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Please see Sustainability Report 2019.



Renewable electricity from Hydropower

Milestone

Kiatnakin Phatra Financial Group

1971

Kiatnakin Finance and Securities Company Limited was founded by Mr. Kiat Wattanavekin.

1972

Phatra Thanakit Finance and Securities Public Company Limited was founded.



1993



Kiatnakin Finance and Securities Company Limited went public.

1997

- Kiatnakin Finance and Securities Public Company Limited along with other 57 financial institutions were temporarily discontinued because of the 1997 Asian Financial Crisis.
- Phatra Securities Company Limited was founded to separate Phatra Thanakit Finance and Securities Public Company Limited's finance and securities businesses.

1998

Kiatnakin Finance and Securities Public Company Limited was granted permission by the Ministry of Finance to resume business.





1999

Kiatnakin Finance and Securities Public Company Limited also separated its finance and securities businesses.

2005

- Kiatnakin Finance Public Company Limited became Kiatnakin Bank Public Company Limited.
- Phatra Securities Public Company Limited listed its shares with the Stock Exchange of Thailand.

2010

Phatra Capital Public Company Limited was set up as a holding company to engage in investment business and hold shares in Phatra Securities Public Company Limited.



2012 - 2013

- Kiatnakin Bank Public Company Limited and Phatra Capital Public Company Limited announced the completion of a merger to form **Kiatnakin Phatra Financial Group** on September 13, 2012. The merger aims to combine both organizations' expertise to attain excellence in financial service for the benefit of all clients, employees, shareholders, as well as to contribute to the development of the country's financial market and overall economy.
- On August 1, 2013 Kiatnakin Phatra Financial Group by Kiatnakin Bank Public Company Limited officially changed its stock trading ticker to **KKP**.

Awards and Ranking



- “A” Rating
Rated ‘A’ with ‘Stable’ outlook by TRIS Rating Co., Ltd.



- SMEs Excellence Awards 2019 (Gold Award)
The Bank received the Gold Award for its excellent customer management toward sustainable growth and development from the SMEs Excellence Awards 2019, organized by the Thailand Management Association (TMA) and Sasin Graduate Institute of Business Administration of Chulalongkorn University.



- ‘Excellent’ CG Scoring
The Bank was graded with ‘Excellent’ scoring in the Corporate Governance Report of Thai Listed Companies 2019 published by the Thai Institute of Directors Association.



- ESG100
The Bank was listed by Thaipat Institute's ESG Rating Unit as one of ESG 100 companies for the fifth consecutive year for outstanding performance in promoting environment, social, and governance.



- Thailand Sustainability Investment 2019
The Bank was selected by the Stock Exchange of Thailand as one of 98 listed companies on the list of Thailand Sustainability Investment 2019 for the fifth consecutive year as a result of its outstanding commitment to improving environmental, social, and governance performance (ESG) to create sustainable growth and stakeholder confidence.



- Best Investment in Thailand 2019
- Best ECM House in Thailand 2019
- Best Broker in Thailand 2019

Phatra Securities received awards for its leadership in investment banking, capital market, and securities brokerage businesses in Thailand at the FinanceAsia's Country Awards 2019, organized by FinanceAsia, the leading finance magazine in Asia.

- Top Underwriting Securities Firm 2019
- Deal of the Year 2019

Phatra Securities received Top Underwriting Securities Firm Award, organized by the Thai Bond Market Association, as an underwriting securities company trusted by private debt securities issuers with the highest total long-term debenture value in 2018, and Deal of the Year Award as an underwriter of CPN Retail Growth Leasehold Real Estate Investment Trust No. 1/2561, the most outstanding transaction in 2018.



- SET Awards 2019 (Securities Company Awards)

Phatra Securities received Securities Company Awards for its outstanding securities brokerage service and comprehensive securities analysis. And also received Deal of the Year Award as a financial advisor for the initial public offering of Thailand Future Fund (TFFIF) at the SET Awards 2019, organized by the Stock Exchange of Thailand and Money & Banking Magazine.



- Best Securities House, Thailand
- Best Private Bank, Thailand

Phatra Securities won the Best Securities House of Thailand with the highest score from Asiamoney Brokers Poll in 30th Anniversary Asiamoney for its outstanding performance in primary and secondary capital markets, and the Best Private Bank of Thailand based on the continuous growth of assets under management, quality of investment advice, and diverse investment options to meet customer needs. Asiamoney is the leading financial magazine in the Asia-Pacific region.



- Best Securities Company of the Year 2019

Phatra Securities won the Best Securities Company of the Year 2019 from Money & Banking Awards 2019, organized by Money & Banking Magazine, for its outstanding performance and highest revenue.

- Infrastructure Fund IPO of the Year 2019

Phatra Securities received the Infrastructure Fund IPO of the Year 2019 award as a co-financial advisor and co-underwriter of Thailand Future Fund (TFFIF) at the Asset Triple A Asia Infrastructure Awards 2019 organized by The Asset, Southeast Asia's leading financial market and investment. Thailand Future Fund is a mutual fund that allows public investors to invest in multiple public infrastructure assets operated by state enterprises and government agencies.





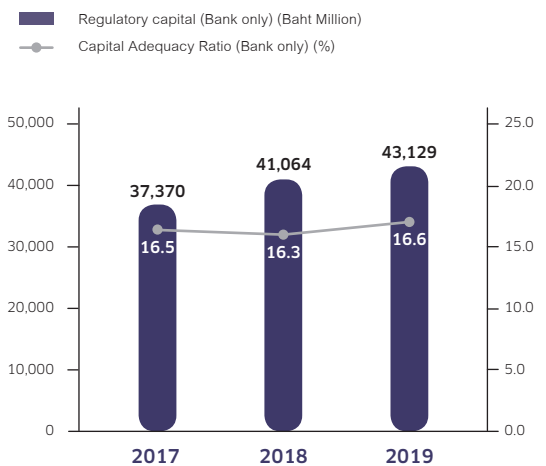
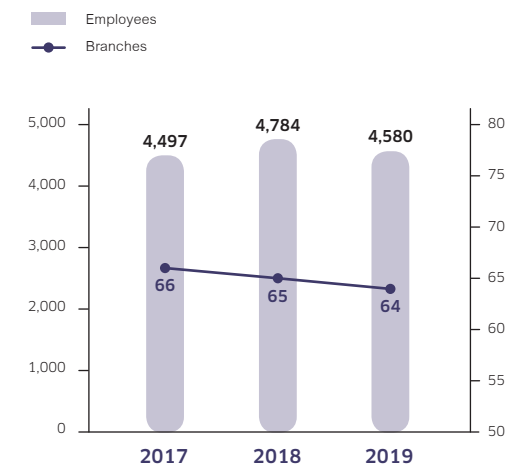
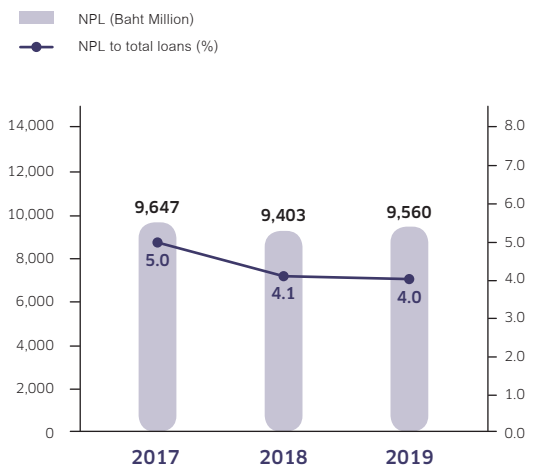
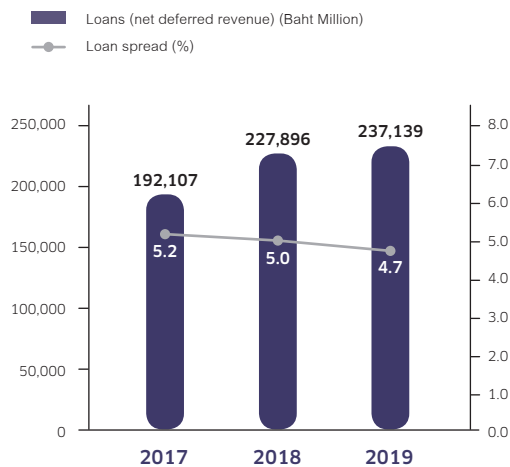
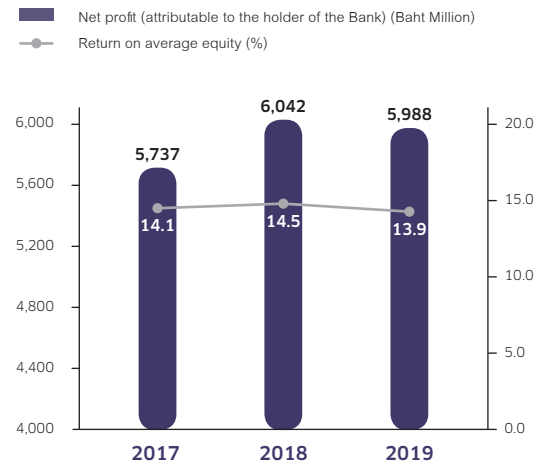
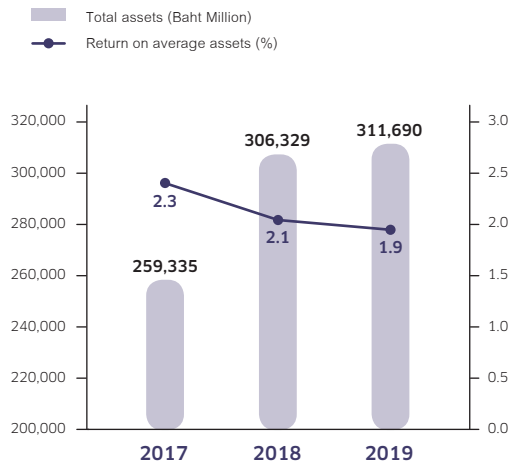
Financial Highlights

The Consolidated Financial Statements

(Baht Million)

Financial Position	2017	2018	2019
Investment in receivables (net)	2,170	1,770	1,619
Loans (net deferred revenue)	192,107	227,896	237,139
Allowance for doubtful accounts & troubled debt restructuring	(10,576)	(10,760)	(10,589)
Total assets	259,335	306,329	311,690
Deposits	132,878	181,694	172,174
Debt issued and borrowings	56,658	49,008	55,415
Total liabilities	217,787	263,989	267,679
Total equity of the Bank	41,332	42,180	43,902
Comprehensive Income			
Net interest income	10,628	11,262	12,316
Fees and services income (net)	4,055	4,579	4,604
Gain from sale of foreclosed assets	(209)	(238)	(840)
Total operating income	16,298	18,103	19,168
Total operating expenses	8,578	9,470	10,194
Impairment loss of loans and debt securities	763	1,245	1,676
Profit from operating before income tax expenses	6,956	7,387	7,297
Net profit (attributable to equity holder of the Bank)	5,737	6,042	5,988
Financial Ratio			
Return on average equity	14.1	14.5	13.9
Return on average assets	2.3	2.1	1.9
Loan spread	5.2	5.0	4.7
Loan to deposit and borrowing	101.8	99.1	104.6
NPL to total loans	5.0	4.1	4.0
Loan loss reserve to NPL	109.8	114.8	111.2
Cost to income ratio	48.2	47.8	46.7
Capital Adequacy Ratio (Bank only)	16.5	16.3	16.6
Branches and Employees			
Branches	66	65	64
Employees (Persons)	4,497	4,784	4,580
KKP Share Information			
Share price - High (Baht)	79.8	85.0	74.0
- Low (Baht)	53.5	65.3	63.3
- Close (Baht)	79.3	66.3	66.0
- Average (Baht)	69.1	74.0	68.8
No. of share outstanding ('000 shares)	846,751	846,751	846,751
Market Capitalization (Baht Million)	67,105	56,097	55,886
EPS - Basic (Baht)	6.8	7.1	7.1
- Diluted (Baht)	6.8	7.1	7.1
PE ratio (Time)	11.7	9.3	9.3
PBV ratio (Time)	1.6	1.3	1.3
Book value per share (Baht)	48.8	49.8	51.8
Dividend per share (Baht)*	5.0	5.0	4.25
Dividend payout (%)	73.8	70.1	60.1
Dividend yield (%)	6.3	7.5	6.4
Credit Ratings by TRIS Rating Co., Ltd.			
Company rating	A-	A-	A
Rating outlook	Stable	Positive	Stable

* Dividend payment for the year 2019 at the rate of Baht 4.25 per ordinary share, the interim dividend of Baht 1.50 per ordinary share was paid on September 20, 2019, while the remaining Baht 2.75 per ordinary share will be proposed to the meeting of the ordinary shareholders on April 23, 2020





Message from the Board of Directors

The Thai economy in the year 2019 was in a slowdown and fluctuated highly due to several domestic and international factors, such as the prolonged US-China trade war, weakened household income and private consumption, high level of household debt, low growth in the tourism sector as well as the shrinkage of the export sector and private investment. However, compared with the previous year, the Thai economy in the year 2019 was still able to grow by 2.4%.

The overall market capitalization of the Stock Exchange of Thailand (“SET”) and the Market for Alternative Investment (“mai”) at the end of 2019 was valued at Baht 17.0 trillion, up 4.6% from the end of 2018. The average daily securities trading value of the SET and mai in 2019 equaled Baht 53,192 million, decreasing by 7.8% from 2018. The SET index at the end of 2019 closed at 1,579.84 points, up 1.0% from 1,563.88 points at the end of 2018.

The finance and banking industry saw numerous significant changes. For instance, almost all of the large-sized commercial banks were affected by decreasing fees causing substantial loss in their market capitalization. Online banking has continuously gained popularity leading to mobility of funding at near zero cost. The lending business for the high credit corporate segment and the high potential business -

wealth management - faced more severe competition. Also, there were accelerated new investments for IT development, business partnership and new businesses with unproven outcomes.

The economic situation and changes in the finance and banking industry inevitably affected Kiatnakin Phatra Financial Group (“the Group”). The Group had to face intensifying competition in its core businesses - lending, private banking and investment banking. Consequently, the Group emphasized on creating good client experience and controlling its asset quality more than focusing on asset growth. In addition, the Group improved its funding structure to be more appropriate and strived to maintain its client base and talented personnel.

With the above-mentioned efforts along with the diversified and balanced revenue structure, the overall performance of the Group in the year 2019 was satisfactory although there were several unfavorable surrounding factors. The Group had consolidated net profit and total comprehensive income (excluding non-controlling interests) of Baht 5,988.4 million and Baht 5,624.6 million respectively, which decreased only by 0.9% and increased by 9.8% from that in 2018 respectively. The Group’s return on average asset (ROAA) of 1.9% and return on average equity (ROAE) of 13.9% were almost at the top of the industry.



Furthermore, the Bank's credit rating had been upgraded from A- to A by TRIS Rating Company Limited.

In terms of the commercial banking business, the Bank's total loan portfolio in 2019 grew at 4.2%, which was higher than the industry average. This was due to growth in commercial lending and retail lending in almost every loan product (except auto hire purchase loan which shrank by 0.5%.) For asset quality, the non-performing loan ("NPL") to total loan ratio was at 4.0% at the end of 2019, improving from 4.1% at the end of 2018 as a result of better credit screening and collection systems.

For the capital market business, Phatra Securities Public Company Limited ("PTSEC"), which is a company in the Group, had a total market share in the securities brokerage business in 2019 at 9.61%, improving from 4.55% in 2018 and ranking first among thirty-nine brokers. The assets of high-net-worth individuals under advisory at the end of 2019 totaled approximately Baht 575 billion, up approximately Baht 100 billion from the end of 2018. This was due to success in several developments, including Phatra Global Investment Service ("GIS"), various structured notes and private markets, which responded to the clients' needs while the return from the SET was at a low level. For the investment banking business, PTSEC helped its clients raise capital through the SET for a total value of over Baht 218.7 billion. PTSEC was appointed as a financial advisor and underwriter for several large-sized corporations, such as Asset World Corp PCL, DOHOME PCL, TMB Bank PCL and Global Power Synergy PCL.

In addition to the above-mentioned financial results, during 2019 the Group had launched significant innovations and developments in products and services for its competitive efficiency and sustainable growth. These include GIS which allows clients to invest in assets worldwide and enhance risk diversification and investment opportunities to receive higher return; PhatraX which is the digital platform to distribute analysis and research reports of PTSEC; KKGEN Wealth Protect Link and KKGEN Wealth Invest Link which provide clients with life protection and investment return; KKGEN Easy Box-Wellness which protects clients

against medical expenses; KKGEN Cancer Protect which provides coverage for all cancers at every stage; new types of more sophisticated structured notes such as Foreign ELN - an equity linked note which has foreign security as an underlying asset - and Foreign Autocallable Fixed Coupon Note - a yield enhancement note which has foreign security as an underlying asset and offers a high return if the price of the underlying asset is in accordance with the specified conditions, etc.

For risk management, as a consequence of the economic situation as mentioned above, last year the Group had improved its risk management practices in a range of areas, such as Bureau Score purchased from the National Credit Bureau ("NCB") for personal loans, housing loans and SME loans; development of risk models from the NCB's information for auto hire purchase loans; risk grade for personal loan collection and auto hire purchase loan collection via telephone; portfolio scrubs for risk management and loan restructuring plan in case debtors have increasing significant risk; early indicators for retail product programs; Net Stable Funding Ratio (NSFR) according to Basel III for liquidity risk management; etc. Moreover, the Group had constantly arranged for risk management knowledge trainings for its personnel to foster understanding and embed risk awareness and risk culture into the Group.

For corporate governance, the Group strives to upgrade its corporate governance to be more comparable to international standards. The Board of Directors, therefore, annually reviews its Corporate Governance Policy. During 2019, the Board of Directors approved the revision of such policy on various topics, for example, the roles, duties and responsibilities of the Board of Directors and the Audit Committee; securities trading by directors, executives and employees; and engaging in business outside the Bank or the Group companies. Moreover, the Bank's definition of independent director was revised by adding more qualifications on the term of directorship. The Risk Oversight Committee has been established and its roles, duties and responsibilities have been defined. The roles, duties and responsibilities of other sub-committees under the Board of Directors'



supervision have been amended in many aspects, including the oversight of Group companies to ensure their operations are in accordance with the Group's direction, strategies and main goals; follow good and efficient risk management and comply with laws, regulations and relevant policies. With this great commitment to elevating good corporate governance practices, the Bank has achieved several governance honors and awards including an "Excellent" rating from the annual corporate governance survey in the year 2019 from the Thai Institute of Directors Association ("IOD") and the awarding of five logos from the IOD.

In terms of anti-corruption, the Bank intends and is committed to taking a stand against corruption in any form. In 2019, two of the Group companies, which were Phatra Capital Public Company Limited and PTSEC submitted the Anti-corruption Self-evaluation Report to Thailand's Private Sector Collective Action Against Corruption ("the CAC") in order to obtain 2nd recertification. Currently, they have been granted 2nd recertification as full members of the CAC.

Furthermore, the Group realizes the importance of its responsibility to the society, community and the environment. Therefore, its business operation strictly complies with the written policy for conducting business with responsibility towards society. Also, the Bank has a policy supporting businesses and projects which are environmentally-friendly. In 2019, the Bank, together with other commercial banks and the Bank of Thailand, jointly signed the memorandum of understanding on sustainable banking guidelines - responsible lending. In addition, the Bank joined the Environment & Social Management System Project with Deutsche Investitions-und Entwicklungsgesellschaft mbH ("DEG") and obtained support from DEG's specialist team to

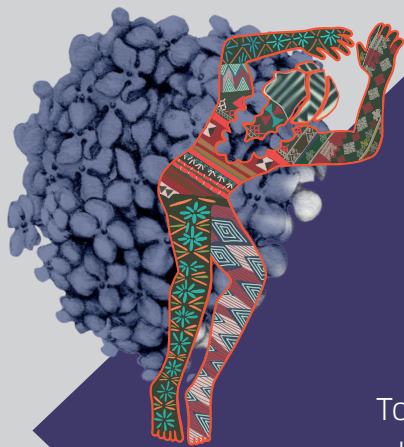
improve the organization's environmental and social management system as well as a special loan which the Bank thereafter could approve for SMEs. Consequently, KKP has been nominated by the SET as a Thailand Sustainability Investment 2019 and the Bank has been selected by Thaipat Institute's ESG Rating Unit as one of the 100 listed companies on the list of ESG100 in the year 2019 for outstanding sustainability performance in environmental, social and governance aspects for the fifth consecutive year.

For the year 2020, the challenges facing the Group's business operation are the direction of the global economy and trade, the political situation, the health of the domestic economy, tourism, export, price trends for agricultural products, household debt, NPLs, inflation, Baht value and public and private investment. The Group will carefully operate its business in accordance with its vision to become a financial institution which enables success for clients' businesses and investment management; focus on synergies within the Group; expand its investment in businesses which have good trends and in which the Group has expertise and competence; increase its optimization; retain high caliber personnel; improve technology; generate innovations and know-how as well as embrace adaptability in this fast-moving environment. In the meantime, the Group will constantly endeavor to improve its corporate governance and risk management in all aspects in order to minimize the potential for damage to its operations and reputation and create sustainable growth.

The Group's operation benefits from the support and cooperation of all parties including shareholders, clients, business partners, executives and employees. On this occasion, the Board of Directors would like to thank you and wish you happiness and success in your work and family life.

(Mr. Supol Wattanavekin)
Chairman of the Board of Directors

(Mr. Banyong Pongpanich)
Chairman of the Executive Committee



Vision

To attain business growth
along with the success of
clients and society



Mission

To provide resources to clients
properly, adequately and proficiently
through services beyond expectation
and like none other





Policy and Business Overview

Background

Kiatnakin Phatra Financial Group (“the Group”) emerged from the merger between Kiatnakin Bank Public Company Limited (“the Bank”) and Phatra Capital Public Company Limited (“PHATRA”) on September 13, 2012 in order to synergize their business expansion and pursue the achievement of operational excellence in each of the core business of the Bank and PHATRA with the aim to combine their relevant banking expertise and capital market proficiency. As a result of the merger, the Bank acquired 99.93% of PHATRA and offered newly-issued ordinary shares of the Bank to PHATRA’s shareholders at a swap ratio of 1 ordinary share of PHATRA to 0.9135 ordinary shares of the Bank in accordance with the merger plan approved by the 2012 Annual General Meeting of Shareholders.

After the merger, the Group operates two main businesses, namely the commercial banking business operated by the Bank and the capital market business operated by Group companies, which consists of PHATRA, PTSEC, KKTRADE Securities Company Limited (“KKTRADE”) (previously known as Kiatnakin Securities Company Limited/ KKS) and Phatra Asset Management Company Limited (“PASSET”) (previously known as Kiatnakin Fund Management Company Limited/ KKF).

In 1971, the Bank was established as Kiatnakin Finance and Securities Company Limited with Baht 10.00 million in registered capital to operate the finance and securities business. The company was listed on the SET in 1988 before its transformation to a public company in 1993. Eventually, its finance business and securities business were separated in 1999.

Kiatnakin Finance and Securities Company Limited was operating at the time of the financial boom and it also experienced several national economic crises, especially the economic crisis in 1997 in which the company was one of the fifty-seven financial institutions which were forced to

temporarily discontinue operation. However with its perseverance, commitment and support from its strong alliance with shareholders, clients, management and employees, the company was granted permission by the Ministry of Finance to resume business operation in 1998. The company continued to steadily grow until it was granted permission to upgrade from a financial company to become “Kiatnakin Bank Public Company Limited” and began to operate as a commercial bank from October 3, 2005 onwards.

PHATRA is a holding company set up on April 1, 2010 as a public company limited under the business restructuring plan of PTSEC to engage directly in the investment business and hold shares in PTSEC.

PTSEC is a broker member of the SET (no. 6). PTSEC was founded on September 17, 1997 under the policy of separating the finance and securities business of Phatra Thanakit Finance and Securities Public Company Limited, set up in 1972, in order to carry on the securities business. PTSEC’s main businesses consist of the securities and derivatives brokerage business for local and foreign institutional clients in which PTSEC has BofA Securities (Previously Bank of America Merrill Lynch) as its exclusive business partner and for high-net-worth individuals in which PTSEC operates the private wealth management business covering several asset classes and focusing on asset allocation, the investment banking business and the investment business.

The Bank completed the additional share purchase of 40% of total shares sold of KKF from the Government Pension Fund. The transaction was completed on September 28, 2012 when a total of Baht 63 million was settled in exchange for 4.8 million shares of KKF. There was a record of goodwill totaling Baht 19 million from this transaction. Therefore, the Bank held 99.99% shares in KKF. Thereafter, the Bank transferred shares in KKF and KKS to PHATRA on December 28, 2012 and



January 2, 2013 respectively in accordance with the merger plan. Consequently, the Bank holds 99.96% shares in KKS and KKF via PHATRA.

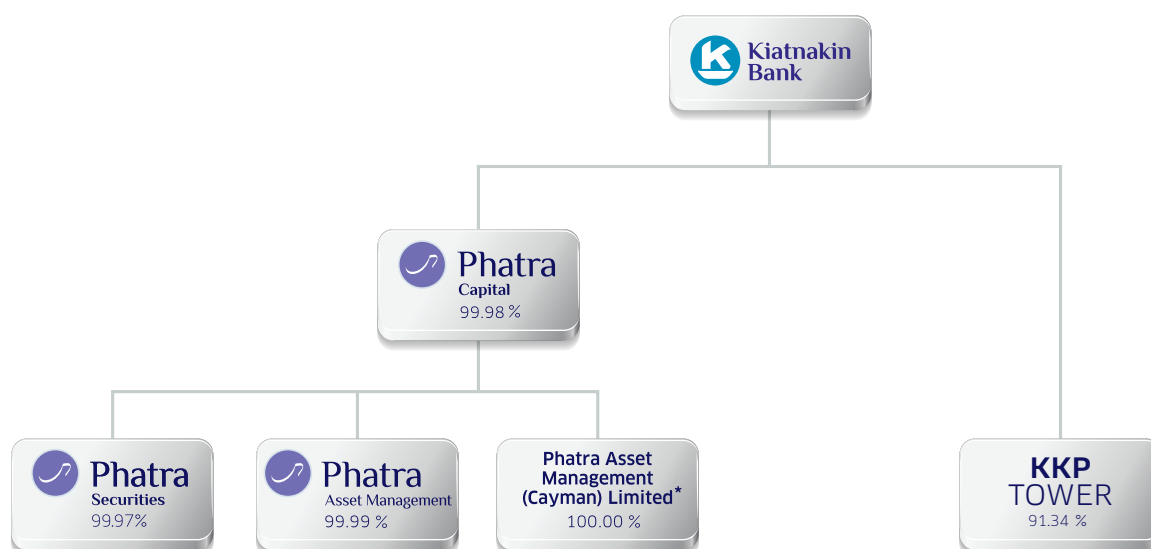
On September 25, 2012, the newly-issued ordinary shares of the Bank started trading on the SET, while PHATRA's shares were delisted from the SET. Later, the Bank officially changed the stock trading ticker from "KK" to "KKP" effective from August 1, 2013 onwards.

On July 8, 2016, PHATRA sold a total of 49,999,998 shares or 99.99% in KKTRADE to Yuanta Securities Asia Financial Services Limited. Later, on September 1, 2016, KKTRADE was renamed Yuanta Securities (Thailand) Company Limited.

Shareholding Structure

The Bank, the parent company, operates the commercial banking business. PHATRA is the Bank's subsidiary company, which is a holding company and operates the investment business. KKP Tower Company Limited, another subsidiary company, operates the office rental and property management business for the Bank and its subsidiary companies. PHATRA has subsidiary companies which consist of PTSEC, which is a securities and derivatives broker, PASSET and Phatra Asset Management (Cayman) Limited ("Phatra Asset Management (Cayman)"), which are asset management companies.

The shareholding structure is as follows:



* As of February 1, 2020, it is in the process of dissolving the company.

In addition, the Bank holds unit trusts in six mutual funds for resolving financial institution problems. The Bank holds 99.95% shares in Asia Recovery Fund 1, 99.59% shares in Asia Recovery Fund 2, 99.97% shares in Asia Recovery Fund 3, 98.91% shares in Thai Restructuring Fund, 95.72% shares in Bangkok Capital Fund and 94.03% shares in Gamma Capital Fund.



The Bank's subsidiaries according to the Bank of Thailand's Consolidated Supervision Guidelines are as follows:

1. Solo Consolidation: None
2. Full Consolidation:
 - 2.1 Phatra Capital Public Company Limited/ PHATRA
PHATRA is a holding company operating an investment business. PHATRA has paid-up capital of Baht 1,051,551,200.
 - 2.2 Phatra Securities Public Company Limited/ PTSEC
PTSEC operates the securities business, which are securities brokerage, securities dealing, underwriting, securities borrowing and lending and investment advisory, and the derivatives business, which are derivatives brokerage and derivatives dealing. In addition, PTSEC has registered as a financial advisor type A providing financial advisory services with the Ministry of Finance and has been granted permission by the Securities and Exchange Commission ("SEC") to act as a financial advisor and selling agent for limited BDU. PTSEC has paid-up capital of Baht 1,067,500,000.
 - 2.3 Phatra Asset Management Company Limited/ PASSET
PASSET operates mutual funds, private funds, real estate investment trust manager and the derivatives fund manager business. PASSET has paid-up capital of Baht 120,000,000.
 - 2.4 Phatra Asset Management (Cayman) Limited/ Phatra Asset Management (Cayman)
Phatra Asset Management (Cayman) operates the offshore asset management business and has registered capital of USD 50,000.
 - 2.5 KKP Tower Company Limited
KKP Tower Company Limited operates the office rental and property management business for the Bank and its subsidiary companies and has paid-up capital of Baht 230,000,000.

Corporate Strategy

The Bank's Board of Directors has considered and set the Bank's vision, mission and corporate principles consistent with the current business strategy as follows:

Vision : To attain business growth along with the success of clients and society.

Mission : To provide resources to clients properly, adequately and proficiently through services beyond expectation and like none other.

Principles : Winning attitude, grit, community and market

For the long-term strategy, the Group emphasizes businesses in which it has expertise and competitiveness through the development of a wide range of financial and investment products to serve target clients' needs. To accomplish this, the Group strives to create business innovations, generate synergies within the Group as well as expand into new businesses to enhance its full commercial banking operation capabilities.

The Group plans to increase its service effectiveness and respond to various needs of clients through a variety of service channels. The Group also focuses on improving its internal business processes including risk management and efficient monitoring and control. For organizational development, the Group concentrates on human resources development and information system improvement as well as strengthening its corporate culture, which is fundamental for its business development.

The Group has a policy on organizational development in five main aspects as follows:

1. *Flexibility*: To be a highly flexible organization in order to be able to respond to various clients' needs;
2. *Speed*: To be able to service clients rapidly with its precise decision-making process;
3. *Innovation*: To be an innovative organization with a continuous product and process development in line with the market trend;



4. *Quality*: To be an organization with strong resources in the aspects of employees, capital and information systems; and
5. *Efficiency*: To be an effective organization by keeping its operating cost at a competitive level.

Major Developments 2017

Development of Products and Service Channels

- Portfolio for Property Financing

The Portfolio for Property Financing Loan (PPF) is a credit facility offered to high-net-worth clients of PTSEC who desire to acquire properties or enhance financial liquidity, as an asset owner, by putting their existing vacant land plot or a land plot with construction and financial assets as collateral to secure financing such as cash, ordinary shares of the SET100 (except KKP), unit trusts of property fund, REITS and infrastructure fund. In addition, the Bank plans to allow additional types of financial assets to be placed as collateral in the future.

- Global Investment Service for High-Net-Worth Clients

PTSEC has expanded its leading position in the private wealth business by offering Phatra Global Investment Service (GIS) for high-net-worth clients with an aim to elevate its competency in managing offshore investment through asset diversification worldwide, diversify investment risk and increase opportunities for higher return on investment.

With more than twenty years of experience in the private wealth management business, PTSEC believes in key philosophies which include strict adherence to clients' utmost benefit and professional service. PTSEC therefore has upgraded its wealth management research team to the Chief Investment Officer Office (CIO Office). Specialists who have expertise in various asset types will perform rigorous analysis to come up with a fair view of both the short-term and long-term investment outlook to accommodate asset allocation for clients' portfolios according to the clients' risk profile covering onshore and offshore financial products under the open-architecture concept (not limited to products offered by PTSEC).

In providing advisory service to clients, financial consultants, who are familiar with and understand the needs of clients, will cater to the greatest convenience for clients starting from consultative advice on investment portfolios set up to the submission of monthly reports to the Bank of Thailand. Clients can access their investment portfolio – for both onshore and offshore investment – through the consolidated statement so that they can ensure all of their investment and financial assets are systematically managed.

- Issuance and Offering of Structured Products

Structured products are financial instruments which have been offered by PTSEC for more than eight years for clients' investment. Structured products can have a customized return and risk based on clients' preference. The Bank and PTSEC are collaborating in the development and distribution of various structured products for the Group's clients, such as high-net-worth clients, corporate clients, etc. Such sophisticated products are suitable for target clients and their needs. With this sophisticated product offering, the Group therefore has become one of the key leading players in Thailand to offer a wide variety of financial products.

- Deposit and Bancassurance Products

The Bank offers the KK Phatra Smart Settlement savings account ("KKPSS") for clients of PTSEC to service their securities trading and other transactions with PTSEC. KKPSS requires no minimum amount for account opening, as well as no limit on withdrawal transactions and savings period. The product feature enables clients to simply manage their liquidity and link it to their investment. In addition, clients will also earn KKPSS interest at as high as a fixed deposit account.

In terms of bancassurance products, the Bank has developed unit-linked products, namely KKGEN Protect Link and KKGEN Invest Link which bundle insurance and investment enabling clients to enjoy the benefits from life protection and investment return. Clients can select various types of funds and switch the funds according to the conditions specified.



- Development of Retail Lending Business

Originally, the Bank operated the retail lending business by focusing on auto hire purchase and carried out marketing activities mainly through car dealers and the branch network of the Bank. Later on, the Bank changed the strategy to focus on proactive client acquisition with a wide range of retail product offerings which comprise personal loans, housing loans and micro SME loans to drive the Bank to become a quality credit house.

In 2017, the Bank developed the sales of retail loan products by carrying out proactive marketing activities via the Alternative Distribution Channel Group, such as mini booths which were set up on a rotation basis at office buildings in Bangkok and KK Money Stations offering retail loan products so clients do not have to travel to the Bank's branches, etc.

In the initial stage, KK Money Stations offered loan products to clients residing in industrial estates, housing development projects, leading organizations and various communities to provide for clients' convenience during the loan application process. Clients looking to borrow can immediately submit their loan applications at KK Money Stations, with the Bank staff at the ready to provide consultative advice in order to serve the clients' needs.

For auto hire purchase loans, since 2014 onwards, the Bank has emphasized service model development which distinguishes from the market, such as captive finance partnership with Suzuki and preferred partner model (service model with medium to large used car dealers). In 2016 - 2017, the Bank developed additional new service models, such as auto hire purchase loans for the used car market (KK Car Plaza) and the online model for loan applications. Moreover, the Bank developed an underwriting process to shorten the turnaround time to within 2 - 3 hours in certain areas and expanded it to cover various retail loan products in all areas by 2018.

- Development of Products in Response to National e-Payment Policy

The Bank has developed multi-channels to support Thailand's National e-Payment roadmap. These include PromptPay registration for both individual and corporate clients, single fund transfers to accounts registered with PromptPay (mobile phone number, ID card number and e-wallet number), bulk fund transfers to accounts registered with PromptPay (mobile phone number, ID card number and e-wallet number), making bill payments through the biller list by using KK e-Banking or branch channels, etc.

- Remittance Service

In 2017, the Bank acquired two more partners for the remittance service which are Merchantrade Asia Sdn Bhd and DollarSmart Global Pte Ltd. Furthermore, the Bank has expanded its service with RIA Financial Services for clients who wish to receive money transferred to their accounts in cash at all branches of the Bank nationwide.

- Offering Products and Services through KK Auto Application, Telesales and KKP Contact Center

The Bank has extended more channels to offer products and services including special personal loan acquisition through KK Auto Application, telesales and the KKP Contact Center. The Bank will select qualified clients who are interested in the product and are capable of paying the loan installment and then propose the loan through those sales channels. The Bank also made an improvement in reminding existing hire purchase clients (known as 'Call Reminder') about motor insurance through the Bank's telesales.

- Development of Service Channel via KKP Contact Center

The Bank operates the KKP Contact Center (phone number 0-2165-5555) to serve clients' inquiries and transactions through phone service (Interactive Voice Response/ IVR) and KKP Contact Center agents. In 2017, the Bank launched many new services of the KKP Contact Center, including cross-sell/ up-sell via the telesales channel aiming to increase convenience and be an alternative channel for clients. The new services are:

- (1) Requesting the most recent monthly copy of vehicle tax invoice via phone service (IVR);



(2) Changing the cash card credit limit via phone service (IVR) and

(3) Reserving securities with PTSEC via KKP Contact Center.

- e-Certificate Service

The Bank developed a network platform to interface with the Department of Business Development, Ministry of Commerce and entered into an MOA to be able to provide e-Certificate of juristic person through the Bank. This service is aimed to provide clients with greater convenience and shorten the certificate request time for clients and business entrepreneurs.

- Online Channel Development of Phatra Edge

Phatra Edge has been developing its online channel to ensure clients' accessibility to all types of platforms, such as website and mobile application - both for iOS and Android. Emphasis has been specifically put on mobile application development to simplify investment by only requiring the fingerprint to log in through Touch ID. There are also new features made available to cover all types of clients' transactions, such as cash collateral transfers, securities transfers, etc. Furthermore, to add another level of client convenience, Voice Blast, or mutual fund insights including unbiased analysis and advice, is provided as an investment outlook update.

- OPTIMISE Magazine

The Group quarterly publishes the OPTIMISE magazine with the objective to gather and present the Group's expertise in finance and investment. The content of the OPTIMISE magazine includes interviews with financial VVIP/ KKP privilege clients, economic review, investment review, up-to-date lifestyle articles, etc. All stories reflect the Group's brand positioning: visionary, expertise, reliability and Thai touch.

Development in Asset Management Business of PASSET

PASSET offers a wide variety of financial instruments to provide clients with a variety of choices and investment opportunities. In 2017, PASSET launched a new open-ended fund, Phatra Global Unconstrained Bond Fund - Hedged (PHATRA G-UBOND-H), which is a feeder fund investing in the Jupiter Global Fund - Jupiter Dynamic Bond -

managed by Jupiter Unit Trust Managers Limited, which has a highly specialized global fixed income fund investment team. Jupiter Global Fund - Jupiter Dynamic Bond emphasizes on investment of global fixed income spectrum with active management strategies. The fund has the flexibility to make investment adjustments in response to rapid changes in the market environment.

In addition to the development of mutual fund products, PASSET has also broadened the scope of private fund investment choices to structured notes underlying the performance of foreign securities with an aim to offer clients more investment choices and opportunities.

Synergies within the Group

After the merger, the Bank and Group companies have been cooperating to increase business potential and opportunities while minimizing limitations with the aim to synergize overall benefits and effectively elevate its competitiveness. Such synergies led to business development for the private client business, investment business and wholesale and investment banking business.

In 2017, the collaboration within the Private Client Group, comprising the Bank's Priority Banking Group, the Wealth Management Department and Phatra Edge of PTSEC and PASSET, has been smoother resulting in business target achievement of the Bank's branches. A wide range of financial products and services have been offered for clients through cross-selling. In addition, the business performance of PASSET has been continually on the improving trend.

In terms of the wholesale and investment banking business which encompasses the Financial Markets Group and the Corporate Banking Group of the Bank and Investment Banking and Capital Markets Group of PTSEC, there is a collaboration to offer clients various financial products and services in terms of both wide integration (a bundle of products and services of each business unit) and deep integration (more sophisticated products and services of each business unit). As a result, in 2017, approximately 25% of the wholesale and investment banking business's revenue was generated from such successful business



collaboration while clients had more awareness of the Group's products and services. Moreover, various business units under the wholesale and investment banking business have been cooperating with other units, such as the Wealth Management Department, Commercial Lending Group and the Bank's branches for further product offering.

Corporate Governance Improvement

In order to constantly upgrade its corporate governance, the Bank's Board of Directors has reviewed and revised the Bank's Corporate Governance Policy on an annual basis, as well as continuously endeavored to make improvements on several governance aspects. During 2017, the Bank additionally improved its corporate governance practices, which included the following:

- The Board of Directors acknowledged the Corporate Governance Code for Listed Companies 2017 ("CG Code") released by the SEC in order to apply for the replacement of the 2012 CG Code of the SET. The Board of Directors was aware of the roles and duties of the highest-level management of the Bank and hence, approved to put the principles of CG Code into practice to create long-term satisfactory business performance and establish sustainable value creation.
- The Bank entered into a Memorandum of Understanding with the Thai Bankers' Association to jointly determine the Banking Industry Code of Conduct under the concept of commercial bank ethics for sustainable business practice, an integral part of the five year-strategic plan for the Thai banking industry. The Banking Industry Code of Conduct is a part of the effort to improve and standardize commercial bank business ethics to meet society's expectation, as well as elevate clients' trust on fair services and accurate information.
- Reviewed and revised the Bank's Corporate Governance Policy by making adjustments and ensuring clarity for the aspects of notice of AGM; resolution and minutes of AGM; role, practice and responsibilities of the Group towards clients; connected transactions;

information disclosure; roles, duties and responsibilities of the Board of Directors; leadership and vision; Board meeting and roles and duties of the Chairman of the Board of Directors.

- Reviewed and revised the Guidelines for the Business Conduct Policy of the Group regarding confidentiality obligations, fair dealing, treating individuals with respect and dignity, compliance with the law and commitment to promoting ethical conduct.
- Revised and defined additional roles, duties and responsibilities of the Board of Directors in writing. Examples are determining short and long-term business directions and strategic goals of the Group for both financial and non-financial aspects and efficiently allocating significant resources within the Group to ensure the objectives and goals are achieved; approving the Group's business plans as proposed by the Executive Committee by taking into account all changes to the Group's ecosystem and factors; overseeing to ensure adequate and efficient allocation of key resources, for instance, capital investment, personnel, technology, etc.; promoting the utilization of innovation to create business opportunities; improving business operation and risk management to enable the Bank to achieve key business objectives and goals; defining the proper remuneration structure to incentivize employees to fully perform their roles; ensuring that the Group has adequate and proper internal control and audit systems in place to make certain that transactions are made efficiently and comply with relevant laws and regulations; studying and understanding the shareholder structure and relationship which may affect business management and operation; regularly reviewing committees' roles and responsibilities at least once a year; appointing the CEO nominated by the Nomination and Remuneration Committee; determining the performance



evaluation criteria for the CEO; performing the annual performance evaluation of the CEO; appointing and establishing the scope and authority of the highest-level executive of PHATRA nominated by the Nomination and Remuneration Committee; reviewing the Board of Directors' roles, duties and responsibilities at least once a year in line with the changing business environment, industry, relevant factors, regulations and laws; as well as enabling the Bank to adapt in an appropriate and timely manner and performing the annual performance evaluation.

- Determined additional roles, duties and responsibilities of the Executive Committee in writing which covered short and long-term business directions and strategic goals of the Group for both financial and non-financial aspects by analyzing the ecosystem and factors prior to proposing to the Board of Directors for consideration. Emphasized adequate and efficient allocation of key resources; approved the unreviewed/unaudited financial statements in order to disclose to the SET and relevant supervisory agencies and considered the reviewed/audited financial statements before proposing to the Board of Directors for approval.
- Defined additional roles, duties and responsibilities of the Audit Committee in writing regarding meetings with the Audit Committee of the Group companies and ensured the Bank has a proper and efficient information technology security and control.
- Defined additional roles, duties and responsibilities of the Compliance and Governance Committee in writing to ensure that the Bank and Group companies have established the process to take corrective actions on issues found by regulatory agencies, the external auditor, the internal auditor and compliance unit and considered the assessment result of the Bank's corporate governance as carried out by external entities.
- Reviewed and revised roles, duties and responsibilities of the Nomination and Remuneration Committee in writing in selecting and proposing qualified persons as stipulated by relevant laws and regulations to be the highest-level executive of PHATRA and proposing for the Board of Directors' approval.
- Determined non-audit services policy for the auditor to ensure transparency and the auditor's independence.
- Revised the Bank's policies and guidelines for more clarity and to make sure they align with the changes of regulatory agencies' regulations. These cover the Bank's and the Group's Risk Management Policy; Policy and Plan for Capital Management; Credit, Credit-like Transactions and Contingent Liabilities Review Policy; Securities Investment and Trading Book Position Management Policy; Master Product Program for Derivatives; Delegation of Authority Policy for Commercial Lending and Counterparty Risk Limit Setting; Delegation of Authority Policy for Retail Lending – Product Program; Insourcing Service Providing Policy for Financial Business and Official Agencies; Dividend Payment Policy; Guidelines for Securities Trading of Directors, Executives, Employees and Persons who can access undisclosed information which is material to changes in the securities price; Liquidity Management Policy; Internal Capital Adequacy Assessment Process – ICAAP, etc.
- The Bank, PHATRA, PTSEC and PASSET have submitted a self-assessment on anti-corruption measures to the Private Sector Collective Action Against Corruption/ CAC in order to re-certify their membership. The CAC has already approved the re-certification of membership which will be valid for three years from the approval date.



2018

Development of Products and Service Channels

- Upgrading Flagship Branches as Financial Hubs

The Bank has continuously improved and upgraded its flagship branches, which have high deposits and investment transactions, to be financial hubs to offer financial and investment products of the Group. Providing KK PRIORITY service and PTSEC's wealth management and Phatra Edge services, the financial hubs reflect the Groups' business platform as a bank which provides complete capital market services. In 2018, the Bank opened another financial hub at Yaowarat.

- KK Virtual Branch

KK Virtual Branch has the same competence as an actual branch. This is a new integrated innovation between financial transactions and the banker. KK Virtual Branch is self-service and has been designed for easy use to make sure clients are comfortable and familiar. KK Virtual Branch's current services are opening new accounts, making fund transfers within the Bank, as well as interbank transfers including PromptPay and portfolio summary. Clients can also sign up for new services, such as eBanking, Smart SMS and debit card. KK Virtual Branch also has a video call function with staff enabling clients to make inquiries or obtain suggestions on products and services. KK Virtual Branch has already been set up at the Asoke branch. In 2019, the Bank launched new services on investment via KK Virtual Branch to allow clients to make transactions (buy, sell and switch) of their mutual funds and also roll out five more branches at Siam Paragon, Central World, Thong Lor, Seacon Square Srinakarin and Silom.

- KK Magic Mirror

The Bank has innovated and kept on expanding its services while seeking new investment methods which fulfill the modern lifestyle of the digital era. The Bank has created a new service, KK Magic Mirror, which uses technology to enable a connection

between clients and the Bank in the form of human interaction just like an actual conversation with the image of a virtual staff member on the screen.

KK Magic Mirror utilizes a digital touch screen and gives clients access to the basic financial advisory service of the Bank. It can deliver answers in a matter of seconds or even instantly to people who would like to make an investment but do not have time to visit the Bank's branches. It is considered the first innovation in providing financial advisory service via an LED screen in the form of interactive communication in Thailand.

KK Magic Mirror currently has two types of services which are 1) instant conversation with a virtual staff who will provide a personal solution to financial issues which may eventually bring clients to meet with financial advisors at branches and 2) live video call to inquire about investment products and services which meet the client's need.

At the moment, the Bank has already launched five KK Magic Mirror located at the Asoke branch, K Village, Seacon Square Srinakarin, CP Tower1 Silom and Central World.

- KK e-Banking Mobile Application for Buying, Selling and Switching Mutual Funds

The Bank has developed KK e-Banking mobile application, which connects with FundConnex of the SET, to facilitate clients on buying, selling and switching mutual funds via mobile phone. Through KK e-Banking mobile application, clients can view the summary of fund transactions previously made and their transaction statement any place and anytime.

- Banking as a Service

The Bank has launched Banking as a Service to extend banking services for external organizations to be able to connect and make financial transactions – fund transfers and payments for goods and services – via their own systems.



- Market Place Project

The Bank has developed the Market Place Project, called HUBB, which is a service platform to broaden the website's capacity to be a market place for clients to quickly and easily search for products and services of the Bank. The Bank plans to use this platform for products, such as used cars, new cars, insurance, personal loans, housing loans, car auctions, etc.

- Line@ kkloan

Besides the Bank's website and social media, which are Facebook @kiatnakinlive, Twitter @kiatnakinlive, YouTube @kiatnakinlive and Line@ kkplive from which clients can receive news from the Bank, the Bank has developed Line@ kkloan as another channel for clients who are interested in applying for loans. Through Line@ kkloan, the Bank can provide instant loan advisory in all aspects ranging from loan product details, qualifications of applicants and initial credit line for personal loans, housing loans and auto hire purchase loans.

- Deposit Product Development

The Bank has developed a new deposit product, the "Basic Banking Account", to support the policy of the Bank of Thailand and the Thai Bankers' Association in improving the access of Thai households to financial services. Giving people access to appropriate financial services can help them to better manage risks, encourage them to learn more about savings and provide more opportunities for the easy and safe receipt of government benefits. This product will lead to other formal financial services, such as savings, investments and loans which can help people improve their lives.

Basic Banking Account is a savings account which gives clients the comfort of deposit-withdrawal banking transactions, no minimum opening balance and free debit card entrance fee, annual fee and account maintenance fee. It is available to Thai citizens with a welfare card or those aged 65 or more. The Bank launched this product on October 18, 2018.

Moreover, the Bank has also developed and launched KK SMEx3 current account to facilitate financial transactions for clients who have the KK SMEx3 loan.

- Waiver of Online Transaction Fees

The Bank has become a significant part of the government's strategy to promote payments via electronic channels or the national e-Payment masterplan as part of the Ministry of Finance's aim to develop financial and payment systems in order to efficiently manage cost, reduce cash usage and stimulate the wide usage of e-payment. Therefore, the Bank has waived fees for online transactions (internet and mobile banking) via KK e-Banking and KK e-Banking @PhatraEdge since April 3, 2018.

The Bank believes that the online fee waiver by financial institutions is a significant changing point for the national payment system. This will concretely help reduce cost for financial institutions and the country, increase the economic growth rate, cut the existence of the informal economy, enhance competitiveness and push the country forward into the digital era.

- Issuance and Offering of Structured Products

In 2018, PTSEC issued and offered two new types of structured products: 1) Rainbow ELN, an equity linked note which had more than one underlying securities and 2) Autocallable Fixed Coupon Note, a yield enhancement note which offered a higher return if the price of the underlying securities was in accordance with the specified conditions. Both types of structured products are popular among investors.

- Family Advisory Service

Apart from the services on investment advisory for high-net-worth clients who have an investment of more than Baht 30 million in investable assets, PTSEC has entered into a new business opportunity by introducing a comprehensive service of private wealth management with the objective to facilitate the need of clients on the succession of the family business and family wealth. Its family advisory services include preliminary advice on



the shareholding structure of the family business, the holding structure of family assets, preparation of legal documents related to restructuring and succession, preparation of the family constitution and planning of the family business succession.

Information Technology Infrastructure Improvement

The Bank recognizes the importance of stability and growth in its business operation. In 2018, the Bank invested in several key IT projects, for example, Enterprise Resource Planning (ERP), IFRS9 and new core banking projects. The Bank has used more than Baht 500 million and management and employee resources for almost two years to revamp the key processes of core banking, which is a service foundation of the Bank ranging from client accounts, deposits, withdrawals and fund transfer functions. All these were to replace the old core banking system which had been used since 2005. Its objective is to upgrade IT infrastructure and develop banking services to offer equal or better services than those of other banks of the same class and enable the Bank to provide products and services which meet the market's needs and increase its competitive advantage.

The Bank selected the core banking system from Silverlake Group, a well-accepted supplier of proven solutions for more than thirty years by Thai and international financial institutes, especially in the Southeast Asian region. The Bank selected the core banking solution based on confidence and expertise of the supplier, past success and reliable results and strong support and commitment by the supplier in terms of resources for technical service, support and advice.

On November 25, 2018, the Bank started using its new core banking system. The Bank has successfully made a big change to its IT architecture with eighty new and upgraded surrounding sub-systems. The Bank has cancelled old and complex systems and reinforced its IT infrastructure stability to be ready for the elevated level of business continuity management. Reducing system complexity, the Bank also centralized product management and client information database, and in doing so, increased

its IT capabilities in new product design and development to shorten time-to-market overall. The new core banking system also extended business and IT capabilities to support the three-year strategic growth of the national e-Payment and digital banking strategy of the Bank of Thailand as well.

Development in Asset Management Business of PASSET

PASSET has introduced a variety of products to broaden the scope of investment choices for investors, which mainly focus on diversification and asset allocation.

In 2018, PASSET launched Phatra Global New Perspective Fund - Hedged (PHATRA GNP-H) to provide investors with another option in global equity investments with currency hedging by investing in Capital Group New Perspective Fund (LUX). Moreover, PASSET also launched three Retirement Mutual Funds (RMF) for investors who wish to invest in RMFs, allowing them to invest in a variety of asset classes. The new RMFs include: 1) Phatra Global New Perspective RMF Fund - Hedged (PHATRA GNP RMF-H); 2) Phatra Global New Perspective RMF Fund - Unhedged (PHATRA GNP RMF-UH) - both funds are Feeder funds investing in Capital Group New Perspective Fund (LUX), with different currency hedging strategies and 3) Phatra Strategic Asset Allocation Retirement Mutual Fund (PHATRA SG-AA RMF), which invests both locally and globally in equities, fixed income securities and alternative assets.

