efficiency.

For human resource development, we have enhanced our staff knowledge and capacities through various internal and external training programs, particularly in the areas of innovation, design thinking, new technologies, as well as the agile way of working, to ensure that our staff have sufficient professional skills to understand our customers' demands and stand ready to provide the best service solutions to both internal and external customers.

In 2020, the Operations Group will continue to put a great emphasis on operational process transformation to become automated and digitized to enhance the customer experience and upgrade our service standards. The omni-channel approach based on AI and data analytics is one of our main focuses to enhance all customer touch points for better serving them with more effective and seamless interactions.

There are also projects in the pipeline to enhance productivity and efficiency by leveraging end-to-end workflows in key operations such as credit operations and merchant service operations to help shorten turnaround time (TAT), and service-level agreement (SLA), with an effective case status tracking feature, under a transparent and reliable process. Additional electronic and online communication channels are also provided to reduce paper use, while increasing transaction speed and customer convenience.

## HUMAN RESOURCES GROUP

Krungsri has always placed great emphasis on human resources management in all aspects starting with implementing effective human resource acquisition, then conducting staff induction, providing career advancement opportunities, enhancing employees' well-being, and continuously promoting employee development so the organization and its employees can grow together sustainably and at the same time effectively respond to customers' needs and be a driving force to improve societal and environmental well-being.

### Talent Acquisition

2019 saw Krungsri build and strengthen our talent brand while exploring talents in bracing for future business challenges.

Krungsri Talent Brand took a significant step into wider success, being recognized by two international organizations, The Employer Brand Institute and The Asset, through the major talent brand campaign, 'Diversity: Humans of Krungsri', launched by the Human Resources Group. The campaign

raised brand awareness and Krungsri's standpoint in the eyes of millions of social media viewers on how our people are treated as key assets for the organization. Strengthening the brand makes it easier to attract and obtain talented personnel.

In addition, the Retail Banking Academy (RBA) was another great success for talent acquisition. In 2019, the program extended itself to embrace an additional strategic university partnership and thus open doors of opportunity for university students to learn, be trained on the job, and join Krungsri as our full-time workforce serving our branch operations. To keep bettering the program and bringing talents into Krungsri, in 2020, the program will be changed to the 'Krungsri Banking Talent Program' which widens career opportunities for the students of partnered universities, in addition to branch staff.

Digital talent-wise, the Human Resources Group proactively reached out to talents at home and abroad. Locally, we launched two thesis funding projects with King Mongkut's Institute of Technology Ladkrabang (KMUTL) to bring fresh digital knowledge from a leading university into our organization, while providing support in terms of knowledge sharing to the partnered university and students. In addition, we partnered with the Bank of Thailand and the Thai Bankers' Association to hold Tech Career Coaching Day for local digital talents previously selected by the central bank. Internationally, we reached out to talents in Tokyo by working with MUFG and partnering with the Thai Students Association in Japan (TSAJ).

In 2020, Krungsri will continue to make significant progress in acquiring talents through our stronger talent brand.





## Human resource development toward sustainable banking

In respect of human resource development, Krungsri focuses on creating personnel excellence to enhance individual and organizational performance in line with our goals and strategies, with the aim of efficiently responding to business requirements and customer needs while supporting the organization in keeping up with business challenges amidst the digital revolution. To achieve that, continuous effort has been devoted to strengthening Krungsri Core Values, developing leadership competencies, embedding professionalism, and promoting good citizenship, to support the Bank in conducting business under corporate governance principles together with social and environmental responsibility.

In 2019, Krungsri continued to prioritize human resource development to support the organization toward sustainable banking. A variety of learning programs were developed, including:

- **A development program for executives driven by 'Digital First: Winning through Innovation'** strategic direction delivered through a comprehensive range of learning activities under 'Krungsri Digital Leadership Program' including strategic planning, business partnership building, and digital and innovation exploration, all to drive sustainable growth.
- **Krungsri Wealth Academy:** A development program that continued its momentum from the previous year to groom wealth advisors with professional service standards to provide customers financial and investment advice. Also, workshops regarding investment and asset allocation, family wealth planning, and other topics were conducted to expand wealth advisors' capabilities to better serve customers at different stages of life. Furthermore, personal tax planning, personal debt management, and pre- and post-retirement courses were introduced to enhance the financial literacy of employees across Krungsri Group.
- **Good Corporate Citizenship Program:** Communications have been made and compulsory training courses have been designed for executives and staff at all levels to ensure that Krungsri people recognize the importance of upholding good corporate governance and duly complying with regulatory requirements governing banking operations in Thailand as well as supervision of overseas banking business. These courses include The Spirit and The Letter, Anti-Money Laundering & Combating Financing of Terrorism (AML/CFT), Good Corporate Governance, etc.
- **Getting Ready for the Future Program:** A program to prepare staff for their professional development and career advancement among business challenges and

technological revolution. The program has been designed to promote employees to be well-rounded and use creativity in their everyday work to drive the organization toward the status of an innovative organization in line with the 'Digital First' direction as well as strengthen business competitiveness. Examples include agile working, how to become a data-driven organization, big data analytics, and artificial intelligence technology, etc.

- **Growing Expertise Program:** A development program to enhance specific areas of expertise and professionalism as well as service excellence of specific groups of employees. The program consists of functional training programs such as Branch Program for Retail Banking and Distribution Group, Commercial Banking Program, JPC/MNC Banking Program, etc. that focus on developing specific knowledge and skill sets required for functional effectiveness, including product knowledge, credit knowledge and responsible lending, market conduct, relevant policies, laws and regulations, etc.
- **Leading to the NEXT Level Program:** A development program for senior executives as well as talents and successors to lead the organization to ride the wave of digital transformation, prepare for business growth, and create future leaders. The program is specifically designed using integrated learning solutions and modern learning platforms including lectures by distinguished speakers, learning through case studies, knowledge sharing and exchange of viewpoints, and group project presentations by cross-functional teams of executives.

Moreover, a number of initiatives and projects were implemented, taking into account responsibility toward society and the environment. As part of our commitment to building a strong foundation for youths and society, cooperative programs between Krungsri and Rajamangala University of Technology were initiated to provide opportunities for students to apply their academic knowledge and get hands-on experience. The iJoin application was introduced to go paperless with an attendance training record for environmental preservation and cost saving. Automated External Defibrillator (AED) and Cardiopulmonary Resuscitation (CPR) training was organized to provide basic knowledge of first aid and how to use an AED to save lives of colleagues and the general public. The Bank offers more self-service solutions to allow employees greater speed and convenience in making human resources requests such as overtime work, employment certificate, tax withholding certification letter (50 bis), etc. This new system not only makes life and work simple, but also reduces paper usage.

THE BANK  
BELIEVES THAT  
GOOD CORPORATE  
GOVERNANCE IS  
A CRUCIAL PART  
OF SUSTAINABLE  
BUSINESS GROWTH



## RISK MANAGEMENT

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

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

### Credit Risk

The Risk Management Group is primarily responsible 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 actions 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

To achieve sustainable growth and returns for shareholders, the Bank focuses on proactive market risk management under a robust risk management framework, monitors, and mitigates market risk in an appropriate and timely manner within the risk appetite.

The Bank has continuously enhanced market risk measurement in response to new regulations and new practices on Final Rule regarding Interest Rate Risk in Banking Book (IRRBB) as published by the Basel Committee on Banking Supervision (BCBS), London Interbank Offered Rate (LIBOR) Transition and Benchmark Reform, etc. In addition, the Bank emphasizes the exploration of potential products and services to accommodate sophisticated customers' needs in cross-border business and risk management, by leveraging MUFG's global network.

In 2019, market risk in both trading and banking book were within acceptable levels, as the Bank emphasized the necessity of a close watch and active monitoring on risk exposure for timely response to changes in the business environment and regulations.

### Liquidity Risk

The Bank recognizes the importance of regulatory requirements, as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) ratio are always maintained over the minimum requirements of the Bank of Thailand by considering regulatory compliance, deposit restructuring, and cost management. In addition, the Bank has disclosed essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline.

To control the liquidity risk within acceptable levels at all times, the Bank manages liquidity position as deemed appropriate based on market conditions under both normal and crisis situations, and ensures that adequate measurement tools are in place. Additionally, the database management system has been reinforced for greater strength and appropriate frequency of measurement.

## Operational Risk

The Operational Risk Division works to ensure minimal impact on Krungsri and our subsidiaries in the event of any failure due to internal or external factors, or outages. The entire Krungsri Group regularly performs a Risk Control Self-Assessment, while key risk indicators developed for all departments are closely monitored. New and significant changes to products, processes, and technologies are required to undergo comprehensive risk evaluation to prevent and mitigate potential risks, including information technology risk and cyber threats. 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

The Bank believes that good corporate governance is a crucial part of sustainable business growth. In addition, all the actions derived from good governance thus far serve as a guideline to which the Bank always adheres.

The internal management of the Bank is therefore designed with the structure of an organization with checks and balances which operates independently from management and is responsible for the Bank's business compliance with applicable laws and regulations as well as good corporate governance.

Preventive measures coupled with monitoring measures continue to be the core elements of the Bank's compliance framework. For preventive measures, in addition to knowledge sharing among staff on related regulatory requirements, we also proactively promote a compliance culture. In 2019, apart from additional training courses via e-learning programs with an expanded scope to cover more complex and related multi-faceted rules and regulations, namely Business Conflict of Interest and Material Non-Public Information, internal and external experts were invited to share their knowledge and experience with Krungsri's employees through workshops, together with the Compliance on Tour activities. In addition, the Bank has adjusted and added channels for communicating laws and regulations for greater diversity, such as communication via Bank intranet (WE Connect) and an official LINE account for employees to access comprehensive knowledge and understand various regulations more thoroughly.

As for monitoring, the Compliance Division, on behalf of the Bank, conducts compliance testing corresponding to various risk levels identified by using the Compliance Risk Assessment Framework that covers overall risk factors in various dimensions. Examples include compliance checklists, off-site and on-site testing, and other types of testing. The assessment results are used for establishing monitoring measures, e.g. compliance checklist, etc. This is to ensure that comprehensive and appropriate testing is performed, with results that reflect the actual risks. In addition, testing results and compliance activities are presented to the Board of Directors through relevant subcommittees and senior management on a monthly basis.

In 2019, Krungsri and our 21 subsidiaries in the Financial Business Group started to adopt a common Compliance Risk Assessment Framework so that risk governance could be pursued in collective actions. The Bank also places considerable emphasis on complying with the regulations regarding anti-money laundering, counter-terrorism, and proliferation of weapons of mass destruction financing (AML/CTPF). MUFG's financial crime compliance standards were adopted to ensure that Krungsri's compliance standards are in line with international ones. In addition, the Bank has coordinated with related government agencies and provided them financial information and documentary evidence required by law for effective legal action against offenders.

In addition, the Bank recognizes the benefits of adopting new technology to support its ongoing compliance measures. As a result, in 2019, the Bank also enhanced the system for filtering international financial transactions in order to detect those involving targets of sanctions imposed by the United Nations, as well as the governments of the United States of America, Japan and Thailand, including the 'Specially Designated Nationals List (SDN List)' and/or 'Blocked Persons'. Moreover, the Anti-Money Laundering (AML) Transaction Monitoring System was also improved for greater effectiveness of AML/CTPF measures. Meanwhile, the Bank carried out internal operation improvements for greater efficiency of business governance processes, such as channel enhancement for sending and receiving compliance checklists through the Digital Compliance Checklist, as well as adding functions to the regulatory database system under the 'Regulatory Mapping' project, so that users can easily find relevant regulations for increased effectiveness of the compliance measures.



# BUSINESS MANAGEMENT OF SUBSIDIARIES AND JOINT VENTURES

## KRUNGSRI AMC

### Krungsri Ayudhya AMC Limited

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

**Market and competition:** None; the company is only a provider of support services to the Bank.

**Source of funds:** The Bank

## KRUNGSRI NIMBLE

### Krungsri Nimble Company Limited

(Renamed from Krungsri Factoring Company Limited on July 22, 2019)

**Type of service:**

- 1) Previously, provided factoring services (domestic factoring with recourse and notification) by granting short-term revolving credit facilities through accounts receivable purchases, and assigning collection rights. However, due to the Bank's policy, the company has ceased providing factoring services.
- 2) Presently, provides information technology services to only the Bank and all companies in our Financial Business Group, without service provision for third parties. The company's focus is on studying and developing digital innovations, while building the Bank's future platforms, including Krungsri Mobile Application, website, and blockchain, as well as further developing platforms currently in use. (The company's operations commenced on November 1, 2019.)

**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 all types of commercial vehicles for business use.

**Market and competition:** Krungsri Leasing focuses on providing customers financial lease facilities for commercial purposes, so that they can acquire machinery, equipment, and commercial vehicles which enhance their capabilities for business expansion, or increase their financial liquidity apart from banking facilities. The company provides the credit facilities mainly based on customers' operating cash flow as well as the liquidity of the leased asset rather than the collateral value of the immovable property; therefore, a financial package suited to customers' needs with competitive terms and conditions can be provided.

Krungsri Leasing, the industry leader, focuses on medium-to-large corporate customers in various industries nationwide, thereby differentiating the company's products and services.

**Source of funds:** The Bank

## KRUNGSRI AUTO

**Type of service:** Krungsri Auto, a leader in automotive finance under Bank of Ayudhya Public Company Limited, strives to deepen customer engagement through diverse, innovative products and services that fully meet customers' needs. Krungsri Auto offers a variety of vehicle financing services including new cars (Krungsri New Car), used cars (Krungsri Used Car and Krungsri Rod Baan), car refinance (Krungsri Car for Cash), and trucks (Krungsri Truck), operated by Krungsri Auto Group, Bank of Ayudhya Public Company Limited; as well as motorcycles (Krungsri Motorcycle, Krungsri Big Bike, and Krungsri Used Big Bike), motorcycle refinance (Krungsri Car for Cash Motorcycle), and inventory financing (Krungsri Inventory Finance) along with insurance products and services, operated by Ayudhya Capital Auto Lease Public Company Limited.

**Source of funds:** The Bank and debentures of Ayudhya Capital Auto Lease Public Company Limited (AYCAL)

## KRUNGSRI CONSUMER

### Krungsriayudhya Card Company Limited (KCC)

**Type of service:** Credit card issuer, providing various products for serving customers' diverse lifestyles, of Krungsri Exclusive Signature Credit Card, Krungsri Signature Credit Card, Krungsri Visa Platinum Credit Card, HomePro Visa Platinum Credit Card, Krungsri Lady Titanium MasterCard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa Platinum Card, Krungsri JCB Platinum Card, and Siam Takashimaya Credit Card, with a total of more than 2 million cardholders in 2019. KCC was assigned an AAA rating by TRIS Rating Company Limited on October 31, 2019 and has been affirmed this rating for four consecutive years, reflecting the company's status as a strategic subsidiary of Bank of Ayudhya Public Company Limited.

**Product:** In 2019, Krungsri Exclusive Signature Credit Card reinvigorated its brand positioning to serve customers with AUM of 5 million baht and above. From shopping to traveling, customers can enjoy the benefits of 20 percent cash back at Thailand's leading luxury department stores all the year and also the complimentary THAI Airways flights to their destinations of choice without the need of point redemptions. In 2019, the company operated Financial Center at 13 HomePro's branches, and the HomePro's Corporate Card then was introduced to HomePro's target corporate customers. This card does not only help manager their customers' merchandise purchasing, but also help control the corporate expense effectively.

**Source of funds:** The Bank and debentures

### Ayudhya Capital Services Company Limited

**Types of service:** Sales finance, personal loan, credit card, and nano-finance products

**Product:** Krungsri First Choice is a leading service provider of sales finance, personal loan, credit card and nano-finance products. Since 1994, it has continuously garnered customer trust with financial services that match customers' lifestyles. Currently, the company has more than 2 million cardholders, 25,000 partner sales outlets, and 400 First Choice branches nationwide. The aforementioned services of personal loan and

sales finance include Krungsri First Choice Card and Krungsri First Choice Care Card. With its strategic business partnership, the company launched Central The 1 First Choice Card, HomePro First Choice Card and Mega Home First Choice Card in order to offer lifestyle privileges that match customers' needs.

Aside from the personal loan and sales finance products, to serve customers' daily spending needs, Krungsri First Choice introduced Krungsri First Choice Visa Platinum Credit Card for worldwide spending with special privileges and loyalty points.

**Source of funds:** The Bank

### General Card Services Limited

General Card Services Limited has been entrusted by the Central Group with the extension of our financial services partnership. The latest agreement also covers credit cards of all the business entities under the Central Group, with features and benefits of the new co-branded **Central The 1 Credit Card** applying to other business units through The 1 Card loyalty platform. This partnership also presents an opportunity for Krungsri Group in leveraging our strong global network as a subsidiary of MUFG to better serve the Central Group's customers.

**Types of service:** The company launched 'Central The 1 Credit Card' in 2017, the first and only co-branded lifestyle credit card in Thailand that provides the fastest way to earn the most The 1 Points and to gain other benefits such as up to 10 percent discount from over 5,000 outlets under the Central Group through The 1 Card Loyalty Platform. The benefits and privileges also cover those provided by Krungsri Consumer outside of the Central Group.

**Product:** The Central The 1 Credit Card is designed to stand out from those issued by other commercial banks. Positioned as a lifestyle credit card, it has a unique, simple design, with a plastic coating technique with metallic effect never before used in Thailand. The credit card is divided into four sub-categories, each offering different benefits to meet the needs of each target group and better serve each member group's lifestyle.

Central The 1 Personal Loan is an innovative personal loan product that provides our customers greater flexibility and convenience. Customers can 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.

**Source of funds:** The Bank

## Tesco Lotus Money Services Ltd.

**Type of service:** Tesco Lotus Money Services is a 50:50 joint venture between Krungsri Group and Tesco Lotus, Thailand's largest hypermarket chain. Established in 2001 and launched with the Tesco Lotus Private Label Credit Card, which was later enhanced to become the Tesco Lotus Visa Credit Card, the company grew further and established two wholly-owned insurance brokerage subsidiaries for general and life insurance. It was previously known as Tesco Card Services, and changed its name to Tesco Lotus Money Services Ltd. in 2019. Tesco Lotus Money Services continues to expand its distribution network through Tesco Lotus stores, with over 200 in-store financial services and insurance counters, and more than 900 dedicated sales staff offering Tesco shoppers simple and convenient financial services, focusing on 'ease, value, and trust'.

The Tesco Visa Credit Card aims to become the top-of-mind choice for Tesco Lotus customers by rewarding their loyalty with great everyday benefits. Cardholders can also enjoy interest-free payment options on their Tesco shopping and Tesco Insurance products.

Tesco Lotus Money Services is committed to delivering excellent services and convenience to customers through whichever channel they choose to apply for and use their products, including Tesco Lotus stores, online channels, the call center, and the 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 automobile, accident and health insurance products in more than 200 Tesco Lotus locations nationwide, or through the company's call center and website. Partnering with well-known and trusted insurance providers, the company offer simple, rewarding and easy-to-apply for products, with great value and easy payment options designed for Tesco shoppers.

Based on their key principles of 'ease, value, and trust', these products aim to make insurance more accessible, inclusive, and affordable. To help introduce customers to insurance, premiums start as low as 299 baht per year for simple personal accident protection.

**Source of funds:** Shareholders (Tesco Lotus Money Services Ltd.)

## Tesco Life Assurance Broker Limited

**Type of service:** The company provides life insurance products and services to Tesco Lotus customers via phone, offering a variety of life insurance products, including short-term and long-term savings, and lifetime-coverage insurance.

**Source of funds:** Shareholders (Tesco Lotus Money 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, health, travel, and automobile insurance to customers of General Card Services Limited, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited.

The company has grown its product range, and continues to introduce customers to a wide range of non-life products such as hospitalization income plans, personal accident, and other selected general insurance products.

**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 in 2011.

The company's main business is to introduce life, personal accident, health, and payment-protection insurance, as well as personal loan, to customers of General Card Services Limited, Krungsriayudhya Card Company Limited, and Ayudhya Capital Services Company Limited.

The company has continued to grow, driven by a broader product range, new insurance partners, and a customer segmentation strategy. The company has introduced customers to a range of endowments, term-life products, and retirement plans, as well as inpatient department (IPD) and outpatient department (OPD) health insurance plans from selected life insurance partners. It has 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 unsecured products covering personal loans, credit cards, and sales financing. Major customers are the Bank and companies in Krungsri Group, including Ayudhya Capital Services Company Limited, General Card Services Limited, Krungsriayudhya Card Company Limited, and Tesco Lotus Money Services Limited.

**Strategies for business growth:** The company plans to remake itself as a collection consultant while retaining its responsibility for ensuring that customers are enabled to make payment under their terms and conditions and return their account status to normal. We also provide debt counseling services focused on building better customer experiences, including overdue and bad debt management by analyzing customers' ability or intention to pay off debt, designing programs to help them fix their debt burden in a way that aligns with their payment ability. Furthermore, the company has fully cooperated with the Legal Execution Department through the Mediation Program and participated in the Bank of Thailand's Debt Clinic Program to help plan solutions for customers' debt problems. At the same time, the company is preparing to develop an AI-based system that learns and understands customer problems to meet their needs, moving toward sustainable growth as one of Thailand's top debt collection service firms.

In terms of improving customer experience, customer centricity is used as the conceptual model and disseminated to all employees. In 2019, the company conducted an intensive training program, the 'CARE Workshop', to encourage our staff to design their service provision for customers in ways that gain the highest benefit and directly respond to the individual customer's needs. So far, 60 percent of staff have participated in this workshop. As a result of this, customer compliments have tripled in number over the past several years, a substantial increase.

**Source of funds:** The Bank

## Krungsri Leasing Services Company Limited (Lao PDR)

The company's business has continuously grown since its establishment in December 2014. The company has a head office in Vientiane and a branch in Pakse, Champasak. In 2019, it expanded to other major provinces of Lao PDR, including Savannakhet and Bolikhamxay.

In 2019, the company had more than 25,000 active customers, or a growth of 22 percent from 2018, while offering new products of financing used cars and motorcycles in response to customers' diverse transportation needs. Car4Cash was also provided for vehicle owners in need of cash as capital in their own businesses. The company also plans to launch new products and services in alignment with the growing market, and to serve other customer segments. A new core system has therefore been developed to support these new businesses, scheduled for completion in 2020.

In strengthening its 'Krungsri Leasing' brand and image, the company used digital media such as Facebook and LINE, including the promotion of its new business and products through a reputable digital marketing agency specialized in the Lao PDR market, while raising brand awareness.

Focusing on organization enhancement with sustainability, the company has enhanced its human resource through recruiting local talents and staff training facilitated by the Bank, Krungsri Auto, and Krungsri Consumer, with the intention of boosting competitiveness and being well prepared for market growth.

**Type of service:** The company provides auto hire purchase and sales financing service (Krungsri First Choice) for retail consumers and SMEs in Lao PDR.

**Market and competition:** With high potential, Lao PDR GDP growth is forecast to reach an average of 7 percent during 2019 to 2020, driven by hydropower projects and construction investment from China. Rising per capita income in line with economic expansion will further boost domestic demand.

The company will continue to focus on developing strong relationships with its dealers and expanding dealer networks, so that it can offer innovative products and services, while moving toward being a market leader with innovative technologies adopted to enhance its operations and the customer experience in Lao PDR.

**Source of funds:** The Bank

## Ngern Tid Lor Company Limited

**Type of service:** Krungsri acquired a controlling stake (99.9 percent) in a company which was later renamed Ngern Tid Lor Company Limited (Ngern Tid Lor) from AIG Consumer Finance Group Inc. (AIG CFG) in September 2009. It 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, the company launched non-life insurance brokerage services and other new product lines.

In October 2018, Krungsri entered into a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50 percent of ordinary shares in Ngern Tid Lor; this will not only bolster business growth and opportunities for Ngern Tid Lor, but will also further strengthen the company's competitive capabilities to stay at the forefront of the title loan industry. The transaction was completed in February 2019.

**Source of funds:** The Bank and Ngern Tid Lor debentures

## KRUNGSRI SECURITIES

### Krungsri Securities Public Company Limited

**Type of services:** Securities brokerage which can be categorized as follows:

**Securities brokerage:** The company is the 29<sup>th</sup> brokerage member of the Stock Exchange of Thailand, providing brokerage service for equity (stock) and derivatives trading to retail investors, the general public, and local and international institutional investors. The company's experienced marketing and research teams offer investment advice and recommendations to investors.

**Investment banking:** The company provides financial advisory and underwriting services for all types of financial transactions, including arranging and underwriting equity and debt securities offerings, financial restructuring, debt restructuring, business rehabilitation, merger and acquisition, feasibility study, corporate valuation assessment, and other transactions in accordance with rules and regulations stipulated by the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

**Wealth management:** The company provides asset allocation and wealth advisory services for short-, medium-, and long-term investment in both capital and fixed income markets. It emphasizes creating the utmost customer satisfaction by providing opportunities for returns together with professional services. The company also offers privileges to Wealth Management clients such as exclusive seminars, together with other benefits.

**Private fund management:** The company provides private fund management services. Each customer is served by a dedicated fund manager who is in charge of investment planning and fund administration in accordance with the customer's objectives.

**Unit trust brokerage:** The company acts as a broker for asset management companies in Thailand, selling financial products of asset management companies to investors.

**Investment:** It is the company's policy to invest in short-, medium-, and long-term instruments in both the capital and fixed income markets.

**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 Office of the Securities and Exchange Commission, offering a comprehensive range of products and services, including mutual funds, private funds, provident funds, property funds, and investment management in futures contracts. The available mutual funds are diverse in terms of types of investments, such as stock funds, fixed income funds, foreign investment funds (FIF), commodity index funds, and property funds. The company's investment mission is to generate sustainable returns. Thanks to highly experienced fund managers using precise, modern investment systems, investors can be confident that these funds will generate consistent returns in line with the desired degree of 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 established this wholly-owned subsidiary operating a venture capital business under Bank of Thailand regulatory and investment guidelines for venture capital investment in: 1) SMEs; 2) financial technology startups; 3) private equity, trusts, or private equity related to financial technology; and 4) other businesses permitted now or in the future 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 and providing rental cars.

**Market and competition:** Krungsri Services has no competitor in the market as the company only provides support services to the Bank, its sole shareholder. The company has also expanded its car rental service to the Bank's subsidiaries and has provided training on operating procedures for both service types in order to ensure service excellence for our customers. The company has also been certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

**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 served as a concrete step forward to becoming an ASEAN financial powerhouse. The Bank's expertise in consumer banking and microfinance is shared to strengthen HKL's market-leading position through enhanced capabilities and resources. This HKL acquisition allowed the Bank to capture growth opportunities outside of Thailand.

At the end of 2019, HKL's total assets were USD 1,220 million, or 36,849 million baht. The total number of customer accounts reached 428,526. Total loans were USD 1,051 million, or 31,690 million baht. HKL's total deposits reached USD 599 million, or 18,033 million baht. HKL has 177 branch offices in its network, with 137 ATMs nationwide.

**Services:** HKL is a microfinance institution that operates throughout Cambodia, with practices characterized by quality and transparency, committed to providing practical financial services to customers in both rural and urban areas. To meet the demands of customers from different backgrounds, a wide range of products and services has been developed and is vigorously 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 institutions in Cambodia, having retained its industry leadership, and is among the top three microfinance institutions in terms of loans outstanding and savings collection.

**Source of funds:** The company

## HATTHA SERVICES CO., LTD.

**Type of service:** Supporting business in relation to property development for an operation of HKL and subsidiaries under the Bank's Financial Group only.

**Source of Funds:** The company and loan from local bank



## INVESTMENT OF BANK OF AYUDHYA PCL IN OTHER COMPANIES

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

Name	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Kaksekar Limited	Microfinance Deposit Taking Institution (MDI)	Ordinary	75,000,000	100.00
2. Krungsri Ayudhya AMC Ltd.	Asset Management	Ordinary	270,000,003	100.00
3. Krungsri Nimble Co., Ltd.	Information Technology Services	Ordinary	30,000,000	100.00
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	100.00
6. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	100.00
7. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	100.00
8. Krungsriayudhya Card Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	100.00
9. Krungsri Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	920,000	100.00
10. Krungsri General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	920,000	100.00
11. Total Services Solutions PCL.	Service	Ordinary	160,599,822	100.00
12. Siam Realty and Services Security Co., Ltd.	Service	Ordinary	1,000,000	100.00
13. Krungsri Finnovate Co., Ltd.	Finance (Venture Capital)	Ordinary	150,000,000	100.00
14. Krungsri Securities PCL.	Finance (Securities)	Ordinary	135,000,000	99.84
15. Krungsri Asset Management Co., Ltd.	Finance (Fund Management)	Ordinary	3,500,000	76.59
16. Krungsri Leasing Services Co., Ltd.	Finance (Leasing/Hire Purchase/Sales Finance)	Ordinary	10,175,111	100.00
17. Ngern Tid Lor Co., Ltd.	Finance (Auto Financing)	Ordinary	210,594,787	50.00
		Preferred	222,000	
18. Tesco Lotus Money 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
21. Hattha Services Co., Ltd.	Service	Ordinary	1,000	49.00

## COMPANIES IN WHICH THE BANK HOLDS AT LEAST 10 PERCENT OF SHARES BUT LESS THAN 20 PERCENT OF PAID-UP CAPITAL

Name	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.	Importer and Distributor (Construction Machinery, Trucks, etc.)	Ordinary	1,500,000	10.00
3. Finnomena Co., Ltd. <sup>(1)</sup>	Financial Information Provider	Preferred	862,811	12.44

## COMPANIES ACQUIRED THROUGH THE DEBT RESTRUCTURING PROCESS

Name	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 :** <sup>(1)</sup> Indirectly holding via Krungsri Finnovate Co., Ltd. of 12.44 percent

# INCOME STRUCTURE OF THE BANK, SUBSIDIARIES, AND JOINT VENTURES

For 2019 operating performance, the Bank, subsidiaries, and joint ventures had interest income and non-interest income at a ratio of 67.55 percent and 32.45 percent, respectively. Interest on loans constituted the largest proportion representing 44.18 percent of total income. Details are as follows:

Income structure	2019		2018		2017	
	Million baht	%	Million baht	%	Million baht	%
<b>Interest Income</b>						
Interest on Loans	72,244	44.18	69,337	46.49	61,095	45.73
Interest on interbank and money market items	4,681	2.86	6,213	4.17	3,425	2.56
Hire purchase and financial lease income	31,073	19.00	29,727	19.93	28,209	21.11
Investments and trading transactions	91	0.06	28	0.02	81	0.06
Investments in debts securities	2,279	1.39	1,827	1.23	2,188	1.64
Other	87	0.06	-	-	-	-
<b>Total Interest Income</b>	<b>110,455</b>	<b>67.55</b>	<b>107,132</b>	<b>71.84</b>	<b>94,998</b>	<b>71.10</b>
<b>Non-Interest Income</b>						
Fees and service income	29,652	18.13	28,999	19.44	26,341	19.71
Gain on tradings and FX transactions	4,350	2.66	4,736	3.18	4,233	3.17
Gain on investments	9,232	5.65	374	0.25	896	0.67
Share of profit from investment for using equity method	1,409	0.86	391	0.26	302	0.23
Dividend income	211	0.13	202	0.14	195	0.15
Bad debts recoveries	6,484	3.97	5,995	4.02	5,161	3.86
Other income	1,723	1.05	1,305	0.87	1,483	1.11
<b>Total Non-Interest Income</b>	<b>53,061</b>	<b>32.45</b>	<b>42,002</b>	<b>28.16</b>	<b>38,611</b>	<b>28.90</b>
<b>Total Income</b>	<b>163,516</b>	<b>100.00</b>	<b>149,134</b>	<b>100.00</b>	<b>133,609</b>	<b>100.00</b>



Income structure	2019		2018		2017	
	Million baht	%	Million baht	%	Million baht	%
<b>1. Bank of Ayudhya PCL. <sup>1/</sup></b>						
Total Interest Income	80,945	70.45	74,597	71.53	64,955	72.99
Total Non-Interest Income	33,952	29.55	29,689	28.47	24,035	27.01
Total	114,897	100.00	104,286	100.00	88,990	100.00
<b>2. Krungsri Ayudhya AMC Ltd.</b>						
Total Interest Income	67	24.91	65	18.26	145	32.58
Total Non-Interest Income	202	75.09	291	81.74	300	67.42
Total	269	100.00	356	100.00	445	100.00
<b>3. Ayudhya Development Leasing Co., Ltd.</b>						
Total Interest Income	347	62.52	344	69.49	327	68.70
Total Non-Interest Income	208	37.48	151	30.51	149	31.30
Total	555	100.00	495	100.00	476	100.00
<b>4. Krungsri Nimble Co., Ltd. (formerly Krungsri Factoring Co., Ltd.)</b>						
Total Interest Income	-	-	1	100.00	1	100.00
Total Non-Interest Income	28	100.00	-	-	-	-
Total	28	100.00	1	100.00	1	100.00
<b>5. Ayudhya Capital Auto Lease Plc.</b>						
Total Interest Income	6,246	55.12	6,878	66.60	7,956	69.81
Total Non-Interest Income	5,086	44.88	3,449	33.40	3,441	30.19
Total	11,332	100.00	10,327	100.00	11,397	100.00
<b>6. Ayudhya Capital Services Co., Ltd.</b>						
Total Interest Income	12,045	62.76	11,077	60.43	10,238	64.79
Total Non-Interest Income	7,148	37.24	7,254	39.57	5,565	35.21
Total	19,193	100.00	18,331	100.00	15,803	100.00
<b>7. General Card Service Ltd.</b>						
Total Interest Income	1,905	49.96	1,594	49.61	1,608	50.34
Total Non-Interest Income	1,908	50.04	1,619	50.39	1,586	49.66
Total	3,813	100.00	3,213	100.00	3,194	100.00
<b>8. Krungsriayudhya Card Co., Ltd.</b>						
Total Interest Income	4,600	49.20	4,356	49.32	4,521	51.86
Total Non-Interest Income	4,749	50.80	4,477	50.68	4,197	48.14
Total	9,349	100.00	8,833	100.00	8,718	100.00

Income structure	2019		2018		2017	
	Million baht	%	Million baht	%	Million baht	%
<b>9. Krungsri Securities Plc.</b>						
Total Interest Income	60	10.15	70	10.57	61	9.76
Total Non-Interest Income	531	89.85	592	89.43	564	90.24
Total	591	100.00	662	100.00	625	100.00
<b>10. Siam Realty and Services Security Co., Ltd.</b>						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	659	100.00	625	100.00	619	100.00
Total	659	100.00	625	100.00	619	100.00
<b>11. Krungsri Asset Management Co., Ltd.</b>						
Total Interest Income	78	1.91	65	1.55	38	1.02
Total Non-Interest Income	4,012	98.09	4,116	98.45	3,670	98.98
Total	4,090	100.00	4,181	100.00	3,708	100.00
<b>12. Total Service Solutions Plc.</b>						
Total Interest Income	22	1.84	21	1.76	20	1.63
Total Non-Interest Income	1,174	98.16	1,171	98.24	1,208	98.37
Total	1,196	100.00	1,192	100.00	1,228	100.00
<b>13. Ngern Tid Lor Co., Ltd. <sup>2/</sup></b>						
Total Interest Income	7,636	78.61	6,377	80.94	4,890	80.65
Total Non-Interest Income	2,078	21.39	1,502	19.06	1,173	19.35
Total	9,714	100.00	7,879	100.00	6,063	100.00
<b>14. Krungsri General Insurance Broker Ltd. <sup>3/</sup></b>						
Total Interest Income	5	1.04	5	1.08	14	3.07
Total Non-Interest Income	478	98.96	458	98.92	442	96.93
Total	483	100.00	463	100.00	456	100.00
<b>15. Krungsri Life Assurance Broker Ltd. <sup>3/</sup></b>						
Total Interest Income	4	1.06	4	1.12	11	3.12
Total Non-Interest Income	372	98.94	352	98.88	342	96.88
Total	376	100.00	356	100.00	353	100.00
<b>16. Tesco Lotus Money Services Ltd. <sup>4/</sup> (formerly Tesco Card Services Ltd.)</b>						
Total Interest Income	2,226	49.99	2,037	49.85	2,076	51.96
Total Non-Interest Income	2,227	50.01	2,049	50.15	1,919	48.04
Total	4,453	100.00	4,086	100.00	3,995	100.00
<b>17. Tesco General Insurance Broker Ltd. <sup>5/</sup></b>						
Total Interest Income	4	0.70	4	0.63	4	0.88
Total Non-Interest Income	564	99.30	632	99.37	450	99.12
Total	568	100.00	636	100.00	454	100.00

Income structure	2019		2018		2017	
	Million baht	%	Million baht	%	Million baht	%
<b>18. Tesco Life Assurance Broker Ltd. <sup>5/</sup></b>						
Total Interest Income	1	2.22	1	2.86	1	3.45
Total Non-Interest Income	44	97.78	34	97.14	28	96.55
Total	45	100.00	35	100.00	29	100.00
<b>19. Krungsri Leasing Services Co., Ltd. <sup>6/</sup></b>						
Total Interest Income	771	100.39	752	95.92	434	96.44
Total Non-Interest Income	(3)	(0.39)	32	4.08	16	3.56
Total	768	100.00	784	100.00	450	100.00
<b>20. Hattha Kaksekar Limited</b>						
Total Interest Income	4,451	95.89	3,652	96.59	3,197	98.13
Total Non-Interest Income	191	4.11	129	3.41	61	1.87
Total	4,642	100.00	3,781	100.00	3,258	100.00
<b>21. Krungsri Finnovate Co., Ltd. <sup>7/</sup></b>						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	1	100.00	-	-	-	-
Total	1	100.00	-	-	-	-
<b>22. Hattha Services Co., Ltd. <sup>8/</sup></b>						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

**Remarks:** Year 2019 data are unaudited financial statements.

<sup>1/</sup> The Bank's statement of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited

<sup>2/</sup> On February 28, 2019, the Bank sold 50 percent of investment in Ngern Tid Lor Company Limited, reducing its ownership interest to 50 percent As a result, investment in Ngern Tid Lor Company Limited is classified as investment in joint ventures

<sup>3/</sup> Indirectly holding via Ayudhya Capital Services Co., Ltd. of 100 percent

<sup>4/</sup> Indirectly holding via Ayudhya Capital Services Co., Ltd. of 50 percent

<sup>5/</sup> Subsidiary of Tesco Lotus Money Services Limited

<sup>6/</sup> Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75 percent and Ayudhya Capital Services Company Limited of 25 percent

<sup>7/</sup> The Bank invested on March 27, 2017 and the financial information is immaterial.

<sup>8/</sup> On November 1, 2019, the Bank held indirectly ordinary shares of Hattha Services Co., Ltd. via Hattha Kaksekar Limited. of 49 percent. However, the Bank has the power to participate in management and control over Hattha Services Co., Ltd. Accordingly, the voting power held by the Bank is 100 percent and the financial information is immaterial.



# 3

## RISK FACTORS AND RISK MANAGEMENT







The Risk Management Group plays a vital role in Krungsri Group by sustaining competitive capabilities in an ever-changing business environment with its regulatory requirements, economic trends and disruptive technologies. Risk management mechanisms allow us to maintain a sound risk appetite. Also, under the supervision of our risk management function, an extensive and well-defined risk management system has been adopted through our risk management structure, risk policies, and risk appetite framework.

The Risk Management Group has continuously developed and adapted MUFG policies and procedures to improve our capabilities in identifying, assessing, mitigating, and monitoring risks within an acceptable risk appetite. Collaboration across all business functions has led to more efficient risk management processes. The Bank has established risk management and control with three lines of defense, segregating roles and responsibilities as well as accountability for decision making to achieve robust governance and risk management.

- First Line: Front-line teams responsible for day-to-day operations to ensure that the risk and control environments are safeguarded;
- Second Line: The Risk Management Group with oversight, monitoring, and control of risk procedures; and
- Third Line: 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, liquidity, and operations.



**THE RISK MANAGEMENT GROUP HAS CONTINUOUSLY DEVELOPED AND ADAPTED MUFG POLICIES AND PROCEDURES TO IMPROVE OUR CAPABILITIES**





## 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 (the Board). The group is 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 parties:

### Board of Directors

The Board defines our risk appetite, and delegates approval authority for loan applications corresponding with credit risk types, risk 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 and the Credit Underwriting Group, as well as senior executives from relevant functions including business functions. The Credit Committee's primary responsibilities are:

- Approving credit requests and relevant operation relating to credit; and
- Approving credit regarding NPL/NPA/TDR.

### 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 sound portfolio management in accordance with Krungsri's policies and procedures by:

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

### NPL/NPA/TDR Subcommittee

#### Primary responsibilities:

- Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR;
- Considering and approving credit requests, guidelines, and methods employed regarding NPL/NPA/TDR;
- Supervising and continually monitoring progress of these to speed up debt restructuring and prevent debt quality deterioration; and
- Approving principles for price determination as well as bid pricing and participation in collateral auctions for legal execution or asset sales.

AN INTEGRATED APPROACH IS USED TO MANAGE FOUR MAIN TYPES OF RISK: CREDIT, MARKETS, LIQUIDITY, AND OPERATIONS.



## Collateral Valuation Subcommittee

### Primary responsibilities:

- Establishing and reviewing policies and procedures for collateral valuation for loan or credit extension and valuation of foreclosed assets obtained from debt payment or auction in accordance with asset revaluation regulations;
- Selecting and approving contracts made with independent appraisers;
- Overseeing and offering guidance to in-house appraisers to ensure that they act with integrity and accuracy in compliance with Krungsri's and the Bank of Thailand's procedures; and
- Reviewing and approving the results of appraisals carried out by both in-house and external appraisers.

## Capital Management Subcommittee

### Primary responsibilities:

- Supervising capital management and ensuring alignment with applicable regulations, as well as capital management that 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 changes 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 internal or external environments, using an internal capital adequacy assessment process (ICAAP) integrated into this framework.

#### Enterprise-wide Risk Management Framework (ERM)

Under this framework of 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 risk levels that are appropriate for 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** is implemented to measure and monitor the current risk status of key risk areas in an integrated manner using key risk indicators.

**Top Risks** are material risks identified through the Heat Map and the Risk Map that warrant close monitoring and require action plans within a reasonable timeframe for their prevention or mitigation.

#### 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 stressed conditions. Stress tests are conducted regularly and are overseen by the Capital Management Subcommittee, through which timely and 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 risks 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.

## Material Risks

Under the Enterprise-wide Risk Management Framework, the Bank has identified important risks – both mandatory regulatory risks and material risks arising from internal and external factors. We have established risk monitoring and control processes to ensure that such risks are effectively managed within acceptable limits, with the following important risks identified for 2019:

Risk Category	Risk Type
Pillar I	Credit Risk Market Risk Operational Risk
Pillar II	Credit Concentration Risk Interest Rate Risk in Banking Book Liquidity Risk Reputation Risk Strategic Risk
Other Material Risks	Fraud Risk IT Risk Compliance Risk Capital Adequacy Risk

## CREDIT RISK MANAGEMENT

'Credit risk' refers to the possibility of Krungsri facing a loss caused by a decline or complete loss of asset value (including off-balance assets), resulting from deterioration in a borrower's financial conditions and a subsequent failure to meet financial obligations, or an event of default. Such developments could negatively impact both capital and loan loss reserve adequacy.

An international-standard credit risk management structure has been embraced with the intent of maintaining a good balance between business interests and credit underwriting. The establishment of checks and balances between credit underwriters and relationship managers ensures a transparent work environment. These two stakeholders have a common purpose in promoting the quality of credit growth and maintaining existing loans effectively.

Within the aforementioned credit risk management framework, Krungsri developed an enhanced automation support system to meet high standards. In addition, the Bank has established procedures and guidelines pertaining to credit risk management and frequently provides training to relevant staff to ensure that they are well-equipped with necessary knowledge and understanding in carrying out their roles while adhering to robust risk management guidelines.



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 including credit policy, credit risk management procedures, and credit rating policy. Customer risk is managed based on international standards and in conformity with Bank of Thailand rules and regulations.

## CREDIT RISK CONTROL

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

### Commercial Credit Risk

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



The internal credit rating models of both MUFG and the Bank are used to assign risk ratings for customers at origination or acquisition, are reassessed annually, and are adjusted for changes in credit quality over the life of the exposure through our credit review process. In assessing the risk rating of a 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 location of the customer. 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. Such evaluation and rating assignment would be based on financial statements, while also accounting for other quantitative and qualitative factors to reflect business capacity and growth potential to ensure that our credit rating framework meets MUFG standards.

The Bank has collaborated with MUFG on enhancing its internal credit rating framework to include additional qualitative customer factors; for example, support from parent companies is 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 (SPCs), and project finance.

Model development in compliance with International Financial Reporting Standards 9 (IFRS9) is in place following the main principles and protocols of regulators, i.e. the Japanese Financial Services Agency (JFSA) and 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's 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, in line with our goal of becoming a truly globalized bank.

## Consumer Credit Risk Management

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The Consumer Credit Risk Management Division establishes product program criteria and proposals for approval by the Bank's Board of Directors or delegated authorities such as the Risk and Compliance Committee, and the Risk Management Committee. For effective risk control and consistency in credit decisions, the Bank leverages risk technology and digitalization in the credit decision process. Credit applications are processed in a Loan Origination System (LOS), whereby credit approval decisions and line assignments are based mainly on online credit bureau report retrieval and an automated credit criteria algorithm, in accordance with approved credit criteria. Verification of credit application data and final credit decisions are conducted by credit underwriters. Where applicable, line enhancement is based on behavior score and risk grade. Past-due management is centralized and is performed by a separate unit.

The Consumer Credit Risk Management Division has adopted risk management principles of 1) risk identification; 2) risk assessment; 3) risk monitoring and control; and 4) risk reporting in daily operation and management. Executives of the Bank received regular updates and reporting on portfolio performance and issues to consider, and proposed corrective actions.



**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 LOCATION OF THE CUSTOMER.**



As part of digital transformation, the Bank is exploring alternative lending using information-based tools.

The Bank also develops models to comply with the Bank of Thailand's regulations and international standards. In 2020, the Expected Credit Loss models for new International Financial Reporting Standards (IFRS 9) compliance will be implemented. The Basel Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) 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).

## Country Risk Management

Country risk refers to the risk arising from uncertainties in economic, social, and political factors or other external conditions such as natural disasters and social or political unrest in countries where the Bank has granted credit, made investment, or undertaken contingent liabilities with residents, which may affect the level of risk or creditworthiness of business undertaking in those countries. Such factors may cause the Banks' debtors or counterparties to be unable to repay their debts or refuse to fulfill their contractual obligations, and may affect the financial status and operations of the Bank. Execution of transactions that incur country risk refers to the granting of credit, the making of investment, the creating of contingent liability, the undertaking of credit-like transactions, or the making of deposit placement with counterparties located in foreign countries.

For country risk management, a country limit has been established to ensure that exposure to each country is sufficiently controlled. The country limit is set in accordance with risk appetite, country grade, as well as sovereign rating and external credit rating agency ratings. These guidelines enable us to manage country and cross-border risk, including concentration risk, so that we may prudently expand our business to diverse countries abroad.

## Credit Concentration Risk

Krungsri has mitigated concentration risk from granting credit to, investing in, creating contingent liabilities for, or making credit-like transactions to a particular customer or industry, in order 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 are defined by regulators' conditions as a large borrower group.



Furthermore, a threshold limit has been 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 the risk arising from the possibility that the counterparty may default on amounts owed on a market-related transaction where the value of the contract in the future is uncertain, subject to the fluctuation of market risk factors such as interest rates, foreign exchange rates, and so forth. Krungsri's counterparties are normally customers that need to square their positions and minimize their risk exposure.

To determine each counterparty's credit risk limit, we use the same approval criteria as for other credit risks, and closely monitor counterparty credit status for aggregated exposure, credit equivalent amounts, and credit valuation adjustments – information that is regularly reported to senior management.

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. In addition, Krungsri enters into an International Swaps and Derivatives Association (ISDA) agreement and Credit Support Annex (CSA), where cash collateral or highly liquid securities are required 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 the following ways:

### 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 that reserves are adequate.

### Credit Risk Audit

The Credit Examination Division is an independent central unit under the Internal Audit Group of the Bank that is responsible for examining and reviewing all credit risk management operations, with scope and plans approved by the Audit Committee and the Board of Directors.

The audit and review scopes cover overall credit risk management, correctness of risk ratings, compliance with credit covenants, and compliance with the Bank's credit policies, along with relevant Bank of Thailand criteria.

### Credit Information Monitoring and Management

We regularly report credit risk levels 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, rating, location, industry, and delinquency. In addition, ad hoc reports are occasionally conducted in response to irregular 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 historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. We have strategies and action plans in place to prevent any adverse effects. In addition, Krungsri's stress tests comply with the Bank of

Thailand and Japanese Financial Services Agency (JFSA) requirements as well as MUFG global requirements.

### Subsidiary Management

Our 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.

### 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-volume loans and determine the best approaches to optimize payment from customers so as to improve asset quality, minimize losses, and maximize recovery. They also conduct NPL sales based on guidance and approval from the Board of Directors.

## MARKET RISK MANAGEMENT

'Market risk' refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities.

### Market Risk Management Framework

To achieve sustainable growth and returns for shareholders, the Bank manages market risk under a robust risk management framework, monitors, and mitigates market risk in an appropriate and timely manner within the risk appetite approved by the Board of Directors (the Board) and adjust risk management systems that comply with all regulations and best practice standards stipulated by the Bank of Thailand (BOT) and other regulatory authorities.

The market risk policies and limits have been regularly reviewed and approved by the Board to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion. In order to effectively manage market risk, the Internal Capital Adequacy Assessment Process (ICAAP) and Enterprise-wide Risk Management Framework (ERM) concepts have been adopted. With this framework, the Bank assesses all material risks to develop comprehensive risk management guidelines, establish risk limits, and maintain sufficient capital for both normal and stressed business conditions.

Market risk management is overseen by the Risk Management Committee (RMC) and Asset and the Liability Management



Committee (ALCO). The Market Risk Management Division has provided strategic risk management options and reported risk exposure to the committee to manage and control market risk in a manner consistent with the Bank's policy. The Global Markets Group executes transactions and manages positions as well as providing analysis of the Bank's and competitors' balance sheet management and strategic risk options for more effective market risk management under risk limits.

## Market Risk in Trading Book

A trading book consists of positions in financial instruments held either for trading or hedging other elements of the trading book. The Bank's trading activities are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income and/or shareholders' equity.

The Bank continues to enhance market risk measurement in response to internal management and new regulations, through measures including the development or modification of risk measurement tools for potential new products, and preparation for future implementation.

Market Risk Management in 2019	Enhanced or Implemented	Preparing
	A new trading system for money market, repurchase agreement, FX and Bond products	Adoption of Thailand FX Code as the standard of good practices for the FX market
	Enhancement of risk control and monitoring for taking the role of an outright primary dealer appointed by the Ministry of Finance (MOF)	
	Enhancement of reporting tools for new market risk datasets for improvement of the Bank of Thailand (BOT)'s monitoring quality	London Interbank Offered Rate (LIBOR) Transition and Benchmark Reform
	Enhancement of risk measurement tools for long-term bond trading	

## Market Sentiment in 2019 and 2020 Risk Trend

The global economic slowdown in 2019 was caused by weak global demand and impacts from the trade dispute between the US and China. Many countries implemented economic stimulus measures and easing monetary policies to support growth, resulting in volatility in the FX market and low interest rates, or even negative rates in some countries where economic recession was more of a concern.

The Thai economy unexpectedly grew at a slower pace in 2019 mainly due to export and private investment contraction.



The growth may have been affected by the partial suspension of the US's Generalized System of Preference (GSP) for Thailand, a measure which the Thai government asked the US to review.

The Thai baht appreciated against the US dollar by around 7.09 percent from 32.45 baht at end of 2018 to 30.15 baht at the end of 2019, outperforming other Asian currencies and hurting Thailand's export competitiveness. Consequently, the Bank of Thailand introduced measures to curb the baht's appreciation, effective November 8, 2019, relaxing foreign exchange regulations to encourage capital outflows toward more balanced capital flows.

In 2020, external risks from trade disputes and geopolitical risk will continue to loom large, while risks related to financial stability will be closely monitored for timely and appropriate responses.

## 2019 Trading Book Transaction Risks

In 2019, market products actively offered to our customers included FX and interest rate derivatives for hedging and notes with derivatives embedded for yield enhancement, while bond trading was notably active.

Risk positions associated with derivative products are handled carefully, while being decomposed into basic risks and analyzed, so that the inherent risk profile is clearly understood in order to effectively control and manage them in accordance with the complexity of such derivative products.

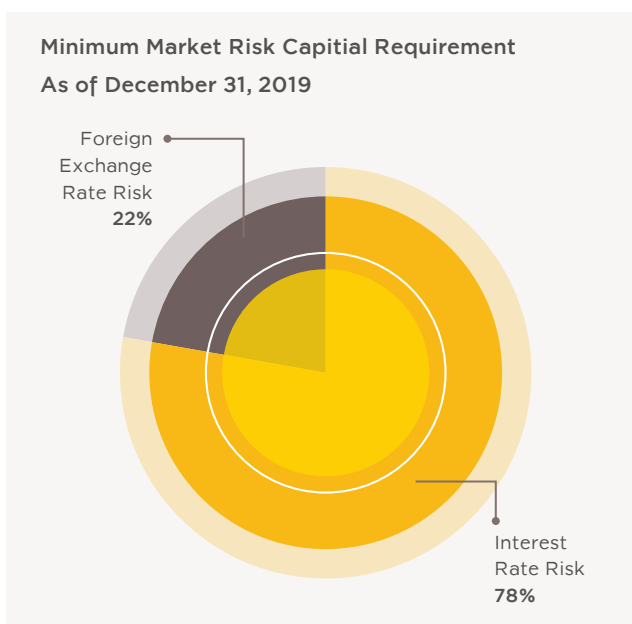
Market risk management emphasized the necessity of a close watch on risk exposure for timely response to changes in the business environment. Value-at-Risk (VaR) and backtesting have been adopted to assess risks and validate model reliability.

In addition, the Bank actively alerted relevant parties through flash reports when significant events occurred, and conducted stress testing to assess risk under crisis situations.

The Bank's aggregate market risk in 2019 was well within acceptable levels. The VaR for a 10-day holding period at a 99-percent confidence level of the trading book averaged 85.45 million baht.

## Market Risk Capital Requirement

The Bank assesses and maintains the Bank's and Financial Business Group's capital charges for market risk in compliance with the BOT notification on guidelines for financial institutions' market risk supervision.



## Market Risk in Banking Book

The banking book includes positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

The Bank is exposed to interest rate risk in the banking book when mismatches between the interest rate structure of assets, liabilities, and off-balance sheet position adversely impact the Bank's earnings and capital.

To manage interest rate risk, the Bank conducts repricing gap analysis by both static and dynamic simulations based on projected interest rate trends, on a monthly basis or upon any significant change. The Bank also assesses the potential impact on net interest income (NII impact) as an earnings perspective for short-term effect analysis, while analyzing the sensitivity of the economic value of shareholder equity (BVE impact) as an economic value perspective for long-term

effect analysis on a monthly basis. The results of NII and BVE impact on various simulations are reported to senior management and related committees for prompt decision-making and to ensure that interest rate risk is within the risk appetite approved by the Board.

Results of Financial Business Group's interest rate risk assessment assuming a 1.00-percent increase in interest rates and yield curves of all rate-sensitive 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, 2019
THB	-38.06
Other Foreign Currencies	-454.72
Total Impact	-492.78
% of Total Net Interest Income	-0.60%

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

(Unit: Million baht)

Currency	As of December 31, 2019
THB	-5,419.22
Other Foreign Currencies	-325.84
Total Impact	-5,745.06
% of Total Capital Fund	-1.81%

## Preparation and Implementation in 2019

To meet the 'Final Rule re: Interest Rate Risk in Banking Book (IRRBB)' as published by the Basel Committee on Banking Supervision (BCBS) on April 21, 2016 and prepare for the future implementation in Thailand, the Bank has already prepared the following actions to ensure that the compliance will not impact the Bank's interest rate risk management framework.

- Conduct BVE simulations under a set of interest rate shock scenarios to ensure that the Bank's BVE is within 15 percent of Tier 1 Capital.
- Continue developing database systems for various information in order to assess the interest rate risk for assets, liabilities and off-balance sheet items with uncertain repricing period or remaining maturity (e.g., non maturity deposits ('NMD'), term deposits, mortgage loans, commitment lines, etc.) in order to appropriately correspond with the actual behavior of the customers and effectively manage risk.

## LIQUIDITY RISK MANAGEMENT

Liquidity risk arises from failure to repay debts and contingent liabilities by the due date 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 Management Framework

The liquidity risk policies and limits have been regularly reviewed and approved by the Board to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion.

Overall liquidity risk management is overseen by the Risk Management Committee (RMC) and Asset and Liability Management Committee (ALCO). The Market Risk Management Division provides strategic risk management options, while the Global Markets Group analyses the Bank's and competitors' balance sheet management, including our liquidity risk and funding strategic options, and manages daily liquidity positions under risk limits approved by the Board.

The Bank realizes the importance of adequate measuring tools for the size and complexity of transactions both on- and off-balance sheet. With this in mind, and effective internal risk management, the Bank conducts liquidity gap analysis covering both normal business and crisis situations that may adversely affect the Bank's liquidity position. A manageable level of maturity mismatches of cash flows from assets and liabilities shall then be consistently maintained and regularly monitored with liquidity stress testing, together with sufficient liquidity reserves.

Additionally, the Liquidity Coverage Ratio (LCR) is applied to short-term liquidity management to ensure maintenance of adequate liquid assets, while the Net Stable Funding Ratio (NSFR) is applied to long-term liquidity management to ensure maintenance of stable funding.

The Bank also has a liquidity contingency plan that outlines the roles and responsibilities of management and relevant departments, and has early warning indicators together with an action plan that allows the Bank to promptly manage crisis events and successfully resume normal operations.

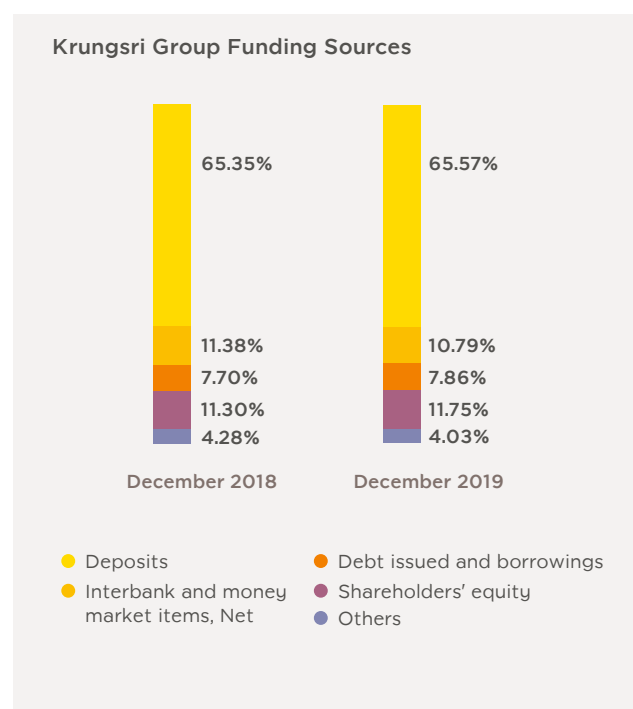
Funding sources should be well-planned to optimize risk and return while controlling excess concentrations in certain funding sources is crucially required. The Bank analyses funding concentration to ensure that funding sources are well-diversified by customer type, deposit type, and maturity. To control risks from funding concentration,

the Bank has set up a concentration trigger level which defines the maximum funding exposure for the Top 1 and Top 20 of customer groups. Early warning indicators have also been established to warn of any imminent liquidity crisis, as part of a preventive liquidity risk management system.

### Main Sources of Funding

The Bank's major funding source is customer deposits stimulated by various deposit campaigns and mobile banking services. This strategy can support the continuous expansion of the retail customer base. In addition, the Bank encourages customers to make use of relationship and operational services to boost deposit volume and thus comply with BOT guidelines.

Other funding sources include MUFG borrowings and long-term debentures, considered a stable funding source from our great partnership; one of the world's largest banks, and domestic and foreign Institutional Investors respectively.