In addition to the launch of mutual funds, PASSET has also continuously developed private fund products to provide more choices for investors including private funds which invest in structured notes linked to performances of foreign securities and private funds with asset allocation strategies.

PASSET has also expanded distribution channels to banks with the open-architecture concept, insurance companies which offer unit-linked insurance products and various security companies.

Synergies within the Group

In 2018, the Bank and Group companies continued their cooperation to increase business potential and



opportunities while minimizing limitations with an aim to synergize the overall benefits and effectively increase its competitiveness.

With this endeavor, there have been improvements in its private banking business, investment business and wholesale and investment banking business. For instance, revenue from the wholesale and investment banking business in 2018 increased from Baht 1.18 billion in 2017 to more than Baht 1.40 billion, of which 50% was generated from the cross-selling of the Group's products and services. The investment business, which was operated by Group companies, had an increase in investment capital in 2018 as a result of support from the Bank. The private banking business also significantly increased the cross-selling of products and services, especially KKPSS, wealth management and Phatra Edge services, Lombard loans, private funds and various insurance products.

Corporate Governance Improvement

The Bank's Board of Directors reviews and revises the Corporate Governance Policy on an annual basis and constantly improves practices on several matters to upgrade the governance level of the Bank and Group companies. During 2018, the Bank additionally improved its key corporate governance practices as follows:

- The Board of Directors reviewed and amended its Corporate Governance Policy so that it was in line with current practices and newly-issued regulations, i.e. the Bank of Thailand's Corporate Governance of Financial Institutions. The topics which has been revised include the shareholders' meeting; reporting channels for whistleblowers; role, practice and responsibilities of the Group towards clients, the community, society and the environment; securities trading by directors, executives and employees engaging in business outside the Bank; anti-corruption and anti-bribery; disclosure of corporate governance information; Board composition; director qualification; term of directorship; directorship in other companies of directors; roles, duties and responsibilities

of the Board of Directors; Board meeting; performance evaluation of the Board of Directors and committees; remuneration for directors and executives and directorship in other companies of executives.

- Revised and defined additional roles, duties and responsibilities of the Board of Directors in writing. This included defining the proper remuneration structure to incentivize employees to fully perform their duties with honesty and consistency with the risk culture; defining or approving the effective risk governance framework to support business operations in accordance with the specified directions and objectives under the rapidly changing business environment; ensuring that the Bank has a system and risk management process which can address the overall and significant risks (Comprehensive Risk Management Policy and Process); overseeing the Group's risks to ensure that the business is operated within specified risk management policies and strategies, that the risk culture is built and there is communication of risk policies and strategies throughout the organization; reviewing the sufficiency and effectiveness of the overall risk management policies and strategies as well as risk appetite at least once a year or upon any significant changes; regularly partaking in the evaluation of the effectiveness and efficiency of the Head of the Risk Management Group at least once a year; ensuring that the Bank and Group companies have an organizational structure which promotes independent and effective control, oversight and audit functions (three lines of defense) and overseeing the disclosure of important corporate governance information at shareholders' meetings and to the public.
- Revised the roles, duties and responsibilities of the Executive Committee on the establishment of the overall organizational structure in accordance with the business direction and goals.



- Added roles, duties and responsibilities of the Audit Committee to assist the Board of Directors in overseeing the Group companies and reviewing the accuracy of the Anti-corruption Self-evaluation Report and reference documents as prescribed by the CAC.
- Defined additional roles, duties and responsibilities of the Nomination and Remuneration Committee in writing in giving consent on the directors and persons with management authority of the Group companies prior to being proposed for appointment; oversaw that the Group has a mechanism or tool to support the process for selecting and nominating director candidates; ensured the disclosure of the policy and process for the selection of directors and persons with management authority of the Bank in the annual report; ensured that the remuneration and other benefits for Board members and persons with management authority reflect the objectives, duties and responsibilities and relevant risks and do not create incentives for entering into too risky transactions which can affect the Group's stability and considered and established guidelines for the performance evaluation of the Board members (cross-evaluation) prior to proposing to the Board of Directors.
- Defined and revised the Bank's policies and guidelines for more clarity and to ensure that they were in line with the revised regulations of governing agencies. These cover all Risk Management Policies, including IT Risk Management Policy, Market Conduct Policy, Service Channels Policy, Core Credit Policy, Commercial Lending Policy, Counterparty Risk Policy, Collateral Policy, Debt Restructuring Policy, etc.
- PASSET has prepared and submitted the Anti-corruption Self-evaluation Report to the

CAC to re-certify its membership to the CAC. As a result, PASSET has been approved and re-certified as a full member of the CAC on February 12, 2018, following PHATRA and PTSEC, which have been re-certified since March 9, 2017, and the Bank, which has been re-certified since November 10, 2017.

- The Bank and Group companies in the capital market business, in conjunction with the CAC, have announced the No Gift Policy, which is consistent with the Group's incessant practices on anti-corruption. Moreover, the Bank has cooperated with the Thai Bankers' Association to declare the No Gift Policy to confirm its intent against corruption in any form and support transparency and good corporate governance in its business operation.

2019

Development of Products and Service Channels

- Phatra Global Investment Service for High-Net-Worth Clients

With an aspiration to become "The Best Global Private Bank for Thais" and continually uplift the leadership in local private banking standard, PTSEC has introduced offshore investment under the name Phatra Global Investment Service (GIS) for high-net-worth clients. With the gradual relaxation of regulations governing offshore investment, this allows PTSEC to offer more investment product varieties to uplift its capabilities in managing clients' wealth through global investment which enhances diversification and investment opportunities to receive higher return.

In 2019, GIS added new services, in addition to the trading platform for global stocks and ETFs introduced since 2012, as below:

- Offshore mutual funds from global fund houses, introduced in April 2019 offering funds from BlackRock Asset Management, J.P. Morgan Asset Management, Wellington



Management, Goldman Sachs Asset Management Fund Services Limited, PIMCO and Franklin Templeton;

- Structured notes from global investment banks, launched in August 2019 offering notes from J.P. Morgan, Société Générale, and Citigroup; and
- Private markets from elite private equity firm, Kohlberg Kravis Roberts (KKR), offering access to a private equity fund for ultra-high-net-worth clients, introduced in August 2019.

With the aforementioned offerings, PTSEC aims to continuously expand product depth and breadth to bring global best practices to Thai clients.

- Development of KK e-Banking Mobile Application

The Bank has developed KK e-Banking mobile application in order to improve convenience for clients. The Bank implemented the 'no password' function that enabled clients to log in by using their fingerprint touch ID or face ID and to transfer or make payment not exceeding Baht 10,000 or in accordance with the saved transactions without using OTP. For transactions over Baht 10,000, clients need to use MyPIN as an additional authorization factor.

The Bank also supported Thailand's digital ID project by adding KKP NDID service feature on KK e-Banking for digital self-identification via the National Digital ID Platform in order to do any financial transactions.

- Development of KK Auto Application

The Bank has improved KK Auto application, which is the application for auto hire purchase clients, by adding on the feature to collect information on clients' mobile phone usage with their consent. Such information has been used to analyze clients' behavior in order for the Bank to better facilitate clients and offer the right financial services at the right time.

- Development on Telephony System

The Bank has increased efficiency and safety in using the KKP Contact Center by adding the

dynamic IVR. After the client has identified themselves via the KKP Contact Center, the system will inform only products/ services that said client has with the Bank instead of letting the client listen to all menu announcements. This is to reduce clients' wait time and increase clients' satisfaction.

Also, the automatic dial system has been added to better serve clients. For instance, the system will call out to remind about a loan payment due date for clients with no service fee. The Bank plans to extend this service to credit approval and appointment.

- Development of Deposit and Insurance Products

During 2019, the Bank has continued to focus on its clients by providing new deposit and investment products and services, which respond to their needs. For example, the Bank introduced Foreign Currency Deposit Account (FCD) which is a savings account that clients can choose to deposit in six foreign currencies, which are US Dollar (USD), Euro (EUR), Pound (GBP), Japanese Yen (JPY), Hong Kong Dollar (HKD) and Singapore Dollar (SGD). FCD supports several client groups, helps reduce risk from exchange rate fluctuation by saving in foreign currency accounts, facilitates clients when they need to withdraw or use foreign currencies for future expense, as well as easily increases effectiveness in foreign currency management.

In addition, KK Smart Corporate is a savings account for corporates which supports savings business management plans. It offers more significant benefits than general savings accounts as it offers high interest rates similar to fixed deposit accounts with no intensive minimum deposit requirement for account opening and no limit on transactions. Moreover, clients can conveniently manage their business transactions through Corporate Internet Banking (CIB) without having to visit any branch.

The Bank, as a life and non-life insurance broker, also offers consultation and financial planning for



clients. The Bank aims to ensure that bancassurance will be part of official solutions to serve KKP's clients. Therefore, the Bank provides life insurance with investment with regular premium, namely KKGEN Wealth Protect Link, and single premium, namely KKGEN Wealth Invest Link. Such insurance products provide clients with life protection and investment return. Clients are able to choose from a variety of funds and switch in accordance with the specified conditions. Furthermore, the Bank has developed a new life insurance product with legacy planning, namely KKGEN Infinite Wealth 90/5, in which clients pay the premium for only five years and obtain life protection as sum assurance until the age of ninety and accidental protection at the maximum of Baht 50 million.

Additionally, in order to fulfill clients' health protection needs, the Bank has developed KKGEN Easy Box-Wellness, which protects clients against medical expenses both OPD and IPD, and KKGEN Cancer Protect, which provides coverage for all cancers in every stage.

- PhatraX, the Digital Platform to Distribute Analysis and Research Reports of PTSEC

PTSEC has harnessed the latest technology and innovation to develop "PhatraX," a digital platform to distribute macroeconomics and equity analysis and research reports. With the digitization of the report distribution process and the introduction of automation, the whole process has been streamlined in order to meet the changing needs of clients and enhance efficiency in the analytical process for parties involved. "PhatraX" has already been successfully launched but will constantly be updated to provide better service and greater efficiency in the future.

- Issuance and Offering of Structured Notes

In 2019, PTSEC issued and offered two new types of structured notes: 1) Foreign ELN, an equity linked note which had foreign security as an underlying asset and 2) Foreign Autocallable Fixed Coupon Note, a yield enhancement note

which had foreign security as an underlying asset and offered a high return if the price of the underlying asset was in accordance with the specified conditions. A foreign underlying asset for these two structured notes can be any stock, index or ETF which is listed in a well-established stock exchange around the world, such as the US, Hong Kong or Singapore.

Development of Asset Management Business of PASSET

PASSET has continued to introduce a variety of products to meet investors' demands by focusing on allocation in various asset classes.

PASSET has introduced a variety of products to broaden the scope of investment choices for investors. In 2019, PASSET launched two additional asset allocation funds, i.e. Phatra Strategic Asset Allocation Fund - Light (PHATRA SG-AA Light) and Phatra Strategic Asset Allocation Fund - Extra (PHATRA SG-AA Extra) to provide investors with more choices, in addition to its existing asset allocation fund which is Phatra Strategic Asset Allocation Fund (PHATRA SG-AA). These new funds assign different weights to strategic asset allocation and possess different levels of risk. PHATRA SG-AA Light is suitable for investors with medium to high risk tolerance, while PHATRA SG-AA Extra is suitable for investors with very high risk tolerance. Both funds follow strategic asset allocation recommendation from their investment advisor - PTSEC.

PASSET has also launched Phatra Passive Global Equity Fund (PHATRA PGE) which is a foreign equity feeder fund investing in iShares MSCI ACWI ETF that seeks to replicate the performance of the MSCI ACW index through passive strategy. Such index is designed to represent the performance of stocks across developed and emerging markets.

In addition to the developments in PASSET's mutual fund products, PASSET has also continued to introduce private funds that invest in various assets both locally and globally.



PASSET has continued to expand distribution channels in order to increase accessibility to PASSET's funds via selling agents. PASSET also added more products offered through banks with an open-architecture platform, as well as life insurance companies (unit-linked) and securities companies.

Strategic Investment in iSTOX, a Capital Market Platform for Digitized Securities

The Group invested in Singapore-based ICHX Tech Pte. Ltd. ("ICHX"), the operator of a fully integrated platform offering end-to-end digitized securities service under the name iSTOX. The platform is regulated by the Monetary Authority of Singapore (MAS). The Group has become ICHX's major investor, joining existing key shareholders including the Singapore Exchange Limited (SGX) and a subsidiary company of Temasek Holdings. In addition, Mr. Aphinant Klewpatinond, the Group's CEO, has joined ICHX's Board of Directors to help develop iSTOX as part of capital markets that are more transparent and inclusive.

Capital markets are currently subject to complex regulatory frameworks and processes, which incur high costs and limited access to fundraising. The iSTOX platform is designed to take on these challenges by using enabling technologies like blockchain and smart contract to provide increased transparency and reduce transaction costs of both the primary market issuance and secondary trading. The platform will serve both small and large companies seeking to raise capital through a wide range of asset classes, such as equity, fixed income and real estate investment trust. It will also provide ease of access to more choices of investment opportunities for investors including private markets, start-ups and real estate.

Corporate Governance Improvement

The Bank's Board of Directors reviews and revises the Corporate Governance Policy on an annual basis and constantly improves practices on

several matters to upgrade the governance level of the Bank and Group companies. During 2019, the Bank additionally improved its key corporate governance practices as follows:

- The Board of Directors reviewed and amended its Corporate Governance Policy so that it was in line with current practices and corporate governance regulations. The topics which have been revised include the roles, duties and responsibilities of the Board of Directors and the Audit Committee; securities trading by directors, executives and employees; and engaging in business outside the Bank or the Group companies. Furthermore, the names of some units and committees in such policy have been revised to be in line with the current organizational structure and the wordings have been rearranged for ease of understanding.
- The Bank's definition of independent director has been revised by adding more qualifications on the term of directorship to be in accordance with the Bank of Thailand's notification No. FPG. 17/2561 on Corporate Governance of Financial Institutions (No. 2).
- The Risk Oversight Committee has been established to replace the Risk Management Committee effective from May 1, 2019 onwards and its roles, duties and responsibilities have been defined in writing.
- Defined additional roles, duties and responsibilities of the Audit Committee in writing to consult and exchange views with the Risk Oversight Committee in order to assess if the risk management policies and strategies covered all existing and emerging risks and if the implementations of such policies and strategies were effective and efficient.



- Defined additional roles, duties and responsibilities of the Compliance and Governance Committee in writing to ensure the Group companies have an efficient and independent compliance system and corporate governance practice as well as report to the Board of Directors in case there was any significant non-compliance with rules of the regulators or the Group companies.
- Revised the roles, duties and responsibilities of the Executive Committee on the establishment and amendment of the Bank's organizational structure to increase more flexibility.
- Defined, reviewed and revised the policies and guidelines for more clarity and to ensure that they were in line with the revised regulations of governing agencies. These cover all risk management policies, including Enterprise Risk Management Policy and Country Risk Management Policy; Anti-money Laundering and Counter-terrorism and Proliferation of Weapon of Mass Destruction Financing Policy; Service Channels Policy, Delegation of Authority Policy for Commercial Lending and Counterparty Risk Limit Setting; Delegation of Authority Policy for Retail Lending - Product Program; Factoring Policy; Sandbox Policy; Internal Capital Adequacy Assessment Process (ICAAP) Policy; Capital Management Policy; Mutual Fund Selling Agent Policy; Bancassurance Business Policy; Guidelines for Securities Trading of Directors, Executives, Employees and Persons who can access undisclosed information which is material to changes in the securities price; Guidelines for the Appointment of Directors, Managers, Persons with Power of Management or Advisors of the Bank, etc.
- As the current CAC membership certifications of PHATRA and PTSEC will expire by March 6, 2020, PHATRA and PTSEC have prepared and submitted the Anti-corruption Self-evaluation Report to the CAC to re-certify their membership to the CAC once again. Currently, they have been granted 2nd recertification as full members of the CAC.



Business Operations

The Group's business is divided into two main sections: the commercial banking business operated by the Bank and the capital market business operated by the Group companies, which are comprised of PHATRA, PTSEC and PASSET. Both the commercial banking business and the capital market business work closely together.

The Group has set the goal of becoming a high performance financial institution operating three key businesses and sets its business operation categories in accordance with the business objective to ensure collaboration between the commercial banking business and the capital market business while placing the focus upon synergy within the Group. The Group leverages the expertise of each business in order to achieve combined results in terms of expanding the Group's scope of services and also to continuously enhance overall business operations. The three key businesses are as follows: 1) credit business and related transactions, 2) private banking and 3) investment banking. For the credit business which focuses on loan

expansions to the retail and SME segments, the goals are building efficiencies, creating standards and identifying new alternative channels to reach targeted client segments while maintaining an effective risk management. For private banking which targets high-net-worth clients and is a business in which the Group has long-term expertise, the goal is to grow the business by creating good yield and diverse investment opportunities for clients by capitalizing on the capital market group's expertise in the wealth management business together with the commercial banking business's distribution channels and clientele. Lastly, the area of investment banking will combine the expertise of several functions within the Group to allow the Group to offer more comprehensive financial products and services to meet clients' demands.

Revenue Structure

The revenue structure of the Group in accordance with the consolidated financial statements for the years ending December 31, 2017 - 2019 is as follows:

	2017		2018		2019	
	Baht Million	%	Baht Million	%	Baht Million	%
Interest income	14,844	91.1	16,294	90.0	18,036	94.1
Interest expense	4,216	25.9	5,033	27.8	5,720	29.8
Net Interest Income	10,628	65.2	11,262	62.2	12,316	64.3
Fees and services income	4,448	27.3	5,022	27.7	5,202	27.1
Commercial banking business	1,916	11.8	2,071	11.4	2,142	11.2
Capital market business	2,532	15.5	2,951	16.3	3,060	16.0
Fees and services expense	393	2.4	443	2.4	598	3.1
Net Fees and Services Income	4,055	24.9	4,579	25.3	4,604	24.0
Gain on trading and foreign exchange transactions, net	268	1.6	457	2.5	277	1.4
Gain on financial liabilities designated at fair value through profit or loss, net	0	0.0	63	0.3	286	1.5
Gain (loss) on investment, net	178	1.1	390	2.2	568	3.0
Dividend income and profit sharing	674	4.1	968	5.3	576	3.0
Other operating incomes	494	3.0	385	2.1	541	2.8
Total Operating Income	16,298	100.0	18,103	100.0	19,168	100.0



Nature of Products and Services

1. Commercial Banking Business

The commercial banking business provides the following key products and services:

- *Auto Hire Purchase*

The Bank provides all types of motor vehicle hire purchase services for both new and used vehicles including passenger cars, multi-purpose vehicles and commercial vehicles for individuals and corporate entities. Clients can choose the payment scheme which best fits their needs. Our hire purchase products offer clients the choice of equal installments, unequal installments (flexi-payment) or low installments at the beginning of the term (balloon payment) to best fit clients' financial requirements. Moreover, the Bank also offers other related automobile services, such as motor insurance, engine warranty for second-hand vehicles, annual motor vehicle tax and other related automobile taxes. Our services cover all provincial areas.

To accommodate increasing client demand and preference for electric vehicles (EV), the Bank has launched special hire purchase campaigns for EV models, including Tesla Model S and the newly introduced MG ZS EV since 2018. The Bank will continue to support clients who wish to own current and upcoming EV models into the future.

In the ever-changing and rapid technological change environment, the Bank will continue to launch products and platforms to best serve clients. Gathering and analyzing relevant data instantly is now possible with the infrastructure of National Digital ID (NDID). The Bank will be able to offer tailor-made products for each client. Access to financial products will be easy and seamless. The cost, process and time of lending decision will reduce significantly. Clients will experience convenience while ensuring the safety of data privacy.

As of December 31, 2019, auto hire purchase loans accounted for 45% of the Bank's total lending portfolio and the ratio of new to used cars, including CarQuickCash, stood at 37% to 63% on average.

The Bank will continue to place strong emphasis on its auto hire purchase business, by taking into account both market and competitive conditions which enable proper adaptation to changing situations. In this regard, fast and efficient service has been focused upon while maintaining strict credit controls to ensure loan quality.

- *CarQuickCash*

The Bank also offers loans to car owners through our CarQuickCash product for use in case of financial emergencies or as working capital with the transfer of the car registration (with a flat interest rate). Additionally, the Bank has extended the type of collateral eligible for loans from only freehold collateral to refinancing from other banks and non-banks as well.

- *Personal Loan*

The personal loan business involves multi-purpose loans with two facility types: 1) term loans which are unsecured multi-purpose loans with a scheduled repayment term and a quick loan approval process to support the liquidity needs of borrowers and 2) revolving loans using the Bank's KK cash card for withdrawals via the ATM pool with the condition of a minimum repayment amount as prescribed by the Bank. The Bank has expanded personal loans to a new client base through its online channel, which is another alternative service channel. The Bank has also focused on improving the loan approval process and the interest rate which suits the market situation and target clients to elevate the Bank's competitiveness, better serve our target clients and allow for expansion into other alternative channels in the future.

- *Housing Loan*

Housing loans are credit extended to finance homebuyers for the purchase of new and used houses, including housing loan refinancing. In addition, under cooperation with our Real Estate Lending Department, the Bank offers post-financing with special packages and other privileges to retail clients purchasing real estate projects where the



Bank provides pre-financing. The Bank also focuses on improving the loan approval process and various pricing schemes to best fit each target client's needs.

- *HomeQuickCash*

The Bank offers a multi-purpose (non-business related) loan facility with flat interest rates, using freehold houses as collateral or for refinancing multi-purpose loans from other financial institutions.

- *SME Loan*

SME loans are credit extended to finance individuals or corporate entities conducting small businesses which include the service industry and the retail and wholesale business sectors. There are various types of facilities for this lending category to respond to clients' needs, such as a business working capital line, O/D and business expansion loans, etc. Different types of collateral can be used, such as real estate (land and building, warehouse, office or vacant land), cars and even with no collateral. The maximum credit limit is three times the collateral value not exceeding Baht fifteen million.

- *Lombard Loan*

Lombard loan is a multi-purpose credit facility offered to high-net-worth clients of PTSEC who require loans for their investment opportunities or for personal use by using financial assets under PTSEC's management as collateral such as cash, ordinary shares in the SET100 (except KKP), property funds, REITS, infrastructure funds and mutual funds managed by PASSET, etc. There are two types of loan terms available - flexible term (less than twelve months) and fixed term (one, three, six, nine or twelve months). PTSEC's financial consultants are responsible for introducing this product to clients. The Bank plans to allow additional types of financial assets to be placed as collateral in the future.

- *Portfolio for Property Financing Loan (PPF)*

PPF is a credit facility offered to high-net-worth clients of PTSEC who want to acquire real estate or to increase financial liquidity as an asset owner by using land; land with buildings which is a house or

commercial building or other types of buildings, such as apartment, hotel and condominium; together with the financial assets under PTSEC's management as collateral such as cash, SET100 securities (except KKP), property funds, REITS, infrastructure funds and mutual funds managed by PASSET, etc. In addition, the Bank plans to allow additional types of financial assets to be placed as collateral in the future.

- *Retail Deposit and Investment*

During 2019, the Bank has continued to provide new deposit products and services which cater to clients' needs and to enhance client experience. For example, Foreign Currency Deposit Account (FCD) is a savings account in six foreign currencies: US Dollar (USD), Euro (EUR), Pound (GBP), Japanese Yen (JPY), Hong Kong Dollar (HKD) and Singapore Dollar (SGD) to accommodate various needs of clients and reduce risk from exchange rate fluctuations by saving in a foreign currency account. Furthermore, this helps clients to better manage their foreign currency needs when wishing to withdraw for future uses in foreign currencies, enabling effective and ease of foreign currency management.

- *Bancassurance*

The Bank aims to ensure that bancassurance will become part of the financial solutions to help serve the Bank's clients and to ensure that the products will be beneficial for clients for the mitigation of potential risk and damage which may be incurred in the future. The Bank, as a life and non-life insurance broker, provides advice and financial planning service to clients. The Bank has cooperated with leading insurance companies with strong financial positions to be able to serve its clients nationwide. Our aim is to design and develop a wide range of insurance coverage with the insurers and provide suitable insurance policies for each client group. The Bank offers various insurance products as follows:

- 1) Life insurance - the Bank offers consultation and financial planning for clients. The insurance product types offered include



endowment or savings insurance, annuity insurance and several insurances with investment, such as KKGEN Unit Link with both single premium and regular premium. The Bank also provides various types of credit life insurance – both retail and commercial lending – offering debt obligation coverage to help reduce financial burden arising from unexpected events, for example auto hire purchase, personal loan, housing loan, floor plan lending, etc.

In 2019, the Bank continued to develop and distribute new life insurance products with legacy planning, namely KKGEN Infinite Wealth 90/5, which protects life as a sum assurance with maximum accident protection at Baht 50 million. This product offers protection until the age of ninety with a premium payment period of five years only.

- 2) Non-life insurance - the Bank provides protection for individual life and insured buildings and assets placed as the Bank's collateral. The insurance protection is offered for both short-term (one year) and long-term (three and five years) such as fire insurance, motor insurance, all-risk insurance, marine and inland insurance, etc. In 2019, the Bank continued to develop and distribute new cancer protection, namely KKGEN Easy Box - Cancer Protect, which provides maximum protection of Baht 900,000 and protects against all stages of cancer until the age of sixty-five.

- *Priority Banking*

PRIORITY service is specially created by the Bank for high-net-worth clients whose combined value of deposit and investment (average asset) is Baht 10 million or higher. The Bank analyzes the clients' needs and offers a wide range of funding and wealth products and services suited for the needs of each individual client, such as deposits, investment-related products covering

all types of mutual funds – fixed income funds, equity funds, asset allocation, bonds, structured notes and bancassurance, namely savings, annuity, life insurance, and unit linked products. There are also services providing family wealth management and Lombard loan which is a credit facility for liquidity support.

The main PRIORITY services are:

- PRIORITY deposit – comprises several types of accounts, specially selected for our clients to choose from, such as KK Phatra Smart Settlement (KKPSS), a savings account for investors, in order to facilitate investment transactions made through PTSEC to increase opportunities for higher return.
- PRIORITY investment – provides advice on our clients' investment plan to best fit the clients' financial goals through the Bank's relationship manager at the Bank's branches together with a team of financial experts from PTSEC via both local and global investment products. There are two types of services: 1) Phatra Wealth Management is offered for clients with a portfolio value of Baht 30 million and greater who are interested in diversified investments. The Group's financial experts will provide advice on appropriate asset allocation to ensure the proper investment and financial proportions while paying attention to all relevant angles of the clients' financial status to ensure the best fit advice on risk management for each individual client. 2) Phatra Edge is the financial planning service for clients with a portfolio value of Baht 2 million and higher which offers greater coverage for tax planning, retirement planning and educational planning for their children through investment allocation strategy and appropriate risk management scheme.



- Lombard loan – a multi-purpose credit facility offered to clients who are also high-net-worth clients of PTSEC, using financial assets under PTSEC's management as collateral.

In addition, to provide clients with investment choices, the Bank acts as a mutual fund selling agent for PASSET and has formed a business alliance with insurance companies to conduct bancassurance business through the Bank's distribution channels. The Bank also provides online services through e-Banking and mobile banking/ investment for greater convenience in self-service transactions.

Besides our PRIORITY services, the Bank also gives various PRIORITY privileges throughout the year with exclusive events aimed at increasing knowledge in finance and investment for our clients, such as KKP Focus Forum - an update on worldwide investment situations - together with investment advice and NeXtGen Program: From Study to Success which is a serial yearly seminar which aims to prepare our clients' business successor and to further strengthen and advance their business.

- *Corporate Banking*

The Corporate Banking Group was formed after the merger with PHATRA. The aim is to extract synergies from the merger by leveraging strength from existing PTSEC relationships with clients, which are mainly listed companies on the SET and other large corporations where PTSEC is providing investment banking, financial consultancy services and raising capital through the sale of assets and other financial and investment services. This is done in conjunction with the Bank's expertise in offering credit products. As a result, the Group is able to provide a full financial service platform for clients.

The Corporate Banking Group is responsible for offering credit facilities to all industries under the Credit Policy of the Bank but does not include those already managed by the Commercial Lending Group. Our target market is listed companies, their subsidiaries and their affiliates, non-registered major

companies, multi-national companies and cross border lending mainly in Southeast Asia. Our credit services include revolving credit line, project finance, loan syndication, loan for business expansion and other credit products which evolve with the financial and capital markets.

The Corporate Banking Group coordinates closely with PTSEC's team, the Financial Markets Group and other departments under the Wholesale & Investment Banking Group to offer various financial services to clients, resulting in a broader and deeper understanding of the targeted businesses. Under the Wholesale & Investment Banking Group, the Bank conducts an analysis and is able to identify target clients and provide them with the appropriate financial solutions.

The Group will continue to selectively grow assets and revenues with a suitable portfolio to broaden the Bank's revenue base, especially in respect to strategic risk and concentration risk of the Bank's credit portfolio. As of December 31, 2019, the outstanding corporate banking loan portfolio totaled Baht 23,527 million, a decline of 1.5% from the end of 2018.

- *Commercial Lending*

The Commercial Lending Group provides services to the following five sectors in which the Bank has expertise comprising: 1) real estate lending, 2) apartment and hotel lending, 3) logistics lending, 4) commercial and industrial lending and 5) construction materials and machinery lending. As of December 31, 2019 the total outstanding commercial lending portfolio was Baht 60,899 million, an increase of 9.1% from the end of 2018. The details of each sector are as follows:

1. Real Estate Lending

The Bank provides real estate lending to real estate developers within Bangkok and its vicinity. Real estate lending aims to facilitate the sales of real estate project development. The Bank concentrates on facilitating our clients with timely approval processes, suitable types of credit



facilities, an adequate loan amount and appropriate repayment schedules which suit the clients' anticipated cash flow scheme.

The Bank has a wide variety and full range of financial products to facilitate real estate developers, such as long-term loans for both project financing and investment in future project development, working capital, Aval and LG limits, etc.

The Bank is equipped with a qualified credit team and technical specialists who are business partners capable of providing a full range of services including technical advisory services on engineering works, construction, architectural designs and research and development information. The Bank also has a network which can provide client support on project management. These supports are aimed at enhancing the clients' business potential. The Bank also continually develops the working process to ensure a timely and efficient credit approval process.

2. Apartment and Hotel Lending

Apartment and hotel lending is credit extended to clients who operate rental apartments, service apartments, dormitories, rental offices and hotels, both for new investments and for renovation work. The Bank has architectural and engineering teams which can offer advice on construction plans and construction work for the projects to ensure the standard is met. The Bank offers a wide range of products to support the entrepreneurs such as long-term loans for both new construction projects and renovation projects, working capital, Aval and LG limits, etc.

3. Logistics Lending

Logistics lending is credit extended to finance logistics activities, which include transportation of container boxes, automobiles and vehicle spare parts, etc. In this regard, the Bank offers various credit types such as hire purchase for owners of car rental fleets and hire purchase for trucks, lorries and tow trucks. Other facilities for logistics lending are term loans for land purchase and building

construction and working capital facilities, Aval and LG limits, etc.

4. Commercial and Industrial Lending

Commercial and industrial lending focuses on lending to finance various manufacturing businesses, for example the packaging business and the manufacturing of auto parts, spare parts, electrical appliances, communications equipment/telecommunication and hardware. The Bank also provides lending to the food and healthcare industries. The Bank's lending products include long-term loans for factory expansion and machinery purchase, secured revolving facilities, credit for refinancing, Aval and LG limits.

5. Construction Materials and Machinery Lending

Construction materials and machinery lending provides support for businesses related to the construction industry and businesses engaged in the sale and rental of construction machinery. Facilities consist of revolving credit lines, leasing and hire purchase, Aval and LG limits, etc.

In addition to lending products, the Bank also provides financial solutions to meet clients' need such as business cash management, risk protection and wealth management to make sure the clients' business can grow sustainably.

- Special Asset Management (SAM)

Special Asset Management or distressed asset management is operated by the Bank together with mutual funds in which the Bank holds unit trusts. The Bank began its distressed asset management activities in 1999 when it auctioned some debt portfolios from the Financial Sector Restructuring Authority (FRA). During 2003 - 2006, the Bank also auctioned debts under liquidation process from the Legal Execution Department. In 2010, the Bank acquired unit trusts in the Gamma Capital Fund and the Bangkok Capital Fund, both of which operate mutual fund operation which is a similar line of business to those operated by the Bank's subsidiaries. Presently, the Bank holds total unit trusts in six mutual funds, all of which are under liquidation process.



Special Asset Management is managed by the Special Asset Management Group comprising of the Debt Restructuring Department, the NPL and NPA Support Department responsible for handling debt restructuring negotiation and the Asset Management Department responsible for sales of foreclosed assets. The details of assets for sale, such as their location, size and price range are provided on <https://kkasset.kiatnakin.co.th/> for viewing by clients and interested parties.

- *Financial Markets*

The primary goal of the Financial Markets Group is to create a sustainable value for the Group by offering products and services that serve clients' demand and utilize the financial markets products as a strategic funding channel for the Bank. Amid a volatile market in 2019, the Financial Markets Group managed to achieve satisfactory growth as a result of effective collaboration within the Group. The foreign exchange business has performed well due to a significant transaction flow from global investment services for high-net-worth clients of PTSEC. The derivatives business of the Wholesales & Investment Banking Group's clients also significantly contributed to our performance. Moreover, the Financial Markets Group officially launched the inward remittance service to clients and participated in developing the FCD, which has been introduced to the Financial Markets Group's clients since 4Q2019. The program is expected to be ready to serve the Private Client Group's clients in 2020.

In 2019, the major development for the fixed income market was the legislative change in income tax policy for mutual funds investing in fixed income security. However, the house view from PTSEC's research team on interest rates has greatly benefited the performance of overall fixed income investments of the Bank. In addition, the transaction volume on fixed income trading in secondary markets with high-net-worth clients largely increased. This truly reflected an accomplishment in synergistic collaboration within the Group.

The Financial Markets Group has performed a vital role in fund-raising through issuing short-term and long-term debentures, including principal-protected structured notes. In 2019, a new feature of structured notes was initiated and introduced to clients, as well as new underlying assets such as gold price and Exchange Traded Fund (ETF).

Regarding the 2020 plan, the Financial Markets Group is strongly committed to providing services and solutions to clients through synergistic collaboration within the Group. Specifically, the Financial Markets Group aims to expand the client base and consistently provide investment product variety in both THB and foreign currencies. Moreover, development in products and services related to the foreign exchange business has been planned for this year. In order to comply with regulations and the new accounting standard, the Financial Markets Group will improve and develop the workflow procedure and process as well as an efficient scheme in order to cope with fluctuating market conditions. This will definitely lead to an enhancement of our service standard and allow us to achieve our goal in maximizing a sustainable value for the Group.

In addition to the development of products and services offerings, the Bank also places great emphasis on the continuous improvement of its internal processes through the Bank's support functions. The key improvements are as follows:

Personnel Development

The Bank has continuously placed great emphasis on the development of personnel and leadership potential with the belief that effective teamwork and leadership are key to drive the Group's short and long-term strategies for achieving the mission and vision and ensuring sustainable business growth. In addition, the Bank recognizes the importance of its employees and strives to create a supportive working environment under the common principles which underline employee participation, respect and professionalism and also recognizes individuals who exhibit dedication



and create innovations for the organization. The Bank gives the opportunity for employees to develop their ability/ potential by using various aspects of human resources management. This includes talent acquisition of qualified personnel, fair and competitive welfare and benefits, career management and a wide range of training, a variety of knowledge management to become a learning organization and team-building activities with the belief that teamwork is the heart of success. The Bank also allows opportunities and creates platforms for employees to participate in and create innovations for the organization.

Development of Operational Efficiency

In the midst of the dynamics of constant changes at an increasingly faster pace which continuously affects the business environment, the ability to adjust the business to keep up with the changes is therefore a challenge. As such, the management of business operations with agility in response to business changes is considered the heart of the operation. In order to reach the ultimate operational efficiency, the Bank aims to enhance service quality coupled with effective risk management. This is our strategy for excellence in operational services. The success of various developments in the business operating systems are a result of continuous operational innovation and utilizing information technology in various operational services and processes (digitalizing the operation process). In parallel, the development in personnel to adapt to the changing environment is crucial in order to harness the power of innovations according to the business objectives.

As such, the continuous development of change management is an important foundation for the Group to have a competent business operating system that responds to business needs. The Operations Group is committed to delivering reliability in both quality and efficiency to achieve sustainability and excellence in operation services.

Information Technology Development

After the successful implementation of the new core banking and the Enterprise Resource Planning (ERP) systems in the previous year, the Bank focused on implementing NDID (National Digital ID) and key online platforms and modernizing other core technology systems including loan origination, collection, litigation and treasury systems to support the business strategic direction.

In 2019, the Bank was the first to implement a Face to Face NDID process with online NCB credit score inquiry for loan request in the regulatory sandbox. With the emergence of e-KYC (Electronic Know Your Customer) and NDID technologies, the Bank has readied itself to support rapid growth in digital loan and deposit client activations without the need for physical channels. In addition to the progress in the NDID implementation, the Bank also launched two key initiatives to increase its online capabilities with Online Marketplace Platform HUBB (<https://www.hubb.co.th>) and Financial Gateway (Open Banking API) platforms. Both HUBB online marketplace and Financial Gateway are key steps toward the Bank's strategic direction that allows for tighter integration of key banking services with strategic partners.

In order to improve IT delivery time to market, the Bank has adopted an agile software development methodology on key strategic IT initiatives to enhance system capabilities and to improve client experience in the loan origination process for both retail and commercial lending businesses. The end-to-end process for loan origination is revisited and revamped to expedite time to loan decision and time to disbursement of funds. An early release of the new origination process is expected in 2020.

During 2019, the Bank also initiated plans to upgrade core technologies that support the lending business including collection and litigation systems. Improved automated dialer functionality was



introduced for the Bank's outbound collection team that drastically improved the client reachable rate and number of call handling per agent. Additionally, the current collection and litigation systems are being enhanced to automate client past due analysis and to perform automated collection tasks that improve collectability and collection efficiency.

Another strategic step the Bank has taken in modernizing its core technology, which is currently in process, is an initiative to enhance the capabilities in its treasury system to strengthen the financial market product offerings.

Risk Management Development

- Risk Management Overview

In 2019, the Group continued focusing on the synchronization of risk management and business operations in order to limit risks to within acceptable levels. Risks of the Group originate from both internal and external factors. To efficiently manage all significant risks, the Group has classified them, according to the Bank of Thailand, into five different types, specifically credit risk, market risk, liquidity risk, strategic risk and operational risk which includes information technology risk (IT risk). In addition, the Group applied risk management process in accordance with international standards, consisting of risk identification, risk measurement, risk assessment, as well as risk monitoring and control. The Risk Oversight Committee and sub-committees cooperated in reviewing, proposing policies and risk governance framework, as well as monitoring the overview of risk management to report to the Board of Directors. Meanwhile, the Risk Management Group and subsidiaries' risk management department, independent from front office departments and risk owners, regulated and supported risk management of the Group.

The Group improved many aspects of risk management in 2019, for example, the development of both new and existing risk management tools to increase effectiveness, the establishment of liquidity risk management according to Basel III

and the promotion of a good risk management culture.

- Risk Management Development

In 2019, the Group developed several risk management initiatives to increase the efficiency of risk management activities as follows:

1. Existing tool application and new tool development

- Developed Bureau Score by utilizing NCB information to develop the Bank's models for new and used car hire purchase and CarQuickCash.
- Purchased Bureau Score for personal loan, housing loan and SME product program, i.e. SME Car3X, SME Freedom, SME X3 and Inventory Finance Used Car Program.
- Developed Risk Grade for phone collection via Chi-square Automatic Interaction Detection (CHAID) to be used in personal loan and auto hire purchase debt collection.
- Launched Portfolio Scrub which is a portfolio level credit review, resulting in credit limit decrease or increase and a curing program for debt restructuring to promptly restructure high credit risk.
- Applied Behavior Score for cross-selling purposes to properly bundle products or top up credit limit.
- Developed early indicators to improve product programs and launch test programs for new channels and new segments in order to increase business opportunities within acceptable risk levels. An example is a testing program at Baht 100 million exposure in twelve months which will be upgraded to a product program if it achieves satisfactory results.
- Determined the high concentration risk segment of each retail product to promptly define risk once the application is received. This is a proactive action to prevent NPLs.



- Specified Vulnerable Group in accordance with the collaboration between the Bank of Thailand and financial institutions by considering not only credit risk but also affordability risk (Debt Service Ratio/ DSR). The Bank started this procedure before the Bank of Thailand's notification, therefore, the strict loan approval regulation by the Bank of Thailand has no impact on the Bank.
 - Developed market risk daily monitoring tools, market risk capital calculation tools, counterparty credit risk calculation tools and fair value calculation tools for new products. These are Non-deliverable Interest Rate Swap (IRS), new options, new underlying assets, or new market risk management framework changes, from back-to-back to be managed by the Bank.
 - Improved commercial credit risk and financial institution dashboard to increase stability and level of information provided.
 - Improved Single Lending Limit (SLL) effectiveness.
 - Applied Net Stable Funding Ratio (NSFR) indicator, according to Basel III, to liquidity risk management.
2. Preparation for future systems and requirements of the Bank of Thailand
- New Thai Financial Reporting Standard 9 (TFRS9) effective from January 1, 2020 onwards
 - Counterparty's risk-weighted asset calculation guideline for Counterparty Credit Risk (CCR) and Credit Valuation Adjustment (CVA) risk according to Basel III which will be announced in 2021 for the Bank and in 2022 for the Group
 - Counterparty's risk-weighted asset calculation guideline for Standardized Approach for Measuring Counterparty Credit Risk (SACCR) and margin requirement which are waiting to be announced
 - New interest rate risk in banking book, based on Basel Committee on Banking Supervision (BCBS) Standard, announced in April 2018
3. Preparation for new product launches to support the Financial Markets Group by the Market Risk Management Department
- USD/ THB plain-vanilla call and put option managed by the Bank's risk management
 - Structured notes, the package of new options or new underlying assets and notes; for example, double KO digital option, double KO twin win, and option with gold ETF underlying
 - Treasury system purchase preparation to enhance business efficiency
4. New guideline implementation and process improvement
- Apart from new developments for risk management, the Group also continued to develop the previous year's risk management actions, which have contributed benefits to the business as follows:
1. Risk management involvement in product and service development process along with business units.
 2. Risk management knowledge training for the Group's personnel to foster understanding and embed risk awareness and risk culture into the Group.
 3. Capital adequacy assessment process developed by the Group, which covers all of the Group's significant risks and assesses three aspects of capital adequacy: forecast capital needs, current capital needs and potential capital needs in crisis, to conform with the Internal Capital Adequacy Assessment Process (ICAAP) guideline from Basel.
- In 2020, the Group aims to focus on risk management and tools development, for example, re-developing the application score for new car hire purchases, used car hire purchases and CarQuickCash. With the changes in risk factors,



models are required to be updated to increase accuracy in terms of client classification. Recovery score or CHAID will be developed to improve debt collection productivity and assignment to internal or external collection agencies to save operational cost.

Every model will be validated every quarter to assure the accuracy and effectiveness of risk management. The Group continues to encourage cooperation between the Risk Management Group and other business units to manage risk, develop risk management procedures and initiate tools or processes to assess risks the Group may confront within the foreseeable future.

- Risk Management Policy and Procedure

The principal policy in risk management focuses on the management of risks throughout the entire organization. Each business unit is responsible for understanding the risks arising from its business activities and managing such risks according to the risk management policies and guidelines of the Group. The Risk Management Group's role is to regulate, monitor and review the mechanics sufficiency of risk management and controls for each business unit and department. Furthermore, a specific capital amount is allocated to each business unit, depending on business and transaction risks and exposures, to support business operations.

- Risk Management Framework

The roles and responsibilities of the relevant committees and risk management authorities are as follows:

- Board of Directors

The Board of Directors sets or approves a good and effective risk governance framework by defining the acceptable risk appetite to suit the Bank's risk level and supervises business conduct to comply with the specified risk appetite. Additionally, the Board of Directors supervises the Risk Oversight Committee to ensure the development of policies, procedures and control measures for risk management which at least covers

credit risk, market and investment risk, liquidity risk, operational risk, reputational risk, legal risk, strategic risk, IT risk and risk from new products or any significant process change. The Board of Directors is also responsible for approving and reviewing the policies and practices consistently and immediately after significant change.

- Risk Oversight Committee

The Risk Oversight Committee plays a key role in defining risk management policy, overseeing the adequacy of policies and risk management systems of the Group and reporting to the Board of Directors. It also monitors risk levels to be within the level of risk appetite acceptable to the Group, aiming to limit risks in a predetermined range while earning an appropriate rate of return.

- Operational Risk Management Sub-committee

The Operational Risk Management Sub-committee is under the supervision of the Risk Oversight Committee. The sub-committee is responsible for assessment of operational risk while providing guidance, policies, strategies, frameworks and tools for operational risk management. The sub-committee gives advice and supports the development and implementation of operational risk management processes. It also oversees and monitors the progress of the management of risk situations, losses and the Bank of Thailand's observations relating to operational risk management as well as providing comments to the Risk Oversight Committee.

- Credit Risk Management Sub-committee

The Credit Risk Management Sub-Committee is under the supervision of the Risk Oversight Committee. The sub-committee is responsible for providing and considering the sufficiency and suitability of guidance, policies, strategies, frameworks and tools for credit risk management. The sub-committee assesses and/or reviews policies relating to lending and obligations and transactions similar to lending which includes product programs. It considers credit risks concerning new products and screens the credit quality assessment policy to



allocate capital for loans, obligations and loan-like transactions in compliance with regulations. The sub-committee also monitors quantitative debt classification for loans, obligations and loan-like transactions and tracks the quality of credit portfolio as well as the quality of credit-related approval and process to supervise and recommend on credit risks to relevant business units.

- Risk Management Group

The Risk Management Group designs and develops key tools and risk management procedures, ensures the implementation of such tools and procedures in business units and various departments within the Group as well as assesses, tracks, controls and prepares reports of the Group's risk position in order to control risks to within an acceptable level.

- Office of Internal Audit

The Office of Internal Audit audits and verifies the operations of departments and units to comply with policies, guidelines, regulations and processes of risk management. The Office of Internal Audit examines and assesses the performance of the internal control system and quality of operational processes to improve such processes as well as to control and reduce significant risks.

- Risk Owner

Risk owners, which are the product owners, departments, branches and units in the Group, are responsible for managing the different risks related to their operations, systems, products and services to be within acceptable risk levels in compliance with the risk management policies, guidelines, regulations and processes. These risk management activities include the identification, assessment, monitoring, controlling and reporting of risks.

Compliance

Compliance units under the Legal and Compliance Group are the independent control function of the Bank and responsible for supervising the compliance risk with the purpose to enable business units within the Bank to operate in compliance with relevant laws and regulations with an emphasis on working as

a business partner in cooperation with business functions and other support functions within the Bank. While the principal responsibility for compliance lies with business managers and their teams, all employees are responsible for protecting the Bank by: 1) understanding and adhering to compliance requirements which apply to their day-to-day activities, including the Bank's Guidelines for Business Conduct and other policies and procedures, and 2) seeking advice from relevant compliance units with questions regarding compliance requirements and promptly reporting violations of laws, rules, regulations, policies or relevant ethical standards. The Bank's compliance risk management starts with the Board of Directors and senior management, who set the tone from the top by promoting a strong culture of ethics, compliance and control and the Compliance and Governance Committee shall assist the Board of Directors in achieving those goals.

Compliance units educate and provide advice and suggestions to business units to operate in compliance with changed laws and regulation requirements according to guidelines in conducting business and treating clients fairly as well as oversee non-compliance risks by forming compliance surveillance programs, including serving as the contact center for the Bank to coordinate with relevant authorities during official inspections and monitoring the Bank's operations to ensure corrective procedures according to observations raised by the authorities. Also, they have the duty to ensure that the Bank determines policies, rules and regulations in accordance with relevant laws and the Bank's Guidelines for Business Conduct.

2. Capital Market Business

The capital market business is under the operation of the Bank's subsidiaries, comprising PHATRA, PTSEC and PASSET of which core businesses can be divided into four categories:



2.1 Securities and Derivative Brokerage

PTSEC is the number six registered broker servicing foreign and Thai institutions as well as high-net-worth individuals on stocks and derivatives trading in the SET, mai and Thailand Futures Exchange (TFEX).

In 2019, PTSEC ranked first in market share, accounting for 9.61% of the total trading value of the SET and mai combined (excluding proprietary trading) and generated revenue from brokerage fee in the amount of Baht 1,132.53 million. The proportion of revenues from institutional investors and high-net-worth individuals was 67.61% and 32.39% respectively.

Of the total institutional brokerage fee income earned in 2019 by PTSEC, local institutional client business accounted for 56.24%, comprising of asset management companies, provident funds, private funds, the Government Pension Fund, the Social Security Office and insurance companies. As of December 31, 2019, PTSEC had forty local institutional clients which transacted at least once in the past year.

Foreign brokerage income accounted for 43.76%, of which 33.76% was from BofA Securities, previously Bank of America Merrill Lynch, according to the securities brokerage and business alliance agreement.

In addition, PTSEC's derivatives brokerage fee income from local and foreign institutions amounted to Baht 112.63 million, while income from securities borrowing and lending activities totaled Baht 45.11 million in 2019.

PTSEC acts as a broker for high-net-worth individuals using financial consultants and client service assistants who are registered with the SEC in the capacity to advise clients with investment opportunities for the SET/ mai-listed securities, debt instruments, derivatives instruments and other investment units. Additionally, PTSEC offers personal wealth planning and investment to mass affluent clients who have investible assets between Baht 2-30 million, using an online investment platform and investment advisors in the capacity to advise clients under the Phatra Edge brand.

As of the end of 2019, the value of assets under advisory for all high-net-worth clients of PTSEC was Baht 574,722 million, from a client list of 18,360 accounts.

The table below illustrates the value of securities traded in the SET through PTSEC and the brokerage fee and market share of PTSEC as of December 31, 2019:

	Local Institutions	Foreign Institutions	High-Net-Worth Individuals
Total trading value of PTSEC (Baht Million)	249,601.26	1,716,694.40	189,153.38
Market share ^{/1} (%)	8.47 ^{/2}	15.98 ^{/3}	2.16
Brokerage fee (Baht Million)	430.69	335.05	366.79
Proportion of brokerage fee (%)	38.03	29.58	32.39

Source: SET and PTSEC

Remark ^{/1} The market share is calculated based on the figures collected by PTSEC and data released by the SET.

^{/2} The market share of local and foreign institutions is calculated after deducting trading transactions of proprietary accounts.

^{/3} The market share of foreign institutions of PTSEC is divided by transactions of foreigners after deducting transactions of foreign individuals.



In servicing clients, PTSEC offers macro and equity research with a team of ten analysts covering ninety-two listed companies. PTSEC's equity research covers an aggregate market value of 76.7% of the market capitalization of the SET. PTSEC provides investment advice and trading ideas for clients with a dedicated sales and research team.







PTSEC's Research Group collaborates with BofA Securities, under an exclusive agreement on research cooperation. Under the agreement, PTSEC's analysts produce research on the Thai economy and politics, as well as SET-listed securities, which are distributed to BofA Securities' clients under the BofA Securities brand while PTSEC also distributes BofA Securities' research on regional and global macro as well as equities to Thailand-based clients.

2.2 Investment Banking Business

PTSEC is one of the leading investment banks in Thailand, providing financial advisory services and securities placement services to government agencies, state enterprises and leading companies in Thailand. Previous examples of our work include the IPO/POs of PTT PCL, Krungthai Bank PCL, Thai Airways International PCL, Thai Oil PCL, PTT Exploration and Production PCL, Tesco Lotus Retail Growth Freehold and Leasehold Property Fund, Airports of Thailand PCL, Thai Beverage PCL, BTS Rail Mass Transit Growth Infrastructure Fund, Star Petroleum Refining PCL, B.Grimm Power PCL, Osotspa PCL and Thailand Future Fund as well as the issuance of exchangeable bonds of Charoen Pokphand Foods PCL into CP ALL PCL's shares, the issuance of Bangkok Dusit Medical Services PCL's convertible bonds, the merger of Bangkok Dusit Medical Services Group with Phyathai Hospital Group and Paolo Hospital Group, and the acquisition of Bank of Ayudhya PCL by the Bank of Tokyo Mitsubishi UFJ, Ltd.

In 2019, despite the challenging environment, PTSEC continued to play a major role in the M&A market, advising major corporations in merger and acquisition transactions, facilitating joint ventures and business alliances, restructuring businesses and advising on the issuance of financial instruments. PTSEC was chosen to be the financial advisor of Global Power Synergy PCL, Frasers Property (Thailand) PCL, Bangkok Dusit Medical Services PCL, Bank of Ayudhya PCL, Dusit Thani PCL and Advanced Info Service PCL in their M&A activities, with a combined transaction size of more than Baht 161,000 million.