### Regulatory Requirements on Liquidity Coverage Ratio and Net Stable Funding Ratio

The Bank focuses on regulatory compliance regarding deposit restructuring and cost management to comply with Liquidity Coverage Ratio (LCR) at the minimum requirement of 100 percent on January 1, 2020, and Net Stable Funding Ratio (NSFR) guidelines with the minimum requirement of 100 percent, effective July 1, 2018. To comply with BOT Notification SorNorSor.2/2561 regarding Liquidity Coverage Ratio Disclosure Standards dated January 25, 2018, the Bank



has provided essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline on the Bank's website.

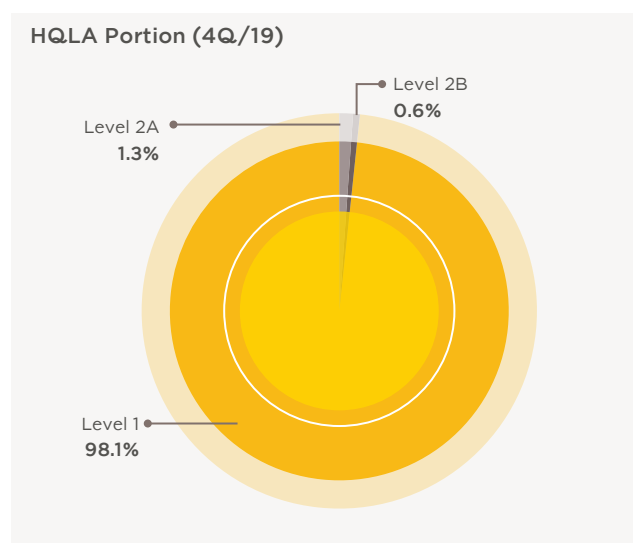
In addition, the Bank has reinforced the database management system for managing liquidity risk in response to the strength and frequency of measurement based on regulatory requirements. This is to ensure an adequate supply of cash and other liquid assets for the business operations of the Bank and to prepare for support of regulatory changes.

### Liquidity Coverage Ratio Management

The Bank had a pro-active liquidity ratio management by mainly focusing on assessing the projected liquidity ratios expected in the future based on the most likely business growth scenarios in order to ensure compliance with the Bank's risk appetite.

The Bank maintains high-quality liquid assets (HQLA) which can be liquidated or realized as needed in order to meet its financial obligations under both normal business and crisis situations.

The average LCR as of the fourth quarter of 2019 was 138 percent, still well above the BOT's minimum requirement and the Bank's internal trigger level. The Bank has maintained an increased volume of Level 1 HQLA in the fourth quarter of 2019 by 21 percent compared to the fourth quarter of 2018 mainly due to increasing deposit balance and issuance of long-term debentures. Of this amount, 98 percent consisted of Level 1 assets including government bonds, BOT bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.



## OPERATIONAL RISK MANAGEMENT

Operational risk includes the risk of loss resulting from inadequate or failed internal procedures, technical problems, human factors, and external events; it 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. 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 cultivating operational risk awareness throughout Krungsri Group.

### Principles

We place great emphasis on operational risk management with sufficient resources provided to control risk levels 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 Bank's 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 primary responsibility for day-to-day identification and management 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 Executive Committee, is responsible for formulating strategies and for confirming 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 with new technology and innovation, could result in a greater diversity of operational risks, including information technology risks and cyber threats. We continue to improve our risk management framework and tools covering information technology risks and cyber threats to brace for potential risks. When initiating new products, services and systems, an assessment of operational and IT risk is performed to ensure that proper controls are in place.

The Risk and Control Self-Assessment (RCSA) Program is reviewed regularly based on historical loss data and changes in the business environment. We also conduct risk assessment on new products, processes, and technologies to ensure that all new products, new technologies or significant changes of existing processes and systems are subject to comprehensive risk evaluation and approved by related business units and 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 risk levels exceed 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 non-financial impact events, to the Operational Risk Management Division. The Bank has established a Significant Incident Management Working Group for such incidents; the root cause is analyzed and addressed in a working group discussion to ensure that effective preventive measures are engaged, and to leverage lessons learned from significant operational risk incidents to other business units.

Any significant information technology incidents or problems, and significant cyber threats or cyber-attack incidents are reported, managed and presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.

An ongoing process to monitor and manage potential operational risks from outsourcing or insourcing arrangements is in place. When considering the continuity of business operations, provision of customer service, and adequate 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 restored 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 regularly prepared and delivered to the Risk Management Committee, the Risk and Compliance Committee, the Executive Committee, and the Board to detect early changes in key operational risks within Krungsri Group, and to drive decision-making processes.

## Capital Requirements

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

Krungsri Operational Risk Minimum Capital Requirements as of December 31, 2019, and December 31, 2018

(Unit: Million baht)		
Standardized Approach	2019	2018
Total Capital Charge for Operational Risk	10,167	9,171
Equivalent Risk Weighted Assets for Operational Risk	127,091	114,636

# 4

## CORPORATE GOVERNANCE









From a thorough assessment of Krungsri's operations toward good corporate governance criteria and guidelines, it was found that most of them have already been applied. However, some are of such sensitivity and complexity that the Board of Directors resolved that their implementation be suspended pending study of potential impacts. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.

## SECTION 1 SHAREHOLDERS' RIGHTS

### 1.1 Policy on and Protection of Shareholders' Rights

Krungsri recognizes the equal rights of all shareholders and commits no actions that would violate or deprive the shareholders of their rights or limit their access to vital information about Krungsri. Shareholders can 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, opportunities for shareholders to exercise their rights, as well as Krungsri's activities.

Krungsri encourages its shareholders to exercise their basic legal rights including but not limited to the right to purchase or sell shares, to participate in and vote at shareholder meetings, to receive profits or dividends, and the right to equitable treatment in share buybacks (if any) and to take part in decision-making on issues stipulated by law and those affecting Krungsri's business direction, such as deciding directors' remuneration, amendments to the Articles of Association, capital increase or a decrease of shares, and business acquisition where the price appraisal is done by an independent party.



**KRUNGSRI RECOGNIZES THE EQUAL RIGHTS OF ALL SHAREHOLDERS AND COMMITS NO ACTIONS THAT WOULD VIOLATE OR DEPRIVE THE SHAREHOLDERS OF THEIR RIGHTS OR LIMIT THEIR ACCESS TO VITAL INFORMATION ABOUT KRUNGSRI**



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

## 1.2 Meeting of Shareholders

Krungsri organized the Annual General Meeting of Shareholders 2019 (the AGM) No. 107 on April 25, 2019, in compliance with the Bank's Articles of Association, relevant regulations and applicable laws, 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:

- 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 2019). 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 the director election.
- The notification of the AGM was published in both Thai and English, and dispatched together with the annual report using QR Code, 29 days prior to the AGM date. It was also disseminated on Krungsri's website more than 37 days prior to the AGM date, giving the shareholders adequate time to study the information.
- Shareholders could use the request form attached to the notification of the AGM or download it from 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 granting rights to attend the shareholders meeting, and advertised for three 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 requesting either acknowledgement or approval. The details of agendas comprised sufficient facts and reasons, together with adequate and precise opinion given by the Board of Directors and relevant committees, as supporting information for consideration. The agendas on dividend payment, the remuneration of directors, and the appointment of auditors were 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, were also provided.
- Krungsri neither added any agenda nor changed any significant information in the notification of the AGM 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 wanted another person to be present and vote at the meeting on their behalf, they could use the proxy form to make their vote. Krungsri also provided stamp duty. Moreover, Krungsri clearly indicated a list of required documents

**KRUNGSRI ORGANIZED THE ANNUAL GENERAL MEETING OF SHAREHOLDERS IN COMPLIANCE WITH THE BANK'S ARTICLES OF ASSOCIATION, RELEVANT REGULATIONS AND APPLICABLE LAWS, AND IN LINE WITH THE QUALITY ASSESSMENT PRINCIPLES OF THE AGM CHECKLIST, THE GOOD CORPORATE GOVERNANCE STANDARD AS WELL AS THE CRITERIA FOR SURVEY AND ASSESSMENT OF GOOD CORPORATE GOVERNANCE OF THAI LISTED COMPANIES**





and procedures with simple conditions for proxy appointment. The Chairman of the Board and one independent director 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 the meeting and vote, or authorize a proxy to participate and vote on their behalf. The AGM was organized at the convenient site of Krungsri's Head Office, and Krungsri made no attempt to prevent shareholders from communicating with each other.
- Officers of the Investor Relations Section were assigned to coordinate, provide information to, and answer questions from the investors and shareholders.
- For the agenda on election of directors, voting was made on individual directors being nominated, whereby their brief profiles, i.e. name-surname, age, educational background, and working experience separated by listed and non-listed companies were provided, together with information on selection criteria and procedures, types of directors, and shareholding of Krungsri's securities. For directors being nominated for re-election, the number of Board meetings they attended in the previous year, appointment date, and other information useful for shareholders' consideration were also provided. 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 room 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, were specified. Other benefits such as the right to receive medical treatment, annual health checkup, and the use of a company car, are in accordance with the Bank regulations.

- For the agenda on auditor appointment and auditor fee, details of nominated auditor(s) to be appointed or reappointed, including companies they work for, their work experience, 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, were provided for the shareholders' consideration.
- For the agenda on annual dividend payment, the dividend payment policy, pay-out rate, and proposed dividend amount with a comparison to those of the past five years, along with the date of payment, rationale, and other supporting information for consideration, were stated.

The shareholders would receive their dividend payment within 30 days after the shareholders' approval (for annual dividend payment) or the Board of Directors' approval (for interim dividend payment).

- A standardized barcode system was applied to facilitate the registration and vote-count process, which is able to instantly calculate and present accurate results. Shareholders could register for participation at least two hours prior to the meeting time. To save participants' time and for their convenience, Krungsri arranged for 14 registration counters separated into 12 counters for ordinary and juristic persons, and two counters for mutual funds and custodians.

Shareholders who attended the AGM in person could register by presenting either their ID card, civil servant or state enterprise officer ID card, driving license, or passport. After the AGM was duly convened, the shareholders were entitled to register to exercise their right 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 & Overy (Thailand) Co., Ltd., the law firm serving as the meeting's inspector, to ensure transparency, efficiency 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 to observe the vote count in Agenda 5: The election of directors; it appeared that one volunteer shareholder, i.e. Miss Lucy Tan-atichat, joined the observation, and the Chairman of the Board asked Mrs. Nopparat Kaewsri-ngam (Inspector) to also observe the vote count.
- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating in the AGM, both in person and by proxy, 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 either the agenda under discussion, or Krungsri independently. For each agenda, after the vote counting, the results including approval, disapproval, abstention, and voided ballot were announced to the meeting.
- Currently, Krungsri has one type of share, i.e. common shares. One share is equal to one vote, and a majority vote is required unless otherwise specified by law. Shareholders with specific conflicts of interest on any agenda were not permitted to vote on that agenda, except for the agenda of director election. 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 percent of registered and paid-up common shares.



- Krungsri video-recorded the entire meeting, and separated the file into video clips of each agenda for dissemination on Krungsri's website.
- On the same day as the AGM, Krungsri conveyed a summary of the meeting resolutions and the voting results for each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels. The results of the votes were posted on Krungsri's website on the following business day. Additionally, Krungsri sent a notice on the appointment of director by proxy and a 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, or did not attend, the meeting. The minutes also specified the inspector, the observer from the Thai Investors Association, and the volunteer shareholders that witnessed the vote count, as well as methods of vote casting and vote counting which were presented before the start of the meeting, use of ballots, details of each agenda, opinions of the Board of Directors on each agenda, opportunities to ask questions and make comments, questions and answers, relevant observations and suggestions of the shareholders, and meeting resolutions on an item-by-item basis, together with the voting results for each agenda, which were clearly separated into approval, disapproval, abstention, and voided ballot. The minutes were presented to the Chairman of the Board and all members of the Audit Committee for review before being submitted to the Chairman of the Board for sign-off, and then sent 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 OF ALL SHAREHOLDERS

All shareholders are regarded as an owner of Krungsri. Thus, Krungsri prioritizes and upholds this as a governance policy to treat shareholders equally, whether they are minority, majority, or foreign shareholders. Also, Krungsri protects shareholders rights equally regardless of gender, age, nationality, religion, political opinion, or physical disability.

### 2.1 Treatment of Shareholders in the Meeting of Shareholders

Krungsri properly conducted the meetings of shareholders in accordance with transparent and correct procedures, e.g.:

- In case any director, who may have a specific 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 their 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 a shareholder's behalf in all cases;
- An adequate amount of time for shareholder meeting is allocated;
- Opportunities for the shareholders and proxies to express their opinions and raise questions are provided at the meeting; and
- 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 Oneself or Others

- All of Krungsri's directors, executives, and employees are required to strictly abide by the relevant laws, policies, and directives, as well as the code of conduct and ethics of Krungsri. Use of Krungsri's inside information or information not disclosed to the public for the benefit of oneself or others is prohibited.
- The use of insider information for stock trading is prohibited as this violates the law and principle regarding conflict of interest. All of Krungsri's directors, executives, and employees must strictly comply with the relevant laws and regulations as well as the laws governing financial institution business, the laws on securities and exchange, etc.

- This policy must be conveyed to all Krungsri directors, executives, and employees for their acknowledgement and compliance. Whenever Krungsri is preparing to disclose any important financial data to the public, a blackout period will be announced to prohibit any trading of Krungsri shares by Krungsri's directors, executives, and employees for three business days both before and after the disclosure is made 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 spouses and minor children, sale or transfer can be made only after a three-month period following their acquisition, unless permitted by the President and Chief Executive Officer or other designated persons.
- Directors and executives of Krungsri as defined by law and Krungsri, including: (1) their spouses or cohabitating partners; (2) minor children; and (3) juristic persons where the directors and executives including (1) and (2) hold shares at an aggregate amount exceeding 30 percent of a juristic person's total voting rights, and such aggregate shareholding is the largest proportion in the juristic person, are required to comply with the notification of the Securities and Exchange Commission No. SorChor. 38/2561 Re: Preparation of Report on Changes to the Securities and Derivatives Holding of Director, Executive, Auditor, Plan Preparer, and Plan Administrator. The aforementioned Directors and executives shall report any changes of their holding of Krungsri's securities and derivatives due to any purchase, sale, transfer, or acceptance of a transfer within three business days after the date of purchase, sale, transfer, or acceptance of a transfer of Krungsri's securities or derivatives, to the Securities and Exchange Commission for acknowledgement (except for newly appointed directors and executives whose names have not yet been listed in Krungsri's Directors and Executives Information System reported to the Securities and Exchange Commission; they are required to report their changes in securities and derivatives holding to the Securities and Exchange Commission within seven business days after the changes), and are required to inform the Board of Directors as per Krungsri's internal rules and regulations. In 2019, there were no cases of insider trading of securities or derivatives committed by Krungsri's directors, executives, or employees.
- All employees shall manage non-disclosure information appropriately. Any disclosure of such information shall be made only on a 'need-to-know' basis, so that the recipients can properly discharge their job responsibilities.

- All employees shall avoid any direct or indirect action that may present a conflict of interest, and properly manage any potential conflicts of interest. Misuse of resources or the image of Krungsri is prohibited. Also, conflicts in business practices must be resolved to ensure fair treatment and avoid Krungsri's reputation risk.

## 2.3 Transactions between Krungsri or Its Subsidiaries and Joint Ventures and Stakeholders

- In 2019, Krungsri neither violated nor failed to comply with the criteria for related party transactions as well as the sale and purchase of assets.
- Krungsri's directors and executives with conflicts of interest will abstain from consideration and have no right to vote 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 on an arm's length basis and shall be considered and approved by the authorized person and/or the Board of Directors, whereby the Audit Committee will provide opinions concerning the necessity of such transactions and the propriety of the pricing, and consider the disclosure of any transaction that may incur a conflict of interest, in order to ensure its accuracy, adequacy, and transparency. However, type, value, and procedure for each transaction shall comply with Krungsri's internal rules regarding related party transactions.
- 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 2019, Krungsri released 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 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 Group in terms of holding of position, shareholding, and transaction; 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 a related interest in any agenda neither participate in consideration of nor have any right to vote in that agenda. In addition, for the agenda in which directors potentially have a stake, those directors would refrain from participating in consideration of that agenda, and abstain from voting. Such information is recorded in the minutes of the meeting.
- Krungsri has established a policy prohibiting the granting of any loan, loan-like transaction, or debt guarantee to its directors, senior executives, or other related persons, except for loan 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 of Stakeholders

Krungsri is committed to doing business for sustainable growth and driving the organization toward goal achievement as well as responsibility for stakeholders, in parallel with equitable treatment. Krungsri also supports sustainable growth and development regarding the economy, society, and environment; therefore, we respect and treat all stakeholders equally as well as define the business philosophy and roles toward stakeholders in the Principles, details of which are below:

- **Investors:** Krungsri recognizes the importance of timely disclosure of both financial and general information that is accurate, adequate, transparent, regular, and consistent, through various channels and media for investors. Krungsri has established the Investor Relations Section to coordinate, answer enquiries, present Krungsri's operating results, and create a good relationship with investors and stakeholders.
- **Shareholders:** Krungsri respects and gives equal priority to all shareholders' rights, and provides its shareholders opportunities to consider any important issues and provide comments or suggestions, which may then be applied for improvement of business operations to drive growth and better performance, leading to appropriate returns for shareholders in the long-term. Significant information is normally disclosed to the shareholders in a correct and adequate manner, with transparency and accountability. In addition, Krungsri helps 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 ensures that the Board of Directors' activities are correct according to the Principles and laws. In addition, Krungsri provides each director a Directors' Handbook with regularly updated contents, and, on a quarterly basis, information of training courses organized by the Thai Institute of Directors Association (IOD) as well as any other courses suited to changing situations and their available time to participate.
- **Executives:** Krungsri provides opportunities for executives to perform their duties independently under their assigned roles and responsibilities. Moreover, Krungsri also provides them training courses in various areas, on a regular basis, for their personal development and career path.
- **Employees:** Krungsri recognizes that its employees at all levels are valuable resources and key drivers for Krungsri's achievements according to its short-and long-term and long-term business strategies. Krungsri therefore sets appropriate human resources management policies, aims for a fair recruitment and selection process, provides proper remuneration and welfare benefits, retains talented employees, promotes career advancement, and enhances employee skills and competencies through a variety of courses that respond to current work challenges, ensuring employee efficiency; details can be summarized as follows:
  - Adhering to human rights standards and fair and equitable treatment by establishing fair employment guidelines and attaching importance to job qualifications, with non-discrimination in terms of race, gender, religion, and age. Krungsri also ensures strict compliance with relevant employment and labor laws, while also promoting a positive workplace culture and respect for employees' privacy.
  - Establishing appropriate and fair remuneration policies that take into account Krungsri's short-and long-term performance. Krungsri has implemented a Bank-wide process for goal setting and performance assessment against goals and key performance indicators under the Balanced Scorecard, and has created individual development plans to ensure that employees have sufficient readiness and competency for their given duties. Krungsri provides employees appropriate and fair remuneration in accordance with their performance, and reviews compensation structure by considering job value criteria and industry compensation surveys, to ensure better compensation management and competitive pay.
  - Providing welfare benefits that surpass legal requirements, which includes other forms of benefits, for the purpose of retaining employees and incentivizing them to carry out their duties in support of long-term value creation for Krungsri and its shareholders, e.g., establishing a provident fund for employees, to which Krungsri is obliged to contribute, so that employees have savings for retirement, resignation, disability, or as life insurance for their families. In addition, Krungsri communicates with its employees via various channels such as email and training programs in order to enhance their knowledge and understanding of the provident fund, its benefits, its investment policy, and the risks associated with the investment. Krungsri recently changed the investment policy from a 'single fund with one investment policy' approach to a 'single fund with multiple investment policies' approach to allow employees to choose their desired investment policy or investment plan (Employee's Choice) based on their age, expected returns, and risk appetite.
  - Providing other welfare benefits to meet employees' potential future needs. These benefits aim to help relieve employee 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, so that they may review the benefits for themselves and their families.
  - In terms of employees' safety and healthcare, Krungsri stipulates a set of principles on the working environment, health and safety as 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' lives and property are always secure. For example, Krungsri provides annual physical examinations, annual influenza vaccinations, and examinations for respiratory- and hearing-vulnerable

groups. Other services include a Krungsri medical room, antiseptic spraying at workplaces, and cleaning of office equipment and devices to prevent the spread of contagions. Also, Krungsri has established health, life, 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. 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 2019, 3 employees had work-related accidents; and no employee had a work-related illness.

- Krungsri aims to develop its employees' excellence by creating learning programs to encourage their understanding and advancement in line with Krungsri's Vision and Mission, and to respond to individual development needs. Courses and learning models are designed to offer variety and respond to employees' needs through the Krungsri Learning Companion, or KLC, a new learning management system. In this respect, cloud computing is employed in learning and personnel development activities. This provides employees facilities and opportunities to access a wider range of knowledge as well as the latest information on training, anywhere and anytime for the employees' convenience. 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 2019, all employees participated in various training courses for an average of 61.59 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 in being good citizens, including being responsible consumers, participating in the development of their communities and society, and preserving the environment. Examples of these programs include 'Krungsri...Preserve the World', the Good Corporate Governance courses, etc.
- **Customers:** Krungsri operates its business with customer centricity by focusing on compliance with all applicable laws and standards, and serving its customers with honesty, integrity, and fairness. Krungsri also provides customers

HR Update

“ทำงานหนักมาทั้งปี อนาคตจะมีสุขภาพกายและสุขภาพทางการเงินที่ดี ชาวกรุงศรีต้องมางานนี้เลย”

งานเดียวจบ ครบทั้งเรื่องสุขภาพกาย สุขภาพใจ สุขภาพการเงิน

good Health Wealth Life

“เพื่อรอยยิ้มของชาวกรุงศรี ที่กว้างขึ้นกว่าเดิม”

พบกับ บริการดูดหินปูน เคลือบฟัน สำหรับผู้ประกันตน โดยทันตแพทย์จาก รพ. แพทย์รังสีทันต ฟรี ภายใต้สิทธิประกันสังคม โดยไม่ต้องสำรองจ่าย ตั้งแต่วันที่ 14-30 พฤษภาคม 2562 เวลา 9.00 - 16.00 น. (รอบละ 25 นาที) ณ ห้องแพทย์ธนาคาร อาคารพระราม 3 ชั้น 19

สำหรับพนักงานที่สนใจสามารถสำรองเวลาเข้ารับบริการได้ที่ Hot Line : 064-345-4662 (เวลา 9.00 - 17.00 น. เฉพาะวันทำการธนาคาร) โดยสามารถเริ่มสำรองเวลาได้ตั้งแต่วันนี้เป็นต้นไป

หมายเหตุ :  
- เอกสารที่ใช้ในการเข้ารับบริการ : สำเนาบัตรประชาชน พร้อมรับรองสำเนาถูกต้อง จำนวน 1 ฉบับ  
- ธนาคาร ขอสงวนสิทธิ์จำกัดจำนวนผู้เข้ารับบริการ 30 ท่าน / วัน

equal measures of services and advice in order to protect their interests and deliver maximum customer satisfaction. Krungsri develops and offers high-quality products and excellent services for its customers, and provides them accurate, adequate, clear, and trustworthy information. Krungsri also applies technology-based innovations for greater customer convenience, in line with our brand promise, 'Make Life Simple', such as Krungsri QR Pay, a payment system allowing easy payments in Japan; an intelligent automated assistant, Manow (AI Manow), which supports call center services in answering Krungsri Group credit card customers' queries; digital lending for credit card application through Krungsri's application, namely 'Tablet Application' where customers can easily fill out and submit applications together with checking their credit information from the credit bureau to verify their identity on the National Digital ID Platform; and Krungsri Supply Chain on Blockchain equipped with AI Deep Learning to facilitate the purchasing-selling process between major and retail distributors in a supply chain, a first for Thailand.

Krungsri has stipulated stringent measures for safeguarding customers' personal information to prevent any violation of their related rights, details of which are stated in the Employee Handbook. The measures state that customers' information must not be disclosed, unless required by law or authorized in writing by the customers, and the use of the customers' information for the employees' own benefit is prohibited. In this regard, all employees and executives must study S&L every two years via the 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 Krungsri's business operations. Krungsri also arranges training programs which extend knowledge and understanding of customer-centric values to employees, in order to enhance their variety of skills, and develop a positive attitude toward customer service as well as competencies in efficiently responding to customers' needs and expectations. Examples of the training programs include 'Build the Way Forward to an Improved Customer Experience', 'Understanding Your Customers', and 'Winning Customers' Minds'.

Krungsri encourages customers to share their opinions for further improvement of services. Krungsri assesses customer satisfaction and designates a clear target by providing a customer satisfaction survey form every year. Krungsri also developed the "Instant Feedback" system, which is a multifunction self-service kiosk that allows branch employees to know customers' feedback immediately after making transactions, the results of which are analyzed to develop and improve the quality of services provided by the employees. Moreover, the customers can file complaints or make recommendations to Krungsri via several channels: Call Center at 1572; email: [webmaster@krungsri.com](mailto:webmaster@krungsri.com); and Krungsri's website under the heading, 'Contact Us'.

- **Vendors and Suppliers:** Krungsri treats its vendors and suppliers with honesty, integrity, fairness, and transparency in their best interest. Krungsri provides each vendor and supplier accurate and sufficiently detailed information and significant conditions in a standardized manner, and strictly complies with all agreements and conditions as established with each vendor and supplier, while also encouraging activities that promote a good understanding among all parties. In addition, Krungsri has drawn up policies and guidelines for treatment toward vendors and suppliers as stated in S&L, including the Supplier Relationships Policy and the operating manual of the Procurement Department, which covers process and criteria for selecting vendors and suppliers as follows:

1. Have the verification process to ensure that vendors and suppliers are not listed in the UN & OFAC & JFEL SDN List or AMLO SDN List, and to verify whether the vendors and suppliers have any relationship with Krungsri's directors or executives (Related Party). In case of being the related party, the declaration and the operations shall be in strict compliance with Krungsri's relevant regulations.

2. Not minutely describe product and service features or details to be in conformity with only specific vendors or suppliers.
3. Provide correct, complete, and necessary information and conditions to all vendors and suppliers.
4. Keep information provided by the vendors or suppliers in confidentiality and disclose only to persons involved.
5. Select vendors and suppliers based on the prescribed criteria. In addition, price and various other factors are taken into account, i.e. financial position, technical abilities, customer service, compliance with rules or other procedures, vendors and suppliers' Business Continuity Plan (BCP), and many different ISO standards in management system standards which include quality, environmental management, and human rights, whereby a site visit may be conducted to ensure that vendors or suppliers have adequate capacity.
6. Prepare the written purchase order forms with precise and appropriate terms and conditions.
7. Monitor and conduct vendors and suppliers' performance assessment with overall satisfaction surveys for the department that received the product or service, for further improvement as well as efficiency enhancement and cost reduction to foster sustainable vendors and suppliers.

Moreover, in order to avoid conflict of interest and foster fairness, transparency, and verifiability with respect to the selection of its vendors and suppliers, Krungsri has established a Gift and Entertainment Policy, to which employees must adhere and inform vendors and suppliers for acknowledgement. In addition, Krungsri provides a whistleblowing channel for vendors and suppliers to prevent and resolve any instance of unfair treatment toward them.

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

Krungsri has comprehensively structured its management for business operations and established 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 result in its inability to repay debts. Krungsri has managed its liquidity to ensure the ability to repay debts on time according to maturity periods, as well as have readiness to repay debts in an emergency. This managerial structure ensures that Krungsri is capable of repaying its debts even when faced with a liquidity crisis. If Krungsri cannot comply with the agreed-upon conditions, creditors will be notified in advance so that they can jointly consider the issues and seek solutions.

Krungsri has also established a clear and concrete policy on fair treatment and responsibility to creditors, in particular guarantee conditions, capital management, and default of repayment. Additional details are shown in the annual sustainability report.

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to comply with the laws regarding competition, without exception. Punitive measures will be imposed in case of violation, since Krungsri has the clear intention of preventing 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 impartially adhering to the rules of fair competition.

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 does not seek to obtain

confidential information in a dishonest or inappropriate manner. In addition, Krungsri also cooperates in reducing the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in the Annual Sustainability Report.

Moreover, Krungsri has established a Gift and Entertainment policy with regards to receiving gifts from customers, vendors, and suppliers, to prevent bribery or conflicts of interest in doing business, except for cases in which gift-receiving is necessary in order to maintain business relationships. However, any gifts that are received must be donated to charities or public interest non-governmental organizations.

- **Responsibility to Society and the Environment:** Krungsri acknowledges the importance of instilling all of its employees with a sense of responsibility for the sustainable development of society. This is because sustainability is a fundamental element of Krungsri's mission, which is 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth'. Krungsri has translated this concept into concrete action through socially responsible business practices (known as CSR-in-process) and various social activities (known as CSR-after-process). In addition, as one of the biggest commercial banks in Thailand, Krungsri strives to carry out its mission of being a responsible financial service provider which emphasizes three dimensions of sustainable development as follows:
  - **Economic sustainability:** Krungsri aligns business strategies with the economic environment while maintaining a well-balanced portfolio and serving as our customers' trusted vendor and supplier, and financial advisor;
  - **Social sustainability:** Krungsri improves financial services access and enhances financial literacy among Thai people, and continuously engages the employees of Krungsri Group in community development initiatives and valued CSR activities;
  - **Environmental sustainability:** Krungsri aims to minimize environmental impact through implementation of green initiatives within Krungsri's business and our prudent support of customers' eco-friendly initiatives.

Krungsri has established a Policy for Social Contribution and Project Formulation as a basic framework in providing financial support and other contributions to CSR activities, as well as creating a procedure of CSR operations on behalf of Krungsri or its subsidiaries to ensure that social contributions/

# NO GIFT POLICY



Krungsri is fully committed to conducting business with integrity and has adopted the policy on giving or receiving gift that well align with Krungsri core values.

**No gift receiving**  
from customers and business partners of the Bank.



**If inevitable, gift receiving to maintain business relationship**  
from customers or business partners shall be donated to selected charities except low value gifts, not exceeded to 300 baht with the givers' logo, can be kept by employees. Also, perishable items can be fairly distributed to departments/branches, per the established criteria in accordance with the Gift and Entertainment Procedure.



**Employees are allowed**  
to give or receive gifts for funeral, wedding or monk ordination.



Thank you very much all "Krungsri team" for your collaboration.



donations are carried out, are of benefit to society, and are in line with the aforementioned policy. Krungsri divides CSR activities into four categories:

- **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.
- **Giving back to the community:** focusing on community engagement, for areas surrounding Krungsri's operational sites and society at large through three social projects and activities, i.e.
  - (1) Financial literacy and education support, e.g., providing financial knowledge, educational facilities, and equipment support.
  - (2) Social and community development, e.g., the breast cancer campaign, blood drive activity, and disaster support. With respect to community development, Krungsri organizes activities related to its potential and expertise as a financial service provider, for example, the Krungsri Financial Literacy Project which was initiated in 2015. As part of the project, employees help older elementary school students (grades 4-6) to learn about the discipline of saving and spending money wisely through games, and thus equip them with financial knowledge and savings discipline in their childhood. Krungsri continuously monitors and assesses the progress of the project, which is ongoing. This project not only leverages the potential of Krungsri's personnel as financial service providers for the benefit of society, but also fosters both community and employee engagement.
  - (3) Art, cultural, and traditional support e.g., historical site preservation.
- **Preserving the environment:** focusing on cultivation of employees' habits and conscience toward environmental preservation through related projects and activities, along with promotion of environmental impact minimization throughout our operational process.
- **Providing financial support:** focusing on financial support and social aid in various cases, e.g., scholarships, disaster relief, donations to public benefit organizations, etc.

Krungsri has also established the CSR Committee, for which the President and Chief Executive Officer has been

appointed 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 supervision of compliance with the action plan; and to provide recommendations to improve Krungsri Group's performance related to corporate social responsibility measures to ensure alignment with relevant guidelines, recommendations, and rules prescribed by supervisory bodies at the national and global levels. The committee shall report its performance to the Executive Committee and the Board of Directors on a regular basis. In addition, Krungsri has established the Environmental, Social and Governance Division (ESG Division), under the supervision of the Corporate Strategy and Planning Group, to ensure clear operations relating to the environment, society, and good corporate governance, together with the integration of ESG dimensions and corporate strategies. With that, Krungsri should improve upon its already solid sustainability performance.

In early 2019, Krungsri announced the environmental disclosure statement to take action to address global environmental issues aligned with the Sustainable Development Goals (SDGs) of the United Nations. The key messages of the statement are as follows:

- Striving to protect the environment and responding to climate change are the responsibility of all people.
- Aiming to contribute to the realization of a sustainable society by protecting the global environment in alignment with the SDGs.
- Complying with applicable legislation and international agreements, and responding appropriately when our operations result in environmental risks or negative impacts.
- Striving to reduce the environmental impacts of our operations, as well as actively working toward solutions to global environmental issues through our business activities.

Moreover, Krungsri also revealed the human rights disclosure statement, noting that respect for human rights is an important issue to consider as part of Krungsri's mission toward sustainable growth and social responsibility. As a member of the world's most trusted financial group, Krungsri therefore sets business goals in accordance with the responsibility to respect human rights throughout the organization.

In addition, Krungsri has prepared an annual sustainability report in accordance with the GRI Sustainability Reporting Standard (GRI Standard), separate from the annual report.

Information on material sustainability issues is disclosed in accordance with the GRI Standard, which covers impacts from economic, environmental, and social operations. Those issues are annually identified, prioritized, validated, and reviewed by the Corporate Social Responsibility Department and the CSR Committee.

Krungsri has established the Policy for Efficient Resource Utilization for Environmental Protection in order to encourage conservation by mandating the efficient use of eco-friendly resources for its operations. Any materials used will be made with eco-friendly manufacturing processes. In addition, Krungsri encourages its employees to recognize and participate in the use of resources with maximum efficiency, and has established measures for achieving concrete results. These measures are, for example: electricity-saving measures (e.g., energy-saving lighting and control of office temperature); and environmental measures (e.g., use of recycled water through wastewater treatment process for watering and cleaning). Furthermore, Krungsri promotes employees' understanding of efficient resource use and organizes energy conservation projects in which employees participate, so as to ensure their effectiveness. Krungsri also requires that executives be responsible for the management and control of their related functions within proper budgets.

Krungsri has also established a working group on energy management and its evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007)) to ensure efficient energy management. The working group is responsible for energy management in line with the energy conservation policy, and for communicating with and requesting participation from employees to recognize the value of the resources and to save energy. It is also responsible for organizing training, giving information on, and promoting activities concerning energy conservation e.g., 'Creating awareness of energy efficiency, a part of Building Energy Code (BEC)'.

Krungsri provides both in-house and external training for its employees and executives to improve their knowledge and application of sustainable development, including economic, social, and environmental sustainability, by inviting guest speakers with expertise in various environment and sustainability issues which are significant to Krungsri such as energy management, effluent and waste management, and ESG integration. In addition, Krungsri allows employees to participate in external training related to environment and material sustainability issues organized year-round by various groups. The training sessions are available for both general and customized private sessions for related executives and working committees.

Details of the training as well as Krungsri sustainability practices are also disclosed in the Annual Registration Statement, (Form 56-1) the Annual Report (Form 56-2) under the topic, 'Social Responsibility', and the annual sustainability report.

### 3.2 Adherence to Principles of Human Rights

Krungsri adheres to international human rights principles and is bound by laws concerning freedom of association, privacy, working time, wages, and working hours, as well as non-discrimination in employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri does 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 of preserving human rights, but also promotes a culture of mutual respect.

Directors, executives, and employees are required to respect and comply with the principles of human rights, and to provide no support to human rights violations. This is deemed a good governance principle. Appropriate employee welfare, safe workplaces and environment, compliance with the relevant laws and regulations regarding the environment, health, and safety, creation of a work environment without discrimination, and protection of employees' information are all in place.

### 3.3 Respect for Intellectual Property or Copyright

Krungsri shows respect for intellectual property by stipulating in the S&L a clear policy on intellectual property, requiring employees to protect patents, trademarks, copyrights, trade secrets, and other information belonging to Krungsri, and to respect the intellectual property rights of others, as well as prohibiting its employees from using intellectual properties of other people without authorization.

### 3.4 Anti-Fraud and Anti-Corruption, and Bribery Prohibition

Krungsri is committed to the continuous improvement of anti-fraud and anti-corruption measures, and understands that being an organization with transparent operations and free of fraud and corruption will help build confidence among all stakeholders, and is also in line with the Principles. Details of Krungsri Group's policies and programs related to anti-fraud and anti-corruption efforts 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 the Annual Sustainability Report.

Krungsri has established the Policy for Anti-Corruption, and an Anti-Corruption Program whereby processes of warning and reporting, whistleblowing, and protection of whistleblowers are initiated. In this connection, Krungsri provides both employees and outsiders easy-to-access whistleblowing channels that they can trust, and that present no risk in requesting consultation or guidance, or whistleblowing itself. When a suspect issue is reported, a committee shall conduct an investigation, provide solutions and feedback to the whistleblower (in case of an identified whistleblower), and report its findings to senior executives, the Audit Committee, and the Board of Directors.

Krungsri has established various measures such as formulating policies and regulations related to giving or receiving gifts and entertainment to ensure the effectiveness and efficiency of such anti-fraud, anti-corruption, and anti-bribery efforts. In this regard, Krungsri has arranged for compulsory courses via 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.

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 on an annual basis at least. Efficiency of the applied measures shall be reviewed at least once every two years. Krungsri is a certified member of Thailand's Private Sector Collective Action Corruption Council (CAC) until March 9, 2020, applies for the recertification of its participation every three years, and requires all employees to sign in acknowledgement of and compliance with related policies and guidelines on an annual basis. In 2019, Krungsri participated in the Anti-Corruption Day with the Anti-Corruption Organization of Thailand (ACT) in order to demonstrate its ongoing support for anti-corruption efforts, and continuously encourages employees to attend a course, 'Anti-Corruption: The Practical Guide (ACPG)'.

### 3.5 Receipt of Complaints from, and Communication Channels with, Stakeholders

Krungsri has set up the following communication channels to ensure that all stakeholders can ask for information, complain in case their rights are violated, or undertake whistleblowing conveniently and quickly:

- Whistleblowing on unlawful actions or violations of the code of conduct, failure to provide complete financial data, the internal control system, and other matters can be made to the Audit Committee through:
  - Mail to:  
The Audit Committee or Secretary to the Audit Committee and send to  
Bank of Ayudhya PCL, Head Office,  
1222 Rama III Road, Bang Phongphang,  
Yan Nawa, Bangkok 10120
  - email: [audit.committee@krungsri.com](mailto: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](mailto:webmaster@krungsri.com)
  - Krungsri's website under the heading "Contact Us"

As for Krungsri's employees, apart from the abovementioned channels, they can file complaints, report suspect issues regarding integrity, or take part in whistleblowing related to wrongdoing or violation of the policies, rules, regulations, and code of conduct of Krungsri via eight channels as follows:

1. Supervisor who the whistleblower trusts;
2. One next-level supervisor;
3. Compliance Division;
4. Ombudspersons: Krungsri executives who are recognized by Krungsri employees and executives for their integrity, honesty, ethics, and non-discriminatory behavior;
5. Branch Operational Risk Management Department;
6. Human Resources Group;
7. Audit Committee;
8. MUFG Channel (English and Japanese languages only).

Krungsri provides a clear and proper procedure and system for handling whistleblowing by which the information of the whistleblower, complainant, or other persons involved will remain confidential; it cannot be accessed by unrelated persons, and, only if necessary, shall be disclosed subject to laws or permission from whistleblower or complainant, and only to the person(s) involved.

In case of complaints received, ombudspersons will collect all data from whistleblowers or complainants and coordinate with relevant departments to examine, follow up, and report its findings to whistleblowers or complainants in case they can be identified. The findings will also be reported to the executives or the Board of Directors, as the case may be. Krungsri strictly prohibits any retribution, persecution, or molestation against whistleblowers or other persons involved in the examining process. Any acts of retribution will result in serious disciplinary action, including termination of employment.



## SECTION 4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

### 4.1 Shareholding Structure

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

### 4.2 Information Disclosure

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

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

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

- Information to be disclosed to the investors, analysts, fund managers, and other parties must be given consent for its release and/or be able to be disclosed to the public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission;

- Krungsri will not disclose any sensitive information that may affect its reputation to investors, analysts, fund managers, or other parties, unless otherwise authorized by senior executives or until the actions related to the issue at hand are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers, and other parties;
- As regards information disclosure for unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission and/or other relevant authorities. Such information to be disclosed to the investors, analysts, fund managers, and other parties shall be the same as that already disclosed to the Stock Exchange of Thailand, the Securities and Exchange Commission, and/or other relevant authorities;
- Any disclosure of information such as that being viewed as aiming to persuade, convince, or propagandize, for product and service marketing purposes, including unsubstantiated information that aims to create a sense of competitive advantage, must be approved by the Regulatory Compliance Department and/or General Counsel.
- Any person preparing, involved in, or with knowledge of unreleased information is not allowed to disclose or convey the same to any person closely related to them or other persons without permission from the authorized person, and such information shall be treated as confidential until permission for disclosure is granted and/or such information has already been reported to the Stock Exchange of Thailand;
- Disclosure channels to the public must be suitable for each group of stakeholders, and in compliance with the rules applicable to each channel;
- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by the Chief Financial Officer, related Head of Group/Chief Officer, and/or President and Chief Executive Officer;
- The Investor Relations Section shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions related to investments. If the information is found to be incorrect, the Investor Relations Section, with approval from the Chief Financial Officer, shall make a clarification and provide correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsriportal.net;



- The President and Chief Executive Officer and the Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to investors, analysts, fund managers, and other parties. If there is any question within the domain of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by the President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications;
- The Investor Relations Section shall be the center for handling interview requests and information from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure;
- Disclosure of information pertaining to incidents potentially impacting the reputation and credibility of Krungsri such as corruption, complaints, court decisions, theft, and disaster befalling the employees or Krungsri shall be handled by the Investor Relations Section with approvals from the President and Chief Executive Officer, Chief Financial Officer, and General Counsel prior to public disclosure;
- Information of target investors, analysts, fund managers, and others shall be kept in a database categorized by type (investor, analyst, fund manager, and etc.), and shall contain their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.
- **Disclosure of Directors' and Executives' Shareholdings:** Krungsri discloses information on shareholding of directors and executives, both directly and indirectly (including spouses and their minor children), in the Annual Registration Statement (Form 56-1) and the Annual

Report (Form 56-2) under the topic, 'Krungsri's shareholding of directors and executives'.

- **Disclosure in the Annual Report:** Krungsri discloses useful information for its shareholders as follows:
  1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association in five core sections: shareholders' rights; equal treatment for all shareholders; roles of stakeholders; disclosure of information and transparency; and responsibilities of the Board of Directors.
  2. Mission and Vision for business operations of Krungsri, which are fundamental aims and medium- to long-term goals. Details are as follows:
    - Mission: To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth.
    - Vision: Highly-qualified team of professionals providing innovative products and services, dedicated to becoming our customers' number-one preferred financial group.

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

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

- Financial Statements: Krungsri discloses its financial statements audited by a certified public accountant and endorsed by the Securities and Exchange Commission as being presented correctly in all material aspects, and in accordance with generally accepted accounting principles. In the previous year, Krungsri prepared and submitted its annual and quarterly financial statements within the prescribed timeline. The Securities and Exchange Commission has never ordered Krungsri to make any corrections to these financial statements.
- Management Discussion and Analysis (MD&A): To provide information to investors for their acknowledgement and better understanding of Krungsri's performance in each quarter.

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

4. Besides the Key Performance Indicator (KPI) on Krungsri's financial operating performance, Krungsri has received a number of awards which reflect its success and excellence in various aspects, i.e. corporate governance, business operations, employee engagement, innovation, and other

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

5. Circumstances of the business and competition, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.
6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.
7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. The nature of each type of risk and its management are also specified.
8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.
9. Roles of stakeholders whereby the complaint process and communication channels with Krungsri are specified so that different groups of stakeholders can contact, ask for information, and make complaints or whistleblowing conveniently and rapidly.

**KRUNGSRI ALSO MEASURES CUSTOMERS' SATISFACTION VIA THE CUSTOMER SATISFACTION MEASUREMENT SCHEME CALLED THE NET PROMOTER SCORE (NPS) ON ANNUAL BASIS FOR THE PURPOSE OF TRACKING THE INTERESTS AND PREFERENCES OF THE CUSTOMERS TOWARD THE KRUNGSRI BRAND.**

10. The names of directors as of December 31, 2019, totaling 11 directors consisting of four non-executive directors, four independent directors, and three executive directors.
  11. The directors' profiles such as name-surname, age, position, educational background, work experience, shareholding, and etc., as well as type of directorship, i.e. non-executive, independent, or executive director.
  12. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of the committees reporting to the Board of Directors, i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Risk and Compliance Committee, will receive increased remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis and by each position.
  13. The number of meetings of the Board of Directors and the committees reporting to the Board of Directors, and the number of meetings attended by each director.
  14. Information on participation in development and training courses of directors in the previous year.
  15. Information on any changes in shareholding of the directors and senior executives, showing the number of shares held at the end of the previous year and the end of current year. Krungsri also discloses any change in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission and the Board of Directors for acknowledgement.
  16. Remuneration of executives which is in line with the principles and policies stipulated by the Board of Directors, as well as Krungsri's operating performance and each individual executive's performance.
  17. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the authorized person and/or the Board of Directors. The directors and executives with conflict of interest will neither join the consideration nor vote on any transaction between Krungsri or its subsidiaries and any related party, or the one with potential for conflict of interest in the future. Krungsri discloses the related party transactions executed each year.
  18. Selection and appointment of an independent auditor whose qualifications are in compliance with the regulations of the Bank of Thailand and the Office of the Securities and Exchange Commission. The selected auditor must not be connected to or have any interest with Krungsri, its executives, major shareholders, or a related party in any manner that may lead to any impact on their independence in work. Krungsri also discloses the auditor's remuneration (audit fee and other service fees).
  19. Krungsri prepares a report on the Board of Directors' responsibility for financial reporting, whereby the Board of Directors is responsible for Krungsri's financial statements and the consolidated financial statements of Krungsri Group, as well as the financial information of the Annual Report, which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements, which have been audited with an unqualified opinion by an independent auditor. Krungsri's financial statements therefore reflect actual financial position and performance, which is beneficial to the shareholders and general investors.
- **Information Disclosure Channels:** Krungsri has disclosed its information related to both financial and general matters so that the stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website, [www.krungsri.com](http://www.krungsri.com), the Annual Report (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.
  - **Information Disclosed on Krungsri's Website:** Krungsri takes into account the importance of information disclosure in accordance with the Principles. Its information disclosure is carried out correctly, adequately, equally, transparently, rapidly, in a timely manner, and in compliance with the relevant laws and regulations. Krungsri discloses important information on its website in both Thai and English, e.g., the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the Board of Directors, the committees reporting to the Board of Directors and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

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

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

### 4.3 The Unit to Foster Relationships with the Investors and Stakeholders

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

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

Contact Information:

The Investor Relations Section

Bank of Ayudhya PCL, Head Office, Floor 17

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

Tel.: 0-2296-2977

Fax: 0-2683-1341

email: irgroup@krungsri.com

- **Major Stakeholders:** Shareholders, investors, employees, securities analysts, and credit rating agencies, both domestic and abroad.
- **Number of Activities and Scope of Responsibility of the Investor Relations Section:** This has become far more developed and covers a wider scope since Krungsri became a subsidiary of MUFG. The Investor Relations Section communicates Krungsri's increasing business potential to its stakeholders in addition to meeting with MUFG's investor relations team to share their experience and discuss practical guidelines for information disclosure and investor relations activities.
- **Engagement by Senior Executives:** In both planning and participating in investor relations activities, this is an essential factor in reinforcing the effectiveness of two-way communication with the stakeholders. The senior executives meet with investors both at home and abroad to exchange perspectives on business development, strategy, and trends.

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

The Investor Relations Section continually organizes investor relations activities, including one-on-one and group meetings with investors and analysts, and participating in





- domestic and international conferences. Such activities reflect the interest of the investors, securities analysts, and analysts from credit rating agencies in Krungsri as the leader in retail banking and as a member of MUFG.
- In 2019, Krungsri's executives and the Investor Relations Section disclosed information via various activities, such as:
    - Regional Executive for Asia & Senior Managing Executive Officer of MUFG, and Vice Chairman of Krungsri joined a panel discussion on 'Next Generation MSME Access to Finance' at the ASEAN Business and Investment Summit 2019 (ABIS 2019).
    - Head of Environmental, Social and Governance Division joined a panel discussion on 'The emergence of gender equality bonds' at the '14<sup>th</sup> Asia Bond Markets Summit' convened by the Asset in Singapore. Other panelists on stage were executives from leading companies, namely MUFG Bank, DEG, IFC and MUFG Securities Asia.
    - Head of Mortgage Loan Division gave an executive briefing at the Consumer Finance Day held by Bualuang Securities Public Company Limited to share mortgage insights and outlook for 2019-2021, factors that impact the overall mortgage market, and Krungsri's strategies for innovative digital platforms to enhance customer experiences.
    - Managing Director of Krungsri Finnovate gave lectures on digital banking to the executives and staff of Bank for Investment and Development of Vietnam (BIDV)
    - Investor Relations Section organized the Analyst Briefing, at the event, President and Chief Executive officer and the Chief Financial Officer announced 2019 business direction with key strategies to upgrade digital platforms and innovation capacities for greater customer experience.
    - Investor Relations Section organized the Analyst Briefing for analysts, fund managers, and credit rating agencies. Chief Financial Officer announced the Bank's 1H/19 financial and operating results, as well as the 2H/19 business outlook. Meanwhile, Head of Research Division and Chief Economist shared his views on Thailand's economic outlook and policy rate trend.
    - Investor Relations Section organized the Knowledge Forum activity entitled 'Digital Banking Landscape & Trends'. Chairman of Krungsri Consumer and Head of Digital Banking and Innovation, Bank of Ayudhya PCL shared his views with analysts, fund managers, and credit rating agencies on digital banking in Thailand and also updated about Krungsri Digital Banking.
    - Investor Relations Section organized the Knowledge Forum activity entitled 'Understanding: TFRS 9', Krungsri Executives shared insights on the implications of Thai Financial Reporting Standard (TFRS 9) concerning its principles and impacts on financial statements of the Thai banking business.

**Major investor relations activities in 2019 are summarized below:**

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

**Remarks:** \* The President and Chief Executive Officer and the Chief Financial Officer participated.

\*\* Chief Financial Officer and Chief Risk Officer participated.

- **Information Reported to the Board of Directors and Senior Executives of Krungsri:** Aside from providing services to the stakeholders who are outsiders as mentioned above, the Investor Relations Section follows up on Krungsri's operating performance and other factors related to

Krungsri's business operations for regular reports to the Board of Directors and senior executives, and reports on comments and viewpoints of securities analysts, important developments that may impact Krungsri's stock price, as well as analyses of appropriate shareholding structure.

In addition, the Investor Relations Section reports on its activities (participation in meetings with local and foreign investors) and related plans to the Board of Directors on a quarterly basis.

- **Information Reported to the Stakeholders:** Krungsri employs effective communication tools and channels in disclosing important information such as details related to significant strategies, strategic developments, and information that may affect Krungsri's stock price. These communication channels include electronic communication to the stakeholders.

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

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

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

## SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- The Board of Directors clearly determines Krungsri's vision and mission, which are announced to all employees for acknowledgement and to serve as guidelines for accomplishing their work as targeted. The Board of Directors reviews the vision, mission, and core values on an annual basis to ensure alignment with any change in circumstances. In 2019, following their review, the Board of Directors resolved that Krungsri's vision, mission, and core values would remain unchanged.
- The Board of Directors determines policies, directions, and strategies for business operations, including overseeing, inspecting, and following up on its implementation by management to ensure transparency and compliance with laws including corporate governance for the maximum overall benefit of Krungsri and its shareholders.
- The Board of Directors 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 submission to the Board of Directors for approval, and were then disseminated to all employees and on Krungsri's website. In addition, the Principles have been communicated to the subsidiaries on an annual basis for adaptation in alignment with the nature of their respective businesses, which will help strengthen Krungsri Group's operating performance under good corporate governance.
- To ensure that the Principles are suited to changing business conditions, the Board of Directors has assigned the Legal Group to review the Principles annually or whenever there is any significant change before further proposal to the Executive Committee, the Risk and Compliance Committee, and the Board of Directors for approval, respectively.
- The Board of Directors has established 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 a policy on integrity applying to all directors, executives, and other employees of Krungsri, who must earnestly understand and follow the code both literally and in its spirit of integrity. Supervisors shall have the duty to share knowledge of the Code of Conduct with their employees, and maintain oversight to ensure employee awareness that business operations must comply with the Code of Conduct and Krungsri's policies. To be certain that all employees in the organization have knowledge and understanding of the Principles and the Code of Conduct, and can perform their duties correctly and appropriately, Krungsri has developed a compulsory course via KLC; employees must complete the course every two years or whenever it is significantly updated. Course participants must pass tests with a score of no less than 70 percent. Those who fail to meet the criteria must study further and retake the test until they meet the benchmark.
- The Board of Directors has approved the Medium-Term Business Plan, which is a strategic framework formulated for business operations over three years, and shall review the plan annually to ensure correspondence with prevailing conditions, as well as monitor its implementation by management. In this regard, the management is responsible for reporting its actual performance compared to the plan to the Board of Directors for acknowledgement on a monthly basis. The current Medium-Term Business Plan covers the period of 2018-2020. Furthermore, to ensure

alignment with business operations under the Medium-Term Business Plan, the Board of Directors supports the deployment of innovative technology for greater competitiveness, e.g., deployment of facial recognition e-KYC for deposit account opening, Krungsri Supply Chain on Blockchain for facility of purchasing-selling processes between networks, and AI and Krungsri QR Pay service in Japan for the first time which create and deliver customer financial experience in order to more effectively provide our services to all Krungsri customer groups.

- Krungsri has 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 alignment with applicable laws, the Bank's objectives and regulations, resolutions of the Board of Directors meetings and shareholders' meeting, as well as the Good Corporate Governance Principles. In addition, Krungsri clearly stipulates the approval authority of the Board of Directors with respect to significant matters, such as 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'.
- A statement on the Board of Directors' Responsibility for Financial Reporting is prepared for inclusion in the annual report, to enhance shareholders' and investors' confidence that the report reflects the actual financial status and operating performance of Krungsri.

## 5.1 Board of Directors

- As of December 31, 2019, the Board of Directors comprised 11 directors: four non-executive directors; four independent directors (including one woman); and three executive directors. During the year, there were changes of directors as follows:
  - On July 1, 2019, Krungsri appointed Mr. Karun Kittisataporn, Independent Director, as the Chairman of the Board, replacing Mr. Veraphan Teepsuwan, Non-executive Director, who passed away on May 14, 2019. Throughout Mr. Veraphan Teepsuwan's directorship, he performed his duties independently and provided all directors opportunities to fully share their opinions.
  - On May 15, 2019, Mr. Seiichiro Akita was appointed as the President and Chief Executive Officer, replacing Mr. Noriaki Goto who was appointed as the Vice Chairman.
- The Chairman of the Board is not the 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'.
- Nomination of directors is carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites as stipulated in relevant laws and regulations, the Articles of Association, and conformity with international good corporate governance principles are taken into consideration. Furthermore, Krungsri has established a Board Skills Matrix to ensure that the entire Board of Directors is qualified and has appropriate expertise, and to support the determination of skills and qualifications of nominated persons in line with the organization's strategies and goals. In addition, it helps in the creation of a director development plan.
- In nominating directors, the following factors are also considered: Board diversity, knowledge, experience and skills to fill in present gaps, gender, age, and specialized proficiencies beneficial to Krungsri, for example in banking, business administration, accounting and finance, organization management, risk management, relevant laws, information technology governance, and other areas necessary for the implementation of Krungsri's business strategies. Currently, the Board of Directors consists of directors with a variety of skills, experience in commercial banking and related businesses at the national and international levels, experience in management of government agencies, as well as experience and expertise in the field of information technology, as stipulated by the Bank of Thailand regarding corporate governance of financial institutions. Details of director nomination and appointment criteria are shown in the Annual Registration Statement (Form 56-1) and the Annual report (Form 56-2) under the topic, 'Nomination and Appointment of Directors and Senior Executives'.
- Krungsri clearly specifies the definition of the independent director that complies with the Notification of the Capital Market Supervisory Board. A more stringent criterion on shareholding percentage is also applied.
- In 2019, none of the executive directors served as a director of other listed companies.

## 5.2 Positions in Other Companies Held by Krungsri's Directors, President and Chief Executive Officer, and Senior Executives

To ensure that Directors, the President and Chief Executive Officer, and Senior Executives have sufficient time to perform their duties at Krungsri, the Board of Directors has determined guidelines as follows:

### Krungsri's directors

- Enables serving as chairman or executive director of other companies in not more than three business groups excluding their positions in Krungsri. If those companies do not belong to the same business group, each company shall be considered a separate business group. As for companies acquired by Krungsri through debt restructuring, the companies shall be considered as companies in the business group of Krungsri.
- Enables holding directorship in no more than five listed companies (including Krungsri) excluding the listed companies acquired by Krungsri through debt restructuring.
- Shall not hold any position in other financial institutions that operate competing businesses.

Directors, managers, persons with management authority, and advisors of a financial institution who have assumed directorship in more than five listed companies in both domestic and overseas stock exchanges before the effective date of the Bank of Thailand Notification No. FPD.10/2561 Re: Corporate Governance of Financial Institutions, may continue their directorships but no later than May 1, 2022, in accordance with the transitional provision of the aforesaid notification.

### President and Chief Executive Officer and Senior Executives

- Enables holding directorships of no more than five companies of Krungsri Group, whereby the President and Chief Executive Officer shall review the propriety of the appointment and propose the appointment to the Board of Directors for approval via the Nomination and Remuneration Committee.
- Shall not hold directorships of any other listed companies outside Krungsri Group. In case of necessity, approval must be obtained from respective line managers or Head of Group or Chief Officer, Head of Human Resources Group, and the President and Chief Executive Officer.

## 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 meeting stipulated in advance for the entire year. In case

of necessity or urgency, an extraordinary meeting may be called on occasion as determined by the Chairman of the Board.

- The Chairman of the Board and the President and Chief Executive Officer have the duty to jointly consider matters to be included in the agendas of Board of Directors meetings. However, other directors including independent directors are also given the opportunity to review and provide an opinion on the agenda items before a notification of each meeting is delivered to all directors. In this regard, directors may propose agenda items to the meeting by informing the Chairman of the Board, the President and Chief Executive Officer, or the Corporate Secretary.
- Notifications of the Board of Directors meeting, agenda, and supporting documents will be delivered via email to all directors and uploaded on the e-document system, which can be accessed from provided tablets. The agenda proposed to the Board will be set after the EXCOM meeting each week, whereby, the EXCOM serves as a gatekeeper of the Board of Directors and/or at least seven days prior to the meeting date, to ensure that the directors have sufficient time to review the agenda items. If the directors require additional information or documents, they can make such requests to the executive directors or the Corporate Secretary.
- Every director is obliged to attend every Board of Directors meeting, unless they have imperative business such as a meeting with a government agency or an overseas business trip, or have fallen ill. Details of meeting attendance of the Board of Directors in 2019 are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, "Meeting of the Board of Directors".
- A meeting requires no less than half of all directors to constitute a quorum, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the Chairman shall have an additional, deciding vote. In compliance with the good corporate governance guideline, a quorum of at least two-thirds is required at the time of voting for Board decisions.
- Each Board of Directors' meeting takes an average of four hours. The Chairman of the Board provides an opportunity for all directors to be fully independent in making inquiries and suggestions, and to debate and express their opinions, to ensure prudent discretion. the senior executives and officers responsible for each issue under discussion are also invited to answer questions, and to receive suggestions and observations made by the Board of Directors.