	Company	Details of Project	Value (Baht Million)
	Global Power Synergy PCL	Acquisition of ordinary shares in Glow Energy PCL equivalent to 69.11% and tender offer equivalent to 26.14%, totaling 95.25% of total outstanding shares	127,724
	Frasers Property (Thailand) PCL	Conditional voluntary tender offer and a tender offer for the delisting of Golden Land Property Development PLC from the SET	18,665
	Bangkok Dusit Medical Services PCL	Sale of ordinary shares in Ramkhamhaeng Hospital PCL equivalent to 38.24% of total outstanding shares	12,848
	Bank of Ayudhya PCL	Acquisition of ordinary shares in SB Finance Company Inc., equivalent to 50.00% of total outstanding shares	1,097
	Dusit Thani PCL	Acquisition of ordinary shares in Epicure Catering Co., Ltd. through a big lot order by Dusit Foods Co Ltd., a subsidiary of Dusit Thani PCL, equivalent to 70.00% of total outstanding shares	613
	Advanced Info Service PCL	Acquisition of ordinary shares in CS Loxinfo PCL through a big lot order by Advanced Wireless Network Co., Ltd., an indirect subsidiary of Advanced Info Service PCL	22

For the equity market in 2019, PTSEC helped companies raise capital through the stock market for a total value of over Baht 218,700 million. PTSEC was appointed as a financial advisor and joint-lead underwriter for Asset World Corp PCL and DOHOME PCL in their initial public offerings. PTSEC was also appointed as an underwriter for TMB Bank PCL in their offering of newly-issued ordinary shares through preferential public offering and transferable subscription rights and Global Power Synergy PCL in their offering of newly-issued ordinary shares through their right offering.



	Company	Details of Project	Value (Baht Million)
	Asset World Corp PCL	Initial public offering	48,000
	DOHOME PCL	Initial public offering	4,065
	TMB Bank PCL	Additional offering of newly-issued ordinary shares through preferential public offering and transferable subscription rights	92,597
	Global Power Synergy PCL	Additional offering of newly-issued ordinary shares through right offering	74,000

In 2019, the fixed income business continued to grow from the previous year. PTSEC serviced corporate clients in seventeen debt offerings with a total value of over Baht 209,200 million with details as follows:

	Company	Details of Project	Value (Baht Million)
	Thai Beverage PCL	Unsubordinated unsecured debentures No.1/2019	53,000
	Global Power Synergy PCL	Unsubordinated unsecured debentures No.1/2019	35,000
	Minor International PCL	Unsubordinated unsecured debentures No.1/2019	33,000
	Berli Jucker PCL	Unsubordinated unsecured debentures No.1/2019	16,000
	Berli Jucker PCL	Unsubordinated unsecured debentures No.2/2019	22,000
	Bangchak Corporation PCL	Unsubordinated unsecured debentures No.1/2019	10,000
	B.Grimm Power PCL	Subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No.2/2019	8,000



	Company	Details of Project	Value (Baht Million)
	Thai Union Group PCL	Unsubordinated unsecured debentures No.1/2019	6,000
	Thai Union Group PCL	Subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No.1/2019	6,000
	Energy Absolute PCL	Unsubordinated unsecured debentures No.1/2019	3,000
	Home Product Center PCL	Unsubordinated unsecured debentures No.1/2019	3,170
	Energy Absolute PCL	Unsubordinated unsecured debentures No.2/2019	4,000
	Rojana Industrial PCL	Unsubordinated unsecured debentures No.1/2019	3,000
	Energy Absolute PCL	Unsubordinated unsecured debentures No.3/2019	3,000
	SENA Development PCL	Unsubordinated unsecured debentures No.1/2019	1,800
	Bangkok Chain Hospital PCL	Subordinated perpetual debentures payable upon dissolution with the issuer's right to early redemption and unconditional interest deferral No.1/2019	1,200
	Thai Wah PCL	Unsubordinated unsecured debentures No.1/2019	1,000

For 2020, PTSEC will continue to provide clients with suitable financial advisory services and focus on working with the Bank, partners and other stakeholders to offer more comprehensive wholesale banking solutions to its clients as well as strive to push for the further development of the Thai capital market by initiating new and innovative financing solutions to its existing and potential clients via non-traditional products which are suitable for each of its clients.



2.3 Investment Business

The investment business is divided into three categories as follows:

Medium and Long-Term Investment

Medium and long-term investment is operated by the Direct Investment Department of PHATRA. The Direct Investment Department operates under supervision of the Investment Committee, which considers and approves each investment and divestment proposed by the department and also considers the expected rate of return of the investment and the risk level. The investment horizon of the Direct Investment Department is approximately in the range of three to five years and covers both equity and equity-linked instruments, listed and private companies and also on-shore and off-shore companies. The Direct Investment Department searches for investment opportunity in companies which have strong business models and sustainable competitive advantage, have visible business growth opportunities, have the ability to generate high return on invested capital, are managed by capable management and whose share prices have yet to reflect their strong fundamental value. In order to evaluate investment opportunities, the Direct Investment Department conducts company visits and management interviews. The team then performs industry analysis and evaluates the target companies' fundamental value, internal control process and corporate governance structure. Finally, key risk factors and key considerations of the target companies will be evaluated.

In terms of risk management, the Direct Investment Department's investment evaluation does not only consider the potential return from the investment but also the risks involved with the business. The investment proposal prepared by the department includes investment horizon, terms of investment and also divestment plans. Prior to each investment, the proposal must be approved by the Investment Committee. Once invested, the Investment Committee will assign the Risk Management Department to monitor such investment based on the risk management framework on a daily basis. The Investment Committee will be notified or called for meetings to review a

particular investment once the market price of the investment exceeds the pre-determined threshold or the holding of such investment exceeds the concentration limit. Also, market risk assessment will be conducted regularly. In addition, the Direct Investment Department regularly monitors the business performance of invested companies to re-evaluate investment positions. Under certain circumstances, the Direct Investment Department may also utilize appropriate financial instruments, such as derivatives, for hedging purposes, which must be approved by the Investment Committee.

As PHATRA highly emphasizes the protection against potential conflict of interest, especially on the use of internal information, it strives to avoid any conflict of interest between the investment of PHATRA and PTSEC's clients. Thus, the Direct Investment Department is treated equally as one of PTSEC's clients and has no access to information or research reports which differ from other investors. In addition, policies on the usage of internal information, employees' trading activities and Chinese Wall among entities within the capital market group are specified in order to promote transparency and good corporate governance to prevent any potential conflict of interest.

In 2019, the Board of Directors of PHATRA set the net additional investment line for direct investment at Baht 1,500 million. Nevertheless, the net additional investment line can be adjusted according to the capital market group's business plan or capital market situation. At the end of 2019, the Direct Investment Department's portfolio had a market value of Baht 2,517 million. It generated a total loss of Baht 172 million, consisting of dividend income of Baht 91 million, realized loss of Baht 55 million and change in unrealized loss in the amount of Baht 207 million.

Equity and Derivatives Trading

This investment is operated by the Equity and Derivatives Trading Department of PTSEC with three investment strategies as follows:

1) Arbitrage Trade

Arbitrage trade is a short-term investment of not more than one year in equity, equity-linked and



derivatives listed on the SET and TFEX, notably securities listed on the SET100 index or with a minimum of Baht 3,000 million market value, futures contracts and options (including their underlying assets) and ETFs under a market-neutral principle. Profit is generated from market price discrepancy between the underlying asset and its derivatives, including securities or derivatives with the same underlying asset. Trade is made under the investment and risk framework approved by the Investment Committee and the Risk Management Committee to achieve a return rate specified by the Investment Committee. The trading of securities and/ or derivatives is made to mitigate risk on overall market price.

2) System Trade

System trade is short-term investment of not more than one year in equity, equity-linked and derivatives listed on the SET and TFEX, notably securities listed on the SET100 index or with a minimum of Baht 3,000 million market value, futures contracts and options (including their underlying assets) and ETFs, utilizing information from the pricing model and back-test of market price and statistical relationship. The practice aims to define features and opportunities to make profit via the difference or behavior of the price movement. The trading of securities and/or derivatives is executed systematically according to the pricing model.

3) Financial Product and Service

The Equity and Derivatives Trading Department issues and offers financial instruments to investors including equity-linked notes, derivative warrants and OTC derivatives. Equity-linked note is a short-term bond of which its payoff depends on the underlying asset as stated in the contract. Derivative warrant is a warrant which the department had registered for trading via the SET's direct listing system, including both call warrant and put warrant. OTC derivative is a derivative contract between counterparties of which its payoff depends on the underlying asset as stated in the contract. To issue and offer the instruments, the department

will evaluate and define the purchase and/or selling price based on related factors in order to generate a proper return rate. In addition, the department also performs market-making duty on the SET50 Index Option for TFEX and ETFs for asset management companies.

In terms of risk management, the Risk Management Committee has set policies according to the investment value and liquidity of the invested securities, Value at Risk (VaR) limit and accumulated loss limit. The committee also assigns the Risk Management Department of PTSEC to monitor investment and report to related parties on a daily basis. In the case that the investment value or risk level is higher than the defined limits, the Equity and Derivatives Trading Department will have to reduce the exposure to meet the risk criteria within the defined timeframe.

For 2019, the department had a total cash limit for investment which was approved by the Board of Directors of PTSEC of not more than Baht 10,000 million and an extra maximum cash limit of Baht 5,000 million for arbitrage trade of which usage requires approval from the Investment Committee of the Bank. The Investment Committee had also set limits within the approved total cash limit for three investment strategies including a maximum Baht 10,000 million for arbitrage trade (allows transfers from other strategies due to the lower-risk nature) and an extra maximum cash limit of Baht 5,000 million for arbitrage trade of which usage requires approval from the Investment Committee; maximum Baht 300 million for system trade and maximum Baht 5,000 million for financial products and services (excluding proceeds from structured notes) and an extra maximum cash limit of Baht 5,000 million for OTC transaction with the Wholesale & Investment Banking Group of which usage requires consult with the Finance and Accounting Department about cash usage and effect of OTC transaction to net capital requirement of PTSEC and approval from the Investment Committee of the Bank and Risk Management Committee of PTSEC.



At the end of 2019, the department had net cash usage for investment of Baht 6,278 million.

Hedge Fund

The business operated by the Hedge Fund Department of PTSEC consists of two types as follows:

1) Short-Term Investment Using Hedge Fund Strategy

The strategy operated by the Hedge Fund Department focuses on short-term investment of not more than one year in equity and equity-linked securities by using a systematic investment strategy together with quantitative analysis and risk management to get a return rate specified by the Investment Committee.

In terms of risk management, the Risk Management Committee has guidelines to monitor and review investment portion, VaR limit and statistical performance. It also sets the investment limit as per liquidity of the invested securities and accumulated loss limit as per the Investment Committee. Once the loss limit is reached, the Hedge Fund Department must stop trading and report to the committee to consider further plans. The Risk Management Department of PTSEC is in charge of monitoring and reporting to the management on a daily basis.

2) Advisory Business

The Hedge Fund Department provides an advisory service to PASSET using a systematic investment strategy. The strategy is offered to clients as private funds and mutual funds.

After considerations on the unfavorable conditions impacting the investment strategy of the hedge fund business, the operations of the hedge fund business has been ceased since 1Q2019.

2.4 Asset Management Business

PASSET, as a provider of asset management services under mutual and private funds, has continued to develop and launch new funds, resulting in continued growth of assets under management (AUM) over the past three years (2017 - 2019). PASSET's AUM as of December 31, 2017 was Baht

88,408 million, and it expanded to Baht 91,982 million as at the end of 2018, representing a growth of 4%. In 2019, AUM continued to grow 1.95% YoY, standing at Baht 93,778 million on December 31, 2019 (comprising of Baht 52,960 million mutual funds, private funds of Baht 24,521 million and property funds of Baht 16,296 million).

PASSET has introduced a variety of products to broaden the scope of investment choices for investors. In 2019, PASSET launched two additional asset allocation funds: Phatra Strategic Asset Allocation Fund - Light (PHATRA SG-AA Light) and Phatra Strategic Asset Allocation Fund - Extra (PHATRA SG-AA Extra) to provide investors with more choices, in addition to its existing asset allocation fund which is Phatra Strategic Asset Allocation Fund (PHATRA SG-AA). These new funds assign different weights to strategic asset allocation and possess different levels of risk. PHATRA SG-AA Light is suitable for investors with medium to high risk tolerance, while PHATRA SG-AA Extra is suitable for investors with very high risk tolerance. Both funds follow strategic asset allocation recommendation from investment advisor - PTSEC.

PASSET also launched Phatra Passive Global Equity Fund (PHATRA PGE) which is a foreign equity feeder fund investing in iShares MSCI ACWI ETF that seeks to replicate the performance of the MSCI ACW index through passive strategy. Such index is designed to represent performance of stocks across developed and emerging markets.

In addition to new product launches, PASSET has continued to expand distribution channels in order to increase accessibility to its products via selling agents. More PASSET funds have been offered through banks with open-architecture platform, as well as life insurance companies via their unit-linked products, and securities companies.

Distribution Channels

The Group provides services through three entities: the Bank, PTSEC and PASSET. Details are as follows:



1. Kiatnakin Bank

As of December 31, 2019, the Bank has sixty-four branches. The breakdown by geography is as follows:

Region	No. of Branches
Bangkok and vicinity	34
Central	5
East	7
Northeast	6
South	6
North	6
Total	64

The Bank operates two auction centers, which are located on the Bangna-Trad Highway (eighth kilometer) and in Udon Thani province, to support car auction activities in both the metropolitan and provincial areas. The Bank's auction centers offer high-standard integrated full-service capacity to serve used car entrepreneurs and clients who desire to own a car. The Bank also arranges car auction on-tour in other provinces from time to time in order to increase opportunities for used car entrepreneurs and to expand the touch point to clients' target segment.

In line with Thailand 4.0, the Bank sees the importance of providing sales and services through branch channels, electronic channels, telephone channels and other online channels. The Bank has consistently adjusted its services throughout the year to constantly provide service innovations for the new generation in the digital era.

Presently, the Bank serves many products and services through a variety of channels which are:

1. Branch Channel Services:

- KK mini ATM: An efficient ATM-like service which serves clients making a deposit/ withdrawal/ transfer via mini ATMs at all branches. Clients can use only the ATM/debit card (all banks accepted) to create and

complete transactions without the need for cash or a passbook.

- PromptPay Service: Clients can easily register for PromptPay at the Bank's branches or via KK e-Banking and transfer money. PromptPay is a money transfer service developed in line with the national e-Payment strategy by the government. PromptPay is more convenient than the regular transfer service as clients can use their mobile phone, national ID card, actual account or e-Wallet number as an alias for their bank account.
- KK Smart Invest Service: Investment service where clients can plan savings by investing at a fixed amount weekly, monthly or quarterly. Clients can also make investment plans by setting a maximum value to invest or setting a minimum value to sell their investments to optimize returns to deposit accounts while maintaining financial liquidity through the auto sweep service.
- DBD e-Certificate: An electronic service of issuing certifications and certifying copies of corporate documents. A system developed by the Bank that integrates with the Department of Business Development (DBD), Ministry of Commerce. A memorandum with the DBD has been signed in providing e-Certificate service through the Bank. This is to reduce time taken and facilitate residents and business operators when requesting various types of certificates. The service is now available at the Central World and Asoke branches.
- KK Virtual Branch: In keeping with technological advancement and Thailand 4.0, the Bank has developed a new innovative service, the "KK Virtual Branch". The service provides almost the same feeling as when clients walk into an actual branch through a touch screen. KK Virtual Branch's current services include opening new accounts, buying mutual funds, making transfers within KK and interbank



transfers, including through PromptPay, and showing the current portfolio of the client. KK Virtual Branch can also perform a video call function with the Bank's representatives for inquiries which clients may have.

2. Electronic Channel Services:

- Online Banking Services:

- 1) KK e-Banking Service: An online banking system which provides essential banking services for clients to be able to access anywhere and anytime, through both the website and mobile application, which includes the consolidation of deposit accounts, transfer services including PromptPay, portfolio view for investment products as well as the ability to buy, sell and switch funds through the FundConnex System (a national infrastructure for the Thai capital market), bill payment, request to pay, QR code scan to pay and digital authentication through the NDID (a National Digital ID platform to identify and authenticate citizens' digital IDs) services.
- 2) KK Biz e-Banking and Dealer Cash Management: An online banking system for corporate clients to view their deposit and loan account information, collection and payment, QR code scan to pay, primary banking bulk account transfers including on-us, Interbank and PromptPay. It also provides services for car dealers and bill payment service for most products.

- Develop Banking as a Service: This is to extend banking services for external organizations to be able to connect and conduct financial transactions. The services provided are mostly related to e-Payment such as Credit Transfer and Request to Pay services.
- KK ATM/ Debit Chip Card: Clients can perform all kinds of transactions nationwide via the ATM pool and merchant stores which accept the China Union Pay Debit Chip Card. The Bank regularly launches campaigns to

offer special discounts to cardholders. Four types of KK Debit Chip Cards are available (KK Value Card, KK Maxi Card, KK Trust Card and KK Project Card), which ties in with different kinds of life/accident protection that clients can choose to match with their lifestyles.

- KK Cash Deposit via ADM/ CDM Machines and Post Office Branches: A convenient service which allows the Bank's clients to make cash deposits via any Cash Deposit Machine (CDM) or Post Office through the CDM pool and Post Office branches (nationwide) with over 1,400 locations available. The service substantially increases the Bank's distribution channels, providing further convenience for clients.
- Mobile Phone Channel Services: Includes KK Smart SMS service, an automated system providing SMS transaction alerts to clients' mobile phones, and KK Auto Service via mobile application which allows users to perform hire-purchase-related transactions, such as new car price query, used car price estimation, car insurance policy query, dropping lead function, push-notification for promotions, car auction schedule, car installment notification, tax alert and insurance alert and also the loan withdrawal limit for auto hire purchase clients.
- Inward Remittance Service: For any transactions transferred from overseas to any bank account in Thailand or recipients, clients can collect cash at the Bank's branches nationwide.
- Loan Payment/ Bill Payment Services: Through the Bank's branches and electronic channels, e.g. mobile banking, internet banking and ATM/ CDM. The Bank also expanded payment channels by partnering with Counter Service, BigC and CenPay as well as cross-bank bill payment to be the Bank's alternative payment channel for clients.



3. Phone Channel Services:

- The Bank operates telephone service and contact center to serve clients' inquiries and transactions via phone service (IVR: Interactive Voice Response) and KKP Contact Center agents. The Bank launched many new services of the KKP Contact Center, including cross-sell/ up-sell via the telesales channel, aiming to increase convenience and be an alternative and user-friendly channel for clients.

1) KKP Contact Center - 02-165-5555:

An intelligent contact center capable of providing more than just answering simple questions. This is an extra e-Service which can recommend suitable products to clients through the IVR automated system which requires verification of the clients' information before proceeding further. The significant development of the KKP Contact Center in 2019 is called "Dynamic IVR", which is a personalized menu based on each client. When a client calls in and completes a self-identification, the announced menu will be customized based on what products & services he/she has. This service will help reduce unnecessary time and also increase clients' satisfaction.

2) KK Assets for Sales Contact Center -

02-165-5577: Provide online information for clients to inquire about assets, loan calculation and loan request as well as promotions and news.

3) KK Biz Contact Center - 02-165-5599:

Better serve corporate clients and partners, such as car dealers. Business hours are Mondays to Fridays from 8 AM to 6 PM.

4) The Bank also has alternative distribution channels with a full team of direct sales agents to offer personal loans, housing loans and SME loans to potential clients.

- 5) In terms of product offerings or supporting clients experiencing payment delays, debt restructuring programs and various products are available to clients. The Bank will perform analysis of each individual client and propose suitable products/ programs via the Bank's channels according to the consent the client has provided to the Bank. This allows clients to receive product information more conveniently, accommodate their financial status and maintain greater liquidity.

6) The Bank has developed the auto-dialer system in offering suitable products and publicizing advertisements, enhancing efficiency in contacting clients via the telephone system. In addition, the system is able to present products customized to individual clients and function as another channel to track their overdue products.

4. Online Channel Services:

- The Bank values the power of online access, thus providing various 'own' online media which match clients' behaviors and lifestyles to develop a strong engagement between clients and the Bank.

1) KK Website (www.kiatnakin.co.th): The

Bank revamped its website to be more client-friendly. It includes centralizing information of the Bank's products, services, promotions, tools and knowledge to fully help support clients' financial decisions. Clients can easily drop requests or questions for the Bank to give a personalized and timely feedback as well as collect clients' feedback in order to improve the Bank's products, processes and services.

2) KKP Advice Center Website (<https://kkpadvicecenter.kiatnakin.co.th>) is a website that has been created under the concept of "Healthy & Wealthy",



providing knowledge, financial, investment, and health lifestyle articles. The main purpose of this website is to share knowledge and experiences from experts in various areas through articles, infographics, videos and financial tests in order for readers to receive both knowledge about health and wealth at the same time.

- 3) KK Social Media: The Bank provides official social media such as Facebook @kiatnakinlive, Twitter @kiatnakinlive, YouTube @kiatnakinlive and IG @kkplive to reach and engage target groups and prospective clients by posting content of the Bank's products, services, promotions, news, videos and money/ investment articles available 24 hours. Clients can also contact the Bank's representatives during working hours through Line@ kkplive and Line@ kkloan.
- 4) KK e-Newsletter: KK e-Newsletter or KK FLASH is sent via email. The content consists of KK products, services, promotions, news and articles which match the interests of clients.
- 5) KK Magic Mirror: An innovative digital banking service originating from the idea of the story Snow White where the question, "Mirror mirror on the wall, who is the fairest of them all", was asked. The idea translated from answers on beauty into answers on investment services through KK Magic Mirror – an interactive service providing ease of access to various investment information. Financial consultations are also available through a video call with the Bank's representatives.
- 6) HUBB (e-Marketplace): A marketplace with an objective to serve the online market through website and mobile application for B2C and C2C businesses. Users are able to search for new and used cars, as well as other related products and services – another sales channel for the Bank's partners and clients.
- 7) e-Auction Website: An online car auction service available since 2Q2019.



No.	Branch Code	Branch	Address	Phone
Bangkok and Vintcity				
1	003	Asoke	209 KKP Tower A, Sukhumvit 21 (Asoke), Khlong Toey Nua, Wattana, Bangkok 10110	02-165-5555
2	004	Seacon Square Srinakarin	55 Seacon Square Shopping Centers, 3 rd Fl., Srinakarin Road, Nongbon, Pravet, Bangkok 10250	02-165-5555
3	005	The Mall Bangkai	518 The Mall Bangkai, 3 rd Fl., Phetkasem Road, Bangkai Nue, Bangkai, Bangkok 10160	02-165-5555
4	006	Yaowarat	434, 436 Yaowarat Road, Samphanthawong, Bangkok 10100	02-165-5555
5	007	Siphaya	78 Trok Captain Bush (Charoen Krung 30), Bangrak, Bangkok 10500	02-165-5555
6	009	Suksawas	178, 180, 182 Suksawas Road, Bangpakok, Ratburana, Bangkok 10140	02-165-5555
7	010	Major Ratchayothin	234/2 Major Avenue Ratchayothin, Room B113, 1 st Fl., Ratchadaphisek Road, Latyao, Chatuchak, Bangkok 10900	02-165-5555
8	057	Silom	323 United Center Building, 2 nd Fl., Silom Road, Silom, Bangrak, Bangkok 10500	02-165-5555
9	059	The Mall Bangkok	3522 The Mall Bangkok, 2 nd Fl., Ladprao Road, Khlong Chan, Bangkok, Bangkok 10240	02-165-5555
10	060	Central Festival Eastville	69, 69/1, 69/2, 69/4 Central Festival Eastville, 3 rd Fl., Praditmanutham Road, Ladprao, Bangkok 10230	02-165-5555
11	062	Charoen Krung	301 Charoen Krung Road, Pom Prap, Pom Prap Sattru Phai, Bangkok 10100	02-165-5555
12	064	Central Plaza Pinklao	7/222 Central Plaza Pinklao, 4 th Fl., Boromratchonnani Road, Arun-Amarin, Bangkoknoi, Bangkok 10700	02-165-5555
13	067	Central Plaza Rama 3	79 Central Plaza Rama 3, 4 th Fl., Satupradit Road, Chong Nonsi, Yannawa, Bangkok 10120	02-165-5555
14	069	Thong Lor	331/2-3 Soi Sukhumvit 55 (Thong Lor), Sukhumvit Road, Khlong Ton Nue, Wattana, Bangkok 10110	02-165-5555
15	072	Phaholyothin Place	408/4 Phaholyothin Place Building, 1 st Fl., Phaholyothin Road, Samsen Nai, Phaya Thai, Bangkok 10400	02-165-5555
16	076	Rama IV	1032/7-8, 1 st Fl., and 1032/7-9, 2 nd Fl., Rama IV Road, Thungmahamek, Sathorn, Bangkok 10120	02-165-5555
17	078	The Mall Thapra	129 The Mall Thapra, 2 nd Fl., Ratchadapisek Road (Thapra-Taksin), Bukkaloo, Thonburi, Bangkok 10600	02-165-5555
18	080	Mahanak	1082/5 Boe Bae Mini Office Tower, 1 st - 3 rd Fl., Krung Kasem Road, Mahanak, Pom Prap Sattru Phai, Bangkok 10100	02-165-5555
19	082	Fashion Island	587, 589, 589/7-9 Fashion Island Shopping Mall, Ramintra Road, Kannayao, Bangkok 10230	02-165-5555
20	083	Central Plaza Bangna	587, 589 Central Plaza Bangna, 4 th Fl., Debaratana Road, Bangna Nuea, Bangna, Bangkok 10260	02-165-5555
21	084	Paradise Park	61 Paradise Park, 2 nd Fl., Srinakarin Road, Nongbon, Pravet, Bangkok 10250	02-165-5555
22	085	Siam Paragon	991 Siam Paragon (Room no. 349), 3 rd Fl., Rama 1 Road, Pathumwan, Bangkok 10330	02-165-5555
23	086	Seacon Bangkok	607 Seacon Bangkok (Room no. 332), 3 rd Fl., Petchakasem Road, Bangwha, Phasicharoen, Bangkok 10160	02-165-5555
24	087	Bang Bon	265 Ekachai Road, Bangbon, Bangkok 10150	02-165-5555
25	091	Wongwian 22 Karakada	134,136,138 Mittraphan Road, Pom Prap, Pom Prap Sattru Phai, Bangkok 10100	02-165-5555
26	092	Muang Thai - Phatra Complex Building	252/203 Muang Thai - Phatra Complex Building, 2 nd Fl. (Plaza Zone), Ratchadapisek Road, Huaykwang, Bangkok 10310	02-165-5555
27	095	Central World	4, 4/1-2, 4/4 Central World, 4 th Fl., Rachadamri Road, Pathumwan, Bangkok 10330	02-165-5555
28	096	Central Plaza Ladprao	1697 Central Plaza Ladprao, 2 nd Fl., Phaholyothin Road, Chatuchak, Bangkok 10900	02-165-5555
29	031	Nakhon Pathom	194/40-42 Ratchawithe Road, Tambon Phra Pathom Chedee, Amphoe Muang, Nakhon Pathom 73000	02-165-5555
30	044	Samut Prakan	89/8-10 Moo.5, Tambon Bang Muang, Amphoe Muang, Samut Prakan 10270	02-165-5555
31	045	Future Park Rungsit	94 Future Park Rungsit, 2 nd Fl., Phaholyothin Road, Prachatipat, Ampoe Thanyaburi, Pathum Thani 12130	02-165-5555
32	046	Nonthaburi	68/30-32 Moo.8, Tambon Bangkrasor, Amphoe Muang, Nonthaburi 11000	02-165-5555
33	049	Samut Sakhon	1400/98-101 Ekachai Road, Tambon Mahachai, Amphoe Muang, Samut Sakhon 74000	02-165-5555
34	075	Central Plaza Westgate	199, 199/1, 199/2 Moo.6, Central Plaza Westgate (Room no. 335), 3 rd Fl., Tambon Sao Thong Hin, Amphoe Bang Yai, Nonthaburi 11140	02-165-5555
Central				
35	013	Ratchaburi	286/25-28 Srisuriyawong Road, Tambon Na Muang, Amphoe Muang, Ratchaburi 70000	02-165-5555
36	030	Saraburi	56/9 Sud Banthad Road, Tambon Pak Phrao, Amphoe Muang, Saraburi 18000	02-165-5555
37	033	Kanchanaburi	275/1-2 Saeng Chootoh Road, Tambon Baan Nua, Amphoe Muang, Kanchanaburi 71000	02-165-5555
38	040	Suphan Buri	290/3-6 Moo.4, Tambon Sanamchai, Amphoe Muang, Suphan Buri 72000	02-165-5555
39	043	Phra Nakhon Si Ayutthaya	100 Moo.1, Tambon Pailang, Amphoe Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya 10300	02-165-5555
East				
40	016	Chon Buri	342 Wachiraprakan Road, Tambon Bang Pla Soi, Amphoe Muang, Chon Buri 20000	02-165-5555
41	019	Central Plaza Rayong	99-99/1 Central Plaza Rayong, 2 nd Fl., Bangna-Trat Road, Tambon Choengnoen, Amphoe Muang, Rayong 21000	02-165-5555
42	027	Chanthaburi	29/1-2, 29/3, 29/4 Moo.7, Tambon Chantanimit, Amphoe Muang, Chanthaburi 20000	02-165-5555
43	028	Chachoengsao	508, 510 Chachoengsao-Bang Pakong Road, Tambon Na Muang, Amphoe Muang, Chachoengsao 24000	02-165-5555



No.	Branch Code	Branch	Address	Phone
44	032	Pattaya	47/70 Moo.9, Pattaya Klang Road, Tambon Nong Prue, Amphoe Bang Lamung, Chon Buri 20150	02-165-5555
45	061	Sa Kaeo	330 Suwansorn Road, Tambon Sa Kaeo, Amphoe Muang, Sa Kaeo 27000	02-165-5555
46	094	Sriracha	6-8 Sriracha Nakorn Road 3, Tambon Sriracha, Amphoe Sriracha, Chon Buri 20110	02-165-5555
Northeast				
47	011	Nakhon Ratchasima	952, 954, 956, 958, 960 Mittraphap Road, Tambon Nai Muang, Amphoe Muang, Nakhon Ratchasima 30000	02-165-5555
48	017	Khon Kaen	9/2 Prachasamosorn Road, Tambon Nai Muang, Amphoe Muang, Khon Kaen 40000	02-165-5555
49	018	Sunee Tower	512/8 Sunee Tower, 1 st Fl., Chayangkul Road, Tambon Nai Muang, Amphoe Muang, Ubon Ratchathani 34000	02-165-5555
50	023	Udon Thani	215/25, 215/27 Udon Dusadee Road, Tambon Mak Keng, Amphoe Muang, Udon Thani 41000	02-165-5555
51	036	Surin	179, 181 Thanasan Road, Tambon Nai Muang, Amphoe Muang, Surin 32000	02-165-5555
52	071	Nong Khai	527-528 Moo.7, Tambon Nai Muang, Amphoe Muang, Nong Khai 43000	02-165-5555
South				
53	012	Hat Yai	20/1 Ratyindee Road, Tambon Hat Yai, Amphoe Hat Yai, Songkhla 90110	02-165-5555
54	020	Surat Thani	22/144-146, Raj-Uthit Road, Tambon Talad, Amphoe Muang, Surat Thani 84000	02-165-5555
55	024	Nakhon Si Thammarat	111, 111/1-4 Pattanakarn Kookwang Road, Tambon Klung, Amphoe Muang, Nakhon Si Thammarat 80000	02-165-5555
56	026	Phuket	63/714-716 Moo.4, Tambon Vichit, Amphoe Muang, Phuket 83000	02-165-5555
57	035	Krabi	254, 254/1, 254/2 Moo.11, Tambon Krabi Noi, Amphoe Muang, Krabi 81000	02-165-5555
58	042	Trang	59/12-14 Huay Yod Road, Tambon Thap Thieng, Amphoe Muang, Trang 92000	02-165-5555
North				
59	014	Phitsanulok	286/10 Pichaisongkram Road, Tambon Nai Muang, Amphoe Muang, Phitsanulok 65000	02-165-5555
60	015	Chiang Mai	33 Chiang Mai-Lampang Road, Tambon Chang Phueak, Amphoe Muang, Chiang Mai 50300	02-165-5555
61	022	Nakhon Sawan	1311/18-21 Moo.10, Tambon Nakornsawan Tok, Amphoe Muang, Nakhon Sawan 60000	02-165-5555
62	025	Chiang Rai	102, 102/1-3 Moo.13, Tambon Rob Wieng, Amphoe Muang, Chiang Rai 57000	02-165-5555
63	034	Lampang	142-144 Highway-Lampang-Ngua, Tambon Phra Bat, Amphoe Muang, Lampang 52000	02-165-5555
64	093	Central Festival Chiang Mai	99, 99/1, 99/2 Central Festival Chiang Mai, Moo.4, Super Highway Road, Tambon Fah Ham, Amphoe Muang, Chiang Mai 50000	02-165-5555

2. PTSEC

The sales and service channel of PTSEC is through its head office on the 6th, 8th-11th Floor, Muang Thai-Phatra Office Tower 1, 252/6 Rachadapisek Road, Huaykwang, Bangkok 10310 (Tel. 0-2305-9000). Additionally, service by phone, internet and mobile application through Phatra Edge are available, providing convenient accessibility to clients nationwide.

3. PASSET

PASSET is currently located on the 19th Floor, Muang Thai-Phatra Complex Building A, 252/25 Rachadapisek Road, Huaykwang, Bangkok 10310 (Tel. 0-2305-9800). Distribution is carried out through thirty-eight selling agents of which five are commercial banks, twenty-two are securities companies, two are asset management companies, four are securities brokerages of investment units and five are life insurance companies. In addition, PASSET has provided online access, called Phatra Click, as a convenient channel for investors to invest in PASSET's funds.



Market Condition and Competition

1. Commercial Banking Business

As of the end of 2019, the total asset of the fourteen domestically-registered commercial banks is recorded at Baht 18.1 trillion, expanding at 5.7% YoY compared to a growth rate of 3.0% YoY in 2018. This acceleration was driven by the increase in asset growth of the four largest banks (accounting for roughly 65% of market share) at 4.9% YoY. Medium- and small-sized banks saw their assets increase by 9.1% and 3.6% respectively from a year earlier.

The table presents assets, deposits and net loans of the Thai commercial banking system as of the end of 2019.

No.	Thai Commercial Bank	Assets		Deposits		Loans (Net Allowance for Doubtful Account)	
		Baht Million	Market Share (%)	Baht Million	Market Share (%)	Baht Million	Market Share (%)
1.	Bangkok Bank	3,123,361	17.23	2,316,035	17.74	1,832,828	15.45
2.	Krung Thai Bank	2,908,358	16.05	2,158,460	16.53	1,879,541	15.84
3.	Siam Commercial Bank	2,952,447	16.29	2,156,489	16.52	1,995,248	16.82
4.	Kasikorn Bank	2,724,055	15.03	2,065,669	15.82	1,826,520	15.40
5.	Bank of Ayudhya	2,234,725	12.33	1,558,780	11.94	1,610,374	13.57
6.	Thanachart Bank	999,575	5.51	734,561	5.63	693,929	5.85
7.	Thai Military Bank	1,045,343	5.77	663,559	5.08	646,194	5.45
8.	UOB Bank	566,212	3.12	456,411	3.50	404,342	3.41
9.	TISCO Bank	298,250	1.65	216,085	1.66	232,649	1.96
10.	CIMB Thai	385,109	2.12	199,132	1.53	222,002	1.87
11.	Standard Chartered Bank	142,378	0.79	61,908	0.47	27,653	0.23
12.	Kiatnakin Bank	299,216	1.65	172,661	1.32	230,062	1.94
13.	Land and House Bank	230,548	1.27	165,018	1.26	151,569	1.28
14.	ICBC (Thai)	215,797	1.19	129,823	0.99	110,246	0.93
Total		18,125,374	100.0	13,054,590	100.00	11,863,157	100.00
4 large-sized commercial banks		11,708,222	64.60	8,696,652	66.62	7,534,138	63.51
3 medium-sized commercial banks		4,279,643	23.61	2,956,900	22.65	2,950,496	24.87
7 small commercial banks			11.79	1,401,038	10.73	1,378,523	11.62
All commercial banks		20,094,765		14,332,517		13,505,203	

Source: Summary Statement of Assets and Liabilities (C.B.1.1) as of the end of December 2019, the Bank of Thailand

Note: Total credits excluded interbank.



Outstanding commercial bank loan was at Baht 13.5 trillion by the end of 2019, growing by 2.0% YoY which declined from the 6.0% growth rate in 2018. Most of the increase in bank loans was driven by retail loan growth. Meanwhile, business loan growth (excluding financial business), including both large corporate and SME loans, contracted in line with economic conditions and more fund-raising through the bond market.

Overall bank asset quality has not improved as reflected by the ratio of non-performing loans (NPLs) at 2.98% compared with 2.94% as of the end of 2018. Outstanding gross NPLs stood at Baht 465 billion, increasing by Baht 21.4 billion YoY. Nevertheless, the Thai banking system remained sound with a high level of loan loss provisions and capital which will provide a cushion for the future risk of deteriorating loan quality. The overall provisions of the banking system stood at Baht 691 billion by the end of 3Q2019, increasing by Baht 23 billion from the end of 2018. The loan loss coverage ratio rose from 193.3% in 2018 to 196.3% in 2019 as a result. Outstanding deposit was at Baht 14.3 trillion by the end of 2019, growing by 4.2% YoY compared with 3.9% a year earlier.

As a result, the nine-month net profit of Thai commercial banks rose to Baht 214.4 billion, increasing from the same period last year. This was mainly attributable to net interest income from retail lending and higher dividend income and fee income from securities brokerage and bancassurance.

Banking Industry Outlook

In 2020, the banking industry will be facing several challenges which can be separated into four points:

1) Lower interest income and net interest income (NIM) due to (1) loan growth remaining subdued amid a weakening economic growth and a tightening in financial conditions as well as more fund-raising through the bond market and (2) banks lowering their lending rates following the Bank of Thailand's policy interest rate cut.

2) Non-interest income which may continue to decline, especially transaction fee income, partly due to fee elimination from commercial banks and tightening banking regulations such as the implementation of market conduct regulations.

3) Overall bank asset quality may deteriorate with the slowdown in economic growth which could affect the ability to repay debts of households and SMEs.

4) The increase in banking regulations which will impact banks' operations i.e. TFRS9.

2. Auto Hire Purchase Business

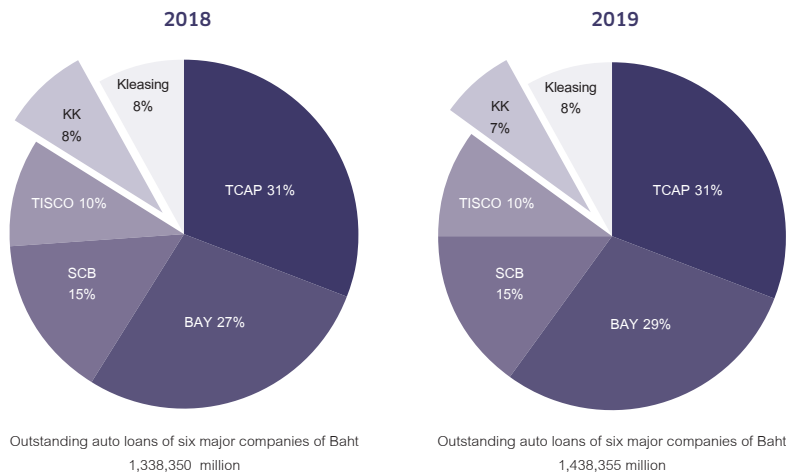
Domestic car sales in 2019 totaled 1.0 million units, a drop of 3.3% from the previous year. Sales of commercial vehicles and passenger cars contracted by 5.1% and 0.3%, respectively, due to the fragile economy which affects the purchasing power of Thai households and businesses as well as more stringent credit standards imposed by financial institutions out of concern regarding asset quality.

The used car market in 2019 contracted upon the economic slowdown, depressed employment income in export-heavy manufacturing sectors due to the dwindling global economy and sapped purchasing power among farm households due to low agricultural prices amid high household debt. In addition, commercial banks remained cautious on loan quality in providing auto hire purchase loans. The number of ownership transfers for passenger cars with 7 seats or lower dropped by 4.4% in 2019, while that of personal pick-up trucks fell by 6.9%. The used-car market was also affected by depressed prices due to oversupply, with the annual average price falling by 3.8% from the previous year.

Outstanding auto hire purchase loans (excluding personal loans collateralized by cars such as CarQuickCash) at the end of 2019 stood at Baht 1,151,787 million, an increase of 7.7% YoY compared to the 12.6% YoY increase at the end of 2018. The moderate growth was in line with the drop in car sales. Auto loan quality deteriorated as reflected in the NPL ratio of 1.86% as of the end of 3Q2019 compared to the ratio of 1.66% as of the end of 2018.



Of the total outstanding auto loans (including personal loans collateralized by cars such as CarQuickCash) extended by the six largest car loan lenders (Thanachart Bank, Bank of Ayudhaya, Siam Commercial Bank, Tisco Bank, Kiatnakin Bank and Kasikorn Leasing), the market share of Kiatnakin Bank reduced slightly from 8% at the end of 2018 to 7% at the end of 2019. The market shares of the six largest car loan lenders at the end of 2018 and 2019 are shown below.



(Note that Thanachart Bank's and Kasikorn Leasing's loan amounts were as of the end of the accounting year ended on September 30, 2019.)

Outlook of Auto Hire Purchase Business

In 2020, the auto hire purchase sector is expected to moderate further from 2019 following an expected contraction in car sales due to (1) the slow economy on the back of unfavourable internal and external factors that will affect household and business's purchasing power and (2) tightened credit out of concern about asset quality.

3. Real Estate Business

In 2019, the real estate industry moderated from 2018 despite lower borrowing costs borne by both developers and prospective home owners following the Bank of Thailand's policy rate cuts and supportive government measures such as the reduction in transfer and mortgage fees and the down payment subsidy program. This was mainly due to (1) the Bank of Thailand's Loan-to-Value (LTV) measure which became effective from April 1, 2019 and (2) the economic slowdown.

On the supply side, new loans for developing real estate projects over the first 9 months of 2019 totaled Baht 48,623 million, a drop of 24.3% from the same period last year. The decline was in tandem with the drop of 15.7% in the value of new launches of development projects in the Bangkok metropolitan region.

On the demand side, new mortgage loans over the first 9 months of 2019 totaled Baht 469,007 million, a shrinkage of 8.1% from the same period last year, while ownership transfers rose to 265,875 units, a marginal increase of 0.3%, with a healthy expansion of 11.7% observed in the central region. However, ownership transfers in the Bangkok metropolitan region, which represented 53% of transfers nationwide, barely increased by 0.4%.

Outlook of Real Estate Market

The real estate business in 2020 is likely to slow down from 2019 from various risks including (1) the implementation of the Bank of Thailand's macro-prudential measures which, despite some relaxation, will remain stringent on speculative purchases in the low interest rate environment; (2) the combination of Thailand's economic slowdown and high level of household debt that could weigh on domestic demand; (3) tightening credit standards imposed by financial institutions and (4) the slowdown in the global economy especially China in addition to the strong Baht that will have an effect on foreigners' housing demand in Thailand, which has contributed to the real estate sector performance during the past years.



4. Capital Market Business and Securities and Derivatives Brokerage Business

Despite volatility, uncertainty and weak fundamentals, 2019 turned out to be an exceptional year for most asset classes - particularly developed market equities, property funds, bonds, gold and yield assets - as central banks provided strong policy support after a flattened yield curve (which even turned briefly negative, flashing a recession warning) and downward revisions in the global economic growth expectations for most of the year. The manufacturing sector has seen a more pronounced deterioration compared to the service sector, as the US-China trade tensions and Brexit remained uncertain, at least in the first half of the year before some progress on both issues toward the end of the year. As a result, investors were relieved about global recession fears and reallocated their investment back into risk assets. Global equity markets rallied 24% in 2019. However, for Asia ex-Japan equities, only China and Taiwan had done well while ASEAN including Thai equities underperformed even in USD terms. Note that the Thai Baht (+8.6%) strengthened the most in the region. ASEAN markets underperformed due to the lack of meaningful fiscal stimulus and central banks' limited easing (Indonesia: 100bp, Malaysia: 25bp, the Philippines: 75bp, Thailand: 50bp) to spur growth.

The SET index increased only 1% YoY in 2019 and 9% in USD terms. Same with the prior year, local institutions continued to be net buyers but net buy volume dropped from Baht 184.26 billion to only Baht 52.01 billion in 2019. Meanwhile, foreign investors which had a record high net sell of

Baht 287.46 billion in 2018 remained net sellers of Baht 45.25 billion in 2019. Local individual investors were net sellers of Baht 21.64 billion from net buyers of Baht 118.47 billion in the previous year and proprietary trading was a net buyer of Baht 14.87 billion from net sellers of Baht 15.27 billion in 2018.

In 2019, the SET and mai's average daily securities trading value decreased 7.8% YoY. Foreign participation increased to 41.38% from 36.39% last year. Local institutions increased slightly to 11.35% from 10.52% and proprietary trading increased to 13.55% from 12.28%. Meanwhile, trading by retail investors decreased further to 33.72% from 40.81% in 2018 and 48.31% in 2017. Despite a relatively stabilized pricing pressure on high-touch trade executions, the stock brokerage industry remained difficult with rising trades from foreign institutions on execution-only services. In addition, the effective commission rate also declined with growth in Direct Market Access (DMA) and High Frequency Trade as well as Program Trading orders following the migration from actively managed funds to ETFs.

PTSEC has no policy in aggressive price-cutting but focuses on the quality of research and services, including technology to effectively support trading transactions and client base expansion. Therefore, PTSEC successfully gained market share from 4.55% in 2018 to 9.61% in 2019. PTSEC's share of foreign institutional brokerage increased to 15.98% from 6.60% in 2018 while the market share of local institutional brokerage slightly increased to 8.47% from 8.25% 2018 and the market share of high-net-worth clients also increased to 2.16% from 1.78% in 2018.



The table below illustrates the SET and mai market conditions, trading value and market share of PTSEC.

	2018	2019
Average daily securities trading value of the SET and mai (Baht Million)	57,673.79	53,192.02
Trading value of the SET and mai by investor type		
Foreign investors (%)	36.39	41.38
Local institutions (%)	10.52	11.35
Local individuals (%)	40.81	33.72
Proprietary trading (%)	12.28	13.55
Average daily securities trading value of PTSEC (Baht Million)	6,724.04	10,594.34
Market share of PTSEC (excluding proprietary trading) (%)	4.55	9.61
Market share-foreign investors (%)	6.60	15.98
Market share-local institutions (%)	8.25	8.47
Market share-high-net-worth clients (%)	1.78	2.16
Ranking	7	1

Source: SET and PTSEC

For TFEX, trading volume in 2019 were almost flat, up 0.09% YoY with the average number of contracts traded rising from 426,213 contracts per day in 2018 to 428,369 contracts per day in 2019. PTSEC's market share on TFEX increased from 8.01% in 2018 to 9.13% in 2019.

TFEX Market Summary

	2018	2019
Number of contracts	104,422,200	104,521,995
Trading volume of PTSEC (No. of contracts)	16,724,828	19,078,485
Trading value of PTSEC (Baht Million)	1,150,000.59	2,248,882.50
Market share of PTSEC (%)	8.01	9.13

Source: SET

5. Investment Banking Business

Securities firms continue to focus on the investment banking business with the aim to increase fee revenue and support their securities brokerage business. Presently, there are seventy-six companies which have been granted licenses to operate financial advisory services and are currently in the business, while forty-two securities firms have been granted licenses to operate as an underwriter. Success in the industry will be determined by the experience and expertise of the banking team, initiatives to introduce new financial instruments to meet clients' increasing needs and strong client relationships.



Despite the increasingly competitive environment, PTSEC has maintained its leading position and has continuously been trusted to advise clients in their restructurings and mergers and acquisitions. In 2019, PTSEC was appointed as a financial advisor of Global Power Synergy PCL in its Baht 127,724 million acquisition of ordinary shares in Glow Energy PCL, equivalent to 69.11% and tender offer equivalent to 26.14%, totaling to 95.25% of total outstanding shares.

In addition, PTSEC was appointed as a financial advisor of Frasers Property (Thailand) PCL in its Baht 18,665 million delisting conditional voluntary tender offer of Golden Land Property Development PCL. Moreover, PTSEC also advised and served other prominent companies including Bangkok Dusit Medical Services PCL, Bank of Ayudhaya PCL, Dusit Thani PCL and Advanced Info Services PCL.

With its superior strength, structuring expertise and exceptional distribution capability, PTSEC remains a leading player in capital market transactions. In 2019, PTSEC was appointed as financial advisor and joint-lead underwriter for both Asset World Corp PCL and DOHOME PCL for their initial public offerings with a total offering size of Baht 48,000 million and Baht 4,065 million, respectively. PTSEC was also appointed as an underwriter for TMB Bank PCL in its Baht 92,597 million offering of newly-issued ordinary shares through preferential public offering and transferable subscription rights and Global Power Synergy PCL in its Baht 74,000 million offering of newly-issued ordinary shares through its right offering.

Moreover, PTSEC has been actively involved in debenture offerings during the year. PTSEC's fixed income business has been growing steadily since the introduction of debt capital market services in 2012 and PTSEC is now becoming one of the key

players in the debenture offering market. In 2019, PTSEC serviced corporate clients in seventeen debt offerings with a total value of over Baht 209,200 million.

6. Asset Management Business

In 2019, there were twenty-four asset management companies under the supervision of the SEC. Industry AUM (only mutual funds) stood at Baht 5.39 trillion, registering a growth of 6.62% relative to Baht 5.05 trillion in the previous year (Source: AIMC as of December 30, 2019).

Fixed-income funds represented the largest share of the industry's AUM, ending the year 2019 at Baht 2.59 trillion, or 48.12% of total AUM. Equity funds stood at Baht 1.50 trillion, or 27.75% of total AUM. Continued growth was seen in the retirement mutual fund segment, ending the year approximately at Baht 0.30 trillion, representing a growth of 18.03% from 2018. Meanwhile, the long-term equity fund category ended the year approximately at Baht 0.41 trillion, increasing 6.35% from 2018.

Private funds also demonstrated a persistent growth trend with intensifying competition. As of the end of 2019, the whole industry's AUM was Baht 1.12 trillion (Source: AIMC as of December 30, 2019), representing a growth of 13.66% relative to the end of 2018.

In 2019, PASSET launched Phatra Strategic Asset Allocation Fund - Light (PHATRA SG-AA Light), Phatra Strategic Asset Allocation Fund - Extra (PHATRA SG-AA Extra) and Phatra Passive Global Equity Fund (PHATRA PGE) to broaden the scope of investment choices for investors.

PASSET will keep developing its product platforms to meet investors' demands to diversify their investments and to capture opportunities sparked by changes in the market.



Risk Factors

The following risk factors do not reflect risk factors of normal business operations. Furthermore, there may be risks the Group is not aware of or risks the Group currently considers insignificant which may become significant in the future. These risks may significantly affect the Group's business revenue, profit, asset, liquidity, or source of funds.

1. Changes in domestic and international economies may directly impact the Bank's and Group companies' business.

Domestic and international economies significantly impact the Group's business. In 2019, the global economy faced elevated uncertainty in relation to the geopolitical conflict between major economies, especially the US-China trade war which caused the global economy to be worse than the market projection and impacted other countries through international trade and investors' confidence. Global demand and international trade had dramatically decreased. Consequently, Thailand's total export growth continuously declined throughout the year. The subdued trade had negative effects on Thailand's economic growth, private investment and employment.

In terms of the global financial market, major economies' central banks eased monetary policy by lowering interest rates to drive their economies, resulting in low short-term interest rates worldwide especially in Europe where the European Central Bank employed a negative interest rate policy as well as low long-term interest rates. In the second half of 2019, the gap between the shorter and longer-term yields narrowed, causing globally flat government bond yields. The main reasons were (1) anticipation of a negative economic trend

which led to low interest rates being continuously maintained and (2) the policies of central banks in some countries to directly buy long-term bonds in financial markets which lowered long-term interest rates. For Thailand, the lowering of interest rate by the Monetary Policy Committee and the global trend in interest rates influenced Thailand's interest rates to be at a low level and led to flat government bond yields. In summary, both Thailand and the global economic slowdown and low interest rates negatively impacted the Bank's business.

Besides the aforementioned external factors, internal factors which further adversely affected Thailand's economy in the previous year were the current account surplus from the greater growth in tourism and the decrease in imports which caused the Baht to appreciate and subsequently affected Thailand's exports and competitiveness.

For 2020, the global economy is expected to have a low growth with low interest rate due to continuous and elevated uncertainty. Significant factors that warrant close monitoring include : (1) the severity and time period of Coronavirus outbreak and its impact on economies; (2) the economic slowdown, financial stability problem and high level of private debt in China; (3) the geopolitical risks especially US-China trade war and tensions in the Middle East; and (4) the upcoming US presidential election which may affect the US' policy change.

The Thai economy in 2020 is projected to continue to be in a 'low growth, low rates' environment. Main headwinds include: (1) the weakness in global growth particularly the Chinese economic slowdown which could weigh on global trade and investment; (2) the Coronavirus outbreak and associated fears that would greatly impact Thai tourism income



and related sectors; (3) the severe drought that would depress agricultural and even industrial production during the first half of this year; (4) the subsequent effects of the aforementioned factors on employment and household income, which would hinder private consumption and impair household debt serviceability; and (5) the sluggish investment demand due to uncertain macroeconomic outlook, tightening credit conditions and the delays in government budget process.

In conclusion, the Thai and global economic growth will slow down with continued low interest rates in 2020. Factors which will help the economy recover and improve growth to be higher than the projection are limited, while downside risks are elevated. To properly prepare and actively manage any unexpected situations under heightened uncertainty, the Group will closely monitor all changes to the economy, financial markets and policies.

With the economic slowdown, the Group's business requires strategic adaptation to deal with the aforementioned risks especially the asset and liability structure adjustment to remain appropriate for the changing environment, the improvement of approval criteria for higher loan quality and the development of risk management to manage downside risks which will probably elevate this year. The Bank also conducts a stress test to systematically assess the impact of the possibility of various events and prepares mitigation planning to reduce unexpected risks and impacts on the Group's business.

However, volatility in the domestic and global economies as well as government policies is uncontrollable. The Group cannot guarantee when such events occur that they will not have a significant effect on the Group.

2. The Group may not be able to achieve strategic goals as planned which would impact the competitiveness and performance of the Group.

To achieve strategic goals of the Group, the Group needs to consistently improve and develop many business operations. For instance, the development of new products and the enhancement of retail and PRIORITY clients as well as the expansion of new business units are required to support the growth of the business in the future. Although such developments need skilled personnel, regulation allowance as well as considerable investment and time, they are all mandatory for the Group to achieve goals and reach target clients. The Group, however, cannot guarantee that the mentioned developments would be completed within a designated period or would allow the Group to be comparable or better than business competitors.

In addition, the business and strategic plans of the Group highly involve the development of information technology and system. This development efficiently helps enhance products and services as well as diversifies service channels to be compatible with the dynamic client behavior in the digital era. The achievement of the mentioned strategic plan undoubtedly involves the Group's competitiveness in developing the information technology system to be comparable or better than business competitors. The Group cannot guarantee that information technology would be developed and achieved as planned. Delays in such development could also cause the Group to lose business competitiveness. Although the development could be completed in time, the Group would still face the risk that it incorrectly anticipated market needs. As a result, the offered



products, services and transactions may fail to meet client preferences and targeted profits. Moreover, the lack of experience in new product and service development could hurt business competitiveness.

3. The Bank may be unable to maintain sufficient capital for future expansion and competition.

The Bank's capital under the regulations of the Bank of Thailand and Basel III is determined by its Risk-Weighted Assets (RWA) and regulatory capital. These are dependent upon several factors including changes in the Bank's businesses and risks as well as amendments of capital requirement regulations. Furthermore, in case the Bank reports an operating loss, the loss will lessen regulatory capital which will certainly impact its capital adequacy. Any reduction to capital may lead to a need to raise funds for business expansion. Such fund-raising may be restricted or come at a high cost. If the Bank is unable to raise sufficient funds, it may not be able to grow its business as planned. Consequently, the Bank's performance will be affected or its size will be reduced, if the restriction on capital is not resolved in the long term.

In 2019, the Group aimed to maintain capital in order to cover future risks and growth as well as to keep a high capital adequacy ratio. The Bank also employed the policy of capital target and minimum required capital to mitigate risks and support business expansion. The purpose of capital risk appetite and tolerance, determined under the Bank's risk appetite statement which was approved by the Board of Directors of the Bank, reflected the following objectives:

- To maintain capital above the minimum requirement of the Bank of Thailand to cover significant risks which are not included in the minimum requirement.

- To maintain capital in accordance with risk appetite and risk tolerance which are determined by the Board of Directors.
- To assess capital under stressed conditions and prepare a capital contingency plan to maintain capital according to the framework of stressed conditions.
- To maintain capital in order to cover significant risks the Bank faces according to official regulations.
- To maintain capital while considering the impact on shareholders.

To improve the capital assessment procedure, the Bank has undertaken the following:

- Developed quantitative risk assessment systems for credit risk, market risk, operational risk, credit concentration risk and interest rate risk in the banking book under normal and stressed conditions.
- Developed a capital adequacy framework which links to the aforementioned significant risks for each of the Bank's businesses.
- Developed a performance evaluation system for business units while taking into account the cost of maintaining capital and the ability to report shareholders' return on the investment of each business unit.
- Developed risk assessment and capital adequacy by using economic capital methods.

In 2020, the Group will continue to focus on managing capital efficiently to support business expansion and establish an appropriate capital structure which is comparable with others in the business.

Nevertheless, the Group shall raise funds by issuing subordinated debt instruments to support business expansion and to roll over expiring instruments in the next 5-8 years. The



Group may face risk as a result of insufficient capital or higher cost which would significantly affect performance.

In the Group's capital management procedure, the suitability of the minimum capital requirement, additional capital required by the annual business plan and the Group's risk appetite and risk tolerance will be utilized in the capital adequacy assessment process. The Bank will provide the capital plan and capital contingency options on a case-by-case basis in the event that the estimated capital adequacy ratio falls lower than the risk tolerance or the minimum capital required by the Bank of Thailand.

4. Changes in laws, rules and regulations may affect the business, operation and profitability of the Group.

The Bank and Group companies recognize the importance of the existence and changes of laws, rules and regulations by the government and regulators, consisting of the Bank of Thailand, the key regulator regulating the SEC which monitors the securities business of the Group; the Office of Insurance Commission ("OIC") which monitors bancassurance and other regulators i.e. the Office of the Consumer Protection Board and the Anti-Money Laundering Office ("AMLO"). Laws and regulations by such regulators are strict and have become more stringent. Nevertheless, the Bank and Group companies are committed to operate the business in compliance with laws and regulations for strong fundamental and sustainable growth.

The Bank and Group companies have continually enhanced service and operations in accordance with the change of laws, rules and regulations to enable clients to conduct financial and investment transactions conveniently, speedily, securely and justly. Some changes in laws and regulations

last year affected the business of the Bank and Group companies, for instance, the Personal Data Protection Act B.E. 2562, the Land and Building Tax Act B.E. 2562, the Rights over Leasehold Asset Act B.E. 2562, the Electronic Transaction Act (No. 3), B.E. 2562, the Cyber Security Act B.E. 2562, the Policy Statement on Appraisal of Collaterals and Foreclosed Properties, the Bank of Thailand's notification No. FPG 19/2562 on Know Your Customer (KYC) or the notification on the Regulation Relaxation on Foreign Exchange Transaction, etc.

Furthermore, many laws and regulations about personal data have been enforced. The Bank and Group companies prioritize data privacy and protection and have continuously come up with plans to align with such laws and regulations by strictly focusing on personal data protection and always seeking consent before using personal information for business purposes.

Changes in laws, rules and regulations will generally impact goals, business viability and competitiveness. These changes may also cause the Bank and Group companies to be liable from not fully complying with laws and regulations which could negatively affect operations, financial status and performance of the Bank and Group companies.

5. The risk of internal and external fraud is becoming a worrying trend. The Bank and Group Companies' operations may not be sufficiently cautious resulting in operating losses which will affect the Group's competitiveness and performance.

The Bank and Group Companies' operations are presently offering diverse and complex products and services, involving many related parties across the country, complying with laws and regulations and facing volatile challenges, such as business growth and expansion, new products and services,



technological revolution and innovative fraud techniques especially external fraud from individuals or technology. Additionally, situational changes may result in incautious operation. All the aforementioned factors can perhaps cause risks or damage to the business. For example, products and services may be misrepresented affecting reputation, possibly invoking lawsuits, slowing down operations, causing a decline in competitiveness and income, heightening cost and eventually impacting the Group's performance.

To reduce operational risks and fraud, the Bank's Operational Risk Sub-committee functionally manages and monitors risk possibility as well as controls operational loss within acceptable levels. The Bank has also established a Fraud Unit to prevent losses, by controlling and investigating irregular situations or situations suspected of being fraudulent. In addition, the Bank employs measures to reduce operational risks of new products and services which require relevant units to assess risks, develop a mitigation plan and implement readiness checking before launching new products and services or changing operational processes. The second line of defense units, such as the Legal and Compliance Group and the Risk Management Group, collaboratively analyze and define issues. The New Product and Process Review team reviews the development guideline of processes and risk management before proposing them to the New Product & Process Review Sub-committee (NPPRC) for approval. The sub-committee not only approves new products and process changes but also identifies risks, indicates flaws and gives advice to improve products and services to perfection. Furthermore, the Bank applies IT Risk Management Policy to prevent risks from integrating IT into the business and risks from cyber threats which may affect the Bank's operations and services. The Bank also

adjusts its organizational structure to align with such changes.

Although the Bank cautiously enforces such measures, uncontrollable and significant factors such as IT risks, complex fraud, embezzlement and corruption may unexpectedly occur and directly impact the Bank's performance.

6. The Bank may not be able to provide and maintain sufficient liquidity for business conduct and expansion.

The Bank's business depends on its ability to raise funds through deposits and/or other sources. The Bank must maintain a portion of these funds as liquid assets for sufficient provisions in normal and stressed situations. The ability to maintain liquidity depends on several factors, such as competition, interest rate trend, reputation and credit rating of the Bank, location and number of branches, product diversity and service quality. These factors affect the Bank's ability to raise funds. For example, if the Bank's credit rating was reduced, its cost of funds would be raised.

Besides competition and internal factors, regulations also affect the Bank's fund raising. Under stricter regulations by the Bank of Thailand and Basel III after the global economic crisis, the Bank has to maintain higher liquidity to cover liquidity risk and changes to the deposit protection law each year. The Bank will face liquidity risks in case depositors want to withdraw their deposit portion which exceeds the protection limit by law and transfer their deposits to other financial institutions or to invest in other mediums.

To manage liquidity, the Bank has appointed the Money Desk Sub-committee to analyze and monitor cash inflows and outflows of the Bank. The sub-committee also sets up measures to closely monitor the liquidity status under normal



and stressed conditions according to the liabilities concentration, the risk appetite of the Bank for asset and liabilities mismatch and the level of liquid assets under different scenarios. The Money Desk Sub-committee will regularly convene at least once every two weeks under the supervision of the Assets and Liabilities Management Committee. The Treasury Department also plays a key role in the implementation of the Bank's liquidity management to maintain an appropriate level of liquidity with the Risk Management Group monitoring and controlling the position on liquidity risk and regularly reporting to the Risk Oversight Committee and the Board of Directors. Additionally, the Bank has set up a liquidity contingency plan and regularly practices it every year.

As the ability of the Bank to raise funds is dependent on various factors, the Bank is not able to guarantee that such management will prevent all adverse liquidity effects, in the event of a significant change in the market.

7. The Bank may be impacted from interest rate risks in the banking book caused by volatility of interest rates and duration gap between asset and liabilities duration.

The reduced liabilities duration is certainly an important risk factor. The Bank is aware of this factor and closely monitors and controls it according to the risk appetite defined by the Bank under the hypotheses of interest rate change under normal and stressed scenarios. The Bank has appointed the Asset and Liabilities Management Committee to monitor and control such risk by adjusting the maturity and duration gap between liabilities and asset interest rates. Moreover, the Risk Management Group would also closely monitor and control interest rate risks in the banking book and consistently report to the Risk Oversight Committee and the Board of Directors.

However, if the Bank faces higher interest rate volatility or the market interest rate adversely changes unexpectedly, such risk, uncontrollable by the Bank, would unavoidably have a direct impact on the net interest income and economic value of equity.

8. Market risk rises from the increasingly diverse transactions of the Group's trading and available-for-sale books which may affect the Group's operation in the case of a highly volatile economy and markets.

Presently, the Bank performs many transactions in financial market products for both trading and available-for-sale books. The five major transaction types to hedge risk or sell structured notes to investors are 1) debt instrument and debt derivatives trading, 2) foreign exchange and its derivatives trading, 3) interest rate derivatives, 4) common equity, property fund, infrastructure fund and Real Estate Investment Trust (REIT) which is registered in the SET and equity derivatives and 5) option contract which refers to the equity price or mutual fund performance as underlying assets. Furthermore, the capital market business invests in common equities traded on the SET and foreign stock markets as well as futures contracts in TFEX and equity derivatives.

The trading book market risk management focuses on transactions with interest rate risk and currency risk. In a highly volatile market, these risks arise from internal and external uncontrollable factors and adversely affect the trading book. Therefore, the Bank will determine the acceptable risk limit on interest rate risk and currency risk for trading book transactions and will allow equity transactions to be exposed to zero market risk in equity price.



The available-for-sale book market risk management emphasizes transactions with interest rate risk. The Bank will determine the acceptable interest rate risk limit and hedge the risk to an insignificant level. However, the Bank may invest in common equities, property fund, infrastructure fund and REIT which is registered in the SET. This will be a long-term investment which requires the related committee approval, on a case-by-case basis.

The Bank has consistently developed comprehensive and systematic market risk management procedures, ranging from identifying, measuring, monitoring and controlling risks resulting from trading and available-for-sale book transactions. These processes cover related and significant market risk factors. Meanwhile, the Financial Markets Group and Treasury Department are major units to manage market risk in trading and available-for-sale books respectively. The Market Risk Management Department together with the Liquidity Risk Management and ALM Department identify risk indicators and propose the risk limit for approval from the Risk Oversight Committee to assess and monitor market risk. Internationally-accepted risk indicator tools such as VaR, Present Value of a Basis Point (PV01), Net Open Position in Foreign Currency (NOP) and Economic Value of Equity (EVE) are utilized to cover changes in the market. In case of any irregularities or situations which exceed the acceptable market risk limit, the Market Risk Management Department and Liquidity Risk Management and ALM Department will report to relevant units.

For capital market investment in the SET and other market equities, future derivatives and equity derivatives, important risk factors are based on the equity price, liquidity and equity price volatility. Short-term investments typically have negligible market risks since there are investment strategies deployed to reduce the market risks. However, long-term investments of PHATRA still

have high market risks due to its directional - both onshore and offshore securities - investment strategy. A decrease in the price of securities held by the Group would negatively affect the performance and profit of the Group. However, the Group is aware of risks on such investment strategy. The Group has specified the level of risk tolerance for each investment. The Risk Management Department of the capital market business is responsible for defining standard risk tolerances such as VaR and volume limit of daily transactions and will alert relevant business units in the case that the risk in the trading book exceeds the limit or there is an unexpected irregularity.

However, the volatility of securities price is often caused by uncontrollable factors. Despite the Group's standard risk management process, the Group is unable to guarantee that significant losses will not occur when risk factors become more volatile than predicted. This could adversely affect the Group's performance and economic value.

9. The Bank has risks arising from deteriorating credit quality and credit concentration. In the event that credit quality exceeds the Bank's expectation, the Bank's performance will be significantly affected.

The Bank's main debtors are small and medium-sized companies as well as retail clients. In general, these debtors are more affected by the volatility in the economy or the industry in which they operate than large-sized corporations. Therefore, the Bank is significantly subject to high risk during a volatile economy. The Bank also has a concentration of large-sized business debtors in real estate lending according to high credit concentration. This concentration gives rise to high credit risk in the event that some of the Bank's large clients experience credit difficulties. To manage credit concentration, the Bank has set credit concentration



limits to mitigate possible losses, for instance, the Single Lending Limit and the Large Borrower Concentration.

In accordance with the risk of deteriorating credit quality resulting from economic and industry conditions, the Bank has continually developed credit approval procedures to mitigate risks. This development comprises of regulating the credit approval policy and process, issuing pre-screening guidelines, assessing debtors' executive competency and financial capability, considering loan purpose and collateral and constantly reviewing credit quality.

For retail lending, the Bank has significantly shifted the portfolio concentration of retail credit products. Housing loans, personal loans and SME loans had consecutively grown last year. For automotive hire purchase, the Bank focused on high-yield products comprising used car hire purchase and CarQuickCash rather than new car hire purchase in which competition is intense resulting in lower yield. However, the Bank has maintained the strictness of its credit approval process to mitigate risk from deteriorating credit quality and applied Client Profile-based Lending which continuously increased new potential segments. In the past year, the Bank, among the first in the industry, applied a Bureau Score to the loan underwriting process by cooperating with the National Credit Bureau (NCB) which enhanced the classification's effectiveness. The Bank also defined the Risk Appetite and Profitability Analysis for each product culminating in an efficient loan portfolio management and profitability, applied Behavior Score (B-score) together with the Retention Program to suitably offer cross-selling of new products and services to clients with good repayment history as well as analyzed Retail Portfolio Management and evaluated and assessed risks by product category and segmentation to control credit risk. Additionally, the Bank has been consistently monitoring loan portfolio performance

systematically generated by the IT infrastructure, reporting in-depth risk analysis and mitigation plan to executives and relevant parties and developing early warning indicators. This facilitates the Bank in managing credit risk more efficiently and in a timely manner. Most importantly, the Bank focuses on Risk Governance for Product Program retail lending which requires approval from the Risk Oversight Committee, sub-committee or designated personnel.

The Bank has established an additional loan underwriting process and test program with limited exposure for new segments and new channels with a high credit risk. The maximum exposure of the test program depends upon products. Not only is there a trigger to limit exposure, but the Bank also established a short-term trigger, at three months or six months, as an early warning indicator in order to promptly cease or alter the test program. Consequently, the Bank is able to maintain its risk level and enhance potential opportunities.

Although the Bank employs procedures to manage credit and credit concentration risks, the Bank cannot guarantee that no loss will occur from deteriorating credit quality and credit concentration. In the event that credit quality deteriorates beyond expectation, the Bank shall set aside more provisions. At times, the Bank may unexpectedly have to increase its provisions to comply with changes in regulations. An increase in provision will considerably impact the Bank's ability to pay out dividend.

10. The growth, beyond expectation, of the Electric Vehicle (EV) market may impact the Group.

The EV market has continually grown. Many countries encourage their production and usage resulting in lower production cost. Moreover, many governments have launched support measures. Thailand also recently signed a Free Trade Agreement (FTA) with China effective



from 2018 onward, to decrease the tariff on many imported goods, including EVs, to zero.

The Thai government, private organizations and companies have supported and invested in many projects related to EVs. For example, the investment promotion policy by the Board of Investment of Thailand (BOI) has attracted the attention of car manufacturers. The Eco EV project by the Ministry of Industry aims to promote local production of EVs in accordance with the government's future vehicle strategy. EV charging stations invested by private companies have been increased especially in major provinces.

The aforementioned factors encourage car manufacturers to import and sell EVs in Thailand such as Nissan, MG, Hyundai, KIA as well as BYD and BAIC which are EV manufacturers in China. Each manufacturer has gained increasing attention from consumers, implied by the higher number of EV pre-booking. Moreover, the EV pricing trend has continuously declined to almost equal to gasoline-powered vehicles which may impact the price of both new and used internal combustion engine vehicles. These may affect credit quality and the willingness to pay and lower the loan portfolio value of the Bank.

The Group is aware of the risks arising from the EV market expansion, following the increasing popularity of EVs, and regularly assesses the Bank's automotive portfolio value and consistently improves the credit quality assessment, loan approval guideline and debt collection process in preparation for the disruption. However, EV is a new product in local and international markets and is not typical of the Group's business. The Group may be unable to define and manage all possible risks, although the Group has established guidelines for growth and changes of the automotive market.

11. Intense competition from large banks and emerging business groups may adversely affect the performance of the Bank.

Fierce competition in the banking business is intensifying from corporate behavioral changes especially large corporations which have a high trustworthiness and a good financial position. Their behavior has changed from relying on bank loans for financing to acting as dis-intermediary through debentures or the capital market. Therefore, the demand for bank loans has declined while that for the corporate bond market has increased considerably, impacting banks' lending growth.

In addition, competition among existing competitors and new service providers is unceasingly intense. The existing service providers, such as large commercial banks, are growing by expanding into businesses not typical of large banks. They are especially moving towards the universal banking model. In the meantime, small banks still have competitive disadvantages, such as restricted economies of scale and economies of scope resulting in higher production cost per unit and the inability to sell bundling products. Moreover, they apparently have less business capability and competitiveness than large banks. In the event that the Bank, which is a small bank, is unable to respond to the competition with products and services which cater to clients' needs or may be unable to develop a diverse and complete sales channel, the Bank will possibly lose market share in its main businesses, such as auto hire purchase and real estate lending. Subsequently, the Bank may lose competitiveness, which will substantially impact its ability to generate revenue and maintain a positive long-run performance.



New service providers, such as Fintech Startups, payment providers, e-wallet and e-commerce companies, are leading fundamental changes in financial transactions, consisting of payment via application, investment or credit information access and debt financing without the use of an official financial institution, making transactions via applications more convenient, speedy and economical. The increasing competition in the market may lessen the role and opportunities of the Group as well as client relationship and brand loyalty to the Group and directly impact its business performance.

From the aforementioned effects from both existing and new service providers, the Group plans to focus on improving the quality of products and services offered to clients. The Group will also study the effect of new competitors, the possibility of being an incubator, capital venture, business partnerships, mergers and acquisitions and subsidiary establishment to expand its business. Despite the Group's readiness for uncontrollable and unexpected risks, the impact to the Group's performance may happen unavoidably, for example, market share loss and inaccurate anticipation of the financial transaction trend.

12. The Group may be affected by reputation risk.

Reputation is of significance to businesses, especially the financial services industry where competition is high. The maintenance and building of a good reputation will lead to an increase in client base and better client retention ability. It could also bring positive effects to performance and financial status. Conversely, reputation loss could negatively impact the Group in the long run. Therefore, the Group makes its best effort to maintain its good reputation and has prepared measures to

prevent and reverse situations which could impact the Group's reputation. These measures include setting up Guidelines for Business Conduct and social-conscious business for sustainable business operation and providing staff training for operation which is efficient and satisfactory for clients and partners. However, the Group is not able to guarantee that the full implementation of these measures will be able to completely and immediately prevent and correct situations affecting the Group's reputation.

13. The Group may be affected by the inability to manage and keep key personnel.

The Group's business depends on the experience, knowledge and expertise of personnel including credit analysts, marketing personnel, relationship managers, compliance personnel and high level management. For the Group to retain its quality personnel, the Board of Directors has established written guidelines for employee treatment. Such guidelines emphasize an appropriate system of employee benefits, training to encourage the development of personnel, equal and fair treatment of all employees, development of a pleasant organization and prioritization of hygiene and workplace safety, healthcare, annual health checks, accident insurance for employees and right for leave on various occasions which is expanded to cover leave for all religious ceremonies and meditation.

Regardless of the success of the above measures, the Group may not be able to retain key employees. It also cannot guarantee that it will be able to recruit talented personnel. This could negatively affect business continuity and significantly impact the financial status and performance of the Group.



14. Profit from the special asset management business may decrease or be depleted in the future.

The Group operates a special asset management business through the Bank and mutual funds which are subsidiaries of the Bank. The Bank started its special asset management business since 1999 by winning auctions of claims on financial institutions from the Financial Sector Restructuring Authority. During 2003 - 2006, the Bank auctioned debts under lawsuit from the Legal Execution Department. In 2010, the Bank bought investment units in Gamma Capital Mutual Fund and Bangkok Capital Mutual Fund, which had similar operations to

the Bank's other mutual funds. In 2018, the Bank profited from its special asset management business in the amount of Baht 659 million, amounting to 11.72% of the Group's comprehensive income.

However, the Group has been operating the special asset management business for some time. Currently, the Group's investment funds have been terminated and assets under management remain at approximately Baht 5,735 million. The Bank does not anticipate an expansion or even remaining in this business. Its revenue continuity would be affected. The Bank has therefore continuously conducted other new business expansions to compensate for the decreasing return of this business.



General Information

Name of Company	Kiatnakin Bank Public Company Limited
Stock Ticker	"KKP"
Type of Business	Commercial banking business, capital market business and other related businesses under the Financial Institution Business Act, Securities and Exchange Act and other related regulations
Number of Shares	846,751,109 ordinary shares and none of preferred share, with par value of Baht 10 per share (As of December 31, 2019)
Authorized Share Capital	Baht 8,467,511,090
Issued and Fully Paid-up Share Capital	Baht 8,467,511,090 (As of December 31, 2019)
Address	500 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Company Registration Number	0107536000986
Telephone	0-2165-5555
Website	www.kiatnakinphatra.com

Names, Offices, Telephone and Fax Numbers of Referenced Entities

Registrar - Ordinary Share	: Thailand Securities Depository Company Limited Stock Exchange of Thailand Building, 93 Rachadapisek Road, Din Daeng, Bangkok 10400 Tel: 0-2009-9000 Fax: 0-2009-9991
Authorized Auditor	: Ms. Sakuna Yamsakul Certified Public Accountant (Thailand) Registration No. 4906 PricewaterhouseCoopers ABAS Ltd. ("PwC") 15 th Floor, Bangkok City Tower, 179/74-80 South Sathorn Road, Sathorn, Bangkok 10120 Tel: 0-2844-1000 Fax: 0-2286-5050
Legal Advisor	: Not appointed
Advisor/ Manager under Management Contract	: Not appointed



The Bank holds over 10.00% shares in the following juristic persons:

Juristic Person Name and Address	Type of Business	Number of Fully Paid-up Shares (Shares)	Percentage of Ownership (%)
1. Phatra Capital Public Company Limited 9 th Floor, Muang Thai-Phatra Office Tower 1, 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9000 Fax: 0-2305-9539	Holding Company and Investment	210,310,240.00	99.98
2. Phatra Securities Public Company Limited 6 th , 8 th - 11 th Floor, Muang Thai-Phatra Office Tower 1, 252/6 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9000 Fax: 0-2305-9535	Securities	213,500,000.00	99.95*
3. Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Asset Management	12,000,000.00	99.97*
4. Phatra Asset Management (Cayman) Limited c/o Maples Corporate Services Limited PO Box 309, Ugland House Grand Cayman, KY1-1104, Cayman Islands	Asset Management	1.00	99.98*
5. KKP Tower Company Limited Former Name : CMIC Development Company Limited 209, 209/1 KKP Tower, Sukhumvit 21 (Asoke) Road, Klong Toey-Nua, Wattana, Bangkok 10110 Tel: 0-2664-1396-7 Fax: 0-2664-2163	Office Rental and Property Management for the Bank and Group Companies	230,000,000.00	91.34
6. BOT Lease (Thailand) Co., Ltd. Former Name : BTMU Leasing (Thailand) Company Limited 4 th Floor, Harinthorn Tower, 54 Sathorn Nua Road, Silom Bangrak, Bangkok 10500 Tel: 0-2266-3060 Fax: 0-2266-3067	Leasing	600,000.00	10.00
7. Asia Recovery 1 Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	21,665,778.5942	99.95



Juristic Person Name and Address	Type of Business	Number of Fully Paid-up Shares (Shares)	Percentage of Ownership (%)
8. Asia Recovery 2 Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	78,683,161.1474	99.59
9. Asia Recovery 3 Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	77,595,895.6819	99.97
10. Thai Restructuring Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	68,263,486.3132	98.91
11. Bangkok Capital Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	34,388,611.8195	95.72
12. Gamma Capital Fund Phatra Asset Management Company Limited 19 th Floor, Muang Thai-Phatra Complex Building A, 252/25 Ratchadapisek Road, Huaykwang, Bangkok 10310 Tel: 0-2305-9800 Fax: 0-2305-9803	Investment	27,020,796.4744	94.03

* Held by Phatra Capital Public Company Limited



Details of Fines by Regulators during the Past Five Years (2015 - 2019)

Company	Year	Regulator	Law and Offence	Amount (Baht)
Kiatnakin Bank Public Company Limited	2018	Bank of Thailand	Section 60 of Financial Institution Business Act, B.E. 2551 (2008)	Failed to comply with regulations on asset classification
			Section 71 of Financial Institution Business Act, B.E. 2551 (2008)	Failed to report data set relating to asset classification
	2018	The SEC	Section 113 of Securities and Exchange Act, B.E. 2535 (1992)	Failed to comply with the rules, conditions, and procedures as specified in the Notification of the Capital Market Supervisory Board as a Limited Broker Dealer Underwriter (LBDU)
Phatra Asset Management Company Limited	2018	The SEC	Section 117 of Securities and Exchange Act, B.E. 2535 (1992)	Failed to comply with the rules, conditions, and procedures as specified in the Notification of the Capital Market Supervisory Board relating to fund management



Securities and Shareholders Information

Registered and Paid-up Capital

1. The Bank's ordinary shares are listed on the SET under the stock ticker "KKP". As of December 31, 2019, the total paid-up share capital was 846,751,109 ordinary shares (of Baht 10 each).

- Total authorized share capital Baht 8,467,511,090
- Total issued and fully paid-up share capital Baht 8,467,511,090

2. As of December 31, 2019, no preferred share was issued by the Bank.

Shareholders

1. Major shareholders

The top ten major shareholders of the Bank, as of September 5, 2019 on which was to determine the list of shareholders entitled to receive interim dividend, are as follows:

No.	Name of Shareholder	Type of Shareholder	Number of Shares (Shares)	Shareholding (%)
1.	Thai NVDR Company Limited	Thai juristic person	91,692,551	10.83
2.	Ms. Thitinan Wattanavekin	Thai ordinary person	35,532,761	4.20
3.	Eastern Sugar Co., Ltd. ^{/1}	Thai juristic person	35,000,804	4.13
4.	Ramkhamhaeng Hospital PCL.	Thai juristic person	34,867,143	4.12
5.	South East Asia UK (Type C) Nominees Limited	Foreign juristic person	29,737,295	3.51
6.	Mrs. Vansamorn Wannamethee	Thai ordinary person	25,212,703	2.98
7.	Chodthanawat Co., Ltd. ^{/2}	Thai Juristic person	20,693,600	2.44
8.	Ms. Yapa Thepkanjana	Thai ordinary person	17,199,900	2.03
9.	Mrs. Panida Thepkanjana	Thai ordinary person	15,342,206	1.81
10.	South East Asia UK (Type A) Nomintees Limited	Foreign juristic person	15,198,522	1.79
Total top ten major shareholders			320,477,485	37.85
Others			526,273,624	62.15
Total			846,751,109	100.00

Shareholder Classified by Nationality	Number of Shares (Shares)	Shareholding (%)
Thai shareholders	713,514,552	84.26
Foreign shareholders	133,236,557	15.74

Remarks ^{/1} Eastern Sugar Co., Ltd. has Mr. Sukkarn Wattanavekin holding 24.13% of the total company shares, as a primary shareholder. He held 1.17% of the ordinary shares of the Bank.

^{/2} Chodthanawat Co., Ltd. has Mrs. Panida Thepkanjana and Ms. Yapa Thepkanjana, holding 74.32% and 25.66% of the total company shares respectively, as primary shareholders. They held 1.81% and 2.03% of the ordinary shares of the Bank respectively.



2. Agreement between major shareholders affects the issuance and offering of securities as well as obligation to issue new shares in the future:

- No -

Other Types of Securities

1. Debentures

As of December 31, 2019, the outstanding of debentures totaled Baht 53,376.00 million. Details are as follows :

- Outstanding of unsubordinated and unsecured long-term debentures: Baht 18,000.00 million

Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Year)	Coupon Rate (% p.a.)
KK202A	3,000.00	20/02/2018	20/02/2020	2	1.80
KK203A	3,000.00	20/03/2018	20/03/2020	2	1.72
KK208A	4,000.00	08/08/2019	08/08/2020	1	1.93
KK212A	4,000.00	08/08/2019	08/02/2021	1.5	1.95
KK218A	4,000.00	08/08/2019	08/08/2021	2	1.99
Total	18,000.00				

- Outstanding of subordinated, unsecured and no representative intended to qualify as tier 2 capital debentures : Baht 8,290.00 million

Symbol	Amount (Baht Million)	Issue Date	Maturity Date	Tenor (Year)	Coupon Rate (% p.a.)
KK25DA	3,000.00	23/12/2015	23/12/2025	10	5.10
KK262A	1,500.00	25/02/2016	25/02/2026	10	4.75
KK268A	1,500.00	30/08/2016	30/08/2026	10	3.80
KK285A	1,400.00	18/05/2018	18/05/2028	10	3.50
KK28OA	890.00	08/10/2018	08/10/2028	10	4.00
Total	8,290.00				

- Outstanding of unsubordinated and unsecured short-term debentures (not exceeding 270 days) : Baht 24,290.00 million

- Outstanding of unsubordinated, unsecured, no convertible and no representative structured debentures and/ or debentures having obligations imposed on debenture holders: Baht 2,796.00 million

2. Bills of exchange

- No -

3. Warrants

- No -



Dividend Policy

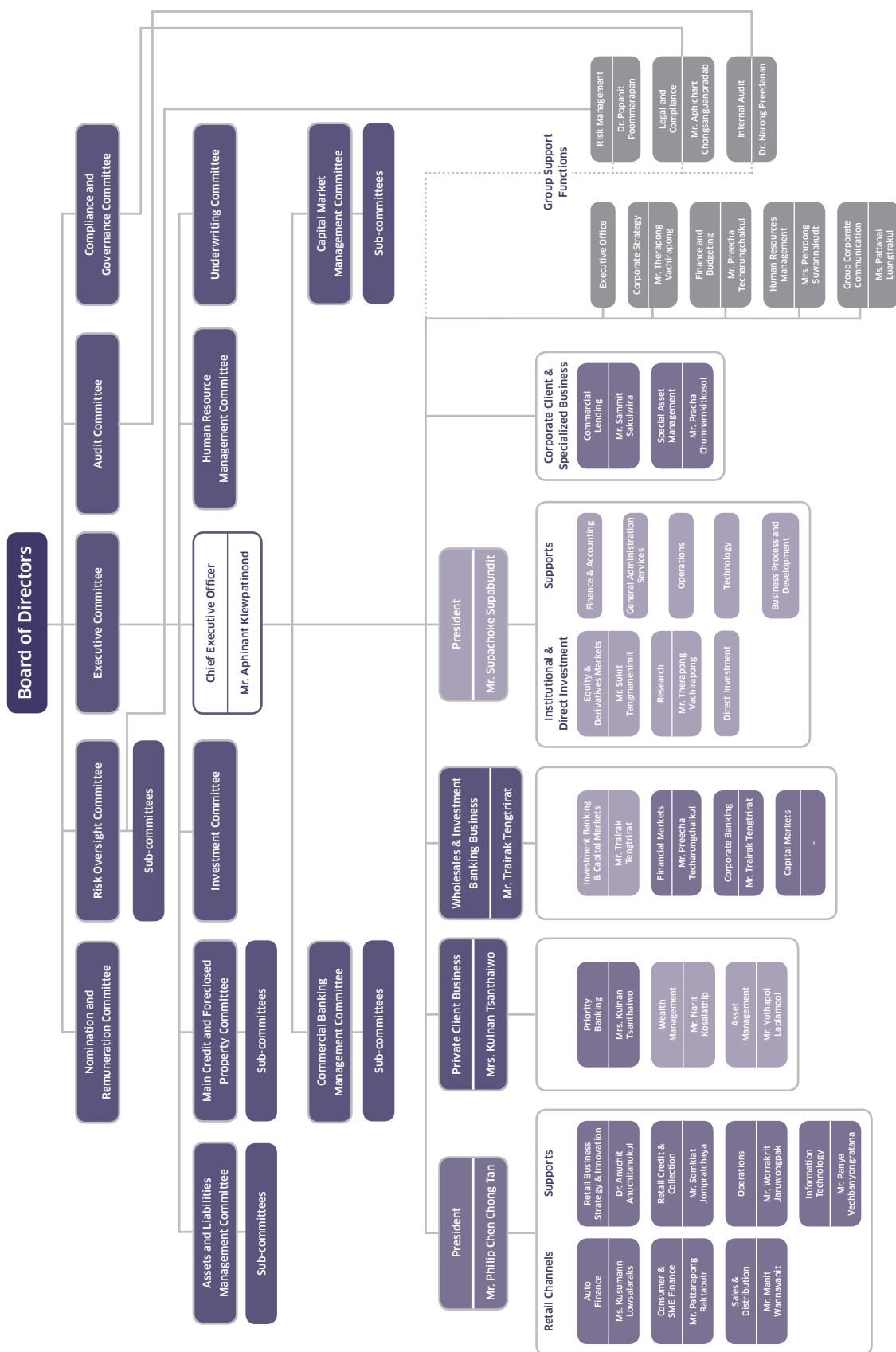
The Bank has a policy to pay dividend from the net profit in its financial statements. Payout of dividend must be approved by the shareholders' meeting. An interim dividend can also be paid by the Board of Directors' approval if the Bank's profit deems sufficient to do so and such payment shall be reported in the next shareholders' meeting.

In considering the dividend payment, the Bank shall take into account these aspects: the Bank's performance, long-term return to shareholders, the Bank's reserve and capital adequacy level to encompass any business plans, risks as well as pre-and post-impacts from such a given dividend payment. Also, such dividend payment shall be in compliance with the governing laws and notifications of the Bank of Thailand.

The Bank has not set the dividend payout ratio for its subsidiaries, however the dividend payment of the Bank's subsidiaries shall be approved by the shareholders' meeting of each company or the Board of Directors of each company in case of an interim dividend, and must also comply with the company's Articles of Association and applicable laws. The dividend payment of subsidiaries depends importantly on each company's business performance and plans.

Dividend payments for the past five years were as follows:

	2014	2015	2016	2017	2018
Earnings per share (Baht) (As from consolidated financial statement)	3.25	3.92	6.55	6.78	7.14
Dividend per share (Baht)	1.85	3.00	6.00	5.00	5.00
Dividend payout ratio (%)	56.92	76.53	91.60	73.75	70.03



Capital Market
Bank
Group Support Function

Note: Details of persons with management authority in the level of Executive Vice President or equivalent are shown in the Management section.

As of January 1, 2020



Management Structure

The management structure of the Bank consists of six committees, which are the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Compliance and Governance Committee, Risk Oversight Committee and Executive Committee, as per the following details:

Board of Directors

As the representative of shareholders, the Board of Directors has roles, duties and responsibilities to conduct business with integrity to achieve stability and good returns. The Board of Directors should refrain from having any conflict of interest. The scope of authorities and duties of the Board of Directors are as follows:

1. Determine short and long-term business directions and strategic goals of the Group for both financial and non-financial aspects and efficiently allocate significant resources within the Group to ensure objectives and goals are achieved. The Board shall consider and approve the Group's business plans, proposed by the Executive Committee, by taking into account all changes to the Group's ecosystem and factors; define and approve policies which are required by laws and regulators and oversee and monitor the implementation of those policies through the Executive Committee to ensure that they are carried out efficiently and effectively in order to protect the benefits of the Group and its shareholders and for business sustainability.
2. Oversee to ensure adequate and efficient allocation of significant resources, for instance, capital investment, personnel, technology, etc. and promote the utilization of innovation to create business opportunities, improve business operation and risk management and enable the Bank to achieve key business objectives and goals. The Board of Directors

shall also define the proper remuneration structure to incentivize employees to fully perform their duties with honesty and consistent with its risk culture. The Board of Directors may delegate the authority to other committees or designated persons to carry out and report the result to the Board of Directors as appropriate.

3. Ensure that the Bank's Guidelines for Business Conduct, including business ethics and ethics for directors, controlling persons and employees, are in place. These principles are to be adopted as practice guidelines for management and employees in the organization.
4. Define or approve the effective risk governance framework to support business operations in accordance with the specified directions and objectives under the rapidly changing business environment. The Board of Directors shall define the appropriate risk appetite level for the Bank's business operation, monitor the business so it is operated within such specified risk appetite level, ensure that the Bank has a system and risk management process which can address the overall and significant risks (Comprehensive Risk Management Policy and Process) and ensure that the Bank, through the Risk Oversight Committee, establishes policies, procedures and controls relating to risk management. These policies, procedures and controls, at the minimum, shall include credit risk, market risk, investment risk, liquidity risk, operational risk, reputational risk, legal risk, strategic risk and information technology risk, as well as risks which may arise from the launch of new products and certain significant business changes. The Board of Directors shall approve such policies and review them regularly or immediately after any significant changes. Furthermore, the Board of Directors has the duty to oversee the Group's risks, ensure



that the Group's business is operated within specified risk management policies and strategies, support the building of risk culture as well as ensure the communication of such policies and strategies throughout the organization.

5. Ensure that the Bank and Group companies have effective control, oversight and audit mechanism, adequate and proper internal control and internal audit systems as well as the organizational structure which promotes independent and effective control, oversight and audit functions (three lines of defense) to make certain that transactions are made efficiently and in accordance with the specified policy and system and relevant laws and regulations.
6. Study and understand the shareholder structure and relationship, which may affect business management and operation, and oversee that the checks and balances of power between the management and/ or major shareholders is suitable. This should be done with emphasis on creating a good proportion of independent directors among Board members.
7. Appoint and specify roles and duties of committees as appropriate to support its oversight responsibility, such as the Audit Committee, Nomination and Remuneration Committee, Risk Oversight Committee, Compliance and Governance Committee and Executive Committee. The review of committees' roles and responsibilities should be regularly conducted at least once a year.
8. Ensure that committees require the management to define and implement a system for the Bank's corporate governance in accordance with applicable laws and business nature. Consider and approve the corporate governance system including monitoring the effectiveness

of the Bank's corporate governance system and advice on further improvement.

9. Ensure that the management inform and update the Board of Directors on any important matters so that the Board of Directors has sufficient information to be able to perform its roles and carry out its duties and responsibilities efficiently.
10. Approve the Bank's annual financial reports, which are audited by an external auditor and reviewed by the Executive Committee and Audit Committee, prior to proposing to the shareholders' meeting for approval. In addition, the Board of Directors shall receive recommendations through the Management Letter provided by the external auditor and recommendations provided by the Executive Committee.
11. Define policy for risk assessment, capital adequacy and liquidity of the Bank and strategy and guideline to maintain the Bank's capital consistent with the approved risk appetite level. Define the stress test policy which is in line with the Bank's transactions and material risks.
12. Appoint the CEO nominated by the Nomination and Remuneration Committee and determine the performance evaluation criteria for the CEO which aligns with the business performance. Perform or delegate authority to the Nomination and Remuneration Committee to perform the annual performance evaluation of the CEO and approve the remuneration according to the pre-determined criteria. Such remuneration should incentivize competency to perform duties to achieve the Group's long-term key objectives and goals.
13. Appoint and establish the scope and authority of executives of the Bank and the highest-level executive of PHATRA as recommended by the Nomination and Remuneration Committee.



14. Ensure that the Bank has in place policies on loans and investment with related parties.
15. Review and approve, through committees, the management's proposal relating to the authorization on lending, investments, commitments or any transactions with loan-like characteristics as well as purchasing and management expenditures. This is for the benefit of the Bank and in compliance with related laws and regulations.
16. Regularly review the Board of Directors' roles and responsibilities at least once a year to be in line with the changing business environment, industry, relevant factors, regulations and laws as well as enable the Bank to adapt in an appropriate and timely manner. Perform an annual performance evaluation of the Board of Directors.
17. Oversee that the Bank discloses important corporate governance information at the shareholders' meeting and to the public.
18. Ensure that each individual director participates in no less than 75% of all Board of Directors' meetings held in a year, unless with reasonable grounds or necessity.

Furthermore, the Board of Directors may seek further professional opinion from external consultants on the operation of the Bank and Group companies with the expenses borne by the Bank or Group companies.

The Chairman of the Board of Directors must be an independent director or non-executive director. The number of Board meetings should be consistent with the duties and responsibilities of the Board of Directors and no less than six times per year. The quorum of the Board of Directors' meetings must consist of at least two-thirds of the Board members. The meeting's resolution must be passed by a majority vote of the Board members attending the meeting. The Chairman of the Board of Directors does not have a casting vote.

Matters under the Authority of the Board of Directors of the Bank

The Board of Directors of the Bank has the responsibility in the administration of all activities of the Bank and is empowered to proceed under the provision of law, the Bank's Articles of Association and resolution of the shareholders' meeting. These matters, which are under the authority of the Bank's Board of Directors, consist of the following:

1. To determine business direction and overall strategic goal of the Bank.
2. To approve the Bank's business plan and annual budget as proposed by the Executive Committee.
3. To review and approve the Bank's policies as required by laws or regulatory agencies including the main policies for operating business, for example, the overall risk management policy for the Bank and Group companies, the credit policy, etc.
4. To approve the Corporate Governance Policy and Guidelines for Business Conduct Policy for the Bank and the Group companies as proposed by the Compliance and Governance Committee.
5. To appoint, remove and delegate authority and duty to the committees under the supervision of the Bank's Board of Directors including the executive officers from the Executive Vice President level and higher.
6. To approve the remuneration and other benefits for high level executives of the Bank.
7. To appoint and remove the Corporate Secretary.
8. To approve the payment and omission of the interim dividend for shareholders.
9. To propose an increase or reduction in capital or change of share value and the amendment or alteration of the Memorandum of Association, Articles of Association and/ or objectives of the Bank to shareholders.
10. To approve or cancel loans, credit guarantees or credit limits in excess of the Executive Committee's authorized limit.
11. To approve the granting of loans or credit guarantees for companies which have a business relationship with the Bank as shareholders.



12. To approve the incorporation, merger or termination of subsidiary companies.
13. To approve the modification, demolition and writing off of fixed assets and intangible assets, which deteriorate or are decommissioned, out of order, lost, damaged or outdated and no longer usable, with book values exceeding the Executive Committee's authorized limit.

14. To sell or mortgage any immovable property of the Bank or any rental of immovable property of the Bank for a period exceeding three years.
15. To approve the acquisition or disposal of assets and connected transactions in accordance with the notifications of Capital Market Supervisory Board.

Board Members

As of December 31, 2019, the Bank's Board of Directors is comprised of twelve members. These include four independent directors, three non-executive directors and five executive directors, as follows:

1. Mr. Supol	Wattanavekin	Chairman/ Non-executive Director
2. Mrs. Dayana	Bunnag	Independent Director
3. Mr. Chet	Patrakornkul	Independent Director
4. Mr. Pongtep	Polanun	Independent Director
5. Mr. Veravat	Chutichetpong	Independent Director
6. Mr. Suvit	Mapaisansin	Non-executive Director
7. Prof. Dr. Anya	Khanthavit	Non-executive Director
8. Mr. Banyong	Pongpanich ^{/1 /2}	Executive Director
9. Ms. Thitinan	Wattanavekin ^{/1 /2}	Executive Director
10. Mr. Suraphol	Kulsiri ^{/1}	Executive Director
11. Mr. Aphinant	Klewpatinond ^{/1 /2}	Executive Director
12. Mr. Philip Chen Chong	Tan ^{/2}	Executive Director
Ms. Porn-tip	Chuprakhun	Corporate Secretary

Remark ^{/1} Authorized director

^{/2} Member of the Executive Committee

Mr. Banyong Pongpanich, Ms. Thitinan Wattanavekin and Mr. Suraphol Kulsiri are executive directors but they are not employees of the Bank or Group companies.

Authorized Directors

The authorized directors of the Bank, who can sign and bind the Bank, are any two of the following four directors, provided that they jointly sign with the Bank's seal affixed: Mr. Banyong Pongpanich, Ms. Thitinan Wattanavekin, Mr. Suraphol Kulsiri and Mr. Aphinant Klewpatinond.

Audit Committee

The Audit Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Review the Group's financial reporting to ensure its accuracy and adequacy and receive information about improper transactions in

financial statements or other issues from employees.

2. Review the Group's internal control, including information technology security and control, to ensure that they are suitable and effective.



3. Determine the internal audit unit's independence; review the Group's internal audit to ensure that it is suitable and efficient and approve the appointment, transfer and dismissal as well as appraise the performance efficiency and effectiveness of the chief of the internal audit unit or any other unit in charge of an internal audit.
4. Consider, select and nominate an independent person to be the Group's auditor; propose remuneration for the auditor as well as attend a non-management meeting with the auditor at least once a year.
5. Consider the Group's policy relating to non-audit services provided by the auditor and review to ensure that the use of such services does not interfere with the auditor's independency.
6. Review the connected transactions or transactions which may lead to a conflict of interest, and the disclosure thereof, to ensure that they are in compliance with the laws and the SET's regulations and are reasonable and for the highest benefit.
7. Prepare and disclose the following information in the Group's annual report and the Audit Committee's report, which must be signed by the Audit Committee's Chairperson:
 - (a) opinion on the accuracy, completeness and credibility of the Group's financial report;
 - (b) opinion on the adequacy of the Group's internal control system;
 - (c) opinion on compliance with the law on securities and exchange, the SET's regulations and laws relating to the Group's businesses;
 - (d) opinion on the suitability of the auditor;
 - (e) opinion on the transactions which may lead to a conflict of interest;
 - (f) the number of the Audit Committee's meetings and the attendance of such meetings by each committee member;
 - (g) opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter; and
- (h) other transactions which, according to the Audit Committee's opinion, should be known to shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.
8. Report to the Bank's Board of Directors in order that remedial action can be taken within the timeframe which the Audit Committee deems appropriate in case the Audit Committee finds or suspects any misconduct as follows:
 - (a) Any transaction which causes a conflict of interest;
 - (b) Any fraud, irregularity or material defect in an internal control system; or
 - (c) Any violation of the laws pertaining to financial institutions, the law on securities and exchange, the SET's regulations, the Bank of Thailand's regulations, other laws and regulations related to the banking and securities businesses and any other laws. If the Bank's Board of Directors or the management fails to rectify the matter within the period specified by the Audit Committee, the Audit Committee shall disclose such transaction or act in the annual report and report to the Bank of Thailand, the SEC or the SET accordingly.
9. Investigate immediately when receiving information of suspected misconduct from the auditor and report the preliminary investigation result to the SEC and auditor within thirty days from the notification date.
10. Inspect or question any relevant personnel regarding any related issues of the Group. The Audit Committee is authorized to hire or bring in specialists to assist with the auditing process, as deemed appropriate.
11. If necessary, the Audit Committee may invite the management or any relevant person(s) to join the meeting to give additional information related to the matter being audited.



12. Review to ensure that the Group companies follow the Group's policies.
13. Consult and exchange views with the Risk Oversight Committee in order to assess if the risk management policies and strategies cover all existing and emerging risks and if the implementations of such policies and strategies are effective and efficient.
14. Review the accuracy of the Anti-corruption Self-evaluation Report and reference documents which are prepared and audited by the Legal and Compliance Group and

the Office of Internal Audit, respectively, in accordance with the review period as prescribed by the CAC.

15. Perform any other act as assigned by the Bank's Board of Directors and accepted by the Audit Committee.
16. Perform any other act as the law prescribes on the authority of the Audit Committee.
17. Report on the committee's performance to the Bank's Board of Directors at least every quarter.

The Audit Committee shall meet at least once every quarter or as it deems appropriate and also meet with the Audit Committee of the Group companies at least twice a year. The quorum of the Audit committee's meetings must consist of no less than half of the Audit Committee members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Audit Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of the text of such resolution and such resolution shall be in the same force and effective as if it has been adopted at a duly convened meeting of the Audit Committee. The Chairperson of the Audit Committee has a casting vote.

The Audit Committee consists of three members who are independent directors as follows:

1. Mrs. Dayana	Bunnag	Chairperson of the Audit Committee
2. Mr. Chet	Patrakornkul	Member of the Audit Committee
3. Mr. Veravat	Chutichetpong	Member of the Audit Committee
Dr. Narong	Preedanana	Secretary of the Audit Committee

Mrs. Dayana Bunnag, the Chairperson of the Audit Committee, has the knowledge and experience to be able to review the credibility of the financial reports. Her profile is as described in the Profiles of the Directors, Executives, Controlling Persons and Corporate Secretary section.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Establish policy, criteria and process in nominating directors and persons with management authority for the Bank and Group companies in order to propose to the Bank's Board of Directors; select and propose qualified persons to be Board members,

members of sub-committees directly reporting to the Board of Directors, persons with management authority, advisors of the Bank and the highest-level executive of PHATRA to the Bank's Board of Directors for consideration as well as give consent on the directors and persons with management authority of the Group companies prior to being proposed for appointment.



2. Consider the size and composition of the Board of Directors of the Bank and Group companies which are appropriate to the changing circumstances. Oversee that the Group has a mechanism or tool to support the process for selecting and nominating director candidates to ensure that the Board of Directors of the Bank and Group companies consist of qualified individuals with a wide range of knowledge, capabilities and experiences favorable to long-term business growth and directions and strategies of the Group, such as developing a skill matrix which is necessary for the Bank's Board of Directors, etc.
3. Ensure that Board members and persons with management authority of the Bank and Group companies receive remuneration and benefits which are commensurate with their duties and responsibilities. Consider the remuneration and other benefits for Board members and the CEO of the Bank which reflect the objectives, duties and responsibilities and relevant risks¹ prior to proposing to the Board of Directors. In addition, the committee shall establish a transparent payment policy of the remuneration and other benefits for other persons with management authority as a guideline for consideration by the Human Resource Management Committee/ Capital Market Human Resources Management Committee. The committee may also consult with the Risk Oversight Committee to ensure that the remuneration can reflect important risks.
4. Consider and establish guidelines for the performance evaluation of Board members and the CEO of the Bank to propose for the Board of Directors' consideration. The evaluation of the Board members should be in the form of self-evaluation and cross-evaluation or third-party evaluation. The committee shall also establish guidelines for the performance evaluation of the persons with management authority for the Human Resource Management Committee. These guidelines will assist the Human Resource Management Committee in considering the annual remuneration by taking into account the roles and responsibilities, the related risks, the management of business in accordance with the organization's goal and strategies and the increasing value of shareholders' proportion in the long term.
5. Oversee the disclosure of the policy and process for the selection of directors and persons with management authority of the Bank and the remuneration policy and various forms of benefits as well as prepare the committee's report in the Bank's annual report.
6. Oversee that the Bank has a succession plan for executives in place to ensure planning and preparation for critical positions.
7. Report on the committee's performance to the Board of Directors at least once a year.

The Nomination and Remuneration Committee shall meet at least twice a year or as it deems appropriate. The quorum of the Nomination and Remuneration Committee's meetings consists of no less than half of the Nomination and Remuneration Committee members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Nomination and Remuneration Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of the text of such resolution and such resolution shall be in the same force and effective as if it has been adopted at a duly convened meeting of the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee has a casting vote.

¹ The remuneration should not relate, too much, to short-term profits or targets and must not create incentives for entering into too risky transactions which can affect the Group's stability.