- The meeting minutes identify in clear and sufficient detail the date and time that the meeting was declared open and closed, lists of present and absent directors, summary of the agenda, issues discussed, and recommendations of the Board of Directors, including explanations from the management, and resolutions of the Board of Directors. The meeting minutes are signed by the chairman of the meeting and the minutes taker. In addition, any director having a conflict of interest in any agenda item cannot join the consideration and voting on that particular item. In this regard, the Corporate Secretary normally checks information on conflict of interest and notifies all directors prior to the meeting, as well as placing relevant records in the meeting minutes.
- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the meeting minutes to the relevant internal and external units within the prescribed time, and safekeeping the same in the forms of hard and soft copies for future reference and verification. No amendment to the meeting minutes can be made without approval from the Board of Directors meeting.
- The Board of Directors encourages non-executive directors to organize meetings among themselves to independently discuss various issues without management's presence e.g., internal management systems to ensure more effectiveness, and to present a summary of their opinions to the President and Chief Executive Officer for acknowledgement. In 2019, two meetings of non-executive directors were held, on May 22 and December 18.

## 5.4 Performance Evaluation of the Board of Directors and the Committees reporting to the Board of Directors

### Criteria

- The performance evaluation of the Board of Directors and the Committees reporting to the Board of Directors shall be conducted on an annual basis in order to ensure that their duties are fulfilled in accordance with the Principles. In addition, the evaluation gives them an opportunity to review their performance, and analyze various difficulties faced during the previous year for further improvement.
- There are three types of performance evaluation of the Board of Directors, i.e. 1) Board Evaluation, 2) Self-Evaluation, and 3) Cross-Evaluation. The evaluation forms which are designed in accordance with the guideline of the Stock Exchange of Thailand as well as aligning with

characteristics and structure of the Board of Directors shall be proposed to the Nomination and Remuneration Committee and the Board of Directors for consideration and approval, respectively. The evaluation topics are as follows:

- Board Evaluation
  - 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.
- Self-Evaluation and Cross-Evaluation
  - 1) Qualifications and expertise of the director;
  - 2) Roles and responsibilities of the director. In case of the Chairman, the evaluation form includes additional topics regarding the Chairman's duties;
  - 3) Board meetings.

Upon the approval of forms as mentioned above, the Corporate Secretariat Department will send all three types of evaluation form to every director for evaluation, then gather all completed forms for summarizing the overall result including their comments or suggestions, and report to the Nomination and Remuneration Committee and the Board of Directors so that they can discuss solutions to enhance operational efficiency for the utmost benefit. In addition, the overall individual result from cross-evaluation will be informed to each director.

- All committees reporting to the Board of Directors have evaluated their performance as a whole. Furthermore, the Audit Committee has conducted self-evaluation on an individual basis as well.

## 5.5 Remuneration of Directors, President and Chief Executive Officer, and Senior Executives of Krungsri

### Directors

- Krungsri has established a policy on remuneration of the directors to ensure that it is appropriate and commensurate with the responsibilities of directors as reflected by the size and business operations of Krungsri. In addition, the remuneration policy aligns with Krungsri's performance and brings the maximum benefit to its shareholders, as well as being comparable to peers. In this regard, the Nomination and Remuneration Committee is responsible for proposing to the Board of Directors and the shareholders meeting, respectively, for approval of 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.

#### President and Chief Executive Officer and Senior Executives

- The Nomination and Remuneration Committee is responsible for considering and proposing to the Board of Directors for approval on the remuneration of the President and Chief Executive Officer and senior executives; however, executive directors do not participate in considering the remuneration of the President and Chief Executive Officer. Remuneration criteria are stipulated by the Board of Directors.
- Krungsri stipulates a fair, reasonable, and incentivizing remuneration in order to retain proficient employees as well as create long-term value for shareholders. The remuneration is also associated with Krungsri's performance and target both short- and long-term as well as KPI results of each individual's performance against targets under the Balanced Scorecard criteria, including performance indicators aligning with organizational strategies, and a scope of responsibilities of an individual executive which is comparable to the industry benchmark.
- Executives who also serve as a member of the committees reporting to the Board of Directors or the management committees, or directors in any of Krungsri's subsidiaries, do 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 Directors Induction and Development

- Krungsri believes that induction of newly appointed directors is crucial for them to have an understanding of Krungsri's business model, key stakeholders, plans, and strategies, as well as information in carrying out their duties. Krungsri holds an induction, where senior executives 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 a summary of Krungsri's businesses, various aspects of its operations, laws

that directors should be aware of, and other relevant information. Documents containing information required in the performance of their duties are prepared for each director.

- In 2019, Krungsri appointed new positions of the existing directors and new director. Therefore, induction has been provided to each director with adjustment of topics in order to be proper and more useful for their duties. In addition, topics of interest were added for directors to select and attend the courses which were presented by the executives.
- To enhance the directors' efficiency in performing their duties, the Board of Directors has encouraged the directors to continuously develop their knowledge, and to regularly attend relevant seminars and training courses organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and other leading local and international training institutes. Krungsri covers all expenses, including those of in-house training courses. In each quarter, the Corporate Secretary gathers advance information on available and suitable training courses organized by IOD and delivers it to the directors so that they can plan their course schedules. In this regard, the Corporate Secretary will also facilitate the training registration and other related processes. In 2019, the directors attended the courses arranged by regulators/institutions which details are shown

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รหัสหลักสูตร: 2708065

**คุณฐากร ปิยะพันธุ์**  
Chairman of Krungsri Consumer & Head of Digital Banking and Innovation

**คุณแซม ดันสกุล**  
Managing Director of Krungsri Innovate

**16 กันยายน 2562**  
14:00-16:00

**ห้องเอนกประสงค์ ชั้น 9 สนข. พระราม 3**

**รับสมัคร 250 คน**  
เท่านั้น

**เรียนรู้ เข้าใจ กับ การเปลี่ยนแปลง**  
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ตั้งแต่วันที่ 30 สิงหาคม 2562 เป็นต้นไป  
เลือกเมนู My learning > Find Learning > ค้นหาด้วยรหัสหลักสูตร "2708065"  
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**สมัครเลย**  
คลิกที่นี่

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 addition, Krungsri provided in-house training courses for the Board of Directors as follows:

1. "Baania" presented by Co-Founder of Baania (Thailand) Company Limited
2. "E-KYC, E-Consent and E-Signature" presented by Mr. Thakorn Piyapan, Executive from Digital Banking and Innovation
3. "Libra Crypto Currency" presented by Mr. Thakorn Piyapan, Executive from Digital Banking and Innovation
4. "Data Privacy" presented by Mr. Thakorn Piyapan, Executive from Digital Banking and Innovation
5. "Travel the Digital World with Mr. Digital & Mr. Fintech" presented by Mr. Thakorn Piyapan, Executive from Digital Banking and Innovation together with Mr. Sam Tanskul, Executive from FinTech/Startup Section
6. "Agile Leadership for Board of Directors" presented by Mr. Shaun Wong, Baker Tilly Consulting Services (Thailand)
7. "Cyber Security Awareness" presented by Mr. Rishi Anand and Miss Vilaiporn Taweelappong, Pricewaterhousecoopers consulting (Thailand) Co., Ltd.,
8. "Krungsri Auto Ecosystem" presented by Mr. Pairote Cheunkrut, Executive from Krungsri Auto Group

The table shows attending the training courses by each director as follows:

Name	Training Courses							
	1	2	3	4	5	6	7	8
1. Mr. Karun Kittisataporn	✓	✓	✓	✓	✓	✓	✓	✓
2. Mr. Noriaki Goto	✓	✓	✓	✓	-	✓	✓	✓
3. Mr. Toru Matsuda	✓	✓	-	✓	-	✓	✓	-
4. Miss Junko Kawano	✓	✓	✓	✓	-	-	✓	✓
5. Miss Nopporn Tirawattanagool	✓	✓	✓	✓	✓	✓	✓	✓
6. Miss Potjane Thanavarant	✓	✓	✓	✓	-	✓	✓	✓
7. Mr. Virat Phairatphiboon	✓	✓	✓	✓	-	✓	✓	✓
8. Dr. Jamlong Atikul	✓	✓	✓	✓	-	✓	✓	✓
9. Mr. Seiichiro Akita	-	-	✓	✓	-	✓	✓	✓
10. Mr. Pornsanong Tuchinda	✓	✓	✓	✓	-	-	✓	✓
11. Miss Duangdao Wongpanitkrit	✓	✓	✓	✓	-	✓	✓	✓

- Additionally, "Refresher Course for the Chairman" was arranged for Mr. Karun Kittisataporn and "Induction Course for New Director" was arranged for Mr. Seiichiro Akita as well.
- Krungsri has also gathered books concerning the roles and duties of directors, and has sent the book list to the directors, for selection of and further research on the given topics.
- The Board of Directors encourages executives, the Corporate Secretary, and other employees whose work relates to corporate governance to continuously attend relevant seminars and training courses, not only external ones but also those delivered via the KLC, e.g., 'Good Corporate Governance', 'The Spirit & The Letter' and 'IT Security Policy', which can be accessed via personal computer, tablet, or mobile phone.

## 5.7 Succession Plan and Executive Development Plan

- The Nomination and Remuneration Committee is responsible for the approval of succession plans for senior executives to ensure that Krungsri, together with MUFG Bank Ltd., have a plan and are well-prepared in terms of personnel substitution for positions deemed vital to business operations. In the event of a vacancy, a qualified successor can be appointed immediately, without any interruption. The succession plan for senior executives is reviewed on an annual basis and proposed to the Board of Directors for consideration.
- Krungsri successor readiness is divided into four levels as follows:

- 1) Successors who are ready now;
- 2) Successors who will be ready within 1-2 years;
- 3) Successors who will be ready within 2-5 years;
- 4) Successors who will be ready after development of more than 5 years.

Krungsri also designates business contingency plan candidates in case of any immediate change or any emergency situation in an executive position that may cause a sudden vacancy.

- In order to develop successors, Personalized Development Plans are prepared for all Krungsri Group executives, especially those who have been designated as successors. Apart from Competency-Based Management, Krungsri has developed a career plan ensuring that executives gain critical experience beneficial for holding key positions in the future. In addition, the Head of Human Resources Group is responsible for annually reporting both succession and successor development plans to the Board of Directors.

## 5.8 Performance Assessment of President and Chief Executive Officer

- Krungsri annually conducts a performance assessment of the President and Chief Executive Officer, whereby its criteria, targets, and performance assessment using the Balanced Scorecard are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, target, strategies, as well as short- and long-term benefits.
- The Board of Directors (except for the executive directors) shall assess the performance of the President and Chief Executive Officer, and the assessment results will be used for considering bonus payment and annual compensation increment. Assessment criteria and results are communicated to the President and Chief Executive Officer.

## 5.9 Committees Reporting to the Board of Directors and other Management 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 qualifications, composition of the committees, 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 topics, 'Management Structure' and 'Details on

Directors, Executives, Persons with Managerial Authority, and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)'.

- Management committees are also appointed to examine and filter related matters before submission to the Board of Directors, such as the Risk Management Committee and the Compliance Committee, whose composition, qualifications, roles, and responsibilities are specified in their respective directives.

## 5.10 The Audit Committee

- The Audit Committee reports its performance and provides opinions on various matters as assigned by the Board of Directors, in the Audit Committee's meeting minutes, on a regular basis, i.e. reviews of financial reports, internal control and risk management systems, and compliance with regulations. The Audit Committee considers related party transactions or transactions which may pose a conflict of interest. The Audit Committee's duties include consideration, selection, and nomination of independent persons for appointment as auditors; or proposing the termination of an auditor's employment. 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'.

## 5.11 Internal Control and Internal Audit

- Krungsri has established a clear internal audit system in line with international practice, consisting of Three Lines of Defense: the business, compliance, and internal audit units. These three units cooperate via working procedures stipulated for each level.
- Krungsri has established an independent unit reporting to the Audit Committee, i.e. the Internal Audit Group, which is 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 has appointed Miss. Puntipa Hannoraseth, Head of the Internal Audit Group, to be responsible for internal audit work. Also, every appointment, transfer, dismissal of employment, remuneration, and annual merit review for the Head of the Internal Audit Group must be considered and approved by the Audit Committee.
- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topic, 'Internal Control and Risk Management', and the Annual Report (Form 56-2) under the topic, 'Internal Control and Internal Audit'.



## 5.12 Risk and Compliance Committee

- The Board of Directors has appointed the Risk and Compliance Committee whose roles and responsibilities are covered by those of the Risk Oversight Committee under the criteria of corporate governance for financial institutions as stipulated by the Bank of Thailand.
- The Risk and Compliance Committee must review and assess overall risk management policies, and other significant types of risk of Krungsri Group, as well as oversee and monitor the major risks, i.e. strategic risk, credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk (including cyber risk), reputational risk, and compliance risk, then report to the Board of Directors. In addition, the Risk and Compliance Committee shall review the sufficiency and effectiveness of the overall policies and strategies as well as review its operations to be in line with the annual compliance plan.
- The Risk and Compliance Committee shall discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies and their effectiveness. The Risk and Compliance Committee shall evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure independence and effectiveness of performing duties regarding the regulatory unit and risk management unit of Krungsri Group. The Risk and Compliance Committee also reports to the Board of Directors via the Audit Committee on any non-compliance issue for acknowledgement.

## 5.13 Risk Management

- The Board of Directors plays a vital role in overseeing and managing the overall risk of the organization, and has therefore appointed the Risk Management Committee to support the Board of Directors in supervising Krungsri's overall risk management in compliance with the Good Corporate Governance Principles, and to provide suggestions to the Board of Directors for consideration regarding policies and procedures related to risk management, as well as the policy of the business continuity management plan.
- The Board of Directors has established a risk appetite framework and assigned the Risk Management Committee to define levels of key risks, including other risks such as information technology risk and cyber risk, and to define Key Risk Indicators (KRIs) under the Policy for Enterprise-Wide Risk Management. The Enterprise-Wide Risk Management Department is responsible for assessing, monitoring, and ensuring the appropriate risk levels via

Enterprise-Wide Risk Management Framework tools. A summary of these risks is shown in the Enterprise Risk Management report, including significant information technology incidents or problems and significant cyber-attack incidents or cyber threats, which is presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.

- 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 Board of Directors appointed Ms. Thidarat Sethavaravichit, Senior Vice President, Head of Corporate Secretariat Department, who possesses appropriate qualifications, direct work experience, and graduation in law, as the Corporate Secretary. She also serves as the Secretary to the Board of Directors and the Secretary to the Executive Committee, with primary responsibilities as follows:
  - 1) Fulfill the duties of the Corporate Secretary as stipulated by laws and as assigned by the Board of Directors;
  - 2) Ensure that the various activities of the Board of Directors are in compliance with relevant laws, rules, and regulations;
  - 3) Organize shareholder meetings and Board of Directors meetings, and prepare meeting minutes in compliance with laws and the Bank's Articles of Association, including follow-up on matters arising from meeting resolutions;
  - 4) Advise the Board of Directors on relevant legal issues, rules, and the Bank's Articles of Association as needed in the performance of their 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 that are of benefit to the performance of duties, as organized by the IOD and other agencies, e.g., the Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program

(DCP), and Corporate Governance for Executives (CGE), as well as field trips to gain knowledge regarding tasks of corporate secretaries both domestically and abroad.

## 5.15 Others

Moreover, Krungsri ensures compliance with the Good Corporate Governance Principles, as evidenced below:

- There has been no case involving an accusation or fine imposed due to misconduct or violation of the regulations of the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Office of Insurance Commission;
- There has been no case of fraud or violation of moral standards;
- No non-executive director has resigned for a reason related to Krungsri's corporate governance;
- There has been no case of defamation resulting from a failure of the Board of Directors to perform its supervisory duty;
- During the past two years, no directors or senior executives have worked for or been a partner of the outside audit company which provides services to Krungsri.

## CORPORATE GOVERNANCE FOR COMPANIES IN THE FINANCIAL BUSINESS GROUP

Krungsri has regulatory mechanisms in place for supervising and overseeing the operations of companies in the Financial Business Group 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, under which important transactions as stipulated by regulatory requirements and the Bank's policies must be proposed to the Bank for approval before taking any action. The Bank monitors the operation of companies in the Financial Business 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 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 who are fully qualified according to regulatory requirements will be nominated for consideration of suitability by the Nomination and Remuneration Committee as well.

As for managing directors of companies in the Financial Business Group, after the Bank's Board of Directors grants endorsement, the Secretary of the Nomination and Remuneration Committee shall proceed to ensure that a letter is submitted to related government agencies in accordance with laws and regulatory requirements to request endorsement for the appointment. The Secretary of 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 action.

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. 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 8.25 of notes to the consolidated financial statement and the Bank's financial statement for the year ended December 31, 2019.

In case that the Bank and companies in the Financial Business Group conduct related party transactions, such transactions – according to the Bank's guidelines – must be conducted with the same conditions as applied to other customers and through a screening process approved by authorized persons in strict compliance with regulatory requirements and the Bank's regulations. 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 effectiveness in promoting proper business operations in compliance with good governance principles. It also contributes to the risk management system and allows 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.



## POLICIES AND MEASURES RELATED TO THE USE OF INSIDER INFORMATION

The Bank believes that stakeholder confidence is key to achieving our sustainable business growth. Therefore, the Bank must operate its business on the basis of honesty, transparency, and verifiability. If the Bank's personnel were to seek illicit benefits by using the Bank's or its customers' insider information, such action would not only violate the law but also breach the Bank's internal rules and regulations. The Bank has stipulated the use of insider information as one of its key prohibitions in 'The Spirit & The Letter: S&L', which all directors, executives, and staff members of the Bank are obliged to strictly adhere to, electronically signing the Bank's e-acceptance on a yearly basis in order to remind Bank personnel at all levels to be aware of the importance of strict compliance with the principle of refusal to seek illicit benefits for themselves or the Bank by using the Bank's or its customers' insider information. A ceremony in which the President and Chief Executive Officer of the Bank sign the S&L is also held to establish the tone from the top. In addition, there is a compulsory S&L course in the e-learning platform that all staff members and executives must pass with a minimum score of 75 percent. Refresher courses must also be taken and passed every two years.

Regarding supervision, the Bank requires employees in functions that may be privy to insider information to report their holdings of securities, and assigns the compliance function to review the said holdings to determine whether there has been any use of insider information in the trading of securities, in violation of the law and internal rules and regulations of the Bank. As a preventive measure, the Bank

also prohibits its directors and staff members from trading shares issued by the Bank during a period of three working days prior to and after the announcement of the Bank's performance or financial statements (the blackout period). The Bank's staff members and executives are also required to hold the shares issued by the Bank for a period of not less than three months. In certain circumstances, the Bank may prohibit certain groups of staff members (restricted persons) from trading in the Bank's shares.

Moreover, the Bank requires functions involved in certain types of transactions related to sensitive information, such as merger and acquisition transactions, to check for conflicts of interest prior to establishing business relationships. In any case where a potential conflict of interest exists, functions must operate under various measures as specified by the Bank, such as establishing an 'Information Wall' to prevent disclosure of information that may cause any advantages or disadvantages in conducting transactions, classifying documents as confidential, keeping an email control log, etc.

Based on the various aforementioned measures, the Bank firmly believes that educating its staff members and executives in parallel with auditing and employing preventive measures, together with introducing modern technologies, will foster awareness among all staff members and executives and ultimately bring about a compliance culture. The Bank also believes that application of the sustainable growth concept will effectively reduce both compliance and reputation risk, while enhancing the Bank's credibility and creating a positive image as well as satisfaction among customers and Bank stakeholders.

## 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 function, 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; scopes of authority are clearly defined; and integrity and professionalism are emphasized.

- **Risk Assessment:** Opportunities and impacts associated with possible incidents that could hinder the attainment of 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 operational reviews.
- **Information and Communication:** The Bank has implemented information and communication systems that ensure timely actions as well as reliable and accurate financial records and reporting.
- **Monitoring Activities:** Continuous monitoring and assessments are conducted to ensure appropriate and effective 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 focused on Internal Control over Financial Reporting (ICFR) of each business unit in the Bank to be aligned with MUFG's requirements.

## 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. In addition, the Internal Audit function participates in reviewing the evaluation of effectiveness of the Internal Control over Financial Reporting (ICFR) to be aligned with MUFG's requirements. The Internal Audit Group 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.)

## INTERNAL AUDIT GROUP RESPONSIBILITIES AND GOALS

### 1. Assurance Service

The annual audit plan is formulated using a risk-based approach including discussion with senior executives, and external auditors are considered and approved by the Audit Committee. During the year, there was a follow-up on emerging risks; such data was used to amend the audit plan on a regular basis.

As regards the internal audit process, technology was used and integrated with the audit operation (integrated audit) in order to enhance audit efficiency. Furthermore, audit software

was employed to assist in management of auditing work such as audit planning, resource allocation, recording and storage of audit data, and follow-up on the progress of audit finding rectification through the E-Audit Tracking System, where the audited functions could monitor the progress on a real-time basis. Furthermore, business intelligence tools were used for in-depth analysis and verification of the actions of individuals and groups.

### 2. Consulting Service

In addition to annual audits, the Internal Audit Group advises on the implementation of internal controls for diverse business units. The Internal Audit Group has also developed a cooperative relationship with the Branch Operational Risk Management Department, the Fraud Management Division and Risk Management functions – considered the second line of defense – to continually monitor risks arising from the Bank's operations.

### 3. Personnel Development

The Bank's auditors are given in-house and external training, including professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, fraud risk, and new trends and innovations in digital technology courses that are important to today's banking business, such as artificial intelligence, agile methodology, blockchain, big data, cloud computing, and data science. Hence, audit officers are regularly required to pass a knowledge test which relates to new rules and regulations through an online quiz. With regards to new auditing tasks or issues that are particularly complicated, the internal audit group may consider hiring external consultants to participate in such auditing operations to share knowledge and enhance auditing competency. In order to meet international standards, the Audit Group also learned and applied MUFG's audit methodology.

### 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 survey of the auditee. Furthermore, audit quality is regularly reviewed by an independent functional unit and external quality assessment that is performed by an external consulting firm to comply with the international internal audit professional standards. As a subsidiary of MUFG Bank, the Audit on Audit process was conducted by MUFG's Internal Audit and Credit Examination Division to provide additional recommendations on our audit practices.



## 5. Added Value

To achieve our business targets using good governance and effective internal control principles, the Internal Audit Group arranged the Control Black Belt (CBB) program with the objective to strengthen the internal control process to ensure efficiency through training, testing, and presenting the project among participants from other functional units. The Internal Audit Group developed an e-learning program, Internal Control Framework under COSO Principles, as a basic compulsory training course to be completed every two years by all employees. The Internal Audit Group has operated an ongoing monitoring process to continuously monitor risks relating to operations and business units, thus ensuring a timely response to significant risks. In addition, continuous audit using data analytics was regularly performed to identify risks and faults occurring during business processes, and there was coordination with relevant units to rectify such events in a timely manner.

### Summary of Important Incidents of the Internal Audit Group in 2019

The Internal Audit Group improved the operating process to enhance efficiency and effectiveness by launching the Risk Awareness and Response Assessment project to assess and control management risk, as well as the RPA (Robotic Process Automation) project to improve the auditing process by using automation to replace the human workforce. Also, the agile concept was applied to certain auditing works. To align with international practices, MUFG's audit methodology was also implemented, such as the guidelines on risk assessment to establish an annual audit plan, and an issue validation process.

As regards promotion and support for auditors to obtain professional certificates, in 2019, the Bank had a total of 108 auditors who had received a total of 155 audit certificates, increasing by 16 auditors and 18 certificates compared to 2018. Additionally, the Internal Audit Group arranged for audit quality assessment performed by leading consulting firms. The overall assessment results revealed that Internal Audit activities generally conform to the International Internal Audit Standards promulgated by the Institute of Internal Auditors (IIA), while aiming for continual improvement to achieve "best-in-class" in overall practices.

### Head of Internal Audit Group

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraset, First Executive Vice President and Head of 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)
- Advanced Audit Committee Program certificate

#### Relevant work experience: Bank of Ayudhya PCL

- Apr 1, 2013 - Present: First Executive Vice President
- Sep 16, 2010 - Present: Secretary to the Audit Committee
- Apr 27, 2009 - Present: Head of Internal Audit Group
- Jan 7, 2015 - Apr 15, 2017: Acting Head of Internal Audit Division
- Jan 7 - May 6, 2015: Acting Head of Credit Examination Division

#### Trainings

- 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.

### Head of Compliance Division

At present, the Bank's Compliance Division is under the supervision of Mr. Saengchart Wanichwatphibun, Chief Compliance Officer, Executive Vice President.

#### Academic degrees and certificates

- Master in Marketing (MIM8): Thammasat University
- Master of Applied Finance: Monash University, Melbourne, Australia
- Bachelor of Science, Business Administration, Option in Accounting: University of California, Los Angeles, USA

#### Relevant work experience

- Jan 2020 - Present: Bank of Ayudhya PCL, Compliance Committee Chairman
- Aug 2015 - Present: Bank of Ayudhya PCL, Chief Compliance Officer, Executive Vice President
- 2015 - Present: Bank of Ayudhya PCL, Risk and Compliance Committee Secretary, Fraud Management Committee Member, Data Governance Committee Member
- 2007 - Present: Bank of Ayudhya PCL, Compliance Committee Member and Secretary

- 2007 – 2015: Bank of Ayudhya PCL, Risk Management Committee Member
- May 2013 – Jul 2014: Krungsri Asset Management Co., Ltd., Director
- Nov 2008 – Aug 2015: Siam Realty and Services Co., Ltd., Director
- Feb 2006 – Jul 2007: BNP Paribas, Head of Compliance
- Sep 2005 – Jan 2006: GE Money Retail Bank, Assistant Vice President (Compliance)
- Sep 1996 – Aug 2005: Bank of Thailand, Senior Analyst
- Jan 1995 – Aug 1996: The Sakura Bank, Credit Officer

#### Trainings

- 2020: MUFG Global Leaders Forum (GLF) by International Institute for Management Development (IMD Business School) in Lausanne, Switzerland
- 2019: Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- 2018: Krungsri TRANSCEND Program for senior executives by Harvard Business School
- 2015: Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- 2014: Future Leader for Future Business for EVP by Assumption University (ABAC)
- 2014: Advanced Audit Committee Program (AACP) by Thai Institute of Directors Association (IOD)
- 2013: Anti-Corruption for Executive Program (ACEP) by Thai Institute of Directors Association (IOD)
- 2013: Training Course for Head of Compliance (class 1) by The Securities and Exchange Commission (SEC) and Thai Bankers' Association (TBA)
- 2010: Director Accreditation Program (DAP) by Thai Institute of Directors Association (IOD)
- 2008: Certified Compliance Officer by American Academy of Financial Management (AAFMM)

## COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

Krungsri Group is one of the pioneer financial business groups that was certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption, since October 8, 2013, and was recertified on March 9, 2017. This explicitly reinforces our determination to counter all forms of corruption and bribery in accordance with our Anti-Corruption Policy and Program, which serves as business practice guidelines toward transparent business undertakings with integrity and auditability. All Krungsri Group directors, executives, and other employees must sign and observe a

binding agreement to adhere to our anti-corruption policy and program, with disciplinary action to be taken against employees who violate these provisions.

Employees and executives are also subject to anti-corruption business practice training via a compulsory e-learning course on a bi-annual basis for greater understanding of the matter. Anti-corruption campaigns in the form of short films, posters, and activities have been created and promoted to underline the importance of performing duties with integrity, transparency, and auditability – the key principles of a comprehensive anti-corruption program.

Moreover, Krungsri Group provides easily accessible whistleblowing channels. All whistleblowing leads shall be investigated to determine the facts and rectifications, which shall be reported to senior executives and relevant committees. In this regard, any whistleblower's identity would be protected. Any act of retaliation against whistleblowers is considered a violation of the Bank's policy, resulting in disciplinary action toward those who commit such acts.

On September 6, 2019, Krungsri Group executives and employees attended Anti-Corruption Day 2019, with the 'Fight Corruption Together' theme, organized by the Anti-Corruption Organization of Thailand, together with the Thai Bankers' Association (TBA), the Thai Institute of Directors Association (IOD), and other leading national organizations. On December 9, 2019, we also attended the International Anti-Corruption Day (Thailand) event, under the theme, 'Zero Tolerance: Thailand Does Not Tolerate Corruption', held by the government, the Office of the National Anti-Corruption Commission, the Office of Public Sector Anti-Corruption Commission, and the Anti-Corruption Organization of Thailand (ACT) along with its anti-corruption network, as part of the social forces to drive, create, and expand the country's anti-corruption network for its overall benefit.



# 5

## MANAGEMENT STRUCTURE











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.

## Board of Directors

The Board of Directors consists of 11 directors, i.e., 4 non-executive directors, 4 independent directors (including one woman), 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 and are appointed under prescribed



**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.**



nomination process. 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. Besides, at least 1 director shall possess knowledge or experience in information technology.

## • Term of Office

The directors' term of office is clearly specified in the Bank's 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.

Regarding director retirement age, currently it is determined at 75 years. If a director reaches the age of 75 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 75 years at the time of nominating for election, the director may be re-elected for another term.

## • 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 Krungsri and the companies in the financial business group ("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 laws, regulations of the regulators as well as the Bank'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 for 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, 2019, the Board of Directors consists of 11 directors as below:

Name - Surname	Position
<b>Independent Directors</b>	
1. Mr. Karun Kittisataporn <sup>1/</sup>	Independent Director / Chairman
2. Miss Potjaneer Thanavarant	Independent Director / Chairman of the Audit Committee
3. Mr. Virat Phairatphiboon	Independent Director / Audit Committee Member / Chairman of the Risk and Compliance Committee
4. Dr. Jamlong Atikul <sup>2/</sup>	Independent Director / Audit Committee Member / Chairman of the Nomination and Remuneration Committee
<b>Non-Executive Directors</b>	
5. Mr. Noriaki Goto <sup>3/</sup>	Vice Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
6. Mr. Toru Matsuda	Director / Risk and Compliance Committee Member
7. Miss Junko Kawano	Director
8. Miss Nopporn Tirawattanagool	Director (Authorized Signatory) / Nomination and Remuneration Committee Member / Risk and Compliance Committee Member
<b>Executive Directors</b>	
9. Mr. Seiichiro Akita <sup>4/</sup>	Director (Authorized Signatory) / Chairman of the Executive Committee
10. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
11. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

Mrs. Thidarat Sethavaravichit serves as the Secretary to the Board of Directors.

**Remarks:** <sup>1/</sup> Appointed as the Chairman in replacement of Mr. Veraphan Teepsuwan who was deceased, while his chairmanship of the Nomination and Remuneration Committee ended on July 1, 2019.

<sup>2/</sup> Appointed as the Chairman of the Nomination and Remuneration Committee in replacement of Mr. Karun Kittisataporn, effective July 1, 2019,

<sup>3/</sup> Appointed as the Vice Chairman and the Nomination and Remuneration Committee member in replacement of Mr. Atsushi Murakami who was resigned, while his chairmanship of the Executive Committee ended on May 15, 2019.

<sup>4/</sup> Appointed as the director and Chairman of the Executive Committee in replacement of Mr. Noriaki Goto, effective May 15, 2019.

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. Noriaki Goto and Mr. Seiichiro Akita jointly sign and affix the Company's seal; or either Mr. Noriaki Goto or Mr. Seiichiro Akita 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 Directors

In 2019, the meeting attendance of the Directors is detailed below:

List of the 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
	Ordinary Meeting	Special Meeting				
Independent Directors						
1. Mr. Karun Kittisataporn <sup>1/</sup>	12/12	3/3	9/9			
2. Miss Potjanee Thanavaranit	12/12	3/3		20/20		
3. Mr. Virat Phairatphiboon	12/12	2/3		19/20	12/12	
4. Dr. Jamlong Atikul	12/12	3/3	16/16	20/20		
Non-Executive Directors						
5. Mr. Noriaki Goto <sup>2/</sup>	11/12	3/3	8/8			
6. Mr. Toru Matsuda	10/12	1/3			10/12	
7. Miss Junko Kawano	11/12	2/3				
8. Miss Nopporn Tirawattanagool	12/12	3/3	16/16		12/12	
Executive Directors						
9. Mr. Seiichiro Akita <sup>3/</sup>	8/8	2/2				22/23
10. Mr. Pornsanong Tuchinda	11/12	3/3				33/40
11. Miss Duangdao Wongpanitkrit	12/12	3/3				38/40
Members who resigned or whose membership ended during the year						
1. Mr. Veraphan Teepsuwan <sup>4/</sup>	4/4	1/1				
2. Mr. Atsushi Murakami <sup>5/</sup>	4/4	1/1	6/8			

**Remarks:** <sup>1/</sup> Chairmanship of the Nomination and Remuneration Committee ended on July 1, 2019.

<sup>2/</sup> Appointed as the Nomination and Remuneration Committee member effective, May 15, 2019.

<sup>3/</sup> Appointed as the Chairman of the Executive Committee, effective May 15, 2019.

<sup>4/</sup> Deceased on May 14, 2019.

<sup>5/</sup> Resigned from the Bank's director, effective May 15, 2019.

In addition, 2 meetings of non-executive directors were held: on May 22 and December 18, 2019.



## Nomination and Remuneration Committee

### • Structure and Composition

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than 3 members who are the independent directors or non-executives directors (currently, 1 independent director 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 be appointed as the Nomination and Remuneration Committee secretary.

### • 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 at the earliest. During the process of nomination and appointment, remaining members can continue to perform their duties even the number of the committee members does not meet the composition. 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. To 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 for nomination of the Bank's directors, members of the sub-committees whose authority, roles and responsibilities are directly assigned by the Bank's Board of Directors, senior executives at the level of Executive Vice President and above and the Bank's advisors equivalent to Director or executive at Executive Vice President level 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, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50% 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 as well as directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50% of shares.
  2. To 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 directly to the Board of Directors.
    - 2.3 Senior executives at the level of Executive Vice President and above of the Bank
    - 2.4 Directors of the entities in which the Bank holds shares whereby the number and composition of directors will be as stipulated in the Articles of Association of each entity and in accordance with the Bank's guidelines on determination of numbers of directors of Krungsri Entities, directorship proportion according to JV agreement, and relevant regulatory requirements.
    - 2.5 Managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level, of the entities in which the Bank holds more than 50% of shares.
    - 2.6 Bank's advisors equivalent to Director or executive at Executive Vice President level and above.
  3. To determine the policies on and the amount of remuneration and other benefits commensurate with roles and responsibilities, reflect the objectives and relevant risks of the Bank and/or companies in its financial business group and are in accordance with the clear and transparent criteria as well as comparable to the industry benchmark.
    - 3.1 To determine remuneration and other benefits for directors, members of the various sub-committees, senior executives of the Bank at the level of Executive Vice President and above, and the Bank's advisors equivalent to Director or executive at Executive Vice President level and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.
    - 3.2 To determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50% of shares for submission to the Board of Directors for consideration and approval.
    - 3.3 To ensure that the Bank's directors, 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, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50% of shares who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with additional assignments.
  4. To ensure that the size and composition of the Board of Directors are appropriate for the organization and modify them as appropriate in consideration of the changes in the environment. Also, to ensure that the mechanisms or tools that support director selection and nomination process are in place so as the Board of Directors is endowed with members who exhibit behaviors and possess competency and experience in a variety of fields beneficial to the Bank's business operation in the long run and in line with the Bank's business direction and strategies.
  5. To 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 To consider performance evaluation guidelines and endorse performance evaluation forms in appropriate formats as prepared by the Bank for use in evaluating performance of duties of the Board of Directors.
- 5.2 To 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, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of the entities in which the Bank holds more than 50% of shares in order to consider the annual remuneration.
- 5.3 To 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 To 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, and senior executives at the level of Executive Vice President and above that is equivalent to the Bank's Executive Vice President level of entities in which the Bank holds more than 50% 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. To consider 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. To consider appropriateness of the Bank's organization restructuring at Functional Group level and above or substantial or major changes in the Bank's organization structure.
8. To perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.
9. To disclose nomination and remuneration policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.
  - 9.1 To disclose nomination process for the Bank's directors and senior executives at the level of Executive Vice President and above.
  - 9.2 To disclose remuneration policy and various form of compensation as well as details regarding criteria for overall performance assessment, goals and activities, the Committee's opinions, and methodology and tools for remuneration payment that reflects risks (if any).
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.
11. To work closely with the Risk and Compliance Committee to ensure that remuneration policy reflects material risks of the Bank.



## • Names of Members and Meetings of the Nomination and Remuneration Committee

In 2019, there were a total of 16 ordinary meetings as scheduled in advance as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Dr. Jamlong Atikul <sup>1/</sup>	Chairman	16/16
2. Mr. Noriaki Goto <sup>2/</sup>	Member	8/8
3. Miss Nopporn Tirawattanagool	Member	16/16
<b>Members who resigned or whose membership ended during the year</b>		
1. Mr. Karun Kittisataporn <sup>3/</sup>	Chairman	9/9
2. Mr. Atsushi Murakami <sup>4/</sup>	Member	6/8

Secretary to the Nomination and Remuneration Committee is Mr. Vasin Udomratchatavanich

**Remarks:** <sup>1/</sup> Appointed as the Chairman of the Nomination and Remuneration Committee, effective July 1, 2019.

<sup>2/</sup> Appointed as the Nomination and Remuneration Committee member, effective May 15, 2019.

<sup>3/</sup> Chairmanship of the Nomination and Remuneration Committee ended on July 1, 2019.

<sup>4/</sup> Membership of the Nomination and Remuneration Committee ended on May 15, 2019

## Audit Committee

### • Structure and Composition

The Board of Directors appoints the Audit Committee which consists of no less than 3 independent directors. The Head of Internal Audit Group shall be appointed as the Audit Committee secretary.

### • Qualifications

The Audit Committee members shall qualifications possess as required by the Capital Market Supervisory Board and shall not be the directors being assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiaries, associated companies, fellow subsidiaries with the same level of ownership stake by the parent company, major shareholders or persons with control authority over the Bank, and shall not be directors of listed companies which are subsidiaries or fellow subsidiaries with the same level of ownership stake by the parent company. One of the Committee members shall be appointed as Chairman of the Audit Committee. However, the Chairman of the Audit Committee must not serve as Chairman of the Board and any other sub-committee appointed by the Board of Directors.

Audit Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities. They shall also understand the nature of business operations and risk management of the Bank and its group companies. In addition, at least 1 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 within 3 months from the date of such vacancy. During the process of nomination and appointment, remaining members can continue to perform their duties. 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 Authorities, Duties and Responsibilities

#### - 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 BOT 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 audit 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, and notify to the BOT as specified, evaluate efficiency and effectiveness of operations, remuneration and annual merit review of the Head of Internal 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 or another relevant 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 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 matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the SET, the SEC, the BOT, or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the accuracy and completeness of disclosure of such information.
- 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 Acts, 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 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 Office of the Securities and Exchange Commission and the BOT.

18. The Audit Committee shall have authority to access to any document and information it requires and to request a meeting with management, employees or external parties, as appropriate and also have authority to seek independent professional opinions or advices, as necessary, at the Bank's expense.

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 2019, there were a total of 20 meetings, i.e., 12 ordinary meetings and 8 special meetings, 2 out of 20 meetings were made with the external auditors without the management. Details are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Miss Potjanee Thanavarani	Chairman	20/20
2. Mr. Virat Phairatphiboon	Member	19/20
3. Dr. Jamlong Atikul	Member	20/20

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 at least 3 non-executive directors. The Chairman of the Risk and Compliance Committee must, however, be an independent director with the Chief Compliance Officer as the Secretary.

### • 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 for the best interest of the Bank and/or companies within the financial business group.

### • Terms of Office

The Risk and Compliance Committee members shall have the terms of office concurrent with their directorship terms of office. In case of any vacancy due to the reason other than completion of the terms, the Board of Directors shall appoint a qualified individual to fill up the vacancy at the earliest opportunity. During the process of nomination and appointment, the remaining members can continue to perform their duties without a full composition of Committee members. The newly appointed individual shall hold the Committee terms of office concurrently with his/her directorship terms of office as a member of the Board of Directors. Upon completion of a term, the member may be re-appointed to the Committee.

### • Scope of Authorities and Responsibilities

1. Provide suggestions to the Board of Directors on the overall strategies, policies, and frameworks on risk management and compliance.
2. Prescribe Risk Management Group and Compliance Division's duties and scope of work to commensurate with the complexity of bank's business and in accordance with Charter. The Risk and Compliance Committee is to also oversee that Senior Management Team (SMT) and the Chief Risk Officer comply with the risk management policies, strategies, and the acceptable level of risk appetite.
3. Oversee and monitor the implementation of strategies for integrated risk management, inclusive of capital, liquidity and compliance management in mitigating the major risks, i.e., credit risk, market risk, liquidity risk,

operational risk, legal risk, information technology risk including cyber risk, reputational risk, and compliance risk.

4. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as the annual compliance plan and risk appetite level at least once a year or upon any significant change to ensure the effectiveness. The Risk and Compliance Committee should discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management related policies and strategies and their effectiveness, which should cover all existing and new types of risk and whether the measures taken per these policies and strategies are effective and efficient
5. Regularly report to the Board of Directors on the risk exposure, efficiency of risk management, progress on the implementation of risk culture, significant factors and issues, and the required enhancement to be in line with the established risk and compliance policy and strategy. The Risk and Compliance Committee is to also communicate to the Audit Committee on any 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 the Chief Compliance Officer and the Chief Risk Officer 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 the Risk and Compliance Committee.

## • Names of Members and Meetings of the Risk and Compliance Committee

In 2019, there were a total of 12 ordinary meetings as scheduled in advance as detailed below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Virat Phairatphiboon	Chairman	12/12
2. Miss Nopporn Tirawattanagool	Member	12/12
3. Mr. Toru Matsuda	Member	10/12

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. The Head of Corporate Secretariat Department shall be the Executive Committee Secretary.

### • Qualifications

The Executive Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments ensure benefits of the Bank and/or companies in the financial group.

### • Term of Office

The term of office is 2 years or as per the directives of the appointment of the Executive Committee. In case of additional the Executive Committee members, additional the Executive Committee members have a term of office as per the directive of their appointments. In case of vacancy 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. During the process of nomination and appointment, other remaining members can continue to perform their duties even the number of the committee members does not meet the requirement. Members of the Committee may be re-appointed upon completion of their term to ensure continuity in their function.

### • 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 Executive 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 2019, there were a total of 40 ordinary meetings as scheduled in advance as detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Seiichiro Akita <sup>1/</sup>	Chairman	22/23
2. Mr. Pornsanong Tuchinda	Member	33/40
3. Mr. Dan Harsono	Member	30/40
4. Mr. Yuzo Nakada	Member	18/40
5. Miss Phawana Niemloy	Member	31/40
6. Miss Duangdao Wongpanitkrit	Member	38/40
7. Mrs. Voranuch Dejakaisaya	Member	35/40
8. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	38/40
9. Mr. Tak Bunnag	Member	37/40
10. Mr. Vasin Udomratchatavanich <sup>2/</sup>	Member	17/21
<b>Members who resigned or whose membership ended during the year</b>		
1. Mr. Noriaki Goto <sup>3/</sup>	Chairman	17/17
2. Mr. Rohit Khanna <sup>4/</sup>	Member	26/28
3. Mr. Wittapon Jawjit <sup>5/</sup>	Member	13/15

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

**Remarks:** <sup>1/</sup> Appointed as the Chairman of the Executive Committee, effective May 15, 2019.

<sup>2/</sup> Appointed as the Executive Committee member, effective April 25, 2019.

<sup>3/</sup> Chairmanship of the Executive Committee ended on May 14, 2019.

<sup>4/</sup> Membership of the Executive Committee ended on August 15, 2019.

<sup>5/</sup> Membership of the Executive Committee ended on April 24, 2019.

# Selection 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 judgment).
    - (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 2 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 3 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 Stock Exchange of Thailand'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 2 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 2 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 2 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 2 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 judgment.
- (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, 2019			December 31, 2018			Total Shares
	No. of Shares (shares)		Total Shareholding (%) <sup>1/</sup>	No. of Shares (shares)		Total Shareholding (%) <sup>1/</sup>	Increase/ (Decrease) During the Year (shares)
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Independent Directors							
1. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
2. Miss Potjaneer Thanavaranit	-	-	-	-	-	-	-
3. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
4. Dr. Jamlong Atikul	-	-	-	-	-	-	-
Non-Executive Directors							
5. Mr. Noriaki Goto	-	-	-	-	-	-	-
6. Mr. Toru Matsuda	-	-	-	-	-	-	-
7. Miss Junko Kawano	-	-	-	-	-	-	-
8. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
Executive Directors							
9. Mr. Seiichiro Akita	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
10. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
11. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executives							
12. Mr. Dan Harsono	-	-	-	-	-	-	-
13. Mr. Yuzo Nakada	-	-	-	-	-	-	-
14. Mrs. Voranuch Dejakaisaya	-	-	-	-	-	-	-
15. Miss Phawana Niemloy	-	-	-	-	-	-	-
16. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
17. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
18. Mr. Tak Bunnag	-	-	-	-	-	-	-
19. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
20. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
21. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
22. Mr. Thakorn Piyapan	-	-	-	-	-	-	-
23. Dr. Metinee Jongsaliswang	-	-	-	-	-	-	-
24. Mr. Vasin Udomratchatavanich	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
25. Mr. Nuttawit Boonyawat	1	-	0.0000	1	-	0.0000	-
26. Mr. Yoichiro Tsukamoto	-	-	-	-	-	-	-
27. Mr. Kotaro Kato	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
28. Mr. Dharittee Kritsernvong	-	-	-	-	-	-	-
29. Mrs. Katchariya Chongpaisansakul	-	-	-	-	-	-	-
30. Mr. Wirote Chuenratanakul	-	-	-	-	-	-	-
31. Mr. Yoshio Ueyama	-	-	-	-	-	-	-
32. Mr. Sittichai Mahaguna	-	-	-	-	-	-	-
33. Mrs. Yingluk Kongkasai	-	-	-	-	-	-	-
34. Mr. Masashi Miyazaki	-	-	-	-	-	-	-
35. Mr. Misuaki Yasui	-	-	-	-	-	-	-
36. Mr. Masahiro Matsumoto	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
37. Mr. Shinichiro Namiki	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
38. Mr. Udomkarn Udomsab	-	-	-	-	-	-	-
39. Mrs. Kittiya Srisanit	-	-	-	-	-	-	-
40. Miss Siriporn Sinacharoen	-	-	-	-	-	-	-
41. Mr. Somwang Toraktrakul	-	-	-	-	-	-	-
42. Miss Saisunee Hanprathueangsil	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
43. Mr. Congsin Congcar	-	-	-	-	-	-	-
44. Miss Pisara Pattanasiri	-	-	-	-	-	-	-
45. Mr. Kriangsak Jongsukkgiparnich	-	-	-	-	-	-	-

Name-Surname	December 31, 2019			December 31, 2018			Total Shares
	No. of Shares (shares)		Total	No. of Shares (shares)		Total	Increase/ (Decrease) During the Year (shares)
	Directors/ Executives	Spouse and Minor children	Shareholding (%) <sup>1/</sup>	Directors/ Executives	Spouse and Minor children	Shareholding (%) <sup>1/</sup>	
Executives (Cont')							
46. Miss Jiraporn Popairoj	2,374	-	0.0000	2,374	-	0.0000	-
47. Mrs. Akanit Mattison	-	-	-	-	-	-	-
48. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-	-
49. Miss Pornnapa Patarasatienkul	-	-	-	-	-	-	-
50. Mr. Khomson Adunwitthayakorn	-	-	-	-	-	-	-
51. Mr. Jamorn Phianphrom	2	-	0.0000	2	-	0.0000	-
52. Mrs. Orawan Julapol	-	-	-	-	-	-	-
53. Miss Sukanda Thawilwang	1,000	-	0.0000	-	-	-	1,000
54. Miss Wimol Sivarorosakul	-	-	-	-	-	-	-
55. Mr. Montien Jangsutimon	-	-	-	-	-	-	-
56. Miss Napaporn Teerakittiwattana	-	-	-	-	-	-	-
57. Mr. Nobuhiko Adachi	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
58. Mr. Teerasak Nimnaparaj	-	-	-	-	-	-	-
59. Miss Soamkulaya Pinkayan	-	-	-	-	-	-	-
60. Mrs. Tatsawan Dumrisomkul	-	-	-	-	-	-	-
61. Mr. Okart Supamornpun	-	-	-	-	-	-	-
62. Mrs. Banchoi Pattanapongpaibul	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
63. Mr. Sam Tanskul	-	-	-	-	-	-	-
64. Mrs. Kamoltip Jittimaporn	-	-	-	-	-	-	-
65. Miss Benjawan Surachutikarn	-	-	-	-	-	-	-
66. Mr. Takahisa Ishida	-	-	-	-	-	-	-
67. Miss Siriporn Sribooncharoen	-	-	-	-	-	-	-
68. Mrs. Samanporn Chantanahom	-	-	-	-	-	-	-
69. Miss Rattaporn Pornprasit	-	-	-	-	-	-	-
70. Mrs. Anantaya Padanupong	-	-	-	-	-	-	-
71. Miss Sunan Pimsawang	-	-	-	-	-	-	-
72. Miss Porntip Undamrongkarn	-	-	-	-	-	-	-
73. Miss Thitiporn Kittipiyakul	-	-	-	-	-	-	-
74. Mr. Vichai Kolsonvoravattanakul	-	-	-	-	-	-	-
75. Mrs. Suchavalee Srisarakorn	-	-	-	-	-	-	-
76. Miss Ananya Nopkhun	-	-	-	-	-	-	-
77. Mr. Suphawut Kitkuakosol	-	-	-	-	-	-	-
78. Mrs. Phatcharin Angkhasekvinai	-	-	-	-	-	-	-
79. Mrs. Weena Ratthapoom	-	-	-	-	-	-	-
80. Miss Janyarak Chuseng	-	-	-	-	-	-	-
81. Miss Wimon Pongmorakot	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
82. Mr. Auttasith Somviphate	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
83. Miss Rustai Woraittanon	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>
84. Miss Chanida Kwansanerthechin	-	-	-	-	-	-	-
85. Miss Sujinda Ninatkiattikul	-	-	-	-	-	-	-
86. Miss Thanawan Santananont	-	-	-	-	-	-	-
87. Miss Chavakorn Chavalerdpanyakul	-	-	-	-	-	-	-
88. Miss Nareerat Surakha	-	-	-	-	-	-	-
89. Mr. Pises Klommit	-	-	-	-	-	-	-
90. Miss Natpapat Samart	-	-	-	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>	N.A. <sup>2/</sup>

**Remarks:** <sup>1/</sup> Including spouse and minor children. As at December 31, 2018 and December 31, 2019, Krungsri had a total of 7,355,761,773 issued shares.

<sup>2/</sup> In 2018, he/she was not the director and/or the executive 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. Karun Kittisataporn

Independent Director

Chairman

**Age:** 72 years

**Nationality:** Thai

**Years of directorship:** 11 years 8 months

#### 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
- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018, Year 2018
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019

#### 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
- Board Nomination and Compensation Program (BNCP), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2019

#### Current positions:

##### • Positions in Bank of Ayudhya PCL:

- |                       |                      |
|-----------------------|----------------------|
| Jul 1, 2019 – Present | Chairman             |
| Apr 9, 2008 – Present | Independent Director |

##### • Positions in other listed companies (two companies):

- |                        |  |
|------------------------|--|
| Oct 9, 2019 – Present  | Lead Independent Director, Central Pattana 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 – Oct 8, 2019 | Independent Director, Central Pattana PCL                                  |
| Nov 2008 – Present     | Audit Committee Member, Sahamit Machinery PCL                              |

##### • Positions in non-listed companies/organizations (Three organizations):

- |                            |  |
|----------------------------|--|
| Oct 8, 2019 – Present      | Chairman, Krungsri Foundation  |
| Jan 16, 2017 – Oct 7, 2019 | Director, Krungsri Foundation  |
| Jan 21, 2019 – Present     | Vice-Chairman, Committee 6, Council of State, Office of the Council of State |
| Apr 28, 2016 – Present     | Member, Committee on International Economic Policy                           |

#### Work experiences (in the last five years):

- |                             |   |
|-----------------------------|---|
| Jan 2017 – Dec 31, 2019     | Member, ASEAN Association – Thailand  |
| Apr 9, 2008 – Jun 30, 2019  | Chairman of the Nomination and Remuneration Committee, Bank of Ayudhya PCL  |
| Nov 1, 2017 – Jun 30, 2019  | Risk Management Committee Member, Khon Kaen Sugar Industry PCL  |
| Sep 2017 – Jun 30, 2019     | Chairman of the Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL                              |
| Feb 2010 – Jun 30, 2019     | Independent Director, Khon Kaen Sugar Industry PCL  |
| 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  |
| Nov 2006 – Jan 20, 2019     | Member, Committee 6, Council of State, Office of the Council of State   |
| 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  |

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None



### Mr. Noriaki Goto

Vice Chairman (Authorized Signatory)  
Nomination and Remuneration Committee Member

**Age:** 57 years

**Nationality:** Japanese

**Years of directorship:** 6 years

#### 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
- IT Security Trend Update, Year 2018

#### 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:

May 15, 2019 – Present	Vice Chairman
May 15, 2019 – Present	Nomination and Remuneration Committee Member
Jan 2, 2014 – Present	Director (Authorized Signatory)

##### • Positions in other listed companies: None

##### • Positions in non-listed companies/organizations (one organization):

2019 – Present	Regional Executive for Asia, Mitsubishi UFJ Financial Group
May 15, 2019 – Present	Senior Managing Executive Officer, Mitsubishi UFJ Financial Group

#### Work experiences (in the last five years):

Jan 16, 2017 – Dec 18, 2019	Vice Chairman, Secretary and Treasurer, Krungsri Foundation
Jan 5, 2015 – May 14, 2019	President and Chief Executive Officer, Bank of Ayudhya PCL
Jan 2, 2014 – May 14, 2019	Chairman of the Executive Committee, Bank of Ayudhya PCL
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
May 28, 2015 – Jun 23, 2016	Chairman, Krungsri Asset Management Co., Ltd.
May 14, 2014 – May 27, 2015	Director, Krungsri Asset Management Co., Ltd.

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None



### Mr. Seiichiro Akita

Director (Authorized Signatory)  
President and Chief Executive Officer  
Chairman of the Executive Committee

**Age:** 53 years

**Nationality:** Japanese

**Years of directorship:** 7 months

#### Education and training:

- Master of Management, Arthur D. Little School of Management
- Bachelor of Law, Keio University, Japan

**Training and seminar held by Thai Institute of Directors Association (IOD):** None

#### Current positions:

- **Positions in Bank of Ayudhya PCL:**
  - May 15, 2019 – Present President and Chief Executive Officer
  - May 15, 2019 – Present Director (Authorized Signatory)
  - May 15, 2019 – Present Chairman of the Executive Committee
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (one organization):**
  - Dec 19, 2019 – Present Vice Chairman and Treasurer, Krungsri Foundation

#### Work experiences (in the last five years) :

Aug 16, – Dec 31, 2019	Acting Head of Corporate Strategy and Planning Group, Bank of Ayudhya PCL
Jul 2018 – May 2019	Executive Officer, General Manager, Head of Japanese Corporate Banking for the Americas, MUFG Bank, Ltd. (New York, USA)
May 2017 – Jul 2018	Executive Officer, General Manager, Head of Asian Corporate Banking, MUFG Americas Holdings, MUFG Union Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
May 2015 – May 2017	Executive Officer, General Manager, Corporate Banking Division No. 3, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
Oct 2013 – May 2015	General Manager, Global CIB Planning Office, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None

### Mr. Toru Matsuda

Director  
Risk and Compliance Committee Member

**Age:** 62 years

**Nationality:** Japanese

**Years of directorship:** 1 Years 6 months

#### Education and training:

- Bachelor's degree of Commerce and Management, Hitotsubashi University
- IT Security Trend Update, Year 2018

**Training and seminar held by Thai Institute of Directors Association (IOD):** None

#### Current positions:

- **Positions in Bank of Ayudhya PCL:**
  - Jul 1, 2018 – Present Director
  - Jul 1, 2018 – Present Risk and Compliance Committee Member
- **Positions in other listed companies:** None
- **Positions in non-listed companies/organizations (one organization):**
  - 2016 - present President, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.