The Nomination and Remuneration Committee consists of three members as follows:

1. Mr. Veravat	Chutichetpong ^{/1}	Chairman of the Nomination and Remuneration Committee
2. Mr. Chet	Pattrakornkul ^{/1}	Member of the Nomination and Remuneration Committee
3. Mr. Suvit	Mapaisansin ^{/2}	Member of the Nomination and Remuneration Committee
Mrs. Penroong	Suwannakudt	Secretary of the Nomination and Remuneration Committee

Remark ^{/1} Independent director

^{/2} Non-executive director

Compliance and Governance Committee

The Compliance and Governance Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Through the Compliance unit, oversee that the Bank and Group companies conduct business in compliance with laws, regulations, rules, standards, ethics, corporate governance principles and compliance policy.
2. Ensure that the Bank and Group companies have an efficient and independent compliance system and corporate governance practice.
3. Oversee that the Bank and Group companies establish the process to take corrective actions for issues raised by regulatory agencies, the external auditor, the internal auditor and the compliance unit.
4. Approve the Annual Compliance Plan of the compliance unit and monitor the performance of the compliance unit to ensure that it completes tasks and achieves targets according to the plan.
5. Provide an opinion on the Annual Compliance Report and report to the Board of Directors.
6. Develop Guidelines for Business Conduct to be used as a performance framework for the Board members, executives and employees of the Bank and Group companies and propose to the Board of Directors for consideration.
7. Regularly review the corporate governance principles of the Bank and Group companies and their compliance with international

standards and suggestions of regulators; consider the assessment result of the Bank's and Group companies' corporate governance carried out by external entities and recommend the development of the Bank's Corporate Governance Policy to the Board of Directors for approval.

8. Approve the appointment, transfer and performance evaluation of the highest executive of the compliance unit.
9. Report on the committee's performance to the Board of Directors at least once a year and immediately in case there is any significant incompliance with rules of the regulators or the Bank and Group companies.

The Compliance and Governance Committee shall meet at least once every quarter or as it deems appropriate. The quorum of the Compliance and Governance Committee's meetings consists of no less than half of the Compliance and Governance Committee members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Compliance and Governance Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of the text of such resolution and such resolution shall be in the same force and effective as if it has been adopted at a duly convened meeting of the Compliance and Governance Committee. The Chairman of the Compliance and Governance Committee has a casting vote.



The Compliance and Governance Committee consists of two members as follows:

1. Mr. Chet	Pattrakornkul ^{/1}	Chairman of the Compliance and Governance Committee
2. Mr. Suvit	Mapaisansin ^{/2}	Member of the Compliance and Governance Committee
Mr. Aphichart	Chongsanguanpradab	Secretary of the Compliance and Governance Committee

Remark ^{/1} Independent director

^{/2} Non-executive director

Risk Oversight Committee

The Risk Oversight Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

1. Set up the overall policy on risk management for the Bank and Group companies and propose to the Board of Directors for consideration. This includes major policies on credit risk, market risk, liquidity risk, operational risk including IT risk, risk appetite and any risk which could adversely affect the Bank and Group companies' reputation.
2. Develop strategies which are consistent with the Bank's risk management policy. The strategies should enable the committee to assess, monitor and control risks to be at acceptable levels. Additionally, it is the responsibility of the committee to set up criteria in considering reserve for asset classification.
3. Consider and approve criteria relating to lending, commitments and any transactions with loan-like characteristics which are within the risk management framework set by a regulatory agency or the Bank. It is the committee's responsibility to consider and establish credit policies in order to propose to the Board of Directors for approval.
4. Oversee the risk management of the Bank and Group companies and report to the Board of Directors.
5. Give suggestions to the Board of Directors about the financial institution's risk management framework.
6. Report to the Audit Committee and/ or the Compliance and Governance Committee to acknowledge the issues that need to be improved to be in consistent with the risk management policies and guidelines.
7. Oversee that senior executives including the Head of Risk Management Group comply with the risk management policies and strategies as well as the specified risk appetite.
8. Oversee that strategies on capital and liquidity management for absorbing various types of risks of financial institution are in line with the approved risk appetite.
9. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as risk appetite at least once a year or when there is any significant change, where the Risk Oversight Committee should consult and exchange views with the Audit Committee in order to assess if the risk management policies and strategies cover all existing and new types of risks and if the implementation of such policies and strategies are effective and efficient.
10. Report the committee's performance to the Board of Directors at least once a year. And also report the following to the Board of Directors: risk exposures, effectiveness of risk management, progress on the implementation of risk culture, as well as important factors and problems, and the required revisions to meet the risk management policies and



strategies. Review the adequacy of the risk management policies and systems as well as the effectiveness of such systems and implementation according to specified policies.

11. Express an opinion or take part in the evaluation of the effectiveness and efficiency of the Head of Risk Management Group.

The Risk Oversight Committee shall meet at least once every quarter or as it deems appropriate. The quorum of the Risk Oversight Committee's meetings consists of no less than half of the Risk Oversight Committee members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. The Risk Oversight Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of the text of such resolution and such resolution shall be in the same force and effective as if it has been adopted at a duly convened meeting of the Risk Oversight Committee. The Chairman of the Risk Oversight Committee has a casting vote.

The Chairman of the Risk Oversight Committee must be an independent director or non-executive director. At least half of the committee members must be independent directors or non-executive directors.

The Risk Oversight Committee consists of four members as follows:

1. Mr. Supol	Wattanavekin ^{/1}	Chairman of the Risk Oversight Committee
2. Prof. Dr. Anya	Khanthavit ^{/1}	Member of the Risk Oversight Committee
3. Mr. Aphinant	Klewpatinond	Member of the Risk Oversight Committee
4. Mr. Philip Chen Chong	Tan	Member of the Risk Oversight Committee
Dr. Popanit	Poommarapan	Secretary of the Risk Oversight Committee
Mr. Banyong Pongpanich is Advisor of the Risk Oversight Committee.		

Remark ^{/1} Non-executive director

Executive Committee

The Executive Committee has roles, duties and responsibilities as assigned by the Board of Directors as follows:

- Determine short and long-term business directions and strategic goals of the Group for both financial and non-financial aspects by analyzing the ecosystem and factors prior to proposing to the Board of Directors for consideration.
- Consider the policy and operating plan of the Bank and Group companies, as proposed by the CEO, prior to proposing to the Board of Directors for consideration by emphasizing on adequate and efficient allocation of key resources and ensure that the CEO operates the business in accordance with the approved policy effectively and efficiently.
- Consider and approve policies, guidelines and working rules of the Bank and Group companies.
- Oversee the business operation of the Bank and Group companies in order to carry out business in accordance with the laws and approved policies as well as assign operating matters of the Bank and Group companies to the CEO and sub-committees in order to propose to the Board of Directors for consideration.
- Establish the overall organizational structure in accordance with the business directions and goals, give consent on any revision of the Bank's organizational structure at the group level in order to propose to the Board of Directors for consideration; approve



any revision of the Bank's organizational structure at the department level and may delegate authority to the CEO or President (according to line authority) or Commercial Banking Management Committee to consider and approve any revision of the Bank's organizational structure at the department level (except for the set-up of departments to operate new businesses/ the dismissal of departments) and the team level. In some circumstances, the CEO, President and Commercial Banking Management Committee may delegate authority to approve any revision of the Bank's organizational structure at the team level to such Group Head and the Human Resources Management Group as deemed appropriate.

6. Supervise the performance and establish the roles and responsibilities of the CEO, sub-committees and executives, who are

assigned by the Executive Committee to be responsible for a specific matter.

7. Consider and approve loans, restructuring loans and sales of main foreclosed property; set the asset price to be purchased from auctions; exercise the right to object in accordance with the specified limit; approve the legal expenses and litigation against debtors and approve the securities underwriting and securities commitment of the Bank or Group companies within the specified limit and propose to the Board of Directors for acknowledgement.
8. Approve the unreviewed/ unaudited financial statements in order to disclose to the SET and relevant supervisory agencies and consider the reviewed/ audited financial statements before proposing to the Board of Directors for approval.

The Executive Committee shall meet at least once a month or as it deems appropriate. The quorum of the Executive Committee's meetings consists of no less than half of the Executive Committee members. The meeting resolution is passed by a majority vote of the committee members attending the meeting. In cases where unanimity is not reached, the committee member may propose such agenda to the Board of Directors for consideration. The Executive Committee may adopt a resolution without holding a meeting if all committee members sign their names on a copy of the text of such resolution and such resolution shall be in the same force and effective as if it has been adopted at a duly convened meeting of the Executive Committee.

As of December 31, 2019, the Executive Committee consists of eight members as follows:

1. Mr. Banyong	Pongpanich	Chairman of the Executive Committee
2. Mr. Aphinant	Klewpatinond	Member of the Executive Committee
3. Mr. Krittiya	Veeraburus	Member of the Executive Committee
4. Ms. Thitinan	Wattanavekin	Member of the Executive Committee
5. Mr. Pracha	Chumnarnkitkosol	Member of the Executive Committee
6. Dr. Anuchit	Anuchitanukul	Member of the Executive Committee
7. Mrs. Patchanee	Limapichat	Member of the Executive Committee
8. Mr. Philip Chen Chong	Tan	Member of the Executive Committee
Mrs. Vararat	Satayarak	Secretary of the Executive Committee
Mr. Supol Wattanavekin is Advisor of the Executive Committee.		

In addition, the Bank has other committees and sub-committees which are established to assist the above-mentioned committees and CEO to effectively and efficiently operate the business of the Bank and Group companies.



Sub-committees under the supervision of the Risk Oversight Committee

- 1) Operational Risk Sub-committee
- 2) Credit Risk Management Sub-committee

Committees under the supervision of the Executive Committee

- 1) Assets and Liabilities Management Committee
- 2) Main Credit and Foreclosed Property Committee
- 3) Human Resource Management Committee
- 4) Investment Committee
- 5) Underwriting Committee

Sub-committee under the supervision of the Assets and Liabilities Management Committee

- 1) Money Desk Sub-committee

Committees and sub-committees under the supervision of the Main Credit and Foreclosed Property Committee

- 1) Credit and Foreclosed Property Committee
- 2) Lombard Sub-committee
- 3) Foreclosed Property Sub-committee
- 4) Asset Appraisal and Valuation Sub-committee

Sub-committees under the supervision of the Commercial Banking Management Committee

- 1) Property and Equipment Management Sub-committee

- 2) Process Improvement and IT Sub-committee
- 3) Procurement Sub-committee
- 4) IT Procurement Sub-committee
- 5) New Product & Process Review Sub-committee
- 6) Business Development & Product Strategy Sub-committee
- 7) Crisis Management Sub-committee
- 8) Integrated Marketing Sub-committee

Committees under the supervision of the Board of Directors of PHATRA

- 1) Capital Market Audit Committee
- 2) Capital Market Risk Management Committee
- 3) Capital Market Human Resources Management Committee

Committees under the supervision of the Board of Directors of PTSEC

- 1) Audit Committee
- 2) Risk Management Committee

Committees under the supervision of the Board of Directors of PASSET

- 1) Audit Committee
- 2) Risk Management Committee
- 3) Investment Committee
- 4) Property/ REITS Investment Committee

Board of Directors' and Committees' Meeting Attendance in 2019:

Name of Director	Meeting Attendance in 2019						
	Board of Directors (Total 11 Meetings)	Audit Committee (Total 11 Meetings)	Nomination and Remuneration Committee (Total 7 Meetings)	Compliance and Governance Committee (Total 6 Meetings)	Risk Management Committee ³ (Total 5 Meetings)	Risk Oversight Committee ⁴ (Total 8 Meetings)	Executive Committee (Total 14 Meetings)
1. Mr. Supol Wattanavekin	10/11 ¹	-	-	-	5/5 ¹	8/8 ¹	12/14 ²
2. Mrs. Dayana Bunnag	11/11	11/11 ¹	-	-	-	-	-
3. Mr. Chet Pattrakornkul	11/11	11/11	7/7	6/6 ¹	-	-	-
4. Mr. Pongtep Polanun	9/11	-	-	-	-	-	-
5. Mr. Veravat Chutichetpong	11/11	11/11	7/7 ¹	-	-	-	-
6. Mr. Tarnin Chirasoonton ⁵	3/4	-	-	3/3	-	-	-
7. Prof. Dr. Anya Khanthavit	10/11	-	-	-	5/5	8/8	-
8. Mr. Banyong Pongpanich	10/11	-	-	-	2/5	0/8 ²	10/14 ¹
9. Mr. Suwit Mapaisansin ⁶	11/11	-	7/7	3/3	-	-	-
10. Ms. Thitinan Wattanavekin	10/11	-	-	-	-	-	12/14



Name of Director	Meeting Attendance in 2019						
	Board of Directors (Total 11 Meetings)	Audit Committee (Total 11 Meetings)	Nomination and Remuneration Committee (Total 7 Meetings)	Compliance and Governance Committee (Total 6 Meetings)	Risk Management Committee ^{/3} (Total 5 Meetings)	Risk Oversight Committee ^{/4} (Total 8 Meetings)	Executive Committee (Total 14 Meetings)
11. Mr. Suraphol Kulsiri	10/11	-	-	-	-	-	-
12. Mr. Aphinant Klewpatinond	11/11	-	-	-	4/5	5/8	12/14
13. Mr. Philip Chen Chong Tan ^{/7}	7/7	-	-	-	5/5	8/8	12/14

- Remark
- ^{/1} Chairman/ Chairperson
- ^{/2} Attended the meeting as an advisor
- ^{/3} Dissolved by the resolution of the Board of Directors' meeting no. 4/2562 held on April 23, 2019 and effective from May 1, 2019
- ^{/4} Established by the resolution of the Board of Directors' meeting no. 4/2562 held on April 23, 2019 and effective from May 1, 2019
- ^{/5} Resigned from the Bank's director post effective from May 1, 2019
- ^{/6} Appointed as member of the Compliance and Governance Committee by the resolution of the Board of Directors' meeting no. 4/2562 held on April 23, 2019 and effective from May 1, 2019
- ^{/7} Appointed as the Bank's director, replacing Mr. Tarnin Chirasoonton, by the resolution of the Board of Directors' meeting no. 4/2562 held on April 23, 2019 and effective from May 1, 2019

Management *

As of December 31, 2019, the Bank had the following management:

No.	Name-Surname	Position
1.	Mr. Aphinant Klewpatinond	Chief Executive Officer Member of the Executive Committee
2.	Mr. Philip Chen Chong Tan	President Member of the Executive Committee
3.	Mr. Pracha Chumnarnkitkosol	First Executive Vice President Head of Special Asset Management Group Member of the Executive Committee
4.	Dr. Anuchit Anuchitanukul	First Executive Vice President Head of Retail Business Strategy and Innovation Group ^{/1} Member of the Executive Committee
5.	Mrs. Kulnan Tsanthaiwo	First Executive Vice President Head of Priority Banking Group
6.	Ms. Kusumann Lowsalaraks	First Executive Vice President Head of Auto Finance Group ^{/2}
7.	Mr. Trairak Tengtrirat	First Executive Vice President Head of Corporate Banking Group
8.	Mr. Therapong Vachirapong	First Executive Vice President Head of Corporate Strategy Group
9.	Mr. Preecha Techarungchaikul	First Executive Vice President Head of Financial Markets Group Head of Finance and Budgeting Group ^{/3}
10.	Mr. Panya Vechbanyongratana	First Executive Vice President Head of Information Technology Group ^{/4}
11.	Dr. Popanit Poommarapan	First Executive Vice President Head of Risk Management Group
12.	Mr. Pansalit Trakarnkitvichit	First Executive Vice President Head of Credit Analysis Group ^{/5}
13.	Mrs. Penroong Suwannakudt	First Executive Vice President Head of Human Resources Management Group



No.	Name-Surname		Position
14.	Mr. Pattarapong	Raktabutr	First Executive Vice President Head of Consumer and SME Finance Group ^{/6}
15.	Mr. Manit	Wannavanit	First Executive Vice President Head of Sales and Distribution Group
16.	Mr. Worakrit	Jaruwongpak	First Executive Vice President Head of Operations Group
17.	Mr. Sammit	Sakulwira	First Executive Vice President Head of Commercial Lending Group
18.	Mr. Norachet	Sangruji	First Executive Vice President Advisor to the Chief Executive Officer ^{/7}
19.	Mr. Krittiya	Veeraburus	Member of the Executive Committee ^{/8}
20.	Mrs. Patchanee	Limapichat	Member of the Executive Committee ^{/9}
21.	Mr. Aphichart	Chongsanguanpradab	Executive Vice President Head of Legal and Compliance Group ^{/10}
22.	Mr. Somkiat	Jompratchaya	Executive Vice President Head of Retail Credit and Collection Group ^{/11}
23.	Mrs. Kessara	Liengchayetz	Executive Vice President Department Head of Sales
24.	Mr. Jakrawarn	Jakrawarnwibul	Executive Vice President Department Head of Trading
25.	Mr. Chawalit	Lawang	Executive Vice President Deputy Head of Operations Group ^{/12}
26.	Mr. Chainarong	Rojanasintu	Executive Vice President Department Head of Corporate Lending
27.	Dr. Narong	Preedanan	Executive Vice President Head of Office of Internal Audit
28.	Ms. Pattanai	Luangtrakul	Executive Vice President Head of Office of Group Corporate Communication ^{/13}
29.	Mrs. Pichaya	Sotangkur	Executive Vice President Department Head of Commercial Credit Analysis ^{/14}
30.	Ms. Petcharat	Keeratipyboon	Executive Vice President Deputy Head of Commercial Lending Group
31.	Mr. Romsai	Tandakoseya	Executive Vice President Department Head of Commercial and Financial Institutions Credit Risk Management
32.	Mr. Wanakan	Kanjanasoon	Executive Vice President Department Head of Retail Business Strategy ^{/15}
33.	Mrs. Suwannee	Wattanavekin	Executive Vice President Department Head of Foreclosed Property Management
34.	Mr. Hirunrooj	Loutheeravong	Executive Vice President Deputy Head of Consumer and SME Finance Group ^{/16}
35.	Mr. Anuwat	Ruamsuke	Executive Vice President Department Head of Debt Capital Market
36.	Mr. Partsakorn	Boonyaprasit	Senior Vice President Deputy Head of Information Technology Group
37.	Mr. Phayak	Subsomboon	Senior Vice President Deputy Head of Auto Finance Group ^{/17} Acting Department Head of Auto Inventory Finance
38.	Mr. Thaworn	Chuengoen	Senior Vice President Deputy Head of Sales and Distribution Group Acting Regional Director-Commercial Bank Business



No.	Name-Surname	Position
39.	Ms. Sanikorn Suparp	Senior Vice President Deputy Head of Priority Banking Group
40.	Ms. Nilawan Treekitjamroon	Senior Vice President Department Head of Accounting

Remarks	* Including persons with management authority according to the definition of the Bank of Thailand
/1	Dr. Anuchit Anuchitanukul, Head of Process & Product Improvement and Alternative Channels Group, has been changed to Head of Retail Business Strategy and Innovation Group, effective from January 1, 2020.
/2	Ms. Kusumann Lowsalaraks was appointed as the First Executive Vice President, effective from July 16, 2019 and Head of Auto Finance Group, effective from January 1, 2020
/3	Mr. Preecha Techarungchaikul was appointed as Head of Finance and Budgeting Group, effective from May 10, 2019.
/4	Mr. Panya Vechbanyongratana was appointed as the First Executive Vice President, Head of Information Technology Group, effective from July 1, 2019.
/5	Resignation effective on January 1, 2020
/6	Mr. Pattarapong Raktabut, Head of Alternative Distribution Channel Group, has been changed to Head of Consumer and SME Finance Group, effective from January 1, 2020.
/7	Retirement effective on January 1, 2020
/8	Mr. Kritiya Veeraburus was no longer the Executive Committee's member since January 30, 2020.
/9	Mrs. Patchanee Limapichat was no longer the Executive Committee's member since January 30, 2020.
/10	Mr. Aphichart Chongsanguanpradab was appointed as Head of Legal and Compliance Group, effective from July 16, 2019.
/11	Mr. Somkiat Jompratchaya was appointed as Head of Retail Credit and Collection Group, effective from January 1, 2020.
/12	Employment contract ended January 1, 2020
/13	Ms. Pattanai Luangtrakul was appointed as Executive Vice President, Head of Office of Group Corporate Communication, effective from August 23, 2019.
/14	Mrs. Pichaya Sotangkur, Department Head of Commercial Credit Analysis, Credit Analysis Group, has been changed to Department Head of Commercial Credit Analysis, Risk Management Group, effective from January 1, 2020.
/15	Mr. Wanakan Kanjanasoon, Department Head of Market and Strategy, has been changed to Department Head of Retail Business Strategy, effective from January 1, 2020.
/16	Mr. Hirunrooj Loutheeravong, Deputy Head of Sales and Distribution Group, has been changed to Deputy Head of Consumer and SME Finance Group, effective from January 1, 2020.
/17	Mr. Phayak Subsomboon, Deputy Head of Sales and Distribution Group, has been changed to Deputy Head of Auto Finance Group, effective from January 1, 2020.

Corporate Secretary

The Board of Directors has appointed Ms. Pornpip Chuprakhun to be the Corporate Secretary since January 13, 2010 to facilitate the work of the Board of Directors with respect to regulations, the Board of Directors' meetings and shareholders' meetings. The responsibilities and duties of the Corporate Secretary include the following:

1. Advise directors on basic laws and regulations which they need to know in order to administer the functions of the Board of Directors.
2. Organize and manage the meetings of shareholders, Board of Directors and committees in accordance with laws, the Bank's Articles of Association, good practices and charter of each committee. The Corporate Secretary is also responsible for ensuring and monitoring compliance with resolution of the shareholders' and Board of Directors' meetings as well as laws and relevant regulations.
3. Prepare and maintain key corporate documents and records, current registration of directors, notices and minutes of the shareholders' meetings, annual report and notices and minutes of the Board of Directors' meetings.
4. Ensure that directors and the management prepare reports of interest of themselves and related persons in accordance with the law; keep a record of such report and send a copy of such report to the Chairman of the Board and the Chairperson of Audit Committee as stipulated by the law.
5. Manage the disclosure of information according to the regulations of the relevant agencies overseeing the Bank.
6. Process all matters concerning the share registration, i.e. the payment of dividend and increase of registered capital, etc.
7. Perform any other act as prescribed by the Capital Market Supervisory Board and Board of Directors.



Nomination and Appointment of Directors and Executives

Nomination of Director

The Nomination and Remuneration Committee is responsible for selecting and determining appropriate persons with experience, knowledge and competencies beneficial to the Bank to be nominated as the Bank's directors, independent directors or Audit Committee members and to propose nominations to the Board of Directors' meeting or shareholders' meeting in accordance with the Bank's Articles of Association.

For nominating new directors, the Bank considers the Board structure according to the Board skill matrix, which has been approved by the Board of Directors, to determine necessary qualifications, knowledge, skills and experiences of new directors so that the Board of Directors' component is in line with the Group's business strategy. Also, the Bank uses director pool for selecting new directors.

The Nomination and Remuneration Committee shall take into consideration the suggestions of shareholders, who have right to nominate individuals qualified as candidates for a director or an independent director of the Bank, via the specified channels. The guidelines for shareholders to nominate a director in advance are posted on the Bank's website. Individuals, who are nominated as independent directors, shall have qualifications as required in the announcements of the SEC, SET and Bank of Thailand and as specified in the Bank's independent director qualification.

The selection process starts with the qualified individuals proposed by shareholders, directors and executives, with all detailed biography attached. Then, the Nomination and Remuneration Committee considers the nominees' qualifications prior to proposing such persons to the Board of Directors for appointment or to seek shareholders' approval (as the case may be).

The election of directors by shareholders' meeting shall be in accordance with the Bank's Articles of Association as follows:

1. A shareholder shall have one vote for one share.
2. Each shareholder shall use all his or her votes under no. 1 to elect one or several persons as a director. However, he or she may not divide his or her votes among any candidates.
3. The persons who receive the most votes in ranking order will be elected as directors up to the number of directors the Bank shall have or elect at that meeting. In the event that the persons being elected in subsequent order have equal votes but their election would exceed the number of directors required to be elected in that meeting, the Chairman of the meeting shall have a casting vote.

Right of Shareholders to Nominate Directors

Allowing shareholders to nominate directors in advance is part of the Bank's corporate governance principles. The Bank has defined and published the guidelines for shareholders to nominate directors on its website.

The shareholder, who would like to nominate a director, must possess the following qualifications:

1. Be the Bank's shareholder holding a minimum of 200,000 shares, which can be either owned by one shareholder or combined;
2. Has owned the shares as stipulated above continuously for at least one year by the date the shareholder proposes the director nominee; and
3. Show proof of share ownership, such as a certified letter from a securities company or other evidence from the SET or TSD.



The Nomination and Remuneration Committee will evaluate the qualifications of the nominees and give opinion to the Board of Directors for further consideration and proposing to the shareholders' meeting. The Board's resolution is considered final.

The nominees approved by the Nomination and Remuneration Committee and the Board of Directors will be included in the agenda for director election along with the opinion of the Board of Directors. For the nominees who are not approved by the Nomination and Remuneration Committee or the Board of Directors, the Bank will inform the shareholder(s) after the Board of Directors' meeting via its website or other appropriate channels.

Nomination of Executives

The Nomination and Remuneration Committee is responsible for selecting and determining qualified individuals with desired qualifications to be appointed as executives of the Bank and Group companies. The committee selects qualified individuals based on knowledge, capabilities and experience in the financial and banking industry, and other attributes which are necessary for appointed roles. Furthermore, the qualified individuals should demonstrate professional values and vision which are aligned with that of the Board of Directors, to ensure success of the Group. Upon selecting qualified individuals, the Nomination and Remuneration Committee will propose the selected candidates to the Board of Directors for approval.

For other management positions, the senior executives are responsible for recruiting individuals

who demonstrate knowledge, capabilities, and experiences which are required for appointed positions. Senior Executives will propose selected candidates to the Nomination and Remuneration Committee, and subsequently propose to the Bank of Thailand for approval and to the Board of Directors for official appointments.

Procedures in the Appointment of Directors, Executives, Persons with Management Authority or Advisors

The Bank has set the guideline for appointing directors, executives, persons with management authority or advisors of the Bank so that the approval of such persons complies with the notification of the SEC and the SET, the Financial Institution Business Act B.E. 2551 (2008) and the notification of the Bank of Thailand, which specifies that financial institutions have to verify the qualifications of persons proposed to be appointed as directors, executives, persons with management authority or advisors to ensure that they do not hold incompatibility as prescribed in Section 24 (1) - (10) of the Financial Institution Business Act B.E. 2551 (2008), and possess an additional three aspects required by the Bank of Thailand which include 1) honesty, integrity and reputation; 2) competence, capability and experience; and 3) financial soundness.

Upon the approval from the Bank of Thailand, the nominated persons will be proposed to the Board of Directors for approval or for proposing to the shareholders' meeting for election (as the case may be).



Remuneration of Directors and Executives

Monetary Remuneration

Remuneration of Directors

The Bank has developed the directors' remuneration structure which is in line with industry practices. The directors' remuneration shall be determined based on the fiduciary of duty. Level of the remuneration shall be attractive to qualified directors and shall incentivize the directors to perform their duties with dedication for the Bank. In addition, the directors' remuneration shall be reviewed annually to ensure its competitiveness compared with directors' remuneration of the listed companies with similar businesses or equivalent, as disclosed in the Thai Institute of Directors Association's Thai Directors Compensation Survey.

The Nomination and Remuneration Committee shall review and determine the directors' remuneration on an annual basis, and propose to the Board of Directors' meeting and the annual general meeting of shareholders for approval.

Director's remuneration structure is consisted of:

- Retaining Fee: Monthly remuneration payout to the Chairperson and directors of the Board.
- Attendance Fee: Directors are entitled to receive the attendance fee based on their attendance in sub-committees' meetings.
- Bonus: Annual remuneration for the directors which is related to the Bank's performance.

The 2019 Annual General Meeting of Shareholders, dated on April 23, 2019, approved a budget of Baht 30 million for the directors' remuneration (excluding directors' bonus) for the year 2019. The remuneration included retaining fee, attendance fee, remuneration for the advisors of the sub-committees paid to the Chairman of the Board of Directors and Chairman of the Executive Committee and other general benefits, such as group life and health insurances, and of which details were as follows:

Components of Remuneration	Retaining Fee (Baht/ Month)	Attendance Fee (Baht/ Meeting)
(1) Remuneration of Board of Directors		
- Chairperson	100,000	-
- Member	50,000	-
(2) Remuneration of Sub-committees		
- Chairperson of the Audit Committee	-	60,000
- Chairman of the other sub-committees	-	45,000
- Member	-	30,000
(3) Remuneration of the Chairman of the Board of Directors as he is also the advisor of the Executive Committee as well as the advisor of other three sub-committees under the supervision of the Executive Committee, namely 1) the Investment Committee; 2) the Human Resource Management Committee; and 3) the Capital Market Human Resources Management Committee	250,000	-
(4) Remuneration of Chairman of the Executive Committee as he is also the advisor of the Risk Oversight Committee and two sub-committees under the supervision of the Executive Committee, namely 1) the Main Credit and Foreclosed Property Committee; and 2) the Assets and Liabilities Management Committee	300,000	-



The Board of Directors was of the opinion that the remuneration for Chairmen, which was higher than those of other directors, was appropriate as the Chairmen had significant role in supporting the performance of the Board of Directors and committees for the utmost benefit of the Bank and shareholders.

The Board of Directors set the attendance fee for the Chairperson of the Audit committee at a higher rate than the attendance fee for the Chairman of other sub-committees since the Chairperson of the Audit Committee had significant role in ensuring the Bank and Group companies had correct and adequate financial reporting as well as suitable and efficient internal control system. The transactions of the Bank and Group companies also increased and were subject to stricter rules and regulations. Moreover, the Chairperson of the Audit Committee was not member of any other sub-committee of the Bank in order to perform duty independently.

Regarding the directors' bonus for the performance in the year 2019, the Board of Directors would propose to the 2020 Annual General Meeting of Shareholders for consideration and approval so it would be in accordance with the actual performance of the Board of Directors and operating result of the Bank.

Executive directors, who receive monthly salary as employees of the Bank or Group companies, shall not be eligible for monthly retaining fee, attendance fee and bonus as directors of the Bank.

Directors, who are appointed as directors in any committees of the Bank and its subsidiaries, shall be entitled to receive the attendance fee based on their attendance and delegated authorities.

The subsequence table presents remuneration of directors for the year 2019. In general, the Bank paid all components of the remunerations and general benefits, such as group life and health insurances, in the total of Baht 23,704,184 which was under the 2019 directors' remuneration budget of Baht 30 million but excluded directors' bonus which would be proposed to the 2020 Annual General Meeting of Shareholders for approval. Furthermore, there was the remuneration of Baht 2,955,000 paid to the Bank's directors, who were also directors and/ or sub-committee members of the Group companies.



(Unit : Baht)

No.	Board of Directors	Attendance Fee (Based on their attendance)											Retaining Fee		2019 Bonus (Paid in 2020) ¹	Total Directors' Remuneration of the Bank	Total Directors' Remuneration of the Group Companies	Grand Total
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Compliance & Governance Committee	Risk Oversight Committee	Executive Committee	Main Credit and Foreclosed Property Committee	Credit and Foreclosed Property Committee	Investment Committee	Human Resource Management Committee	Advisor of Sub- committee						
													Fee	Total Directors' Remuneration (Excluding of Bonus)				
1.	Mr. Supol Wattanavekin	1,200,000	-	-	-	540,000	-	-	-	-	-	3,000,000	4,740,000	2,550,000	7,290,000	-	7,290,000	
2.	Mrs. Dayana Bunnag	600,000	615,000	-	-	-	-	-	-	-	-	-	1,215,000	1,275,000	2,490,000	-	2,490,000	
3.	Mr. Chet Paltrakomkul	600,000	330,000	210,000	270,000	-	-	-	-	-	-	-	1,410,000	1,275,000	2,685,000	-	2,685,000	
4.	Mr. Pongtep Polanun	600,000	-	-	-	-	-	1,935,000	1,890,000	270,000	-	-	4,695,000	1,275,000	5,970,000	-	5,970,000	
5.	Mr. Veravat Chutichetpong	600,000	330,000	315,000	-	-	-	-	-	-	-	-	1,245,000	1,275,000	2,520,000	-	2,520,000	
6.	Mr. Tarnin Chirasoon-ton ²	200,000	-	-	90,000	-	-	-	-	-	-	-	290,000	-	290,000	-	290,000	
7.	Mr. Suwit Mapaisansin	600,000	-	210,000	90,000	-	-	-	-	-	-	-	900,000	1,275,000	2,175,000	600,000	2,775,000	
8.	Mr. Suraphol Kulsiri	600,000	-	-	-	-	-	1,230,000	-	-	-	-	1,830,000	1,275,000	3,105,000	-	3,105,000	
9.	Prof. Dr. Anya Khanthavit	600,000	-	-	-	360,000	-	-	-	-	-	-	960,000	1,275,000	2,235,000	450,000	2,685,000	
10.	Mr. Banyong Pongpanich	600,000	-	-	-	60,000	450,000	-	-	315,000	45,000	-	5,070,000	2,550,000	7,620,000	1,245,000	8,865,000	
11.	Ms. Thitinan Wattanavekin	600,000	-	-	-	-	360,000	-	-	-	90,000	-	1,050,000	1,275,000	2,325,000	660,000	2,985,000	
12.	Mr. Aphinart Kiewpalinond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
13.	Mr. Philip Chen Chong Tan ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total		6,800,000	1,275,000	735,000	450,000	960,000	810,000	3,165,000	1,890,000	585,000	135,000	6,600,000	23,405,000	15,300,000	38,705,000	2,955,000	41,660,000	

Remark - For the year 2019, the Bank has paid other general benefits, such as group life and health insurances, amounting to Baht 299,184.

- Executive Directors who received monthly salary as employees from the Bank or Group companies, would not receive monthly retaining fee, attendance fee and bonus as directors of the Bank.

¹ The Board of Directors will propose the directors' 2019 bonus to the 2020 Annual General Meeting of Shareholders for consideration and approval so it is in accordance with the actual performance of the Board of Directors and operating result of the Bank.

² Resignation from the director post effective from May 1, 2019

³ Appointment as the Bank's director, effective from May 1, 2019, in replacement of Mr. Tarnin Chirasoonon



*Remuneration of Executives**

On an annual basis, the Nomination and Remuneration Committee shall arrange the performance evaluation of the CEO (Details of the executive performance evaluation are shown in the Corporate Governance Policy and Practices Section.) The evaluation results shall be used as one of the factors to determine his appropriate compensation. The Chairman of the Board of Directors, Chairman of the Executive Committee and Chairman of the Nomination and Remuneration Committee shall jointly communicate the evaluation results to the CEO.

In 2019, the Bank paid compensation to thirty-seven executives, including executives who are on secondment from subsidiaries, of Baht 383,883,093.32 in total. The compensation arranged for the executives were in the form of monthly salary and bonus, which were determined based on the total compensation concept, taken into account the individual performance in accordance with his/ her duty and management responsibility for operating the business to achieve the specified plan and strategy and the overall organizational performance in both short and long terms. The Bank has not offered any right to purchase or sell any asset to the senior executives.

Other Compensations

In addition to the directors' remuneration in the form of retaining fee, attendance fee and bonus, the Bank also provides other general benefits and perquisites to the directors as follows:

The Group insurances cover life, accident, total permanent disability and health for the Chairman and directors who are non-executive directors. Insurance coverage for life, accident and total permanent disability is Baht 5 million and Baht 2.5 million for the Chairman and non-executive directors respectively. Health insurance coverage is identical to those of the senior executives. The group life and health insurance premium for directors for the year 2019 was Baht 299,184.

The executives* of the Bank received the same benefits and welfares as employees, such as medical fee, health check-up, life, accident, total permanent disability, health insurance, staff loan, employer's provident fund contribution, etc. In 2019, the Bank paid contribution to the provident fund for thirty-seven executives in the total of Baht 14,655,271.16.

* Executive means "persons with management authority" according to the definition of the Bank of Thailand on Corporate Governance of Financial Institutions including "executive" as defined by the SEC.



Table shows changes in directors' KKP shareholding.

No.	Name of Director	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
1.	Mr. Supol Wattanavekin	12,605,416	12,605,416	-	1.49
	Spouse	1,071,434	1,071,434	-	0.13
	Minor Children	-	-	-	-
2.	Mrs. Dayana Bunnag	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
3.	Mr. Chet Pattrakornkul	50,000	50,000	-	0.01
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
4.	Mr. Pongtep Polanun	488	488	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
5.	Mr. Veravat Chutichetpong	1,029,739	1,029,739	-	0.12
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
6.	Mr. Suvit Mapaisansin	779,406	779,406	-	0.09
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
7.	Prof. Dr. Anya Khanthavit	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
8.	Mr. Banyong Pongpanich	1,000,046	1,000,046	-	0.12
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
9.	Ms. Thitinan Wattanavekin	35,532,761	35,532,761	-	4.20
	Spouse	-	-	-	-
	Minor Children	-	-	-	-



No.	Name of Director	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
10.	Mr. Suraphol Kulsiri	100,000	-	(100,000)	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
11.	Mr. Aphinant Klewpatinond	550,000	550,000	-	0.06
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
12.	Mr. Philip Chen Chong Tan	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-

Table shows changes in executives' KKP shareholding.

No.	Name of Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
1.	Mr. Aphinant Klewpatinond	550,000	550,000	-	0.06
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
2.	Mr. Philip Chen Chong Tan	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
3.	Mr. Pracha Chumnarnkitkosol	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
4.	Dr. Anuchit Anuchitanukul	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
5.	Mrs. Kulnan Tsanthaiwo	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
6.	Ms. Kusumann Lowsalaraks ^{/1}	N/A	-	-	-
	Spouse	N/A	-	-	-
	Minor Children	N/A	-	-	-



No.	Name of Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
7.	Mr. Trairak Tengtrirat	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
8.	Mr. Therapong Vachirapong	580	580	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
9.	Mr. Preecha Techarungchaikul	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
10.	Mr. Panya Vechbanyongratana ²	N/A	-	-	-
	Spouse	N/A	-	-	-
	Minor Children	N/A	-	-	-
11.	Dr. Popanit Poommarapan	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
12.	Mr. Pansalit Trakarnkitvichit	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
13.	Mrs. Penroong Suwannakudt	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
14.	Mr. Pattarapong Raktabutr	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
15.	Mr. Manit Wannavanit	115,000	115,000	-	0.01
	Spouse	-	-	-	-
	Minor Children	-	-	-	-



No.	Name of Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
16.	Mr. Worrakrit Jaruwongpak	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
17.	Mr. Sammit Sakulwira	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
18.	Mr. Norachet Sangruji	1,710,000	1,710,000	-	0.20
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
19.	Mr. Krittiya Veeraburus	172	172	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
20.	Mrs. Patchanee Limapichat	100,000	100,000	-	0.01
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
21.	Mr. Aphichart Chongsanguanpradab ^{/3}	N/A	-	-	-
	Spouse	N/A	-	-	-
	Minor Children	N/A	-	-	-
22.	Mr. Somkiat Jompratchaya ^{/4}	N/A	-	-	-
	Spouse	N/A	-	-	-
	Minor Children	N/A	-	-	-
23.	Mrs. Kessara Liengchayetz	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
24.	Mr. Jakrawarn Jakrawarnwibul	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
25.	Mr. Chawalit Lawang	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-



No.	Name of Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
26.	Mr. Chainarong Rojanasintu	82	82	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
27.	Dr. Narong Preedanani	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
28.	Ms. Pattanai Luangtrakul ¹⁵	N/A	-	-	-
	Spouse	N/A	-	-	-
	Minor Children	N/A	-	-	-
29.	Mrs. Pichaya Sotangkur	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
30.	Ms. Petcharat Keeratipyboon	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
31.	Mr. Romsai Tandakoseya	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
32.	Mr. Wanakan Kanjanasoon	56,500	56,500	-	0.01
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
33.	Mrs. Suwannee Wattanavekin	55,750	55,750	-	0.01
	Spouse	11,424,371	9,901,871	(1,522,500)	1.17
	Minor Children	-	-	-	-
34.	Mr. Hirunrooj Loutheeravong	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
35.	Mr. Anuwat Ruamsuke	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-



No.	Name of Executive	Shareholding (Share)		Change Increase/ (Decrease) (Share)	Shareholding (%)
		December 31, 2018	December 31, 2019		
36.	Mr. Partsakorn Boonyaprasit	3,500	3,500	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
37.	Mr. Phayak Subsomboon	500	500	-	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
38.	Mr. Thaworn Chuengoen	-	20,000	20,000	0.00
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
39.	Ms. Sanikom Suparp	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-
40.	Ms. Nilawan Treekitjamroon	-	-	-	-
	Spouse	-	-	-	-
	Minor Children	-	-	-	-

Remarks ^{/1} Ms. Kusumann Lowsalaraks was appointed as First Executive Vice President, effective from November 16, 2019, and as Head of Auto Finance Group, effective from January 1, 2020. Hence, a number of shareholdings as of December 31, 2018 is not appropriate comparison.

^{/2} Mr. Panya Vechbanyongratana was appointed as First Executive Vice President, Head of Information Technology Group, effective from July 1, 2019. Hence, a number of shareholdings as of December 31, 2018 is not appropriate comparison.

^{/3} Mr. Aphichart Chongsanguanpradab was appointed as Executive Vice President, Head of Legal and Compliance Group, effective from July 16, 2019. Hence, a number of shareholdings as of December 31, 2018 is not appropriate comparison.

^{/4} Mr. Somkiat Jompratchaya was appointed as Executive Vice President, Head of Retail Credit and Collection Group, effective from January 1, 2020. Hence, a number of shareholdings as of December 31, 2018 is not appropriate comparison.

^{/5} Ms. Pattanai Luangtrakul was appointed as Executive Vice President, Head of Office of Group Corporate Communication, effective from August 23, 2019. Hence, a number of shareholdings as of December 31, 2018 is not appropriate comparison.

Profiles of the Directors, Executives, Controlling Persons and Corporate Secretary

Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
1. Mr. Supol Wattanavekin • Chairman of the Board of Directors ^{/1} • Chairman of the Risk Oversight Committee	64	• Master of Business Administration (Executive) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Laws Ramkhamhaeng University	Ms.Thitinan Wattanavekin's brother	13,676,850 (1.62)	Kiatnakin Phatra Financial Group		
					2011 - present	Chairman of the Board of Directors	Kiatnakin Bank Public Company Limited
					May 2019 - present	Chairman of the Risk Oversight Committee	
					2012 - present	Advisor of the Executive Committee	
					2003 - 2019	Chairman of the Risk Management Committee	
^{/1} Appointed as the Chairman of the Board of Directors effective on January 1, 2011 - Appointed as a director effective on February 9, 1974		Training Programs: • Boards that Make a Difference (BMD10/2019) Thai Institute of Directors Association (IOD) • Cyber Resilience Leadership Workshop "Mission in Action" (2019) Bank of Thailand (BOT) • Bangkok Fin Tech Fair 2019 Bank of Thailand (BOT) • Bangkok Sustainable Banking Forum 2019 : An Industry Wake-up Call Bank of Thailand (BOT) • Chairman Dinner (2018) "Social Responsibilities in Action" Thai Institute of Directors Association (IOD) • Chairman Dinner (2017) Thai Institute of Directors Association (IOD) • Family Business Club Event (3/2017) Thai Institute of Directors Association (IOD) • SET 100 Civil and State Cooperation (2016) The Stock Exchange of Thailand (SET) • Risk Management Program for Corporate Leader (RCL 3/2016) Thai Institute of Directors Association (IOD) • CG Forum 4/2015 - Thailand CG Forum "Governance as a Driving Force for Business Sustainability" The Stock Exchange of Thailand (SET) • Director Certification Program Update (DCPU 1/2014) Thai Institute of Directors Association (IOD) • CG Forum 2/2014 Corporate Governance in the Perspective of Investors The Stock Exchange of Thailand (SET)			Other Listed Companies		
					2004 - present	Director	The Erawan Group Public Company Limited
					Non-Listed Companies		
					Apr 2019 - present	Director	Weeat Company Limited
					2017 - present	Director	Eastern Sugar Company Limited
					2015 - present	Director	Ruamwanthana Company Limited
					1990 - present	Chairman of the Board of Directors	BOT Lease (Thailand) Company Limited

*KKP shareholding includes share numbers of spouse and minor children.





Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years	
					Period	Position Organization/ Company Name
		<ul style="list-style-type: none"> Chairman Forum 1/2013 Meeting the AEC Challenge : Role of the Chairman Thai Institute of Directors Association (IOD) CG Forum 3/2013 Conflict of Interest : Fighting Abusive RPT The Securities and Exchange Commission (SEC) Chairman Forum 2/2013 Role of the Chairman's business code of conduct Thai Institute of Directors Association (IOD) Financial Institution Governance Program (FGP 2/2011) Thai Institute of Directors Association (IOD) Financial sector Restructuring in Thailand : From present to the future (Special Seminar 1/2010) Thai Institute of Directors Association (IOD) The 5th SEACEN / ABAC / ABA / PECC Public Private Dialogue for the Asia Pacific Region (2009) The South East Asia Central Bank Research and Training Center, Malaysia Corporate Governance Report of Thai Listed Companies (2007) Thai Listed Companies Association Leadership, Strategic Growth and Change (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University Organizing and Managing Strategic Alliances for Success and Profit (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University Director Certification Program (DCP 76/2006) Thai Institute of Directors Association (IOD) Director Accreditation Program (DAP 56/2006) Thai Institute of Directors Association (IOD) Orchestrating Winning Performance (2005) IMD International, Switzerland Board & CEO Assessment (2003), Thai Institute of Directors Association (IOD) The Role of the Chairman Program (RCP 1/2000) Thai Institute of Directors Association (IOD) 				

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
2. Mrs. Dayana Bunnag • Independent Director ^{1/} • Chairman of the Audit Committee	67	<ul style="list-style-type: none"> • Master of Business Administration University of Texas, Austin, U.S.A. • Bachelor of Economics (2nd Class Honors) Chulalongkorn University 	None	None	Kiatnakin Phatra Financial Group		
					2015 - present	Independent Director Chairperson of the Audit Committee	Kiatnakin Bank Public Company Limited
^{1/} Appointed effective on April 23, 2015		Training Programs: <ul style="list-style-type: none"> • Risk Management Program for Corporate Leaders (RCL 17/2019) • Thai Institute of Directors Association (IOD) • IT Governance and Cyber Resilience Program (ITG 10/2019) • Thai Institute of Directors Association (IOD) • Bangkok Sustainable Banking Forum 2019 : • An Industry Wake-up Call Bank of Thailand (BOT) • Audit Committee Forum "Upcoming Financial Reporting Standards (TFRS 9, 15 and 16): Major Changes of Financial Reporting" (2018) KPMG In Thailand • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT) • Seminar : Cyber Resilience Leadership (2017) Bank of Thailand (BOT) • Independent Director Forum 2017 "Updated COSO Enterprise Risk Management : Integrating with Strategy and Performance" • Thai Institute of Directors Association (IOD) • Advance Audit Committee Program (AACP 25/2017) • Thai Institute of Directors Association (IOD) • Director Certification Program Update (DCPU 5/2015) • Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI 4/2015) • Thai Institute of Directors Association (IOD) 			Other Listed Companies		
					None		
					Non-Listed Companies		
					2018 - present	Director	Eduvision Company Limited
					2014 - present	Chairperson of the Compliance and Audit Committee	Ocean Life Insurance Public Company Limited
					2012 - present	Independent Director	
					2012 - present	Advisor to the President Vice Chairperson of the Executive Committee	Bangkok University
					2005 - present	Director	Buranburi Security Guard Company Limited
					2015 - 2018	Member of the Investment Sub -Committee	National Savings Fund
					2012 - 2017	Member of Committee on Consideration of Guidelines for Investment of Insurance Companies in Other Businesses	Office of Insurance Commission
					2012 - 2017	Member of Committee on Consideration of Draft Insurance Commission Declarations	
					Feb - Apr 2016	Director of the Pension Integration Committee	Ministry of Finance
					2015 - 2016	Director Member of the Audit Committee	Metropolitan Electronic Authority
					Jul - Nov 2014	Director Member of the Audit Committee	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
<ul style="list-style-type: none"> • Role of the Nomination and Governance Committee (RNG 4/2013) • Thai Institute of Directors Association (IOD) • Capital Market Academy Leadership Program (CMA11/2011) • Capital Market Academy • Role of the Compensation Committee (RCC 11/2010) • Thai Institute of Directors Association (IOD) • Director Certification Program (DCP 2/2000) • Thai Institute of Directors Association (IOD) • Fund Manager Course <ul style="list-style-type: none"> - Course 1/1996 - Refresher Course 7/2005 - Refresher Course 11 (2/2007) - Refresher Course 15 (2/2009) • Association of Investment Management Companies 					2009 - 2014	Expert Board Member of The Capital Market Advisory Board	The Securities and Exchange Commission
					2010 - 2014	Chairperson of Disciplinary Committee on Capital Market Personnel	
					2012 - 2013	Chairperson of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Debts and Sukuk	
					2012 - 2013	Chairperson of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Derivatives, Structured Notes and Complex Products	
					2010 - 2013	Working Group for Consideration of SRO Approval Criteria	
					2010 - 2012	Chairperson of Sub-Committee on Consideration of Draft Notifications Concerning Issuance and Offering of Debts	
					2010 - 2012	Chairperson of Sub-Committee on Consideration of Rules Concerning Issuance and Offering of Sukuk	
					2010 - 2012	Chairperson of Sub-Committee on Consideration of Draft Notifications Concerning Issuance and Offering of Equities and Management of Securities Issuing Companies	
					2010 - 2012	Chairperson of Sub-Committee on Consideration of Draft Notification Concerning Issuance and Offering of Derivatives and Structured Notes	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
3. Mr. Chet Pattrakornkul • Independent Director ¹⁾ • Chairman of the Compliance and Governance Committee • Member of the Audit Committee • Member of the Nomination and Remuneration Committee ¹⁾ Appointed effective on April 7, 2005	71	• Master's in Marketing (Certificate Program) Thammasart University • Bachelor of Science (Public Administration) Ramkhamhaeng University Training Programs: • Bangkok Sustainable Banking Forum 2019 : An Industry Wake-up Call Bank of Thailand (BOT) • Cyber Resilience Leadership Workshop "Mission in Action" (2019) Bank of Thailand (BOT) • IT Governance and Cyber Resilience Program (ITG 9/2018) Thai Institute of Directors Association (IOD) • Seminar : Director Briefing (1/2018) "Start Less, Finish More: Building Strategic Agility with Objectives and Key Results" Thai Institute of Directors Association (IOD) • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT) • Seminar : IOD Director Briefing 1/2018 "Burning Issues Directors Need to Hear in the Year of the Dog" Thai Institute of Directors Association (IOD) • Seminar : Cyber Resilience Leadership (2017) Bank of Thailand (BOT) • Independent Director Forum 2017 "Update COSO Enterprise Risk Management : Integrating with strategy and performance" Thai Institute of Directors Association (IOD) • Boards that Make a Difference (BMD 5/2017) Thai Institute of Directors Association (IOD) • Forum for director : Nomination Committee Best Practice Guideline (1/2017) Thai Institute of Director Association (IOD)	None	50,000 (0.01)	Kiatnakin Phatra Financial Group		
					2011 - present	Chairman of the Compliance and Governance Committee	Kiatnakin Bank Public Company Limited
					2007 - present	Member of the Audit Committee	
					2006 - present	Member of the Nomination and Remuneration Committee	
					2006 - present	Independent Director	
					2005 - 2006	Director	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					2005 - present	Advisor	Thai Hire - Purchase Association

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years	
					Period	Position Organization/ Company Name
		<ul style="list-style-type: none"> Audit Committee Forum : The Audit Committee's Role in Compliance and Ethical Culture Oversight (1/2017) Thai Institute of Directors Association (IOD) Forum for director : Corporate Governance Code (2016) Thai Institute of Directors Association (IOD) Corporate Governance for Capital Market Intermediaries (CGI 10/2015) Thai Institute of Directors Association (IOD) CG Forum 1/2015 "CG in Substance Corporate Culture and CG Principles" The Stock Exchange of Thailand (SET) Director Certification Program Update (DCPU 1/2014) Thai Institute of Directors Association (IOD) Financial Institutions Governance Program (FGP 2013) Thai Institute of Directors Association (IOD) CG Forum 4/2013 "The Updated COSO's 2013 Integrated Internal Control : what the Board and Managements should do" Thai Institute of Directors Association (IOD) The 2nd National Director Conference 2013 "Board Leadership Evolution" Thai Institute of Directors Association (IOD) Role of the Nomination and Governance Committee (RNG 1/2011) Thai Institute of Directors Association (IOD) Financial Institutes Reform in Thailand from Present to the Future (2010) Thai Institute of Directors Association (IOD) Economy After the Crisis (2010) Thai Institute of Director Association (IOD) The Board 's Role on Fraud Prevention and Detection (2010) Thai Institute of Directors Association (IOD) 				

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
		<ul style="list-style-type: none"> Monitoring the System of Internal Control and Risk Management (MIR 5/2009) Thai Institute of Directors Association (IOD) Monitoring of the Quality of Financial Reporting (MFR 7/2009) Thai Institute of Directors Association (IOD) Monitoring Fraud Risk Management (MFM 1/2009) Thai Institute of Directors Association (IOD) Board and Director Performance Evaluation (R-WS workshop 2/2008) Thai Institute of Directors Association (IOD) Corporate Governance Report of Thai Listed Companies (2007) Thai Listed Companies Association Monitoring the Internal Audit Function (MIA 1/2007) Thai Institute of Directors Association (IOD) Audit Committee Program (ACP 17/2007) Thai Institute of Directors Association (IOD) Role of the Compensation Committee (RCC 1/2006) Thai Institute of Directors Association (IOD) DCP Refresher Course (DCP 3/2006) Thai Institute of Directors Association (IOD) Director Certification Program (DCP 9/2001) Thai Institute of Directors Association (IOD) 					

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
4. Mr. Pongtep Polanun • Independent Director ^{/1} ^{/1} Appointed effective on April 26, 2012	65	<ul style="list-style-type: none">• Master of Business Administration (Management) Sasin Graduate Institute of Business Administration of Chulalongkorn University• Master of Economics (Financial Economics) The National Institute of Development Administration• Bachelor of Economics Thammasat University	None	488 (0.00)	Kiatnakin Phatra Financial Group		
					2012 - present	Independent Director	Kiatnakin Bank Public Company Limited
					2010 - 2012	Independent Director Member of the Audit Committee	Phatra Capital Public Company Limited
					2003 - 2012	Independent Director Member of the Audit Committee	Phatra Securities Public Company Limited
					Other Listed Companies		
					2016 - present	Chairman of the Nomination and Remuneration Committee	Advanced Information Technology Public Company Limited
					2003 - present	Vice Chairman of the Board of Directors Independent Director Member of the Audit Committee	
					2013 - 2014	Advisor to Managing Director	Muang Thai Insurance Public Company Limited
					2010 - 2011	Advisor to Managing Director	
					2010 - 2011	Director	Krung Thai Bank Public Company Limited
					2000 - 2012	Advisor to Managing Director	The Royal Ceramic Industry Public Company Limited
					Non-Listed Companies		
					2007 - present	Director	K S P Square Company Limited
					2010 - 2012	Chairman of the Board of Directors	Krung Thai IBJ Leasing Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
5. Mr. Veravat Chutichetpong • Independent Director ^{/1} • Member of the Audit Committee • Chairman of the Nomination and Remuneration Committee Appointed effective on November 30, 2016	59	• Master of Business Administration (Finance) New York University, U.S.A. • Bachelor of Engineering (Civil Engineering) Chulalongkorn University Training Programs : • Seminar : Cyber Resilience Leadership (2017) Bank of Thailand (BOT) • Corporate Governance for Capital Market Intermediaries (CGI 15/2016) Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 40/2005) Thai Institute of Directors Association (IOD)	None	1,029,739 (0.12)	Kiatnakin Phatra Financial Group		
					2017 - present	Chairman of the Nomination and Remuneration Committee Member of the Audit Committee	Kiatnakin Bank Public Company Limited
					2016 - present	Independent Director	
					2012 - 2013	Director	
					2010 - 2016	Director	Phatra Capital Public Company Limited
					2011 - 2016	Chairman of the Audit Committee	Phatra Securities Public Company Limited
					2003 - 2016	Director	
					Other Listed Companies		
					2016 - present	Director	Central Pattana Public Company Limited
					2016 - present	Member of the Audit Committee	
					Non-Listed Companies		
					2014 - present	Chairman of the Board of Directors	Aksorn Education Public Company Limited
					2010 - present	Director	Alpha Absolute Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
6. Mr. Suwit Mapaisansin • Director ¹⁾ • Member of the Nomination and Remuneration Committee • Member of the Compliance and Governance Committee	60	• Master of Business Administration (Finance & international Business) Sasin Graduate Institute of Business • Administration of Chulalongkorn University • Bachelor of Economics Chulalongkorn University Training Programs : • Seminar : Cyber Resilience Leadership Workshop "Mission in Action" (2019) Bank of Thailand (BOT) • Seminar : Director Briefing 1/2018 "Start Less, Finish More : Building Strategic Agility with Objectives and Key Results" Thai Institute of Directors Association (IOD) • Seminar : Cyber Resilience Leadership (2017) Bank of Thailand (BOT) • Corporate Governance for Capital Market Intermediaries (CGI 5/2015) Thai Institute of Directors Association (IOD) • Audit Committee Program (ACP 3/2011) Thai Institute of Directors Association (IOD) • Director Certification Program (DCP 12/2001) Thai Institute of Directors Association (IOD)	None	779,406 (0.09)	Kiattakin Phatra Financial Group		
					May 2019 - present	Member of the Compliance and Governance Committee	Kiattakin Bank Public Company Limited
					2016 - present	Member of the Nomination and Remuneration Committee	
					2012 - present	Director	
					2012 - 2016	Member of the Executive Committee	
					2010 - present	Director	Phatra Capital Public Company Limited
					2010 - 2012	Executive Director	
					2003 - present	Director	Phatra Securities Public Company Limited
					2017 - 2018	Chairman of the Audit Committee	
					2012 - 2017	Member of the Audit Committee	
					2009 - 2012	Executive Director	
					2012 - 2015	Chairman of the Board of Directors	Phatra Asset Management Company Limited
					Other Listed Companies		
					2015 - present	Independent Director Member of the Audit Committee	GMM Grammy Public Company Limited
					2011 - 2017	Independent Director Member of the Audit Committee	Golden Lime Public Company Limited
					2011 - 2012	Chairman of the Audit Committee	Krungsri Card Public Company Limited
					2009 - 2012	Independent Director	
					Non-Listed Companies		
					2018 - present	Director	Alpha Absolute Company Limited
					2015 - present	Director	Techcare International Company Limited
					2012 - 2015	Chairman of the Board of Directors	KKTRADE Securities Company Limited
					2009 - 2019	Director	RPIC Pre. Ltd.
					2008 - 2019	Director	Ruamphon Phatra International Corp.