#### Work experiences (in the last five years):

2014 - 2016	Managing Executive Officer, Deputy Group Head of Integrated Global Business Group and Integrated Global Markets Business Group, Mitsubishi UFJ Financial Group
2013 - 2016	Deputy President, Chief Executive, Markets and Global Business Unit, Mitsubishi UFJ Trust and Banking Corporation

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None



### Mr. Virat Phairatphiboon

Independent Director  
Audit Committee Member  
Nomination and Remuneration Committee Member  
Chairman of the Risk and Compliance Committee

**Age:** 71 years

**Nationality:** Thai

**Years of directorship:** 21 years

#### 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
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019

#### 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 1, 2020 – Present Nomination and Remuneration Committee Member
- Oct 24, 2018 – Present Chairman of the Risk and Compliance Committee
- May 21, 1999 – Present Audit Committee Member
- Dec 2, 1998 – Present Independent Director

##### Positions in other listed company (one 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 five years):

- Feb 21, 2007 – Oct 31, 2018 Nomination and Remuneration Committee Member, Bank of Ayudhya PCL
- 2007 – May 2012 Audit Committee Member, Tipco Foods PCL

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None

### Dr. Jamlong Atikul

Independent Director  
Audit Committee Member  
Chairman of the Nomination and Remuneration Committee

**Age:** 71 years

**Nationality:** Thai

**Years of directorship:** 1 Years 2 Months

#### Education and training:

- Ph.D. in City and Regional Planning, Cornell University, USA
- Master of Commerce in Economics, University of Auckland, New Zealand
- Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019

#### Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2006
- Director Accreditation Program (DAP), Year 2006
- Role of the Chairman Program (RCP), Year 2011

#### Current positions:

##### Positions in Bank of Ayudhya PCL:

- Jul 1, 2019 – Present Chairman of the Nomination and Remuneration Committee
- Nov 1, 2018 – Present Independent Director
- Nov 1, 2018 – Present Audit Committee Member

##### Positions in other listed companies (two companies):

- 13 Jun 2019 – Present Chairman, Allianz Ayudhya Capital PCL
- 13 Jun 2019 – Present Independent Director, Allianz Ayudhya Capital PCL
- 2013 – Present Chairman (Authorized Signatory), Regional Container Lines PCL
- 2006 – 2013 Director and Nomination and Remuneration Committee Member, Regional Container Lines PCL

##### Positions in non-listed companies/organizations : None

#### Work experiences (in the last five years):

- Nov 1, 2018 – Jun 30, 2019 Nomination and Remuneration Committee Member, Bank of Ayudhya PCL
- 2014 – 2017 Member of Monetary Policy Committee, Bank of Thailand

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None





### Miss Potjaneer Thanavaranit

Independent Director  
Chairman of the Audit Committee

**Age:** 73 years

**Nationality:** Thai

**Years of directorship:** 9 Years 8 months

#### 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
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019

#### 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
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

#### 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 (five 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 (seven organizations):

- |                       |  |
|-----------------------|--|
| Feb 1, 2019 – Present | Audit Committee Member, Thai Beverage PCL (Listed in Singapore Exchange) |
|-----------------------|--|



Jan 31, 2018 – Present	Independent Director, Thai Beverage PCL (Listed in Singapore Exchange)
Feb 27, 2018 – Present	Honorary Members, Mae Fah Luang University Council
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 five 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

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None

#### Miss Junko Kawano

Director

**Age:** 50 years

**Nationality:** Japanese

**Years of directorship:** 1 Years 5 months

**Education and training:**

- Bachelor's degree of Mathematics,  
Tokyo Woman's Christian University, Japan
- IT Security Trend Update, Year 2018

**Training and seminar held by Thai Institute of Directors Association (IOD):** None

**Current positions:**

- Positions in Bank of Ayudhya PCL:  
Aug 1, 2018 – Present Director
- Positions in other listed companies: None
- Positions in non-listed companies/organizations  
(one organization):

Apr 1, 2018 – Present Managing Director, Head of  
Informations Systems Planning  
Division, Head of Information Systems  
Development & Operations Division,  
MUFG Bank, Ltd. (Tokyo, Japan)

#### Work experiences (in the last five years):

2017 – Mar 31, 2018	General Manager, Head of Informations Systems Planning Division, Head of Information Systems Development & Operations Division, MUFG Bank, Ltd. (Tokyo, Japan)
2016 – 2017	Chief Manager, Head of Global Systems Sites Department of Information Systems Planning Division, MUFG Bank, Ltd. (Tokyo, Japan)
2015 – 2016	Chief Manager, Deputy Head of Global Systems Sites Department of Information Systems Office, MUFG Bank, Ltd. (Tokyo, Japan)
2013 – 2015	Senior Manager, Program Manager, IT Promotion & Enterprise Architecture Department of Information Systems Planning Division, PMO of Krungsri System integration project, MUFG Bank, Ltd. (Tokyo, Japan)

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None



**Mr. Pornsanong Tuchinda**

Director (Authorized Signatory)  
Head of Commercial Banking  
Acting Head of Corporate Banking Group  
Senior Executive Vice President  
Executive Committee Member

**Age:** 58 years

**Nationality:** Thai

**Years of directorship:** 4 Years 3 months

**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
- IT Security Trend Update, Year 2018
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019

**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, 2020 – Present	Acting Head of Corporate 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

• **Positions in other listed companies:** None

• **Positions in non-listed companies/organizations:** None

**Work experiences (in the last five years):**

May 1 – Nov 27, 2018 and Jan 5 – Jun 30, 2015	Acting Head of Corporate Banking Group, Bank of Ayudhya PCL
May 1 – Nov 27, 2018	Acting Head of Corporate Credit Analysis Division, Bank of Ayudhya PCL
Jan 1 – Oct 15, 2018	Acting Head of Investment Banking Group, Bank of Ayudhya PCL
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 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
July 1, 2012 – Jan 4, 2015	Risk Management Committee Member, Bank of Ayudhya PCL
Apr 23 – Nov 8, 2018	Director (Authorized Signatory), Krungsri Securities PCL
Nov 2009 – Mar 15, 2015	Chairman (Authorized Signatory), Krungsri Securities PCL

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None



### Miss Duangdao Wongpanitkrit<sup>1/</sup>

Director (Authorized Signatory)

Chief Financial Officer

First Executive Vice President, Finance Group

Executive Committee Member

**Age:** 50 years

**Nationality:** Thai

**Years of directorship:** 3 Years 9 months

#### Education:

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University

#### External trainings:

- Certified Public Accountant (CPA Thailand)<sup>2/</sup>
- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017<sup>2/</sup>
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- IT Governance & Cyber Resilience, Year 2019
- CFO Professional Development Program (TLCA CFO CPD) "How important are intangible assets impairments?" "How important of Employee Benefit Actuarial Valuation", Year 2019<sup>2/</sup>
- CFO Professional Development Program (TLCA CFO CPD) "The CFO's role in stakeholder communications" (English Session), Year 2019<sup>2/</sup>
- Deloitte CFO Vision Conference Bangkok, Year 2019<sup>2/</sup>
- PwC Thailand's 2019 Symposium, Year 2019<sup>2/</sup>

#### 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
- Strategic Board Master Class (SBM), Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018
- IT Governance and Cyber Resilience Program (ITG), Year 2018
- Boards that Make a Difference (BMD), Year 2019

#### 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 (three organizations):

Jul 22, 2019 – Present	Director (Authorized Signatory), Krungsri Nimble Co., Ltd. (Formerly, Krungsri Factoring Co., Ltd.)
Mar 27, 2017 – Present	Director (Authorized Signatory), Krungsri Finnove Co., Ltd.
Sep 12, 2016 – Present	Director, Hattha Kaksekar Limited

#### Work experiences

##### • In accounting and finance (in the last five years):

May 29, 2015 – Mar 2019	Director, Ngern Tid Lor Co., Ltd.
Nov 26, 2015 – Apr 27, 2018	Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
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

##### • Others (in the last seven years): None

##### • Positions receiving remuneration in for-profit companies/ organizations: None

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None

#### Remarks:

<sup>1/</sup> The person taking the highest responsibility in accounting and finance

<sup>2/</sup> The orientation course in accounting /finance and continuing development course in accounting





### Miss Nopporn Tirawattanagool

Director (Authorized Signatory)

Nomination and Remuneration Committee Member

Risk and Compliance Committee Member

**Age:** 65 years

**Nationality:** Thai

**Years of directorship:** 9 Years 8 months

#### 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
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018
- IT Governance & Cyber Resilience, Year 2019
- Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019
- Agile Leadership for Board of Directors, Year 2019

#### 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
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

#### 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

Apr 8, 2010 – Jan 1, 2014      Director

##### • Positions in other listed companies (four companies):

Apr 20, 2016 – Present      Director, Grand Canal Land PCL

Oct 17, 2014 – Present      Director, Srivichaivejvivat PCL

Jul 22, 2014 – Present      Member of Nomination and Compensation Committee, Siam City Cement PCL

Jul 22, 2014 – Present      Member of Governance and Risk Committee, Siam City Cement PCL

Apr 2012 – Present      Director, Siam City Cement PCL

May 14, 2013 – Present      Nomination and Remuneration Committee Member, Allianz Ayudhya Capital PCL (Formerly, Sri Ayudhya Capital PCL)

Apr 22, 2013 – Present      Director, Allianz Ayudhya Capital PCL (Formerly, Sri Ayudhya Capital PCL)

##### • Positions in non-listed companies/organizations (23 organizations):

Dec 19, 2019 – Present      Director and Secretary, Krungsri Foundation

Apr 19, 2017 – Present      Director (Authorized Signatory), BBT Asset Management Co., Ltd.

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.



(effective January 2, 2020)

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 five years):**

May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
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**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** None

**Family relationship with directors and executives:** None

**Mrs. Tongurai Limpiti**

Independent Director  
Audit Committee Member  
Risk and Compliance Committee Member

**Age:** 63 years

**Nationality:** Thai

**Years of directorship:** -

**Education and training:**

- MBA., University of Wisconsin, Madison, USA
- Bachelor of Accountancy, Chulalongkorn University

**Training and seminar held by Thai Institute of Directors**

**Association (IOD):**

- Director Certification Program (DCP), Year 2001
- Advance Audit Committee Program (AACP), Year 2019

**Current positions:**

- **Positions in Bank of Ayudhya PCL:**
  - Feb 1, 2020 – Present Risk and Compliance Committee Member
  - Feb 1, 2020 – Present Audit Committee Member
  - Jan 2, 2020 – Present Independent Director
- **Positions in other listed companies (two companies):**
  - 2019 – Present Independent Director, Thai President Foods PCL
  - 2019 – Present Corporate Governance and Risk Management Committee Member, Thai President Foods PCL
  - 2016 – Present Chairman, Bangkok Commercial Asset Management PCL
- **Positions in non-listed companies/organizations (five organizations):**
  - 2018 – Present Advisor, Chulalongkorn Cancer Immunotherapy Fund
  - 2017 – Present Member, Civil System Development for Promotion of Good Public Management
  - 2017 – Present Qualified member of the Committee, Thai Investors Association
  - 2017 – Present Member, Financial Policy and Asset Committee, Srinakharinwirot University
  - 2016 – Present Advisor, Electronic Transactions Development Agency

**Work experiences (in the last five years):**

- 2019 – Dec 2019 Independent Director, CIMB Group
- 2018 – Dec 2019 Consultant, SCB ABACUS
- 2017 – Dec 2019 Director and Chairman of the Audit Committee, Thai Credit Guarantee Corporation
- 2016 – 2018 Chairman, Aira Factoring PCL
- 2014 – 2016 Deputy Governor Financial Institutions Stability, Bank of Thailand

**% Shareholding as of the latest record date on September 12, 2019 (including spouse and minor children):** 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
<b>1. Mr. Dan Harsono<sup>2/</sup></b> Age 59 years  - Head of Retail and Consumer Banking (Jul 1, 2015) - Senior Executive Vice President (Sep 1, 2015) - Executive Committee Member (Jul 1, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- Master of Business Administration in Finance and Marketing, Indiana University, Bloomington, IN, USA</li> <li>- Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA</li> <li>- Strategic IT Governance (for non-IT), Year 2017</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)                             <ul style="list-style-type: none"> <li>• Director Certification Program (DCP-English), Year 2008</li> <li>• Director Diploma Examination Program (Fellow Member), Year 2019</li> <li>• Corporate Governance for Capital Market Intermediaries (CGI), Year 2015</li> </ul> </li> </ul>	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	
		<b><u>Other Companies/ Organizations</u></b>		
		Sep 12, 2016 – Present	Chairman	Hattha Kaksekar Limited
		Jul 7, 2016 – Present	Chairman	Krungsri Asset Management Co., Ltd.
		Sep 28, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Securities PCL
		Sep 8, 2015 – Present	Chairman (Authorized Signatory)	Tesco Lotus Money Services Ltd. (Formerly, Tesco Card Services Ltd.)
		Sep 30, 2015 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		May 29 – Sep 29, 2015	Director	
		Nov 2009 – May 28, 2015	Chairman (Authorized Signatory)	
		Sep 29, 2014 – Present	Chairman (Authorized Signatory)	Krungsri Leasing Services Co., Ltd.
		Dec 24 – 31, 2015	Chairman (Authorized Signatory)	General Card Services Ltd.
		Dec 3 – 23, 2015	Chairman	
		Feb 24 – Dec 2, 2015	Director	
		Nov 2009 – Feb 23, 2015	Authorized Director	
		May 11 – Dec 30, 2015	Director	Krungsriayudhya Card Co., Ltd.
		Jan 2008 – Apr 23, 2015	Authorized Director	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
<b>2. Mr. Yuzo Nakada</b> Age 51 years  - Head of JPC/MNC Banking (Jul 1, 2018) - First Executive Vice President (Jul 1, 2018) - Executive Committee Member (Jul 1, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration, Columbia University in the City of New York - Bachelor of Arts in Foreign Studies, Sophia University, Tokyo, Japan	Jul 1, 2018 – Present	Head of JPC/MNC Banking	Bank of Ayudhya PCL
		Jul 1, 2018 – Present	First Executive Vice President	
		Jul 1, 2018 – Present	Executive Committee Member	
		Jul 1 – Dec 31, 2018	Acting Head of Transaction Banking Group	
		Jul 1, 2015 – Jun 30, 2018	Head of Corporate Planning Division, Corporate Strategy and Planning Group	
		Mar 16, 2015 – Jun 30, 2018	Deputy Chief Financial Officer	
		Mar 9, 2015 – Jun 30, 2018	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	
		<b>Other Companies/ Organizations</b>		MUFG Bank, Ltd. (Tokyo, Japan)
		Sep 2013 – Mar 2015	Chief Manager, Head of Planning, Krungsri Project Management Office, Global Planning Division	
<b>3. Mrs. Voranuch Dejakaisaya<sup>2/</sup></b> Age 59 years  - Chief Information and Operations Officer (Jan 1, 2017) - First Executive Vice President (Jul 8, 2009) - Executive Committee Member (Jan 1, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA., Chulalongkorn University - BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), 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	



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
3. Mrs. Voranuch Dejakaisaya (Cont')	<ul style="list-style-type: none"> <li>Finance for Non-Finance Director (FND), Year 2006</li> <li>Corporate Governance For Capital Market Intermediaries (CGI), Year 2015</li> <li>Driving Company Success with IT Governance (ITG), Year 2016</li> <li>Board Matters and Trends (BMT), Year 2017</li> <li>Risk Management Program for Corporate Leaders (RCL), Year 2018</li> <li>IT Governance and Cyber Resilience Program (ITG), Year 2018</li> <li>Board that Make a Difference (BMD), Year 2019</li> </ul>	<u>Other Companies/ Organizations</u> Oct 25, 2019 – Present	Director	Hattha Kaksekar Limited
		Aug 28, 2019 – Present	Authorized Director	Krungsri Asset Management Ltd.
		Jul 22, 2019 – Present	Authorized Director	Krungsri Nimble Co., Ltd. (Formerly, Krungsri Factoring Co., Ltd.)
		Mar 9, 2018 – Present	Chairman of the Audit Committee	National ITMX Co., Ltd.
		Jan 1, 2017 – Present	Director	
		Mar 27, 2017 – Present	Director	Krungsri Finnovate Co., Ltd.
		Apr 3, 2015 – Present	Authorized Director	Krungsri Securities PCL
		Nov 2009 – Aug 30, 2019	Authorized Director	Total Services Solutions PCL
		Apr 21, 2015 – May 6, 2018	Director	Ayudhya Capital Services Co., Ltd.
		Nov 2009 – Feb 12, 2015	Authorized Director	General Card Services Ltd.
4. Miss Phawana Niemloy Age 60 years  - General Counsel (May 18, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jun 27, 2007)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None  Remark: * Retired from Krungsri, effective January 1, 2020	<ul style="list-style-type: none"> <li>LL.M., Harvard Law School, USA</li> <li>Bachelor of Law (Gold Medal), Chulalongkorn University</li> <li>Strategic IT Governance (for non-IT), Year 2017</li> <li>IT Security Trend Update, Year 2018</li> <li>Certificate of training and seminar, Thai Institute of Directors Association (IOD)</li> <li>Director Certification Program (DCP), Year 2006</li> <li>Finance for Non-Finance Director (FND), Year 2006</li> </ul>	May 18, 2007 – Dec 31, 2019*	General Counsel	Bank of Ayudhya PCL
		Jun 27, 2007 – Dec 31, 2019*	Executive Committee Member	
		Jan 3, 2007 – Dec 31, 2019*	First Executive Vice President	
		<u>Other Companies/ Organizations</u> Sep 2002 – Present	Director Executive Director and Secretary to the Board	Mae Fah Luang Foundation under Royal Patronage

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>5. Miss Puntipa Hannoraseth</b> Age 51 years  - Head of Internal Audit Group (Apr 27, 2009) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- MBA., Thammasat University</li> <li>- Bachelor of Accounting (1<sup>st</sup> Class Honor), Thammasat University</li> <li>- Certified Public Accountant (CPA Thailand)</li> <li>- Certified Internal Auditor</li> <li>- Seminar on "CAE Forum: IA Succession Plan: Empower IA New GEN", Year 2018</li> <li>- Seminar on "IT Governance and IT Risk Management 4.0", Year 2018</li> <li>- Seminar on "Staying Relevant in a Digital Landscape", Asian Confederation of Institutes of Internal Auditors (ACIIA), Year 2018</li> <li>- Training on Auditing Digital Risk Management Masterclass, Year 2019</li> <li>- Training on Agile Internal Auditor, Year 2019</li> <li>- Training on Agile Project Process for Internal Audit, Year 2019</li> <li>- Training and Seminar on Thai Financial Reporting Update (TFRS), Year 2019</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)               <ul style="list-style-type: none"> <li>• Company Secretary Program (CSP), Year 2009</li> <li>• Audit Committee Program (ACP), Year 2009</li> <li>• Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010</li> </ul> </li> </ul>	Apr 1, 2013 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Sep 16, 2010 – Present	Secretary to the Audit Committee	
		Apr 27, 2009 – Present	Head of Internal Audit Group	
		Jan 7, 2015 – Apr 15, 2017	Acting Head of Internal Audit Division	
		Jan 7 – May 6, 2015	Acting Head of Credit Examination Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>6. Mr. Chandrashekar Subramanian Krishnoolndmangalam<sup>2/</sup></b> Age 57 years  - Chief Risk Officer (Jan 3, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jan 3, 2007)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Master in Commerce, Bombay University, India - 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	Jan 3, 2007 – Present	Chief Risk Officer	Bank of Ayudhya PCL
		Jan 3, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Present	First Executive Vice President	
		<b>Other Companies/ Organizations</b>		
		Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
		May 29, 2015 – Present	Director	Ngern Tid Lor Co., Ltd.
		Apr 21, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		May 2008 – Apr 20, 2015	Authorized Director	
		Mar 26, 2015 – Present	Authorized Director	Ayudhya Development Leasing Co., Ltd.
		Mar 20, 2014 – Jan 27, 2015	Chairman (Authorized Signatory)	
		Apr 2008 – Present	Director	Ayudhya Capital Auto Lease PCL
		May 7, 2014 – Jul 21, 2019	Authorized Director	Krungsri Factoring Co., Ltd.
<b>7. Mr. Tak Bunnag<sup>2/</sup></b> Age 59 years  - Head of Global Markets Group (Jan 5, 2015) - First Executive Vice President (Jul 1, 2015) - Executive Committee Member (Jan 5, 2015)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- 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 Vice President	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Head of Global Markets Group	
		Jan 5, 2015 – Present	Executive Committee Member	
		Jan 1, 2013 – Jan 4, 2015	Head of Treasury	
		<b>Other Companies/ Organizations</b>		
		Apr 26, 2017 – Apr 26, 2019	Director	Tris Corporation Ltd.
		Jul 2008 – Apr 23, 2015	Director	Ayudhya Capital Auto Lease PCL
<b>8. Mr. Sayam Prasitsirigul<sup>2/</sup></b> Age 50 years  - Head of SME Banking Group (Jan 1, 2017) - First Executive Vice President (Jul 1, 2011)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- 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, 2017 – Present	Head of SME Banking Group	Bank of Ayudhya PCL
		Jul 1, 2011 – Present	First Executive Vice President	
		Jan 1, 2018 – Oct 31, 2019	Acting Head of SME Credit Analysis Division	
		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	
		Apr 1, 2012 – Jun 30, 2015	Head of SME Banking Group	
		<b>Other Companies/ Organizations</b>		
		Mar 26, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Jul 25, 2012 – Oct 24, 2017	Chairman (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Jul 7, 2016 – May 3, 2017	Authorized Director	Krungsri 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
<b>9. Mr. Phonganant Thanattrai<sup>2/</sup></b> Age 55 years  - Head of Retail Banking and Distribution Group (Jan 1, 2017) - Acting Head of High Net-Worth Division (Sep 16, 2019) - First Executive Vice President (Apr 1, 2012)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI – English), Year 2015	Sep 16, 2019 – Present	Acting Head of High Net-Worth Division	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Head of Retail Banking and Distribution Group	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jan 7, 2015 – Sep 15, 2019	Acting Head of Provincial Branch Business Division	
		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	Head of Distribution	
		<b>Other Companies/ Organizations</b>		
		Nov 18, 2019 – Present	Authorized Director	Ngern Tid Lor Co., Ltd.
		Nov 29, 2019 – Present	Authorized Director	Krungsriayudhya Card Co., Ltd.
		Apr 20, 2015 – Present	Director	
		Mar 2, 2017 – Apr 25, 2018	Authorized Director	Total Services Solutions PCL
		Mar 23, 2017 – Mar 12, 2018	Authorized Director	Krungsri Securities PCL
		Apr 3 – Sep 15, 2015	Director	
		Aug 4, 2014 – Mar 22, 2017	Authorized Director	Krungsri Asset Management Co., Ltd.
<b>10. Mr. Pairote Cheunkrut<sup>2/</sup></b> Age 54 years  - Chief Strategy Officer (Jan 1, 2020) - Executive Committee Member (Jan 1, 2020) - First Executive Vice President (Oct 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> * Last updated information as of January 1, 2020	- Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University	Jan 1, 2020 – Present*	Chief Strategy Officer	Bank of Ayudhya PCL
		Jan 1, 2020 – Present*	Executive Committee Member	
		Oct 1, 2014 – Present	First Executive Vice President	
		Oct 1, 2015 – Dec 31, 2019*	Head of Krungsri Auto Group	
		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	



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. Pairote Cheunkrut (Cont')		<b>Other Companies/ Organizations</b> Jan 16, 2020 – Present	Director	Krungsri Nimble Co., Ltd. (Formerly, Krungsri Factoring Co., Ltd.)
		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	Authorized Director	
		May 2007 – Sep 30, 2015	Managing Director	
11. Mr. Thakorn Piyapan <sup>2/</sup> Age 48 years  - Chairman, Krungsri Consumer & Head of Digital Banking and Innovation (Jan 1, 2017) - Head of Krungsri Consumer Group (Jan 1, 2016) - First Executive Vice President (May 1, 2012)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> <li>- Master of Finance, University of Colorado at Denver, USA</li> <li>- Bachelor of Economics, Thammasat University</li> <li>- Capital Market Academy Programs : Executive Education (Year 2013)</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)</li> <li>• Director Certification Program (DCP), Year 2014</li> </ul>	Jan 1, 2017 – Present	Chairman, Krungsri Consumer & Head of Digital Banking and Innovation	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Head of Krungsri Consumer Group	
		May 1, 2012 – Present	First Executive Vice President	
		Feb 1 – Dec 31, 2016	Acting Head of Personal Loan Division	
		Feb 1 – Dec 31, 2016	Head of E-Business Division	
		May 1, 2012 – Dec 31, 2015	First Executive Vice President, Office of the President and CEO	
		<b>Other Companies/ Organizations</b> Jul 22, 2019 – Present	Chairman (Authorized Signatory)	Krungsri Nimble Co., Ltd. (Formerly, Krungsri Factoring Co., Ltd.)
		Jan 24, 2018 - Present	Authorized Director	National Digital ID Co., Ltd.
		Mar 27, 2017 – Present	Chairman (Authorized Signatory)	Krungsri Finnivate Co., Ltd.
		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	General Card Services Ltd.
		Feb 24 – Dec 31, 2015	Authorized Director	
		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Oct 2, 2012 – Dec 31, 2015	Director	Ayudhya Capital Services Co., Ltd.
		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	
		Nov 5, 2009 – Dec 31, 2015	Authorized Director	
		May 1, 2012 – Dec 31, 2015	Managing Director	Tesco Lotus Money Services Ltd. (Formerly, Tesco Card Services Ltd.)
		May 12, 2015 – Present	Authorized Director	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>12. Dr. Metinee Jongsaliswang<sup>2/</sup></b> Age 39 years  - Head of Corporate Banking Group (Nov 28, 2018) - Acting Head of Corporate Credit Analysis Division (Nov 28, 2018) - First Executive Vice President (Nov 28, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> * Resigned from Krungsri effective January 1, 2020	- Doctor of Business Administration (Management & Strategy), Manchester Business School, The University of Manchester - Master of Business Administration (Management & Strategy, Marketing, Managerial Economics and Finance), Kellogg School of Management, Northwestern University - Bachelor of Business Administration (Accounting) with Gold Medal award, Thammasat University	Nov 28, 2018 – Dec 31, 2019*	Head of Corporate Banking Group	Bank of Ayudhya PCL
		Nov 28, 2018 – Dec 31, 2019*	Acting Head of Corporate Credit Analysis Division	
		Nov 28, 2018 – Dec 31, 2019*	First Executive Vice President	
		<b>Other Listed Companies</b> 2015 – 2018	Executive Vice President, Head of Corporate Banking 3	Siam Commercial Bank PCL
		<b>Other Companies/ Organizations</b> 2011 – Present	Authorized Director	Kumo Business Service Co., Ltd.
		2013 – 2015	Director, Head of Coverage & Origination	Deutsche Bank, Bangkok Branch
<b>13. Mr. Vasin Udomratchatavanich<sup>2/</sup></b> Age 47 years  - Head of Human Resources Group (Jun 1, 2019) - Executive Committee Member (Jun 1, 2019) - Secretary to the Nomination and Remuneration Committee (Apr 25, 2019) - Executive Vice President, Human Resources Group (Apr 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Ph.D. in Technology Management, Stevens Institute of Technology - Master of Engineering, Stevens Institute of Technology - Bachelor of Engineering, Kasetsart University - Bangkok Sustainable Banking Forum 2019 "An Industry Wake-up Call", Year 2019	Jun 1, 2019 – Present	Head of Human Resources Group	Bank of Ayudhya PCL
		Jun 1, 2019 – Present	Executive Committee Member	
		Apr 25, 2019 – Present	Secretary to the Nomination and Remuneration Committee	
		Apr 1, 2014 – Present	Executive Vice President, Human Resources Group	
		Apr 25 – May 31, 2019 and Aug 17 – Nov 30, 2015	Acting Head of Human Resources Group	
		May 1, 2016 – May 31, 2019	Head of Organization Development Division	
		Dec 1, 2015 – Apr 30, 2016	Acting Head of Human Resources Business Partner Division 1	
		Oct 1, 2015 – Apr 30, 2016	Acting Head of HR Strategy and Development Division	
		Aug 17, 2015 – Apr 30, 2016	Acting Head of Human Resources Management Division	
		Aug 17 – Nov 30, 2015	Secretary to the Nomination and Remuneration Committee	
		Aug 17 – Sep 30, 2015	Acting Head of Talent Acquisition and Development Division	
		Apr 1, 2014 – Sep 30, 2015	Head of Organization Development Division	
		<b>Other Companies/ Organizations</b> Jul 22, 2019 – Present	Director	Krungsri Nimble Co., Ltd. (Formerly, Krungsri Factoring 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
<b>14. Mr. Nuttawit Boonyawat<sup>2/</sup></b> Age 57 years  - First Executive Vice President, Office of the President and CEO (Jan 5, 2015) - Advisor to the President and CEO (Jan 5, 2015)  <b>% Shareholding<sup>1/</sup></b> 0.0000% (1 share) <b>Family Relationship with Directors and Executives</b> -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	
		<b>Other Listed Companies</b>		
		Apr 24, 2015 – Present	Director Executive Director	Eastern Star Real Estate PCL
		Apr 28, 2014 – Oct 31, 2019	Director Executive Director	Matching Maximize Solution PCL
		<b>Other Companies/ Organizations</b>		
		May 6, 2018 – Present	Director	Krungsri Ayudhya AMC Ltd.
		Sep 14, 2017 – Present	Director Executive Director	Eastern Star Resort Co., Ltd.
		Feb 23, 2015 – Present	Authorized Director	Home Sukhumvit Co., Ltd.
<b>15. Mr. Yoichiro Tsukamoto</b> Age 51 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)  <b>% Shareholding<sup>1/</sup></b> -None- <b>Family Relationship with Directors and Executives</b> -None-	- Bachelor of Arts in Business and Commerce, from Keio University, Japan	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)	
		<b>Other Companies/ Organizations</b>		
		Nov 2013 – Jan 2015	Deputy General Manager (Non-Japanese Business)	MUFG Bank, 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
<b>16. Mr. Kotaro Kato</b> Age 49 years  - Deputy Head of Retail and Consumer Banking (May 15, 2019) - Executive Vice President (Mar 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Arts in Law and Diplomacy, Tufts University, the Fletcher School - Bachelor of Economics, University of Tokyo, Japan	May 15, 2019 – Present	Deputy Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Mar 31 2019 – Present	Executive Vice President	
		<b>Other Companies/ Organizations</b> Jul 2018 – Mar 2019	Managing Director, Head of Regional Corporate Banking Department	MUFG Bank, Singapore Branch
		Jul 2016 – Jul 2018	Managing Director, Head of Japanese Corporate Banking Department	
		Apr 2013 – Jul 2016	Managing Director, Head of Home Staff Human Resources Admin. and Liaison, Human Resources	MUFG Union Bank N.A. New York, USA
<b>17. Mr. Dharitree Kritsernvong<sup>2/</sup></b> Age 55 years  - 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)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Science in Finance, Chulalongkorn University - Bachelor of Business Administration Program in Information System, Rajamangala University of Technology - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP), Year 2019</li> <li>• Corporate Governance for Executives (CGE), Year 2019</li> </ul>	Jan 1, 2016 – Present	Head of Information Technology Group	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Acting Head of IT Infrastructure and Operations Technology Division	
		Jun 16, 2011 – Present	Executive Vice President	
		Jun 16, 2011 – Dec 31, 2015	Executive Vice President, IT Infrastructure and Operations Technology Division	
<b>18. Mrs. Katchariya Chongpaisansakul</b> Age 60 years  - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Apr 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> Retired from Krungsri, effective January 1, 2020	- 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"> <li>• Financial Institutions Governance Program, Year 2012</li> <li>• Development Risk Management Program, Year 2016</li> </ul>	Jan 1, 2017 – Dec 31, 2019	Co-Head of Operations Group	Bank of Ayudhya PCL
		April 1, 2014 – Dec 31, 2019	Executive Vice President	
		Jan 1 – Dec 31, 2016	Head of Operations Middle Office Group	
		Jan 1 – 31, 2016	Acting Head of Credit Control Division	
		Apr 1, 2014 – Dec 31, 2015	Executive Vice President, Head of Credit Control Division	



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>19. Mr. Wirote Chuenratanakul<sup>2/</sup></b> Age 52 years  - Head of Operations Group (Jan 1, 2020) - Executive Vice President (Jan 5, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> * Last updated information as of January 1, 2020	- 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) • Successful Formulation & Execution of Strategy, Year 2015	Jan 1, 2020 – Present*	Head of Operations Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 1, 2017 – Dec 31, 2019*	Co-Head of Operations Group	
		Jan 1 – Dec 31, 2016	Head of Operations Back Office Group	Total Services Solutions PCL
		Jan 5 – Dec 31, 2015	Executive Vice President, Head of Operations Control Division	
		<b>Other Companies/ Organizations</b> Aug 31, 2019 - Present	Authorized Director	
		Jul 1, 2014 – Jan 4, 2015	Deputy General Manager	MUFG Bank, Ltd., Bangkok Branch
<b>20. Mr. Yoshio Ueyama</b> Age 47 years  - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Arts in Economics, Hitotsubashi University, Japan	Jan 3, 2018 – Present	Chief Credit Officer	Bank of Ayudhya PCL
		Nov 6, 2017 – Present	Executive Vice President	
		<b>Other Companies/ Organizations</b> Oct 2015 – Nov 2017	Chief Manager, Head of Country Credit Team, Department No. 3, International Credit Division	MUFG Bank, Ltd. (Singapore)
		Oct 2011 – Oct 2015	Senior Manager, Country Credit Team, Department No. 3, International Credit Division	
<b>21. Mr. Sittichai Mahaguna<sup>2/</sup></b> Age 53 years  - Head of Investment Banking Group (Oct 16, 2018) - Executive Vice President (Oct 16, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA (Finance), California State University - Bachelor of Business Administration (BBA.) Finance and Banking, Chulalongkorn University  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries, Year 2019	Oct 16, 2018 – Present	Head of Investment Banking Group	Bank of Ayudhya PCL
		Oct 16, 2018 – Present	Executive Vice President	
		<b>Other Listed Companies</b> Oct 2015 – Aug 2018	Investment Banking Business Head	Kasikorn Bank PCL
		Jun 2006 – Sep 2015	Executive Vice President, Investment Banking Group	CIMB Thai Bank PCL
		<b>Other Companies/ Organizations</b> Nov 20, 2018 – Present	Authorized Director	Krungsri Securities PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>22. Mrs. Yingluk Kongkasai</b> Age 57 years  - Head of Transaction Banking Group (Jan 1, 2019) - Executive Vice President (Jun 2009) - Acting Head of Payment Soultions Division (Apr 1, 2018)  <b>% Shareholding<sup>1</sup>/ -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration, Oregon State University, USA - Bachelor of Art in Accountancy (Banking and Finance), Chulalongkorn University - Advanced Management Program for Overseas Bankers, The Wharton School, University of Pennsylvania, USA	Jan 1, 2019 – Present	Head of Transaction Banking Group	Bank of Ayudhya PCL
		Jun 2009 – Present	Executive Vice President	
		Apr 1, 2018 – May 1, 2019	Acting Head of Payment Solutions Division	
		Apr 1 – Dec 31, 2018	Deputy Head of Transaction Banking Group	
		Apr 1 – May 31, 2018	Acting Head of Sales and Business Promotion Division	
		Nov 2015 – Mar 2018	Head of Transaction Banking Division	
		Jan – Nov 2015	Head of Business Promotion Division	
<b>23. Mr. Masashi Miyazaki</b> Age 49 years  - Deputy Chief Financial Officer (Jul 1, 2018) - Head of Corporate Planning Division (Jul 1, 2018)  <b>% Shareholding<sup>1</sup>/ -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Arts in Law, the University of Tokyo, Japan	Jul 1, 2018 – Present	Deputy Chief Financial Officer	Bank of Ayudhya PCL
		Jul 1, 2018 – Present	Head of Corporate Planning Division	
		Jun 25 – 30, 2018	Executive Vice President, Corporate Planning Division	
		<b><u>Other Companies/ Organizations</u></b>		MUFG Bank (Europe) N.V. (Amsterdam)
		May 2016 – Jun 24, 2018	Managing Director, Head of Planning Division and Project Stella PMO Leader (Amsterdam)	
		Aug 2014 – Apr 2016	Managing Director, Head of Strategic Planning Department, Planning Division for EMEA (London)	MUFG Bank, Ltd. (London)
<b>24. Mr. Misuaki Yasui</b> Age 50 years  - Deputy Chief Risk Officer (Aug 11, 2018) - Executive Vice President (Aug 11, 2018)  <b>% Shareholding<sup>1</sup>/ -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Engineering, the University of Tokyo, Japan	Aug 11, 2018 – Present	Deputy Chief Risk Officer	Bank of Ayudhya PCL
		Aug 11, 2018 – Present	Executive Vice President	
		Jan 6, 2014 – Aug 10, 2018	Senior Vice President, Head of Enterprise-Wide Risk Management Division, Risk Management Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>25. Mr. Masahiro Matsumoto</b> Age 47 years  - Deputy Head of Transaction Banking Group (Jan 1, 2019) - Executive Vice President (May 21, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Agriculture, Kyoto University, Japan	Jan 1, 2019 – Present	Deputy Head of Transaction Banking Group	Bank of Ayudhya PCL
		May 21, 2018 – Present	Executive Vice President	
		Jan 1, 2019 – May 1, 2019	Acting Head of Planning Division, Transaction Banking Group	
		Jul 7 – Dec 31, 2018	Head of Planning Division, Transaction Banking Group	
		<b>Other Companies/ Organizations</b>		
		2016 – 2018	Chief Manager, Transaction Banking Group, Transaction Banking Division	MUFG Bank, Ltd. (Tokyo, Japan)
<b>26. Mr. Shinichiro Namiki</b> Age 49 years  - Deputy Head of Global Markets Group (Jan 26, 2019) - Executive Vice President (Jan 20, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Arts in Business and Commerce, from Keio University, Japan	Jan 26, 2019 – Present	Deputy Head of Global Markets Group	Bank of Ayudhya PCL
		Jan 20, 2019 – Present	Executive Vice President, Global Markets Group	
		<b>Other Listed Companies</b>		
		Jun 2018 – Jan 2019	Managing Director, Deputy Head of Global Markets Operation Division	MUFG Bank, Ltd. (Tokyo, Japan)
		Jun 2016 – Jun 2018	Chief Manager, Head of Operations Planning Department, Global Markets Operations Division	
		Nov 2013 – Jun 2016	Chief Manager, Head of Planning & Business Strategy Department, Global Markets Division for ASEAN Region	MUFG Bank, Ltd. (Singapore)
<b>27. Mr. Udomkarn Udomsab<sup>2/</sup></b> Age 44 years  - Executive Vice President, Office of the President and CEO (Nov 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> * Last updated information as of January 1, 2020 (No longer be the executive as defined by the Capital Market Supervisory Board and Krungsri, effective January 1, 2020)	- 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	Nov 1, 2014 – Dec 31, 2019*	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<b>Other Listed Companies</b>		
		Dec 1, 2015 – Present	Advisor to the Board of Directors	Pylon PCL
		<b>Other Companies/ Organizations</b>		
		Nov 1, 2014 – Dec 31, 2019*	Authorized Director	Krungsri Securities PCL
		Nov 1, 2014 – Dec 31, 2019*	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
27. Mr. Udomkarn Udomsab (Cont')	<ul style="list-style-type: none"> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Year 2015</li> <li>• Corporate Governance for Capital Market Intermediaries (CGI), Year 2015</li> </ul> </li> </ul>			
<b>28. Mrs. Kittiya Srisanit<sup>2/</sup></b> Age 58 years  - Head of Krungsri Auto Group (Jan 1, 2020) - Executive Vice President (Oct 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>  <b>Remark:</b> * Last updated information as of January 1, 2020	<ul style="list-style-type: none"> <li>- MBA., Marymount University, USA</li> <li>- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University</li> <li>- Certificate of Executive Development Program, Cornell University, USA, Year 2017</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> <li>• Director Certification Program (DCP), Year 2012</li> </ul> </li> </ul>	Jan 1, 2020 – Present*	Head of Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	Executive Vice President	
		Oct 1, 2015 – Dec 31, 2019*	Executive Vice President, Office of the President and CEO	
		Oct 1, 2014 – Sep 30, 2015	Executive Vice President, Krungsri Auto Credit and Operations Management Division, Krungsri Auto Group	
		<b>Other Companies/ Organizations</b>		
		Aug 2015 – Present	Authorized Director	Ayudhya Capital Auto Lease PCL
		Jun 1, 2016 – Dec 31, 2019	Managing Director	
		Oct 1, 2015 – May 31, 2016	Acting Managing Director	
		Apr 2014 – Present	Authorized Director	Krungsri Leasing Services Co., Ltd.
		Oct 2009 – Present	Director	Ngern Tid Lor Co., Ltd.
<b>29. Miss Siriporn Sinacharoen<sup>2/</sup></b> Age 41 years  - Executive Vice President, Office of the President and CEO (Jan 1, 2016)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- Master of Business Administration (Finance), Columbia University, USA</li> <li>- Bachelor of Business Administration in Banking and Finance (1<sup>st</sup> Class Honors), Chulalongkorn University</li> <li>- Chartered Financial Analyst (CFA)</li> <li>- Certificate of Top Executive Program, Capital Market Academy, Class 29/2019</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> <li>• Corporate Governance for Capital Market Intermediaries (CGI), Year 2016</li> </ul> </li> </ul>	Jan 1, 2016 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<b>Other Companies/ Organizations</b>		
		Jan 4, 2016 – Present	Authorized Director	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.



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>30.Mr. Somwang Toraktrakul<sup>2/</sup></b> Age 51 years  - Executive Vice President, Office of the President and CEO (Jan 1, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Business Management (Marketing), Royal Melbourne Institute of Technology, Australia  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2019	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	
		<b>Other Companies/ Organizations</b>		
		Jan 1, 2017 – Present	Managing Director	Krungsriayudhya Card Co., Ltd.
<b>31. Miss Saisunee Hanprathueangsil<sup>2/</sup></b> Age 51 years  - Executive Vice President, Office of the President and CEO (Nov 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Computer Science & Mathematics & Statistics, Deakin University, Australia  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2019	Nov 1, 2019 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jun 15, 2019 – Oct 31, 2019	Executive Vice President, Head of Tech Innovation Department, Digital Banking and Innovation Division	
		<b>Other Companies/ Organizations</b>		
		Nov 1, 2019 – Present	Managing Director	Krungsri Nimble Co., Ltd.
		Nov 1, 2019 – Present	Authorized Director	(Formerly, Krungsri Factoring Co., Ltd.)
		Nov 26, 2016 – Jun 15, 2019	Executive Vice President, Technology Division	Ayudhya Capital Service Co., Ltd.
<b>32. Mr. Congsin Congcar<sup>2/</sup></b> Age 49 Years  - Executive Vice President (Oct 1, 2014) - Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group (Jan 1, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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	
		<b>Other Companies/ Organizations</b>		
		May 15, 2017 – Present	Director	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
<b>33. Miss Pisara Pattanasiri<sup>2/</sup></b> Age 54 years  - Executive Vice President (Jul 1, 2015) - Head of Financial Planning and Analysis Division, Finance Group (Jan 7, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA., Seattle University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	Jul 1, 2015 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Financial Planning and Analysis Division, Finance Group	
		Jan 1, 2016 – Jan 7, 2018	Acting Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	
		Jan 7 – Dec 31, 2015	Acting Head of Financial Planning and Analysis Consolidation Department, Finance Group	
		Jan 7 – Jun 30, 2015	Senior Vice President	
		Mar 1, 2013 – Jan 6, 2015	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	
		<b>Other Companies/ Organizations</b>		
		Nov 25, 2019 – Present	Authorized Director	Siam Realty and Services Security Co., Ltd..
		Nov 13, 2019 – Present	Chairman	
		May 11, 2015 – Present	Director	Krungsri Ayudhya AMC Ltd.
		May 3, 2017 – Present	Director	
		Apr 26, 2016 – Apr 17, 2017	Director	Ayudhya Capital Auto Lease PCL
<b>34. Mr. Kriangsak Jongsukigparnich<sup>3/</sup></b> Age 50 years  - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, Finance Group (Jan 7, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA. (Finance), Western Michigan University, USA - Bachelor of Faculty of Commerce and Accountancy (Cost Accounting) Chulalongkorn University <b>External trainings:</b> - Certified Public Accountant (CPA Thailand) <sup>4/</sup> - PwC Thailand's 2019 Symposium : Financial Reporting and Tax, Year 2019 <sup>4/</sup> - Deloitte Forum 2019 : Future Accountant, Year 2019 <sup>4/</sup>	Mar 1, 2016 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Accounting Division, Finance Group	
		<b>Work experiences in accounting and Finance:</b>		
		Jan 7, 2015 – Apr 30, 2018	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	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
34. Mr. Kriangsak Jongsukgiparnich (Cont’)	<ul style="list-style-type: none"><li>- Seminar on key financial reporting standards to be implemented in 2020</li><li>- Interesting similarities and differences on accounting and tax framework from new TFRS</li></ul>	<u>Other Companies/ Organizations</u> May 5, 2017 – Jul 21, 2019 <b>Other</b> (in the last 7 years): None <b>Positions receiving remuneration in for-profit companies/ organizations:</b> None	Authorized Director	Krungsri Factoring Co., Ltd.
35. Miss Jiraporn Popairoj <sup>2/</sup> Age 58 years  <ul style="list-style-type: none"><li>- Executive Vice President (Jul 1, 2018)</li><li>- Head of Financial Governance Risk and Compliance Division, Finance Group (Jan 1, 2016)</li><li>- Acting Head of Internal Control Department, Finance Group (Jan 1, 2016)</li><li>- Acting Head of Related Party Transaction and Insourcing/ Outsourcing Department, Finance Group (Jan 1, 2016)</li><li>- Acting Head of Financial Compliance and Control Department, Finance Group (Jun 16, 2017)</li></ul> <b>% Shareholding<sup>1/</sup></b> 0.0000% (2,374 shares) <b>Family Relationship with Directors and Executives</b> -None-	<ul style="list-style-type: none"><li>- Doctor of Philosophy Business Administration, Assumption University</li><li>- Master of Science in Accounting, Thammasat University</li><li>- Master of Law (Taxation Law), Assumption University</li><li>- BA. in Accounting, Thammasat University</li><li>- Bachelor of Law, Ramkhamhaeng University</li><li>- Higher Diploma in Auditing, Thammasat University</li><li>- Certified Public Accountant (CPA Thailand)</li><li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)</li><li>• Director Certification Program (DCP), Year 2006</li><li>• Corporate Governance for Capital Market Intermediaries (CGI), Year 2015</li><li>• Strategic Board Master Class (SBM), Year 2019</li></ul>	Jul 1, 2018 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jun 16, 2017 – Present	Acting Head of Financial Compliance and Control Department, Finance Group	
		Jan 1, 2016 – Present	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	
		Jan 1, 2016 – Jun 30, 2018	Senior Vice President	
		Sep 16, 2010 – Dec 31, 2015	Senior Vice President and Head of Financial Compliance Department, Finance Group	Krungsri Asset Management Co., Ltd.
		<u>Other Companies/ Organizations</u>		
		Nov 28, 2019 – Present	Authorized Director	
		Jun 19, 2015 – Jun 22, 2016	Authorized Director	
		Aug 24, 2015 – Jun 22, 2016	Audit Committee Member	
		Jan 15 – Aug 12, 2015	Acting Chief Financial Officer	
		Aug 4, 2014 – Jun 18, 2015	Director	
		Aug 4, 2014 – Jan 14, 2015	Chairman of the Audit Committee	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>36. Mrs. Akanit Mattison<sup>2/</sup></b> Age 46 years  - Executive Vice President (Feb 1, 2019) - Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group (Jan 5, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- MBA., Assumption University</li> <li>- Bachelor of Banking and Finance, Assumption University</li> <li>- Certificate of training and seminar, Thai Institute of Directors Association (IOD)</li> <li>• Director Accreditation Program (DAP), Year 2019</li> </ul>	Feb 1, 2019 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group	
		Jan 5, 2015 – Jan 31, 2019	Senior Vice President	
		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> Jul 17, 2018 - Present		Ayudhya Capital Services Co., Ltd.
<b>37. Mrs. Varabhorn Achakornlak</b> Age 55 years  - Senior Vice President, Head of Procurement Department, Finance Group (Sep 16, 2010)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- MBA. International Business, Nova University, Florida, USA</li> <li>- Advance International Certificate PSCM (Purchasing &amp; Supply Chain Management), International Trade Center, UNTAD/WTO</li> <li>- Advance Purchasing Research (IFPM), The International Federation of Purchasing and Materials of Management, Salzburg, Austria</li> </ul>	Sep 16, 2010 – Present	Senior Vice President, Head of Procurement Department, Finance Group	Bank of Ayudhya PCL
<b>38. Miss Pornnapa Patarasatienkul</b> Age 47 years  - Senior Vice President, Head of Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019) - Acting Head of Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	<ul style="list-style-type: none"> <li>- Master of Science (Finance), Thammasat University</li> <li>- Bachelor of Banking and Finance, Assumption University</li> </ul>	Feb 1, 2019 – Present	Senior Vice President, Head of Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Feb 1, 2019 – Present	Acting Head of Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group	
		May 1, 2016 – Jan 31, 2019	Acting Head of Corporate Financial Planning and Analysis Section, 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
38. Miss Pornnapa Patarasatienkul (Cont')		Jan 5, 2015 – Jan 31, 2019	Senior Vice President, Head of Financial Planning and Analysis – Commercial Department, Finance Group	Bank of Ayudhya PCL
		Jun 18, 2012 – Jan 4, 2015	Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jul 2011 – Apr 28, 2015	Director	Siam Realty and Services Security Co., Ltd.
39. Mr. Khomson Adunwitthayakorn Age 46 years  - Senior Vice President, Head of Accounting and Control Department, Finance Group (Jul 1, 2013)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> <li>- Master of Science (Finance), Chulalongkorn University</li> <li>- Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University</li> <li>- Certified Public Accountant (CPA Thailand)</li> </ul>	Jul 1, 2013 – Present	Senior Vice President, Head of Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> 2019 – Present	Director	New Wave Auditing Co., Ltd.
40. Mr. Jamorn Phianphrom Age 58 years  - Senior Vice President, Head of Tax and Disbursement Department, Finance Group (Mar 1, 2014)  % Shareholding <sup>1/</sup> 0.0000% (2 shares) Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> <li>- MBA. (Finance), Dhurakij Pundit University</li> <li>- BA., Chiangmai University</li> <li>- Diploma in Tax Law, Thammasat University</li> </ul>	Mar 1, 2014 – Present	Senior Vice President, Head of Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
41. Mrs. Orawan Julapol Age 52 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 <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	<ul style="list-style-type: none"> <li>- Master of Science in Accounting, Thammasat University</li> <li>- Bachelor of Accounting, Thammasat University</li> <li>- Bachelor of Law, Thammasat University</li> <li>- Certified Public Accountant (CPA Thailand)</li> </ul>	Jan 1, 2016 – Present	Acting Head of Basel Reporting Section, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Senior Vice President, Head of Financial Reporting Department, Finance Group	
		Jul 1, 2013 – Jun 30, 2015	Vice President and Head of Financial Reporting 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
<b>42. Miss Sukanda Thawilwang</b> Age 45 years  - Senior Vice President, Head of Global Markets and Commercial Product Solution – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup></b> -None-0.0000% (1,000 shares) <b>Family Relationship with Directors and Executives</b> -None-	- Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University - Bachelor of Economics (International Program), Thammasat University	Feb 1, 2019 – Present	Senior Vice President, Head of Global Markets and Commercial Product Solution – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2015 – Jan 31, 2019	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group	
		Jan 5 – Jun 30, 2015	Vice President and Head of Global Markets Financial Planning and Analysis Department, Finance Group	
		Sep 1, 2012 – Jan 4, 2015	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	
<b>43. Miss Wimol Sivarorosakul</b> Age 58 years  - Senior Vice President, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup></b> -None- <b>Family Relationship with Directors and Executives</b> -None-	- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Thai Bankers Association Training School	Feb 1, 2019 – Present	Senior Vice President, Finance Group	Bank of Ayudhya PCL
		Jan 1, 2016 – Jan 31, 2019	Senior Vice President, Financial Liaison and Planning Department, Finance Group	
		Jan 5 – Dec 31, 2015	Senior Vice President and Head of Accounting Department (Bangkok Sathon Office), Finance Group	
		<b>Other Companies/ Organizations</b> 2007 – Jan 4, 2015	Assistant General Manager, Accounting Department	MUFG Bank, Ltd., Bangkok Branch
<b>44. Mr. Montien Jangsutimon</b> Age 38 years  - Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group (Mar 1, 2017)  <b>% Shareholding<sup>1/</sup></b> -None- <b>Family Relationship with Directors and Executives</b> -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	Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2014 – Feb 28, 2017	Vice President, Head of Tax Compliance Section, Tax and Disbursement 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
<b>45. Miss Napaporn Teerakittiwattana</b> Age 51 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)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA., Assumption University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 8, 2018 – Present	Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Jan 8, 2018 – Present	Acting Head of Profitability Management Section, Finance Group	
		<b>Other Companies/ Organizations</b> Oct 2012 – Dec 2017	Senior Manager, Head of CB CIB and GM, Finance and Control	Standard Chartered Bank (Thai) PCL
<b>46. Mr. Nobuhiko Adachi</b> Age 44 years  - Senior Vice President, Finance Group (Jun 3, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Science in Accountancy, University of Illinois, USA	Jun 3, 2019 – Present	Senior Vice President, Finance Group	Bank of Ayudhya PCL
		<b>Other Companies/ Organizations</b> Jul 2018 – 2 Jun 2019	Director, Corporate Planning Division	MUFG Bank, Ltd. (Tokyo, Japan)
		Sep 2014 – Jun 2018	Director, Global Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Limited
<b>47. Mr. Teerasak Nimnaparaj</b> Age 44 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)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section	
		Jan 1, 2017 – Present	Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section	
		Nov 1, 2015 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		Jul 1 – Oct 31, 2015	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	
		Oct 1, 2014 – Jun 30, 2015	Vice President and Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>48. Miss Soamkulaya Pinkayan</b> Age 41 years  - Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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	
<b>49. Mrs. Tatsawan Dumrisomkul</b> Age 47 years  - Senior Vice President, Head of Krungsri Auto Controllership Department (Apr 1, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Accounting, Bangkok University	Apr 1, 2018 – Present	Senior Vice President, Head of Krungsri Auto Controllership Department	Bank of Ayudhya PCL
		Jan 1, 2017 – Mar 31, 2018	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllership Department	
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllership Department	
<b>50. Mr. Okart Supamornpun<sup>2/</sup></b> Age 48 years  - Senior Vice President, Office of the President and CEO (Oct 1, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA., Chulalongkorn University - Bachelor of Business Administration, Assumption University  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2019	Oct 1, 2017 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<b>Other Companies/ Organizations</b> Oct 1, 2017 – Present	Authorized Director	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	



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>51. Mrs. Banchoi Pattanapongpaibul</b> Age 48 years  - Senior Vice President, Office of the President and CEO (Jul 1, 2019) - Acting Head of Financial Institutions Division (Jul 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration (Finance), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Arts Chulalongkorn University	Jul 1, 2019 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jul 1, 2019 – Present	Acting Head of Financial Institutions Division	
		Jun 2010 – Jun 30, 2019	Senior Vice President, Financial Institutions Division	
<b>52. Mr. Sam Tanskul</b> Age 39 years  - Senior Vice President, Head of FinTech/Startup Section, Innovation Department (Apr 1, 2017)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- 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 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2017	Apr 1, 2017 – Present	Senior Vice President, Head of FinTech/Startup Section, Innovation Department	Bank of Ayudhya PCL
		<b>Other Companies/ Organizations</b> Apr 1, 2017 – Present	Senior Vice President, Head of Innovation & Fintech Department	Ayudhya Capital Services Co., Ltd.
		Apr 1, 2017 – Present	Managing Director	Krungsri Finnovate Co., Ltd.
		Mar 27, 2017 – Present	Authorized Director	Krungsri Ayudhya Card Co., Ltd.
		Apr 17, 2005 – Mar 31, 2017	Senior Vice President	
<b>53. Mrs. Kamoltip Jittimaporn</b> Age 58 years  - Senior Vice President, Head of Operational Controllership Department, Finance Group (Jan 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- MBA. (Computer), Cleveland State University, USA - Bachelor of Business Administration (Accounting), Thammasat University	Jan 1, 2019 – Present	Senior Vice President, Head of Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		May 1 – Dec 31, 2018	Vice President, Head of Operational Controllership Department, Finance Group	
		Dec 1, 2013 – Apr 30, 2018	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllership 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
<b>54. Miss Benjawan Surachutikarn</b> Age 49 years  - Vice President, Head of Foreign Business Accounting Department, Finance Group (Jan 1, 2016)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- 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	Vice President, Head of Foreign Business Accounting Department, Finance Group	Bank of Ayudhya PCL
		Aug 1, 2013 – Dec 31, 2015	Vice President and Head of Foreign Branch Financial Reporting Section, Financial Compliance Department, Finance Group	
<b>55. Mr. Takahisa Ishida</b> Age 37 years  - Senior Vice President, Accounting Division, Finance Group (Nov 1, 2019) - Senior Vice President, Governance Planning Department Corporate Planning Division, Corporate Strategy and Planning Group (Nov 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Bachelor of Arts in Ethics, Faculty of Letters, Kyoto University, Japan	Nov 1, 2019 – Present	Senior Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Nov 1, 2019 – Present	Senior Vice President, Governance Planning Department Corporate Planning Division, Corporate Strategy and Planning Group	
		Feb 1, 2019 – Oct 31, 2019	Vice President, Accounting Division, Finance Group	
		Apr 9, 2018 – Jan 31, 2019	Vice President, Head of Foreign Financial Reporting Department, Accounting Division, Finance Group	
		Apr 12, 2016 – Jan 31, 2019	Vice President, Governance Planning section, Governance Planning and Strategy Management Department, Corporate Planning Division, Corporate Strategy and Planning Group	
		<b>Other Companies/ Organizations</b> Jun 2008 – Apr 2016	Manager of Financial Accounting Office, Financial Planning Division	MUFG Bank, Ltd. (Tokyo, Japan)
<b>56. Miss Siriporn Sribooncharoen</b> Age 46 years  - Vice President, Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- MS. (Finance), Chulalongkorn University - BBA. (Finance), Assumption University	Feb 1, 2019 – Present	Vice President, Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group	
		Nov 20, 2012 – Jan 4, 2015	Vice President, SME Financial Planning and Analysis 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
<b>57. Mrs. Samanporn Chantanahom</b> Age 58 years - Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 1, 2016)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
<b>58. Miss Rattaporn Pornprasit</b> Age 44 years - Vice President, Head of Retail Banking Product and Consumer Finance - Financial Planning and Analysis Section, Financial Planning and Analysis - Retail Banking and Consumer Finance Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Rector's Award for Academic Excellence Certification, Assumption University - MBA., Assumption University - BBA. (Finance), University of the Thai Chamber of Commerce	Feb 1, 2019 – Present	Vice President, Head of Retail Banking Product and Consumer Finance - Financial Planning and Analysis Section, Financial Planning and Analysis - Retail Banking and Consumer Finance Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group	
		Apr 18, 2013 – Jan 4, 2015	Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group	
<b>59. Mrs. Anantaya Padanupong</b> Age 42 years - Vice President, Head of Retail Segments and Channel – Financial Planning and Analysis Section, Financial Planning and Analysis – Retail Banking and Consumer Finance Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Commerce in Accounting and Finance Macquarie University, Australia - Bachelor of Science (Accounting) Thammasat University	Feb 1, 2019 – Present	Vice President, Head of Retail Segments and Channel – Financial Planning and Analysis Section, Financial Planning and Analysis – Retail Banking and Consumer Finance Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group	
		Nov 16, 2013 – Jan 4, 2015	Vice President and Section Manager, Distribution Financial Planning and Analysis Section, 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
<b>60. Miss Sunan Pimsawang</b> Age 48 years  - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	- MBA. Bangkok University - Bachelor of Accounting, Rajamangala University of Technology Thanyaburi	Feb 1, 2019 – Present	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2014 – Jan 31, 2019	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group	
<b>61. Miss Porntip Undamrongkarn</b> Age 44 years  - Vice President, Accounting Division, Finance Group (Feb 1, 2019)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Accounting Thammasat University	Feb 1, 2019 – Present	Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019	Vice President, Foreign Financial Reporting Department, Finance Group	
		Aug 16, 2014 - Jan 4, 2015	Vice President, Accounting Division, Finance Group	
<b>62. Miss Thitiporn Kittipiyakul</b> Age 45 years  - Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group (Dec 1, 2015)  % Shareholding <sup>1/</sup> -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	MUFG Bank, Ltd., Bangkok Branch
<b>63. Mr. Vichai Kolsonvoravattanakul</b> Age 40 years  - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019)  % Shareholding <sup>1/</sup> -None- Family Relationship with Directors and Executives -None-	- Master of Accountancy, Chulalongkorn University - Bachelor of Business Administration (Accounting), Assumption University	Feb 1, 2019 – Present	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2015 – Jan 31, 2019	Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	
		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	



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>64. Mrs. Suchavalee Srisarakorn</b> Age 51 years  - Vice President, Finance Group (Dec 1, 2015)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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><b>Other Companies/ Organizations</b></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, Accounting and Finance Department, Support Division	KTB Leasing Co., Ltd.
<b>65. Miss Ananya Nopkhun</b> Age 43 years  - Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jul 16, 2017)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		<u><b>Other Companies/ Organizations</b></u> Mar 2007 – Jul 2017	Senior Manager, Business Finance, Wholesale Banking	Standard Chartered Bank (Thai) PCL
<b>66. Mr. Suphawut Kitkuakosol</b> Age 40 years  - Vice President, Head of Internal Control & Financial Compliance Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA. (Business Administration), Chulalongkorn University - Bachelor of Laws (Business Laws), Chulalongkorn University - Bachelor of Accountancy (Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand) - Attorney-at-law - Certificate of Insight Financial Management program, The Stock Exchange of Thailand, Year 2019  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2017	Feb 1, 2019 – Present	Vice President, Head of Internal Control & Financial Compliance Department, Finance Group	Bank of Ayudhya PCL
		Oct 1, 2017 – Jan 31, 2019	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group	
		<u><b>Other Companies/ Organizations</b></u> Sep 2013 - Sep 2017	Vice President, Head of Business Operational Risk, Retail Banking	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
<b>67. Mrs. Phatcharin Angkhasekvinai</b> Age 45 years  - Vice President, Head of Bank and Group Financial Reporting Section, Financial Reporting Department, Financial Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Master of Accountancy, Chulalongkorn University - Bachelor of Accounting, Bangkok University - Certified Public Accountant (CPA Thailand)	Feb 1, 2019 – Present	Vice President, Head of Bank and Group Financial Reporting Section, Financial Reporting Department, Financial Group	Bank of Ayudhya PCL
		Mar 1, 2018 – Jan 31, 2019	Vice President, Head of Bank Financial Reporting Section, Financial Reporting Department, Financial Group	
		Mar 1, 2015 – Feb 28, 2018	First Assistant Vice President, Financial Reporting Department, Financial Group	
		Mar 1, 2013 – Feb 28, 2015	Assistant Vice President, Financial Reporting Department, Financial Group	
<b>68. Mrs. Weena Ratthapoom</b> Age 50 years  - Vice President, Procurement Department, Financial Group (Mar 1, 2018)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Bachelor of Business Administration (Industrial Management) Rajamangala University of Technology, Thanyaburi - High Vocational Certificate, Tourism Industry (Hotel Management) Rajamangala University of Technology Krunghthep - Vocational Certificate in Marketing, Rajamangala University of Technology Pra Nakorn	Mar 1, 2018 – Present	Vice President, Procurement Department, Financial Group	Bank of Ayudhya PCL
		Mar 16, 2015 – Feb 28, 2018	First Assistant Vice President, Procurement Department, Financial Group	
		<b>Other Companies/ Organizations</b> Mar 18, 2013 – Mar 15, 2015	Manager, Procurement and Administration Department	Transpo International Ltd.
<b>69. Miss Janyarak Chuseng</b> Age 42 years  - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None- Family Relationship with Directors and Executives -None-</b>	- Bachelor of Finance and Accounting (Finance), Thammasat University	Feb 1, 2019 – Present	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Jul 9, 2018 – Jan 31, 2019	Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group	
		<b>Other Listed Companies</b> Apr 16, 2015 – Jul 8, 2018	Vice President, Head of Account Payable and Supporting Function	Kiatnakin Bank PCL
		<b>Other Companies/ Organizations</b> Aug 16, 1999 – Apr 16, 2015	Assistant Vice President, Buy to Pay Leader	GE International Holding Corporation PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>70. Miss Wimon Pongmorakot</b> Age 37 years  - Vice President, Internal Control and Financial Compliance Department, Financial Governance Risk and Compliance Division, Finance Group (May 21, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA (Accounting and Finance), Duke University, USA - Bachelor of Accountancy (Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand)	May 21, 2019 – Present	Vice President, Internal Control and Financial Compliance Department, Financial Governance Risk and Compliance Division, Finance Group	Bank of Ayudhya PCL
		<u>Other Listed Companies</u> Sep 1, 2010 – May 20, 2019	First Vice President, Financial Management Group	Krungthai Bank PCL
<b>71. Mr. Auttasith Somviphat</b> Age 50 years  - Vice President, Head of Section, Regulatory Reporting Section, Finance Group (Jul 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration (Finance), Ramkhamhaeng University - Bachelor of Accounting Ramkhamhaeng University	Jul 1, 2019 – Present	Vice President, Head of Section, Regulatory Reporting Section, Finance Group	Bank of Ayudhya PCL
		Jan 1, 2014 – Jun 30, 2019	FAVP, Head of Group Financial Reporting Section	
<b>72. Miss Rustai Woraittanon</b> Age 41 years  - Vice President, Operational Controllership Department, Accounting Division, Finance Group (Sep 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration (Finance), Thammasat University - Bachelor of Accountancy (Accounting) Chulalongkorn University	Sep 1, 2019 – Present	Vice President, Operational Controllership Department, Accounting Division, Finance Group	Bank of Ayudhya PCL
		May 1, 2017 – Aug 31, 2019	Vice President, Overseas Operations Management Department	
		Oct 1, 2014 – Apr 30, 2017	Vice President, Accounting and Finance, Lao Branches	
<b>73. Miss Chanida Kwansanerthechin</b> Age 49 years  - Senior Vice President, Head of Krungsri Auto Tax Controllership Section (Jan 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- 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, 2019 – Present	Senior Vice President, Head of Krungsri Auto Tax Controllership Section	Bank of Ayudhya PCL
		Jan 1, 2017 – Dec 31, 2018	Vice President, Head of Krungsri Auto Tax Controllership Section	
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Tax Controller Section	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>74. Miss Sujinda Ninatkiattikul</b> <sup>2/</sup> Age 41 years  - Senior Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department (Jul 1, 2019)  <b>% Shareholding</b> <sup>1/</sup> -None- <b>Family Relationship with Directors and Executives</b> -None-	- Bachelor of Industrial Engineering, Faculty of Engineering, Chulalongkorn University	Jul 1, 2019 – Present	Senior Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	Bank of Ayudhya PCL
		Jan 1, 2017 – Jun 30, 2019	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	
		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	
		<b>Other Companies/ Organizations</b> Mar 27, 2015 –Present	Director	Nidanun Co., Ltd.
<b>75. Miss Thanawan Santananont</b> Age 55 years  - Vice President, Head of Krungsri Auto Procurement Section (Jan 1, 2017)  <b>% Shareholding</b> <sup>1/</sup> -None- <b>Family Relationship with Directors and Executives</b> -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, 2016	Vice President, Head of Krungsri Auto Finance and Accounting - Sourcing Section, Controllership Department	
<b>76. Miss Chavakorn Chavalerdpanyakul</b> Age 44 years  - Vice President, Head of Krungsri Auto Financial Planning and Analysis - Product Section, Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017)  <b>% Shareholding</b> <sup>1/</sup> -None- <b>Family Relationship with Directors and Executives</b> -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 – 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	



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
<b>77. Miss Nareerat Surakha</b> Age 49 years  - Vice President, Senior Project Manager Specialist, Krungsri Auto Business Implementation and Process Improvement Department, Krungsri Auto Group, Retail and Consumer Banking (Feb 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor Economics (Monetary Economic), Ramkhamhaeng University - Bachelor of Business Administration (Accounting), Suan Dusit University	Feb 1, 2019 – Present	Vice President, Senior Project Manager Specialist, Krungsri Auto Business Implementation and Process Improvement Department, Krungsri Auto Group	Bank of Ayudhya PCL
		Apr 1, 2018 – Jan 31, 2019	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department	
		Mar 1 – 31, 2018	Vice President, Head of Krungsri Auto Portfolio/Closing Unit, Auto Portfolio/Closing Group	
		Mar 1, 2011 – Feb 28, 2017	First Assistant Vice President, Krungsri Auto Portfolio/Closing Unit, Auto Portfolio/Closing Group	
<b>78. Mr. Pises Klommit</b> Age 51 years  - Vice President, Head of Krungsri Auto Data Management/Reporting Unit, Krungsri Auto Controllershship Department (Apr 1, 2018)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Business Administration (Finance) Kasetsart University - Bachelor of Business Administration (Finance), Ramkhamhaeng University	Apr 1, 2018 – Present	Vice President, Head of Krungsri Auto Data Management/Reporting Unit, Krungsri Auto Controllershship Department	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Jan 1, 2013 – Present	Vice President Data Management/Reporting	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
<b>79. Miss Natpapat Samart</b> Age 39 years  - Vice President, Strategic Senior Specialist, Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2019)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA Global Business Leadership, Concentration: Marketing at Johnson & Wales University, Rhode Island - Bachelor of Business Administration in Marketing, Rajamangala University of Technology  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful formulation & execution the strategy, Year 2015	Jan 1, 2019 – Present	Vice President, Strategic Senior Specialist, Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL
		Apr 1, 2015 – Dec 31, 2018	First Assistant Vice President, Strategic Senior Specialist Krungsri Auto Strategic Formulation and Alignment Department, Krungsri Auto Group	
		<u>Other Companies/ Organizations</u> Apr 1, 2013 – Mar 31, 2015	Assistant Vice President – Corporate Strategy at Krungsri Auto	Ayudhya Capital Auto Lease PCL

**Remarks:** <sup>1/</sup> Including spouse and minor children.

<sup>2/</sup> Acts as person with managerial authority under the Bank of Thailand (BoT)'s definition and holds the directorship in subsidiaries and/or any other companies.