¹⁾ Appointed effective on September 12, 2012

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
7. Prof. Dr. Anya Khanthavit • Director ¹⁾ • Member of the Risk Oversight Committee ¹⁾ Appointed effective on April 24, 2017	57	<ul style="list-style-type: none"> Ph.D., International Business and Finance, New York University, U.S.A. M.Phil. (Alpha Gamma Sigma), International Business and Finance, (Honors) New York University, U.S.A. M.Sc. Transportation Management (Honors), State University of New York Maritime College, U.S.A. Bachelor of Accounting, Thammasat University 	None	None	Kiattanakin Phatra Financial Group		
					2017 - present	Director	Kiattanakin Bank Public Company Limited
					May 2019 - present	Member of the Risk Oversight Committee	
					2012 - May 2019	Member of the Risk Management	
					2012 - 2017	Risk Management Advisor	
					2008 - 2012	Director	Phatra Securities Public Company Limited
					2008 - 2012	Advisor	
					2010 - 2012	Director	Phatra Capital Public Company Limited
					Other Listed Companies		
					Sep 2019 - present	Chairman of the Risk Oversight Committee	The Electricity Generating Public Company Limited
		<p>Training Programs :</p> <ul style="list-style-type: none"> Bangkok Sustainable Banking Forum 2019 : An Industry Wake – up Call Bank of Thailand (BOT) Cyber Resilience Leadership Workshop "Mission in Action" Bank of Thailand (BOT) Audit Committee Forum : Strategic Audit Committee : Beyond Figure and Compliance (2019) Thai Institute of Directors Association (IOD) IT Governance and Cyber Resilience Program (ITG 10/2019) Thai Institute of Directors Association (IOD) Strategic Board Master Class (SBM 5/2018) Thai Institute of Directors Association (IOD) Study trip for the development and planning energy at Germany, Kingdom of Spain and the French Republic (2018) The Electricity Generating Authority of Thailand Value Creation and Enhancement for Listed Companies with the New COSO 2017 Enterprise Risk Management (ERM) Faculty of Commerce and Accountancy, Thammasat University with the Stock Exchange of Thailand Capital Market Academy Leadership Program (CMA 23/2016) Capital Market Academy 			Non-Listed Companies		
					2018 - present	Director	Tobacco Authority of Thailand
					2017 - present	Member of Appeal Committee	Thailand Futures Exchange Public Company Limited (TFEX)
					2015 - present	Member of the Thailand Quality Award Committee	Thailand Quality Award
					2012 - present	Member of the Public Science Subsidiary Board	Ministry of Finance
					2008 - present	Member of the Risk Management Sub-committee	The Stock Exchange of Thailand
					2005 - present	Distinguished Professor of Finance and Banking Faculty of Commerce and Accountancy	Thammasat University

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
<ul style="list-style-type: none"> • Advance Audit Committee Program (AACP 19/2015) • Thai Institute of Directors Association (IOD) • Director Certification Program (DCP 99/2008) • Thai Institute of Directors Association (IOD) 					2002 - present	Member of the Performance Assessment Committee for State Enterprises	Ministry of Finance
					2001 - present	Director	The Professor Sangvian Indaravijaya Foundation
					2014 - 2018	Director	Thailand Tobacco Monopoly, Ministry of Finance
					2012 - 2018	Expert Board Member of the Policy and Public Management Committee	Ministry of Finance
					2016 - 2017	Member of the Sub-committee on the Monitoring of Co-operative Financial Problems	Office of the National and Anti-Corruption Commission
					2014 - 2017	Director	Government Pharmaceutical Organization
					1999 - 2017	Academic consultants and arbitrators to settle disputes from trading transactions bond	Thai Bond Market Association

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
8. Mr. Banyong Pongpanich • Director ¹⁾ (Authorized director) • Chairman of the Executive Committee	65	<ul style="list-style-type: none"> • Master of Business Administration (Finance & International Business) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Economics Chulalongkorn University <p>Training Programs :</p> <ul style="list-style-type: none"> • BOT Symposium 2019 : Competitive Thailand Bank of Thailand • Corporate Governance for Capital Market Intermediaries (CGI 15/2016) • Thai Institute of Directors Association (IOD) • Anti-Corruption for Executive Program (ACEP 2/2012) • Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 36/2005) • Thai Institute of Directors Association (IOD) • The Role of the Chairman Program (RCP 5/2001) • Thai Institute of Directors Association (IOD) 	None	1,000,046 (0.12)	Kiatnakin Phatra Financial Group		
					2012 - present	Director Chairman of the Executive Committee	Kiatnakin Bank Public Company Limited
					May 2019 - present	Advisor of the Risk Oversight Committee	
					2012 - May 2019	Member of the Risk Management Committee	
					2012 - 2015	Chief Executive Officer	
					2010 - present	Chairman of the Board of Directors	Phatra Capital Public Company Limited
					2003 - present	Chairman of the Board of Directors	Phatra Securities Public Company Limited
					Other Listed Companies		
					2004 - present	Independent Director	The Erawan Group Public Company Limited
					2010 - 2017	Chairman of the Nomination and Remuneration Committee	Muang Thai Insurance Public Company Limited
					2008 - 2017	Independent Director	
					2008 - 2012	Member of the Audit Committee	
					2009 - 2011	Director	Thai Airways International Public Company Limited
					Non-Listed Companies		
					Oct 2019 - present	Vice Chairman	Snoh Unakul Foundation
					2017 - present	Director	Vajiravudh College
					2012 - present	Director Executive Director	Thailand Development Research Institute (TDRI)

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
					2011 - present	Director Executive Director	Buddhadasa Indapanno Archives
					2007 - present	Independent Director Chairman of the Nomination and Remuneration Committee	Don Muang Tollway Public Company Limited
					2002 - present	Director	Squirrel (Thailand) Company Limited
					2002 - present	Director Executive Director	Mae Fah Luang Foundation under Royal Patronage
					2002 - present	Member of Advisory Council	Sasin Graduate Institute of Business Administration of Chulalongkorn University
					2009 - 2019	Director	RPIC Pte. Ltd
					2008 - 2019	Director	Ruamphon Phatra International Corp.
					2002 - 2018	Director	Cellennium (Thailand) Company Limited
					2015 - 2016	Director	National Anti-Corruption Committee
					2014 - 2016	Director	State Enterprise Policy Office
					2014 - 2016	Prime Minister's Advisor	Prime Minister's Office

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
9. Ms. Thitinan Wattanavekin • Director ¹⁾ (Authorized director) • Member of the Executive Committee	62	<ul style="list-style-type: none"> • Master of Management (Management) Sasin Graduate Institute of Business • Administration of Chulalongkorn University • Bachelor of Science (Public Affairs) University of Southern California, U.S.A. 	Mr. Supol Wattanavekin's sister	35,532,761 (4.20)	Kiatnakin Phatra Financial Group		
					2011 - present	Director	Kiatnakin Bank Public Company Limited
					2005 - present	Member of the Executive Committee	
					2012 - 2015	First Executive Vice President	
					2011 - 2014	Head of Priority Banking Group	
		Training Programs : <ul style="list-style-type: none"> • Seminar : Cyber Resilience Leadership Workshop "Mission in Action" (2019) • Bank of Thailand (BOT) • Bangkok Fin Tech Fair 2019 : Collaboration for the Future of Finance • Bank of Thailand (BOT) • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions • Bank of Thailand (BOT) • Seminar : Cyber Resilience Leadership (2017) • Bank of Thailand (BOT) • Anti-Corruption : The Practical Guide (ACPG 33/2016) • Thai Institute of Directors Association (IOD) • IOD Special Event 6/2016 : Family Business Club Dinner : The Professional Management Succession of Family Business • Thai Institute of Directors Association (IOD) • Director Certification Program Update (DCPU 5/2015) • Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI 8/2015) • Thai Institute of Directors Association (IOD) • Role of the Nomination and Governance Committee Program (RNG 6/2014) • Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP 5/2012) • Thai Institute of Directors Association (IOD) 			2005 - 2012	Member of the Risk Management Committee	
					2012 - present	Director	Phatra Capital Public Company Limited
					2012 - 2016	Director	Phatra Securities Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					1999 - 2013	Director	KKTRADE Securities Company Limited
					2006 - 2011	Director	Chai Talay Hotel Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years	
					Period	Position Organization/ Company Name
		<ul style="list-style-type: none"> • Financial Planning for Executive (2012) Thai Financial Planners Association • Current Issue Seminar (R-CIS1/2008) Thai Institute of Directors Association (IOD) • Corporate Governance and Social Responsibility (CSR 1/2007) Thai Institute of Directors Association (IOD) • Capital Market Academy Leadership Program (CMA 2/2006) Capital Market Academy • Board Performance Evaluation (2006) Thai Institute of Directors Association (IOD) • DCP Refresher Course (DCP 1/2005) Thai Institute of Directors Association (IOD) • Directors Certification Program (DCP 1/2000) Thai Institute of Directors Association (IOD) 				

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
10. Mr. Suraphol Kulsiri • Director ¹⁾ (Authorized director)	67	<ul style="list-style-type: none"> Bachelor of Business Administration (Marketing) Bangkok University 	None	None	Kiatnakin Phatra Financial Group		
					2004 - present	Director	Kiatnakin Bank Public Company Limited
		Training Programs : <ul style="list-style-type: none"> Seminar : Cyber Resilience Leadership Workshop "Mission in Action" (2019) Bank of Thailand (BOT) Role of the Chairman Program (RCP 44/2019) Thai Institute of Directors Association (IOD) Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT) Risk Management Committee Program for Corporate Leader (RCL 12/2018) Thai Institute of Directors Association (IOD) IOD Special Event 6/2016 : Family Business Club Dinner : The Professional Management Succession of Family Business Thai Institute of Directors Association (IOD) CG Forum 2/2016 "Honesty, Caution : Shield for directors" The Stock Exchange of Thailand (SET) Director Certification Program Update (DCPU 5/2015) Thai Institute of Directors Association (IOD) Role of the Nomination and Governance Committee Program (RNG 6/2014) Thai Institute of Directors Association (IOD) Role of the Compensation Committee (RCC 3/2007) Thai Institute of Directors Association (IOD) Director Certification Program (DCP 13/2001) Thai Institute of Director Association (IOD) 			Other Listed Companies		
					None		
					Non-Listed Companies		
					2015 - present	Chairman of Disciplinary Sub-Committee	Association of Thai Securities Companies
					2015 - present	Member of Appeal Committee	Thailand Futures Exchange Public Company Limited (TFEX)
					2003 - 2011	Director Chairman of the Executive Committee	KKTRADE Securities Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
11. Mr. Aphinart Kiewpatinond • Director ¹ (Authorized director) • Chief Executive Officer ² • Member of the Executive Committee • Member of the Risk Oversight Committee	50	<ul style="list-style-type: none"> • Master of Science University of Maryland at College Park, U.S.A. • Master of Business Administration (Finance) University of Maryland at College Park, U.S.A. • Bachelor of Accountancy Chulalongkorn University <p>Training Programs :</p> <ul style="list-style-type: none"> • CEO CLUB 2018 "Start Less Finish More : Building Agility and Engagement with Objective and Key Results (OKRs)" • The Stock Exchange of Thailand (SET) • Corporate Governance for Capital Market Intermediaries (CGI 15/2016) • Thai Institute of Directors Association (IOD) • Directors Accreditation Program (DAP 82/2010) • Thai Institute of Directors Association (IOD) • Capital Market Academy Leadership Program (CMA 10/2010) • Capital Market Academy 	None	550,000 (0.06)	Kiatnakin Phatra Financial Group		
					2016 - present	Chief Executive Officer	Kiatnakin Bank Public Company Limited
					2012 - present	Director	
						Member of the Executive Committee	
					May 2019 - present	Member of the Risk Oversight Committee	
					2012 - May 2019	Member of the Risk Management Committee	
					2012 - 2018	President	
					2013 - 2016	Chairman of Commercial Banking Business	
					2012 - 2013	Chairman of Capital Market Business	
					2016 - present	Chief Executive Officer	Phatra Capital Public Company Limited
					2010 - present	Director	
					2010 - 2012	Chief Executive Officer	
					2016 - present	Chief Executive Officer	Phatra Securities Public Company Limited
					2010 - present	Director	
					2009 - 2012	Chief Executive Officer	
					2015 - present	Chairman of the Board of Directors Chairman of the Audit Committee	Phatra Asset Management Company Limited
					2012 - present	Director	
					2018 - present	Director	KKP Tower Company Limited
					Other Listed Companies		
					2011 - 2013	Independent Director	Sriracha Construction
						Member of the Audit Committee	Public Company Limited
					Non-Listed Companies		
					Nov 2019 - present	Director	Chino Italian Company Limited
					2009 - 2019	Director	RPC Plc. Ltd.
					2014 - 2018	Director	The Thai Bankers' Association
					2015 - 2017	Director	Thai Listed Companies Association
					2015 - 2016	Chairman of the Board of Directors	KKTRADE Securities Company Limited
					2012 - 2015	Director	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
12. Mr. Philip Chen Chong Tan • Director ^{1/} • President ^{2/} • Member of the Executive Committee • Member of the Risk Oversight Committee	54	<ul style="list-style-type: none"> • Master of Management (Management) Sasin Graduate Institute of Business • Administration of Chulalongkorn University • Bachelor of Science Electrical Engineering University of Maryland, U.S.A. <p>Training Programs :</p> <ul style="list-style-type: none"> • Strategic Board Master Class (SBM 6/2019) • Thai Institute of Directors Association (IOD) • Capital Market Academy Leadership Program (CMA 23/2016) • Capital Market Academy • Director Certification Program (DCP 175/2013) • Thai Institute of Directors Association (IOD) • GE Six Sigma Quality Leader Certification - BMC 2011 - LIG 2007 - MDC 2006 GE Crotonville Courses 	None	None	Kiatnakin Phatra Financial Group		
					May 2019 - present	Director	Kiatnakin Bank Public Company Limited
						Member of the Risk Oversight Committee	
					2018 - present	President	
						Member of the Executive Committee	
					Other Listed Companies		
					2016 - 2017	Director	Intouch Holdings Public Company Limited
						Chief Executive Officer	
					2015 - 2016	President	
					2016 - 2017	Director	Advance Info Service Public Company Limited
						Member of the Executive Committee	
					2016 - 2017	Director	Thaicom Public Company Limited
						Member of the Executive Committee	
					Jul - Oct 2015	Senior Executive Vice President	Bank of Ayudhya Public Company Limited
					Jan - Jun 2015	Head of Retail and Consumer Banking Acting Head of Krungsri Consumer Group	
					2014 - 2015	Executive Committee member	
					2013 - 2015	Director	
						Acting Head of Krungsri Auto Group	
						President	
						Risk Management Committee member	
						Advisor to the Compliance Review Committee	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
					2013 - 2014	Acting Head of E-Business	Bank of Ayudhya Public Company Limited
					2013	Deputy Chairman of the Executive Committee Advisor to the Credit Committee	
Non-Listed Companies							
					2018 - present	Independent Director	Lao Telecommunication Public Company
					2014 - present	Member of the Advisory Board	Sasin Graduate Institute of Business Administration of Chulalongkorn University
					2011 - present	Emeritus Board Member	University of Maryland, Clack School of Engineering
					2015 -2017	Director	I.T. Applications and Service Company Limited
					2015 - 2017	Director	Touch TV company Limited
					2015 -2017	Director	Intouch Media Company Limited
					2015 - 2017	Chairman	HIGH Shopping Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
13. Mr. Pracha Chumnankitsol • First Executive Vice President • Head of Special Asset Management Group ^{/1} • Member of the Executive Committee ^{/1} Appointed effective on October 1, 2012	57	• Master of Business Administration (Finance) University of Texas, U.S.A. • Bachelor of Engineering Chulalongkorn University Training Programs : • Director Certification Program Update (DCPU 5/2015) Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD) • TLCA Executive Development Program (EDP 8/2011) Thai Listed Companies Associations • Senior Executive Program (SEP 22/2008) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Overview of Current Macro Economic Condition and Prudential Regulation-Impact to Thai Corporation (2007) The Thai Banker's Association • Blue Ocean Strategy (2007) Business Development Center • EVA Managing for Value Creation (2006) Sasin Graduate Institute of Business Administration of Chulalongkorn University • Director Certification Program (DCP 75/2006) Thai Institute of Directors Association (IOD) • Risk Management (2005) The Thai Institute of Banking and Finance Association	None	None	Kiatnakin Phatra Financial Group		
					2012 - present	First Executive Vice President Head of Special Asset Management Group	Kiatnakin Bank Public Company Limited
					2011 - present	Member of the Executive Committee	
					2013 - 2016	Director	
					2006 - 2015	Member of the Risk Management Committee	
					2006 - 2012	Director	
					2012 - 2015	Director	Phatra Capital Public Company Limited
					2012 - 2015	Director	Phatra Securities Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
14. Dr. Anuchit Anuchitanukul • First Executive Vice President ^{1/} • Head of Retail Business Strategy and Innovation Group ^{2/} • Member of the Executive Committee ^{1/} Appointed effective on July 2, 2013 ^{2/} Appointed effective on January 1, 2020	48	<ul style="list-style-type: none">• Ph.D. (Computer Science) Stanford University, U.S.A.• Master of Engineering (Computer Science) Stanford University, U.S.A.• Master of Business Administration (Finance) Chulalongkorn University• Bachelor of Engineering (1st Class Honors) Chulalongkorn University <p>Training Programs :</p> <ul style="list-style-type: none">• Strategy and Innovation for Businesses in Asia (SIBA 2012)Massachusetts Institute of Technology (MIT), College of Management Mahidol University (CMMU)• OIC Advanced Insurance Institute (OIC All 2012) Office Of Insurance Commission (OIC)• Top Executive Program in Commerce and Trade (TEPCoT 2011)University of the Thai Chamber of Commerce• TLCA Executive Development Program (EDP 2009) Thai Listed Companies Association• Director Certification Program (DCP 93/2007) Thai Institute of Directors Association (IOD)	None	None	Kiattakin Phatra Financial Group		
					Jan 2020 - present	Head of Retail Business Strategy and Innovation Group	Kiattakin Bank Public Company Limited
					2016 - present	Member of the Executive Committee	
					2013 - present	First Executive Vice President	
					2013 - 2019	Head of Process and Product Improvement and Alternative Channels Group	
					Other Listed Companies		
					2018 - present	Director	Bangchak Corporation Public Company Limited
					2014 - present	Director	Aksorn Education Public Company Limited
					2010 - 2013	First Executive Vice President	Krungthai Bank Public Company Limited
					2010 - 2013	Director	Krungthai AXA Life Insurance Public Company Limited
2009 - 2013	Director	Krungthai Panich Insurance Public Company Limited					
Non-Listed Companies							
					July 2019 - present	State Enterprise Development Assessment Subcommittee for Digital transformation and Knowledge and Innovation management	State Enterprise Policy Office (SEPO)
					May 2019 - Present	Expert Member of the Capital Market Development Fund Committee	The Stock Exchange of Thailand

Training Programs :

- Strategy and Innovation for Businesses in Asia
(SIBA 2012)
- Massachusetts Institute of Technology (MIT),
College of Management Mahidol University
(CMMU)
- OIC Advanced Insurance Institute (OIC All 2012)
Office Of Insurance Commission (OIC)
- Top Executive Program in Commerce and Trade
(TEPCoT 2011)
- University of the Thai Chamber of Commerce
TLCA Executive Development Program (EDP 2009)
- Thai Listed Companies Association
Director Certification Program (DCP 93/2007)
- Thai Institute of Directors Association (IOD)

^{1/} Appointed effective on
July 2, 2013

^{2/} Appointed effective on
January 1, 2020

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
					2018 - present	Director in the Revenue Department drive the committee into digital revenue.	The Revenue Department
					2018 - present	Member of the Big Data Driven Board	Ministry of Finance
					2018 - present	Expert Board Member of the Committee for the Protection of Credit Information	Committee For The Protection Of Credit Information
					2017 - present	Expert Board Member of the Commission policy on private participation in state affairs	State Enterprise Policy Office (SEPO)
					2018 - Aug 2019	Director Member of the Audit Sub-Committee	The Stock Exchange of Thailand
					2017- July 2019	Advisor of the Identity provider (IDP) Committee	Ministry of Digital Economy and Society
					2016 - Jul 2019	Member of the National e-Payment Committee	Prime Minister's Office
					2009 - 2013	Director	National ITMX Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
15. Mrs. Kulnan Tsanhaiwo <ul style="list-style-type: none">• First Executive Vice President• Head of Priority Banking Group ¹⁾ ¹⁾ Appointed effective on June 1, 2014	55	<ul style="list-style-type: none">• Master of Science in Computer Information System (MSCIS) New Hampshire College, U.S.A• Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University• Bachelor of Political Science Chulalongkorn University Training Programs : <ul style="list-style-type: none">• IT Governance and Cyber Resilience Program (ITG 10/2019)• Thai Institute of Directors Association (IOD)• Family Business Governance (FBG 9/2017)• Thai Institute of Directors Association (IOD)• IOD Special Event 6/2016 : Family Business Club Dinner : The Professional Management Succession of Family Business• Thai Institute of Directors Association (IOD)• Corporate Governance for Capital Market Intermediaries (CGI 8/2015)• Thai Institute of Directors Association (IOD)• Corporate Governance for Executives (CGE 3/2015)• Thai Institute of Directors Association (IOD)• Director Accreditation Program (DAP 37/2005)• Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					2014 - present	First Executive Vice President Head of Priority Banking Group	Kiatnakin Bank Public Company Limited
					Jan 2020 - present	Managing Director Head of Private Client Business	Phatra Securities Public Company Limited
					2012 - 2018	Managing Director Head of Private Client Group	
					2017 - present	Director Member of the Audit Committee	Phatra Asset Management Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					2013 - present	Director	Princess Magg Foundation
					2012 - 2016	Director Member of the Audit Committee	KKTRADE Securities Company Limited

Training Programs :

- IT Governance and Cyber Resilience Program (ITG 10/2019)
- Thai Institute of Directors Association (IOD)
- Family Business Governance (FBG 9/2017)
- Thai Institute of Directors Association (IOD)
- IOD Special Event 6/2016 : Family Business Club Dinner : The Professional Management Succession of Family Business
- Thai Institute of Directors Association (IOD)
- Corporate Governance for Capital Market Intermediaries (CGI 8/2015)
- Thai Institute of Directors Association (IOD)
- Corporate Governance for Executives (CGE 3/2015)
- Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP 3/2005)
- Thai Institute of Directors Association (IOD)

¹⁾ Appointed effective on June 1, 2014

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
16. Ms. Kusumann Lowsalaraks • First Executive Vice President ^{1/} • Head of Auto Finance Group ^{2/} ^{1/} Appointed effective on November 16, 2019 ^{2/} Appointed effective on January 1, 2020	48	<ul style="list-style-type: none"> • Master of Business Administration (Management) Kellogg Graduate School of Management Northwestern University, U.S.A. • Bachelor of Economics Osaka University, Japan Training Program : <ul style="list-style-type: none"> • Strategic Formulation and Execution of Strategy (2004) Thai Institute of Directors Association (IOD) 	None	None	Kiatnakin Phatra Financial Group		
					Jan 2020 - present	First Executive Vice President Head of Auto Finance Group	Kiatnakin Bank Public Company Limited
					Nov 2019 - Dec 2019	First Executive Vice President Executive Office	
					Other Listed Companies		
					2015 - 2018	Executive Vice President, (Head of Marketing Division)	Bank of Ayudhya Public Company Limited
					2013 - 2015	Chief Marketing Officer	Ayudhya Capital Auto Lease Public Company Limited
					2008 - 2012	Chief Risk Officer	
					Other None- Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
17. Mr. Trairak Tengthirat • First Executive Vice President • Head of Corporate Banking Group ¹⁾	51	<ul style="list-style-type: none"> Master of Business Administration (Finance) Seattle University, U.S.A. Bachelor of Business Administration (Marketing) Chulalongkorn University 	None	None	Kiatnakin Phatra Financial Group		
					2018 - present	First Executive Vice President Head of Corporate Banking Group	Kiatnakin Bank Public Company Limited
					2018 - May 2019	Member of the Risk Management Committee	
					2014 - present	Director	Phatra Capital Public Company Limited
					Jan 2020 - present	Head of Wholesales & Investment Banking Business	Phatra Securities Public Company Limited
		Training Programs : <ul style="list-style-type: none"> Analysis and valuation of the Company's shares in leasing and hire purchase and construction business (2017) The impact of accounting changes and the new auditor's report (2017) Association of Thai Securities Companies Association of Thai Securities Companies Guideline using of the quality Due Diligence (2016) Association of Thai Securities Companies REIT/IFF : Criteria and Taxes Related (2016) Association of Thai Securities Companies Executive Program in Energy Science (8/2016) PTT Public Company Limited Internal control system for IPO companies (2015) Association of Thai Securities Companies Update and Impact : New Accounting Standard 2015 Association of Thai Securities Companies Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD) Financial Advisor Course : Securities Listing (2015) Association of Thai Securities Companies Financial Advisor Course : Due Diligence Guideline for Financial Advisors (2015) Association of Thai Securities Companies Financial Advisor Course : Issuance and Offering of Securities - Bond (2015) Association of Thai Securities Companies Financial Advisor Course : Acquisition of Securities for business Take - Overs (2015) Association of Thai Securities Companies 			Other Listed Companies		
					2017 - present	Independent Director Member of the Audit Committee	Veranda Resort Public Company Limited
					2013 - present	Independent Director Member of the Audit Committee	Sriracha Construction Public Company Limited
					Non-Listed Companies		
					Feb 2019 - present	Director	Kruem Company Limited
					2008 - present	Director	Crystal Football Club Company Limited
					2017 - 2019	Director	RPIC Pte.Ltd.

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
		<ul style="list-style-type: none"> • TLCA Leadership Development Program (LDP 2/2015) • Thai Listed Companies Association • Advance Audit Committee Program (AACCP 15/2014) • Thai Institute of Directors Association (IOD) • Capital Market Academy Leadership Program (CMA 11/2011) • Capital Market Academy 					

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
18. Mr. Therapong Vachirapong • First Executive Vice President • Head of Corporate Strategy Group ¹⁾	54	• Master of Business Administration (Finance) Western International University at Arizona, U.S.A. • Bachelor in Accounting Thammasat University Training Program : • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT)	None	580 (0.00)	Kiatnakin Phatra Financial Group		
					2016 - present	First Executive Vice President Head of Corporate Strategy Group	Kiatnakin Bank Public Company Limited
					2018 - present	Head of Research Group	Phatra Securities Public Company Limited
					2009 - present	Managing Director Head of Equity Research Department	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
19. Mr. Preecha Techarungchaikul <ul style="list-style-type: none">• First Executive Vice President• Head of Financial Markets Group^{1/}• Head of Finance and Budgeting Group^{2/}• The person who is assigned the highest responsibility in the accounting and financial field	49	<ul style="list-style-type: none">• Master of Science (Finance) University of Colorado , U.S.A• Bachelor of Business Administration (Industrial Management) Thammasat University <p>Training Programs :</p> <ul style="list-style-type: none">• Treasury Dealer Certification Course (Refresher course 2019)• Thai Financial Market (TFMC)• TLCA CFO Professional Development Program (TLCA CFO CPD) 4/2019• Thai Listed Companies Association• TFAC Conference 2019 : Future of Finance-Digital Disruption (6 hours)• Federation of Accounting Professions Under the Royal Patronage of His Majesty the King <p>Total hours of continuing professional development on professional accounting have contents related to accounting in the number of 6 hours for the year of 2019</p> <ul style="list-style-type: none">• Bond Trader's Refresher Course (2018)• The Thai Bond Market Association• CFO Focus (2018) (3 hours)• Federation of Accounting Professions Under The Royal Patronage of His Majesty The King• Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT)	None	None	Kiatnakin Phatra Financial Group		
					May 2019 - present	Head of Finance and Budgeting Group	Kiatnakin Bank Public Company Limited
					2013 - present	First Executive Vice President Head of Financial Markets Group	
					Jan - May 2019	Acting as a Head of Finance and Budgeting Group	
					2013 - May 2019	Member of the Risk Management Committee	
^{1/} Appointed effective on March 6, 2013					Other Listed Companies		
^{2/} Appointed effective on May 10, 2019					None		
					Non-Listed Companies		
					2011 - 2013	Head of Markets	Royal Bank of Scotland, Bangkok Branch

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
20. Mr. Panya Vechbanyongratana <div><ul style="list-style-type: none">First Executive Vice PresidentHead of Information Technology Group ¹⁾</div> ¹⁾ Appointed effective on July 1, 2019	45	<div><ul style="list-style-type: none">Master of Business Administration University of Colorado at Boulder, U.S.A.Bachelor of Science in Computer Information Systems (Honors) Regis University, Denver, U.S.A.</div> Training Program : <ul style="list-style-type: none">Advance Certificate Course in Public Administration and Law for Executives (2013) King Prajadhipok's Institute	None	None	Kiatnakin Phatra Financial Group		
					Jul 2019 - present	First Executive Vice President Head of Information Technology Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2018 - Jan 2019	Executive Vice President Chief Marketing Officer, Head of Marketing Group	Total Access Communication Public Company Limited
					2017 - 2018	Executive Vice President Chief Marketing Officer, Head of Commercial Group	
					2016 - 2017	Executive Vice President Chief Sale Officer, Head of Sales Group	
					2015 - 2016	Senior Vice President Postpaid Branded Retail Sales	
					2014 - 2015	Senior Vice President Regional Business Head	
					2013 - 2014	Senior Vice President Head of Network Operations Division	
					Other None- Listed Companies		
					None		

¹⁾ Appointed effective on
July 1, 2019

Training Program :
 • Advance Certificate Course in Public Administration
and Law for Executives (2013)
King Prajadhipok's Institute

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
21. Dr. Popanit Poommarapan • First Executive Vice President • Head of Risk Management Group ¹	57	<ul style="list-style-type: none">• Ph.D. (Engineering Management) Missouri University of Science and Technology, U.S.A.• Operations Research Wichita State University, U.S.A.• Master of Science (Engineering Management) University of Louisiana at Lafayette, U.S.A.• Bachelor of Engineering Chulalongkorn University <p>Training Programs :</p> <ul style="list-style-type: none">• 3rd Edition Practical Guide to Excellence in Operation Risk (2018) Marcus Evans, Singapore• Risk Management Committee Program (RMP 1/2013) Thai Institute of Directors Association (IOD)	None	None	Kiatnakin Phatra Financial Group		
					2012 - present	First Executive Vice President Head of Risk Management Group	Kiatnakin Bank Public Company Limited
					2016 - 2018	Director	Phatra Equity Market Neutral Asia Pacific Fund
					2016 - present	Director	Phatra Asset Management (Cayman) Limited
					2008 - 2012	Assistant Managing Director	Phatra Securities Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
22. Mr. Pansalit Trakamkitvichit • First Executive Vice President • Head of Credit Analysis Group ^{/1}	55	<ul style="list-style-type: none"> • Master of Business Administration Woodbury University, U.S.A. • Bachelor of Economics California State University, U.S.A. 	None	None	Kiatnakin Phatra Financial Group		
					2014 - Jan 2020	First Executive Vice President Head of Credit Analysis Group	Kiatnakin Bank Public Company Limited
					2014 - May 2019	Member of Risk Management Committee	
					Other Listed Companies		
					None		
Remark : Resignation effective on January 1, 2020		Training Programs : <ul style="list-style-type: none"> • Cash Management Ace (1999) Citibank • Intermediate Risk (1998) Citibank • Trade Finance Products (1993) Bangkok Bank • Financial Analysis for FI (1993) JP Morgan 			Non-Listed Companies		
					2009 - 2012	President	Southeast Capital Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
23. Mrs. Penroong Suwannakudt • First Executive Vice President • Head of Human Resources Management Group ¹⁾ ¹⁾ Appointed effective on May 1, 2018	56	<ul style="list-style-type: none"> Human Resource Management Sasin Graduate Institute of Business Administration of Chulalongkorn University Bachelor of Social Work Program Thammasat University <p>Training Programs :</p> <ul style="list-style-type: none"> Applying OKRS into Your Company Mission and Value (2018) Personal Management Association of Thailand 7 Habits of Highly Effective People (2558) Allianz Ayudhya Public Company Limited Allianz Executive Presentation (2557) Allianz Ayudhya Public Company Quiet Leadership (2555) Neuro Leadership Institute David Ulrich : HR Strategy Business Alignment and Creatively Organization Capabilities (2554) Octagon Director Certification Program (DCP 132/2010) Thai Institute of Directors Association Role of the Compensation Committee (RCC 11/2010) Thai Institute of Directors Association 	None	None	Kiatnakin Phatra Financial Group		
					2018 - present	First Executive Vice President Head of Human Resource Management Group	Kiatnakin Bank Public Company Limited
					2018 - present	Member of the Disciplinary Committee	Phatra Securities Public Company Limited
					Other Listed Companies		
					2013 - 2018	First Executive Vice President Chief Human Resources Officer	Allianz Ayudhya Public Company Limited
					2008 - 2013	Executive Vice President Human Resource Division	Thoresen Thai Agencies Public Company Limited
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
24. Mr. Pattarapong Raktabutr • First Executive Vice President ^{1/} • Head of Consumer and SME Finance Group ^{2/}	52	<ul style="list-style-type: none"> • Master of Business Administration University of Louisville, U.S.A. • Bachelor of Political Science (Public Administrations) Thammasat University Training Programs : <ul style="list-style-type: none"> • Leading Across Boundaries (2009) • University of Oxford • Sales School (1995) • Digital Equipment Corporation • Customer Quality Relation & Service (1994) • Telecom Asia Corporation Public Company Limited 	None	None	Kiatnakin Phatra Financial Group		
					Jan 2020 - present	Head of Consumer and SME Finance Group	Kiatnakin Bank Public Company Limited
					2015 - present	First Executive Vice President	
					2015 - Dec 2019	Head of Alternative Distribution Channel Group	
					Other Listed Companies		
					2004 - 2015	Executive Vice President (Head of Client Acquisition)	Standard Chartered Bank (Thai) Public Company Limited
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
25. Mr. Manit Wannavanit • First Executive Vice President • Head of Sales Distribution Group ¹⁾	53	<ul style="list-style-type: none">• Master of Public Administration National Institute of Development Administration• Bachelor of Economics Ramkhamhaeng University	None	115,000 (0.01)	Kiatnakin Phatra Financial Group		
					2012 - present	First Executive Vice President Head of Sales Distribution Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					Apr - Aug 2012	Executive Vice President, Provincial Branch Business Division, Distribution Group	Bank of Ayudhya Public Company Limited
					2010 - 2012	Senior Vice President	
					Non-Listed Companies		
					None		

¹⁾ Appointed effective on September 4, 2012

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
26. Mr. Worrakrit Jaruwongpak • First Executive Vice President • Head of Operations Group ¹⁾ ¹⁾ Appointed effective on January 16, 2014	58	<ul style="list-style-type: none"> • Doctor of Business Administration Western University • Master of Business Administration (Management) National Institute of Development Administration • Bachelor of Economics Chiangmai University 	None	None	Kiatnakin Phatra Financial Group		
					2014 - present	First Executive Vice President Head of Operations Group	Kiatnakin Bank Public Company Limited
					2015 - present	Chairman of the Board of Directors	KKP Tower Company Limited
					Other Listed Companies		
					2010 - 2014	Executive Vice President	Bank of Ayudhya Public Company Limited
		Training Programs : <ul style="list-style-type: none"> • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT) • Director Certification Program (DCP 179/2013) Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP 5/2012) • Thai Institute of Directors Association (IOD) 			Non-Listed Companies		
					2017 - present	Director	Playing Cards Factory, Exoise Department
					May - Jun 2016	Director	Erawan Law Office Company Limited
					2009 - 2013	Director	National ITMX Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
27. Mr. Sammit Sakulwira • First Executive Vice President • Head of Commercial Lending Group ¹⁾	52	• Master of Business Administration (Finance) University of Wisconsin - Whitewater, U.S.A. • Bachelor of Science (Packaging and Material Technology) Kasetsart University	None	None	Kiatnakin Phatra Financial Group		
					2017- present	First Executive Vice President Head of Commercial Lending Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2010 - 2017	First Senior Vice President (Corporate Business Division)	Kasikorn Bank Public Company Limited
					Non-Listed Companies		
					None		



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
28. Mr. Norachet Sangruji • First Executive Vice President • Advisor to the Chief Executive Officer ¹⁾ ¹⁾ Appointed effective on Oct 1, 2018 Remark : Retirement effective on January 1, 2020.	57	• Master of Business Administration (Finance & Marketing) Syracuse University, U.S.A. • Master of Science in Electrical Engineering (Telecommunication) Syracuse University, U.S.A. • Bachelor of Engineering (Electrical Engineering) Chulalongkom University Training Programs : • Bangkok Fin Tech Fair 2018 : SME and Consumer Financial Solutions Bank of Thailand (BOT) • Director Certification Program (DCP 217/2016) Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 36/2005) Thai Institute of Directors Association (IOD)	None	1,710,000 (0.20)	Kiattakin Phatra Financial Group		
					2018 - Jan 2020	First Executive Vice President Advisor to the Chief Executive Officer	Kiattakin Bank Public Company Limited
					2015 - May 2019	Member of the Risk Management Committee	
					2015 - 2018	First Executive Vice President Head of Corporate Banking Group	
					2018 - present	Member of the Audit Committee	Phatra Capital Public Company Limited
					2013 - present	Director	
					2010 - 2012	Executive Director	
					2017 - present	Member of the Audit Committee	Phatra Securities Public Company Limited
					2004 - present	Director	
					2007 - 2012	Executive Director	
Other Listed Companies							
None							
Non-Listed Companies							
2018 - present Director Member of the Risk Management Sub-Committee The Stock Exchange of Thailand							
Member of the Corporate Governance and Social Responsibilities Sub-Committee							
2018 - present Director ASCO Business Promotion Company Limited							
2017 - present Director Noppakit Company Limited							

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
					2005 - present	Adviser to the Executive Director	MITR Technical Consultant
					2000 - present	Director	Pantavanij Company Limited
					2018 - present	Head of Advisory for Investment Banking Club	Association of Thai Securities Companies
					2017 - present	Director	
					2011 - present	Mutual Fund working group	
					2011 - present	Derivatives and Warrants working group	
					2009 - present	Sub-Committee of Drafting on Announcements Regarding Issuance and Offering of Securities - Equity	
					2009 - present	Sub-Committee of Self-Regulatory Organization	
					2009 - 2018	Head of Investment Banking Club	
					1990 - present	Director	Kasetsin Company Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
29. Mr. Aphichart Chongsanguanpradab • Executive Vice President ¹ • Head of Legal and Compliance Group ²	45	• Master of Business Administration with Finance Concentration Eastern Michigan University, U.S.A • Bachelor of Accountancy Chulalongkorn University Training Programs : • Thailand - EU Seminar on E-Commerce and GDPR (2019) Royal Thai Embassy Brussels and Ministry of Digital Economy and Society • ASEAN Banking Cybersecurity Conference (2019) The Thai Bankers' Association (TBA) • E - KYC for Digital Financial No. 1 (2019) Thai Institute of Banking and Finance Association (TIBFA) • Electronics Law Program No. 4 (2019) Thai Institute of Banking and Finance Association (TIBFA) • Personal Data Protection Act B.E. 2562 Process and Practice No. 3 (2019) Dharmniti • Seminar on Latest Debt Collection Act, Announcement of Office of the Consumer Protection Board 2018 and Hire Purchase and Leasing Guidelines (2019) Thai Hire-Purchase Association • The Business Law of New Financial Institution Class 1 (2018) Thai Institute of Banking and Finance Association (TIBFA) • The Law of the Office of the Consumer Protection Board in 2018 and Market Conduct (2018) Bank of Thailand (BOT) • The Practices of the Hire Purchase and Leasing (2018) Thai Hire-Purchase Association.	None	None	Kiatnakin Phatra Financial Group		
					Jul 2019 - present	Executive Vice President Head of Legal and Compliance group	Kiatnakin Bank Public Company Limited
					2014 - Jul 2019	Executive Vice President Office of Compliance	
					2011 - 2014	Head of Operations Department	Phatra Securities Public Company Limited
					2004 - 2011	Head of Compliance	
					Other Listed Companies		
					1997 - 1999	Internal Auditor	Bangkok Bank Public Company Limited
					Non-Listed Companies		
					2010 - 2011	Compliance Officer	Credit Suisse (Thailand) Securities Company Limited
					2003 - 2004	Compliance Officer	Merrill Lynch International Bank Limited (Merchant Bank) (Singapore Branch)
1999 - 2003	Compliance Officer	Merrill Lynch Phatra Securities Company Limited					

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
		<ul style="list-style-type: none"> • Anti-Money Laundering and Counter Financing of Terrorist (AML/CFT) Training for Transaction Reports under section 13 and section 16 Course 1, Class 2 (2018) • Anti-Money Laundering Office (AMLO) • The Information Technology Risk Supervision of Financial Institute • Compliance Club of the Thai Bankers' Association • Anti-Corruption Working Paper Program No.3/2018 • Federation of Accounting Professions under The Royal Patronage of His Majesty The King. • Workshop for Customer's Risk Management Framework (2018) • Securities and Exchange Commission (SEC) • Compliance and Compliance Audit Auditing 7.0 GPE Credits (2018) • Institute of Internal Auditors of Thailand (IIA) • Roundtable Discussion 2018 : Driving Business Value & Sustainability through Active (2018) • Securities and Exchange Commission (SEC) • Discussion on the Privacy protection, Big Data and GDPR in the Digital Economy Development (2018) • Bank of Thailand and The College of Local Administration, Khonkaen University • Seminar : The Financial instruments : TFRS 9 (2018) • Department of Business Development, Ministry of Commerce • Seminar : Insurance Expo 2018 : Converging Insurance Business Model with Insurance in Digital Disruption (2018) • Office of Insurance Commission (OIC) • Seminar : Re-Inventing Business Model Through Technological Lens (2018) • SEC and Business Software Alliance (BSA) 					

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
30. Mr. Somkiat Jompratchaya • Executive Vice President ¹ • Head of Retail Credit and Collection Group ²	43	<ul style="list-style-type: none">• Master of Business Administration Assumption University• Bachelor of Business Administration (Finance and Banking) Assumption University <p>Training Programs :</p> <ul style="list-style-type: none">• Effective Debt Collection & Recovery Master Class (2019)• Johannesburg, Bricaevents• Executive Development Program (2018)• Thai Listed Companies Association• Risk Management Program for Leadership (2017)• Thai Institutes of Directors Association (IOD)• Credit lab module and Collection lab Module (2014)• Banker lab• Risk Management Plan (2013)• Thai Institutes of Directors Association (IOD)• Reinventing Your Business Strategy• Sasin Graduate Institute of Business Administration of Chulalongkorn University• Enterprise Risk Management (ERM) KPMG	None	None	Kiatnakin Phatra Financial Group		
					Jan 2020 - present	Executive Vice President Head of Retail Credit and Collection Group	Kiatnakin Bank Public Company Limited
					2015 - 2019	Executive Vice President Department Head of Retail Credit Risk Management	
					2018 - 2019	Acting Head of Collection Office	
					Other Listed Companies		
					Oct 2014 - Dec 2014	Senior Vice President	Bank of Ayudhya Public Company Limited
					2003 - 2014	Senior Vice President	Ayudhya Capital Auto Lease Public Company Limited
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
31. Mr. Kritiya Veerabunus • Member of the Executive Committee ^{1/} ^{1/} Appointed effective on October 15, 2012 Remark : Termination of the position effective on January 30, 2020	50	<ul style="list-style-type: none">Master of Business Administration (Finance & Investment) Golden Gate University, U.S.A.Bachelor of Business Administration (Management) Chulalongkorn University Training Programs : <ul style="list-style-type: none">Corporate Governance for Capital Market Intermediaries (CGI 14/2016) Thai Institute of Directors Association (IOD)Capital Market Leadership Program (CMA 18/2014) Capital Market AcademyDirector Accreditation Program (DAP 73/2008) Thai Institute of Directors Association (IOD)	None	172 (0.00)	Kiatnakin Phatra Financial Group		
					2012 - Jan 2020	Member of the Executive Committee	Kiatnakin Bank Public Company Limited
					2012 - May 2019	Member of the Risk Management Committee	
					2013 - 2016	Director	
					2013 - 2016	Chairman of Capital Market Business	
					2012 - 2016	First Executive Vice President Head of Corporate Strategy Group	
					Apr - Sep 2012	Director	
					2013 - present	Director	Phatra Capital Public Company Limited
					2013 - 2016	President	
					2012 - 2013	Managing Director (Head of Investment and Trading Group)	
					2011 - 2012	Managing Director (Head of Direct Investment Department)	
					2016 - Dec 2019	Managing Director (Head of Investment and Trading Group)	Phatra Securities Public Company Limited
					2013 - present	Director	
					2013 - 2016	President	
					2012 - 2013	Managing Director (Head of Investment and Trading Group)	
					2013 - 2017	Director	Phatra Asset Management Company Limited
Other Listed Companies							
None							
Non-Listed Companies							
2006 - present					Director	The Palm Cha Am Company Limited	
2014 - 2016					Director	Association of Thai Securities Companies (ASCO)	
2013 - 2016					Director	KKTRADE Securities Company Limited	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
32. Mrs. Patchanee Limapichat • Member of the Executive Committee ^{1/} ^{1/} Appointed effective on June 6, 2016 Remark : Termination of the position effective on January 30, 2020	57	<ul style="list-style-type: none">• Master of Business Administration California State University at Sacramento, U.S.A.• Bachelor in Political Science Chulalongkorn University Training Programs : <ul style="list-style-type: none">• Corporate Governance for Capital Market Intermediaries (CGI 7/2015) Thai Institute of Directors Association (IOD)• Director Accreditation Program (DAP 36/2005) Thai Institute of Directors Association (IOD)	None	100,000 (0.01)	Kiatnakin Phatra Financial Group		
					2016 - Jan 2020	Member of the Executive Committee	Kiatnakin Bank Public Company Limited
					2010 - present	Director	Phatra Capital Public Company Limited
					2004 - present	Director	Phatra Securities Public Company Limited
					2016 - 2018	President	
					2004 - 2016	Managing Director	
Other Listed Companies							
None							
Non-Listed Companies							
None							

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
33. Mrs. Kessara Liengchayetz • Executive Vice President ¹⁾ • Department Head of Sales	49	<ul style="list-style-type: none">• Master of Business Administration University of Wisconsin - Madison, U.S.A.• Bachelor of Business Administration Chulalongkorn University	None	None	Kiatnakin Phatra Financial Group		
					2015 - present	Executive Vice President Department Head of Sales	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
¹⁾ Appointed effective on July 18, 2015		Training Programs : <ul style="list-style-type: none">• Refresher Course for Bond Traders (2019) Thai Bond Market Association• FATCA overview and due diligence process (2005) Phatra Securities Public Company Limited			None		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
34. Mr. Jakrawam Jakrawamwibul • Executive Vice President ¹ • Department Head of Trading	49	<ul style="list-style-type: none"> • Master of Business Administration (Accounting) Thammasat University • Bachelor of Business Administration (Finance) Thammasat University 	None	None	Kiatnakin Phatra Financial Group		
					2015 - present	Executive Vice President Department Head of Trading	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
¹ Appointed effective on August 20, 2015		Training Programs : <ul style="list-style-type: none"> • Strategic Thinking into Execution (2015) Kiatnakin Bank Public Company Limited • Situational Leadership (2015) Kiatnakin Bank Public Company Limited • Good to be Coach (2015) Kiatnakin Bank Public Company Limited 			None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
35. Mr. Chawalit Lawang • Executive Vice President ^{†1} • Deputy Head of Operations Group	61	<ul style="list-style-type: none">• Master of Business Administration Ramkhamhaeng University• Bachelor of Science Chandrakasem Rajabhat University	None	None	Kiatnakin Phatra Financial Group		
					2014 - Jan 2020	Executive Vice President Deputy Head of Operations Group	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
Remark : Employment contract ended January 1, 2020.					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
36. Mr. Chainarong Rojanasintu • Executive Vice President ¹⁾ • Department Head of Corporate Lending	51	<ul style="list-style-type: none"> • Master of Business Administration Sasin Graduate Institute of Business Administration of Chulalongkorn University • Bachelor of Business Administration Chulalongkorn University 	None	82 (0.00)	Kiatnakin Phatra Financial Group		
					2013 - present	Executive Vice President Department Head of Corporate Lending	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
¹⁾ Appointed effective on June 13, 2013		Training Programs : <ul style="list-style-type: none"> • Business combinations, accounting and tax issues Common in practice (2013) • Association of Thai Securities Companies • Internal Control (2012) • Association of Thai Securities Companies 			Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
37. Dr. Narong Preedanan • Executive Vice President ^{/1} • Head of Office of Internal Audit	57	<ul style="list-style-type: none"> • Doctor of Business Administration (DBA) University of South Australia, Australia • Master of Business Administration University of Leicester, UK • Bachelor of Accountancy Chulalongkorn University 	None	None	Kiatnakin Phatra Financial Group		
					2012 - present	Executive Vice President Head of Office of Internal Audit	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
					Non-Listed Companies		
		Training Programs : <ul style="list-style-type: none"> • Chief Audit Executive (CAE) Forum : Mobile Banking and Digital Bank Audit organized The Bank and Financial Institution Internal Auditors Club • The Study of Audit Adjustments by Research Institute for Policy Evaluation & Design, University of the Thai Chamber of Commerce Securities and Exchange Commission (SEC) • Value Creation and Enhancement for Listed Companies with the New COSO 2017 Enterprise Risk Management (ERM) • Thammasat University and the SET • CAE Forum : Robotic Internal Control and Audit The Bank and Financial Institution Internal Auditors Club • Director Certification Program (DCP) Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP) Thai Institute of Directors Association (IOD) 					