In addition, there are another 9 Krungsri's executives acting as persons with managerial authority under BoT's definition and holding the directorships in subsidiaries and/or any other companies, as follows:

- |                                   |  |
|-----------------------------------|--|
| 1. Miss Yaowaluck Charnyapornpong | Authorized Director, D-Net Solution Co., Ltd.  |
| 2. Miss Montira Arayangkoon       | Director, Ayudhya Capital Services Co., Ltd.   |
| 3. Mr. Payung Leewongjaroen       | Director, Krungsri Asset Management Co., Ltd.  |
| 4. Mrs. Chotinart Yongsoontorn    | Authorized Director, Siam Realty and Services Security Co., Ltd.   |
| 5. Mrs. Nitaya Ounhirunskul       | Authorized Director, Krungsri Nimble Co., Ltd.<br>(Formerly, Krungsri Factoring Co., Ltd.)   |
| 6. Mr. Saran Sasanavin            | Authorized Director, Ayudhya Development Leasing Co., Ltd.<br>Director, General Card Services Ltd.<br>Authorized Director, Ayudhya Development Leasing Co., Ltd. |
| 7. Mr. Thongchai Vajapattana      | Director, Ben Decs Co., Ltd.   |
| 8. Mr. Somprawin Manprasert       | Director, The Erawan Group PCL   |
| 9. Mr. Iichiro Takahashi          | Director, Bangkok MUFG Ltd.  |

<sup>3/</sup> The person taking direct responsibility in supervising accounting with qualifications and requirements according to the notification of the Department of Business Development and acting as person with managerial authority under the Bank of Thailand (BoT)'s definition and holding the directorship in subsidiaries and/or any other companies.

<sup>4/</sup> The orientation course in continuing development course in accounting (External trainings), total 33 hours.

• **Newly Appointed Executives after December 31, 2019** 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
<b>1. Mr. Thitivor Chothayaphorn</b> Age 50 years  - Head of Legal Group (Jan 1, 2020) - Executive Vice President (Apr 1, 2014)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Thai Bar Association - Bachelor of Law, Ramkhamhaeng University	Jan 1, 2020 – Present	Head of Legal Group	Bank of Ayudhya PCL
		Apr 1, 2014 – Present	Executive Vice President	
<b>2. Miss Chayathip Phanmanee</b> Age 47 years  - Executive Vice President, Office of the President and CEO (Jan 1, 2020)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- MBA major in Finance, University of Toledo, Ohio, USA - Bachelor of Finance and Banking, Thammasat University	Jan 1, 2020 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<b>Other Companies/ Organizations</b>		
		Jan 1, 2020 – Present	Managing Director	Ayudhya Capital Auto Lease PCL
		Jul 1, 2015 – Dec 31, 2019	Executive Vice President, Head of Krungsri Auto Risk Management Division	
<b>3. Miss Walaiporn Triwuthikul</b> Age 37 years  - Vice President, Accounting and Control Department, Financial Group (Jan 1, 2020)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Bachelor of Accounting, Kasetsart University	Jan 1, 2020 – Present	Vice President, Accounting and Control Department, Financial Group	Bank of Ayudhya PCL
		Mar 2017 – Dec 31, 2019	First Assistant Vice President, Accounting Closing Section, Accounting and Control Department, Financial Group	
		Mar 2015 – Feb 2017	Assistant Vice President, Accounting Closing Section, Accounting and Control Department, Financial Group	
<b>4. Mr. Nontawats Techasoorapisitt</b> Age 35 years  - Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department (Jan 1, 2020)  <b>% Shareholding<sup>1/</sup> -None-</b> <b>Family Relationship with Directors and Executives -None-</b>	- Master of Accountancy, Chulalongkorn University - Bachelor of Accountancy, Burapha University - Certified Public Accountant (CPA Thailand)	Jan 1, 2020 – Present	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department	Bank of Ayudhya PCL
		Feb 1, 2019 – Dec 31, 2019	First Assistant Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department	
		May 1, 2017 – Jan 31, 2019	First Assistant Vice President – Technical Controller Unit	
		<b>Other Companies/ Organizations</b>		
		Jan 1, 2011 – Apr 30, 2017	Audit Manager	Deloitte Touche Tohmatsu Jaiyos Auditing Co., Ltd.

**Remark:** <sup>1/</sup> Including spouse and minor children.

## • 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
<b>Mrs. Thidarat Sethavaravichit</b> Age 50 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)  <b>% Shareholding<sup>1/</sup></b> 0.0000% (1,000 shares) <b>Family Relationship with Directors and Executives</b> -None-	- 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 - CG Code workshop, PwC, Year 2018 - IT Security Trend Update, Year 2018 - Company Secretary Forum 2019 "Role of the Company Secretary in Shaping Corporate Culture", Year 2019  - Certificate of training and seminar, Thai Institute of Directors Association (IOD) <ul style="list-style-type: none"> <li>• Company Secretary Program (CSP), Year 2002</li> <li>• Board Reporting Program (BRP), Year 2009</li> <li>• Director Certification Program (DCP), Year 2012</li> <li>• Corporate Governance for Executives (CGE), Year 2014</li> </ul>	Jul 1, 2010 – Present	Senior Vice President, Head of Corporate Secretariat Department	Bank of Ayudhya PCL
		Jul 1, 2008 – Present	Corporate Secretary and Secretary to the Board of Directors	
		Jul 1, 2008 – Present	Secretary to the Executive Committee	
		Nov 2008 – Dec 31, 2017	Ombudsperson	

**Remark:** <sup>1/</sup> 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 2019:** Remuneration paid by the Bank in 2019 to directors and executives is as per the following details:

### Cash remuneration

(1) Total directors' remuneration (retainer fee, other annual compensation, and attendance fee) of the 13 directors amounts to 52,488,500.00 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	Other Annual Compensation				
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan <sup>1/</sup> - Chairman of the Board of Directors	1,071,200.00	477,233.33	666,066.67	-	-	-	2,214,500.00
2. Mr. Karun Kittisataporn <sup>2/</sup> - Chairman of the Board of Directors	3,120,000.00	1,434,000.00	1,788,000.00	-	438,000.00	-	6,780,000.00
3. Mr. Atsushi Murakami <sup>3/</sup> - Vice Chairman - Member of the Nomination and Remuneration Committee	1,156,866.67	558,333.33	585,133.33	-	312,666.67	-	2,613,000.00
4. Mr. Noriaki Goto <sup>4/</sup> - Vice Chairman - Member of the Nomination and Remuneration Committee	1,951,133.33	941,666.67	986,866.67	-	527,333.33	-	4,407,000.00
5. Mr. Toru Matsuda - Member of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	-	840,000.00	5,784,000.00
6. Ms. Junko Kawano - Director	2,496,000.00	1,200,000.00	1,248,000.00	-	-	-	4,944,000.00
7. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	840,000.00	840,000.00	6,624,000.00
Independent Directors							
8. Mr. Virat Phairatphiboon - Chairman of the Risk and Compliance Committee - Member of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	840,000.00	-	876,000.00	6,660,000.00
9. Ms. Potjane Thanavaranit - Chairman of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	876,000.00	-	-	5,820,000.00

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	Other Annual Compensation				
10. Dr. Jamlong Atikul <sup>5/</sup> - Chairman of the Nomination and Remuneration Committee - Member of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	840,000.00	858,000.00	-	6,642,000.00
<b>Executive Directors *</b>							
11. Mr. Seiichiro Akita <sup>6/</sup>	-	-	-	-	-	-	-
12. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
13. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

**Remark:** \* Executive directors are not entitled to remuneration paid to directors.  
<sup>1/</sup> Waived the right to receive directors' remuneration of 1 month, i.e., January 2019, and gave the amount to support a weekend event called "Krungsri-MUFG Bike & Run"  
Deceased on 14 May 2019  
<sup>2/</sup> Appointed as Chairman on 1 July 2019  
<sup>3/</sup> Resigned on 15 May 2019  
<sup>4/</sup> Appointed as Vice Chairman on 15 May 2019  
<sup>5/</sup> Appointed as Chairman of the Nomination and Remuneration Committee on 1 July 2019  
<sup>6/</sup> Appointed as President and CEO on 15 May 2019

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2019 are as follows:

(3.1) Remuneration in the form of salary and bonus paid to the executives as defined by the Capital Market Supervisory Board and Krungsri, i.e., President and Chief Executive Officer, Head and Deputy Head of Commercial Banking, Head and Deputy Head of Retail and Consumer Banking, Head and Deputy Head of JPC/MNC Banking, Chief Information and Operations Officer, Head of Group/Chief Officer and Deputy Head of Group/Deputy Chief Officer, and Executive Vice President and above serving as Managing Director of the companies in Krungsri Group and/or being under the Office of the President and CEO and Finance and Accounting Group/Division totaling 40 persons, amounts to 497,982,402.89 baht.

(3.2) Remuneration in the form of salary and bonus paid to the executives as defined by the Bank of Thailand, i.e., Executive Vice President and above, totaling 102 persons, amounts to 1,005,190,262.96 baht.

**Remarks:** - 4 new executives joined Krungsri during the year  
- 8 executives resigned from Krungsri during the year

## Other remuneration

Directors and executives are entitled to receive other benefits and welfare in accordance with Krungsri's regulations. Directors are entitled to receive medical benefits, annual health check-up, and company car. Krungsri executives are entitled to receive other benefits and welfare i.e., medical benefits, health check-up, life and accident insurance, welfare loans, social security contribution and provident fund contribution. In 2019, the Bank's provident fund contribution for executives under item (3.1) was 20,405,940.52 baht in total while the provident fund contribution for executives under item (3.2) was 41,752,448.71 baht in total. In addition, Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.

# 6

## CORPORATE SOCIAL RESPONSIBILITY





อุปกรณ์การเรียน-เครื่องเขียน

Simple to Share

krungsri  
Simple to Share  
www.krungsri.com





With the mission 'to be a leading regional financial institution with global reach, committed to responsibly meeting customer needs and serving society through sustainable growth', Krungsri firmly believes that such growth can be achieved only through community and societal engagement and contribution. Equally important, we are mindful of the impact of our operations on all stakeholders, and duly assume responsibility for this. Our commitment to the creation of shared values is upheld by employees across Krungsri Group as demonstrated through our CSR-in-process practices and CSR-after-process activities. We are committed to promoting sustainable socioeconomic and environmental development, and good governance.

In 2019, Krungsri Group continued to build upon Krungsri's 4 CSR Pillars: 1) Creating Sustainability Value; 2) Giving Back to the Community; 3) Preserving the Environment; and 4) Providing Financial Support. As a Domestic Systemically Important Bank (D-SIB), Krungsri is committed to being a responsible financial service provider, operating under the principle of good corporate governance and with responsibility toward society and all stakeholders. Krungsri

follows the Stock Exchange of Thailand's corporate social responsibility guidelines and international standards, including the United Nations Sustainable Development Goals (SDGs) encompassing economic, social, environmental, and governance dimensions for sustainable growth.

## 1. GOOD CORPORATE GOVERNANCE

The Bank fully complies with the principles of good corporate governance as 'Good Corporate Governance Principles' have been stipulated in writing. The contents cover shareholders' rights and equitable treatment; disclosure of information and transparency; composition and qualifications of the Board of Directors; roles and responsibilities of the Chairman and the Board of Directors including the subcommittees reporting to it; roles and responsibilities of the President and Chief Executive Officer and other executives; internal control system and internal audit system; Krungsri Group's business philosophy and roles toward stakeholders; Krungsri's mission, vision, and core values; and the Code of Conduct and employees' compliance with it. It is stipulated that these principles are to be

revised every year or without delay upon any significant change to ensure that Krungsri's Good Corporate Governance Principles are appropriate for the changing situations and correspond with the relevant criteria, including the organization structure and the compliance environment of Krungsri Group.

Moreover, the Bank has stipulated 'The Spirit & The Letter (S&L)' as practices for all directors, executives, and employees in working with integrity under laws and good governance principles.

In 2019, Krungsri earned an 'Excellent' level of recognition based on the Corporate Governance Report of Thai Listed Companies 2019 (CGR 2019) project wherein the Thai Institute of Directors Association (IOD) surveyed and monitored corporate governance practices of Thailand's listed companies using assessment criteria developed from that of the Organization for Economic Cooperation and Development (OECD).

## 2. FAIR BUSINESS PRACTICES

Krungsri is committed to responsible business operations with fair practices, while encouraging related stakeholders to ensure proper treatment of other stakeholders and members of the supply chain. In support of fair treatment, we advocate fair competition, promoting responsibility toward society as a business partner, and respect for intellectual property rights to create shared values.

Krungsri promotes a code of conduct for commercial banks and prevention of unfair competition. As a financial intermediary and financial service provider across all industries, we undertake business based on prudence and caution to ensure equality of financial support for all businesses, while guarding against unlawful business assistance.

On supplier or vendor engagement, Krungsri stipulates fair and lawful practices toward suppliers, and expects suppliers to operate their business in compliance with regulatory requirements together with fair employee treatment, including practices comparable to those of Krungsri. In addition, Krungsri prohibits inappropriate payments upon any business agreement with private or public-sector organizations. Our employees shall strictly comply with the ultimate standards of the code of conduct, laws, and related regulatory requirements, as well as special provisions related to business undertakings with state agencies or enterprises.

Krungsri also places great importance on respect for property rights, treating the Bank's intellectual property rights as its most valuable assets. Therefore, best practices are established for all employees to maintain and protect our patents, logos, copyrights, business confidentiality, and other information which are the possessions of the Bank, while having respect for intellectual property rights of other related parties.

## 3. ANTI-CORRUPTION

The anti-bribery and corruption guidelines have been instilled into Krungsri's employees at all levels, while anti-corruption policies and practices have also been stipulated. The Fraud Management Committee was established to facilitate the most efficient anti-corruption practices in the organization. Our other anti-corruption endeavors include fraud risk management planning, monitoring and overseeing compliance with anti-corruption policies, encouraging employees to report any non-compliance to their respective heads or the Compliance Division, and supporting employees at all levels to attend anti-corruption training, e.g., the Anti-Money Laundering and Combating the Financing of Terrorism

program, and the Gift & Entertainment program. Therefore, these practices would become anti-corruption guidelines for reiterating the roles, duties, and responsibilities of all the relevant business units to ensure compliance with the Bank's corporate governance principles, to which all levels of executives and employees must strictly adhere. The program also promotes a good organization culture and reflects our stand of zero tolerance toward corruption.

Moreover, Krungsri was recertified as a member of 'Thailand's Private Sector Collective Action Coalition against Corruption' (CAC), reflecting Krungsri Group's determination to prioritize action against all forms of corruption and bribery in accordance with our written policy and procedure which serve as guidelines for measurable sustainability. All of our directors, executives, and employees must sign and observe a binding agreement to adhere to the Anti-Corruption Policy and Guidelines, with disciplinary action toward those who violate these provisions.

## 4. RESPECT FOR 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 business relations, while business practices that violate human rights are prohibited.

Krungsri has promulgated the 'Human Rights Disclosure Statement' that reads, 'Krungsri recognizes respect for human rights as an important issue to be addressed in the management of our business for the realization of our Corporate Mission as a member of the world's most trusted financial group in serving society through sustainable growth. We aim to fulfill our responsibility to respect human rights across all of our operations.' The disclosure statement reflects our business undertakings that address global sustainable development goals.

Equal service for every customer is encouraged: For example, specially designed buildings with facilities for the disabled or physically challenged are provided. The Bank also 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 12<sup>th</sup> floor of the Head Office, Rama III Road.

Furthermore, we provide 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 employee rights in accordance with the principles of human rights and fundamental rights at work. We offer proper employee welfare, compliance with applicable laws and regulations, as well as social and health protection, including workplace safety.

The Bank established the 'Nomination and Remuneration Committee' which is responsible for determining policy for remuneration and benefits that reflects the objectives, duties and responsibilities, as well as the risks associated with the Bank and/or the companies in the Bank's Financial Business Group by adhering to clear and transparent regulations. The aforesaid remuneration and benefits should be competitive when measured against industry peers. Krungsri also established the 'Guidelines on Fair Hiring Practices' by taking into consideration the appropriateness of the work regardless of ethnicity, gender, religion, age, and compliance with labor laws and relevant employment practices. Moreover, we promote a friendly working environment and respect for employees' rights.

Krungsri also established the 'Safety, Occupational Health and Environment Committee' comprising employees and executives working on behalf of the employer in the ratio stipulated by laws to promote employees' health. The Bank also provided appropriate benefits to support employees and their families, reducing their cost of living and easing their financial concerns in a way that will lead to good operating performance as follows:

- Annual health check-up
- Krungsri clinic with medical doctors and nurses stationed at the Head Office (19<sup>th</sup> floor) and Krungsri Ploenchit Office (12<sup>th</sup> floor) who are ready to provide first aid care and health advice
- Happy Heart Center for providing mental health advice, as we realize that mental health significantly impacts physical health
- Krungsri Fitness Center at the Head Office (10<sup>th</sup> floor) with experienced trainers who closely monitor and provide advice on safe machine usage to employees. Spaces for yoga and aerobic exercise are available to promote good health as well as reduce workout and healthcare expenses for employees.

In addition, Krungsri promotes and offers employees the right to establish and apply for membership of the Labor Union of Bank of Ayudhya so that they would be able to share their opinions with the Bank as part of the organization's good labor relations. In case of problems, employees may file their complaints through available channels, e.g., the Employee

Relations and Disciplinary Procedures Department, at the Head Office (12<sup>th</sup> floor), or calling 0-2296-2000, ext. 72836 or 72837; or the HR Service, at the Head Office (12<sup>th</sup> floor), or calling 0-2296-2000, ext. 85577, so that their issues could be solved in accordance with the Bank's guidelines.

## 6. RESPONSIBILITY TOWARD 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 while remaining in compliance with rules and regulatory requirements.

Krungsri, therefore, formulated the 'Policy on Market Conduct' for controlling market conduct management in accordance with regulatory requirements. The policy serves as a guideline on providing fair services to customers for both the Bank and companies in the Financial Business Group. Training sessions are provided, and communications are made to all levels of customer service employees on the importance of fair provision of services, in particular the complete and clear disclosure of product and service information, as well as key product risks, details, and conditions, in accordance with market standards, to support consumers' decision-making.

In addition, Krungsri also provides standards and the Customer Complaint Resolution Process (CCRP) which covers not only the main contact channel 'Krungsri Call Center 1572' but also other channels such as the Bank's branches, website, email, and fax. This is so that employees have a guideline to follow for handling customers' complaints, praise, and suggestions. All relevant business units must resolve any complaint within a time limit, counting from the date that the complaint was received from clients.

## 7. SOCIAL AND COMMUNITY DEVELOPMENT

In 2019, Krungsri continued to strive for excellence by placing even greater importance on social responsibility through implementing projects and activities in line with our mission, expertise, and core values, building upon Krungsri's 4 CSR Pillars as aforementioned. At the same time, Krungsri has devoted significant effort to promoting volunteerism amongst employees, who are the key drivers of its corporate social responsibility programs. The culture of sharing – coming together, thinking together, and working together amongst employees as volunteers – contributes to enriching experiences and cultivating citizens with socially responsible mindsets in a sustainable manner.

The CSR programs have fostered collaboration amongst companies in Krungsri Group to work together on socially beneficial initiatives, drawing on innovation and creativity in keeping up with relevant global contexts. At the same time, Krungsri has been able to link with external partner agencies and leverage their relevant expertise, while being mindful of engaging and gaining understanding and approval from community members throughout the process. This collaborative effort of multi-sectorial partnerships serves as a strong foundation for Krungsri to continue to carry out meaningful programs addressing social, economic, environmental, and governance issues important for sustainable national development.



## CREATING SUSTAINABILITY VALUE

Krungsri encourages and supports employees in continuously giving back to society and contributing to social development under the concept, 'Simple to Share'. In 2019, we held the fourth annual ESG Open House event under the theme, 'Krungsri Zero Waste', to raise employee awareness of sustained social development. Krungsri Group's 4 CSR Pillars were promoted at the event, and employees were invited to sign up as Krungsri volunteers in support of all four pillars.

The success of Krungsri's CSR programs owes a great deal to the enthusiastic participation of all stakeholders, especially the 'Krungsri volunteers' who took pride in and committed serious effort to implementing the community activities throughout the year. In 2019, 13,654 Krungsri volunteers participated in CSR activities amounting to 73,566 volunteer hours.

Furthermore, Krungsri recognizes the importance of scaling up positive social and environmental impact through strategic partnerships with relevant allies and networks, including





social enterprises (SEs) which are playing an increasingly significant role in helping address national development problems through the application of sustainable business principles. In 2019, Krungsri was the first financial institution in Thailand to become an official partner of the Social Enterprise Thailand Association (SETH) through the signing of an MOU outlining areas of support leveraging Krungsri's strengths – including financial and business training, supporting products and services of member social enterprises, and provision of special loans where feasible. In addition, Krungsri worked closely with the Stock Exchange of Thailand (SET) to provide support for social enterprises within the SET's networks.

## GIVING BACK TO THE COMMUNITY

Promoting educational opportunities and financial literacy

As social and economic changes continue to occur rapidly at the national level, affecting the lives and livelihoods of people across all income groups, Krungsri leverages its experience and expertise as a strong financial institution that has served Thai society well for the past 74 years in carrying out its flagship financial literacy project. The project covers diverse target groups – including elementary students, handicapped youths, university students, low-income communities, retailers, as well as prison inmates, amongst others.



THE FINANCIAL LITERACY ACTIVITIES CONDUCTED BY THE BANK FOR THE YOUTHS ARE IMPORTANT IN CREATING NEW EXPERIENCES AND A DIFFERENT WAY OF LEARNING. IT IS A GOOD VALUE-ADD FOR THE STUDENTS AS SOMETIMES THE SCHOOLS ALONE ARE NOT ABLE TO DELIVER EVERYTHING.

**Mrs. Sureerat Plienbangchang**

Director, Wat Pa Ket School,  
Phra Pradaeng District, Samut Prakarn



- **Krungsri Financial Literacy: Simple to Learn Project**

The 'Krungsri Financial Literacy: Simple to Learn' Project, is now in its fifth year. The objective is to promote basic financial knowledge and saving habits amongst primary school students in grades four to six throughout the country by creating understanding of the concepts of smart spending and effective saving through interactive activities and games facilitated by Krungsri volunteers.

Krungsri emphasizes fostering quality volunteers through a 'Train the Trainer' exercise in order to ensure correct understanding of the objectives of the activities, share experiences, and explain in detail the role of the volunteers as coaches so that they are fully prepared in engaging the students. In 2019, 4,248 volunteers participated in the financial literacy activity, reaching out to 72 schools—70 in Thailand and two in Lao PDR, benefiting 3,853 students.

- **Krungsri Financial Literacy: Simple to Manage Project**

Krungsri expanded financial education targeting undergraduate students, in particular from Rajabhat and Rajamangala universities, so that they understand how to effectively plan and manage their finances in preparation for entry into the job market.

In 2019, seven universities participated in the program (four universities in Bangkok and its vicinity, and three regional universities), with 348 students receiving access to financial education.

In addition to increasing the number of universities reached, Krungsri has worked on curriculum improvement to be more relevant to the target audience, emphasizing four key topics: 'smart spending', 'smart earning', 'smart saving', and 'smart investing'. The curriculum has been revised through the collaboration of Krungsri volunteers across various departments who have

helped to brainstorm and produce up-to-date content. An activity-based teaching methodology has been adopted so that students are able to analyze their personal spending habits and set long-term life and savings plans, as well as learn about the importance of investment. In 2019, 16 volunteers actively participated in the program.

The post-training surveys revealed that the students who have participated in the Krungsri Financial Literacy: Simple to Manage Project have improved basic financial knowledge, realize the importance of savings, are able to set their own personal financial and savings goals, and are starting to take more of an interest in investment for a better future.

- **Financial Literacy Initiatives of Subsidiaries**

Apart from the Bank's flagship Financial Literacy Project, various financial education initiatives were implemented by subsidiaries for diverse target groups throughout 2019.

- **Financial Literacy for the Hearing-Impaired Project:** Krungsri Auto initiated the project to enhance financial literacy among hearing-impaired students through edutainment activities to develop financial discipline. In 2019,



Krungsri Auto implemented the program at three additional schools for the deaf, raising the number of schools participating in the project to 14 (from 2016 to 2019).

- o **Life Rolls Forward Project** by Ngern Tid Lor Company Limited (Ngern Tid Lor) was launched in 2015 with the objective of providing basic knowledge in financial planning and management to low-income communities, targeting vendors, industrial workers, as well as Ngern Tid Lor's employees who wish to enhance their financial knowledge.

In 2019, the company held the project for 878 trainees covering 15 community areas which has been participated by 97 volunteers. Moreover, financial knowledge-providing activities were organized at two companies benefiting 146 trainees, through the participation of 24 Ngern Tid Lor volunteers.

- o **Money Matters Project** by Krungsri Consumer: The company has sponsored an employees' 'Savings Club' since 2018 to teach, inspire, and support employees in personal financial management, including promoting additional income generation which does not interrupt their full-time job. Throughout 2019, 3,505 employees participated in various activities including daily personal bookkeeping, and a flea market for employees to sell items for additional income. Other activities included workshops on additional income generation for employees, study visits for employees to gain ideas on additional income generation, and 'More Money Talk' information sessions for employees to receive relevant financial knowledge. In addition, Krungsri Consumer provided assistance to employees facing debt problems through the 'My Buddy' debt clinic, so that troubled employees could efficiently solve their problems in a worry-free manner and feel more at ease while working.

For youths, Krungsri Consumer expanded financial education activities covering daily personal bookkeeping to benefit 273 Chulalongkorn University students from the Commerce and Accountancy Faculty.

- o **Financial Literacy Project** by Hattha Kaksekar Limited (HKL), a Krungsri subsidiary operating a microfinance business in Cambodia, supported the National Bank of Cambodia's financial knowledge programs, 'Financial Literacy Day' and 'Let's Talk about Money', to promote financial education for those working in the financial, microfinance, and leasing sectors, along with families and youths. In addition, its 'Accounting and Auditing Obligation' project supported the work of the Ministry of Economy and Finance of Cambodia in providing accounting and auditing training to owners of at least 300 SMEs.

- **Financial Literacy Initiatives in Collaboration with External Partners**

- o **Money Smart Next-Gen Activity (Season 2)**, a collaborative project on financial literacy training of the Thai Bankers' Association (TBA) with other commercial banks, now in its second year, aimed to foster financial discipline and wise financial management amongst university students throughout the country. Krungsri, as a TBA member, led the organizing of financial literacy training for Rajamangala University of Technology Krungthep, through the participation of 12 volunteers reaching out to 222 students.
- o **Financial Literacy Training for American Chamber of Commerce (AMCHAM) Scholars** is a collaborative project with AMCHAM in which Krungsri volunteers conducted basic financial literacy training for 42 fourth-year university students who had received scholarships from AMCHAM, to assist with their future financial planning.





## Providing access to medical services and health care

In addition to financial health, physical health and emotional well-being are key areas Krungsri has continuously given importance to. Good health serves as the foundation for mental and physical strength, essential in carrying out activities to support one's livelihood and income generation, which will lead to sound social and economic development along with national progress and stability. In 2019, Krungsri supported the following initiatives:

### • Krungsri Breast Cancer Awareness Project

From 2010 to present, Krungsri has joined the Thanyarak Foundation under the Patronage of HRH The Princess Mother to provide free cancer screening to disadvantaged women in the communities around the Krungsri Head Office in Yan Nawa District and vicinity. In 2019, Krungsri donated 500,000 baht to the Thanyarak Foundation to assist women lacking access to medical services so that they could receive knowledge, breast cancer screening, and treatment to reduce the risk of terminal breast cancer. 2,336 women benefited from the program.

### • Giving More...Receiving More Project

Krungsri, in collaboration with the Red Cross Society's National Blood Center, has been organizing blood drives since 2007, under the theme 'Giving More...Receiving More'. Each year, Krungsri organizes at least four blood drives at the Krungsri Head Office, on a quarterly basis, and since 2015 the blood drives have expanded to reach 15 Krungsri branches in various provinces. In 2019, Krungsri was able to collect and donate a total of 1,219,600 cc of blood to the Red Cross Society's National Blood Center, a 24 percent increase from the previous year. In addition, Hattha Kaksekar Limited (HKL) has implemented its 'Give Blood Save Life' initiative for company employees and management, noting that Cambodia's health care services are in need of such support. About 100 executives and staff joined in donating blood, more than the target, with plans to gain even more donors in the future.

## Reducing inequality and promoting equitable opportunities in society

### • Krungsri Craft Activities

Krungsri organized recreational activities to develop craft skills of children with physical disabilities and hearing impairment. In 2019, 98 Krungsri volunteers with artistic abilities conducted workshops to paint cloth bags, followed by a lunch, together with disabled youths at Sri Sangwan School for Children with Disabilities and Setsatian School for the Deaf, Bangkok. Around 120 students participated







in the activities. This project not only helps improve concentration and creativity, but also develops arts and crafts skills which could lead to vocational activities for the disabled, building their self-esteem and acceptance from society.

- **Krungsri Volunteers for the Special Olympics Thailand**

Krungsri supported 28 volunteers to facilitate participation of the severely physically and mentally disabled in the Motor Activity Training Programme (MATP) at Thammasat University Rangsit Campus. The volunteers who took care of the disabled athletes during the tournament gained good understanding and experience in working with the disabled, and acknowledged the importance of promoting equal opportunities for this group of disadvantaged youths.

- **Krungsri Auto Library Project**

The project started in 2010 to improve the quality of education for young people in remote areas and to build learning centers for children and communities nationwide. In 2019, the 14<sup>th</sup> Krungsri Auto Library was constructed and handed over to Ban Wiang Haeng School in Chiang Mai.

- **Supporting the 'Inspire' Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha**

Her Royal Highness Princess Bajrakitiyabha Narendira Debyavati has devoted continuous efforts to improve the livelihood and physical and mental well-being of inmates as well as their income-generating opportunities so that former inmates may have better alternatives and lives of dignity, without having to return to crime. Krungsri Group recognizes the important role of the 'Inspire' Project (also known in Thai as the Kamlangjai Project) in helping create equal opportunities in society and contributing to the prevention of crimes stemming from poverty and a lack of such opportunities, and therefore has been leveraging its strengths in support of the efforts where possible.



- o Basic Financial Literacy Workshop by Ngern Tid Lor Company Limited and Krungsri for 15 inmates nearing completion of their prison sentence at Narathiwas Provincial Prison, so that they can plan their daily income management as well as envisage realistic job prospects and a hopeful future beyond prison.
- o Chan for Chan Project by Krungsri Auto to promote acceptance, moral support, and opportunities for over 200 inmates at the Chanthaburi Provincial Prison. The project provides a business matching platform connecting the products made by the inmates to Krungsri Auto's dealership network, as well as organizing a class on product development and packaging design to meet customers' needs. The initiative also contributed funds for development of the inmates' vocational skills and organized a series of workshops to improve inmates' life skills, self-esteem, and financial knowledge for their successful reintegration into society.
- o Training on Basic Business Knowledge by Ngern Tid Lor Company Limited for 98 inmates, prison supervisors, and corrections officers at Khao Rakam Temporary Prison in Trat and Phetchabun Provincial Prison. A total of 12 executives and employees participated in the activity.
- o Support for Kalaetapae Halfway Home, Narathiwas: Krungsri helped to implement a baseline survey for the Kalaetapae community in order to understand its socioeconomic context and propose relevant livelihood support activities. In addition, Krungsri supported basic start-up supplies and equipment to help prepare the halfway home to receive inmates upon their release from prison prior to their return to independent living.
- o Life and Financial Planning Training by Krungsri for 30 female inmates at Sukhothai Provincial Prison to equip them with basic life skills, including life goal

setting and financial planning, to be able to work toward their envisaged future upon release.

## Cultural Heritage Preservation

### • Ayutthaya Historical Site Conservation Project

Krungsri continues to recognize the importance of cultural and historical legacy preservation, especially taking pride in its birthplace of Phra Nakhon Si Ayutthaya. In 2019, Krungsri brought volunteers to take part in cultural preservation through temple restoration and landscape improvement activities while learning about the historical significance of seven temples – Wat Khudeedao, Wat Worachettharam, Chakkrawat Phaichayon Throne Hall, Wat Sangkhathae Sangkhatha, Wat Hatsadawat, Banyong Rattanad Throne Hall, and Wat Choeng Tha – in collaboration with the Department of Fine Arts.

### • Annual Kathin Robe Presentation Ceremonies of Krungsri Group

In addition to engaging volunteers in art and cultural preservation, Krungsri has been committed to supporting longstanding Buddhist traditions such as the annual Kathin robe presentation ceremony, in collaboration with all Krungsri Group members, employees, partners, and customers. In 2019, Krungsri Group hosted Kathin robe presentation ceremonies at eight temples, namely Wat Wachira Thammawat, Bangkok; Wat Kho Non Mahasawat, Nonthaburi; Wat Khok Klang Sri Charoen, Phra Nakhon Si Ayutthaya; Wat Phuang Thong, Ang Thong; Wat Phu Phlu, Petchaburi; Wat Pa Sri Udom Sak, Chaiyaphum; Wat Na Fai, Uttaradit; and Wat Na Sao, Nan. In addition, Krungsri hosted an off-season robe presentation ceremony to help fundraise for medical equipment and supplies for the Chonburi Cancer Hospital, Chon Buri. Funds raised from the Kathin and off-season robe presentation ceremonies in 2019 totaled 7,666,293 baht.



## ENVIRONMENTAL PRESERVATION

Environmental issues including climate change, air pollution, trash management problems, and rapid depletion of natural resources, among others, are quickly gaining attention and calls for serious action. These environmental concerns are likely to continue to intensify and impact both the economy and society. For businesses to grow in a sustainable manner, significant attention must be given to the environment. In 2019, Krungsri continued its efforts aimed at environmental preservation and risk mitigation, and urged employees, management, customers, and relevant stakeholders to join in environmentally responsible processes, related to internal operations as well as externally together with communities, partners, and relevant sectors.

### In-Process Environmental Management

#### • Shred2Share Project

Krungsri, Krungsri Auto, and Krungsri Consumer have collaborated with Iron Mountain (Thailand) Limited, Thailand's first provider of comprehensive information security services, as part of 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 10 consecutive





years. In 2019, the Bank, Krungsri Auto, and Krungsri Consumer delivered paper to the paper recycling process totaling 557.73 tons, which is comparable to reducing 145,009.38 kilograms of carbon dioxide.

- **Carbon Footprint Assessment**

As one of Thailand's major financial institutions, Krungsri shares in the worldwide concern over climate change caused by the greenhouse effect. Thus, we had our organization's carbon footprint (or Carbon Footprint for Organization: CFO) assessed to quantify greenhouse gases (GHG) emitted from the Bank's activities such as transportation, resource use (electricity, water, and paper), and waste management. The corporate carbon footprint was calculated and presented in tons of carbon dioxide equivalent (tonCO<sub>2</sub>e). With corporate carbon footprint quantified, effective measures and initiatives regarding greenhouse gas (GHG) emissions reduction can be planned and implemented. In 2019, Krungsri (Head Office) participated in Carbon Footprint for Organization (CFO) verification by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO). The total emissions for Krungsri Head Office amounted to 14,805 tonCO<sub>2</sub>e.

- **Krungsri Zero Waste Project**

The 'Krungsri Zero Waste' initiative which began in 2018 was expanded in 2019 to promote serious efforts in reducing single-use plastic, and proper trash management. From the previous year's 'Wednesday No Plastic Bags' campaign, Krungsri grew the campaign to encourage employees to use reusable straws, glasses, bags, and food containers every day, and launched a ban on single-use plastic bags starting from Krungsri Head Office's canteen and shops as of December 2, 2019 to be extended to other buildings in future. In addition, certain departments have initiated pilot campaigns to set good examples in halting single-use plastic and of proper trash management.



- **Care the Bear Project**

In 2019, Krungsri became a partner of the Stock Exchange of Thailand (SET)'s 'Care the Bear' campaign which aims to promote greenhouse gas reduction practices amongst Thai listed companies in order to mitigate climate change, through various activities and operations. Krungsri Group has been working to promote environmentally responsible measures in its operations as well as organizing related events, including more eco-friendly press conferences, conducting no-foam, no-plastic CSR events, and promoting e-billing by Krungsri Consumer.

### After-Process Environmental and Natural Resource Preservation Activities with External Partners

- **Check Dam Construction Project at the Huai Sai Royal Development Study Centre in Phetchaburi**

The check dam building project is in partnership with Siam City Cement Public Company Limited. In 2019, 80 volunteers participated in the construction of two check dams, resulting in 82 total check dams to date, contributing to the retention of humidity in the forests surrounding the Huai Sai community, and improved agricultural productivity.





- **Doi Tung Check Dam Construction Project**

Toward the end of each year, Krungsri employees unite to preserve nature by building check dams for the forests in northern Thailand. In November 2019, a team of over 235 executives and volunteers from Krungsri and subsidiaries, namely Krungsri Auto, as well as partners from Phatra Securities Public Company Limited built a total of 32 check dams to retain humidity and revive nature at Ban Pa Sang Na Ngern Village, Doi Tung Development Project (Royal Working Area), Mae Fah Luang District, Chiang Rai. The project, in collaboration with the Mae Fah Luang Foundation under Royal Patronage, has been ongoing since 2009.

- **Supporting the OUR Khung BangKachao Project**

Krungsri, together with the Chaipattana Foundation, Royal Forestry Department, PTT Public Company Limited, and other public and private sector organizations, has joined in the green development of Khung BangKachao, considered 'the best urban oasis of Asia'. The network of partners has set up the 'OUR Khung BangKachao' project to be a model sustainable and green urban destination, where people and nature can coexist. For the first phase of the project participated by 69 Krungsri volunteers, Krungsri has helped to preserve and develop a green area of 11.11 rai.

- **Khao Mai Kaew Reforestation Activity**

The reforestation project began in 2019 in collaboration with the Forest Resources Management Bureau No. 9 (Chonburi). 49 Krungsri volunteers joined in efforts to reforest a total area of 12 rai, 500 trees with indigenous plants suited to the hot climate in order to enhance biodiversity and contribute to better air quality.

- **Mangrove Reforestation Activity**

Krungsri volunteers in collaboration with the Mangrove Forest Resource Development Station 5 participated in mangrove planting efforts in Samed Subdistrict and Angsila Subdistrict, Chonburi and Bang Pakhong District, Chachoengsao. In 2019, 3,000 mangrove trees were planted to enhance biodiversity and provide a sanctuary for marine animals. 140 volunteers participated in the activity.







- **Environmental Preservation Initiatives by Subsidiaries**

- **Krungsri Auto**

- Krungsri Auto has been promoting environmentally friendly automotive innovation through auto financing for electric cars as well as motorcycles. In addition, the company has contributed to reducing natural resource use by replacing paper vouchers with electronic vouchers.
- Furthermore, Krungsri Auto Bangkai Branch supported mangrove planting in Khlong Khon Subdistrict, Muang District, Samut Songkram.

- **Hattha Kaksekar Limited (HKL)**

- The 'I Love Beautiful City' event was organized in Siem Reap, Cambodia. Main activities included cleaning the city and donating benches to the authority for public spaces to benefit both locals and tourists. More than 350 participants actively joined the event, including HKL's management and employees and local authorities.
- The 'One Tourist One Tree' event was organized at Kratie, Cambodia. With support from provincial authorities and the community, HKL planted 250 trees at the Roka Kandal Historic Site.

## PROVIDING FINANCIAL SUPPORT

In addition to supporting various aspects of community development, Krungsri provides financial as well as in-kind support to communities and other areas in need of assistance and facing difficulties, often requiring immediate relief, in collaboration with government and charitable organizations. These include:

- Donation to support disaster relief efforts assisting flood victims in northeastern Thailand through the Thai Bankers' Association for the Disaster Relief Fund under the Prime Minister's Office, totaling 9,720,000 baht
- Donation in support of the Chaipattana Foundation's 30<sup>th</sup> anniversary to distribute knowledge of sustainable development to the general public, totaling 1,750,000 baht
- Donation in support of the Mae Fah Luang Foundation under Royal Patronage's sustainable development and environmental preservation projects, totaling 1,250,000 baht, by Krungsri and Krungsri Auto
- Donation toward the Thai-Nishi Institute of Technology (TNI) scholarships, totaling 100,000 baht
- Donation in support of Police General Pao Sarasin Foundation's work to prevent and alleviate drug problems, by the Japanese Corporate/Multinational Corporate Banking, totaling 100,000 baht
- Donation in support of Srithanya Hospital Foundation's work, totaling 20,000 baht, by the Commercial Banking.

In addition, Krungsri assisted charitable organizations working in areas of education, support for the underprivileged and handicapped, and community development, by giving them free space to hold fundraising activities at the Krungsri Rama III Head Office. The funds received go to support their charitable work or assist target groups in need, or are converted into educational scholarship funds. These events include:

- DoiTung Thank You Sale by DoiTung social enterprise, with product sales totaling 428,858 baht, contributing to improving the livelihood of and income creation for ethnic minority communities and allowing them to live in harmony with nature.
- The SUPPORT Arts and Crafts International Centre of Thailand (SACICT) organized sales of Thai woven fabrics and handicrafts in preservation of communities' local wisdom, with proceeds totaling 137,891 baht going toward supporting local artisans and promoting pride in national craft heritage.
- Krungsri executives and employees as well as customers donated money and supported product sales from the Operation Smile Thailand Foundation, totaling 79,291.25 baht, to support underprivileged children in receiving surgery for facial deformities so that they could lead healthy lives.
- The Foundation for the Welfare of the Mentally Retarded of Thailand organized the sales of artificial flowers and handicrafts produced by the Foundation's youths, totaling 74,371 baht.
- The Thai Red Cross Society organized sales of products such as 'Love Earth' tote bags, and reusable mugs and containers, among others, to reduce single-use plastic, while also engaging Krungsri employees to produce handmade bags for distribution to government hospitals.
- The National Council on Social Welfare of Thailand organized sales of Mother's Day jasmine flowers, from which proceeds were presented to Her Majesty Queen Sirikit the Queen Mother in support of charitable activities, and also donated to the National Council on Social Welfare of Thailand youth fund to help support the underprivileged, including the provision of scholarships.
- The World Vision Foundation of Thailand set up a donation station to support disaster relief and improve livelihoods of the underprivileged.



- Krungsri continues to support space for Pan Kan donation box under the Pan Kan: Turn Your Used Items into Scholarships Project to receive secondhand goods from Krungsri employees as well as the organizing of the Mobile Pan Kan Shop Activity selling secondhand products, resulting in 947,080 baht raised, which can be converted into 135 scholarships for youths of the Yuvabadhana Foundation.
- **Financial Support by Subsidiaries**
  - o **Krungsri Auto**
    - Krungsri Auto provided assistance for flood victims in the Northeast and North through the 'Krungsri Auto 2019 Flood Relief' program. It introduced measures to defer payment, reduce installments, and waive overdue fines to alleviate the burdens of its flood-affected customers.
    - 'Dai Rot Dai Boon' project in collaboration with used car dealer partners nationwide on merit making activities and support for public benefit, including activities promoting good governance and improvement of business standards
    - Donation to the 'Inspire' Project under the Royal Initiative of Her Royal Highness Princess Bajrakitiyabha, of 399,900 baht, to support construction of a



coffee shop at Chantaburi Prison; 500,000 baht to support activities under the 'Inspire' Project; and 99,900 baht and 99,966 baht for Nakhon Si Thammarat Prison and Sukhothai Provincial Prison, respectively, to support essential daily supplies for inmates.

- Donation to Pa Pae Wittaya School and Nongyang Kindergarten, Chiang Mai, totaling 216,500 baht, to support landscape improvement

#### o Ngern Tid Lor Company Limited

- Donation support for conservation activities of the Love Turtles Club, Chulalongkorn University Veterinary Medical Aquatic Animal Research Centre, totaling 50,000 baht

## KRUNGSRI FOUNDATION

Krungsri Foundation, officially registered on January 16, 2017, is committed to supporting activities for public benefit, including the promotion of educational development, arts and culture, environmental conservation, sports, and public health, among other endeavors, within the scope of sustainable development. With the concept of 'Simple to Share', the Foundation has cooperated with other charitable entities to improve the livelihoods of communities and contribute to sustainable development of the economy and society. In 2019, the Foundation carried out activities in the following areas.

### Educational Development

- Krungsri Foundation believes that providing educational opportunities for youths is key in shaping their future well-

being and building a strong and sustainable foundation for the nation. The Foundation thus awarded scholarships on the occasion of the Bank's anniversary for the ninth year. '74 Years, 74 Scholarships' reached out to students with good behavioral and academic conduct but who lack financial means. Each student received 5,000 baht, with 74 scholarships totaling 370,000 baht. Scholarships were awarded to youths under the care of seven organizations: Sri Sangwan School for Children with Disabilities, Foundation for the Welfare of the Crippled under the Royal Patronage of HRH the Princess Mother; Pakkret Home for Children with Disabilities; Foundation for Slum Child Care under the Royal Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra; Setsatian School for the Deaf; Rajvithi Home for Girls; Maharaj Foundation Home for Boys; and Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen.

- In addition, on the occasion of National Youth Day on September 20, 2019, Krungsri Foundation organized a 'National Youth Day Scholarship Awarding Ceremony', granting a total of 139,000 baht in scholarships to 15 students under the care of Mahamek Home for Boys. The students were selected by the school management based on good academic and behavioral records, in order to give them moral support and as an opportunity toward future educational advancement.
- Krungsri Foundation also gives importance to youths at the undergraduate level who are a major force in helping develop the country. With the objective of encouraging university students to utilize their knowledge and skills, particularly in their respective fields of study, for the benefit



of communities and society, Krungsri Foundation initiated the 'Krungsri University Volunteer Project'. Students were able to learn from engaging with their local community members, enhance their spirit of volunteerism, and acquire well-rounded project management skills. In 2019, only two projects, by Sakon Nakhon Rajabhat University and King Mongkut's Institute of Technology Ladkrabang, were selected by the Foundation to each receive funding of 30,000 baht.

## Sports and Public Health

Krungsri Foundation has for the past two years supported the Motor Activity Training Program (MATP) for the severely disabled by Special Olympics Thailand. In 2019, the Foundation contributed financial support of 288,187.50 baht for tournament organizing at Thammasat University Rangsit Campus. Participation of the disabled in sports tournaments leads to better access to health care, helps to improve motor skills, contributes to better personal hygiene, improves opportunities for social interaction, and enhances pride in one's abilities.

## Art and Cultural Heritage

In 2019, Krungsri Foundation supported the traditional Khon performance organized by the Kukrit Foundation with the objective of helping maintain the artistic legacy for future generations to be able to appreciate and in order to share with foreigners as a national source of pride.

## Public Benefits

- Provision of 500 survival bags by Krungsri to immediately assist victims of the Podul and Kajiki storms which devastated northeastern Thailand
- Donation of 250,000 baht to the Relief and Community Health Bureau, the Thai Red Cross Society, to support flood relief efforts for northeastern Thailand



- Donation of 250,000 baht to the Chaipattana Foundation to support the 30<sup>th</sup> Anniversary of Chaipattana event to share with the public knowledge for sustainable development
- Donation of 250,000 baht to the Mae Fah Luang Foundation under Royal Patronage to support projects on sustainable development and natural resource preservation
- Donation of 60,000 baht to the Thai with Disability Foundation to support arm prostheses for underprivileged people
- Donation of 50,000 baht to support projects to improve the well-being of students at Border Patrol Police Schools in Mae Hong Son
- Donation of blankets to schools, foster homes, and public organizations to assist those in need of relief from the cold, as follows:
  - Baan Huay Nam Kuen Border Patrol Police School, Chiang Rai: 200 blankets
  - Chao Por Laung Upatham Border Patrol Police School, Chiang Rai: 160 blankets
  - Doi Weang Pha Pittaya School, Chiang Rai: 120 blankets
  - Thoed Thai Subdistrict Administration Organization, Chiang Rai: 500 blankets
  - Baan Huay Poom Border Patrol Police School, Phayao: 160 blankets
  - Mahamek Home for Boys, Bangkok: 200 blankets
  - Baan Chivitmai Jaisamarn Foundation, Bangkok: 300 blankets
  - Kui Buri National Park, Prachuap Khiri Khan: 120 blankets
  - Mae Hong Son Special Education Center, Mae Hong Son: 400 blankets





# 7

## FINANCIAL REPORTING AND FINANCIAL STATEMENTS







## MANAGEMENT DISCUSSION AND ANALYSIS

### EXECUTIVE SUMMARY:

In 2019, the Thai economy expanded at a rate lower than its growth potential largely caused by negative external factors which affected both exports and domestic demand. Notwithstanding the weakening operating environment, buoyed by the strong fundamental, Krungsri delivered a robust loan growth of 8.7 percent, exceeding the Bank's target range of 6-8 percent. Net profit recorded at Baht 32,749 million\*, a robust increase of 32.0% from 2018, driven by significantly higher non-interest income from the recognition of gains on investments from the sales of 50% of shares in Ngern Tid Lor Company Limited (NTL) in 1Q/19, and higher net interest income, supported by a robust loan growth.

*\* Excluding the one-off items in 2019, namely the recognition of gains on investment from the NTL transaction and the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act, the normalized net profit for the year was recorded at Baht 26,941 million, increasing by 8.6%, or Baht 2,128 million from 2018.*

In addition to the robust financial performance, other achievements as outlined by the medium-term business plan "to be a leading regional financial institution with global reach" included:

- Krungsri issued the first private-sector "gender" bond in the Asia Pacific region and the first social bond issuance in Asian emerging markets in compliance with the International Capital Markets Association Social Bond Principles and the ASEAN Social Bond Standards. This inaugural certified social bond issuance will help expand credit lines to women-led small and medium-sized enterprises (WSMEs) — an important sector that drives Thailand's economic growth and employment.
- Krungsri announced a plan to acquire 50% of shares of SB Finance Company Inc. (SBF), a finance company in the Philippines, from Security Bank Corporation (SBC) for an estimated consideration of Baht 1,096.9 million. The announcement resonated the Bank's continued mission to pursue opportunities for regional expansion, particularly in fast-growing economies, while applying our industry-leading expertise and conducting best practices through retail and consumer banking businesses. The transaction is expected to be completed in 2Q/20.

**Total loans** reached Baht 1,817,877 million, an increase of Baht 145,859 million, or 8.7% from December 2018. Loan growth was broad-based, covering all key customer segments. Reflecting Krungsri's industry leadership position, the retail segment was the leading catalyst with a notable increase of Baht 88,157 million, or 11.1%, followed by corporate and SME segments which increased Baht 34,977 million, or 5.6%, and Baht 22,725 million, or 9.1%, respectively.

The robust loan growth in 2019 also reflected the Bank's agility in realigning our loan portfolio toward high-yield segments, thus moving Krungsri closer to the target optimal portfolio mix between commercial and retail loans at a 50:50 ratio.

**Deposits** totaled Baht 1,566,885 million, an increase of Baht 140,537 million, or 9.9%, from December 2018, attributed to an increase in time deposits of Baht 129,786 million.

Compared to 2018, **non-interest income** significantly increased by 31.9%, or Baht 10,934 million, mainly driven by the recognition of gains on investments from the NTL transaction and a share of profit from investment using equity method.

Despite the weakening economy, **the non-performing loan (NPL) ratio** improved to 1.98% in December 2019 compared to 2.08% in December 2018, resulting from our prudent portfolio management and rigor risk management practices.

**Loan-loss reserves** stood at Baht 67,715 million, with an excess of Baht 22,759 million over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 150.6%, while the coverage ratio improved to 163.8% from 160.8% in December 2018.

Corresponding to the higher net profit, **earnings per share (EPS)** rose to Baht 4.45 in 2019, from Baht 3.37 in 2018.

Despite the improved outlook on the global economy, uncertainties pertaining to trade tensions and geopolitical risks remain high. Continued accommodative monetary policy together with fiscal stimulus measures as well as the expected acceleration in public investment will provide support required to maintain Thailand's economic growth momentum for 2020 at around 2.5 percent. Consequently, Krungsri prudently sets a loan growth target of 5-7% for the year.

## Summary of Financial Performance and Status:

Key 2019 deliverables:

- **Net Profit:**

Recorded at Baht 32,749 million, representing a 32.0% increase over 2018.

*(Upon adjusting the one-off items in 2019, the normalized net profit for the year increased by Baht 2,128 million, or 8.6%, from 2018.)*

- **Loan Growth:**

Increased by 8.7%, or Baht 145,859 million, compared to December 2018.

- **Deposit Growth:**

Increased by 9.9%, or Baht 140,537 million, compared to December 2018.

- **Net Interest Margin (NIM):**

Moderated to 3.60% from 3.81% in 2018, mainly due to the sales of 50% shares in NTL and the impact of lending rate cuts.

- **Non-Interest Income:**

Significantly increased by 31.9%, or Baht 10,934 million, from 2018, mainly driven by the recognition of gains on investments from the NTL transaction and a share of profit from investment.

*(Upon adjusting the aforementioned one-time gains on investments, normalized non-interest income still recorded a strong increase of Baht 2,309 million, or 6.7%, from 2018.)*

- **Cost to Income Ratio:**

Recorded at 42.9%, improving from 47.2% in 2018.

*(Upon adjusting the one-off items in 2019, the normalized cost to income ratio was recorded at 45.1% for the year.)*

- **Non-Performing Loan (NPL) Ratio:**

Improved to 1.98%, from 2.08% in December 2018.

- **Coverage Ratio:**

Recorded at 163.8%, strengthening from 160.8% in December 2018.

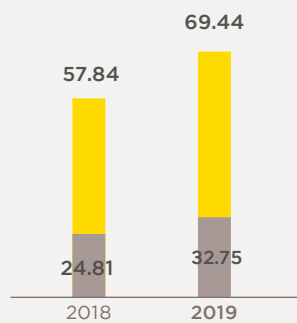
- **Capital Adequacy Ratio:**

Recorded at 16.56%, compared to 15.13% in December 2018.



**PPOP & Net Profit**

(Billion baht)



■ Net Profit      ■ PPOP (Pre-Provision Operating Profit)

In 2019, notwithstanding the one-off item expense pertaining to the provision for compensation in personnel expenses relating to severance payment in accordance with the amended Labor Protection Act, the operating profit was Baht 69,439 million, an increase of Baht 11,601 million, or 20.1% from 2018, driven by solid performance in non-interest income, significantly driven by the recognition of gains from investments from the sales of 50% of shares in NTL, together with a higher net interest income, supported by a robust loan portfolio expansion at 8.7%.