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
38. Ms. Pattanai Luangtrakul • Executive Vice President ^{/1} • Head of Office of Group Corporate Communication	48	<ul style="list-style-type: none"> • Master of Business Administration Chulalongkorn University • Bachelor of Business Administration (Marketing) Assumption University 	None	None	Kiatnakin Phatra Financial Group		
					2019 - present	Executive Vice President Head of Office of Group Corporate Communication	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					None		
		Training Programs : <ul style="list-style-type: none"> • Everyday Coaching/ Nestle' Leadership Program (2017) Nestlé Group • Issue & Crisis Management (2016) ABM Group (Co-developer) • Overseas Mission Assignment-Digital and Communication (Switzerland HQ) (2013) Nestlé Group 			Non-Listed Companies		
					2015 - 2019	Corporate Communication & PR Group Manager	Nestlé (Thai) Ltd.
					2013 - 2015	Senior Marketing Manager - Coffee Mixes	

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
39. Mrs. Pichaya Sotangkur • Executive Vice President ¹⁾ • Department Head of Commercial Credit Analysis	49	<ul style="list-style-type: none"> Master of Business Administration University of Colorado at Denver, U.S.A. Bachelor of Engineering (Mechanical Engineering) Chulalongkorn University 	None	None	Kiatnakin Phatra Financial Group		
					Jan 2020 - present	Executive Vice President Department Head of Commercial Credit Analysis Risk Management Group	Kiatnakin Bank Public Company Limited
					2014 - 2019	Executive Vice President Department Head of Commercial Credit Analysis Credit Analysis Group	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

¹⁾ Appointed effective on
May 8, 2014

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
40. Ms. Petcharat Keeratipyoobon • Executive Vice President ^{/1} • Deputy Head of Commercial Lending Group	56	<ul style="list-style-type: none"> • Master of Business Administration Chulalongkorn University • Bachelor in Economics Chulalongkorn University 	None	None	Kiatnakin Phatra Financial Group		
					2017 - Present	Deputy Head of Commercial Lending Group	Kiatnakin Bank Public Company Limited
					2004 - Feb 2017	Head of Apartment & Hotel Lending	
					Other Listed Companies		
					None		
^{/1} Appointed effective on February 22, 2017					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
41. Mr. Romsai Tandakoseya • Executive Vice President ¹⁾ • Department Head of Commercial and Financial Institutions Credit Risk Management	43	<ul style="list-style-type: none"> • Master of Management College of Management Mahidol University • Master of Business (Marketing) University of Technology Sydney, Australia • Bachelor of Commerce (Finance) Deakin University, Melbourne, Australia 	None	None	Kiatnakin Phatra Financial Group		
					2017 - Present	Executive Vice President Department Head of Commercial and Financial Institutions Credit Risk Management	Kiatnakin Bank Public Company Limited
					Other Listed Companies		
					2016 - 2017	Executive Vice President Credit Risk Management	Standard Chartered Bank (Vietnam) Plc.
					2014 - 2016	Senior Vice President Credit Risk Management	Standard Chartered Bank (Tha) Plc.
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
42. Mr. Wanakan Kanjanasoon • Executive Vice President ¹⁾ • Department Head of Retail Business Strategy	42	<ul style="list-style-type: none"> • Master of Science in Computer Information Systems (MSCIS) Assumption University • Master of Business Administration (Finance) National Institute of Development Administration • Bachelor of Engineering King Mongkut's Institute of Technology Ladkrabang <p>Training Program :</p> <ul style="list-style-type: none"> • Successful Formulation & Execution the Strategy (2009) Thai Institute of Directors Association (IOD) 	None	56,500 (0.01)	Kiatnakin Phatra Financial Group		
					Jan 2020 - Present	Department Head of Retail Business Strategy	Kiatnakin Bank Public Company Limited
					2018 - 2019	Executive Vice President Department Head of Marketing and Strategy Process and Product Improvement and Alternative Channels Group	
					2016 - 2018	Senior Vice President Department Head of Marketing and Strategy Acting Head of Hire Purchase Business Development	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
43. Mrs. Suwannee Wattanavekin • Executive Vice President ¹⁾ • Department Head of Foreclosed Property Management	58	<ul style="list-style-type: none"> • Master of Business Administration New Hampshire College, U.S.A. • Bachelor in Management Northeastern University, Boston, U.S.A. Training Program : <ul style="list-style-type: none"> • Top Executive Program in Industrial Development and Investment (2019) • Institute of Business and Industrial Development (IBID) 	None	9,957,621 (1.18)	Kiatnakin Phatra Financial Group		
					2009 - Present	Executive Vice President Department Head of Foreclosed Property Management	Kiatnakin Bank Public Company Limited
					2006 - 2009	Senior Vice President Department of Foreclosed Property Management	
					2001 - 2006	Vice President Department of Property Management	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
44. Mr. Hirunrooj Louthearavong • Executive Vice President ¹⁾ • Deputy Head of Consumer and SME Finance Group	54	<ul style="list-style-type: none"> • Master of Finance Concentration Mercer University, Georgia, U.S.A. • Bachelor of Laws Thammasat University Training Programs : <ul style="list-style-type: none"> • Debt Collection Act (2015) Kiatnakin Bank Public Company Limited • Sales Compensation Management (2015) Kiatnakin Bank Public Company Limited • Fundamental of Commercial Bank (2015) Kiatnakin Bank Public Company Limited • Bancassurance Leadership WS (2015) Kiatnakin Bank Public Company Limited 	None	None	Kiatnakin Phatra Financial Group		
					Jan 2020 - Present	Executive Vice President Deputy Head of Consumer and SME Finance Group	Kiatnakin Bank Public Company Limited
					2015 - 2019	Acting Department Head of Sale and Distribution Channel Deputy Head of Sales and Distribution Group	
					2015 - 2015	Executive Vice President Assistant Head of Sales and Distribution Group	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
45. Mr. Anuwat Ruamsuke • Executive Vice President ¹⁾ • Department Head of Debt Capital Market ¹⁾ Appointed effective on September 29, 2016	46	<ul style="list-style-type: none"> Bachelor of Science in Statistics Chulalongkorn University Training Programs : <ul style="list-style-type: none"> CMA GMS Class of 2018 Capital Market Academy TLCA Leadership Development Program (LDP 6/2018) Thai Listed Companies Association The effect of new financial reporting standards And accounting effects on the acquisition (2016) Thai Listed Companies Association Capital Market Academy Leadership Program (CMA 22/2016) Capital Market Academy 	None	None	Kiatnakin Phatra Financial Group		
					2016 - Present	Executive Vice President Department Head of Debt Capital Market	Kiatnakin Bank Public Company Limited
					2016 - Present	Managing Director Head of Capital Markets Department	Phatra Securities Public Company Limited
					2010 - 2017	Deputy Managing Director	
					2008 - 2010	Senior Vice President	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					2019 - Present	Vice Chairman of Investment Banking Club	Association of Thai Securities Companies
					2019 - Present	Sub-committee on Consideration of Issuance and Offering of Equity Securities	The Securities and Exchange Commission
					2018 - 2019	Director of Investment Banking Club	Association of Thai Securities Companies

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
46. Mr. Partsakom Boonyaprasit <ul style="list-style-type: none">• Senior Vice President ^{/1}• Deputy Head of Information Technology Group	42	<ul style="list-style-type: none">• Master of Business Administration Kasetsart University• Bachelor of Science Rangsit University Training Program : <ul style="list-style-type: none">• Fundamental of Commercial Bank (2016) Kiatnakin Bank Public Company Limited	None	3,500 (0.00)	Kiatnakin Phatra Financial Group		
					Jan 2020 - Present	Senior Vice President Deputy Head of Information Technology Group	Kiatnakin Bank Public Company Limited
					2018 - 2020	Acting Department Head of Core Banking System	
					2015 - 2017	Senior Vice President Department Head of Services and Support System Development	
						Acting Department Head of Services and Support System Development	
					Other Listed Companies		
					2014 - 2015	First Vice President	Kasikorn Bank Public Company Limited
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
47. Mr. Phayak Subsomboon • Senior Vice President ^{/1} • Deputy Head of Auto Finance Group • Acting Department Head of Auto Inventory Finance ^{/1} Appointed effective on November 15, 2017	53	• Master of Business Administration Ramkhamhaeng University • Bachelor of Arts Suan Dusit Rajabhat University Training Programs : • Learn & Grow Together (2016) Kiatnakin Bank Public Company Limited • Fundamental of Commercial Bank (2015) Kiatnakin Bank Public Company Limited • Inspiration Leaders (2015) Kiatnakin Bank Public Company Limited • The role of financial institutions in preventing money laundering and preventing financial support for terrorism (2015) Kiatnakin Bank Public Company Limited	None	500 (0.00)	Kiatnakin Phatra Financial Group		
					Jan 2020 - Present	Deputy Head of Auto Finance Group	Kiatnakin Bank Public Company Limited
						Acting Department Head of Auto Inventory Finance	
					2017 - 2019	Senior Vice President	
						Deputy Head of Sales and distribution Group	
						Acting Regional Director - Hire Purchase BKK	
						Acting Regional Director - Hire Purchase Province 3	
						Acting Regional Director - Hire Purchase Province 4	
						Acting Department Head of Auto Inventory Finance	
						2009 - 2017	Head of Regional Sales Office
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
48. Mr. Thaworn Chuengoen • Senior Vice President ^{/1} • Deputy Head of Sales and Distribution Group • Acting Regional Director - Commercial Bank Business ^{/1} Appointed effective on November 15, 2018	55	<ul style="list-style-type: none"> • Master of Public Administration Burapha University Training Programs : <ul style="list-style-type: none"> • Unit Linked - by OIC (2018) Kiatnakin Bank Public Company Limited • Renewal of investment advisor license (2017) Kiatnakin Bank Public Company Limited • Cross Selling (2017) Kiatnakin Bank Public Company Limited • Internal regulations and control (2016) Kiatnakin Bank Public Company Limited 	None	20,000 (0.00)	Kiatnakin Phatra Financial Group		
					Jan 2020 - Present	Senior Vice President Deputy Head of Sales and Distribution Group	Kiatnakin Bank Public Company Limited
						Acting Regional Director- Commercial Bank Business	
					2017 - 2019	Acting Regional Director- Commercial Bank Business Province 1	
						Acting Regional Director- Commercial Bank Business Province 2	
					2015 - 2017	Senior Vice President Regional Director-Commercial Bank Province 2	
					2014 - 2015	Head of Eastern Sales Office	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
49. Ms. Sanikorn Suparp • Senior Vice President ^{/1} • Deputy Head of Priority Banking Group	49	<ul style="list-style-type: none"> • Bachelor of Business Administration University of the Thai Chamber of Commerce <p>Training Programs :</p> <ul style="list-style-type: none"> • KKP Edge : Project Presentation (2016) • Kiatnakin Bank Public Company Limited • KKP Edge : Leader Strengths Finder (2015) • Kiatnakin Bank Public Company Limited • KKP Edge : Maximizing your Talent (2015) • Kiatnakin Bank Public Company Limited • KKP Edge : Economics and Banks (2015) • Kiatnakin Bank Public Company Limited 	None	None	Kiatnakin Phatra Financial Group		
					2018 - Present	Deputy Head of Priority Banking Group	Kiatnakin Bank Public Company Limited
					2015 - 2018	Senior Vice President	
						Assistant Head of Priority Banking Group	
						Acting Department Head Priority Banking 2	
						Acting Department Head Regional Priority Banking	
Other Listed Companies							
None							
Non-Listed Companies							
None							

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
50. Ms. Nilawan Treekitiamroon • Senior Vice President • Department Head of Accounting ^{1/2} • The person who is assigned for the supervision of accounting	46	<ul style="list-style-type: none"> • Master of Arts (Applied Finance) Kasetsart University • Bachelor of Accountancy Bangkok University • Certified Public Accountant registration No. 8140 	None	None	Kiatnakin Phatra Financial Group		
					2015 - present	Senior Vice President Department Head of Accounting	Kiatnakin Bank Public Company Limited
					2008 - 2012	Vice President Accounting Department	
					Other Listed Companies		
					None		
		<p>Training Programs :</p> <ul style="list-style-type: none"> • PwC Thailand's 2019 Symposium : "Connecting the dots : Managing corporate challenges in 2020 and beyond" - Financial Reporting Update (6:30 hours) PricewaterhouseCoopers ABAS Ltd. • Thai Financial Reporting Standard '16 Leases (4:30 hours) EY Office Ltd. • Accounting Practices related to Foreign Exchange Rates (6 hours) Dharmniti Seminar and Training Co., Ltd. <p>Total hours of continuing professional development on professional accounting have contents related to accounting in the number of 17 hours for the year of 2019.</p>			Non-Listed Companies		
					2013 - 2014	Vice President Accounting Department	Powerbuy Company Limited, a group company of Central Retail Corporation Limited

*KKP shareholding includes share numbers of spouse and minor children.



Name-Surname/ Present Position/ Date of Appointment	Age	Education/ Training Programs	Family Relationship with the Executive	KKP Shareholding*	Experiences in the Past 5 Years		
					Period	Position	Organization/ Company Name
51. Ms. Pornpip Chuprakhun • Corporate Secretary ^{1/} • Senior Vice President • Head of Corporate Secretariat Department	51	<ul style="list-style-type: none"> • Master of Business Administration Assumption University • Bachelor of Arts (Political Science) Kasetsart University <p>Training Programs :</p> <ul style="list-style-type: none"> • Legal Duties of Directors and Civil and Criminal Liability under Thai Laws (2019) • Tilleke & Gibbins International Ltd. • Workshop for Professional Development in Forum <p>“Beyond Regulation : The Evolution of the Company Secretary Role” (2018)</p> <ul style="list-style-type: none"> • Thai Listed Companies Association • ASEAN Corporate Secretaries Professional Exchange Programme (PEP 2016) • The Hong Kong Institute of Chartered Secretaries • Thai Intelligent Investors Program (TIIP - 13/2559) • Thai Investor Association • Compliance Officer (7/2014) • Faculty of Law, Chulalongkorn University • Fundamental Practice for Corporate Secretary (FPCS 23/2011) • Thai Listed Companies Association • Board Reporting Program (BRP 1/2009) • Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP 17/ 2006) • Thai Institute of Directors Association (IOD) • Effective Minute Taking (EMT 2/2006) • Thai Institute of Directors Association (IOD) • Corporate Secretary Development Program (11/2005) • Faculty of Commerce and Accountancy, Chulalongkorn University 	None	59,001 (0.01)	Kiatnakin Phatra Financial Group		
					2011 - present	Senior Vice President, Head of Corporate Secretariat Department	Kiatnakin Bank Public Company Limited
					2010 - present	Corporate Secretary	
					Other Listed Companies		
					None		
					Non-Listed Companies		
					None		

^{1/} Appointed effective on January 13, 2010

*KKP shareholding includes share numbers of spouse and minor children.



Directorship of Directors and Executives in Subsidiaries, Associated Companies and Related Companies

[illegible]



Name*	Position																																					
	Kasikorn Bank Public Company Limited						Subsidiaries, & Associated Companies						Related Companies																									
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
31	Mr. Apichart Chongsanguanpradab	Executive Vice President, Head of Legal and Compliance Group																																				
32	Mr. Somkit Jomprachaya	Executive Vice President, Head of Retail Credit and Collection Group																																				
33	Mrs. Kessara Lengchayetz	Executive Vice President, Department Head of Sales																																				
34	Mr. Jakrawan Jakrawanwibul	Executive Vice President, Department Head of Trading																																				
35	Mr. Chawalit Lawang	Executive Vice President, Deputy Head of Operations Group																																				
36	Mr. Chainarong Rojanasitru	Executive Vice President, Department Head of Corporate Lending																																				
37	Dr. Narong Preedanan	Executive Vice President, Head of Office of Internal Audit																																				
38	Ms. Pattana Luangrakul	Executive Vice President, Head of Office of Group Corporate Communication																																				
39	Mrs. Pichaya Sotangkru	Executive Vice President, Department Head of Commercial Credit Analysis																																				
40	Ms. Petcharat Keerapiboon	Executive Vice President, Deputy Head of Commercial Lending Group																																				
41	Mr. Romsai Tandakoseya	Executive Vice President, Department Head of Commercial and Financial Institutions Credit Risk Management																																				
42	Mr. Wanikan Kanjanason	Executive Vice President, Department Head of Retail Business Strategy																																				
43	Mrs. Suwannee Wattanavekin	Executive Vice President, Department Head of Foreclosed Property Management																																				
44	Mr. Hirunroj Loutheeravong	Executive Vice President, Deputy Head of Consumer and SME Finance Group																																				
45	Mr. Anuwat Ruamsuke	Executive Vice President, Department Head of Debt Capital Market																																				
46	Mr. Patsakorn Boonyaprasit	Senior Vice President, Deputy Head of Information Technology Group																																				
47	Mr. Phayak Subsomboon	Senior Vice President, Deputy Head of Auto Finance Group, Acting Department Head of Auto Inventory Finance																																				
48	Mr. Thaworn Chuengson	Senior Vice President, Deputy Head of Sales & Distribution Group, Acting Regional Director-Commercial Bank Business																																				
49	Ms. Sanikom Suparp	Senior Vice President, Deputy Head of Priority Banking Group																																				
50	Ms. Nilwan Teekijamoon	Senior Vice President, Department Head of Accounting																																				
Remark: * Including persons with management authority according to the definition of the Bank of Thailand																																						
1. X = Chairman / = Director // = Executive Director * = Authorized Director																																						
2. Related company means a juristic person of a person who may have conflict of interest as defined by the notification of the SEC.																																						
1. Phatra Capital Public Company Limited 8. K S P Square Company Limited 15. The Palm Cha Am Company Limited 22. BOT Lease (Thailand) Company Limited 29. Weatay Company Limited 36. Alpha Absolute Company Limited																																						
2. Phatra Securities Public Company Limited 9. Crystal Football Club Company Limited 16. Don Muang Towlay Public Company Limited 23. Electricity Generating Public Company Limited 30. Siracha Construction Public Company Limited 37. Lao Telecommunication Public Company																																						
3. Phatra Asset Management Company Limited 10. KMM Company Limited 17. Ocean Life Insurance Public Company Limited 24. Paravant (Thailand) Company Limited 31. Squirrel (Thailand) Company Limited 38. Neo - Sac Company Limited																																						
4. Phatra Asset Management (Cayman) Limited 11. GMM Grammy Public Company Limited 18. Teetcare International Company Limited 25. Ruamwanthana Company Limited 32. Advanced Information Technology Public Company Limited																																						
5. Phatra Equity Market Neutral Asia Pacific Fund 12. Ohno Italian Company Limited 19. Noppakul Company Limited 26. Buraburi Security Guard Company Limited 33. ASCO Business Promotion Company Limited																																						
6. KKP Tower Company Limited 13. Central Pattana Public Company Limited 20. Eastern Sugar Company Limited 27. Levee Company Limited 34. Eduvision Company Limited																																						
7. Kasatani Company Limited 14. The Erawan Group Public Company Limited 21. Bangchak Corporation Public Company Limited 28. Veranda Resort Public Company Limited 35. Ascom Education Public Company Limited																																						

Remark: * Including persons with management authority according to the definition of the Bank of Thailand

1. X = Chairman / = Director // = Executive Director * = Authorized Director

2. Related company means a juristic person of a person who may have conflict of interest as defined by the notification of the SEC.

1. Phatra Capital Public Company Limited
2. Phatra Securities Public Company Limited
3. Phatra Asset Management Company Limited
4. Phatra Asset Management (Cayman) Limited
5. Phatra Equity Market Neutral Asia Pacific Fund
6. KKP Tower Company Limited
7. Kasetsin Company Limited
8. K S P Square Company Limited
9. Crystal Football Club Company Limited
10. Kruem Company Limited
11. GMM Grammy Public Company Limited
12. Chino Italian Company Limited
13. Central Pattana Public Company Limited
14. The Erawan Group Public Company Limited
15. The Palm Cha Am Company Limited
16. Don Muang Tollway Public Company Limited
17. Ocean Life Insurance Public Company Limited
18. Techcare International Company Limited
19. Noppakit Company Limited
20. Eastern Sugar Company Limited
21. Bangchak Corporation Public Company Limited
22. BOT Lease (Thailand) Company Limited
23. Electricity Generating Public Company Limited
24. Pantavanj Company Limited
25. Ruanwanthana Company Limited
26. Buranburi Security Guard Company Limited
27. Lerve Company Limited
28. Veranda Resort Public Company Limited
29. Weat Company Limited
30. Sitrach Construction Public Company Limited
31. Squirrel (Thailand) Company Limited
32. Advanced Information Technology Public Company Limited
33. ASCO Business Promotion Company Limited
34. Eduvision Company Limited
35. Asorn Education Public Company Limited
36. Alpha Absolute Company Limited
37. Lao Telecommunication Public Company
38. Neo - Sac Company Limited



Directors of Subsidiaries

Name of Director			Phatra Capital Public Company Limited	Phatra Securities Public Company Limited
1.	Mr. Banyong	Pongpanich	X	X
2.	Mr. Suvit	Mapaisansin	/ *	/ *
3.	Dr. Supavud	Saicheua	/	/
4.	Mr. Aphinant	Klewpatinond	/ *	/ *
5.	Mrs. Patchanee	Limapichat	/ *	/ *
6.	Mr. Norachet	Sangruji	/ *	/ *
7.	Ms. Thitinan	Wattanavekin	/	-
8.	Mr. Chavalit	Chindavanig	/	/
9.	Mrs. Patraporn	Milindasuta	/	/
10.	Mr. Krittiya	Veeraburus	/ *	/ *
11.	Mr. Trairak	Tengtrirat	/ *	/ *

Remark:

1. X = Chairman / = Director // = Executive Director * = Authorized Director

2. Subsidiary means a subsidiary with a significant revenue of more than 10% of the consolidated total income of the financial year.

3 Information as of December 31, 2019



Personnel

Human Resources is the utmost important resource of the organization and is key to the organization's success and sustainable growth. Employees are not only the closest business partner but are also regarded as members of the Group.

In the year 2019, the Group emphasized and encouraged all employees to apply the corporate principles, "Winning Attitude, Grit, Community and Market," to their operations in order to have the same conceptual working framework and eventually have them become the corporate culture and value to which all employees adhere to maximize benefits for clients and society and guarantee continuous and sustainable growth for the organization. In addition, the 3-year human resources management plan (2019 - 2021) focuses on creating "A Great Place to Work" through building up both employee and candidate experiences and covering all human resources functions.

As of December 31, 2019, the Bank employed a total of 4,010 personnel (excluding employees who were on secondment from the Group companies) as follows:

1. Number of personnel in business functions: 1,500 persons
2. Number of personnel in support functions: 2,510 persons

Internal Capabilities Development

The Bank has been focusing on the development of internal capabilities to ensure its readiness for competition and to support the sustainable growth of the Bank and the Group. Hence, human resources strategy, policy and vision are critical for achieving strategic business goals. The Group focuses on identifying and recruiting highly qualified personnel who possess the needed knowledge and expertise as well as principles and value which are in line with the Group and developing our workforce so that they can acquire the required knowledge and competencies. With the internal capabilities and dedication of our personnel, we can deliver the best services and products to our clients. The Bank and the Group also emphasizes on providing a very competitive compensation scheme which ensures internal equity and external competitiveness. Furthermore, the Bank thrives to promote a good corporate culture, a happy workplace and good relationships, knowledge-sharing, equality, diversity and respect for individual rights.

Human Resources Policy

(1) Personnel Recruitment and Selection

The Bank has employed state-of-the-art technology and various channels and networks to reach its target qualified candidates for the required vacancies, strengthening and expanding the gateway/ network to the prospective labor market which supports its business needs and increases its competitiveness in the labor market. Furthermore, the Bank has placed importance on the development of selection tools to assess candidates' qualifications, skills and potential (Behavioral Based Interview) to be suitable for the required position and in line with the corporate principles. Also, the Bank ensures that hiring managers are well-trained to leverage their interviewing and selection skills to identify quality workforce and strengthen attitude, ethics and creativity for the respective positions.



(2) Career Management

To motivate employees and build up the organization's strength, every employee has the opportunity for career progression, both vertically and horizontally. The Bank promotes and supports "internal promotion". Unless there is no best candidate within the organization, hiring from outside will be considered. The promotion is conducted twice a year and the criteria has been established, communicated and comprehended by all employees. Moreover, the Bank supports and provides opportunities for employees to self-select and plan their career development via the process provided by the Bank in order to prepare for the change of duties in the future.

(3) Performance Assessment

The Bank annually appraises its employees' performance, with emphasis on the assessment of their goals achievement (What) and competency (How). The appraisal process is transparent, fair and undiscriminating. The Bank has applied various appraisal methods to assess employee performance such as performance appraisals from line supervisors and 360 degree evaluations, where applicable.

The Bank's key assessment objectives are not limited to performance appraisal, but also focus on collaboration to improve/ push the operation process and integrate human resources management functions as well. The annual appraisal is a vital methodical tool to ensure the Bank's standard of work and service quality, particularly the services provided to clients and other related parties. At the same time, appraisal outcomes are regarded as good feedback for employees, providing information for ongoing self-improvement, competency enhancement and career development programs. They are also important information for the Bank in selecting and retaining good performers.

(4) Performance Management

The Bank's performance management system aims to promote employee dedication to provide the best service to internal and external clients and create a mutual understanding between supervisors and subordinates. Performance management is an important and fundamental responsibility of all supervisors, who are held accountable for supervising, developing and providing continuous feedback and coaching subordinates. Effective performance management focuses on the achievement of goals that are agreed upon between employees and managers especially managers who are key persons to drive goal achievement. It is mandatory for all supervisors to comprehend the concept, processes and system of performance management. The Bank continues to carry on a development program for employees who act as supervisors, by providing more knowledge and understanding of the HR role so that they can be trainers or good role models for the next generation. Through the People Manager program, supervisors can enhance awareness and understanding of the system, principle, work process and performance management areas.

In 2019, the Bank kicked off the development of a performance management system in order to be ready for the 2020 performance management process of the Group. The project details and concepts were discussed among all senior executives in order to establish an effective performance management process. The communication plan for the performance management concept and process has been set up to help employees understand the new performance management system which will be launched in the year 2020.



(5) Employee Compensation and Benefits

The Bank strives to promote internal equity and fairness in human resources management. Employees' compensation is consistent with the long and short-term operating result of the Bank and Group companies and considered from three main principles as follows:

- 1) Equitability
- 2) Performance Based
- 3) Competency Based

Employees' compensation in terms of a monthly salary takes into account the factors of knowledge, competency, experience, capability, duty and responsibility and is comparable with those of companies in the same industry. Other benefits, e.g. an annual bonus, are considered based on actual individual performance, duty, responsibility and achievement compared with the planned target on the total compensation basis. Such benefits are aligned with the operating result of the Bank and Group companies both in the short and long-term, as well as business competency in the future and long-term value creation for shareholders.

Nevertheless, the Bank also emphasizes on the importance of non-monetary components of compensation including several welfares suitable for the current economic situation and comparable with standards of leading companies. This is to ensure that our employees consider the Bank as a happy workplace.

Employees' compensation consists of three components:

1) Direct Monetary Compensation

Monetary compensation is structured based on the employee's job scope, competency and performance, and will be explicitly rewarded to employees in the form of salaries and other monetary forms which reflect performance in assigned roles. As such, employees who deliver the required performance will be entitled to a salary increase/ adjustment, bonus, incentives and other related monetary rewards. Furthermore, the Bank also provides job-related allowances, such as accommodation allowance, shift allowance, weekend shift allowance, auto insurance allowance, etc. in accordance with the job title.

In 2019, the Bank paid compensation to its employees and executives* in the form of salary, performance bonus and contribution to the provident fund for a total of Baht 3,333,414,162.99. The ratio of compensation for employees and executives is 88.04% and 11.96% respectively.

2) Indirect Monetary Compensation

To ensure that employees have good morale and work-life balance, the Bank provides several welfare and benefits, such as provident fund, social security fund, life, accident and total permanent disability insurance, a variety of staff loans covering all necessities, retirement benefit, annual medical checkup, prolonged sick leave with pay, first aid room, etc.

Provident Fund

The Bank set up its employee provident fund in compliance with the Ministerial Regulation No. 162 (B.E. 2526), and with the intention to provide its employees with welfare and benefits that:

- (1) Promote employee savings; and
- (2) Establish a safety net mechanism for employees and their families.

The provident fund has been registered in compliance with the Provident Fund Act B.E. 2530 (1987) under the name "Kiatnakin Registered Provident Fund" and "Provident Fund SCBAM Master Fund Already Registered". The details and contribution scheme are presented below.

* Executive means "person with management authority" according to the definition of the Bank of Thailand on Corporate Governance of Financial Institutions including "executive" as defined by the SEC.



Year of Service	Employee's Contribution (% of Salary)	Employer's Contribution (% of Salary)
Less than five years	5, 8, 10, 12, 15	5
Five years or more	5, 8, 10, 12, 15	10

The fund's investment policy has been considered by the Provident Fund Committee whose members are elected by representatives of employees and the employer. The Provident Fund Committee shall be in the position for two years and has the authority and responsibility in monitoring the fund performance, including determining the appropriate investment policy. To better suit employees' needs and savings goals, the Bank allows provident fund members to switch their investment policy by themselves four times a year during the months of January, April, July and October. In addition, provident fund members are able to change their contribution ratio to suit their saving goals twice a year during the months of January and July.

Other Welfare & Benefits

- Health Care

The Bank provides health care for employees in the form of group health insurance through the selected insurer, which provides services and hospital/clinic networks to ensure employees' convenience in accessing required treatments. The Bank has upgraded the regular health care plan to a flexible benefit plan to offer alternatives for employees to choose the health care plan which best suits them. In addition, employees are allowed to purchase regular group health insurance for their families at a corporate rate, which is lower than individual personal insurance premiums. This is an effort to provide accessibility to medical treatments for employees' families at a reasonable cost. Furthermore, the Bank has provided annual preventive medical checkup for employees and also arranged a treatment first aid room, including a Mother Corner room, with an in-house specialized doctor.

- Life, Accident and Total Permanent Disability Group Insurance

To ensure that employees have security and work-life balance, as well as to strengthen employees' morale and minimize any impacts on their families from undesirable incidents, the Bank provides 24-hour insurance coverage both inside and outside of working hours.

- Staff Loan

Besides the current housing loan for employees, the Bank also offers more types of loans to better respond to their needs, for instance, multi-purpose personal loan, car loan and natural disaster loan.

3) Non-monetary Compensation

In addition to direct and indirect monetary compensation, the Bank provides other compensation to promote and develop employees' capabilities such as challenging job assignments and personal development through training programs and other systems, job transfers and assignments to work within the Group in order to prepare, encourage and support employees to search for opportunities for their career development via internal transfers (Career Connect). In addition, in order to provide a good employee experience, the Bank has launched policies and activities which best suit the varied needs of employees of different generations, such as flexible work time, freedom to dress policy, recreational activities and various activity clubs. This is to promote a good workplace which creates happiness and fun as well as a good relationship among employees within the Bank and the Group.



Human Development

(1) Training

The Bank intends to support the skill and knowledge development of all employees, as well as foster positive work attitudes that help enhance trustworthiness and expertise. The overall concept of the Bank's training programs is to develop work skills, knowledge, core competency, functional competency and leadership competency. During 2019, the Bank has been supporting its employees to attend various training programs ranging from generic to specialized development objectives, both conducted in-house and outside. These include workshops, lectures and leadership development programs which aim for the exchange of experiences. The Bank has also introduced a digital learning technology as a tool for employees to easily access self-development training for more convenience via the internet, both in the form of e-Learning and VDO Micro-Learning. The training curriculum designed for all employees is provided through the KKP Academy which partially opened in 2019 and consists of the following:

Wealth School is the source of all knowledge and skills needed to serve clients in financial and investment planning. Employees, both in the wealth management business and general employees of the organization, can access the curriculum and learn by themselves at all times to improve their knowledge on the wealth management business.

Investment Banking School is a source of knowledge and skills for the investment banking business. Employees can search for knowledge in the general category in order to understand the investment banking business as well as pick up the knowledge and skills needed for personnel working in related fields.

Leadership School is another category of knowledge and skills which is designed for the development of potential employees and executives in relation to leadership matters including attitude and skills to appropriately care for employees under their responsibility.

The examples of the in-house trainings arranged for developing skills of employees and management are as follows:

- Technic for New Leader: the course to develop the skills of those newly promoted to the role of manager;
- Coaching for High Performance: the course for coaching skill enhancement for leaders to be ready to perform their roles of team coaching;
- Essential of Leadership: the course to prepare high performers prior to being promoted to the managerial level;
- Negotiation Skill: the course to add on the communication skill for negotiation under different circumstances which may occur in both daily living and in the workplace; and
- Course for new employees working at branches: the course which focuses on the skills and knowledge necessary for new employees working at branches. All new employees who work at branches have to attend this course. It has been proven that all new employees attending such course could perform their duties as the Bank expects.

Moreover, the Bank has invited knowledgeable and experienced facilitators to share their thoughts, knowledge and experiences with its employees and management through various forums, e.g. Leadership Forum, Tea Time Talk and Business Forum. The Bank encourages its staff to enhance knowledge and gain experience through domestic or overseas training to fulfill their tasks creatively and effectively, which shall eventually increase value for the Bank. In addition, the Bank has initiated more learning intervention through the KKP Edge Project which is a continuous learning program for employees in different key functions whose responsibilities are related to generate mutual understanding and respect. Furthermore, in 2018, the Group launched a new learning system, called "TAXILA", to facilitate all types of learning anywhere and anytime



via mobile phones and the internet network. This new learning system is consistent with the lifestyle of the new generation in the organization and has become a channel to exchange knowledge. This new learning system has been used as a tool for all employees to review their business knowledge and understand the important topics as required on a regular basis, such as the Anti-money Laundering Policy, Anti-corruption Policy, Guidelines for Business Conduct Policy, etc.

In 2019, the Bank's employees attended approximately two training courses or 16.11 training hours per year on average which is a standard level for personnel development in the industry.

(2) Knowledge Management

Knowledge has been compiled and stored in the KKP Academy format, which is divided into groups of business in the form of schools, such as the Wealth School which is a source of knowledge about private banking in terms of products, processes and working techniques. This database is also kept as online courses offered on TAXILA which can be used to initiate improvement and promote innovation within departments.

(3) Succession Plan

The Bank constantly follows the succession and talent pool management plan. During 2019, the Bank reviewed such plans to ensure that the defined talent successors were ready to continually support the Group's business operation. The talent pool management will have great opportunities in their career paths and will be developed in several aspects to become successors in necessary and critical positions in the management level and/or positions which require special expertise. Such succession plan is annually reported to the Board of Directors.

Internal Communication

The Bank consistently communicates with employees via different formats as appropriate, such as Town Hall for executives to communicate with middle management, CEO message to all employees, the intranet (KK World), internal email for sending news and information within the organization, KK SMS for sending short messages to employees, KK VDO conference for long-distance conferences, as well as posters to ensure that employees are informed about policies and business direction as well as get complete and up-to-date information. The internal communication channels are also venues for the exchange of ideas and are communication channels between employees and management. This helps foster an atmosphere of cooperation at work, creates an open-minded working environment, promotes the good image of the organization and supports the Bank to achieve its business projections.



Corporate Governance Policy and Practices

Corporate Governance Policy

Realizing its responsibility towards all stakeholders, the Board of Directors has continually run the business in line with corporate governance principles. The Board of Directors therefore has approved the Bank's Corporate Governance Policy and annually reviews it in order to maintain practical guidelines in the business operation and in order to improve the standard of the Group's corporate governance to be more comparable with international standards (latest review and amendment on September 26, 2019). The Bank's Corporate Governance Policy is comprised of five sections as follows:

- Section 1: Rights of Shareholders
- Section 2: Equitable Treatment of Shareholders
- Section 3: Role of Stakeholders
- Section 4: Disclosure and Transparency
- Section 5: Board Responsibilities

The Board of Directors strongly believes that good corporate governance will enable the Bank and Group companies to have a proper management system with efficiency, transparency, accountability and fairness to all related parties and allow the Group to build trust and increase competitiveness under a system of good ethics and social responsibility. This will build strong stability and a long-term foundation for the Group. For that reason, the practice of Corporate Governance Policy is one of the prime missions of the Board of Directors, management and employees in order to benefit the Bank, Group, shareholders, clients, stakeholders, the community and the overall society.

The Bank discloses its Corporate Governance Policy on its website (www.kiatnakinphatra.com) and widely communicates this policy to executives and employees via its intranet system (KK World) to ensure a better understanding and strict compliance of the policy.

The Compliance and Governance Committee of the Bank has a duty to ensure that the Bank and Group companies have corporate governance principles and guidelines for conducting business and oversee that relevant parties follow such principles and guidelines via the Legal and Compliance Group.

Implementation of Corporate Governance Code for Listed Companies 2017 ("CG Code") Released by the SEC

During the Board of Directors' Meeting No. 9/2562 held on September 26, 2019, in which all directors attended, the Board of Directors contemplated the suitability of applying the principles and guidelines of the CG Code released by the SEC for the Bank's business context to ensure that the Bank and the Group have a long-term satisfactory business performance, sustainable value creation and shareholders' and stakeholders' trust, which meets the expectation of the business sector, investors, the capital market and society.

The Board of Directors has the opinion that the Bank's current practices align with the eight principles of the CG Code. There are only some unapplied guidelines as shown below due to the fact that they are currently inapplicable:

- Guideline 3.2.1: The Chairman of the Board should be an independent director.
- Guideline 3.2.4: In case the Chairman is not an independent director, the Board of Directors should ensure the balance of power and authority between the Board and the management by having the Board comprise a majority of independent directors or appoint a designated independent director to participate in setting the agenda of the Board of Directors' meetings.



- Guideline 3.7.3: The company should appoint an external consultant to assist in setting guidelines and providing recommendations for a Board assessment at least once every three years. This information should be disclosed in the annual report.
- Guideline 4.2.1 (1): The Board of Directors should consider appropriate combination of salary and other short-term compensations, such as bonus, and long-term compensations, such as employee stock ownership plan participation.
- Guideline 5.2.1 (3): Responsibilities to business partners by engaging in and expecting fair procurement and contracting, including fair contract or agreement conditions, providing access to training, developing potential and enhancing production and service standards in line with applicable laws and standards, and expecting and supervising business partners to respect human rights, social and environmental responsibilities, and treat their employees, staff and workers fairly including ensuring that business partners have implemented sustainable and values-based business policies and procedures.

The compensation arranged for the executives of the Bank, including executives who are on secondment from subsidiaries, are in the form of monthly salary and bonus, which are determined based on the total compensation concept, taking into account the individual performance in accordance with his/ her duty and management responsibility for operating the business to achieve the specified plan and strategy and the overall organizational performance in both short and long terms. However, presently the Bank offers no employee stock ownership plan to executives.

The Bank always realizes the importance of counterparties; therefore, it has defined its role, practice and responsibilities towards counterparties as well as the procurement policy in writing. However, the Bank has not yet partaken in training, developing potential and enhancing production

and service standards of its counterparties nor ensuring that counterparties respect human rights and treat their workers fairly.

Corporate Governance Practices

The Board of Directors pays great attention and commits to conduct its business according to good corporate governance principles as prescribed by the relevant supervision authorities. This attentiveness and commitment has enabled the Bank to achieve numerous governance honors and awards, such as the following:

- One of 182 listed companies ranked “5 TIA” with a full 100 score from the quality assessment of the Annual General Meeting of the Shareholders in 2019 by the Thai Investors Association, the SEC and the Thai Listed Company Association;
- Rated “Excellent” in CG scoring from the Corporate Governance Report of Thai Listed Companies in 2019 and received five logos from the IOD;
- One of 98 listed companies selected by the SET to receive the Thailand Sustainability Investment 2019 for the fifth consecutive year due to efforts to develop good corporate governance, responsibilities to the environment and society and business management under corporate governance (Environment, Social and Governance/ ESG) in order to uphold sustainable growth and build trust for all stakeholders;
- One of 100 listed companies selected by Thaipat Institute’s ESG Rating Unit to be on the list of ESG100 in the year 2019 for the fifth consecutive year due to outstanding sustainability performance in ESG aspects; and
- Obtained the Sustainability Disclosure Acknowledgement Award from Thaipat Institute in the Sustainability Disclosure Award 2019 due to the determination in the disclosure of sustainable business information which is beneficial to all stakeholders and for the long-term organizational sustainable development.



In 2019, the Bank's implementations according to each section of the Corporate Governance Policy are as follows:

1. Rights of Shareholders

The Board of Directors has established the Bank's Corporate Governance Policy by taking into account the statutory rights of shareholders embracing the right to attend shareholders' meetings, the right to appoint a third party as a proxy for attending and voting at meetings, the right to vote on the election or removal of each individual director, the right to vote on directors' remuneration annually, the right to appoint external auditors and vote on the fixing of annual audit fees and the right to obtain adequate information, participate and vote in shareholders' meetings if there are any significant corporate changes - capital structure, controlling authority or major asset transfer. In addition, the Bank provides shareholders the right to express an opinion and raise questions during shareholders' meetings, the right to propose agenda items for shareholders' meetings, the right to nominate directors, the right to be involved in improving the Bank's business performance, the right to share in the Bank's profit, the right to receive sufficient and up-to-date information in a timely manner, etc. Meanwhile, the Board of Directors aims to encourage all shareholders to fully exercise their rights. The Bank will not execute any tort affecting or derogating the rights of shareholders.

1.1 The Bank facilitated shareholders to fully exercise their rights by attending and voting in the shareholders' meeting.

The Bank's Annual General Meeting of Shareholders ("AGM") is held within four months of the end of its fiscal year. An extraordinary general meeting of shareholders may be called if there is any urgent proposal which requires shareholders' approval. In 2019, the AGM was held on April 23, 2019, which was not a commercial bank holiday, at the Grand Hyatt Erawan Bangkok Hotel, which offered convenience in transportation for shareholders. During the year, the Bank called no extraordinary general meeting of shareholders.

The Bank fully facilitated all shareholders, including institutional shareholders, to attend the AGM. On the AGM day, registration was opened no less than two hours before the AGM commenced; an appropriate venue was selected; ample staff was present to welcome and help shareholders and proxies register; the barcode for registration and vote-counting systems from Inventech Systems (Thailand) Company Limited was used to facilitate shareholders and duty stamps were provided for authorization of proxies.

The notice of AGM clearly informed shareholders of all necessary documents and the Bank's Articles of Association relevant to the shareholders' meeting, such as their legitimate rights in attending the AGM. Proxy forms were also provided to allow shareholders to appoint a third party or the Bank's independent director as their proxies.

Moreover, the Bank also prepared all AGM documents in English, which were disclosed concurrently with the Thai version, for foreign shareholders. The Bank also gave those shareholders who showed up after the AGM commenced the chance to vote on agenda items still under deliberation.

1.2 The Bank provided advance and complete information on the AGM to shareholders.

The Bank's AGM was conducted in compliance with the AGM checklist of the Thai Investors Association. For instance, the Bank posted the notice of AGM along with information for each agenda item no less than thirty days prior to the AGM date (on March 22, 2019 or thirty-two days prior to the AGM date) and assigned the Thailand Securities Depository Co., Ltd. (TSD), the registrar, to arrange delivery of the notice of AGM to shareholders by post no less than twenty-eight days prior to the AGM date (on March 22, 2019 or thirty-two days prior to the AGM date). The notice of AGM was published in both Thai and English daily newspapers for three consecutive days. The Bank provided a complete agenda and sufficient information for voting on all agenda items, each of which was identified clearly as either for acknowledgement or consideration together with opinions of the Board of Directors on particular issues. For example, for the



dividend agenda, the Bank disclosed its dividend payment policy, dividend amount proposed for consideration, supporting reasons and dividend payment information in comparison with the previous year. For the director election agenda, the Bank provided complete profiles of persons proposed to be elected as directors. For the directors' remuneration agenda, besides the types and amount of remuneration proposed, the Bank provided information on policy, guidelines and criteria for considering directors' remuneration. For the auditor appointment agenda, the Bank disclosed complete details of proposed auditors including their names, audit firm, experiences, independency, remuneration, etc. Objectives, rationales and the directors' opinions of each agenda item are stated clearly in the notice of AGM.

1.3 The Bank allowed shareholders to submit questions relevant to the shareholders' meeting agendas in advance.

For the shareholders' ultimate benefit, once the meeting date had been announced, the Bank allowed shareholders to submit questions relevant to the shareholders' meeting agendas. In order to fully reserve shareholders' rights, the Bank disclosed the criteria for submission of questions in advance on its website. Shareholders were allowed to submit questions regarding the meeting agendas until April 17, 2019 via the Bank's website or registered post to the Bank's Corporate Secretary, who gathered, reviewed and proposed questions submitted by shareholders to the Chairman of the Board of Directors and the Board of Directors for consideration.

1.4 The Bank allowed shareholders to propose agenda items for the AGM and to nominate directors.

The Bank provided the opportunity for shareholders to propose agenda items for the AGM and nominate directors before the notice of AGM was issued. For the 2019 AGM, the Bank allowed shareholders to propose agenda items and nominate directors in advance for three months prior to the end of its fiscal year, during October 1 to December 30, 2018. The Bank had announced this opportunity via the SET's channel and also disclosed the guidelines for

shareholders to propose agenda items and nominate directors on its website since September 28, 2018. However, no agenda item was proposed for the 2019 AGM and no director was nominated to be the Bank's director by any shareholder during the above-mentioned period.

The Board of Directors is responsible for determining the appropriateness of the agenda items proposed by shareholders and such agenda proposals must be in line with the Bank's criteria, unless otherwise stated by the Board of Directors. The Board of Directors' resolution is considered final.

In the case where many shareholders propose related agenda items, the Board of Directors may combine them into one agenda item. The proposals, which are approved by the Board of Directors, along with the Board of Directors' opinions, will be included as agenda items in the notice of AGM. For the proposals which are not approved by the Board of Directors, the Bank will inform the shareholder(s) after the Board of Directors' meeting and before the shareholders' meeting via its website or other appropriate channels.

1.5 Shareholders may grant proxies for the shareholders' meeting.

The Bank allows shareholders who cannot attend the shareholders' meetings to appoint a third party or the Bank's independent director as their proxies and vote on their behalf. The proxy forms, on which shareholders are able to specify their votes, are provided together with the notice of AGM. Shareholders can also download proxy forms from the Bank's website. Furthermore, the Bank clearly informs shareholders of all necessary documents for granting proxy and avoids requiring any condition which makes proxy granting complicated.

For the AGM, the Bank proposes its independent directors as an option for shareholders who cannot attend the shareholders' meetings to appoint as their proxies. For the 2019 AGM, the Bank proposed two independent directors to shareholders for granting proxies. 852 shareholders, representing 177,467,617 shares, appointed the Bank's independent directors as their proxies.



1.6 The Bank encourages directors and executives to attend the shareholders' meetings to provide information and answer questions.

The Bank has a policy encouraging the Chairpersons of the Board of Directors, Audit Committee and Nomination and Remuneration Committee, CEO, President, heads of business and supporting groups, senior executives and auditors to participate in all AGMs to provide additional information and answer questions for shareholders. In 2019, all Chairpersons of the Board of Directors and committees under the supervision of the Board of Directors, CEO, President, heads of business, senior executives in charge of finance including auditors participated in the 2019 AGM.

1.7 An appropriate meeting time is allocated and shareholders are supported to express their opinions.

Before considering the agenda items, shareholders are informed about the meeting rules, voting and vote-counting procedures and how to express opinions, give suggestions and raise questions relevant to the Bank during the shareholders' meetings. The Chairman of the Board of Directors, acting as the Chairman of the AGM, runs the meeting in accordance with the agenda items specified in the notice of AGM without adding any other agenda item which is not notified to shareholders in advance. During the AGM, the Chairman provides appropriate time for discussion and opportunity for shareholders to equally express their opinions, make inquiries and request relevant directors to clarify and provide complete information to shareholders.

1.8 Comprehensive minutes of the shareholders' meetings are recorded.

Comprehensive minutes of the 2019 AGM were recorded. It included names of directors and executives attending the AGM, the proportion of attending directors, voting and vote-counting procedures, key discussion issues, questions raised, clarifications, comments, resolution results and complete voting results (for approve/ against/ abstain and voided cards) of each agenda item.

The Bank disclosed in a timely manner the resolutions of the 2019 AGM (on April 23, 2019

which was the AGM date) via the SET's channel, delivered the minutes of the AGM to the regulatory agencies within fourteen days of the meeting date and disclosed such minutes on its website.

2. Equitable Treatment of Shareholders

The Bank respects and values the importance of equitable treatment of shareholders. The Bank treats shareholders equitably for participating in the shareholders' meetings, receiving information and voting by one share for one vote. Shareholders who have a business stake-holding in any agenda item have no right to vote on such agenda item.

2.1 Transaction with Related Persons or Connected Transactions

The Group does not encourage any transaction entered into between the Bank and directors, executives, major shareholders and related persons. This is to avoid any potential conflict of interest among the Bank and those persons. However, in the course of doing business, it may be necessary for the Bank to enter into such transactions. This is to be done within the procedures and framework of regulations of such matters. The Group has established the guidelines relating to connected transactions which may lead to conflict of interest. In order for the Group to enter into any connected transaction and where there is the possibility of a conflict of interest, this transaction must go through a rigorous process of consideration, which must be clear, free from bias and within the boundaries of good ethical practices, keeping in mind the importance of it being beneficial to both the Group and overall shareholders.

The Group's directors and executives, who have an interest in any transaction or matter affecting the Group, are required to report such interest and not participate in the decision-making process on such issue for the utmost benefit of the Group.

The Bank's Audit Committee has authority in considering and disclosing the connected transactions or transactions which may lead to a conflict of interest to ensure that they are in compliance with the laws and the SET's regulations;



are reasonable and for the highest benefit of the Group. In the previous year, the Group did not violate any regulations regarding connected transactions.

The Group requests its directors and executives to maintain their securities trading accounts with the securities company in the Group, unless they are exempted under the Bank's regulations. The securities trading transactions of directors and executives must be on an arm's-length basis without taking unfair advantage of anyone through unethical or illegal means. The transactions must be entered into in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with other similarly situated clients.

3. Role of Stakeholders

The Group, with acknowledgement of the right of all stakeholders, has a policy to manage impacts from business operations in all aspects. It projects to ascertain for all related parties that its business has taken into consideration environmental concerns for sustainable development. In addition, this is to ensure that all stakeholders, both internal stakeholders, i.e. employees, executives and subsidiaries, as well as external stakeholders, are fairly treated.

The Bank has a policy for conducting business with a responsibility towards society so that directors, executives and employees of the Bank have guidelines for performing their duties responsibly for society in ten areas. These consist of good corporate governance, fair operations, anti-corruption, respecting human rights, fair treatment of employees/labor, responsibility to consumers, community and social development participation, environment management, innovations and dissemination of CSR innovations and sustainability reporting.

3.1 Stakeholders' Involvement to Enhance the Operation of the Bank

The Bank's website has been developed so that it can become another channel through which the stakeholders can participate to enhance the operation of the Bank. All stakeholders, including clients, counterparties, competitors, employees,

shareholders and creditors, can send suggestions to the Bank's executives via its website in order to create wealth, financial stability and sustainability.

3.2 Channels for Complaints and Whistleblower Protection

The Bank has arranged for reporting channels for whistleblowers, e.g. the report on the accuracy of financial reports, deficient internal controls or any illegal or unethical activities or any suspected corruption or improper behavior of all employees. The Bank's employees and other stakeholders can communicate these actions to the Bank through various channels, e.g. electronic email to independent directors (Independent_director@kiatnakin.co.th), or the Bank's branch, KKP Contact Center (Tel. 0-2165-5555) or other online channels, e.g. website and Facebook (Kiatnakin Bank). Moreover, the Bank's employees can directly contact the Bank's Chairman of the Board of Directors, Chairperson of the Audit Committee, CEO, President or Head of the Office of Internal Audit to file complaints on such wrongdoing.