The net profit registered Baht 32,749 million, an increase of Baht 7,936 million, or 32.0% from 2018, largely attributed to the robust operating profit, partially offset by an increase in the loan-loss provision, corresponding to a higher loan volume and a prudential safeguard in light of decelerating economy.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated	2019	2018	Change YoY	
			Million baht	%
Interest Income	110,455	107,132	3,323	3.1
Interest Expense	34,032	31,804	2,228	7.0
<b>Interest Income, Net</b>	<b>76,423</b>	<b>75,328</b>	<b>1,095</b>	<b>1.5</b>
Fees and Service Income	29,652	28,999	653	2.3
Fees and Service Expense	7,875	7,751	124	1.6
<b>Fees and Service Income, Net</b>	<b>21,777</b>	<b>21,248</b>	<b>529</b>	<b>2.5</b>
Non-interest and Non-fees Income	23,408	13,003	10,405	80.0
Other Operating Expenses	52,169	51,741	428	0.8
<b>Pre-Provision Operating Profit (PPOP)</b>	<b>69,439</b>	<b>57,838</b>	<b>11,601</b>	<b>20.1</b>
Impairment Loss of Loan and Debt Securities	28,203	26,180	2,023	7.7
Income Tax Expense	8,104	6,467	1,637	25.3
<b>Net Profit</b>	<b>33,132</b>	<b>25,191</b>	<b>7,941</b>	<b>31.5</b>
Other Comprehensive Income, Net	1,653	(1,030)	2,683	260.5
<b>Total Comprehensive Income</b>	<b>34,785</b>	<b>24,161</b>	<b>10,624</b>	<b>44.0</b>
Net Profit Attributable To				
Owners of the Bank	32,749	24,813	7,936	32.0
Non-Controlling Interest	383	378	5	1.3
<b>Net Profit</b>	<b>33,132</b>	<b>25,191</b>	<b>7,941</b>	<b>31.5</b>
Total Comprehensive Income Attributable To				
Owners of the Bank	34,405	23,783	10,622	44.7
Non-Controlling Interest	380	378	2	0.5
<b>Total Comprehensive Income</b>	<b>34,785</b>	<b>24,161</b>	<b>10,624</b>	<b>44.0</b>
<b>Earning Per Share (Baht)</b>	<b>4.45</b>	<b>3.37</b>	<b>1.08</b>	<b>32.0</b>

## FINANCIAL PERFORMANCE

## Net Interest Income

Consolidated	2019	2018	Change YoY	
			Million baht	%
<b>INTEREST INCOME</b>				
Interest on loans	72,244	69,337	2,907	4.2
Interest on interbank and money market items	4,681	6,213	(1,532)	(24.7)
Hire purchase and financial lease income	31,073	29,727	1,346	4.5
Investments and trading transactions	91	28	63	225.0
Investments in debt securities	2,279	1,827	452	24.7
Other interest income	87	0	87	-
<b>Total Interest Income</b>	<b>110,455</b>	<b>107,132</b>	<b>3,323</b>	<b>3.1</b>
<b>INTEREST EXPENSE</b>				
Interest on deposits	18,226	15,079	3,147	20.9
Interest on interbank and money market items	4,168	5,535	(1,367)	(24.7)
Interest on borrowings	4,415	4,423	(8)	(0.2)
Contributions to Financial Institution Development Fund and Deposit Protection Agency	7,089	6,720	369	5.5
Borrowing fee expenses	74	30	44	146.7
Other interest expenses	60	17	43	252.9
<b>Total Interest Expenses</b>	<b>34,032</b>	<b>31,804</b>	<b>2,228</b>	<b>7.0</b>
<b>Interest Income, Net</b>	<b>76,423</b>	<b>75,328</b>	<b>1,095</b>	<b>1.5</b>
Net Interest Margin	3.60%	3.81%		
Yield on Earning Assets	5.20%	5.42%		
Cost of Funds	1.78%	1.78%		

For 2019, interest income was recorded at Baht 110,455 million, an increase of Baht 3,323 million or 3.1%, compared to 2018. Key items are as follows:

- Notwithstanding the lending rate cut, interest on loans increased by Baht 2,907 million, or 4.2%, reflecting the rebalancing of loan portfolio mix toward the high yield segments.
- Interest on hire purchase and financial lease income increased by Baht 1,346 million, or 4.5%, mirroring an auto hire purchase portfolio growth.
- Interest on interbank and money market items decreased by Baht 1,532 million, or 24.7%, mainly due to lower repurchase agreement rates, reflecting the policy rate cut.

Interest expenses was recorded at Baht 34,032 million, increased by Baht 2,228 million, or 7.0% from 2018, mainly caused by an increase in interest on deposits of Baht 3,147 million, reflecting an increase in the outstanding deposit

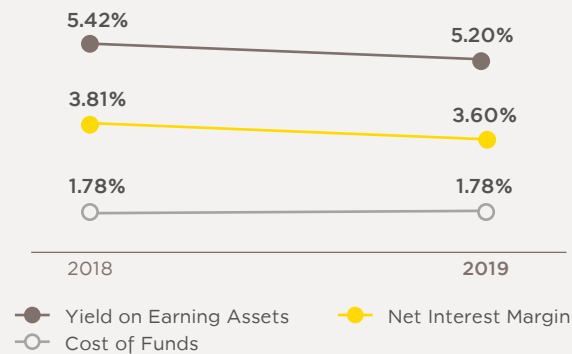
balance, particularly time deposits, offset by a decrease in interest on interbank and money market items of Baht 1,367 million.

Consequently, net interest income was recorded at Baht 76,423 million, representing an increase of Baht 1,095 million, or 1.5% from 2018.

In alignment with the Bank of Thailand's policy rate cuts in 2019, the Bank announced reductions in interest rates as follows:

- A 0.25% reduction each in Minimum Overdraft Rate (MOR) and Minimum Retail Rate (MRR), which was in effect from August 19, 2019 onwards.
- A 0.25% reduction in Minimum Loan Rate (MLR), and 0.05-0.35% reductions in deposits rates for corporate customers, which was in effect from November 12, 2019 onwards.

### Net Interest Margin (NIM)



In 2019, yield on earning assets decreased to 5.20% from 5.42%, reflecting a decrease in yield on loans to 5.85% from 6.07%, mainly due to the sale of 50% shares in NTL and the lending rate cut. Notwithstanding an increase in cost of deposit to 1.67% from 1.56% in 2018, the cost of borrowings was decreased to 2.87 from 2.94 in 2018, thus resulting in stable cost of funds at 1.78%.

Consequently, NIM moderated to 3.60% from 3.81% in 2018.

	2018	2019
Yield on Loans	6.07%	5.85%
Cost of Deposits	1.56%	1.67%

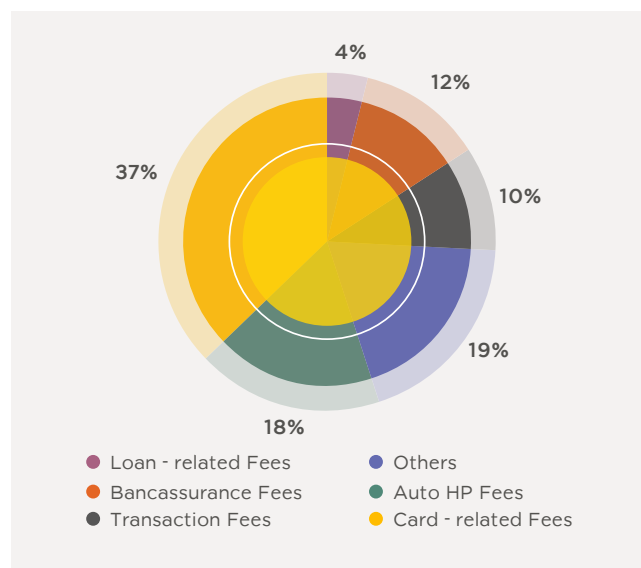
### Non-Interest Income

Consolidated	2019	2018	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	524	525	(1)	(0.2)
Other fees and service income	29,128	28,474	654	2.3
<b>Fees and service income</b>	<b>29,652</b>	<b>28,999</b>	<b>653</b>	<b>2.3</b>
Fees and service expense	7,875	7,751	124	1.6
<b>Fees and Service Income, net</b>	<b>21,777</b>	<b>21,248</b>	<b>529</b>	<b>2.5</b>
Gains (losses) on trading and foreign exchange transactions	4,350	4,737	(387)	(8.2)
Gains (losses) on investments	9,232	374	8,858	2,368.4
Share of profit (loss) from investment using equity method	1,409	391	1,018	260.4
Bad debt recoveries	6,483	5,994	489	8.2
Other operating income	1,934	1,507	427	28.3
<b>Total non-interest and non-fees income</b>	<b>23,408</b>	<b>13,003</b>	<b>10,405</b>	<b>80.0</b>
<b>Non-Interest Income</b>	<b>45,185</b>	<b>34,251</b>	<b>10,934</b>	<b>31.9</b>

For 2019, non-interest income was Baht 45,185 million, a robust increase of Baht 10,934 million, or 31.9%, compared to last year. Details are as follows:

- Net fees and service income was Baht 21,777 million, an increase of Baht 529 million, or 2.5%. Key items are:
  - Card-related fees increased by Baht 938 million, or 9.4%.
  - Loan-related fees increased by Baht 213 million, or 21.3%.
  - Collection fees decreased by Baht 308 million, or 30.1%.
  - Wealth & fund management and securities-related fees decreased by Baht 217 million, or 4.6%.
  - Transaction fees decreased by Baht 99 million, or 3.3%, partly due to digital fee-waivers.
  - Bancassurance fees decreased by Baht 78 million, or 2.0%.
  - Auto hire purchase fees decreased by Baht 21 million, or 0.4%.
  - Fees and service expenses increased by Baht 124 million, or 1.6%, mainly resulting from ATM and card network fees.

### Fees & Service Income Breakdown in 2019



- Gains on investments significantly increased by Baht 8,858 million, or 2,368.4%, mainly due to the one-time gains on investments from the NTL transaction in 1Q/19.
- A share of profit from investment using the equity method increased by Baht 1,018 million, or 260.4%, driven by the change in control over NTL to a 50% joint venture.
- Bad debt recoveries increased by Baht 489 million, or 8.2%.
- Other operating income increased by Baht 427 million, or 28.3%, mainly driven by gain on sales of properties for sale which increased by Baht 344 million.
- Gains on trading and foreign exchange transactions decreased by Baht 387 million, or 8.2%, mainly due to a decrease in interest rate derivatives.

## Other Operating Expenses

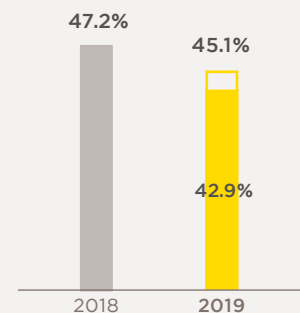
Consolidated	2019	2018	Change YoY	
			Million baht	%
Employee expenses	27,649	26,287	1,362	5.2
Premises and equipment expenses	7,922	8,420	(498)	(5.9)
Taxes and duties	2,871	2,789	82	2.9
Directors' remuneration	59	59	0	0.0
Other expenses	13,668	14,186	(518)	(3.7)
<b>Total Other Operating Expenses</b>	<b>52,169</b>	<b>51,741</b>	<b>428</b>	<b>0.8</b>

Total other operating expenses were Baht 52,169 million, increasing by Baht 428 million, or 0.8% from 2018. Key items are as follows:

- Employee expenses increased by Baht 1,362 million, or 5.2%, mainly resulting from the aforementioned one-time severance provision recorded in 1Q/19.
- Other expenses decreased by Baht 518 million, or 3.7%, driven by a decrease in impairment of contingent liabilities.
- Premises and equipment expenses decreased by Baht 498 million, or 5.9%, driven mainly by a decrease in rental expenses.

For 2019, the cost-to-income ratio was recorded at 42.9%, improving from 47.2% in 2018, as a result of our continued efforts to enhance operating efficiency together with our effective expense management.

### Cost to Income Ratio



(Upon adjusting the one-off items in 2019, the normalized cost to income ratio was recorded at 45.1% for the year.)

## Impairment loss on loans and debt securities

Consolidated	2019	2018	Change YoY	
			Million baht	%
Impairment loss on debt instrument (reversal)	(12)	0	(12)	-
Bad Debts and Doubtful Accounts	27,046	24,464	2,582	10.6
Loss on Debts Restructuring	1,169	1,716	(547)	(31.9)
<b>Total impairment loss of loan and debt securities</b>	<b>28,203</b>	<b>26,180</b>	<b>2,023</b>	<b>7.7</b>

For 2019, the loan-loss provision was recorded at Baht 28,203 million, representing an increase of Baht 2,023 million, or 7.7%, on a year-on-year basis, corresponding to a higher loan

volume and a prudential safeguard in light of decelerating economy, corresponding the improvement of coverage ratio during the year.



## FINANCIAL STATUS

### Statement of Financial Position

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
<b>ASSETS</b>				
Cash	33,831	34,680	(849)	(2.4)
Interbank and money market items, net	331,431	245,553	85,878	35.0
Investments, net	118,340	134,749	(16,409)	(12.2)
Investments in subsidiaries and joint ventures, net	11,952	2,620	9,332	356.2
Loans to customers	1,909,362	1,749,254	160,108	9.2
Accrued interest receivable	4,483	4,326	157	3.6
Deferred revenue	(91,485)	(77,236)	(14,249)	(18.4)
Allowance for doubtful accounts	(65,710)	(59,791)	(5,919)	(9.9)
Revaluation allowance for debt restructuring	(1,674)	(1,569)	(105)	(6.7)
Properties for sale, net	3,500	3,478	22	0.6
Assets classified as held for sale	0	39,536	(39,536)	(100.0)
Others	105,562	98,022	7,540	7.7
<b>TOTAL ASSETS</b>	<b>2,359,592</b>	<b>2,173,622</b>	<b>185,970</b>	<b>8.6</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Deposits	1,566,885	1,426,348	140,537	9.9
Interbank and money market items, net	252,121	244,097	8,024	3.3
Debt issued and borrowings	175,667	155,650	20,017	12.9
Liabilities directly associated with assets classified as held for sale	0	13,784	(13,784)	(100.0)
Others	92,803	90,025	2,778	3.1
<b>TOTAL LIABILITIES</b>	<b>2,087,476</b>	<b>1,929,904</b>	<b>157,572</b>	<b>8.2</b>
Issued and paid-up share capital	73,558	73,558	0	0.0
Retained earning	140,041	114,050	25,991	22.8
Others	58,517	56,110	2,407	4.3
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>272,116</b>	<b>243,718</b>	<b>28,398</b>	<b>11.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,359,592</b>	<b>2,173,622</b>	<b>185,970</b>	<b>8.6</b>
<b>Book value per share (Baht)</b>	<b>36.99</b>	<b>33.13</b>	<b>3.86</b>	<b>11.7</b>

As of December 31, 2019, total assets stood at Baht 2,359,592 million, representing an increase of Baht 185,970 million, or 8.6%, from December 2018. Key items are as follows:

- Total loans (net of deferred revenue) increased by Baht 145,859 million, or 8.7%.
- Net interbank and money market items increased by Baht 85,878 million, or 35.0%, mainly resulting from an increase in repurchase agreements.

- Asset classified as held for sale decreased by Baht 39,536 million, attributed to the completion of the NTL transaction in 1Q/19.
- Net investments decreased by Baht 16,409 million, or 12.2%, mainly resulting from a decrease in the Available for Sale (AFS) portfolio of Baht 14,373 million.

As of December 31, 2019, total liabilities stood at Baht 2,087,476 million, representing an increase of Baht 157,572 million, or 8.2%, from December 2018. Key items are as follows:

- Deposits increased by Baht 140,537 million, or 9.9%, largely driven by time deposits.
- Debts issued and borrowings increased by Baht 20,017 million, or 12.9%, driven mainly by the issuance of the subordinated debentures of Baht 18,826 million in 2Q/19, new issuance of gender bond of Baht 6,640 million\* in 4Q/19.
- Liabilities directly associated with assets classified as held for sale decreased by Baht 13,784 million, mainly due to the completion of the NTL transaction in 1Q/19.

As of December 31, 2019, total shareholders' equity stood at Baht 272,116 million, an increase of Baht 28,398 million, or 11.7%, from December 2018 due to an increase in equity holders' net profit of Baht 32,749 million in 2019 and an increase in land and building revaluation of Baht 3,057 million, which was partially offset by dividends paid of Baht 6,252 million.

Book value per share as of December 31, 2019 increased by 11.7% to Baht 36.99 from Baht 33.13 at the end of 2018.

\* The tranche of Baht 2,113 million issued to DEG was recorded in the borrowing item, and the tranche of Baht 4,527 million issued to IFC was recorded in interbank and money market items.

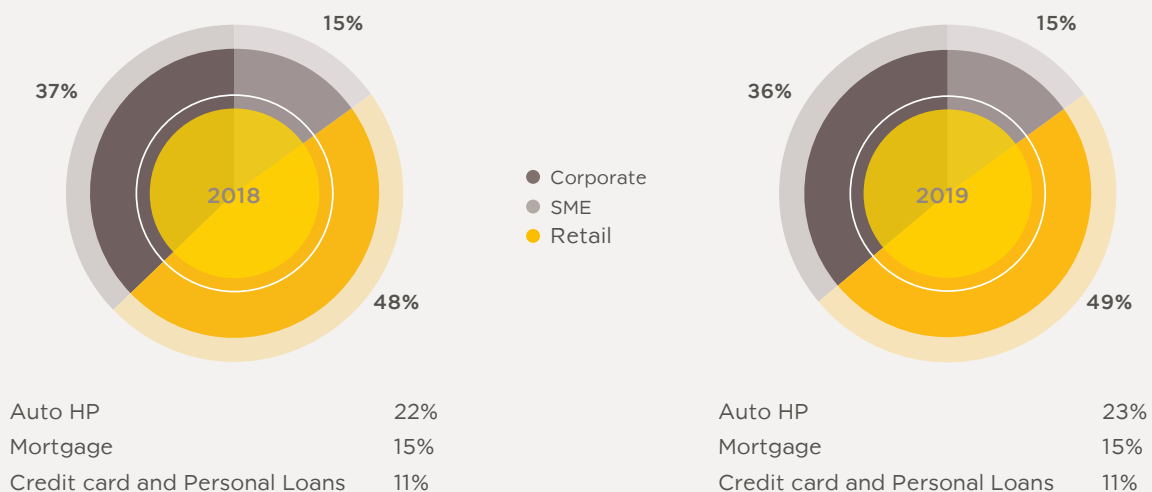
## Loans to customers

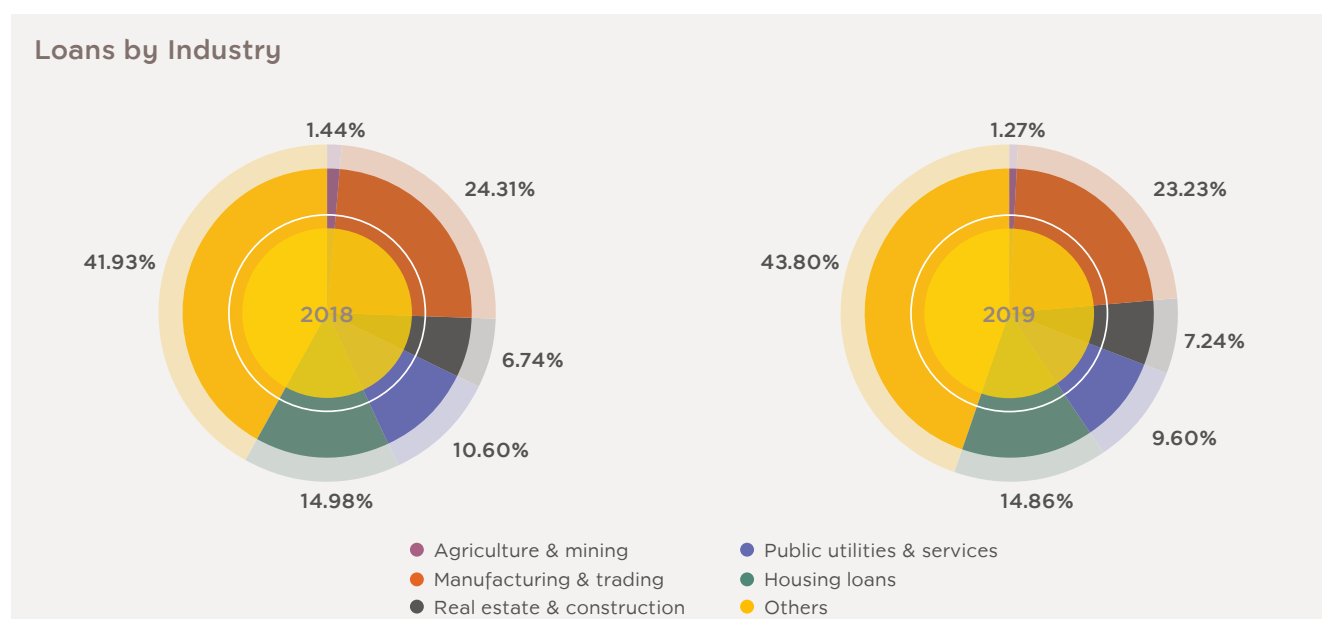
### Loans by segment

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
<b>Corporate</b>	<b>661,147</b>	<b>626,170</b>	<b>34,977</b>	<b>5.6</b>
- Thai Corporate	427,197	422,911	4,286	1.0
- International Corporate (JPC/MNC)	233,950	203,259	30,691	15.1
<b>SMEs</b>	<b>273,224</b>	<b>250,499</b>	<b>22,725</b>	<b>9.1</b>
<b>Retail</b>	<b>883,506</b>	<b>795,349</b>	<b>88,157</b>	<b>11.1</b>
- Hire purchase	414,192	367,199	46,993	12.8
- Mortgage	270,112	250,484	19,628	7.8
- Credit cards and personal loans	199,202	177,666	21,536	12.1
<b>Total *</b>	<b>1,817,877</b>	<b>1,672,018</b>	<b>145,859</b>	<b>8.7</b>

\* Loans to customer net of deferred revenue

### Loans by segment





As of December 31, 2019, total outstanding loans (net of deferred revenue) stood at Baht 1,817,877 million, an increase of Baht 145,859 million, or 8.7% from December 2018, which grew across segments.

At the end of December 2019, commercial loans, comprising corporate and SME customers, accounted for 51% of the total loan portfolio, while retail lending represented the remaining 49%.

Details of loan performance by segment are as follows:

**Corporate loans** grew by 5.6% or Baht 34,977 million from December 2018, of which Thai Corporate loans increased by 1.0%, or Baht 4,286 million, and International Corporate (JPC/MNC) loans increased by 15.1%, or Baht 30,691 million, reflecting Krungsri's prominent leadership position in the Japanese and Multinational Corporations segment.

**SME loans** grew by 9.1%, or Baht 22,725 million from December 2018. The growth of SME loans for 2019 was broad-based, covering all SME segments, reflecting our innovative products and services.

**The retail loan segment** grew by 11.1%, or Baht 88,157 million from December 2018.

- **Auto hire purchase loans** grew by 12.8%, or Baht 46,993 million from December 2018. The growth of auto hire purchase loans in 2019 was broad-based and resulted from the digital lending innovations, and continued collaboration with manufacturers and dealers.

- **Mortgage loans** increased by 7.8% or Baht 19,628 million from December 2018. The growth in 2019 was supported by Krungsri's strategy on innovative digital platforms and collaborative partnership with real estate developers for customer experience excellence.
- **Credit cards and personal loans** increased by 12.1%, or Baht 21,536 million from December 2018, which was mainly attributed to an increase of Baht 16,301 million, or 8.9% achieved in 4Q/19, largely attributed to seasonal year-end spending pattern.



## Loan classification and provision

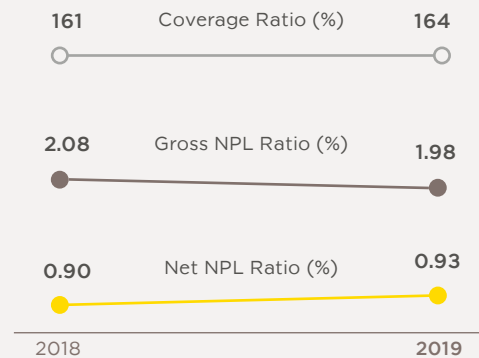
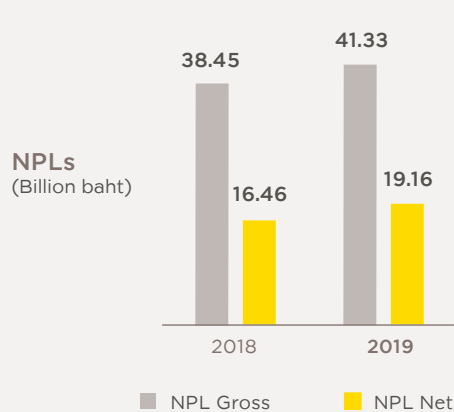
(Unit: Million baht)

Consolidated	Dec. 31, 2019		Dec. 31, 2018		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,718,385	13,758	1,583,364	12,418	135,021	1,340
Special mention	62,641	7,799	54,533	6,375	8,108	1,424
Substandard	12,257	6,306	10,066	5,148	2,191	1,158
Doubtful	6,531	3,217	5,500	2,787	1,031	430
Doubtful of loss	22,546	11,871	22,881	13,322	(335)	(1,451)
Total	1,822,360	42,951	1,676,344	40,050	146,016	2,901
Surplus Reserve		22,759		19,741		3,018
<b>Total</b>	<b>1,822,360</b>	<b>65,710</b>	<b>1,676,344</b>	<b>59,791</b>	<b>146,016</b>	<b>5,919</b>

## Non-performing loans

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
Non-Performing Loans (Net)	19,164	16,455	2,709	16.5
Non-Performing Loans (Gross)	41,334	38,446	2,888	7.5
Loans Loss Reserves (LLR)	67,715	61,808	5,907	9.6
<b>Coverage Ratio</b>	<b>163.8%</b>	<b>160.8%</b>	<b>3.0%</b>	<b>1.9</b>
BOT Requirement	44,956	42,066	2,890	6.9
<b>Actual / Required LLR</b>	<b>150.6%</b>	<b>146.9%</b>	<b>3.7%</b>	<b>2.5</b>

## NPLs and Coverage Ratio





**NPLs by segment**

Consolidated	Dec. 31, 2019	Dec. 31, 2018
Corporate	1.0%	1.1%
SME	5.4%	6.3%
Retail	2.3%	2.0%
Hire Purchase	1.9%	1.8%
Mortgage	3.4%	2.6%
Personal Loan, Credit Card and Other	1.6%	1.6%

In 2019, Krungsri conducted the NPL sales of Baht 930 million in 2Q/19.

As of December 31, 2019, gross NPLs stood at Baht 41,334 million, an increase of Baht 2,888 million, or 7.5%, from Baht 38,446 million at the end of 2018.

The ratio of gross NPLs as of December 31, 2019 stood at 1.98%, decreasing from 2.08% in December 2018.

As of December 31, 2019, loan-loss reserves stood at Baht 67,715 million, with an excess of Baht 22,759 million over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 150.6%.

The coverage ratio improved to 163.8% from 160.8% at the end of 2018.

**Investment in Securities**

As of December 31, 2019, Krungsri Group had investments in government securities with a book value of Baht 86,994 million 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 Baht 31,346 million.

**Funding Structure****Deposits**

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
<b>Current</b>	<b>37,336</b>	<b>35,391</b>	<b>1,945</b>	<b>5.5</b>
<b>Savings</b>	<b>599,989</b>	<b>591,183</b>	<b>8,806</b>	<b>1.5</b>
<b>Time</b>	<b>929,560</b>	<b>799,774</b>	<b>129,786</b>	<b>16.2</b>
< 6 Months	370,607	360,275	10,332	2.9
6 Months and < 1 Year	88,673	127,892	(39,219)	(30.7)
1 Year and over 1 Year	470,280	311,607	158,673	50.9
<b>Total Deposit</b>	<b>1,566,885</b>	<b>1,426,348</b>	<b>140,537</b>	<b>9.9</b>

As of December 31, 2019, deposits totaled Baht 1,566,885 million, an increase of Baht 140,537 million, or 9.9% from December 2018, attributed to an increase in time deposits of Baht 129,786 million and savings deposits of Baht 8,806 million.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 40.7%, compared to 43.9% in December 2018.

**Borrowing**

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
Debenture	110,530	108,640	1,890	1.7
Subordinated debenture	61,168	42,735	18,433	43.1
Other	3,969	4,275	(306)	(7.2)
<b>Total Borrowing</b>	<b>175,667</b>	<b>155,650</b>	<b>20,017</b>	<b>12.9</b>

As of December 31, 2019, the total borrowing stood at Baht 175,667 million, increasing by Baht 20,017 million, or 12.9% from December 2018. Key items are as follows:

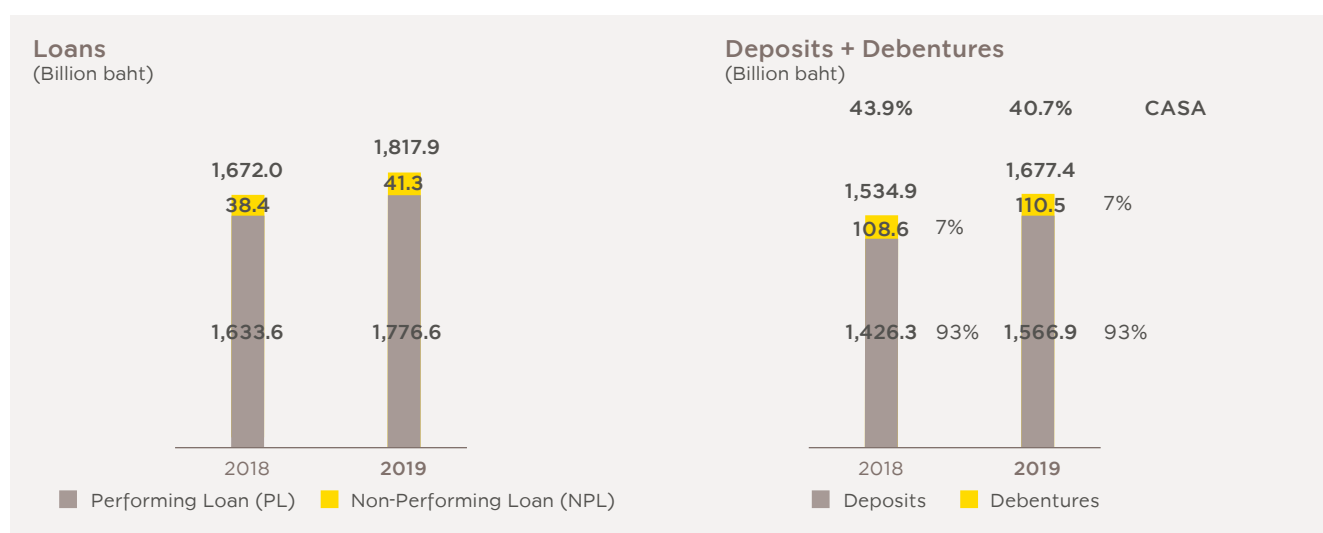
- 1) The Bank issued subordinated debentures, which qualified as the tier 2 capital, in the amount of Baht 18,826 million in June 2019.
- 2) The Bank issued the gender bond totaling Baht 6,640 million\* to International Finance Corporation (IFC) and Deutsche Investitions und Entwicklungsgesellschaft (DEG) in October 2019.
- 3) The Bank issued new long-term debentures totaling amount of Baht 27,000 million, offset by the matured debentures of Baht 25,000 million.

\* The tranche of Baht 2,113 million issued to DEG was recorded in the borrowing item, and the tranche of Baht 4,527 million issued to IFC was recorded in interbank and money market items.

Detail of new issuance of debentures as follows:

- On 4 April 2019: Baht 15,000 million with a maturity of 3 years carrying an interest rate of 2.37%
  - On 22 November 2019: Baht 7,000 million with a maturity of 2 years carrying an interest rate of 1.72%
  - On 22 November 2019: Baht 5,000 million with a maturity of 3 years carrying an interest rate of 1.80%
- 4) Krungsri subsidiaries issued new long-term debentures totaling amount of Baht 7,543 million, offset by the matured debentures of Baht 9,765 million.

Consequently, the loan to deposit ratio and the loan to deposit plus debentures ratio decreased to 116% and 108% respectively, compared to 117% and 109% at the end of December 2018.



	2018	2019
L/D	117%	116%
L/D + Debentures	109%	108%

## Contingencies

Consolidated	Dec. 31, 2019	Dec. 31, 2018	Change	
			Million baht	%
Avals to bills and Guarantees of loans	5,947	3,540	2,407	68.0
Liability under unmatured import bills	1,216	1,955	(739)	(37.8)
Letters of credit	3,965	5,818	(1,853)	(31.8)
Other contingencies	98,095	95,064	3,031	3.2
<b>Total</b>	<b>109,223</b>	<b>106,377</b>	<b>2,846</b>	<b>2.7</b>

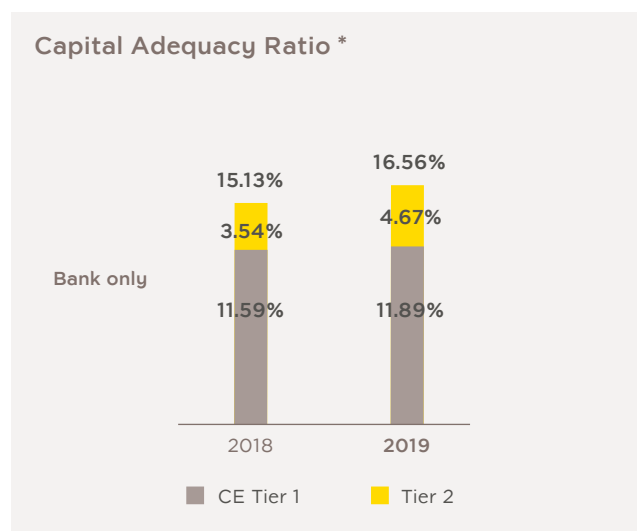
Krungsri Group's contingencies as of December 31, 2019 totaled Baht 109,223 million, an increase of Baht 2,846 million, or 2.7%, from December 31, 2018. The increase was

mainly caused by an increase in other contingencies of Baht 3,031 million and avals to bills and guarantees of loans of Baht 2,407 million.

## Statutory Capital

As of December 31, 2019, the Bank's capital was recorded at Baht 267,009 million, equivalent to 16.56% of risk-weighted assets, comprising common equity tier 1 capital of 11.89% and tier 2 capital of 4.67%.

The current level of capital is sufficient to provide Krungsri with flexibility to continue growing our business.



\* The BOT requires the Bank to maintain a minimum CAR at 8.5% and gradually increase the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.5% by January 1, 2019

Billion baht	Dec. 31, 2018	Dec. 31, 2019
CE Tier 1	175.38	191.67
Tier 2	53.60	75.34
<b>Total Capital</b>	<b>228.98</b>	<b>267.01</b>

**Remark:** BOT has adopted supervisory framework for Domestic Systemically Important Banks (D-SIBs) by requiring qualified banks to maintain additional 1% of common equity tier 1 from the current minimum requirement, starting 0.5% on Jan 1, 2019 and 1% on Jan 1, 2020.

## ACCOUNTING CHANGES – TFRS 9–FINANCIAL INSTRUMENTS

Effective from January 1, 2020 onwards, the Bank adopted TFRS 9, which entails new requirements for 1) Classification and Measurement of financial assets and liabilities, 2) Impairment loss, and 3) Hedged accounting.

With advance preparations and policies, procedures and reporting system already in place, Krungsri expects limited and manageable impacts from this accounting standard change.

## CREDIT RATINGS

Moody's Investors Service, Standard and Poor's, and Fitch Ratings announced to revise Krungsri's rating and outlook. Details are as follows:

- 1) Moody's Investors Service revised the rating outlook to Positive from Stable on July 30, 2019, following the sovereign outlook revision to Positive from Stable, reflecting that investment in physical and human capital, in the context of a lengthening track record of a predictable and stable macroeconomic environment, could, over time, boost Thailand's competitiveness.
- 2) Standard and Poor's revised the rating outlook to Positive from Stable on December 11, 2019, following the sovereign outlook revision to Positive from Stable, reflecting the improvement of political stability, and the expectation of economic growth recovery.
- 3) Fitch Ratings announced an upgrade of Krungsri Short-Term Issue Default Rating (IDR) from F2 to F1 on April 12, 2019, reflecting the fact that Krungsri has become more integrated with MUFG and also shown that it is a key component of MUFG's regional strategy.
- 4) Fitch Rating revised the rating outlook to Negative from Stable on November 1, 2019, following a similar revision in the outlook of MUFG Bank, Ltd. - on October 23, 2019.

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2019 are shown in the table below.

<b>1. Moody's Investors Service</b>		
<b>Bank Deposits</b>		
Long Term		Baa1
Short Term		Prime-2
<b>Debt</b>		
Long Term -Senior Debt		Baa1
Debt and Deposit Rating Outlook		Positive
<b>Baseline Credit Assessment (BCA)</b>		baa3
<b>2. Standard and Poor's</b>		
<b>Issuer Credit Rating (ICR)</b>		
Long Term		BBB+
Short Term		A-2
<b>Foreign Currency</b>		
Long Term-Senior Debt		BBB+
Short Term		A-2
<b>Stand-alone Credit Profile (SACP)</b>		bb+
Outlook		Positive
<b>3. Fitch Ratings</b>		
<b>International Ratings (Foreign Currency)</b>		
Long Term		A-
Subordinated Debt		BBB+
Short Term		F1
Viability Rating		bbb
Support		1
Outlook		Negative
<b>National Ratings</b>		
Long Term-Debenture		AAA (tha)
Subordinated Debt		AA+ (tha)
Short Term		F1+ (tha)
Outlook		Negative
<b>4. TRIS Rating</b>		
<b>National Ratings</b>		
Company Rating		AAA
Issue Rating (subordinated)		AA+
Outlook		Stable



# 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, including careful consideration together with prudent and 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 true and fair financial position 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, independent directors, 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 which is presented in this Annual Report.

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, 2019.



**Mr. Seiichiro Akita**  
President and Chief Executive Officer



**Miss Duangdao Wongpanitkrit**  
Director

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bank of Ayudhya Public Company Limited comprises three independent directors, who have sufficient knowledge and experience to reliably review the financial statements and the Chairman of the Audit Committee does not serve as the Chairman of the Board of Directors and any other sub-committees. The members of the Audit Committee are:

- |                |                |                                 |
|----------------|----------------|---------------------------------|
| 1. Ms. Potjane | Thanavaranit   | Chairman of the Audit Committee |
| 2. Mr. Virat   | Phairatphiboon | Audit Committee Member          |
| 3. Dr. Jamlong | Atikul         | Audit Committee Member          |

Ms. Puntipa Hannoraseth, Head of Internal Audit Group, serves as the 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 2019, the Audit Committee held a total of 20 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee held two meetings with the external auditor without the presence 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 has 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, and also monitored potential impacts from the adoption of TFRS9: Financial Instruments on financial statements. In this regard, it is of the opinion 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 Office of the Securities and Exchange Commission. In addition, the Audit Committee held special meetings with the external auditor without the presence 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 2019, the auditor did not have any material findings or reports of any suspicious behavior.

- **Internal control system and internal audit**

The Audit Committee has reviewed effectiveness and adequacy of the 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), the results of internal control adequacy assessment by using the internal control assessment form developed by the Office of the Securities and Exchange Commission under the concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), a 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. The Audit Committee is of the opinion that the internal control system of the Bank and its group companies is sufficient, appropriate and effective, while root causes were specified, rectification actions and preventive measures were appropriately undertaken. The Audit Committee acknowledged the assessment results of the Internal Control over Financial Reporting process and concluded that internal controls and the financial reporting preparation process were designed and implemented effectively. In 2019, there was no significant issue reported.

For internal audit activities, the Audit Committee considered the independence and adequacy of internal audit resources, and endorsed the revision of the Charter and the Audit Policy of the Internal Audit Group before submission to the Board of Directors. It also approved the Internal Audit Group's medium-term business plan, staff development and training plan, and audit plans as well as revised audit plan, monitored auditing activities on a monthly basis, and regularly provided recommendations to the Internal Audit Group. In addition, the Audit Committee is of the opinion that the Head of Internal Audit Group has adequate educational background, work experience, and training to carry out its duties. An annual performance evaluation of the Head of Internal Audit Group was conducted.

The Audit Committee consented to the annual credit review plan prior to submission to the Board of Directors, considered, and enquired about findings identified in credit review results and follow-ups to corrective actions undertaken by departments concerned to ensure that the credit granting processes of the Bank and its group companies are appropriate.

- **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 before submission to the Board of Directors. The Audit Committee is of the opinion 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.

- **Good governance**

The Audit Committee received complaints and acknowledged the results of complaint resolutions from the responsible departments and 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 the Risk Management Committee meetings, and discussed and exchanged views with the Risk and Compliance Committee to ensure the comprehensiveness of the risk management policies and strategies which should cover significant existing and new types of risk as well as whether the actions taken per these policies and strategies are effective and efficient. In this regard, 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 the results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Internal Audit Group, the Bank of Thailand, the Securities and Exchange Commission, and the external auditor on a regular basis.

- **External auditor**

The Audit Committee considered, selected, and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the independent auditors of the Bank and its group companies for 2019 and KPMG Lao Co., Ltd. as the independent auditors of Krungsri Leasing Services Co., Ltd. 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 a qualified auditor shall 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 shall 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 order to submit to the Board of Directors for further submission to the shareholders' meeting to approve the nomination of the auditor and the audit fee. In addition, the Audit Committee prudently considered the independence of the external auditor in providing non-audit services.

- **Others**

The Audit Committee Charter was reviewed and updated for greater clarity and comprehensiveness.

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 2019, the overall assessment result is at the score of 3.93 out of 4.00.

The Audit Committee had performed its duties as specified in its Charter with prudence, independence, and transparency, and provided constructive comments and recommendations without any limitation in obtaining information, resources or cooperation from the Bank for equitable sharing of benefits among stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statements 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 Audit 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 regularly monitored important changes so that it is well prepared to face potential risks that may arise in the future.



**Ms. Potjanee 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 three Bank's directors, one of which is an independent director, namely Mr. Jamlong Atikul, who serves as Chairman of the NRC, and the other two are non-executive directors, namely Mr. Noriaki Goto and Ms. Nopporn Tirawattanagool. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee (the NRC Charter) which stipulates that the NRC shall consist of at least 3 directors who are the Bank's independent directors or non-executive directors whereby the Chairman must be an independent director.

In 2019, the Nomination and Remuneration Committee held a total of 16 meetings and carried out supervisory role with regard to nomination and remuneration according to the duties and responsibilities as set forth in the NRC Charter including formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of the committees reporting directly to the board (board committees), and senior executives of the Bank as well as directors and managing directors or persons holding equivalent position of the entities in which the Bank holds more than 50% of shares. Results of all deliberations were further proposed to the Board of Directors' consideration. Significant undertakings in 2019 could be summarized as follows:

- Selecting and nominating candidates for directorship to replace the directors who retired by rotation or resigned and to fill the vacancy according to the selection process. Qualified candidates were selected from several sources including director pool of the Thai Institute of Directors (Thai IOD), internal list of potential director candidates, and nominations by directors and shareholders of the Bank (if any) taking into consideration the Board Skills Matrix which illustrates qualifications and diversity in terms of knowledge, competencies, experience, and education to ensure the effective board composition that is aligned with the Bank's business strategies. Names of qualified director candidates would be submitted to the Bank of Thailand for endorsement before proposed to the Board of Directors and/or shareholders for consideration and approval.
- Nominating qualified directors as members of the board committees and reviewing appropriateness of the committee composition including number and names of board committee members as well as considering the director succession plan for further submission to the Board of Directors' consideration.
- Nominating qualified candidates as the Bank's senior executives at Executive Vice President level and above according to the nomination and remuneration process and ensuring that viable succession plan has been established and annually reviewed as part of sustainable human resource management.
- Reviewing remuneration structure and rate for directors, board committee members, and senior executives of the Bank as well as directors and managing directors of companies in Krungsri financial business group taking into account scope of responsibilities, performance, industry benchmark, and economic situation, for submission to the Board of Directors for endorsement and shareholders for approval.
- Determining competitive and fair remuneration and considering performance evaluation results of President and CEO as well as senior executives of the Bank and managing directors of companies in Krungsri financial business group taking into account the individual performance against the targets, the Bank's operating results, industry benchmark, and business environment.
- Enhancing board assessment efficiency according to the good corporate governance principles by having cross-evaluation, Chairman's self-evaluation, and independent director evaluation be additionally conducted to supplement the entire board evaluation, individual director evaluation, and board committee evaluation in annual board performance review.
- Revising the NRC Charter to ensure that the NRC roles, duties and responsibilities duly comply with the Bank of Thailand Notification Re: Corporate Governance of Financial Institutions and the good corporate governance principles for submission to the Board of Directors' consideration and approval.
- Constantly providing constructive advice to Human Resources Group with regard to execution of human resource management strategies including areas of recruitment, talent retention, determination of fair and equitable compensation, and focusing on fostering organizational values and a culture of compliance.

The Nomination and Remuneration Committee has performed duties as set forth in the NRC Charter with prudence and transparency as well as compliance with relevant laws and regulations and the good corporate governance principles for the utmost benefits of the Bank and shareholders.



Mr. Jamlong Atikul

Chairman of the Nomination and Remuneration Committee

# REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of three directors as follows:

- |    |                             |                          |          |
|----|-----------------------------|--------------------------|----------|
| 1. | Mr. Virat Phairatphiboon    | (Independent Director)   | Chairman |
| 2. | Ms. Nopporn Tirawattanagool | (Non-executive Director) | Member   |
| 3. | Mr. Toru Matsuda            | (Non-executive Director) | Member   |

Mr. Virat Phairatphiboon was appointed as the Chairman of the Risk and Compliance Committee on October 24, 2018.

Mr. Saengchart Wanichwatphibun, the Chief Compliance Officer, assumed the role of the Risk and Compliance Committee Secretary.

As per the Charter, approved and delegated by the Bank's Board of Directors, the Risk and Compliance Committee ("the Committee") has duties and responsibilities to assess, recommend, and monitor the overall risk management and the compliance framework and practices of the Bank, as well as the companies within the financial business group. The Committee also has an oversight role on the Bank's good governance practices in accordance with the established policies, procedures and processes to prevent any undesirable impact on the Bank and the companies within the financial business group. In 2019, the Committee held 12 meetings, whereby the minutes of the meetings had already been reported to the Board of Directors. A summary of the Committee's overall proceeding in the year 2019 is as follows:

## 1. The Policy Aspect

In 2019, the Committee conducted a review of and made recommendations to 55 Policies of the Bank pertaining to risk and compliance as well as other relevant policies, prior to proposing them to the Board of Directors for consideration and subsequent approval. It was conducted to ensure their consistency with relevant regulations, requirements and guidelines as stipulated by the regulators.

## 2. The Risk Management and Compliance Practices Aspect

The Committee reviewed, monitored, and provided advice on the overall risk, parameters which includes capital, liquidity and compliance strategies to ensure that the risk and compliance management measures and practices remain effective in the Bank as well as the companies within the financial business group.

## 3. The Other Aspect

The Committee held 3 meetings in the year 2019 to discuss and exchange views with the Audit Committee on various issues to enhance supervision to ensure the stability of the business operations of the Bank and the companies in the financial business group in line with the Notification of the Bank of Thailand No. SorNorSor.10/2561 Re: Corporate Governance of Financial Institutions, with respect to the duties, responsibilities and composition of the Risk and Compliance Committee. Furthermore, the Committee conducted a review of the Annual Compliance Report and proposed it to the Board of Directors before submission of the report to the Bank of Thailand and other relevant regulators.

In summary, the Committee has responsibly performed its roles and responsibilities as stipulated by the Charter with integrity, transparency, consistency and corporate governance in the best interests as well as the long-term stability of the Bank and the companies in the financial business group. Furthermore, the Committee has conducted a self assessment on the performance of the Committee with the objective of utilizing the assessment results as a guideline to continue to enhance the Committee's roles and responsibilities more efficiently.



**Mr. Virat Phairatphiboon**  
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, 2019, 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, 2019, 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
<b>Allowance for doubtful accounts</b>	
<p>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.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>Tested the design and operating effectiveness of the controls over loan classification, collateral value, right in collateral and loan credit review.</li> </ul>
<p>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.</p>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<p>The general allowances used the qualitative factors in assessment the ability to pay of debtors, including deteriorating economic and industry.</p>	
<p>Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 5.5 and 8.7 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> <li>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.</li> </ul>

## 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.



**Chavala Tienpasertkij**

Certified Public Accountant (Thailand)

Registration No. 4301

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**BANGKOK**

February 26, 2020

# FINANCIAL STATEMENTS

## FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2019

BAHT: '000

ASSETS	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
CASH		33,830,336	34,679,453	32,784,600	33,467,518
INTERBANK AND MONEY MARKET ITEMS, NET	8.2	331,431,378	245,553,368	325,689,873	239,262,061
CLAIM ON SECURITY		9,611,500	12,739,466	9,611,500	12,739,466
DERIVATIVES ASSETS	8.3	21,841,044	14,114,996	21,896,417	14,118,477
INVESTMENTS, NET	8.4	118,340,121	134,749,046	117,908,466	134,432,727
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET	8.5	11,952,177	2,619,961	59,956,092	58,261,091
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	8.6				
Loans to customers		1,909,361,537	1,749,254,185	1,740,676,696	1,612,370,410
Accrued interest receivables		4,483,645	4,325,799	2,480,939	2,534,581
Total loans to customers and accrued interest receivables		1,913,845,182	1,753,579,984	1,743,157,635	1,614,904,991
<u>Less</u> Deferred revenue		(91,484,915)	(77,236,147)	(78,905,829)	(64,003,015)
<u>Less</u> Allowance for doubtful accounts	8.7	(65,709,913)	(59,790,567)	(51,242,656)	(45,696,125)
<u>Less</u> Revaluation allowance for debt restructuring	8.8	(1,674,319)	(1,569,084)	(154,696)	(100,722)
Net loans to customers and accrued interest receivables		1,754,976,035	1,614,984,186	1,612,854,454	1,505,105,129
CUSTOMERS' LIABILITY UNDER ACCEPTANCE		299,089	564,690	299,089	564,690
PROPERTIES FOR SALE, NET	8.9	3,500,200	3,478,358	2,394,813	2,188,153
PREMISES AND EQUIPMENT, NET	8.10	29,029,494	26,238,751	27,075,050	24,246,855
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	8.11	16,902,975	16,642,318	4,199,366	3,767,460
DEFERRED TAX ASSETS	8.12	4,479,273	4,273,990	-	256,391
ASSETS CLASSIFIED AS HELD FOR SALE	8.13	-	39,536,149	-	2,413,540
OTHER ASSETS, NET	8.14	23,397,974	23,447,652	20,055,709	19,077,999
<b>TOTAL ASSETS</b>		<b>2,359,591,596</b>	<b>2,173,622,384</b>	<b>2,234,725,429</b>	<b>2,049,901,557</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT DECEMBER 31, 2019

BAHT: '000

LIABILITIES AND EQUITY	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
DEPOSITS	8.15	1,566,884,776	1,426,348,223	1,558,780,159	1,420,893,299
INTERBANK AND MONEY MARKET ITEMS, NET	8.16	252,121,143	244,097,059	252,076,777	246,253,800
LIABILITY PAYABLE ON DEMAND		3,802,060	5,990,667	3,801,985	5,990,573
LIABILITY TO DELIVER SECURITY		9,611,500	12,739,466	9,611,500	12,739,466
DERIVATIVES LIABILITIES	8.3	23,326,062	13,539,514	23,325,475	13,542,540
DEBT ISSUED AND BORROWINGS	8.17	175,667,180	155,649,788	139,003,569	115,987,549
BANK'S LIABILITY UNDER ACCEPTANCE		299,089	564,690	299,089	564,690
PROVISIONS	8.18	9,717,481	7,763,695	8,165,452	6,867,642
DEFERRED TAX LIABILITIES	8.12	1,823,357	3,765	803,296	-
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	8.13	-	13,783,913	-	-
OTHER LIABILITIES	8.20	44,223,303	49,423,317	27,148,687	31,133,011
<b>TOTAL LIABILITIES</b>		<b>2,087,475,951</b>	<b>1,929,904,097</b>	<b>2,023,015,989</b>	<b>1,853,972,570</b>
EQUITY					
SHARE CAPITAL	8.22				
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		4,312,103	2,150,878	5,326,327	2,587,947
RETAINED EARNINGS					
Appropriated					
Legal reserve		6,870,800	5,890,800	6,870,800	5,890,800
Unappropriated		133,170,675	108,159,015	73,075,946	61,013,873
<b>TOTAL BANK'S EQUITY</b>		<b>270,789,945</b>	<b>242,637,060</b>	<b>211,709,440</b>	<b>195,928,987</b>
NON-CONTROLLING INTEREST		1,325,700	1,081,227	-	-
<b>TOTAL EQUITY</b>		<b>272,115,645</b>	<b>243,718,287</b>	<b>211,709,440</b>	<b>195,928,987</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,359,591,596</b>	<b>2,173,622,384</b>	<b>2,234,725,429</b>	<b>2,049,901,557</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Seiichiro Akita  
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, 2019

BAHT: '000

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2019	2018	2019	2018
INTEREST INCOME	8.30	110,455,442	107,131,778	80,945,599	74,597,475
INTEREST EXPENSES	8.31	34,032,364	31,803,439	31,698,784	29,635,978
INTEREST INCOME, NET		76,423,078	75,328,339	49,246,815	44,961,497
FEES AND SERVICE INCOME		29,652,171	28,999,346	15,854,858	15,447,471
FEES AND SERVICE EXPENSES		7,875,668	7,751,461	5,902,397	5,292,126
FEES AND SERVICE INCOME, NET	8.32	21,776,503	21,247,885	9,952,461	10,155,345
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET	8.33	4,349,796	4,736,450	4,467,865	4,718,472
GAINS (LOSSES) ON INVESTMENTS, NET	8.34	9,232,109	374,038	5,115,997	(25,962)
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		1,409,261	391,199	-	-
DIVIDEND INCOME		210,418	202,052	5,382,141	7,232,737
BAD DEBTS RECOVERIES		6,483,470	5,994,398	1,787,065	1,297,357
GAINS ON SALE PROPERTIES FOR SALE		608,101	263,856	531,779	138,606
OTHER OPERATING INCOME		1,115,249	1,040,936	812,058	880,229
TOTAL OPERATING INCOME		121,607,985	109,579,153	77,296,181	69,358,281
OTHER OPERATING EXPENSES					
Employee's expenses		27,648,472	26,286,521	19,667,798	17,425,801
Directors' remuneration		59,172	59,390	52,488	53,172
Premises and equipment expenses		7,922,336	8,419,599	6,306,892	6,285,022
Taxes and duties		2,871,176	2,789,060	1,949,059	1,828,903
Others		13,667,558	14,186,040	7,463,511	7,768,628
Total other operating expenses		52,168,714	51,740,610	35,439,748	33,361,526
IMPAIRMENT LOSS ON LOANS AND DEBT SECURITIES	8.35	28,202,962	26,180,100	18,625,240	15,768,699
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		41,236,309	31,658,443	23,231,193	20,228,056
INCOME TAX EXPENSES	8.36	8,104,797	6,467,289	3,645,617	2,562,530
NET PROFIT		33,131,512	25,191,154	19,585,576	17,665,526

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT: '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Notes	2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain (Loss) on remeasuring available-for-sale investments		9,462	(1,223,637)	9,462	(1,223,637)
Loss arising from translating the financial statements of a foreign operation		(701,842)	(139,134)	-	-
Income tax relating to components of other comprehensive income	8.37	122,795	272,003	(1,892)	244,727
Items that will not be reclassified subsequently to profit or loss:					
Change in assets revaluation surplus		3,821,640	-	3,821,640	-
Actuarial gain (loss) on defined benefit plans		(1,031,120)	67,783	(772,010)	(38,672)
Share of other comprehensive income of joint venture		(9,412)	6,331	-	-
Income tax relating to components of other comprehensive income	8.37	(558,084)	(13,689)	(609,926)	7,734
Total other comprehensive income, net		1,653,439	(1,030,343)	2,447,274	(1,009,848)
TOTAL COMPREHENSIVE INCOME		34,784,951	24,160,811	22,032,850	16,655,678
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		32,748,508	24,812,637	19,585,576	17,665,526
Non-controlling interest		383,004	378,517	-	-
		33,131,512	25,191,154	19,585,576	17,665,526
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		34,405,408	23,782,175	22,032,850	16,655,678
Non-controlling interest		379,543	378,636	-	-
		34,784,951	24,160,811	22,032,850	16,655,678
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	4.45	3.37	2.66	2.40
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 financial statements



Mr. Seiichiro Akita  
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, 2019

BAHT: '000

CONSOLIDATED FINANCIAL STATEMENTS											
Notes	Owners of the Bank								Total Bank's Equity	Non-Controlling Interest	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	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, 2018	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
Change in revaluation surplus	-	-	(253,282)	-	-	-	-	253,282	-	-	-
Dividend payment 8.22.2	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(114,714)	(6,367,111)
Increase in legal reserve	-	-	-	-	-	-	884,000	(884,000)	-	-	-
Total comprehensive income	-	-	-	(978,910)	(111,859)	-	-	24,872,944	23,782,175	378,636	24,160,811
Change in shareholding in subsidiaries company	-	-	-	-	(1,677)	-	-	(21,550)	(23,227)	(39,412)	(62,639)
<b>Balance as of December 31, 2018</b>	<b>73,557,618</b>	<b>52,878,749</b>	<b>7,895,654</b>	<b>(89,952)</b>	<b>(437,069)</b>	<b>(5,217,755)</b>	<b>5,890,800</b>	<b>108,159,015</b>	<b>242,637,060</b>	<b>1,081,227</b>	<b>243,718,287</b>
Balance as of January 1, 2019	73,557,618	52,878,749	7,895,654	(89,952)	(437,069)	(5,217,755)	5,890,800	108,159,015	242,637,060	1,081,227	243,718,287
Change in revaluation surplus	-	-	(326,502)	-	-	-	-	326,502	-	-	-
Dividend payment 8.22.2	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(135,196)	(6,387,593)
Increase in legal reserve	-	-	-	-	-	-	980,000	(980,000)	-	-	-
Total comprehensive income	-	-	3,057,312	7,570	(577,155)	-	-	31,917,681	34,405,408	379,543	34,784,951
Change in shareholding in subsidiaries company	-	-	-	-	-	-	-	(126)	(126)	126	-
<b>Balance as of December 31, 2019</b>	<b>73,557,618</b>	<b>52,878,749</b>	<b>10,626,464</b>	<b>(82,382)</b>	<b>(1,014,224)</b>	<b>(5,217,755)</b>	<b>6,870,800</b>	<b>133,170,675</b>	<b>270,789,945</b>	<b>1,325,700</b>	<b>272,115,645</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT: '000

THE BANK'S FINANCIAL STATEMENTS								
Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2018	73,557,618	52,878,749	8,148,936	888,958	(5,217,755)	5,006,800	50,262,400	185,525,706
Change in revaluation surplus	-	-	(253,282)	-	-	-	253,282	-
Dividend payment 8.22.2	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve	-	-	-	-	-	884,000	(884,000)	-
Total comprehensive income	-	-	-	(978,910)	-	-	17,634,588	16,655,678
<b>Balance as of December 31, 2018</b>	<b>73,557,618</b>	<b>52,878,749</b>	<b>7,895,654</b>	<b>(89,952)</b>	<b>(5,217,755)</b>	<b>5,890,800</b>	<b>61,013,873</b>	<b>195,928,987</b>
Balance as of January 1, 2019	73,557,618	52,878,749	7,895,654	(89,952)	(5,217,755)	5,890,800	61,013,873	195,928,987
Change in revaluation surplus	-	-	(326,502)	-	-	-	326,502	-
Dividend payment 8.22.2	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve	-	-	-	-	-	980,000	(980,000)	-
Total comprehensive income	-	-	3,057,312	7,570	-	-	18,967,968	22,032,850
<b>Balance as of December 31, 2019</b>	<b>73,557,618</b>	<b>52,878,749</b>	<b>10,626,464</b>	<b>(82,382)</b>	<b>(5,217,755)</b>	<b>6,870,800</b>	<b>73,075,946</b>	<b>211,709,440</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Seiichiro Akita  
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, 2019

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income from operating before income tax expenses	41,236,309	31,658,443	23,231,193	20,228,056
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	4,008,244	3,945,241	3,088,799	2,939,162
Interest expenses from finance lease	19,229	10,444	15,280	8,927
Impairment loss on loans and debt securities	28,202,962	26,180,100	18,625,240	15,768,699
Gain on translation in foreign currencies	(7,886,392)	(1,343,344)	(7,886,392)	(1,343,344)
Unrealized gain from revaluation of derivatives	(407,031)	(1,956,249)	(462,536)	(1,945,389)
Share of profit from investment using equity method	(1,409,261)	(391,199)	-	-
(Gain) loss on investments	(9,232,109)	(374,038)	(5,115,997)	25,962
Increase (decrease) in discount on investments	(362,965)	29,879	(362,965)	29,879
Gain on sales of properties for sale	(608,101)	(263,856)	(531,779)	(138,606)
(Gain) loss on sales of premises and equipment	5,087	(2,066)	20,970	14,805
Loss on impairment of properties for sale	207,063	624,508	179,286	275,391
Loss on impairment of premises and equipment (reversal)	(16,579)	1,873	(44,813)	-
Loss on impairment of other assets (reversal)	(268,358)	(61,247)	93,417	75,456
Increase in other reserves	1,933,937	211,743	511,427	256,884
Interest income, net	(76,423,078)	(75,328,339)	(49,246,815)	(44,961,497)
Income tax refunded	-	1,789	-	-
Interest received	110,348,970	106,745,694	81,027,221	74,352,560
Interest paid	(32,564,054)	(30,054,466)	(30,175,882)	(27,952,453)
Dividend income	(210,418)	(202,052)	(5,382,141)	(7,232,737)
Dividends received	210,419	202,982	207,503	202,634
Increase in other accrued expenses	62,814	840,926	1,003,044	1,070,316
Income tax paid	(7,092,662)	(6,928,428)	(3,595,096)	(2,616,868)
Income from operations before changes in operating assets and liabilities	49,754,026	53,548,338	25,198,964	29,057,837
(Increase) decrease in operating assets				
Interbank and money market items	(90,106,276)	85,650,809	(91,097,781)	85,260,469
Current investments - securities for trading	(469,204)	(1,632,762)	(468,670)	(1,630,764)
Loans to customers	(169,144,808)	(191,342,613)	(144,541,881)	(142,989,302)
Properties for sale	17,265,071	11,586,122	15,042,778	8,734,929
Other assets	(1,940,387)	(3,368,167)	(2,223,800)	(4,224,706)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2019

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Increase (decrease) in operating liabilities				
Deposits	146,438,864	107,601,941	143,954,239	104,671,122
Interbank and money market items	20,671,955	(32,593,024)	18,470,848	(35,192,447)
Liability payable on demand	(2,057,335)	(255,324)	(2,057,316)	(255,374)
Other liabilities	(7,709,459)	6,089,209	(6,254,925)	4,049,148
Net cash from operating activities	(37,297,553)	35,284,529	(43,977,544)	47,480,912
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales of investments in securities	80,975,763	70,212,435	80,964,068	70,212,435
Cash paid for purchases of investments in securities	(62,414,530)	(121,251,286)	(62,288,029)	(121,168,725)
Cash received from sales of investment in subsidiaries	8,027,466	-	8,027,466	-
Cash paid for investment in subsidiaries and joint venture	(855,001)	(62,638)	(2,755,001)	(3,205,025)
Dividend received from subsidiaries and joint venture	950,100	-	5,174,639	7,031,033
Proceeds from sales of premises and equipment	118,238	(495,818)	1,970	18,327
Cash paid for purchases of premises and equipment	(1,493,277)	(2,182,631)	(1,001,362)	(1,199,787)
Cash paid for purchases of other assets	(1,709,516)	(1,341,369)	(1,390,154)	(1,048,438)
Net cash from investing activities	23,599,243	(55,121,307)	26,733,597	(49,360,180)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from debts issued and borrowings	67,247,978	63,282,494	48,153,749	29,000,000
Cash paid for repayment of debts issued and borrowings	(47,221,668)	(38,269,675)	(25,137,729)	(25,007,329)
Cash paid for repayment of liabilities under finance lease agreements	(188,945)	(76,726)	(150,698)	(67,617)
Dividend payment	(6,387,593)	(6,367,112)	(6,252,397)	(6,252,397)
Net cash from financing activities	13,449,772	18,568,981	16,612,925	(2,327,343)
Total	(248,538)	(1,267,797)	(631,022)	(4,206,611)
Effect arising from translating the financial statements of a foreign operations	(499,656)	(66,015)	-	-
Effect of exchange rate change on cash	(51,896)	3,124	(51,896)	3,124
Net decrease in cash and cash equivalents	(800,090)	(1,330,688)	(682,918)	(4,203,487)
Cash and cash equivalents as at January 1,	40,370,459	41,701,147	33,467,518	37,671,005
<b>Cash and cash equivalents as at December 31,</b>	<b>39,570,369</b>	<b>40,370,459</b>	<b>32,784,600</b>	<b>33,467,518</b>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Seiichiro Akita  
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, 2019

## 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 MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at December 31, 2019 and 2018, the Bank has 21 subsidiaries and joint ventures and 20 subsidiaries and joint ventures, respectively as follows:

- 1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, and is located at 550, Krungsri Ploenchit Tower, 14<sup>th</sup> Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan 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 550, Krungsri Ploenchit Tower, 16<sup>th</sup> Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.4 General Card Services Limited was incorporated in Thailand on January 24, 1995, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.5 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is credit cards and personal loans.
- 1.6 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.
- 1.7 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.
- 1.8 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996, and is located at 898, Ploenchit Tower Building, 1<sup>st</sup>-2<sup>nd</sup> Floor zone A, 12<sup>th</sup> and 18<sup>th</sup> Floor zone B, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.9 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.
- 1.10 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004, and is located at 898, Ploenchit Tower, 3<sup>rd</sup> Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.

- 1.11 Krungsri Nimble Company Limited (formerly Krungsri Factoring Company Limited), was incorporated in Thailand on February 1, 2007, and is located at 1222, Bank of Ayudhya, 21<sup>st</sup> Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring and information technology services.
- 1.12 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 is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.
- 1.13 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 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.
- 1.14 Krungsri Finnovate Company Limited was incorporated in Thailand on March 27, 2017, and is located at 1222, 21<sup>st</sup> Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is venture capital.
- 1.15 Krungsri Leasing Services Company Limited, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%, 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.
- 1.16 Hattha Kaksekar Limited was incorporated in Cambodia in November 1996, and is located at 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.
- 1.17 Hattha Services Company Limited was incorporated in Cambodia in October 8, 2019, and is located at 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 lease real estate.
- 1.18 Ngern Tid Lor Company Limited was incorporated in Thailand on October 24, 2006, and is located at 428 Ari Hills Building 9<sup>th</sup>-15<sup>th</sup> Floor, Phahonyothin Road, Sam Sen Nai Subdistrict, Phaya Thai District, Bangkok. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.  
  
On February 28, 2019, the Bank sold 50% of investment in Ngern Tid Lor Company Limited, reducing its ownership interest to 50%. As a result, investment in Ngern Tid Lor Company Limited is classified as investment in joint ventures.
- 1.19 Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited) which is 49.99% owned by Ayudhya Capital Services Company Limited, the Bank's joint ventures, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is service.
- 1.20 Tesco Life Assurance Broker Limited which is 99.99% owned by Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited), the Bank's joint ventures, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a life insurance broker.
- 1.21 Tesco General Insurance Broker Limited which is 99.99% owned by Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited), the Bank's joint ventures, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is as a general insurance broker.



## 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, 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 2018) "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 that is the Parent Company of a Financial Group 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 ("TFRSs") 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 in the Royal Gazette but not yet effective in 2019

Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020.

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

#### Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

#### Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

#### Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

On March 15, 2019, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRS) No. 16 "Leases", which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

### Thai Financial Reporting Standards (TFRSs) Revised 2019

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The management of the Bank and its subsidiaries will adopt such TFRSs in the Bank and subsidiaries' financial statements when it becomes effective.

The management of the Bank and its subsidiaries have assessed the impact of these TFRSs which does not have any significant impact on the financial statements of the Bank and its subsidiaries in the period of initial application.

In addition, the management of the Bank and its subsidiaries have assessed the impact of these TFRSs especially for the Thai Financial Reporting Standards relating No.9 (TFRS 9): Financial instruments. The Bank and its subsidiaries will adopt TFRS 9 which introduces new requirements such as 1) Classification and Measurement of financial assets and liabilities, 2) Impairment loss, 3) Hedge accounting.

Therefore, the cumulative impact of 1<sup>st</sup> time adoption for TFRS 9 will be adjusted to Retain Earnings or Other Comprehensive Income on January 1, 2020. From initial assessment impact of TFRS 9, the total impact to the consolidated and the Bank's financial statements would be less than 1% of total shareholders' equity.

- 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,	
			2019	2018
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 <sup>(1)</sup>	Hire-purchase and motorcycle 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
Krungrsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Service Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungrsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungrsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungrsri Securities Public Company Limited	Securities	Thailand	99.84	99.84
Krungrsri Nimble Company Limited (formerly Krungrsri Factoring Company Limited)	Factoring and information technology services	Thailand	100.00	100.00
Krungrsri Life Assurance Broker Limited <sup>(2)</sup>	Life assurance broker	Thailand	100.00	100.00
Krungrsri General Insurance Broker Limited <sup>(2)</sup>	General insurance broker	Thailand	100.00	100.00
Krungrsri Finnovate Company Limited	Venture Capital	Thailand	100.00	100.00
Krungrsri Leasing Services Company Limited <sup>(3)</sup>	Hire-purchase, leasing and sales finance	Lao PDR	100.00	100.00
Hattha Kaksekar Limited	Micro finance	Cambodia	100.00	100.00
Hattha Services Company Limited <sup>(4)</sup>	Lease real estate	Cambodia	100.00	-

<sup>(1)</sup> On February 28, 2019, the Bank sold 50% of investment in Ngern Tid Lor Company Limited, reducing its ownership interest to 50%. As a result, investment in Ngern Tid Lor Company Limited is classified as investment in joint ventures.

<sup>(2)</sup> Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

<sup>(3)</sup> Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.

<sup>(4)</sup> On November 1, 2019, the Bank held indirectly ordinary shares of Hattha Services Company Limited via Hattha Kaksekar Limited of 49%. However, the Bank has the power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%.

All material intercompany transactions and balances have been eliminated.

### 3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

In 2019, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries' financial statements.

### 4. CHANGES IN ACCOUNTING POLICIES

The Bank changed its accounting policy for the recognition of the purchase and sale of investments in debt securities from the trade date to the settlement date basis for management purposes.

The Bank does not apply retrospectively to the consolidated and the Bank's financial statements since the change in this accounting policy does not have any significant impact on the Bank and its subsidiaries' financial statements.

### 5. SIGNIFICANT ACCOUNTING POLICIES

#### 5.1 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.

#### 5.2 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

5.2.1 Derivatives for trading are recorded at fair value and profit or loss from the price appraisal as income or expense in the statements of profit or loss and other comprehensive income.

5.2.2 Derivatives for hedging are recorded a profit or loss from the price appraisal as income or expense based on the accrual basis in line with the underlying transactions.

#### 5.3 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 that is the Parent Company of Financial Group dated December 4, 2015, requiring the bank to present the investments as investments, net and investments in subsidiaries, associates and joint ventures, net.

Investments are initially recognized on the trade date. Since November 18, 2019, investments in debt securities have been initially recognized on the settlement date. (See Note 4)

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 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.

#### **5.4 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 amortized by the effective interest rate method.

Initial direct cost is amortized by the effective interest rate method.

#### **5.5 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 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.

#### **5.6 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 rate at 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 rate at market interest rate as of the processing date and based on the discounted rate at market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted 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.

#### **5.7 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 7.3. 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.

#### **5.8 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.

**5.9 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 straight-line method over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

**5.10 Assets classified as held for sale**

Assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal

group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in the statements of profit or loss and other comprehensive income.

#### 5.11 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis, except interest income on finance lease and 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.

Fees and Service income - the Bank and its subsidiaries recognize revenues from contracts with customers in the amount of consideration it expects to receive upon the control of service. The timing of recognition is dependent on whether the Bank and its subsidiaries satisfy a performance obligation by providing service to a customer over time or at a point in time.

#### 5.12 Recognition of expenses

The Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

#### 5.13 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

##### 5.13.1 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.

##### 5.13.2 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.

Past service cost related to the plan amendment is recognized as an employee's expense in the statements of profit or loss and other comprehensive income when the plan amendment is effective.

Actuarial gains (losses) are recognized in other comprehensive income.

#### **5.13.3 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.

#### **5.13.4 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.

### **5.14 Contributions to the Financial Institutions 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 other comprehensive income.

### **5.15 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.



## 5.16 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

### 5.16.1 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.

### 5.16.2 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.

## 5.17 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.

## 5.18 Foreign currency transactions

### 5.18.1 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.

#### **5.18.2 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.

### **5.19 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.

## **6. RISK MANAGEMENT**

### **6.1 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.

## **Market Risk**

Market risk refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities.

Market risk management is overseen by the Risk Management Committee (RMC) and Asset and Liability Management Committee (ALCO). 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 as well as provides analysis of the Bank's and competitors' balance sheet management and strategic risk options for more effective market risk management under risk limits approved by the Board.

The Bank has continuously conducted the forward-looking risk management and closely monitor 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 study and make the preparation for the enhancement on market risk measurement to align with new international's framework such as Thai Financial Reporting Standards that are relevant to financial instruments which will be effective in 2020, etc.

### **1. 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 and the shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from the mismatch of their repricing rates.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

### **2. Foreign exchange rate risk**

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from the exchange rate fluctuations that affected foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from products and services provided to the Bank's customers.

In addition, the Bank enters into forward foreign exchange contracts as part of the 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 monitors the risk level under the specified limits using the Value-at-Risk Method as one of the tools to manage the exchange rate risk.

### **3. 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.

For Trading Book, the Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk.

### Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations by the due dates because of an inability to convert liquid assets into cash, or its failure to procure enough fund, or, if it can, the fund comes with an exceptionally high cost that may affect income and capital fund now and in the future.

Liquidity risk management of the Bank is under the supervision of the ALCO and RMC including monitoring and controlling 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.

The Bank also realizes the significance of adequate measurement tools for the size and complexity of transactions both on - and off - balance sheet as well as regulatory compliance. The Bank complies with Liquidity Coverage Ratio (LCR) at the minimum requirement of 90 percent in 2019 and will eventually be 100 percent on January 1, 2020 and Net Stable Funding Ratio (NSFR) guidelines with the minimum requirement of 100 percent, effective on July 1, 2018. Additionally, the Bank conducts liquidity gap analysis covering both normal business and crisis situations that may adversely affect the Bank's liquidity position. The liquidity contingency plan and guideline are formulated and regularly tested to ensure readiness to deal with crisis situations and successfully resume normal operations.

To comply with BOT Notification Sor.Nor.Sor. 2/2561 regarding Liquidity Coverage Ratio Disclosure Standards dated January 25, 2018, the Bank has provided essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline on the Bank's website with details as follows:

Information as at	June 30, 2019
Date of disclosure	October 31, 2019
Location of disclosure	<a href="https://www.krungsri.com/bank/en/InvestorRelations/FinancialInformationandReports/liquidity-coverage-ratio.html">https://www.krungsri.com/bank/en/InvestorRelations/FinancialInformationandReports/liquidity-coverage-ratio.html</a>

The disclosure as at December 31, 2019 will be provided on or before April 30, 2020 on the above Bank's website as indicated in the BOT's notification.

### 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 8.7), 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.



## 6.2 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, 2019 and 2018 are summarized as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2019						
	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
<b>Financial assets</b>							
Interbank and money market items, net	279,911	2,709	4,152	-	-	44,659	331,431
Investments, net	41,550	49,637	19,451	863	-	6,839	118,340
Loans to customers	901,414	264,845	486,211	40,523	41,334	83,550	1,817,877
<b>Financial liabilities</b>							
Deposits	1,034,234	427,298	67,995	22	-	37,336	1,566,885
Interbank and money market items, net	177,888	65,356	5,667	156	-	3,054	252,121
Debt issued and borrowings	20,036	23,336	71,447	60,833	-	15	175,667

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2018						
	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
<b>Financial assets</b>							
Interbank and money market items, net	171,721	2,148	5,500	-	-	66,184	245,553
Investments, net	19,818	45,041	63,872	540	-	5,478	134,749
Loans to customers	876,828	209,873	433,736	37,033	38,446	76,102	1,672,018
<b>Financial liabilities</b>							
Deposits	1,012,872	268,821	109,262	2	-	35,391	1,426,348
Interbank and money market items, net	152,498	82,377	5,449	420	-	3,353	244,097
Debt issued and borrowings	20,068	27,672	65,879	42,009	-	22	155,650

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2019						
	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
<b>Financial assets</b>							
Interbank and money market items, net	278,298	2,659	4,152	-	-	40,581	325,690
Investments, net	41,550	49,637	19,450	863	-	6,408	117,908
Loans to customers	903,626	237,077	441,543	36,971	35,542	7,012	1,661,771
<b>Financial liabilities</b>							
Deposits	1,033,262	420,993	66,246	-	-	38,279	1,558,780
Interbank and money market items, net	179,668	62,753	6,429	156	-	3,071	252,077
Debt issued and borrowings	10,036	12,157	56,000	60,811	-	-	139,004

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2018						
	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
<b>Financial assets</b>							
Interbank and money market items, net	170,300	2,098	5,500	-	-	61,364	239,262
Investments, net	19,818	45,041	63,872	540	-	5,162	134,433
Loans to customers	870,647	178,471	424,602	36,618	32,285	5,744	1,548,367
<b>Financial liabilities</b>							
Deposits	1,013,584	262,209	108,537	-	-	36,563	1,420,893
Interbank and money market items, net	156,211	82,377	3,877	420	-	3,369	246,254
Debt issued and borrowings	12,003	13,000	49,000	41,985	-	-	115,988

### 6.3 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, 2019 and 2018.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
<b>Interest bearing financial assets</b>						
Interbank and money market items	243,844	4,768	2.0	262,351	6,213	2.4
Investments	124,881	2,369	1.9	81,620	1,855	2.3
Loans to customers	1,740,410	103,318	5.9	1,622,585	99,064	6.1
Total	2,109,135	110,455		1,966,556	107,132	
<b>Interest bearing financial liabilities</b>						
Deposits	1,472,191	24,979	1.7	1,348,215	21,437	1.6
Interbank and money market items	240,810	4,168	1.7	246,658	5,534	2.2
Debt issued and borrowings	159,484	4,885	3.1	166,707	4,832	2.9
Total	1,872,485	34,032		1,761,580	31,803	

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
<b>Interest bearing financial assets</b>						
Interbank and money market items	241,381	4,754	2.0	259,882	6,202	2.4
Investments	124,881	2,374	1.9	81,384	1,855	2.3
Loans to customers	1,598,928	73,818	4.6	1,478,309	66,540	4.5
Total	1,965,190	80,946		1,819,575	74,597	
<b>Interest bearing financial liabilities</b>						
Deposits	1,464,387	23,923	1.6	1,343,904	20,598	1.5
Interbank and money market items	241,053	3,940	1.6	249,611	5,500	2.2
Debt issued and borrowings	124,508	3,836	3.1	122,528	3,538	2.9
Total	1,829,948	31,699		1,716,043	29,636	

#### 6.4 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, 2019 and 2018.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2019							
	At 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
<b>Financial assets</b>								
Interbank and money market items, net	60,412	261,524	3,020	4,353	1,841	-	281	331,431
Investments, net	-	32,348	43,446	35,285	1,253	-	6,008	118,340
Loans to customers	101,732	272,402	331,889	743,181	327,339	41,334	-	1,817,877
<b>Financial liabilities</b>								
Deposits	637,322	434,000	427,542	67,999	22	-	-	1,566,885
Interbank and money market items, net	12,948	130,989	97,555	5,946	4,683	-	-	252,121
Debt issued and borrowings	-	20,091	21,116	71,505	62,943	-	12	175,667

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2018							
	At 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
<b>Financial assets</b>								
Interbank and money market items, net	68,883	166,017	2,944	5,954	1,537	-	218	245,553
Investments, net	-	4,499	31,990	92,221	539	-	5,500	134,749
Loans to customers	38,835	268,161	322,999	631,949	371,628	38,446	-	1,672,018
<b>Financial liabilities</b>								
Deposits	626,574	421,338	269,172	109,262	2	-	-	1,426,348
Interbank and money market items, net	12,838	143,018	82,434	5,387	420	-	-	244,097
Debt issued and borrowings	-	20,129	26,764	66,738	42,009	-	10	155,650



Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2019							
	At 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
<b>Financial assets</b>								
Interbank and money market items, net	56,774	261,439	2,843	4,353	-	-	281	325,690
Investments, net	-	32,348	43,445	35,285	836	-	5,994	117,908
Loans to customers	101,164	249,229	272,130	684,232	319,474	35,542	-	1,661,771
<b>Financial liabilities</b>								
Deposits	641,395	430,146	420,989	66,250	-	-	-	1,558,780
Interbank and money market items, net	16,742	129,709	94,518	6,429	4,679	-	-	252,077
Debt issued and borrowings	-	10,036	10,046	56,000	62,922	-	-	139,004

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2018							
	At 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
<b>Financial assets</b>								
Interbank and money market items, net	64,660	165,538	2,892	5,954	-	-	218	239,262
Investments, net	-	4,499	31,990	92,221	537	-	5,186	134,433
Loans to customers	38,096	237,177	261,341	609,333	370,135	32,285	-	1,548,367
<b>Financial liabilities</b>								
Deposits	632,059	418,088	262,209	108,537	-	-	-	1,420,893
Interbank and money market items, net	16,695	142,882	82,378	3,879	420	-	-	246,254
Debt issued and borrowings	-	12,001	13,000	49,002	41,985	-	-	115,988

## 6.5 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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
<b>Financial assets:</b>						
Cash	-	33,830	33,830	-	34,679	34,679
Interbank and money market items, net	-	331,431	331,431	-	245,553	245,553
Derivatives assets	21,838	3	21,841	14,037	78	14,115
Investments, net	104,926	13,414	118,340	118,029	16,720	134,749
Loans to customers and accrued interest receivables, net	-	1,754,976	1,754,976	-	1,614,984	1,614,984
<b>Total</b>	<b>126,764</b>	<b>2,133,654</b>	<b>2,260,418</b>	<b>132,066</b>	<b>1,912,014</b>	<b>2,044,080</b>
<b>Financial liabilities:</b>						
Deposits	-	1,566,885	1,566,885	-	1,426,348	1,426,348
Interbank and money market items, net	-	252,121	252,121	-	244,097	244,097
Liability payable on demand	-	3,802	3,802	-	5,991	5,991
Derivatives liabilities	19,221	4,105	23,326	11,075	2,464	13,539
Debt issued and borrowings	-	175,667	175,667	-	155,650	155,650
<b>Total</b>	<b>19,221</b>	<b>2,002,580</b>	<b>2,021,801</b>	<b>11,075</b>	<b>1,834,550</b>	<b>1,845,625</b>

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
<b>Financial assets:</b>						
Cash	-	32,785	32,785	-	33,468	33,468
Interbank and money market items, net	-	325,690	325,690	-	239,262	239,262
Derivatives assets	21,893	3	21,896	14,041	77	14,118
Investments, net	104,923	12,985	117,908	118,027	16,406	134,433
Loans to customers and accrued interest receivables, net	-	1,612,854	1,612,854	-	1,505,105	1,505,105
<b>Total</b>	<b>126,816</b>	<b>1,984,317</b>	<b>2,111,133</b>	<b>132,068</b>	<b>1,794,318</b>	<b>1,926,386</b>
<b>Financial liabilities:</b>						
Deposits	-	1,558,780	1,558,780	-	1,420,893	1,420,893
Interbank and money market items, net	-	252,077	252,077	-	246,254	246,254
Liability payable on demand	-	3,802	3,802	-	5,991	5,991
Derivatives liabilities	19,221	4,104	23,325	11,079	2,464	13,543
Debt issued and borrowings	-	139,004	139,004	-	115,988	115,988
<b>Total</b>	<b>19,221</b>	<b>1,957,767</b>	<b>1,976,988</b>	<b>11,079</b>	<b>1,791,590</b>	<b>1,802,669</b>

**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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2019				2018			
	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	-	21,838	21,838	21,838	-	14,037	14,037	14,037
Investments - trading	3	2,199	2,202	2,202	2	929	931	931
Investments								
- available-for-sale	5,377	97,347	102,724	102,724	4,360	112,738	117,098	117,098
Derivative liabilities								
- trading book	-	19,221	19,221	19,221	-	11,075	11,075	11,075

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2019				2018			
	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	-	21,893	21,893	21,893	-	14,041	14,041	14,041
Investments - trading	-	2,199	2,199	2,199	-	929	929	929
Investments								
- available-for-sale	5,377	97,347	102,724	102,724	4,360	112,738	117,098	117,098
Derivative liabilities								
- trading book	-	19,221	19,221	19,221	-	11,079	11,079	11,079

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, 2019 and 2018.

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:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS									
	2019					2018				
	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	
<b>Financial assets:</b>										
Cash	-	-	33,830	33,830	33,830	-	-	34,679	34,679	34,679
Interbank and money market items, net	-	-	331,431	331,431	331,431	-	-	245,553	245,553	245,553
Derivatives assets - banking book	33	-	-	33	3	136	-	-	136	78
Held to maturity and general investments	-	12,663	774	13,437	13,414	-	15,996	720	16,716	16,720
Loans to customers and accrued interest receivables, net	-	-	1,754,976	1,754,976	1,754,976	-	-	1,614,984	1,614,984	1,614,984
<b>Total</b>	<b>33</b>	<b>12,663</b>	<b>2,121,011</b>	<b>2,133,707</b>	<b>2,133,654</b>	<b>136</b>	<b>15,996</b>	<b>1,895,936</b>	<b>1,912,068</b>	<b>1,912,014</b>
<b>Financial liabilities:</b>										
Deposits	1,569,337	-	-	1,569,337	1,566,885	1,426,892	-	-	1,426,892	1,426,348
Interbank and money market items, net	-	-	252,121	252,121	252,121	-	-	244,097	244,097	244,097
Liability payable on demand	-	-	3,802	3,802	3,802	-	-	5,991	5,991	5,991
Derivatives liabilities - banking book	4,184	-	-	4,184	4,105	2,285	-	-	2,285	2,464
Debt issued and borrowings	171,504	4,870	2,193	178,567	175,667	149,863	5,711	2	155,576	155,650
<b>Total</b>	<b>1,745,025</b>	<b>4,870</b>	<b>258,116</b>	<b>2,008,011</b>	<b>2,002,580</b>	<b>1,579,040</b>	<b>5,711</b>	<b>250,090</b>	<b>1,834,841</b>	<b>1,834,550</b>

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS									
	2019					2018				
	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	
<b>Financial assets:</b>										
Cash	-	-	32,785	32,785	32,785	-	-	33,468	33,468	33,468
Interbank and money market items, net	-	-	325,690	325,690	325,690	-	-	239,262	239,262	239,262
Derivatives assets - banking book	33	-	-	33	3	136	-	-	136	77
Held to maturity and general investments	-	12,663	345	13,008	12,985	-	15,996	406	16,402	16,406
Loans to customers and accrued interest receivables, net	-	-	1,612,854	1,612,854	1,612,854	-	-	1,505,105	1,505,105	1,505,105
<b>Total</b>	<b>33</b>	<b>12,663</b>	<b>1,971,674</b>	<b>1,984,370</b>	<b>1,984,317</b>	<b>136</b>	<b>15,996</b>	<b>1,778,241</b>	<b>1,794,373</b>	<b>1,794,318</b>
<b>Financial liabilities:</b>										
Deposits	1,561,229	-	-	1,561,229	1,558,780	1,421,325	-	-	1,421,325	1,420,893
Interbank and money market items, net	-	-	252,077	252,077	252,077	-	-	246,254	246,254	246,254
Liability payable on demand	-	-	3,802	3,802	3,802	-	-	5,991	5,991	5,991
Derivatives liabilities - banking book	4,183	-	-	4,183	4,104	2,285	-	-	2,285	2,464
Debt issued and borrowings	139,709	-	2,193	141,902	139,004	116,031	-	2	116,033	115,988
<b>Total</b>	<b>1,705,121</b>	<b>-</b>	<b>258,072</b>	<b>1,963,193</b>	<b>1,957,767</b>	<b>1,539,641</b>	<b>-</b>	<b>252,247</b>	<b>1,791,888</b>	<b>1,791,590</b>

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 long-term senior securities 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.

### **6.6 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, 2019 and 2018, 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	
	2019	2018
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	6,871	5,891
Cumulative profit after appropriation	121,496	95,768
Other reserves		
Other comprehensive income	9,429	7,281
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(26,038)	(22,188)
Total Common Equity Tier 1 capital	232,977	207,971
Additional Tier 1 capital		
Non-Controlling interest	3,762	1,040
Total Tier 1 capital	236,739	209,011
Tier 2 capital		
Subordinated debentures	60,811	41,985
General provision	19,458	18,235
Non-Controlling interest	863	249
Total Tier 2 capital	81,132	60,469
Total capital fund	317,871	269,480

**Capital adequacy ratio (%)**

	BOT regulatory Minimum requirement*		Basel III Consolidated Supervision	
	2019	2018	2019	2018
Total Common Equity Tier 1 capital / Total risk weighted assets	7.50	6.375	13.05	12.46
Total Tier 1 capital / Total risk weighted assets	9.00	7.875	13.26	12.52
Total capital / Total risk weighted assets	11.50	10.375	17.81	16.15
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			317,871	269,480
Capital ratio after deducting capital add-on arising from Single Lending Limit			17.81	16.15

\* The additional capital maintenances are required to gradually reserve at 0.625% per year, starting from January 1, 2016 to January 1, 2019. (At that time, the total increasing of capital fund would be 2.5%).

The Domestic Systemically Important Banks ("D-SIBs") will be required to hold additional core capital of 0.5% from January 1, 2019 and 1% from January 1, 2020.



Unit: Million Baht

	Basel III The Bank	
	2019	2018
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	6,871	5,891
Cumulative profit after appropriation	66,056	53,786
Other reserves		
Other comprehensive income	10,544	7,805
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(13,018)	(13,324)
Total Common Equity Tier 1 capital	191,672	175,377
Additional Tier 1 capital	-	-
Total Tier 1 capital	191,672	175,377
Tier 2 capital		
Subordinated debentures	60,811	41,985
General provision	14,526	11,614
Total Tier 2 capital	75,337	53,599
Total capital fund	267,009	228,976

**Capital adequacy ratio (%)**

	BOT regulatory Minimum requirement*		Basel III The Bank	
	2019	2018	2019	2018
Total Common Equity Tier 1 capital / Total risk weighted assets	7.50	6.375	11.89	11.59
Total Tier 1 capital / Total risk weighted assets	9.00	7.875	11.89	11.59
Total capital / Total risk weighted assets	11.50	10.375	16.56	15.13
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			267,009	228,976
Capital ratio after deducting capital add-on arising from Single Lending Limit			16.56	15.13

\* The additional capital maintenances are required to gradually reserve at 0.625% per year, starting from January 1, 2016 to January 1, 2019. (At that time, the total increasing of capital fund would be 2.5%).

The Domestic Systemically Important Banks ("D-SIBs") will be required to hold additional core capital of 0.5% from January 1, 2019 and 1% from 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 30, 2019
Information as at	June 30, 2019

The disclosure for the years ended December 31, 2019 will be provided on or before April 30, 2020 on the above Bank's website as indicated in the BOT's notification.

## 7. 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:

### 7.1 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.

### 7.2 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.

### 7.3 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.

### 7.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

### 7.5 Impairment of assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements 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.

### 7.6 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.

## 7.7 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.

## 7.8 Significant judgement on classification of joint arrangement

Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited) is a company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of ordinary shares. The decision relating to operation is subject to the approval of the joint venture. The Bank and its subsidiaries classified the investment as a joint venture under TFRS 11 and is accounted for using the equity method accordingly. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are companies that Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited) wholly holds 100% of ordinary shares. Accordingly, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

Ngern Tid Lor Company Limited, since February 28, 2019, the Bank holds 50% of ordinary shares. The decision relating to operation is subject to the approval of the joint venture. The Bank classified the investment as a joint venture under TFRS 11 and is accounted for using the equity method accordingly.

# 8. ADDITIONAL INFORMATION

## 8.1 Additional information of cash flows

8.1.1 Non-cash transactions for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Increase (decrease) in revaluation surplus on investments	10	(1,224)	10	(1,224)
Amortization of premises appraisal surplus transferred to retained earning	(296)	(291)	(296)	(291)
Increase in changes assets revaluation surplus	3,821	-	3,821	-
Properties for sale debt repayment	16,709	11,705	14,721	8,875
Properties and premises transferred to be properties for sale	176	96	176	96

8.1.2 Changes in liabilities arising from financing activity for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Beginning balance	156,547	142,890	116,694	112,005
Financing cash flows	19,837	18,569	22,865	(2,327)
Other non-cash items	26	945	34	764
Liabilities directly associated with assets classified as held for sale	-	(12,225)	-	-
Ending balance	176,410	150,179	139,593	110,442

## 8.1.3 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.

## 8.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	At Call	Time	Total	At Call	Time	Total
<b>Domestic items</b>						
Bank of Thailand and Financial Institution Development Fund	5,520	209,155	214,675	10,951	118,609	129,560
Commercial banks	1,575	20,016	21,591	2,201	7,214	9,415
Specialized financial institutions	-	12,032	12,032	-	1,313	1,313
Other financial institutions	300	25,320	25,620	-	39,201	39,201
Total	7,395	266,523	273,918	13,152	166,337	179,489
<u>Add</u> Accrued interest receivables	-	61	61	-	82	82
<u>Less</u> Allowance for doubtful accounts	-	(331)	(331)	-	(448)	(448)
Total domestic items	7,395	266,253	273,648	13,152	165,971	179,123
<b>Foreign items</b>						
US Dollar	24,371	4,442	28,813	27,375	10,177	37,552
Yen	20,734	5	20,739	24,722	-	24,722
Euro	2,865	-	2,865	674	-	674
Other currencies	5,047	317	5,364	2,959	520	3,479
Total	53,017	4,764	57,781	55,730	10,697	66,427
<u>Add</u> Accrued interest receivables	-	2	2	1	2	3
Total foreign items	53,017	4,766	57,783	55,731	10,699	66,430
Total domestic and foreign items	60,412	271,019	331,431	68,883	176,670	245,553



Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2019			2018		
	At Call	Time	Total	At Call	Time	Total
<b>Domestic items</b>						
Bank of Thailand and Financial Institution Development Fund	5,520	209,155	214,675	10,951	118,609	129,560
Commercial banks	140	19,886	20,026	157	7,084	7,241
Specialized financial institutions	-	12,032	12,032	-	1,313	1,313
Other financial institutions	300	25,315	25,615	-	39,197	39,197
Total	5,960	266,388	272,348	11,108	166,203	177,311
<u>Add</u> Accrued interest receivables	-	61	61	-	82	82
<u>Less</u> Allowance for doubtful accounts	-	(331)	(331)	-	(448)	(448)
Total domestic items	5,960	266,118	272,078	11,108	165,837	176,945
<b>Foreign items</b>						
US Dollar	23,837	2,643	26,480	25,850	8,647	34,497
Yen	20,734	5	20,739	24,722	-	24,722
Euro	2,865	-	2,865	674	-	674
Other currencies	3,378	150	3,528	2,306	118	2,424
Total	50,814	2,798	53,612	53,552	8,765	62,317
<u>Add</u> Accrued interest receivables	-	-	-	-	-	-
Total foreign items	50,814	2,798	53,612	53,552	8,765	62,317
Total domestic and foreign items	56,774	268,916	325,690	64,660	174,602	239,262

### 8.3 Derivatives

8.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Risk type	2019			2018		
	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	13,354	15,602	1,161,424	9,383	9,750	1,079,935
Interest rate	8,487	7,724	767,349	4,732	3,789	748,891
Total	21,841	23,326	1,928,773	14,115	13,539	1,828,826

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
Risk type	2019			2018		
	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	13,354	15,602	1,161,424	9,383	9,750	1,079,935
Interest rate	8,542	7,723	771,355	4,735	3,792	751,658
Total	21,896	23,325	1,932,779	14,118	13,542	1,831,593

8.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2019 and 2018 are as follows:

Counterparty	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
	Proportion (%)	Proportion (%)	Proportion (%)	Proportion (%)
Financial institution	51.08	54.11	50.97	54.03
Related company	18.07	17.20	18.24	17.33
Third party	30.85	28.69	30.79	28.64
Total	100.00	100.00	100.00	100.00

#### 8.4 Investments, net

Investments, net as at December 31, 2019 and 2018 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	2019				2018			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Securities for Trading</b>								
Government and state enterprise securities	2,193	6	-	2,199	929	1	(1)	929
Domestic marketable equity securities	3	-	-	3	3	(1)	-	2
	2,196	6	-	2,202	932	-	(1)	931
<u>Add (Less) Revaluation allowance</u>	6			-	(1)			-
<b>Total</b>	<b>2,202</b>			<b>2,202</b>	<b>931</b>			<b>931</b>
<b>Securities Available-for-Sale</b>								
Government and state enterprise securities	84,655	143	(3)	84,795	100,571	20	(204)	100,387
Private sector's debt securities	11,809	274	-	12,083	11,451	189	(6)	11,634
Domestic marketable equity securities	6,366	350	(867)	5,849	5,193	613	(724)	5,082
	102,830	767	(870)	102,727	117,215	822	(934)	117,103
<u>Less Revaluation allowance</u>	(103)			-	(112)			-
<u>Less Allowance for impairment</u>	(3)			(3)	(5)			(5)
<b>Total</b>	<b>102,724</b>			<b>102,724</b>	<b>117,098</b>			<b>117,098</b>
<b>Securities Held-to-Maturity</b>								
Private sector's debt securities	12,640				16,000			
Investment in accounts receivable	199				311			
	12,839				16,311			
<u>Less Allowance for impairment</u>	(2)				(14)			
<b>Total</b>	<b>12,837</b>				<b>16,297</b>			
<b>Securities for General Investments</b>								
Domestic non-marketable equity securities	743				589			
Foreign non-marketable equity securities	1				1			
	744				590			
<u>Less Allowance for impairment</u>	(167)				(167)			
<b>Total</b>	<b>577</b>				<b>423</b>			
<b>Total Investments, net</b>	<b>118,340</b>				<b>134,749</b>			

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2019				2018			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Securities for Trading</b>								
Government and state enterprise securities	2,193	6	-	2,199	929	1	(1)	929
	2,193	6	-	2,199	929	1	(1)	929
<u>Add</u> Revaluation allowance	6			-	-			-
Total	2,199			2,199	929			929
<b>Securities Available-for-Sale</b>								
Government and state enterprise securities	84,655	143	(3)	84,795	100,571	20	(204)	100,387
Private sector's debt securities	11,809	274	-	12,083	11,451	189	(6)	11,634
Domestic marketable equity securities	6,366	350	(867)	5,849	5,193	613	(724)	5,082
	102,830	767	(870)	102,727	117,215	822	(934)	117,103
<u>Less</u> Revaluation allowance	(103)			-	(112)			-
<u>Less</u> Allowance for impairment	(3)			(3)	(5)			(5)
Total	102,724			102,724	117,098			117,098
<b>Securities Held-to-Maturity</b>								
Private sector's debt securities	12,640				16,000			
Investment in accounts receivable	199				311			
	12,839				16,311			
<u>Less</u> Allowance for impairment	(2)				(14)			
Total	12,837				16,297			
<b>Securities for General Investments</b>								
Domestic non-marketable equity securities	314				275			
Foreign non-marketable equity securities	1				1			
	315				276			
<u>Less</u> Allowance for impairment	(167)				(167)			
Total	148				109			
<b>Total Investments, net</b>	<b>117,908</b>				<b>134,433</b>			

For the years ended December 31, 2019 and 2018, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2019	2018
Beginning balance	(112)	1,111
Net amount transferred to profit or loss	(106)	(275)
Net change in fair value	115	(948)
Ending balance	(103)	(112)

As at December 31, 2018, the Bank and its subsidiaries had investments in general investments in the consolidated financial statements of 2 companies and the Bank's financial statements of 1 company, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

### 8.5 Investments in subsidiaries and joint ventures, net

Investments in subsidiaries and joint ventures, net as at December 31, 2019 and 2018 consist of the following:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS			
				2019			
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
<b>Joint ventures</b>							
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	7,800	50.00	3,818	8,911	950
Tesco Lotus Money Services Limited <sup>(1)</sup> (formerly Tesco Card Services Limited)	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,741	-
Tesco Life Assurance Broker Limited <sup>(2)</sup>	Life assurance broker	Common stock	12	50.00	-	77	-
Tesco General Insurance Broker Limited <sup>(2)</sup>	General insurance broker	Common stock	107	50.00	-	223	-
<b>Investments in joint ventures, net</b>					4,858	11,952	950

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS			
				2018			
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
<b>Joint ventures</b>							
Tesco Card Services Limited <sup>(1)</sup>	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,333	-
Tesco Life Assurance Broker Limited <sup>(2)</sup>	Life assurance broker	Common stock	12	50.00	-	67	-
Tesco General Insurance Broker Limited <sup>(2)</sup>	General insurance broker	Common stock	107	50.00	-	220	-
<b>Investments in joint ventures, net</b>					1,040	2,620	-

<sup>(1)</sup> Indirect holding via Ayudhya Capital Services Company Limited.

<sup>(2)</sup> Indirect holding via Tesco Lotus Money Services Limited. (formerly Tesco Card Services Limited).



Unit: Million Baht

			THE BANK'S FINANCIAL STATEMENTS			
			2019			
			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	2,682
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	-
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	443
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 Nimble Company Limited (formerly Krungsri Factoring Company Limited)	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	1,500	100.00	1,500	-
Hattha Kaksekar Limited	Micro finance	Common stock	2,536	100.00	7,713	-
Investments in subsidiaries					62,100	3,125
Joint venture						
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	} 7,800	50.00	3,818	2,050
Investments in subsidiaries and Joint venture					65,918	5,175
Less Allowance for impairment					(5,962)	-
Investments in subsidiaries and Joint venture, net					59,956	5,175

On February 28, 2019, the Bank sold 50% of its interest in Ngern Tid Lor Company Limited ("NTL"), a subsidiary, reducing its ownership interest to 50%, and recognised profit on sales of the subsidiary of Baht 4,290 million, and Baht 5,019 million in the consolidated financial statements and the Bank's financial statements, respectively. The Bank had changed the classification of investment in NTL from subsidiary to joint venture. The fair value of the Bank's retained interested in joint venture at the date when control was changed was Baht 8,027 million, which became the carrying value of the Bank's interest in the joint venture at that date in the consolidated financial statements. The difference of fair value was recognised as a profit on the change of control of a subsidiary of Baht 4,335 million which is included in "Gain on investments, net" in the consolidated statements of profit or loss and other comprehensive income.

Unit: Million Baht

			THE BANK'S FINANCIAL STATEMENTS			
			2018			
			Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
Company Name	Business Type	Securities Investment Type				
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	4,956
Ngern Tid Lor Company Limited <sup>(1)</sup>	Hire-purchase and motorcycle loans	Common stock Preferred stock	4,990	100.00	2,412	1,700
					1	-
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	-
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	375
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	2,536	100.00	7,713	-
Investments in subsidiaries					63,713	7,031
Less Allowance for impairment					(5,452)	-
Investments in subsidiaries, net					58,261	7,031

<sup>(1)</sup> Investment in Ngern Tid Lor Company Limited was reclassified to assets held for sale 50% of cost value.

### The summarized financial information of joint ventures

Net profit and total comprehensive income of joint ventures for the years ended December 31, 2019 and 2018 are as follow:

Unit: Million Baht

	2019		2018	
	Net profit	Total comprehensive income	Net profit	Total comprehensive income
Joint ventures	2,850	2,831	782	744

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, 2019

Unit: Million Baht

	2019	2018
<b>Cash flows from operating activities</b>	(2)	107
Income (loss) before income tax		
Adjustments to reconcile income to cash provided (paid) from operating activities		
Loss on impairment of properties for sale	20	48
Depreciation and amortization	1	1
Gain on sales of properties for sale	(72)	(102)
Provision for contingent liabilities	30	-
Employment benefits expenses	13	4
Interest income, net	(67)	(65)
Interest received	67	65
Income tax paid	(20)	(21)
Income (loss) from operations before changes in operating assets and liabilities	(30)	37
Decrease in operating assets		
Investment in receivables	12	21
Properties for sale	211	266
Other assets	162	19
Decrease in operating liabilities		
Other liabilities	(35)	(42)
Net cash from operating activities	320	301
<b>Cash flows from investing activities</b>		
Net cash from investing activities	-	(1)
<b>Cash flows from financing activities</b>		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	320	300
Cash and cash equivalents as at January 1,	1,729	1,429
Cash and cash equivalents as at December 31,	2,049	1,729

**8.6 Loans to customers and accrued interest receivables, net**

Loans to customers and accrued interest receivables, net as at December 31, 2019 and 2018 are as follows:

**(1) Classified by products**

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Overdrafts	71,413	65,542	71,364	65,495
Loan against contract	921,151	862,481	873,821	862,019
Trade bill	322,302	293,963	342,969	296,299
Hire-purchase receivable	503,174	440,153	444,735	378,571
Lease contract receivable	12,579	13,276	3,599	4,428
Credit card receivable	73,302	66,923	-	-
Others	5,441	6,916	4,189	5,558
Total	1,909,362	1,749,254	1,740,677	1,612,370
<u>Less</u> Deferred revenue	(91,485)	(77,236)	(78,906)	(64,003)
Loans to customers after deferred revenue, net	1,817,877	1,672,018	1,661,771	1,548,367
<u>Add</u> Accrued interest receivables	4,483	4,326	2,481	2,535
Loans to customers and accrued interest receivable after deferred revenue, net	1,822,360	1,676,344	1,664,252	1,550,902
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
- Individual approach	(29,826)	(28,718)	(25,515)	(24,533)
- Collective approach	(13,125)	(11,332)	(11,202)	(9,549)
2) Surplus reserve	(22,759)	(19,741)	(14,526)	(11,614)
<u>Less</u> Revaluation allowance for debt restructuring	(1,674)	(1,569)	(155)	(101)
<b>Total loans to customers, net</b>	<b>1,754,976</b>	<b>1,614,984</b>	<b>1,612,854</b>	<b>1,505,105</b>

**(2) Classified by currency and residence of debtors**

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,737,212	10,055	1,747,267	1,582,019	10,703	1,592,722
US Dollar	25,505	32,374	57,879	41,178	30,949	72,127
Other currencies	2,058	10,673	12,731	990	6,179	7,169
Total	1,764,775	53,102	1,817,877	1,624,187	47,831	1,672,018

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,612,361	8,904	1,621,265	1,483,104	9,813	1,492,917
US Dollar	25,505	8,673	34,178	41,178	9,497	50,675
Other currencies	2,058	4,270	6,328	990	3,785	4,775
Total	1,639,924	21,847	1,661,771	1,525,272	23,095	1,548,367

(3) Classified by business type and classification

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2019					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	20,869	1,097	156	152	798	23,072
Manufacturing and trading	394,877	13,237	2,809	1,357	9,980	422,260
Real estate and construction	126,066	3,058	382	365	1,740	131,611
Public utilities and services	162,576	9,653	198	238	1,871	174,536
Housing loans	256,781	4,243	1,882	1,426	5,780	270,112
Others	753,005	31,081	6,830	2,993	2,377	796,286
Total	1,714,174	62,369	12,257	6,531	22,546	1,817,877

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	21,970	1,027	140	118	836	24,091
Manufacturing and trading	381,543	10,617	2,178	1,268	10,810	406,416
Real estate and construction	106,983	3,406	451	260	1,704	112,804
Public utilities and services	162,620	12,416	222	138	1,797	177,193
Housing loans	240,703	3,255	1,414	1,008	4,104	250,484
Others	665,459	23,572	5,661	2,708	3,630	701,030
Total	1,579,278	54,293	10,066	5,500	22,881	1,672,018

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2019					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	16,353	1,091	144	128	194	17,910
Manufacturing and trading	388,706	13,219	2,758	1,351	9,352	415,386
Real estate and construction	124,230	3,036	380	364	1,703	129,713
Public utilities and services	162,576	9,653	197	238	1,571	174,235
Housing loans	254,670	4,239	1,879	1,423	5,768	267,979
Others	622,523	25,932	3,961	2,803	1,329	656,548
Total	1,569,058	57,170	9,319	6,307	19,917	1,661,771

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,830	1,011	121	83	198	19,243
Manufacturing and trading	376,754	10,580	2,169	1,078	10,280	400,861
Real estate and construction	105,673	3,369	443	256	1,653	111,394
Public utilities and services	162,608	12,415	222	138	1,489	176,872
Housing loans	238,397	3,254	1,412	1,004	4,091	248,158
Others	565,962	18,229	3,189	2,417	2,042	591,839
Total	1,467,224	48,858	7,556	4,976	19,753	1,548,367



## (4) Classified by type of classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance <sup>(3)</sup>	Allowance for Doubtful Accounts <sup>(4)</sup>
1. Minimum allowance per BOT guideline				
Normal	1,718,385	1,135,386	1, 3	13,758
Special mention	62,641	46,068	2, 22	7,799
Substandard	12,257	8,585	55, 100	6,306
Doubtful	6,531	4,194	48, 100	3,217
Doubtful of loss	22,546	9,713	100	11,871
Total	1,822,360	1,203,946		42,951 <sup>(1)</sup>
2. Surplus Reserve				22,759 <sup>(2)</sup>
Total				65,710

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance <sup>(3)</sup>	Allowance for Doubtful Accounts <sup>(4)</sup>
1. Minimum allowance per BOT guideline				
Normal	1,583,364	1,049,728	1, 2	12,418
Special mention	54,533	41,361	2, 18	6,375
Substandard	10,066	7,049	51, 100	5,148
Doubtful	5,500	3,753	46, 100	2,787
Doubtful of loss	22,881	11,488	100	13,322
Total	1,676,344	1,113,379		40,050 <sup>(1)</sup>
2. Surplus Reserve				19,741 <sup>(2)</sup>
Total				59,791

<sup>(1)</sup> Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2019 and 2018, of Baht 13,125 million and Baht 11,332 million, respectively.

<sup>(2)</sup> Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2019 and 2018, at the rate of 1% of Baht 69,137 million and Baht 83,661 million equal to Baht 691 million and Baht 837 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

<sup>(3)</sup> % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

<sup>(4)</sup> Excluding revaluation allowance for debt restructuring as at December 31, 2019 and 2018, of Baht 1,674 million and Baht 1,569 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2019 and 2018, of Baht 331 million and Baht 448 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2019			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance <sup>(3)</sup>	Allowance for Doubtful Accounts <sup>(4)</sup>
1. Minimum allowance per BOT guideline				
Normal	1,571,386	999,161	1	11,772
Special mention	57,323	41,004	2, 12	7,232
Substandard	9,319	5,694	50, 100	4,318
Doubtful	6,307	4,005	56, 100	3,074
Doubtful of loss	19,917	8,109	100	10,321
Total	1,664,252	1,057,973		36,717 <sup>(1)</sup>
2. Surplus Reserve				14,526 <sup>(2)</sup>
Total				51,243

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2018			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance <sup>(3)</sup>	Allowance for Doubtful Accounts <sup>(4)</sup>
1. Minimum allowance per BOT guideline				
Normal	1,469,613	944,802	1, 2	10,911
Special mention	49,004	36,184	2, 12	5,811
Substandard	7,556	4,565	49, 100	3,494
Doubtful	4,976	3,273	55, 100	2,409
Doubtful of loss	19,753	9,554	100	11,457
Total	1,550,902	998,378		34,082 <sup>(1)</sup>
2. Surplus Reserve				11,614 <sup>(2)</sup>
Total				45,696

<sup>(1)</sup> Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2019 and 2018, of Baht 11,202 million and Baht 9,549 million, respectively.

<sup>(2)</sup> Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2019 and 2018, at the rate of 1% of Baht 69,137 million and Baht 83,661 million, equal to Baht 691 million and Baht 837 million, respectively.

<sup>(3)</sup> % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

<sup>(4)</sup> Excluding revaluation allowance for debt restructuring as at December 31, 2019 and 2018, of Baht 155 million and Baht 101 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2019 and 2018, of Baht 331 million and Baht 448 million, respectively.

For the years ended December 31, 2019 and 2018, 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	
	2019	2018
Book value	930	1,462
Net book value	633	974
Sale price	633	974

As at December 31, 2019 and 2018, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht

	2019		
	The Bank	AMC	The Bank and AMC
Non-performing loans	35,542	432	35,974
Percentage of total loans	1.84	100.00	1.86
Non-performing loans, net	17,829	308	18,137
Percentage of total loans, net	0.93	100.00	0.95

Unit: Million Baht

	2018		
	The Bank	AMC	The Bank and AMC
Non-performing loans	32,285	445	32,730
Percentage of total loans	1.87	100.00	1.90
Non-performing loans, net	14,925	306	15,231
Percentage of total loans, net	0.87	100.00	0.89

As at December 31, 2019 and 2018, the Bank and its subsidiaries' non-performing loans are Baht 41,334 million and Baht 38,446 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2019 and 2018, the Bank and its subsidiaries had restructured the following debts:

Unit: Million Baht

Form of Restructuring	CONSOLIDATED FINANCIAL STATEMENTS							
	2019				2018			
	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	25,546	5,661	-	-	22,315	5,143	-	-
Reduction of principal and interest	5,850	297	-	-	6,655	328	-	-
Various forms of restructuring	913	5,471	-	-	934	4,203	-	-
Total	32,309	11,429		-	29,904	9,674		-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	2019				2018			
	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	3,658	3,998	-	-	2,119	2,576	-	-
Reduction of principal and interest	2	1	-	-	-	-	-	-
Various forms of restructuring	913	5,471	-	-	934	4,203	-	-
Total	4,573	9,470		-	3,053	6,779		-

For the years ended December 31, 2019 and 2018, 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	2019				2018			
	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	4.84	25,073	3,819	3,800	4.81	21,862	3,478	3,398
Fair value of collateral	7.82	473	1,842	1,839	8.45	453	1,665	1,663

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Method	2019				2018			
	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	4.94	3,216	2,156	2,139	5.15	1,679	911	894
Fair value of collateral	8.35	442	1,842	1,839	8.70	440	1,665	1,663

For the years ended December 31, 2019 and 2018, 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	
	2019	2018	2019	2018
Losses on debt restructured	1,169	1,716	113	91
Interest received from debt restructured	1,336	990	911	919

As at December 31, 2019 and 2018, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2019 and 2018, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Balances of total debt restructured	25,071	22,399	20,605	17,697
Balances of debt restructured during the year	10,442	8,867	8,492	6,044

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	122,617	326,983	66,153	515,753
<u>Less</u> Unearned interest income				(91,430)
Present value of the minimum lease payments				424,323
<u>Less</u> Allowance for doubtful accounts				(14,455)
Total lease receivables, net				409,868

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	98,837	245,971	108,621	453,429
<u>Less</u> Unearned interest income				(77,166)
Present value of the minimum lease payments				376,263
<u>Less</u> Allowance for doubtful accounts				(13,215)
Total lease receivables, net				363,048



Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
2019				
Amount due per agreements				
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	97,083	294,058	57,193	448,334
<u>Less</u> Unearned interest income				(78,865)
Present value of the minimum lease payments				369,469
<u>Less</u> Allowance for doubtful accounts				(11,073)
Total lease receivables, net				358,396

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
2018				
Amount due per agreements				
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	71,522	210,930	100,547	382,999
<u>Less</u> Unearned interest income				(63,943)
Present value of the minimum lease payments				319,056
<u>Less</u> Allowance for doubtful accounts				(9,479)
Total lease receivables, net				309,577

#### 8.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
2019							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791
Doubtful accounts	1,496	3,276	7,990	5,921	5,294	3,186	27,163
Bad debts written off	(138)	(1,852)	(6,829)	(5,487)	(6,444)	(100)	(20,850)
Bad debts written off from sales of NPLs	-	-	-	-	(298)	-	(298)
Other	(18)	-	(3)	(4)	(3)	(68)	(96)
Ending balance	13,758	7,799	6,306	3,217	11,871	22,759	65,710

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	11,863	2,998	5,938	3,902	11,020	18,452	54,173
Doubtful accounts	980	4,466	5,985	2,298	7,550	3,103	24,382
Bad debts written off	(66)	(1,023)	(6,335)	(3,410)	(4,738)	-	(15,572)
Bad debts written off from sales of NPLs	-	-	-	(1)	(509)	-	(510)
Transferred to assets held for sale	(359)	(66)	(439)	-	-	(1,810)	(2,674)
Other	-	-	(1)	(2)	(1)	(4)	(8)
Ending balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696
Doubtful accounts	999	3,273	3,023	6,152	2,282	2,913	18,642
Bad debts written off	(138)	(1,852)	(2,199)	(5,487)	(3,120)	-	(12,796)
Bad debts written off from sales of NPLs	-	-	-	-	(298)	-	(298)
Other	-	-	-	-	-	(1)	(1)
Ending balance	11,772	7,232	4,318	3,074	10,321	14,526	51,243

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,549	2,287	3,731	3,425	8,984	9,518	38,494
Doubtful accounts	428	4,547	1,409	2,395	4,720	2,097	15,596
Bad debts written off	(66)	(1,023)	(1,646)	(3,410)	(1,738)	-	(7,883)
Bad debts written off from sales of NPLs	-	-	-	(1)	(509)	-	(510)
Other	-	-	-	-	-	(1)	(1)
Ending balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696

As at December 31, 2019 and 2018, 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	
	2019	2018	2019	2018
Allowance for doubtful accounts*	44,956	42,066	37,203	34,631

\* 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

	2019	2018
Consolidated financial statements	67,715	61,808
The Bank and Krungsri Ayudhya AMC Limited	52,016	46,532
The Bank's financial statements	51,729	46,245

\* 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, 2019 and 2018, 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			
	2019			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	1	-	-
Total	2	1	-	-

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
	2018			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	-	-	-
Total	2	-	-	-

## 8.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Beginning balance	1,569	1,303	101	48
Increase during the year	1,169	1,716	113	91
Amount written off	(1,064)	(1,450)	(59)	(38)
Ending balance	1,674	1,569	155	101

## 8.9 Properties for sale, net

Properties for sale, net as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
Type of Properties for Sale	Balance as at January 1, 2019	Acquisition	Disposition	Balance as at December 31, 2019
1. Assets acquired from debt repayment				
1.1 Immovable	3,702	232	(391)	3,543
1.2 Movable	1,208	16,477	(16,448)	1,237
Total	4,910	16,709	(16,839)	4,780
2. Others	160	176	(53)	283
Total properties for sale	5,070	16,885	(16,892)	5,063
Less Provision for impairment	(1,592)	(943)	972	(1,563)
Total properties for sale	3,478	15,942	(15,920)	3,500

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
Type of Properties for Sale	Balance as at January 1, 2018	Acquisition	Disposition	Transferred to assets held for sale	Balance as at December 31, 2018
1. Assets acquired from debt repayment					
1.1 Immovable	4,145	83	(526)	-	3,702
1.2 Movable	892	11,622	(11,212)	(94)	1,208
Total	5,037	11,705	(11,738)	(94)	4,910
2. Others	87	94	(21)	-	160
Total properties for sale	5,124	11,799	(11,759)	(94)	5,070
Less Provision for impairment	(1,439)	(1,543)	1,353	37	(1,592)
Total properties for sale	3,685	10,256	(10,406)	(57)	3,478

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
Type of Properties for Sale	Balance as at January 1, 2019	Acquisition	Disposition	Balance as at December 31, 2019
1. Assets acquired from debt repayment				
1.1 Immovable	2,210	226	(204)	2,232
1.2 Movable	975	14,495	(14,370)	1,100
Total	3,185	14,721	(14,574)	3,332
2. Others	160	176	(54)	282
Total properties for sale	3,345	14,897	(14,628)	3,614
Less Provision for impairment	(1,157)	(122)	60	(1,219)
Total properties for sale	2,188	14,775	(14,568)	2,395

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2018	Acquisition	Disposition	Balance as at December 31, 2018
1. Assets acquired from debt repayment				
1.1 Immovable	2,431	81	(302)	2,210
1.2 Movable	544	8,794	(8,363)	975
Total	2,975	8,875	(8,665)	3,185
2. Others	87	94	(21)	160
Total properties for sale	3,062	8,969	(8,686)	3,345
Less Provision for impairment	(974)	(245)	62	(1,157)
Total properties for sale	2,088	8,724	(8,624)	2,188

Immovable assets for sale classified by external and internal appraisers as at December 31, 2019 and 2018 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,394	1,400	1,339	1,345
Appraised by internal appraisers	2,149	2,302	893	865
Total	3,543	3,702	2,232	2,210

#### 8.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
Land					
Cost	4,276	-	(30)	-	4,246
Appraisal increase (Year 2019)	7,061	2,485	(112)	-	9,434
Appraisal decrease (Year 2019)	(37)	-	17	-	(20)
Premises					
Cost	9,746	144	(75)	(30)	9,785
Appraisal increase (Year 2019)	11,624	4,917	(236)	-	16,305
Appraisal decrease (Year 2019)	(84)	-	29	-	(55)
Equipment	15,928	940	(1,944)	(63)	14,861
Leasehold improvement	3,191	218	(82)	48	3,375
Total	51,705	8,704	(2,433)	(45)	57,931
Less Accumulated depreciation					
Premises					
- Cost	(4,681)	(367)	53	8	(4,987)
- Appraisal increase (Year 2019)	(8,814)	(3,865)	224	(1)	(12,456)
Equipment	(10,256)	(1,681)	1,832	65	(10,040)
Leasehold improvement	(1,843)	(278)	72	(44)	(2,093)
Total	(25,594)	(6,191)	2,181	28	(29,576)
Construction in progress	128	548	-	(2)	674
Premises and equipment, net	26,239				29,029



Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2018	Increase	Decrease	Transferred to assets held for sale	Other	Balance as at December 31, 2018
Land						
Cost	4,306	5	(35)	-	-	4,276
Appraisal increase (Year 2016)	7,086	-	(25)	-	-	7,061
Appraisal decrease (Year 2016)	(37)	-	-	-	-	(37)
Premises						
Cost	7,505	2,298	(57)	-	-	9,746
Appraisal increase (Year 2016)	11,641	-	(17)	-	-	11,624
Appraisal decrease (Year 2016)	(86)	-	2	-	-	(84)
Equipment	16,322	2,635	(2,453)	(569)	(7)	15,928
Leasehold improvement	3,892	578	(608)	(666)	(5)	3,191
Total	50,629	5,516	(3,193)	(1,235)	(12)	51,705
Less: Accumulated depreciation						
Premises						
- Cost	(4,343)	(368)	30	-	-	(4,681)
- Appraisal increase (Year 2016)	(8,540)	(281)	7	-	-	(8,814)
Equipment	(11,123)	(1,720)	2,323	262	2	(10,256)
Leasehold improvement	(2,496)	(365)	593	425	-	(1,843)
Total	(26,502)	(2,734)	2,953	687	2	(25,594)
Construction in progress	2,274	330	(2,476)	-	-	128
Premises and equipment, net	26,401					26,239

Unit: Million Baht

	2019	2018
Depreciation for the years	2,605	2,734

As at December 31, 2019 and 2018, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 9,577 million and Baht 10,568 million, respectively.

As at December 31, 2019 and 2018, the Bank and its subsidiaries had equipment which are under finance leases, with the original costs amounting to Baht 1,090 million and Baht 1,064 million, respectively.

Land and premises of the Bank was revalued in 2019 by the independent professional qualified appraisers. The basis of revaluation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
Land					
Cost	4,276	-	(30)	-	4,246
Appraisal increase (Year 2019)	7,061	2,485	(112)	-	9,434
Appraisal decrease (Year 2019)	(37)	-	17	-	(20)
Premises					
Cost	9,746	144	(75)	(30)	9,785
Appraisal increase (Year 2019)	11,624	4,917	(236)	-	16,305
Appraisal decrease (Year 2019)	(84)	-	29	-	(55)
Equipment	11,900	423	(1,542)	16	10,797
Leasehold improvement	2,383	173	(56)	8	2,508
Total	46,869	8,142	(2,005)	(6)	53,000
Less Accumulated depreciation					
Premises					
- Cost	(4,682)	(367)	53	9	(4,987)
- Appraisal increase (Year 2019)	(8,815)	(3,865)	224	-	(12,456)
Equipment	(8,009)	(1,250)	1,528	(4)	(7,735)
Leasehold improvement	(1,239)	(214)	45	(5)	(1,413)
Total	(22,745)	(5,696)	1,850	-	(26,591)
Construction in progress	123	543	-	-	666
Premises and equipment, net	24,247				27,075

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Increase	Decrease	Other	Balance as at December 31, 2018
Land					
Cost	4,306	5	(35)	-	4,276
Appraisal increase (Year 2016)	7,086	-	(25)	-	7,061
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,505	2,298	(57)	-	9,746
Appraisal increase (Year 2016)	11,641	-	(17)	-	11,624
Appraisal decrease (Year 2016)	(86)	-	2	-	(84)
Equipment	12,036	1,722	(1,858)	-	11,900
Leasehold improvement	2,423	176	(216)	-	2,383
Total	44,874	4,201	(2,206)	-	46,869
Less Accumulated depreciation					
Premises					
- Cost	(4,343)	(368)	29	-	(4,682)
- Appraisal increase (Year 2016)	(8,541)	(281)	7	-	(8,815)
Equipment	(8,622)	(1,223)	1,836	-	(8,009)
Leasehold improvement	(1,247)	(197)	205	-	(1,239)
Total	(22,753)	(2,069)	2,077	-	(22,745)
Construction in progress	2,223	294	(2,394)	-	123
Premises and equipment, net	24,344				24,247

Unit: Million Baht

	2019	2018
Depreciation for the years	2,110	2,069

As at December 31, 2019 and 2018, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 7,525 million and Baht 8,258 million, respectively.

As at December 31, 2019 and 2018, the Bank had equipment which are under finance leases, with the original costs amounting to Baht 892 million and Baht 863 million, respectively.

### 8.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2019	Increase	Decrease	Other	Balance as at December 31, 2019
<b>Cost</b>					
Goodwill	12,539	-	-	(184)	12,355
Software	9,514	1,718	(266)	(9)	10,957
Other intangible assets	5,741	3	(38)	(10)	5,696
Total	27,794	1,721	(304)	(203)	29,008
<b>Accumulated amortization</b>					
Software	(6,217)	(1,104)	257	7	(7,057)
Other intangible assets	(4,915)	(154)	38	3	(5,028)
Total	(11,132)	(1,258)	295	10	(12,085)
<b>Allowance for impairment</b>	(20)	-	-	-	(20)
<b>Goodwill and other intangible assets, net</b>	16,642				16,903

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2018	Increase	Decrease	Transferred to assets held for sale	Other	Balance as at December 31, 2018
<b>Cost</b>						
Goodwill	12,557	-	-	-	(18)	12,539
Software	8,542	1,299	(2)	(324)	(1)	9,514
Other intangible assets	5,757	3	(1)	(17)	(1)	5,741
Total	26,856	1,302	(3)	(341)	(20)	27,794
<b>Accumulated amortization</b>						
Software	(5,316)	(1,020)	3	115	1	(6,217)
Other intangible assets	(4,764)	(152)	1	-	-	(4,915)
Total	(10,080)	(1,172)	4	115	1	(11,132)
<b>Allowance for impairment</b>	(20)	-	-	-	-	(20)
<b>Goodwill and other intangible assets, net</b>	16,756					16,642

Unit: Million Baht

	2019	2018
Amortization for the years	1,258	1,172

As at December 31, 2019 and 2018, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 3,774 million and Baht 3,124 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2019	Increase	Decrease	Balance as at December 31, 2019
<b>Cost</b>				
Goodwill	1,054	-	-	1,054
Software	7,851	1,368	(250)	8,969
Other intangible assets	57	-	(38)	19
<b>Total</b>	<b>8,962</b>	<b>1,368</b>	<b>(288)</b>	<b>10,042</b>
<b>Accumulated amortization</b>				
Software	(5,147)	(924)	242	(5,829)
Other intangible assets	(48)	(4)	38	(14)
<b>Total</b>	<b>(5,195)</b>	<b>(928)</b>	<b>280</b>	<b>(5,843)</b>
<b>Goodwill and other intangible assets, net</b>	<b>3,767</b>			<b>4,199</b>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Increase	Decrease	Balance as at December 31, 2018
<b>Cost</b>				
Goodwill	1,054	-	-	1,054
Software	6,883	968	-	7,851
Other intangible assets	57	-	-	57
<b>Total</b>	<b>7,994</b>	<b>968</b>	<b>-</b>	<b>8,962</b>
<b>Accumulated amortization</b>				
Software	(4,317)	(830)	-	(5,147)
Other intangible assets	(47)	(1)	-	(48)
<b>Total</b>	<b>(4,364)</b>	<b>(831)</b>	<b>-</b>	<b>(5,195)</b>
<b>Goodwill and other intangible assets, net</b>	<b>3,630</b>			<b>3,767</b>

Unit: Million Baht

	2019	2018
Amortization for the years	928	831

As at December 31, 2019 and 2018, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 3,072 million and Baht 2,465 million, respectively.

## 8.12 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Deferred tax assets	4,479	4,274	-	256
Deferred tax liabilities	(1,823)	(4)	(803)	-
Net	2,656	4,270	(803)	256

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, 2019	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Others	Balance at December 31, 2019
Deferred tax assets					
Impairment of assets	335	13	-	(1)	347
Loans and accrued interest receivables, net	5,565	(186)	-	(5)	5,374
Provisions	1,421	180	206	-	1,807
Others	1,100	(276)	112	(27)	909
Total	8,421	(269)	318	(33)	8,437
Deferred tax liabilities					
Asset appraisal surplus	1,974	(81)	764	-	2,657
Investments	165	1	(11)	-	155
Others	2,012	959	-	(2)	2,969
Total	4,151	879	753	(2)	5,781
Deferred tax assets - net	4,270	(1,148)	(435)	(31)	2,656

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2018	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Transferred to assets held for sale	Others	Balance at December 31, 2018
Deferred tax assets						
Impairment of assets	373	(30)	-	(8)	-	335
Loans and accrued interest receivables, net	5,971	210	-	(616)	-	5,565
Provisions	1,576	(133)	(14)	(9)	1	1,421
Others	690	339	214	(93)	(50)	1,100
Total	8,610	386	200	(726)	(49)	8,421
Deferred tax liabilities						
Asset appraisal surplus	2,110	(136)	-	-	-	1,974
Investments	102	121	(58)	-	-	165
Others	1,681	410	-	(81)	2	2,012
Total	3,893	395	(58)	(81)	2	4,151
Deferred tax assets - net	4,717	(9)	258	(645)	(51)	4,270



Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2019	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2019
Deferred tax assets				
Impairment of assets	262	(10)	-	252
Loans and accrued interest receivables, net	1,668	(304)	-	1,364
Provisions	1,233	105	155	1,493
Others	473	27	(13)	487
Total	3,636	(182)	142	3,596
Deferred tax liabilities				
Asset appraisal surplus	1,974	(81)	764	2,657
Investments	165	1	(11)	155
Others	1,241	346	-	1,587
Total	3,380	266	753	4,399
Deferred tax assets (liabilities) - net	256	(448)	(611)	(803)

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2018	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2018
Deferred tax assets				
Impairment of assets	268	(6)	-	262
Loans and accrued interest receivables, net	1,392	276	-	1,668
Provisions	1,312	(86)	7	1,233
Others	128	158	187	473
Total	3,100	342	194	3,636
Deferred tax liabilities				
Asset appraisal surplus	2,037	(63)	-	1,974
Investments	223	-	(58)	165
Others	944	297	-	1,241
Total	3,204	234	(58)	3,380
Deferred tax assets (liabilities) - net	(104)	108	252	256

### 8.13 Assets classified as held for sale and liabilities directly associated with assets classified as held for sale net

As at December 31, 2018, investment in Ngern Tid Lor Company Limited ("NTL") is presented as assets classified as held for sale resulting from the following agreements 1) the sale and purchase of shares of NTL agreement by selling 50% of the ordinary shares in NTL to Siam Asia Credit Access PTE LTD, a company ultimately owned by a consortium led by CVC Capital Partners Asia Fund IV and Equity Partners Limited Group and 2) the shareholders agreement in relation to the shareholding in NTL. The disposal of NTL is accomplished on February 28, 2019.

Details of assets classified as held for sale and liabilities directly associated with assets held for sale as at December 31, 2018 are as follows:

#### Consolidated financial statements

Unit: Million Baht

	2018
<b>Assets</b>	
Cash	392
Interbank and money market items	319
Loan and accrued interest receivable, net	37,041
Properties for sale, net	57
Premises and equipment, net	548
Goodwill and other intangible assets, net	225
Deferred tax assets	645
Other assets	309
	<b>39,536</b>
<b>Liabilities</b>	
Debt issued and borrowings	12,225
Provision	75
Other liabilities	1,484
	<b>13,784</b>

For the period from January 1, 2019 to February 28, 2019 (disposal date) and for the year ended December 31, 2018, NTL contributed net profit of Baht 275 million and Baht 1,379 million, respectively.

#### The Bank's financial statements

As at December 31, 2018, the Bank reclassified 50% of investment in NTL to assets classified as held for sale of Baht 2,414 million.

#### 8.14 Other assets, net

Other assets, net as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Accrued income	2,733	1,862	1,317	344
Prepayment	1,754	1,120	825	679
Other receivables	10,982	14,871	10,191	12,630
Margin call to counterparty	6,344	3,406	6,344	3,406
Others	1,585	2,189	1,379	2,019
Total	23,398	23,448	20,056	19,078

### 8.15 Deposits

Deposits as at December 31, 2019 and 2018 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Current deposit	37,336	35,391	38,279	36,563
Savings deposit	599,989	591,183	603,120	595,496
Time deposit				
- Less than 6 months	370,607	360,275	371,897	361,383
- 6 months and less than 1 year	88,673	127,892	86,877	126,490
- 1 year and over	470,280	311,607	458,607	300,961
Total	1,566,885	1,426,348	1,558,780	1,420,893

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,453,774	2,297	1,456,071	1,351,999	2,231	1,354,230
US Dollar	41,330	17,961	59,291	41,662	15,198	56,860
Other currencies	15,617	35,906	51,523	9,931	5,327	15,258
Total	1,510,721	56,164	1,566,885	1,403,592	22,756	1,426,348

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,463,525	2,012	1,465,537	1,362,001	1,904	1,363,905
US Dollar	41,330	2,263	43,593	41,663	1,844	43,507
Other currencies	15,617	34,033	49,650	9,931	3,550	13,481
Total	1,520,472	38,308	1,558,780	1,413,595	7,298	1,420,893

**8.16 Interbank and money market items, net (Liability)**

Interbank and money market items, net (liability) as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	At Call	Time	Total	At Call	Time	Total
<b>Domestic items</b>						
Commercial banks	591	41,239	41,830	1,548	27,802	29,350
Specialized financial institutions	-	5,244	5,244	2	5,686	5,688
Other financial institutions	9,406	1,169	10,575	10,359	1,368	11,727
Total domestic items	9,997	47,652	57,649	11,909	34,856	46,765
<b>Foreign items</b>						
US Dollar	2,268	186,684	188,952	-	195,903	195,903
Euro	-	-	-	74	-	74
Other currencies	683	4,837	5,520	855	500	1,355
Total foreign items	2,951	191,521	194,472	929	196,403	197,332
Total domestic and foreign items	12,948	239,173	252,121	12,838	231,259	244,097

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	At Call	Time	Total	At Call	Time	Total
<b>Domestic items</b>						
Commercial banks	591	38,234	38,825	548	25,802	26,350
Specialized financial institutions	-	5,244	5,244	2	5,686	5,688
Other financial institutions	13,201	5,169	18,370	15,216	3,369	18,585
Total domestic items	13,792	48,647	62,439	15,766	34,857	50,623
<b>Foreign items</b>						
US Dollar	2,268	185,448	187,716	-	194,702	194,702
Euro	-	-	-	74	-	74
Other currencies	683	1,239	1,922	855	-	855
Total foreign items	2,951	186,687	189,638	929	194,702	195,631
Total domestic and foreign items	16,743	235,334	252,077	16,695	229,559	246,254

## 8.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2019			2018		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027-2029	60,811	-	60,811	41,985	-	41,985
	USD	7.50 - 11.86	2020-2027	-	357	357	-	750	750
Senior debentures	THB	0.00 - 2.99	2020-2026	109,820	-	109,820	107,865	-	107,865
	KHR	8.50	2021	-	710	710	-	775	775
Bill of exchange	THB	-	-	1	-	1	1	-	1
Structured note	THB	0.98 - 1.15	2020	35	-	35	-	-	-
Other borrowings	THB	0.00 - 7.15	2021-2024	46	969	1,015	2	251	253
	USD	0.00 - 8.11	2021-2024	-	2,918	2,918	-	4,021	4,021
				170,713	4,954	175,667	149,853	5,797	155,650

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2019			2018		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027-2029	60,811	-	60,811	41,985	-	41,985
Senior debentures	THB	1.72 - 2.99	2020-2026	78,111	-	78,111	74,000	-	74,000
Bill of exchange	THB	-	-	1	-	1	1	-	1
Structured note	THB	0.98 - 1.15	2020	35	-	35	-	-	-
Other borrowings	THB	0.00	2023-2024	46	-	46	2	-	2
				139,004	-	139,004	115,988	-	115,988

Additional information on debts issued and borrowings is as follows:

- 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.
- 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.
- 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.
- On June 14, 2019, the Bank issued subordinated debentures No. 1/2019 in the amount of Baht 18,826 million for a 10-year tenor at the fixed interest rate of 3.8% per annum, payable quarterly in March, June, September, and December 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.



## 8.18 Provisions

Provisions for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2018	Increase (Decrease)	Balance at December 31, 2018	Increase (Decrease)	Balance at December 31, 2019
Provision for post-employment benefits obligation	5,321	296	5,617	2,583	8,200
Others	2,147	-	2,147	(630)	1,517
Total	7,468	296	7,764	1,953	9,717

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2018	Increase (Decrease)	Balance at December 31, 2018	Increase (Decrease)	Balance at December 31, 2019
Provision for post-employment benefits obligation	4,531	340	4,871	2,018	6,889
Others	2,019	(22)	1,997	(721)	1,276
Total	6,550	318	6,868	1,297	8,165

### 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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Opening defined benefits obligation	5,617	5,321	4,871	4,531
Past service cost	1,125	-	918	-
Current service cost	516	432	412	334
Interest cost	183	132	155	110
Actuarial (gains) losses				
- Experience	113	56	39	42
- Demographic assumptions	(46)	(126)	(35)	(32)
- Financial assumptions	964	2	768	29
Benefit paid	(269)	(186)	(238)	(169)
Transfer in (out) employee from subsidiaries	(3)	(2)	(1)	2
Transferred to liabilities directly associated with assets classified as held for sale	-	(36)	-	-
Other	-	24	-	24
Closing defined benefit obligation	8,200	5,617	6,889	4,871

On April 5, 2019, the Labor Protection Act (No. 7) B.E. 2562 announced in the Royal Gazette and is effective on May 5, 2019 onwards. This new Thai labor law amend the amount of severance pay for an employee who has worked at least 20 years in accordance with the entity's working rules and regulations to be increased to 400 days at the employee's last wage rate which impact on the post-employee benefit plan. The Bank and its subsidiaries have considered to amend the post-employee benefit plan and recognize the increase of the post-employment benefit obligation as at the financial reporting date and the increase in such severance pay of Baht 1,125 million and Baht 918 million as the expense for the year ended December 31, 2019, in the consolidated financial statements and the Bank's financial statements, respectively.

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Included in retained earnings:				
As at 1 January	248	316	202	163
Recognized during the years	1,031	(68)	772	39
As at 31 December	1,279	248	974	202

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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Past service cost	1,125	-	918	-
Current service cost	516	432	412	334
Interest on obligation	183	132	155	110
	1,824	564	1,485	444

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2019 and 2018 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2019	2018
Financial assumptions		
Discount rate	1.7% - 2.8%	1.73% - 4.50%
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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Discount rate - 1% increase	(761)	(521)	(606)	(434)
Discount rate - 1% decrease	884	601	700	498
Salary increase rate - 1% increase	1,131	892	956	792
Salary increase rate - 1% decrease	(1,009)	(799)	(858)	(713)

### 8.19 Finance lease liabilities

Finance lease liabilities as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	214	14	228	116	13	129
One year to five years	525	15	540	775	38	813
Total	739	29	768	891	51	942

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	164	12	176	65	9	74
One year to five years	426	14	440	642	31	673
Total	590	26	616	707	40	747

### 8.20 Other liabilities

Other liabilities as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Accrued expenses	17,620	16,600	13,963	12,359
Tax payable	4,520	3,994	2,081	2,174
Deposit	2,954	3,548	1,126	1,386
Unearned income from customer loyalty program	3,079	2,916	-	-
Other payables	10,873	5,505	5,748	3,999
Margin call from counterparty	1,821	3,246	1,821	3,246
Others	3,356	13,614	2,410	7,969
Total	44,223	49,423	27,149	31,133

## 8.21 Advances received from electronic transactions

According to BOT's Notification No. Sor. Nor. Chor. 7/2561 regarding the "Regulations on Service Business Relating to Electronic Money (e-Money) Services" dated April 16, 2018, the Bank is required to disclose advances received from e-Money Services. As at December 31, 2019 and 2018, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 74 million and Baht 38 million, respectively.

The BOT Notification No. Sor. Nor. Chor. 8/2561 regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" dated April 16, 2018, the Bank is required to disclose advances received from electronic fund transfer transactions. As of December 31, 2019 and 2018, the Bank had those advances received from electronic fund transfer transactions, presented as liability payable on demand amounting to Baht 5 million and Baht 1 million and other liabilities amounting to Baht 560 million and Baht 1,911 million, respectively.

## 8.22 Share capital

### 8.22.1 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.

### 8.22.2 Dividend payment

The Annual General Meeting of Shareholders No. 106 held on April 26, 2018, approved the dividend payment for the six-month period ended December 31, 2017 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 21, 2018.

The Board of Directors' Meeting No. 8/2018 held on August 22, 2018, approved the interim dividend payment for the six-month period ended June 30, 2018 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 20, 2018.

The Annual General Meeting of Shareholders No. 107 held on April 25, 2019, approved the dividend payment for the six-month period ended December 31, 2018 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 23, 2019.

The Board of Directors' Meeting No. 8/2019 held on August 28, 2019, approved the interim dividend payment for the six-month period ended June 30, 2019 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 26, 2019.

## 8.23 Assets with obligations and restrictions

As at December 31, 2019 and 2018, government and state enterprise securities with book value of Baht 38,828 million and Baht 13,344 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

## 8.24 Contingencies

Contingencies as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Avals to bills	3,434	1,108	3,434	1,108
Guarantees of loans	2,513	2,432	2,513	2,432
Liability under unmatured import bills	1,216	1,955	1,216	1,955
Letters of credit	3,965	5,818	3,965	5,818
Other contingencies				
- Unused overdraft limit	5,107	5,266	5,107	5,266
- Unused credit line	39,623	34,693	42,994	39,694
- Other guarantees	53,297	54,895	53,297	54,895
- Others	68	210	68	210
Total	109,223	106,377	112,594	111,378

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2023 with a local company. As at December 31, 2019 and 2018, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 3,030 million and Baht 3,720 million, respectively.

As at December 31, 2019 and 2018, the Bank and its subsidiaries have commitments to pay regarding the information technology services the amounts of Baht 1,366 million and Baht 2,409 million, respectively.

As at December 31, 2019 and 2018, the Bank has commitment payment amount of Baht 2,555 million and Baht 338 million as a result of entering to the construction agreement of the office building, respectively.

## 8.25 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. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, 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:

8.25.1 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, 2019 and 2018 are as follows:



NOTES TO THE CONSOLIDATED  
AND THE BANK'S FINANCIAL STATEMENTS

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS												
	2019											
	Interbank and money market items (Assets)	Investment	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
<b>Parent company</b>												
MUFG Bank, Ltd.	24,584	-	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
Total	24,584	-	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
<b>Joint ventures</b>												
Ngern Tid Lor Company Limited	-	1,171	20,511	4	-	19	355	-	-	5	-	6
Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited)	-	-	8,821	21	-	437	746	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	5	172	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	20	548	-	-	2	-	-
Total	-	1,171	29,332	25	-	481	1,821	-	-	10	-	6
Less Allowance for doubtful accounts	-	-	(293)	-	-	-	-	-	-	-	-	6
Total	-	1,171	29,039	25	-	481	1,821	-	-	10	-	-
<b>Related companies having joint major shareholders or directors</b>												
Less Allowance for doubtful accounts	9	-	11,385	32	817	14	6,953	259	17	26	17,138	308
Total	9	-	11,385	32	817	14	6,953	259	17	26	17,138	308
<b>Individual and related parties</b>												
Less Allowance for doubtful accounts	-	-	505	-	-	-	2,090	-	-	998	-	-
Total	-	-	504	-	-	-	2,090	-	-	998	-	-
Total	24,593	1,171	40,831	57	2,990	1,648	10,864	181,497	3,164	2,514	474,423	3,296

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
	2018										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd.	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Total	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Joint ventures											
Tesco Card Services Limited	-	5,900	20	-	270	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	4	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	9	594	-	-	5	-	-
Total	-	5,900	20	-	283	1,326	-	-	8	-	-
Less Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
Total	-	5,841	20	-	283	1,326	-	-	8	-	-
Related companies having joint major shareholders or directors	19	9,365	27	447	26	9,878	180	6	26	19,229	680
Less Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
Total	19	9,276	27	447	26	9,878	180	6	26	19,229	680
Individual and related parties	-	543	-	-	-	3,468	-	-	804	-	-
Less Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-
Total	-	542	-	-	-	3,468	-	-	804	-	-
Total	27,699	15,659	47	3,975	694	14,672	195,440	1,360	4,203	394,474	3,417

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS												
	2019											
	Interbank and money market items (Assets)	Investment	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
<b>Parent company</b>												
MUFG Bank, Ltd.	24,584	-	-	-	2,173	1,153	-	181,238	3,147	1,480	457,285	2,982
<b>Total</b>	<b>24,584</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,173</b>	<b>1,153</b>	<b>-</b>	<b>181,238</b>	<b>3,147</b>	<b>1,480</b>	<b>457,285</b>	<b>2,982</b>
<b>Subsidiaries</b>												
Ayudhya Development Leasing Company Limited	-	-	8,083	2	-	1	9	-	-	2	-	7
Ayudhya Capital Auto Lease Public Company Limited	-	-	6,475	19	-	296	1,127	-	-	304	-	-
Ayudhya Capital Services Company Limited	-	-	27,315	100	-	141	1,242	-	-	24	-	3
General Card Services Limited	-	-	13,739	23	-	70	606	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	6,800	2	-	576	1,221	-	-	18	-	1
Siam Realty and Services Security Company Limited	-	-	500	-	-	1	78	-	-	45	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	-	1,530	-	-	15	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	86	-	5,571	-	105	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	1	2,037	-	-	42	-	35
Krungsri Securities Public Company Limited	-	-	-	-	-	2	3	2,224	-	5	-	-
Krungsri Nimble Company Limited (formerly Krungsri Factoring Company Limited)	-	-	-	-	-	8	169	-	-	28	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	-	407	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	-	313	-	-	1	-	-
Krungsri Leasing Services Company Limited	-	-	5,364	3	-	1	177	-	-	-	-	-
Hattha Kaksekar Limited	-	-	861	5	56	1,209	-	-	-	-	4,006	-
Krungsri Finnivate Company Limited	-	-	-	-	-	3	1,010	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>69,137</b>	<b>154</b>	<b>56</b>	<b>2,395</b>	<b>9,929</b>	<b>7,795</b>	<b>-</b>	<b>591</b>	<b>4,006</b>	<b>46</b>
<b>Less Allowance for doubtful accounts</b>	<b>-</b>	<b>-</b>	<b>(691)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>-</b>	<b>68,446</b>	<b>154</b>	<b>56</b>	<b>2,395</b>	<b>9,929</b>	<b>7,795</b>	<b>-</b>	<b>591</b>	<b>4,006</b>	<b>46</b>
<b>Joint ventures</b>												
Ngern Tid Lor Company Limited	-	1,171	20,510	4	-	19	355	-	-	5	-	6
Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited)	-	-	8,821	21	-	32	746	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	-	172	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	-	548	-	-	1	-	-
<b>Total</b>	<b>-</b>	<b>1,171</b>	<b>29,331</b>	<b>25</b>	<b>-</b>	<b>51</b>	<b>1,821</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>6</b>
<b>Less Allowance for doubtful accounts</b>	<b>-</b>	<b>-</b>	<b>(293)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>-</b>	<b>1,171</b>	<b>29,038</b>	<b>25</b>	<b>-</b>	<b>51</b>	<b>1,821</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>-</b>	<b>6</b>
<b>Related companies having joint major shareholders or directors</b>	<b>9</b>	<b>-</b>	<b>11,384</b>	<b>32</b>	<b>817</b>	<b>-</b>	<b>6,953</b>	<b>259</b>	<b>17</b>	<b>23</b>	<b>17,138</b>	<b>308</b>
<b>Less Allowance for doubtful accounts</b>	<b>-</b>	<b>-</b>	<b>(97)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9</b>	<b>-</b>	<b>11,287</b>	<b>32</b>	<b>817</b>	<b>-</b>	<b>6,953</b>	<b>259</b>	<b>17</b>	<b>23</b>	<b>17,138</b>	<b>308</b>
<b>Individual and related parties</b>	<b>-</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,858</b>	<b>-</b>	<b>-</b>	<b>712</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>24,593</b>	<b>1,171</b>	<b>109,176</b>	<b>211</b>	<b>3,046</b>	<b>3,599</b>	<b>20,561</b>	<b>189,292</b>	<b>3,164</b>	<b>2,815</b>	<b>478,429</b>	<b>3,342</b>

NOTES TO THE CONSOLIDATED  
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Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS											
	2018										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
<b>Parent company</b>											
MUFG Bank, Ltd.	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
<b>Total</b>	<b>27,680</b>	<b>-</b>	<b>-</b>	<b>3,528</b>	<b>385</b>	<b>-</b>	<b>195,260</b>	<b>1,354</b>	<b>3,365</b>	<b>375,245</b>	<b>2,737</b>
<b>Subsidiaries</b>											
Ayudhya Development Leasing Company Limited	-	6,623	3	-	3	13	-	-	2	-	236
Ayudhya Capital Auto Lease Public Company Limited	-	12,054	46	-	73	925	-	-	179	-	-
Ngern Tid Lor Company Limited	-	18,860	8	-	8	291	-	-	2	-	6
Ayudhya Capital Services Company Limited	-	26,841	90	-	109	1,323	-	-	25	-	3
General Card Services Limited	-	10,803	20	-	91	517	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	2,079	4	-	716	1,495	-	-	17	-	1
Siam Realty and Services Security Company Limited	-	560	-	-	1	58	-	-	52	-	-
Total Services Solutions Public Company Limited	-	-	-	-	1	1,484	-	-	6	-	-
Krungsri Asset Management Company Limited	-	-	-	-	90	-	4,522	-	56	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	1,729	-	-	76	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	2	2,336	-	2	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	190	-	-	-	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	735	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	839	-	-	1	-	-
Krungsri Leasing Services Company Limited	-	5,377	4	-	2	122	-	-	-	-	-
Hattha Kaksekar Limited	-	464	5	4	3	-	-	4	-	2,767	-
Krungsri Finnivate Company Limited	-	-	-	-	2	401	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>83,661</b>	<b>180</b>	<b>4</b>	<b>1,101</b>	<b>10,124</b>	<b>6,858</b>	<b>4</b>	<b>420</b>	<b>2,767</b>	<b>281</b>
<u>Less</u> Allowance for doubtful accounts	-	(837)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>82,824</b>	<b>180</b>	<b>4</b>	<b>1,101</b>	<b>10,124</b>	<b>6,858</b>	<b>4</b>	<b>420</b>	<b>2,767</b>	<b>281</b>
<b>Joint ventures</b>											
Tesco Card Services Limited	-	5,900	20	-	40	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	594	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5,900</b>	<b>20</b>	<b>-</b>	<b>40</b>	<b>1,326</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>
<u>Less</u> Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5,841</b>	<b>20</b>	<b>-</b>	<b>40</b>	<b>1,326</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Related companies having joint major shareholders or directors</b>	<b>19</b>	<b>9,366</b>	<b>27</b>	<b>447</b>	<b>-</b>	<b>9,878</b>	<b>180</b>	<b>6</b>	<b>24</b>	<b>19,229</b>	<b>680</b>
<u>Less</u> Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>19</b>	<b>9,277</b>	<b>27</b>	<b>447</b>	<b>-</b>	<b>9,878</b>	<b>180</b>	<b>6</b>	<b>24</b>	<b>19,229</b>	<b>680</b>
<b>Individual and related parties</b>	<b>-</b>	<b>447</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,366</b>	<b>-</b>	<b>-</b>	<b>551</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>27,699</b>	<b>98,389</b>	<b>227</b>	<b>3,979</b>	<b>1,526</b>	<b>24,694</b>	<b>202,298</b>	<b>1,364</b>	<b>4,363</b>	<b>397,241</b>	<b>3,698</b>

As at December 31, 2019 and 2018, the Bank charges interest rates to related parties at 1.00% - 25.05 % p.a. and 0.95% - 23.82% p.a., respectively.

As at December 31, 2019 and 2018, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 691 million and Baht 837 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

8.25.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 8.5 and has investments in related companies as at December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	2019				
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
<b>Related company</b>					
Allianz Ayudhya Capital Public Company Limited (Formerly Sri Ayudhya Capital Public Company Limited)	Investment holding company	385	3.15	186	9
Less Allowance for impairment				(3)	-
<b>Investment in related company, net</b>				183	9

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
	2018				
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
<b>Related company</b>					
Sri Ayudhya Capital Public Company Limited	Investment holding company	296	7.17	326	16
Less Allowance for impairment				(5)	-
<b>Investment in related company, net</b>				321	16

8.25.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2019				2018			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
<b>Parent company</b>								
MUFG Bank, Ltd.	-	(3,127)	4,534	482	13	2,226	4,463	490
<b>Total</b>	-	(3,127)	4,534	482	13	2,226	4,463	490
<b>Joint ventures</b>								
Ngern Tid Lor Company Limited	536	100	-	8	-	-	-	-
Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited)	151	595	-	(9)	195	503	-	(4)
Tesco Life Assurance Broker Limited	-	6	1	-	-	6	1	-
Tesco General Insurance Broker Limited	-	34	4	-	-	26	4	-
<b>Total</b>	687	735	5	(1)	195	535	5	(4)
<b>Related companies having joint major shareholders or directors</b>								
	254	476	71	290	216	102	66	297
<b>Total</b>	254	476	71	290	216	102	66	297
<b>Individual and related parties</b>								
	19	6	22	19	18	8	28	7
<b>Total</b>	960	(1,910)	4,632	790	442	2,871	4,562	790

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	2019				2018			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
<b>Parent company</b>								
MUFG Bank, Ltd.	-	(3,127)	4,534	482	13	2,226	4,463	490
Total	-	(3,127)	4,534	482	13	2,226	4,463	490
<b>Subsidiaries</b>								
Ayudhya Development Leasing Company Limited	236	19	-	(8)	230	19	-	(7)
Ayudhya Capital Auto Lease Public Company Limited	287	1,403	6	824	572	396	11	695
Ngern Tid Lor Company Limited	104	10	-	-	282	31	-	1
Ayudhya Capital Services Company Limited	729	368	1	(73)	690	321	1	(58)
General Card Services Limited	261	35	-	(1)	228	47	-	2
Krungsriayudhya Card Company Limited	53	162	7	208	162	227	9	197
Siam Realty and Services Security Company Limited	12	8	-	557	12	6	-	526
Total Services Solutions Public Company Limited	-	2	20	46	-	2	19	49
Krungsri Asset Management Company Limited	-	934	78	12	-	1,059	65	8
Krungsri Ayudhya AMC Limited	-	5	2	(4)	-	5	2	(3)
Krungsri Securities Public Company Limited	-	22	26	7	-	21	24	4
Krungsri Nimble Company Limited (formerly Krungsri Factoring Company Limited)	-	9	-	5	-	1	-	(1)
Krungsri Life Assurance Broker Limited	-	1	4	-	-	1	4	-
Krungsri General Insurance Broker Limited	-	1	5	-	-	1	5	-
Krungsri Leasing Services Company Limited	350	-	2	-	279	-	-	-
Hattha Kaksekar Limited	41	68	-	-	54	14	-	-
Krungsri Finnovate Company Limited	-	18	-	-	-	8	-	-
Total	2,073	3,065	151	1,573	2,509	2,159	140	1,413
<b>Joint ventures</b>								
Ngern Tid Lor Company Limited	536	42	-	8	-	-	-	-
Tesco Lotus Money Services Limited (formerly Tesco Card Services Limited)	151	33	-	(9)	195	34	-	(5)
Tesco Life Assurance Broker Limited	-	1	1	-	-	1	1	-
Tesco General Insurance Broker Limited	-	16	4	-	-	14	4	-
Total	687	92	5	(1)	195	49	5	(5)
<b>Related companies having joint major shareholders or directors</b>	254	468	71	214	216	94	66	222
Total	254	468	71	214	216	94	66	222
<b>Individual and related parties</b>	17	6	15	-	17	8	19	-
Total	3,031	504	4,776	2,268	2,950	4,536	4,693	2,120



8.25.4 For the years ended December 31, 2019 and 2018, compensations paid to key management personnel under TAS 24 (Revised 2018) "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Short-term employee benefits	2,224	2,016	1,430	1,271
Post-employment benefits	68	59	46	38
Other long-term benefits	1	1	1	1
Total	2,293	2,076	1,477	1,310

8.25.5 For the years ended December 31, 2019 and 2018, related party transactions among subsidiaries included collection services and other services of Baht 954 million and Baht 954 million, respectively, and office and vehicle rental and facilities service of Baht 39 million and Baht 77 million, respectively.

8.25.6 For the years ended December 31, 2019 and 2018, subsidiaries had related party transactions from the information technology services of Baht 3 million and Baht 53 million, respectively, and for the year ended December 31, 2019, a subsidiary had related party transactions with the Bank to provide the information technology services of Baht 28 million.

8.25.7 For the years ended December 31, 2019 and 2018, related party transactions among subsidiaries from other services were Baht 1,778 million and Baht 1,509 million, respectively.

8.25.8 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. (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 MUFG Bank, Ltd. (MUFG) 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, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG 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 MUFG 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 MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG 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 MUFG 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 MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility. Total facility amount is JPY 900,000 million.

## 8.26 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, during the years ended December 31, 2019 and 2018, the subsidiary had sold assets to managements in the amount of Baht 5 million and Baht 8 million with the book value of Baht 4 million and Baht 6 million, respectively.

## 8.27 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 as at December 31, 2019 and 2018 which are summarized as follows:

Unit: Million Baht

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Land and/or premises and equipment	Within 1 year	1,182	1,191	1,230	853
	Greater than 1-5 years	1,326	1,223	1,604	1,034
	Greater than 5 years	746	147	651	44
	Total	3,254	2,561	3,485	1,931

## 8.28 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, 2019 and 2018, 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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Retail	Commercial	Others	Total
Interest income, net	55,816	20,565	42	76,423
Other operating income	31,088	7,662	6,435	45,185
Total operating income	86,904	28,227	6,477	121,608
Operating expenses	37,973	12,313	1,883	52,169
Impairment loss of loans and debt securities	22,483	2,818	2,902	28,203
Profit before tax	26,448	13,096	1,692	41,236
Taxation	5,065	2,478	561	8,104
Net profit	21,383	10,618	1,131	33,132
<b>Total assets</b>	<b>980,900</b>	<b>1,516,186</b>	<b>(137,494)</b>	<b>2,359,592</b>

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Retail	Commercial	Others	Total
Interest income, net	53,568	21,711	49	75,328
Other operating income	27,322	8,230	(1,301)	34,251
Total operating income	80,890	29,941	(1,252)	109,579
Operating expenses	38,584	12,015	1,142	51,741
Impairment loss of loans and debt securities	20,274	4,009	1,897	26,180
Profit (loss) before tax	22,032	13,917	(4,291)	31,658
Taxation	4,411	2,612	(556)	6,467
Net profit (loss)	17,621	11,305	(3,735)	25,191
<b>Total assets</b>	<b>936,252</b>	<b>1,397,667</b>	<b>(160,297)</b>	<b>2,173,622</b>

## 8.29 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, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Total assets	2,316,521	54,802	(11,731)	2,359,592
Interbank and money market items, net (Assets)	323,273	8,158	-	331,431
Investments, net*	130,291	1	-	130,292
Loans to customers and accrued interest receivable, net	1,715,933	39,043	-	1,754,976
Deposits	1,546,159	20,726	-	1,566,885
Interbank and money market items, net (Liabilities)	240,075	12,046	-	252,121
Debt issued and borrowings	170,454	5,213	-	175,667

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Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Domestic	Foreign	Elimination	Total
Total assets	2,146,407	46,304	(19,089)	2,173,622
Interbank and money market items, net (Assets)	237,901	7,652	-	245,553
Investments, net*	137,368	1	-	137,369
Loans to customers and accrued interest receivable, net	1,583,687	31,297	-	1,614,984
Deposits	1,408,643	17,705	-	1,426,348
Interbank and money market items, net (Liabilities)	237,017	7,080	-	244,097
Debt issued and borrowings	149,389	6,261	-	155,650

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Total assets	2,230,734	8,101	(4,110)	2,234,725
Interbank and money market items, net (Assets)	321,811	3,879	-	325,690
Investments, net*	177,865	-	-	177,865
Loans to customers and accrued interest receivable, net	1,610,888	1,966	-	1,612,854
Deposits	1,556,087	2,693	-	1,558,780
Interbank and money market items, net (Liabilities)	250,836	1,241	-	252,077
Debt issued and borrowings	139,004	-	-	139,004

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2018			
	Domestic	Foreign	Elimination	Total
Total assets	2,047,725	7,577	(5,400)	2,049,902
Interbank and money market items, net (Assets)	235,613	3,649	-	239,262
Investments, net*	192,694	-	-	192,694
Loans to customers and accrued interest receivable, net	1,504,068	1,037	-	1,505,105
Deposits	1,418,767	2,126	-	1,420,893
Interbank and money market items, net (Liabilities)	246,252	2	-	246,254
Debt issued and borrowings	115,988	-	-	115,988

\*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, 2019 and 2018 are as follows::

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Interest income	105,559	5,289	(393)	110,455
Interest expenses	32,230	2,195	(393)	34,032
Net interest income	73,329	3,094	-	76,423
Fees and service income, net	21,615	162	-	21,777
Other operating income	27,833	58	(4,483)	23,408
Other operating expenses	82,845	2,010	(4,483)	80,372
Profit from operating before tax	39,932	1,304	-	41,236

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Domestic	Foreign	Elimination	Total
Interest income	103,080	4,385	(333)	107,132
Interest expenses	30,381	1,766	(343)	31,804
Net interest income	72,699	2,619	10	75,328
Fees and service income, net	21,126	122	-	21,248
Other operating income	21,057	55	(8,109)	13,003
Other operating expenses	84,248	1,770	(8,097)	77,921
Profit (loss) from operating before tax	30,634	1,026	(2)	31,658

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2019			
	Domestic	Foreign	Elimination	Total
Interest income	80,854	92	-	80,946
Interest expenses	31,655	44	-	31,699
Net interest income	49,199	48	-	49,247
Fees and service income, net	9,935	17	-	9,952
Other operating income	22,543	37	(4,483)	18,097
Other operating expenses	58,468	80	(4,483)	54,065
Profit from operating before tax	23,209	22	-	23,231



Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2018			
	Domestic	Foreign	Elimination	Total
Interest income	74,535	62	-	74,597
Interest expenses	29,626	10	-	29,636
Net interest income	44,909	52	-	44,961
Fees and service income, net	10,132	23	-	10,155
Other operating income	22,337	16	(8,111)	14,242
Other operating expenses	57,168	73	(8,111)	49,130
Profit from operating before tax	20,210	18	-	20,228

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.

### 8.30 Interest income

Interest income for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Interbank and money market items	4,681	6,213	4,666	6,202
Investment and trading transactions	91	28	91	28
Investment in debt securities	2,279	1,827	2,284	1,827
Loans to customers	72,244	69,337	50,165	46,797
Hire purchase and finance lease	31,073	29,727	23,653	19,743
Other	87	-	87	-
Total interest income	110,455	107,132	80,946	74,597

### 8.31 Interest expenses

Interest expenses for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Deposits	18,226	15,079	17,169	14,253
Interbank and money market items	4,168	5,534	3,940	5,500
Contributions to Financial Institution Development Fund and Deposit Protection Agency	7,089	6,720	7,089	6,720
Debt issued and borrowings				
- Subordinated debenture	2,447	1,606	1,514	1,523
- Other	1,968	2,817	1,917	1,635
Borrowing fee expense	74	30	23	1
Other	60	17	47	4
Total interest expenses	34,032	31,803	31,699	29,636

**8.32 Fees and service income, net**

Fees and service income, net for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Fees and service income				
- Acceptances, aval and guarantees	524	525	526	527
- Other	29,128	28,474	15,329	14,920
Total fees and service income	29,652	28,999	15,855	15,447
Fees and service expenses	7,875	7,751	5,903	5,292
Total fees and service income, net	21,777	21,248	9,952	10,155

**8.33 Gains on trading and foreign exchange transactions, net**

Gains on trading and foreign exchange transactions, net for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	4,232	4,345	4,216	4,327
- Derivative of interest rates	132	408	189	412
- Debt securities	69	5	69	5
- Equity securities	(83)	(26)	(6)	(26)
- Other	-	4	-	-
Total	4,350	4,736	4,468	4,718

**8.34 Gains (losses) on investments, net**

Gains (losses) on investments, net for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Gains on sales of investments				
- Available-for-sale	607	372	607	372
- General investments	-	2	-	2
- Subsidiaries	8,625	-	5,019	-
	9,232	374	5,626	374
Losses on impairments				
- Subsidiaries	-	-	(510)	(400)
Total	9,232	374	5,116	(26)

### 8.35 Impairment loss on loans and debt securities

Impairment loss on loans and debt securities (reversal) for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Interbank and money market items	(117)	82	(117)	82
Impairment loss on debt instrument (reversal)	(12)	-	(12)	-
Loans to customers	27,163	24,382	18,641	15,596
Loss on troubled debt restructuring	1,169	1,716	113	91
Total	28,203	26,180	18,625	15,769

### 8.36 Income tax expenses

Income tax expenses for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2019	2018	2019	2018
Current tax for the years	6,957	6,458	3,198	2,671
Deferred tax	1,148	9	448	(108)
Total income tax expenses	8,105	6,467	3,646	2,563

Reconciliation of effective tax rate

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2019		2018		2019		2018	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	41,236		31,658		23,231		20,228	
Income tax at the domestic tax rate	8,247	20.00	6,332	20.00	4,646	20.00	4,046	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	1,575	3.82	2,218	7.01	457	1.97	143	0.71
Less Tax effect of income and expense that are exempt for tax purposes	(1,717)	(4.17)	(2,083)	(6.58)	(1,457)	(6.28)	(1,626)	(8.05)
Income tax expenses as per statements of profit or loss and other comprehensive income	8,105	19.65	6,467	20.43	3,646	15.69	2,563	12.66

**8.37 Income tax relating to components of other comprehensive income**

Income tax relating to components of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2019			2018		
	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	10	(2)	8	(1,224)	245	(979)
Gains (losses) arising from translating the financial statements of a foreign operation	(702)	125	(577)	(139)	27	(112)
Item that will not be reclassified subsequently to profit or loss						
Change in assets revaluation surplus	3,821	(764)	3,057	-	-	-
Actuarial gains (losses) on defined benefit plans	(1,031)	206	(825)	68	(14)	54
Share of other comprehensive income of joint venture	(10)	-	(10)	7	-	7
Other comprehensive income	2,088	(435)	1,653	(1,288)	258	(1,030)

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2019			2018		
	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	10	(2)	8	(1,224)	245	(979)
Item that will not be reclassified subsequently to profit or loss						
Change in assets revaluation surplus	3,821	(764)	3,057	-	-	-
Actuarial gains (losses) on defined benefit plans	(772)	154	(618)	(38)	7	(31)
Other comprehensive income	3,059	(612)	2,447	(1,262)	252	(1,010)

### 8.38 Reclassifications

Certain accounts in the statement of financial position as at December 31, 2018, which are included in the 2019 financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2019 financial statements. The reclassifications are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	Current classifications	Previous classifications	Current classifications	Previous classifications
Accounts receivable for investments	-	805	-	805
Other assets, net	23,448	22,643	19,078	18,273
Accounts payable for investments	-	103	-	103
Other liabilities	49,423	49,320	31,133	31,030

### 8.39 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 26, 2020.



# AUDITOR'S FEE

## Audit fees\*

The Bank and its affiliates paid audit fees as the following:

- To the Bank and its affiliates' auditors of 34,521,500 Baht.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 134,995.

## 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 760,000 Baht, and in the future, an additional sum of -0- 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 418,879 Baht, and in the future, an additional sum of -0- Baht 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.

# I 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](http://www.sec.or.th) or company website [www.krungsri.com](http://www.krungsri.com).

## Nature of Business

The Bank engages in business as defined by the Financial Institution Business Act B.E. 2551, 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 deposit accounts
  - Foreign currency deposit accounts
2. **Loan services** - The Bank provides different loan services as follows:
  - Overdraft (O/D)
  - Promissory notes and term loans for corporate customers
  - Housing loans and personal loans for retail customers
  - Foreign currency loans
  - Trade finance credit
  - Other loan services, such as aval and acceptance, letter of guarantee and bank guarantee, letter of credit, and financial status certification, etc.
3. **Other services**
  - e-banking services
  - Domestic money transfer
  - Foreign exchange and international money transfer
  - Krungsri Tradelink
  - Direct debit and direct credit
  - Bancassurance
  - Investment banking
  - Securities services
  - Cash management
  - Transaction banking
  - Foreign exchange forwards, and foreign exchange and interest rate derivatives products
  - Trade finance services
  - Government bonds, treasury bills and state enterprise bonds

# SHAREHOLDING STRUCTURE

As of the latest record date on September 12, 2019

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.	MUFG Bank, 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
	<b>TOTAL</b>	<b>7,355,761,773</b>	<b>100.00</b>

**Remarks:** \* On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Ltd. was renamed to MUFG Bank, Ltd.

- During the year, the investors can access the up-to-date information at [www.krungsri.com](http://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, 2019

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, 2019
<b>Long Term Bonds (Non-Collaterals)</b>				
1. Subordinated Instrument No. 1/2016 (BAY272A) Amount: 10,000.00 Issue date: August 11, 2016 Debenture rating (Fitch): AA+ Agent: None Objective*	3.50%	February 11, 2027 (10 year and 6 - month)	-	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 Objective*	3.90%	November 24, 2027 (10 year and 6 - month)	-	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 Objective*	3.40%	November 17, 2027 (10 years)	-	14,978.00
4. Subordinated Instrument No. 1/2019 (BAY296A) Amount: 18,825.70 Issue date: June 14, 2019 Debenture rating (Fitch): AA+ Agent: None Objective*	3.80%	June 14, 2029 (10 years)	-	18,825.70
5. Debenture No. 1/2017 (BAY203A) Amount: 10,000.00 Issue date: March 29, 2017 Debenture rating (Fitch): AAA Agent: None Objective**	2.25%	March 29, 2020 (3 years)	-	10,000.00
6. Debenture No. 2/2017 (BAY20NA) Amount: 10,000.00 Issue date: November 3, 2017 Debenture rating (Fitch): AAA Agent: None Objective**	1.85%	November 3, 2020 (3 years)	-	10,000.00
7. Debenture No. 1/2018 (BAY211A) Amount: 15,000.00 Issue date: January 26, 2018 Debenture rating (Fitch): AAA Agent: None Objective**	1.91%	January 26, 2021 (3 years)	-	15,000.00
8. Debenture No. 2/2018 (BAY217A) Amount: 14,000.00 Issue date: July 12, 2018 Debenture rating (Fitch): AAA Agent: None Objective**	2.22%	July 12, 2021 (3 years)	-	14,000.00

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2019
9. Debenture No. 2/2019 Series 1 (BAY21NA) Amount: 7,000.00 Issue date: November 22, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	1.72%	November 22, 2021 (2 years)	-	7,000.00
10. Debenture No. 2/2019 Series 2 (BAY22NB) Amount: 5,000.00 Issue date: November 22, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	1.80%	November 22, 2022 (3 years)	-	5,000.00
11. Debenture No. 1/2019 (BAY224A) Amount: 15,000.00 Issue date: April 4, 2019 Debenture rating (Fitch): AAA Agent: None Objective**	2.37%	April 4, 2022 (3 years)	-	15,000.00

(Unit: Million USD)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2019
<b>Other Debt Instruments (Non-Collaterals)</b>				
1. Debentures of the Women Bonds (BAY2610AFIFL) Amount: 150.00 Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	150.00
2. Debentures of the Women Bonds (BAY2610ANFFL) Amount: 70.00 Issue date: October 16, 2019 Debenture rating: - Agent: None Objective ***	2.993% - 3.643%	October 16, 2026 (7 years)	-	70.00

**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.
- Objective\*: The issuer of capital instruments aims to use the proceeds from capital instrument issuing and offering for its business operations and capital management.
- Objective\*\*: For debt repayment and/or the Bank's business operations.
- Objective\*\*\*: To make eligible sub-loans to eligible sub-borrowers either for the purposes of financing or re-financing eligible sub-projects.

**Debentures redeemed during 2019**

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
<b>Long Term Bonds (Non-Collaterals)</b>			
1. Debenture No. 1/2016 (BAY193A)	12,000.00	February 29, 2016	March 1, 2019
2. Debenture No. 2/2016 Series 2 (BAY196A)	7,000.00	June 24, 2016	June 24, 2019
3. Debenture No. 3/2016 Series 2 (BAY190A)	6,000.00	October 27, 2016	October 27, 2019

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, which 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 law. 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 occasionally 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 shareholder meeting.

Dividends shall be paid within the period prescribed by law, beginning from the date that the dividend resolution is passed by the general meeting of 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 including notification of the Bank of Thailand.

## 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 occasionally 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,  
Ratchadapisek Road, Din Daeng, Bangkok 10400  
Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Instrument 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
- Subordinated instrument No. 1/2019 : Tel: 0-2296-4772, 0-2296-5696 and 0-2296-2030
- Long Term Debenture No. 1/2017 : Fax: 0-2683-1302
- Long Term Debenture No. 2/2017
- Long Term Debenture No. 1/2018
- Long Term Debenture No. 2/2018
- Long Term Debenture No. 1/2019

## Debenture Holder Representative

- Subordinated Instrument No. 1/2016 : None
- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Subordinated Instrument No. 2/2019 : None
- Long Term Debenture No. 1/2017 : None
- Long Term Debenture No. 2/2017 : None
- Long Term Debenture No. 1/2018 : None
- Long Term Debenture No. 2/2018 : None
- Long Term Debenture No. 1/2019 : None

## Auditors

- : Mr. Chavala Tienpasertkij Certified Public Accountant Registered No. 4301
- Dr. Suphamit Techamontrikul Certified Public Accountant Registered No. 3356
- Mrs. Nisakorn Songmanee Certified Public Accountant Registered No. 5035

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
- Pol. Gen. Ajiravid Subarnbhesaj

Bank of Ayudhya PCL  
1222 Rama III Road, Bang Phongphang,  
Yan Nawa, Bangkok 10120  
Tel: 0-2296-3881 and 0-2296-3883, Fax: 0-2683-1436

# I DISTRIBUTION NETWORK

## BANK OF AYUDHYA PUBLIC COMPANY LIMITED

As Of December 31, 2019

### 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](http://www.krungsri.com)

### BRANCH AND FINANCIAL SERVICES CENTERS

**Number of branches in Thailand\*** **690**

Greater Bangkok and vicinity 293

Upcountry 397

**Number of overseas branches outside Thailand** **2**

Foreign Currency Exchange Booths 83

Exclusive Banking Zones 48

**Remark:** \* For more information, please visit our website ([www.krungsri.com](http://www.krungsri.com)).

# 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 Nimble**

#### **Krungsri Nimble Company Limited**

Bank of Ayudhya PCL Head Office, Floor 21  
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 Office, 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 Office, Floor 16  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-6010, 0-2740-7400  
Facsimile : 0-2627-8211

### **Krungsri Consumer**

#### **Krungsriayudhya Card Co., Ltd.**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2646-3000  
Facsimile : 0-2646-3001

#### **Ayudhya Capital Services Co., Ltd.**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8000

#### **General Card Services Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8111  
Facsimile : 0-2627-8381

#### **Tesco Lotus Money Services Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 1712  
Facsimile : 0-2627-8615

#### **Tesco General Insurance Broker Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8888  
Facsimile : 0-2627-8611

#### **Tesco Life Assurance Broker Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8888  
Facsimile : 0-2627-8611

#### **Krungsri General Insurance Broker Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8029  
Facsimile : 0-2627-4117

#### **Krungsri Life Assurance Broker Limited**

Krungsri Ploenchit Office,  
550 Ploenchit Road, Lumpini, Pathumwan,  
Bangkok 10330  
Telephone : 0-2627-8028  
Facsimile : 0-2627-4117

#### **Total Services Solutions PCL**

Bangna Tower B  
2/3 Moo 14, Bangna-Trad Road, K.M.6.5  
Bangkaew, Bangplee, Samutprakarn 10540  
Telephone : 0-2714-5199  
Facsimile : 0-2777-0009

#### **Krungsri Leasing Services Co., Ltd.**

House No.355, Nui 12 Khampheang Meung Road,  
Phonethan Village, Saysettha District,  
Vientiane Capital, Lao PDR.

## Krungsri Microfinance

### Ngern Tid Lor Co., Ltd.

Ari Hills, Floor 9-15  
428 Phahonyothin Road,  
Samsennai, Phayathai, Bangkok 10400  
Telephone : 0-2792-1888  
Facsimile : 0-2792-1819

## 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 Finnovate

### Krungsri Finnovate Co.,Ltd.

Bank of Ayudhya PCL Head Office, Floor 21  
1222 Rama III Road, Bang Phongphang,  
Yan Nawa, Bangkok 10120  
Telephone : 0-2627-4812

## 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, 0-2296-3496  
Facsimile : 0-2296-2369

### Hattha Kaksekar Limited

No.606, Street 271, Sansam Kosal 3 Village,  
Sangkat Boeng Tumpun 1, Khan Mean Chey,  
Phnom Penh, Cambodia

### Hattha Services Co., Ltd.

No.606, Street 271, Sansam Kosal 3 Village,  
Sangkat Boeng Tumpun 1, Khan Mean Chey,  
Phnom Penh, Cambodia

## COMPANIES THAT THE BANK HOLD SHARES OF 10 PERCENT BUT LESS THAN 20 PERCENT 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.

UM Tower, 9/222-224, Ramkhamhaeng Road,  
Suanluang, Bangkok 10250  
Telephone : 0-2017-7200  
Facsimile : 0-2017-7201

### Finnomena Company Limited <sup>(1)</sup>

Thaniya Plaza, Floor 17, Zone D,  
52 Silom Road, Suriyawong, Bangrak,  
Bangkok 10500  
Telephone : 0-2026-5100

## 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:** <sup>(1)</sup> Indirectly holding via Krungsri Finnovate Co., Ltd.  
of 12.44 percent



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**BANK OF AYUDHYA PUBLIC COMPANY LIMITED**

1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120

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