The Bank has set the whistleblower protection process and will not commit any unfair treatment on all employees, temporary staff or contract staff who report any suspected acts. The Bank realizes the importance of keeping reported information and evidence confidential. The whistleblowing information will be acknowledged only among the responsible parties or only be disclosed by law as stipulated. In addition, the whistleblowers can submit a complaint confidentially.

The Bank has defined the process and procedures for complaints and roles and duties of responsible units in each step starting from receiving the complaint, identifying the problem, collecting information, verifying and analyzing the facts, reporting to relevant parties and recording information to filing. Such defined procedures and process are in line with the supervisory agencies' regulations.

For employees' misconduct, the Bank will consider, investigate and take action according to the Bank's disciplinary regulation.

3.3 Stakeholder Treatment Guidelines

The Board of Directors wants to ensure all



stakeholders are well and fairly treated according to their statutory rights and agreements with the Bank. Therefore, it has defined guidelines for treatment of various stakeholders in its Corporate Governance Policy which can be summarized as follows:

Role, Practice and Responsibilities of the Group towards Shareholders

The Group aims for good business performance, competitive capability and steady and sustainable growth and takes into account the current and future risks in order to add value to shareholders in the long term. The Group has duties to operate business and disclose information transparently and fairly to all shareholders – both major shareholders and minorities – for the utmost benefit of shareholders as a whole and to try its best to protect the assets and reputation of the Group.

Role, Practice and Responsibilities of the Group towards Clients

The Group realizes that clients' satisfaction and confidence in the Group are essential. Thus, the Group strives to initiate innovation in product and service development including process improvement. This is aimed to provide best-quality products and services to clients by keeping in mind their needs and benefits. The Group provides complete and accurate information about products and services without any distortion of fact, does advertising and public relation activities responsibly without misrepresentation or exploitation of clients' misunderstanding to avoid promoting undesirable behavior and implements market conduct without any practice which is unjust, ensures that clients are consistently treated in accordance to terms agreed with care and honesty and respects clients' information privacy. The Group does not release client information to third-parties, except upon a clients' authorization or when permitted or required by law and does not sell or rent clients' personal information. The Group's employees do not discuss on their clients with any other employees not relating to the matter. The Group abides by all legal regulations and additional rules in regard to clients' information.

In addition, the Group carries out client satisfaction surveys, monitors its result and welcomes clients' complaints on products and services. Upon receipt, such complaints are investigated and remedial actions are provided promptly.

Role, Practice and Responsibilities of the Group towards Employees

All employees of the Group are valued resources and a key success factor in its business operations. Therefore, training is continually provided on a regular basis throughout the organization to encourage the development of knowledge, skills and capabilities of employees to enhance their potential to be comparable to the standards of other leading firms in the industry and to partake in the development of the Group to be a leading financial institution which can provide good services to clients.

The Group has in place a system of appointments, transfers as well as rewards and punishments based on the knowledge, capability and suitability of employees. The Group respects the rights of every employee by respecting the rights of each employee and individual and maintaining secrecy on personal information. The Group does not tolerate discrimination on the grounds of race, nationality, religion, gender, age, disability, sexual orientation and any other form of illegal discrimination.

The Group has arranged for a system of remuneration and benefits accordingly and equivalent to standards of other firms in the same industry and also provides retirement compensation adequate for a secure life. Welfare for the employees includes provident fund, social security fund, group health insurance, group life insurance, group accident insurance, annual medical check-up, nursing room, mother corner (breast milk collection room), scholarships for employees' children (Kiatnakin Responsibility Scholarships) and other monetary benefits for assisting employees on various occasions.

In terms of safety and health, the Group has set up a working environment taking into account safety, health and environment suitable for employees to work while ensuring clients' convenience.



Furthermore, the Group has organized fire drills and an office security system. The Group has also announced the Guidelines for Safety and Unusual Sight to ensure safety for its buildings and its employees.

The Group supervises, manages and justly treats all employees with kindness, politeness and respect and provides working opportunities for employees at every level. Also, the Group has strived to develop a positive corporate culture and working atmosphere.

The Group has communicated with employees on its objectives, main goals, corporate culture and strategies so that they have the same target in creating corporate value. The Group has set up the Guidelines for Business Conduct Policy prescribing the Group's framework for employees in business dealings and has issued the Anti-corruption Policy in order to set standards with which employees may operate with a sense of honesty. The Group arranges for the dissemination of the Guidelines for Business Conduct Policy and Anti-corruption Policy. This is to be used in conjunction with the working rules and regulations of the Bank and Group companies and is to be reviewed periodically.

(Details on respecting human rights and fair treatment of employees/ labor are shown in the Sustainability Report.)

Role, Practice and Responsibilities of the Group towards Creditors including Credit Guarantees

The Group strictly abides by all terms and conditions as stipulated in agreements with creditors and credit guarantees in respect to the purpose and utilization of loan, repayment and proper maintenance of collateral.

The Group provides correct and honest status and financial reports to creditors periodically, and in the event that it is unable to comply with any condition of an agreement, the Group will immediately inform the creditor so as to find a reasonable and mutually-acceptable solution. The Group strives to maintain good relationships and mutual trust with creditors.

The Group has established a strategy in the treasury function to promote security and strength in capital management to prevent the Group from

experiencing difficulties in repaying creditors. There is also a liquidity management on debt repayment to meet the maturity in a timely manner.

The Risk Oversight Committee is responsible for planning, monitoring and controlling the Group's capital to ensure its sufficiency while considering the Group's position and business activities. In doing so, the Group has an appropriate Internal Capital Adequacy Assessment Process (ICAAP) which is able to cover the Group's significant risks under normal circumstances or crisis and is in accordance with the capital management standards under Pillar II of the Bank of Thailand.

Role, Practice and Responsibilities of the Group towards Counterparties

The Group realizes that support from counterparties is an important part of its success. Therefore, the Group treats all counterparties equally and fairly in all transactions and strictly adheres to all terms of any agreement. The system to manage and monitor is in place to ensure the strict adherence to the terms of agreement. In the event that the Bank or Group companies fail to do so, the counterparties will be informed immediately in order to find a reasonable and mutually-acceptable solution.

The Bank has a procurement policy which requires the selection process for sellers, counterparties and consultants to be based on the premise that the Bank will receive maximum benefit. This is done in a transparent manner, free from any bias and is able to be audited. Opportunities will be provided for all qualified counterparties to submit their proposals. Employees are not allowed to receive any benefit from parties entering the bidding process. If there is any evidence of dishonestly requested or receipt of benefit, counterparties will be informed so the problem will be solved in a fair and timely manner.

The Bank's procurement process comprises the selection of sellers/ service providers and the comparison of price and conditions to create fair competition. To ensure the Bank's utmost benefit, the Bank will undertake price and conditions negotiation, Know Your Suppliers, goods/ service acceptance, sellers/ service providers' performance evaluation - post-delivery and yearly service - and



Approved Supplier List by taking into account various aspects. Examples include goods/ service quality, vendor expertise and experience from previous performance records, financial status, complaints and lawsuit, vendor reputation and reliability, after-sales service and confidentiality of the Bank's information, etc. In terms of normal procurement, the Bank will check the price from a minimum of three vendors to compare and select the most suitable vendor/ service provider. For urgent or continual procurement, the Bank will inquire the price from at least one vendor from the approved supplier list and subsequently negotiate the price.

The Group has in place an audit system which will not permit the disclosure of any information of counterparties or the use of such information for conducting business in any illegal manner. The Group does not cooperate with any person or entity associated with illegal activities or posing a threat to society and to security of the nation or any activity connected with corruption.

Role, Practice and Responsibilities of the Group towards Competitors

The Group conducts the business ethically and in accordance with rules and regulations, avoids any search for confidential information of business competitors by dishonest or improper means and refrains from tarnishing competitors' reputation without truth.

It is against the Bank's policy to seek increased sales by disparaging the products and services of other banks since the Bank's goal is to increase business by offering superior products and services.

Role, Practice and Responsibilities of the Group towards the Community, Society and the Environment

The Group acts as a responsible citizen, supporting democracy under the demo-monarchy system and remains unbiased in politics. Employees are permitted to exercise their rights and political freedom, which is an individual right, but are not permitted to do so under the name of the Group.

The Group strictly conducts the business under relevant laws and regulations. The Group discloses

its Anti-corruption Policy to the public and will not cooperate with or support any person or entity which is illegal, is connected with corruption or poses a threat to society and the security of the nation; take part in any activity which causes harm to the community, society or the environment and partake of any profit which can arise from burdening society.

The Group stands firm in its commitment to the synergy of the benefit of the organization, employees, clients and shareholders with economic development and financial markets of Thailand; strives to keep growing together with the financial and capital markets; tries to assist the financial, capital and securities markets to steadily grow and supports the use of knowledge and expertise of the Group and its employees relating to management, financial and investment management, systems implementation and law for the benefit of society and the community.

The Group supports employees at every level in developing their skills with periodic training seminars to instill a sense of responsibility towards the community, society and the environment; promotes and creates awareness among employees of the need for natural resources and energy conservation and how to use them wisely and supports and encourages employees to volunteer and participate in social activities and charity works.

The Group has set aside an appropriate budget for the community, social and charity works without being limited to projects which can be used for tax reduction purposes only; supports projects which help maintain culture and traditions as well as promotes religious activities and supports the strengthening of the community in which it is located as well as other communities so that they can become self-reliant, help each other, improve the quality of life and live with happiness.

(Details on the Group's activities for the community, society and the environment are shown in the Sustainability Report.)

3.4 Respect Intellectual Property

All employees are obligated to maintain the Group's proprietary information and intellectual



property. Proprietary information of the Group includes business, marketing and service plans, unpublished financial data and reports, databases, client information and salary and bonus information. Intellectual property comprises of trade secrets, patents, trademarks and copyrights. Unauthorized use or distribution of this material is a violation of the Group's policy. It may also be illegal and result in civil and criminal penalties.

In the meantime, the Group respects the intellectual property of other parties. The unauthorized use of another party's patented, trademarked or copyrighted (audio, video, text) materials is strictly prohibited, regardless of their sources. In addition, the Group does not permit the use of software or other devices whose primary purpose is the circumvention or violation of another's intellectual property rights.

3.5 Anti-corruption and Anti-bribery

The Group intends and is committed to taking a stand against corruption in any form by adhering to the Guidelines for Business Conduct Policy, Corporate Governance Policy, Anti-corruption Policy and regulations according to Thai laws on anti-corruption which are to be strictly followed. The Bank and its subsidiaries in the capital market business have announced their intention to be part of the CAC which obtains support from the government and the National Anti-Corruption Commission. The Bank and all of its subsidiaries in the capital market business have been certified as full members of the CAC and have been recertified every three years as follows:

- The Bank was certified as a full member of the CAC on January 16, 2015 and was recertified on November 10, 2017;
- PHATRA was certified as a full member of the CAC on January 10, 2014 and was 1st recertified on March 9, 2017. In 2019, PHATRA submitted the Anti-corruption Self-evaluation Report to the CAC in order to obtain 2nd recertification. Currently, PHATRA has been granted 2nd recertification as a full member of the CAC;
- PTSEC was certified as a full member of the CAC on April 4, 2014 and was 1st recertified

on March 9, 2017. In 2019, PTSEC submitted the Anti-corruption Self-evaluation Report to the CAC in order to obtain 2nd recertification. Currently, PTSEC has been granted 2nd recertification as a full member of the CAC; and

- PASSET was certified as a full member of the CAC on October 3, 2014 and was recertified on February 12, 2018.

The Bank and its subsidiaries in the capital market business have continually implemented an anti-corruption program as follows:

- The Anti-corruption Policy has been issued by the Board of Directors for all directors, executives and employees as a guideline to perform their duties in a transparent manner, paving the way to build a sustainable organization. Such policy forbids bribes, payoffs or payments of any kind to any person, government official or entity for the purpose of improperly obtaining or retaining business or influencing consideration of any business activity. It covers all types of payments which may or may not be considered legal under the circumstances. Special rules may apply to payments or gifts (including entertainment) to officers, directors, employees or other affiliates of government-owned or controlled entities.

The Group will not cooperate with or support any illegal activity which involves corruption or is a threat to society and national security. Furthermore, no director, executive, employee or member of their families may, directly or indirectly, accept or receive gifts, frequent or excessive entertainment or any similar form of consideration which is of more than nominal value from any person or entity with which the Group does or seeks to do business.

- The Bank and its subsidiaries in the capital market business require that all departments implement operational risk management standards through the use of Risk and Control Self Assessment (RCSA), Operational



Loss Reporting and Key Risk Indicator (KRI). In addition, all departments are required to perform their own risk assessment in relation to anti-corruption which will identify the specific forms of corruption and report to the Operational Risk Management Department and Legal and Compliance Group for further review and analysis and report to the Operational Risk Sub-committee, Risk Oversight Committee and senior executives. Key risk indicators are determined for the monitoring and controlling of such risks to within an acceptable level as well as to ensure efficiency and preparedness to deal with potential risks in the future.

- The Bank and its subsidiaries in the capital market business have issued regulations on the receiving and giving of gifts, entertainment and other expenses to external persons to be used by directors, executives and employees as a guideline to perform their duties in accordance with the Anti-corruption Policy and relevant legal requirements. This is to ensure that receiving and giving gifts are reasonable and appropriate in value and do not have characteristics leading to corruption.
- The Bank and its subsidiaries in the capital market business communicate the Anti-corruption Policy and related regulations and clarify the role of employees when they see suspicious actions related to corruption. The Group will not demote or take disciplinary action against any person who refuses to be involved in a corruption scheme even though it may have made the Group lose a business opportunity. The Group also distributes information on its Anti-corruption Policy to directors, executives and employees through the intranet. The Bank provides e-Learning training course for all employees on the Anti-corruption Policy together with an assessment form for understanding by employees. This e-Learning training course

has been implemented annually for both new and existing employees to review their understanding towards the Anti-corruption Policy.

The Bank and its subsidiaries in the capital market business also communicate the Anti-corruption Policy to the general public and other stakeholders through various channels, such as e-mail, the website, the annual report and the Sustainability Report. Letters have been sent to notify clients and counterparties about their services which are based on corporate governance and anti-corruption principles. Furthermore, the Group specifies clauses in its agreement with third parties regarding the compliance on the Group's Anti-corruption Policy and relevant laws. In addition, Mr. Banyong Pongpanich, executive of the Bank and its subsidiaries in the capital market business who is knowledgeable and experienced in anti-corruption matters, was invited by several public and private agencies to be their academic lecturer on the topic of anti-corruption.

- Following its intention of providing services with good corporate governance and rejection of all types of corruption, the Group communicated and sought cooperation from employees to send e-Cards to clients and counterparties in New Year well-wishing and about not providing gifts to directors, executives and employees of the Group during the New Year festival or other occasions.
- The Bank and its subsidiaries in the capital market business, in conjunction with the CAC, have announced the No Gift Policy, which is consistent with the Group's continuous practices on anti-corruption. Moreover the Bank has cooperated with the Thai Bankers' Association to declare the No Gift Policy to confirm its intent against corruption in any form and support transparency and good corporate governance in its business operation.



4. Disclosure and Transparency

Information disclosure is a vital principle for good corporate governance. The Group places great emphasis on disclosure of information to shareholders. Accurate and complete information is provided to shareholders in a transparent and timely manner through various actions as follows:

4.1 Disclosure of Information

The Group ensures that all important information, both financial and non-financial, is disclosed correctly, accurately, on a timely basis, in a transparent manner and under the regulations of the supervision authorities through the SET's channel, the Bank's annual report, the annual statement (Form 56-1), the website in both Thai and English as well as through public media (in some circumstances) so that shareholders can equally receive information.

The Group has clear procedures for information disclosure under ordinary and urgent circumstances alike. In an effort to make financial information more rapidly available, the Group discloses unaudited financial statements for the half-year and year-ended periods and unreviewed financial statements for the first and third quarters besides the audited and reviewed versions. Also, the Group discloses the management discussion and analysis along with the performance update presentations on a quarterly basis on its website. The Group has never submitted its financial reports late.

All disclosed information, as well as that made public to shareholders and investors, is disseminated through the Bank's website, which is upgraded, regularly updated and made bilingual to benefit shareholders.

In 2019, senior executives and investor relations officers of the Group met and provided information to local as well as foreign analysts, shareholders and investors as follows:

Type of Activities	Times
One-on-One Meeting and Conference Call	19
Analyst and Investor Meeting	4
Domestic Investor Conference	4
Press Conference	2

Furthermore, the Board of Directors prepared a statement of its responsibilities concerning the financial reports signed by the Chairman of the Board of Directors and CEO and ensured that the roles and responsibilities of committees of the Bank are disclosed in Form 56-1, the annual report and the website as per details shown in the Management Structure section and reports of committees.

4.2 Investor Relations

Investor relations serve institutional investors, minor shareholders, analysts and those who are interested in monitoring the Group's information.

The investor relations officer of the Bank is:

Name	:	Mrs. Dujdao Intharasombat
Phone	:	0-2495-1366
Facsimile	:	0-2495-1253
Email	:	investor_relations@kiatnakin.co.th
Website	:	www.kiatnakinphatra.com
Address	:	Kiatnakin Bank Public Company Limited Investor Relations Department 9 th Floor, KKP Tower A 209 Sukhumvit 21 (Asoke) Road, Khlong Toey-Nua Wattana, Bangkok 10110



The Bank has set the Code of Conduct for investor relations officers to promote ethical conduct and compliance with laws and regulations among all executives and employees involved with investor relations in terms of the disclosure and confidentiality of financial statements and any related information of which details are shown on the Bank's website.

Additionally, the Bank supports its investor relations officers to gain knowledge suitable for their responsibility and participate in activities of the Thai Investor Relations Club in order to exchange knowledge, experiences and practices and build good relationships with other listed companies.

4.3 Appointment of Auditor and Financial Statements

The Board of Directors has assigned the Audit Committee to be responsible for reviewing, selecting and nominating independent persons, whose names appear in the list of auditors approved by the SEC, to be appointed as auditors of the Bank, so as to recommend the remuneration of independent auditors.

The Board of Directors, at meeting No. 2/2562 on February 21, 2019, approved a proposal by the Audit Committee to propose to the AGM the appointment and remuneration of auditors from PwC as the auditor of the Bank for 2019. The main reason was because of their independence and state of readiness on taking up the role as the Bank's and subsidiaries' external auditors. Also, the auditors of PwC have demonstrated sound knowledge and understanding of the operations and related accounting standards relevant to the commercial banking and capital market businesses.

The audit fee was approved by the Bank's shareholders' meeting of which details for 2019 were shown in the Auditor's Remuneration section.

In the previous year, the Bank's financial statements were unconditionally certified by the auditor.

5. Board Responsibilities

5.1 Board Composition

The Bank's Board of Directors is comprised of twelve members, including four independent directors, three non-executive directors and five

executive directors, with a variety of skills, specialized experiences, genders, ages, etc. which commensurate with the size, complexity, business nature, risks and strategies of the Group. To comply with good corporate governance principles, the Bank has appointed a non-executive director as Chairman of the Board of Directors. The Chairman of the Board of Directors and CEO are different individuals.

- *Chairman of the Board of Directors*

The Chairman of the Board of Directors has a vital role in ensuring that the Board of Directors performs its duties in accordance with the specified direction and strategic goal for the utmost benefit of the Bank and shareholders as a whole. He will take leading roles for the Board of Directors at least covering the following aspects:

- (1) Oversee, monitor and ensure that the Bank's Board of Directors efficiently carries out its duties to achieve its objectives and main goal;
- (2) Ensure that all directors contribute to the Bank's ethical culture and good corporate governance;
- (3) Set the Board meeting agendas by discussing with the CEO and ensure that important matters are included;
- (4) Allocate sufficient time for management to propose topics and for directors to debate on important matters thoroughly. Encourage directors to exercise independent judgment for the best interest of the Bank; and
- (5) Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors and between the Board and management.

- *CEO*

The CEO is the leader of management who has the duty to successfully manage the day-to-day businesses of the Bank and Group companies and set up action plans and strategies in accordance with the approval from the Board of Directors.

The Board of Directors will not interfere in the duties of management. The relationship of the Board of Directors and management is in the form of co-working.



- *Independent Director*

The Bank has laid down qualification requirements for independent directors as follows:

- (1) Hold not more than 0.5% of the total shares with voting rights of the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person, inclusive of the shares held by related persons;
- (2) Not be or have previously been a non-independent director; as well as a manager; an employee; a staff member or an advisor or a controlling person of the Bank, its parent company, its subsidiary, its affiliate or its subsidiary at the same level or a major shareholder or controlling persons unless the termination of being in such a position had occurred at least two years before the appointment as the Bank's independent director. Such prohibited characteristics shall not include the case where the independent director used to be a government official or advisor of a government unit which is a major shareholder or controlling person of the Bank;
- (3) Not be a person related by blood or registration under laws in the form of fatherhood, motherhood, spouse, brothers, sisters and children, including spouse of children, of other directors, executives, a major shareholder, controlling person or person who will be nominated to take up the position of director, executive or controlling person of the Bank or its subsidiary;
- (4) Have no current or previous business relationship with the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person in the manner which may interfere with his/ her independent discretion and not be or have previously been a significant shareholder or controlling person of any person having a business relationship with the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person unless the termination of being in such position had occurred at least two years before the appointment as the Bank's independent director.

Such business relationships include normal business transactions, rental or lease of immovable property transactions, asset or service transactions or giving or taking of financial assistance by borrowing or lending money, suretyship, providing assets as collateral and any other similar actions, which results in the Bank or its counterparty being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the company or Baht 20.00 million or more, whichever is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of related party transactions under the notification of the Capital Market Supervisory Board Re: Rules on Execution of Related Party Transactions. In any case, the consideration of such indebtedness shall include the indebtedness incurred during the period of one year to the date of establishing the business relationship with the related person;

- (5) Not be or have previously been an auditor of the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person, a significant shareholder, controlling person or partner of the audit office which is the auditor of the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person unless the termination of being in such position had occurred at least two years before the appointment as the Bank's independent director;
- (6) Not be or have previously been any professional service provider including legal advisor or financial advisor who receives more than Baht 2.00 million annually from the Bank, its parent company, its subsidiary, its affiliate, a major shareholder or controlling person and not be a significant shareholder, controlling person or partner of the professional service provider unless the termination of being in such position had occurred at least two years before the appointment as the Bank's independent director;



- (7) Not be a director appointed as a representative of the Bank's directors, a major shareholder or a shareholder who is related to the Bank's major shareholder;
- (8) Not undertake any business in the same nature and in competition with the business of the Bank and its subsidiary; not be a significant partner in a partnership or without benefits related to the Bank which may affect his/ her independent decisions or be an executive director, employee, staff or advisor who receives salary or holds shares of more than 1% of the total shares with voting rights of another company which has the same nature of business and is in competition with the business of the Bank or its subsidiaries;
- (9) Not be an independent director who holds positions in the Bank, its parent company, its subsidiary, its affiliate or its subsidiary at the same level for more than nine years. In addition, for an independent director who has held the position for less than nine years - if he/ she has been discharged from the position of independent director while over that period, he/ she has not been appointed as a director, manager, person with of management authority, advisor or staff member of the Bank, its parent company, its subsidiary, its affiliate or its subsidiary at the same level - he/ she may be re-appointed as an independent director but the period during which he/ she serves as an independent director must be all counted. For an independent director who has held the position for nine years and wishes to be re-appointed as an independent director, he/ she must have been discharged from the position of director, manager, person with management authority, advisor or staff member of the Bank, its parent company, its subsidiary, its affiliate or its subsidiary at the same level at least two years before the day the appointment request is submitted. (Any independent director holding the position for more than nine years and still holds the

position on the date of this definition can continue to be an independent director until May 1, 2022.); and

- (10) Have no characteristics which may affect the giving of independent opinions, decision or voting on the Bank's operations.

- *Other Committees*

To further study and screen matters in particular areas, the Board of Directors has appointed five committees, namely: the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, the Executives Committee and the Compliance and Governance Committee. The authorities, duties and responsibilities of such committees are shown in the Management Structure section.

5.2 Term of Directorship

The Bank stipulates in Clause 18 of the Articles of Association that at every AGM, at least one-third (1/3) of the directors shall retire from their positions. Should the number of directors not be divisible into three equal parts, the nearest number to one-third must retire from office. Directors retiring by rotation can be re-elected as directors. In short, an average term of a director is three years.

In 2018, the Board of Directors reviewed the Corporate Governance Policy and amended the term of directorship section in such policy. It prescribes that independent directors can hold their positions for no more than nine consecutive years. For any independent director who has held the position for nine years and wants to be re-appointed as an independent director, such director must have been discharged from the position at least two years before the day the appointment request is submitted to the Bank of Thailand. In addition, for any independent director who has held the position for less than nine years, if he/ she has been discharged from the position, such independent director may be re-appointed as an dependent director. Yet, the term of directorship of such independent director must be all counted.

For the Bank's independent director who is qualified according to the Bank of Thailand's notification No. FPG. 13/2552 on Corporate Governance of Financial Institutions and is in such



position prior to the effective date of the Bank of Thailand's notification No. FPG 17/2561 on Corporate Governance of Financial Institutions (No. 2), if he/she has held the position for more than nine years, such director can still be in office until May 1, 2022.

5.3 Authorities, Duties and Responsibilities of the Board of Directors

Authorities, duties, responsibilities of the Board of Directors and matters under the authority of the Board of Directors are shown in the Board of Directors section.

5.4 Vision and Mission

The Bank's Board of Directors, in conjunction with the Executive Committee, reviews the Bank's vision and mission periodically so as to make adjustments which reflect the business target and strategy in the future. Furthermore, the Board of Directors sporadically monitors the management's business operation in accordance with the Group's strategic direction.

In the previous year, the Board of Directors, in meeting No.9/2562 dated September 26, 2019, reviewed the Bank's vision and mission in order to be consistent with the business target and strategy.

5.5 Business Ethics

The Group realizes the importance of its good reputation. Maintaining trust with clients, colleagues, shareholders, regulators and the general public is the obligation of every director, executive, officer and employee. All directors, executives and employees must comply with laws, rules, regulations and policies which govern or apply to the businesses of the Bank and Group companies and adhere to high professional standards of integrity and to key principles of business conduct in the performance of their duties. This is because the Group's businesses are predicated on the trust and respect of clients and the general public.

The Board of Directors has approved the Guidelines for Business Conduct Policy so that directors, officers and employees of the Group have a standard framework for the performance of duties. The Guidelines for Business Conduct Policy of the Group set key principles on significant issues, which are 1) conflict of interest; 2) corporate opportunities; 3) confidentiality obligations; 4) fair dealing; 5) treating

individuals with respect and dignity; 6) safeguarding the Group's information, assets and property; 7) compliance with the law; 8) written and electronic communications and 9) commitment to promoting ethical conduct (as per details shown on the Bank's website). The Group communicates and disseminates the Guidelines for Business Conduct Policy via the Bank's intranet so that employees and executives can acknowledge and comply with the guidelines when they perform their duties. Furthermore, all employees of the Group have to do e-Learning and pass the test on the Guidelines for Business Conduct Policy on an annual basis.

5.6 Conflict of Interest

A conflict of interest occurs when an individual's private interest interferes in any way or even appears to interfere with the interests of the Group as a whole. A conflict situation can arise in various businesses of the Group. Therefore, the Board of Directors has set a written policy on conflict of interest which is used for the Bank and Group companies.

The Group expects each director, executive and employee to avoid activities, interests or associations which may interfere with the independent exercise of his/ her judgment or the best interests of the Group, its clients, its shareholders or the public or activities which are unethical or can damage the Group's good reputation.

The Bank and Group companies will not proceed with any transaction which may lead to conflict of interest, unless such transaction is conducted in compliance with the law and ethics or under the following principles:

- Transactions which provide the utmost benefit to clients or are necessary and beneficial to clients under the circumstances;
- Transactions which are normal business operations executed on an arm's-length basis with the general public or
- Transactions to comply with conditions specified by any regulator to ensure transparency or fairness for clients.

5.7 Risk Management Policy

The Board of Directors, via the Risk Oversight Committee, closely regulates the risk management



policy embracing the management of risks throughout the entire organization with emphasis on establishing, for each business group and unit, roles and responsibilities of understanding the risks of its business activities and managing such risks under the risk management policies and guidelines of the Group. The Risk Management Group has roles and duties to regulate, monitor and review the mechanics of risk management and control in each business unit and business group. Furthermore, each business unit will be allocated capital in an amount depending on the level of its transaction risks and business operation losses.

Moreover, the Risk Management Group arranges trainings and educates employees of the Bank and Group companies on risk management to build an understanding of risks and encourage employees' involvement in managing risks.

There are eighteen core risk management policies, namely 1) Market Risk Management Policy of the Group; 2) Liquidity Risk Management Policy of the Group; 3) Enterprise Risk Management Policy of the Group; 4) Strategic Risk Management Policy of the Group; 5) Operational Risk Management Policy of the Group; 6) IT Risk Management Policy of the Bank; 7) Stress Test Policy of the Group; 8) Investment & Trading Policy of the Group; 9) Reputation Risk Management Policy of the Bank; 10) Pillar 3 Disclosure of the Bank and Group Companies and LCR Disclosure of the Bank; 11) Retail Lending Policy of the Bank; 12) Core Credit Policy of the Bank; 13) Commercial Lending Policy of the Bank; 14) Debt Restructuring, Asset Classification, Provision and Write-off Policy; 15) Collateral Policy of the Bank; 16) Counterparty Risk Policy of the Bank; 17) Country Risk Management Policy of the Group and 18) Delegation of Authority Policy for Commercial Lending & Counterparty Limit Setting.

The Risk Management Group reviews all above-mentioned policies at least once a year or upon any significant changes to ensure they are appropriate with business circumstances and changes.

5.8 Board Meeting

Each year the Bank schedules regular meeting dates and agendas for the Board of Directors' meetings in advance prior to the end of the earlier year so the Corporate Secretary can inform the Board members of those meeting schedules and agendas for the coming year. In order to enable the directors to allocate their time and participate in the meetings, the Board of Directors' meetings will be normally convened on the last Thursday of each month. Additional Board meetings may be rescheduled or held, if necessary. Each director must have at least 75% attendance of all Board meetings held in a year, unless with reasonable ground or necessity.

The quorum of the Board meeting consists of at least two-thirds of the Board members. The number of Board meetings should be consistent with the duties and responsibilities of the Board of Directors and no less than six times per year. During 2019, the Board of Directors met eleven times. Also, there was one internal meeting among non-executive directors held on August 22, 2019 to discuss the method for improving the performance of the Board of Directors as well as the preparation for the case of economic recession and the result from such meeting had been reported to the Board of Directors. (The attendance record of each director is shown in the Management Structure section.)

The Chairman of the Board and CEO are jointly responsible for compiling the important and necessary agendas to be discussed during the meeting. However, any director may freely request to add any agenda item for discussion.

The Banks' Corporate Secretary is responsible for the meeting arrangement and sending notices of meetings together with relevant documents to each Board member no less than seven days prior to the meeting date, except in urgent cases, in order that the directors shall have adequate time to review relevant information prior to the meeting. Each director can make inquiries for additional information from the Corporate Secretary and is free to submit any meeting agenda item. Each meeting agenda item



is well-defined whether it is for acknowledgement, approval, consideration or is a regular follow-up on the operating results.

The agenda items for the Board meeting are prioritized in order to manage the meeting time for the utmost benefit. During the Board meeting, the Chairman of the Board allocates ample time for the management to report and for adequate discussion. Minutes of the meetings are recorded, certified by the Board of Directors and made available for examination by the Board and relevant parties.

In the event that any director has a conflict of interest in any matter, directly or indirectly, he/ she must disclose it to the Board of Directors before that matter is considered and must not take part in the decision-making process of such matter and it will be recorded in the minutes of the meeting.

In addition, the Chairman of the Board encourages the CEO to invite senior executives to attend the

Board meetings to present additional information and get acquainted with the Board members. The Bank also grants opportunities for the directors to request additional and necessary information from the CEO, President, Corporate Secretary or other senior executives within the specified policy framework.

5.9 Development of Directors and Executives

The Bank encourages its directors and executives to participate in seminars and training sessions of the IOD, SET or other independent institutions to benefit the performance of their duties for the Bank and the Group.

In 2019, there were eleven directors and senior executives who attended the training programs of the IOD, Bank of Thailand and other independent institutions as per details shown in Profiles of the Directors, Executives, Controlling Persons and Corporate Secretary section and summarized as follows:

Name	Course	Organizer
1. Mr. Supol Wattanavekin	<ul style="list-style-type: none"> - Boards that Make a Difference (BMD 10/2019) - Bangkok Fin Tech Fair 2019: Collaboration for the Future of Finance - Bangkok Sustainable Banking Forum 2019: An Industry Wake - up Call - Cyber Resilience Leadership Workshop "Mission in Action" 	<ul style="list-style-type: none"> - IOD - Bank of Thailand - Bank of Thailand - Bank of Thailand
2. Mrs. Dayana Bunnag	<ul style="list-style-type: none"> - Bangkok Sustainable Banking Forum 2019: An Industry Wake - up Call - Risk Management Committee Program for Corporate Leaders (RCL 17/2019) - IT Governance and Cyber Resilience Program (ITG 10/2019) 	<ul style="list-style-type: none"> - Bank of Thailand - IOD - IOD
3. Mr. Chet Pattrakornkul	<ul style="list-style-type: none"> - Bangkok Sustainable Banking Forum 2019: An Industry Wake - up Call - Cyber Resilience Leadership Workshop "Mission in Action" 	<ul style="list-style-type: none"> - Bank of Thailand - Bank of Thailand
4. Mr. Suvit Mapaisansin	<ul style="list-style-type: none"> - Cyber Resilience Leadership Workshop "Mission in Action" 	<ul style="list-style-type: none"> - Bank of Thailand



Name	Course	Organizer
5. Prof. Dr. Anya Khanthavit	<ul style="list-style-type: none"> - Bangkok Sustainable Banking Forum 2019: An Industry Wake - up Call - Cyber Resilience Leadership Workshop "Mission in Action" - Audit Committee Forum: "Strategic Audit Committee: Beyond Figure and Compliance" - IT Governance and Cyber Resilience Program (ITG 10/2019) 	<ul style="list-style-type: none"> - Bank of Thailand - Bank of Thailand - IOD - IOD
6. Mr. Banyong Pongpanich	<ul style="list-style-type: none"> - BOT Symposium 2019: Competitive Thailand - Guest speaker for six courses as follows: <ul style="list-style-type: none"> 1) New Management Technics for Success (No. 25) 2) Corruption in Thai Society (No. 8) 3) Building Public Trust 4) Strategy: Pros & Cons for the Future of Thailand 5) Crisis Management 6) Capitalism and Thai Capital Market 	<ul style="list-style-type: none"> - Bank of Thailand - Office of the Council of State - ISRA Institute Thai Press - Office of the Civil Service Commission - Thai Garment Manufacturers Association/ TGMA - 2 morrow Scaler - Capital Market Academy
7. Ms. Thitinan Wattanavekin	<ul style="list-style-type: none"> - Bangkok Fin Tech Fair 2019: Collaboration for the Future of Finance - Cyber Resilience Leadership Workshop "Mission in Action" 	<ul style="list-style-type: none"> - Bank of Thailand - Bank of Thailand
8. Mr. Suraphol Kulsiri	<ul style="list-style-type: none"> - Cyber Resilience Leadership Workshop "Mission in Action" - Role of the Chairman Program (RCP 44/2019) 	<ul style="list-style-type: none"> - Bank of Thailand - IOD
9. Mr. Philip Chen Chong Tan	<ul style="list-style-type: none"> - Strategic Board Matter Class (SBM 6/2019) 	<ul style="list-style-type: none"> - IOD
10. Mrs. Kulnan Tsanhaiwo	<ul style="list-style-type: none"> - IT Governance and Cyber Resilience Program (ITG 10/2019) 	<ul style="list-style-type: none"> - IOD



Name	Course	Organizer
11. Mr. Preecha Techrunghachikul	<ul style="list-style-type: none"> - Treasury Dealer Certification Course (Refresher Course 2019) - TLCA CFO Professional Development Program (TLCA CFO CPD) No. 4/2562 - TFAC Conference 2019: Future of Finance - Digital Disruption 	<ul style="list-style-type: none"> - Thai Financial Markets Committee (TFMC) - Thai Listed Companies Association - Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Also, the Corporate Secretariat Department has arranged Executive Talk sessions on the business operation of the Group for directors and executives. During 2019, there were six sessions on the following topics:

- 2019 Business Plan of Support Groups
- Cyber Security Report and Cyber Security Awareness
- Outlook for Global and Thai Economy
- National Digital ID and Libra & 5G
- Real Estate Portfolio and Trend
- How the Changing Global and Thailand's Trends Affecting our Business Models

The Board of Directors is periodically made aware of the development plan for directors and executives. Over the past year, 2019 - 2020 training programs relevant to the development of directors and executives of the Group were brought for acknowledgment during the Board of Directors' meeting No. 10/2562 held on November 7, 2019.

5.10 Directorship in Other Companies of Directors

The Bank is well aware of the value of the experience the directors will gain by being directors of other agencies. However, in order to allow executive directors to have sufficient time to perform their duties to the fullest extent, the positions held at other agencies must be under the condition that they will not have an adverse effect on the performance of their duties as directors of the Bank.

As stipulated in the Corporate Governance Policy, the directors of the Bank may hold the position of Chairman of the Board, executive director or authorized director at no more than three groups. If the company in which a director holds a title is a single company, then it will be counted as one group. If the company is acquired through debt restructuring, it will be considered as the company in the same group as the Bank. Furthermore, directors of the Bank can serve as directors of other listed companies on the SET and overseas stock exchanges for no more than four companies, excluding listed companies on the SET acquired through debt restructuring. This is consistent with the Bank of Thailand's notification No. FPG.10/2561 on Corporate Governance of Financial Institutions dated May 22, 2018. Also, the Corporate Governance Policy of the Bank suggests that executive directors of the Bank be director of no more than two listed companies outside the Group.

Directors of the Bank may not hold shares or be directors in any private or public company which operates in the same industry and is considered in direct competition with the Bank, unless the shareholders' meeting has been informed prior to being appointed.

Prior to taking up the post of director, officer or employee in any other business, a director must receive approval from the Bank. If an executive director wishes to take up a post of director in a



listed company in Thailand or overseas, he/ she must receive approval from the Executive Committee of the Bank. This is in order to prevent any conflict of interest which may arise.

All newly-appointed directors must disclose all activities and interests outside the Bank upon being appointed and all directors are duty-bound to disclose any changes to the status of interest outside the Bank to the Bank.

5.11 Directorship in Other Companies of Executives

The Bank is well aware of the value of the experiences the CEO and President of the Bank will gain by being directors of other agencies. Nevertheless, the positions held at other agencies must be under the condition that they will not have an adverse effect on the performance of their duties. The CEO and President of the Bank must not serve as a full-time employee of other organizations, unless the Bank of Thailand considers that it does not affect the effectiveness of their duties at the Bank.

As stipulated in the Corporate Governance Policy, the CEO and President of the Bank may hold the position of Chairman of the Board, executive director or authorized director at no more than three groups. If the company in which they hold title is a single company, then it will be counted as one group. If the company is acquired through debt restructuring, it will be considered as the company in the same group as the Bank. Furthermore, the CEO and President of the Bank can serve as directors of other listed companies on the SET and overseas stock exchanges for no more than four companies, excluding listed companies on the SET acquired through debt restructuring.

The CEO and President of the Bank may not hold shares or be a director in any private or public company which operates in the same industry and is considered in direct competition with the Bank.

Prior to taking up the post of director, officer or employee in any other business, the CEO and President of the Bank must receive approval from the Legal and Compliance Group. In the case where the CEO or President of the Bank takes up the

post of director in a listed company in Thailand or overseas, he/ she must be pre-approved by the Executive Committee of the Bank in order to avoid any conflict of interest which may arise.

Upon entering employment with the Bank, all senior executives must disclose all activities and interests outside the Bank and are duty-bound to inform the Bank of any changes in the status of interest outside the Bank.

5.12 Director Orientation

The Bank realizes the importance of duties performed by new directors. Consequently, all new directors must be informed about the Group's overall business operation, structure and relevant businesses so they understand the business process and shareholding structure of the Group. Upon changes in the director, the Corporate Secretariat Department is responsible for preparing for any new director a set of documents consisting of the annual report, mission, vision, corporate principles, business performance, Articles of Association, Memorandum of Association, director handbook and relevant regulatory notifications.

In 2019, the Board of Directors' meeting No. 4/2562 dated April 23, 2019 resolved to appoint Mr. Philip Chen Chong Tan as the Bank's director. Therefore, the Corporate Secretariat Department prepared and provided information necessary for the performance of duties of the new director.

5.13 Succession Plan

The Board of Directors assigns duties to the Nomination and Remuneration Committee to be responsible for overseeing that the management has adequately prescribed a relevant policy for the required succession plan. This aims to prepare candidates in significant positions and assure the continuity of the Bank's business operation and practices which are in line with the policies and standards applied to financial institutions.

The Bank's succession plan consists of procedures which 1) survey and identify positions, 2) assess and approve a list of successors, 3) plan for successor development and 4) follow up on the successor development. Such a succession plan



is regularly reported to the Board of Directors for acknowledgement.

5.14 Board of Directors' Self-assessment as a Whole

The Board of Directors conducts its annual self-assessment to determine whether or not, over the past year, it has carried out its duties completely and appropriately according to the framework of authorities and responsibilities and corporate governance principles. The assessment result is gathered and summarized by the Corporate Secretary.

The assessment form used for the Board of Directors as a whole has been adapted from the assessment form of the SET with changes making it suitable for the Bank's Board of Directors. It assesses six major aspects: 1) qualifications of the structure of the Board members, 2) roles and responsibilities of the Board members, 3) Board of Directors' meetings, 4) duties of the Board, 5) relationship with the management and 6) self-development of directors, of which the entire aspects accounted for sixty-three individual subjects as a whole within the range of 0-4 or strongly disagree to strongly agree. The result of the 2019 annual assessment of the Board of Directors as a whole is favorable with an average score of 3.81.

5.15 Board of Directors' Self-assessment as an Individual

In 2019, the Board of Directors conducted its self-assessment as an individual by both self-evaluation and cross-evaluation. It is conducted on a yearly basis. The assessment result is gathered and summarized by the Corporate Secretary and is used to improve the performance of the Board of Directors.

The individual self-evaluation assessment form used for the Board of Directors has been adjusted to make it suitable for the context of the Bank's Board of Directors. It assesses two major aspects: 1) director's duties and 2) expected role and competency of which the entire aspects account for

ten individual subjects as a whole within the range of 0-4 or strongly disagree to strongly agree. The result of the 2019 annual assessment of the Board of Directors as an individual by self-evaluation is favorable with an average score of 3.68.

The assessment form used for the Board of Directors as an individual by cross-evaluation assesses two major aspects: 1) director's duties and 2) expected role and competency of which the entire aspects account for ten individual subjects as a whole within the range of 0-4 or strongly disagree to strongly agree. The result of the 2019 annual assessment of the Board of Directors as an individual by cross-evaluation is favorable with an average score of 3.89.

5.16 Committees' Self-assessment

In 2019, all five committees under the supervision of the Board of Directors performed their self-assessment and reported the results to the Board of Directors.

The Executive Committee and the Risk Oversight Committee performed their self-assessment by using the assessment form of which questions were divided into four topics, which were 1) performance according to duties, authorities and responsibilities; 2) the committee's meeting; 3) the performance of the chairperson and 4) the minutes of the committee's meetings. The answer scale was 1-5 rating from the lowest to the highest. The results of the self-assessment of the Executive Committee and the Risk Oversight Committee were an average of 4.46 and 4.30 respectively.

The Compliance and Governance Committee performed its self-assessment by using the assessment form in which questions were divided into six topics. These were 1) the structure and qualification of the committee; 2) the roles, duties and responsibilities of the committee; 3) the committee's meeting; 4) the performance of the committee; 5) the relationship with management and 6) the self-improvement of committee members. The answer scale was 0-4 from totally disagreeing to totally agreeing. The result of the self-assessment of the



Compliance and Governance Committee was at an average of 3.15.

The Audit Committee performed its self-assessment by using the assessment form published by the Audit Committee's manual of the SEC. The assessment form consisted of two main parts, which were Part 1: the appropriateness of the structure and composition of the committee and the general environment which could help the committee to effectively perform its task and Part 2: the performance of the committee during the year. The assessment form of the Audit Committee had ninety-nine questions in total. It aimed to improve the environment to facilitate the performance of the committee as well as the charter of the committee to be more suitable. The result showed that the Audit Committee was of the opinion that the structure and composition of the committee and the general environment helped the committee perform its duties effectively (96%) and all of the committee members (100%) viewed that they had performed their tasks according to the scope of work, authorities and responsibilities prescribed in its charter in the previous year.

The Nomination and Remuneration Committee performed its self-assessment by using the assessment form in which questions were divided into six topics. They were 1) the structure and qualification of the committee; 2) the roles, duties and responsibilities of the committee; 3) the committee's meeting; 4) the performance of the committee; 5) the relationship with management and 6) the self-improvement of committee members. The answer scale was 0-4 from totally disagreeing to totally agreeing. The result of the self-assessment of the Nomination and Remuneration Committee was at an average of 3.75.

5.17 Executive Performance Evaluation

On an annual basis, the Chairman of the Nomination and Remuneration Committee, who is an independent director, shall conduct a performance evaluation of the CEO. The evaluation is conducted by the Banks' directors and its result shall be taken into

account in determining the CEO's remuneration. The evaluation also serves as feedback to the CEO reflecting the need to review strategies, policies and management approaches to improve the management effectiveness and efficiency.

Evaluation results shall be shared with the CEO by the Chairman of the Board of Directors, Chairman of the Executive Committee and Chairman of the Nomination and Remuneration Committee to establish a mutual understanding on the expectations of the Board of Directors.

Evaluation Framework

1. The following criteria are employed in evaluating the Bank's annual performance by all directors:
 - 1.1 Profitability
 - 1.2 Overall financial status
 - 1.3 Bank's strategy and goals formulation
 - 1.4 Risk taking level and risk management system
 - 1.5 Overall effectiveness of the Bank's management
 - 1.6 Human resource management efficiency
 - 1.7 Bank's image and perception towards its stakeholders
 - 1.8 Collaboration and efficiency in working with the Board of Directors
2. In evaluating the CEO's performance, the CEO, in conducting the self-assessment, and the Bank's directors, along with sub-committees' members which have the CEO as their Chairman, employ the following criteria:
 - 2.1 Visionary leader
 - 2.1.1 Establishing direction and Group business structuring and position
 - 2.1.2 Vision and strategic thinking
 - 2.1.3 Driving synergies and collaboration
 - 2.1.4 Organization development
 - 2.1.5 Understanding stakeholders
 - 2.2 Corporate governance
 - 2.2.1 Implementing corporate governance
 - 2.2.2 Being responsive to stakeholders' concerns and needs



- 2.2.3 Managing effectiveness of committees
- 2.3 Planning and execution
 - 2.3.1 Creating alignment of strategy execution
 - 2.3.2 Systematic planning
 - 2.3.3 Problem solving and decision-making
 - 2.3.4 Collaboration with related committees
- 2.4 Leadership role model
 - 2.4.1 Aligning executives and stakeholders
 - 2.4.2 Building engagement among executives

- 2.4.3 Achievement motivation
- 2.4.4 Self-controlling and working under pressure
- 2.4.5 Personnel management and development
- 2.4.6 Demonstrating good governance
- 2.4.7 Demonstrating a sense of belonging
- 2.5 Change management
 - 2.5.1 Pro-activeness
 - 2.5.2 Leading change

The Nomination and Remuneration Committee's secretary shall compile the evaluation results and report a summary of evaluation results to the Nomination and Remuneration Committee and to the Board of Directors respectively.



Supervision of Subsidiaries and Affiliates

The Bank supervises the Group companies by having the Board of Directors determine the overall strategic direction and goals and approve the Group's policies and business direction proposed by the Executive Committee and the nomination of qualified candidates for the highest-level executive of PHATRA nominated by the Nomination and Remuneration Committee to act as the Bank's representatives in overseeing the Group's business operations. Also, the Nomination and Remuneration Committee has been assigned to give consent on the appointment of the directors and persons with management authority of the Group companies prior to being proposed to the authorized persons for appointment.

In relation to an oversight of overall management, the Bank, through the Board of Directors, has established the Group's monitoring and overseeing structure which covers the areas of risk management, internal control system monitoring, compliance and business administration.

As the Bank recognizes the importance of information disclosure under the corporate governance principles, the Board of Directors has assigned the Compliance and Governance Committee to supervise the Group's regulatory compliance through the Bank's Legal and Compliance Group, which is responsible for monitoring the Group's compliance and directly reporting to the Compliance and Governance Committee.

Moreover, the Board of Directors has assigned the Bank's Audit Committee to ensure appropriate and efficient internal control system of the Bank and

the Group companies. The Bank's Office of Internal Audit oversees the internal audit system and directly reports to the Audit Committee. In addition, the Board of Directors of the companies in the capital market business and/ or the Audit Committee of those companies shall be responsible for supervising the Group companies in the capital market business to operate under sufficient and appropriate internal control system.

This year, the Bank has improved the guideline on the Group's supervision and the Bank's policies and announcements in relation to overseeing the Bank's and the Group companies' business operation in order to enhance the efficiency of working procedures, to prevent any conflict of interest and to align with the laws and regulations issued by the regulators, namely the BOT, the OIC, the SEC and the SET, such as Corporate Governance Policy, Compliance Policy, Anti-money Laundering and Counter-terrorism and Proliferation of Weapon of Mass Destruction Financing Policy, Risk Management Policies including Enterprise Risk Management Policy and Country Risk Management Policy, Outsourcing Policy for Securities and Derivatives Business and Guidelines for Securities Trading of Directors, Executives, Employees and Persons who can access undisclosed information which is material to changes in the securities price. Additionally, the Bank revised its Internal Capital Adequacy Assessment Process (ICAAP) Policy and Capital Management Policy to ensure that the Bank and the Group maintain sufficient capital in accordance with the Bank of Thailand's guideline.



Supervision of Usage of Internal Information

The Bank has issued a written directive forbidding the use of internal information for personal gain or others which would be taking advantage of others. The Bank has forbidden directors, executives, employees and related persons including spouse and children and adopted children who are under the legal age to use any undisclosed information which could affect the change in the value of the shares or for the securities trading of the Bank. The directors, executives and employees who can access such undisclosed information must ask for approval prior to trading securities of the Bank at least one day and the approval is valid from the next business day until the end of the next third business day. In addition, the Bank has instructed that directors, executives, their spouses, children who are under the legal age and legal entity in which directors, executives and any other related persons collectively hold shares at an amount exceeding 30% of the total voting rights to report (Form 59) any changes in the status of their holdings of the Bank's securities and derivatives within three business days since the date of purchase, sale, transfer or receipt of such

securities to the SEC and also hand in a copy of the form to the Corporate Secretary, so it will be reported in the Board of Directors' meeting every time and disclosed in the annual report.

The Bank has forbidden any directors, executives or employees, who are aware of the Bank's important information and financial statements, to trade the Bank's securities, seven days prior to the end of the quarter until at least one trading session has elapsed after the Bank's financial statement has been made available to the public.

In addition, the Bank has also continually provided information on the practices of the usage of internal Information communication within the Bank's directors, executives and employees at all levels throughout the entire organization, so that they are aware of the duties and responsibilities as set out in the Bank's regulations.

The Office of Internal Audit reviews the practice of the usage of internal information and compliance with the Guidelines for Business Conduct Policy. Any violations will be reported to the Audit Committee and the Board of Directors for consideration according to the Bank's regulations.



Auditor's Remuneration

In 2019, the Bank and its subsidiaries engaged PwC as an external auditor for the Bank and its subsidiaries and incurred the fee charge as follows:

Audit Fee

The Bank and its subsidiaries paid the audit fee in the previous accounting period totaling Baht 16.29 million.

Non-audit Fee

The Bank and its subsidiaries paid the non-audit fee for other services including the accounting advice for TFRS 9: Financial Instruments and the corporate income tax review in the previous accounting period totaling Baht 151,271 and in the future totaling Baht 523,521 will be paid for services previously agreed upon but not yet fully provided.



Internal Controls

Summary of Internal Controls and Risk Management

The Group pays attention to the importance of good governance and requires its executives and employees to abide by the following guidelines:

- Promote, support and establish a greater understanding of internal controls, as well as create positive relationships and widespread acceptance among executives and employees on their particular duties and roles through effective corporate communications fostered by the senior executives.
- Promote and support the implementation of a self-regulation process in each division or business unit with adherence to the internal control frameworks and guidance of COSO Enterprise Risk Management (COSO ERM).

Internal Controls

It is the Group's policy to foster an effective and efficient self-regulation process, internal controls, and risk management. The Audit Committee, the Compliance and Governance Committee, the Risk Oversight Committee, and the assigned executives regularly review the efficiency of the three such processes, which govern financial controls, operations and compliance. Accordingly, internal control elements are being assessed, particularly in eight aspects, namely internal environment, objective setting, event identification, risk assessment, risk response, control activities, information and communication and monitoring. The Group also takes appropriate actions to assure consistent improvements on the three such processes.

To conform to the frameworks and guidance of good governance, internal controls and risk management, as prescribed in the eight components of COSO ERM, the Group undertakes the following actions:

1) Internal Environment

The Group encourages its directors, executives

and all staff to recognize the necessity of an internal control system. The Board of Directors and board-appointed committees ensure that business objectives are clearly stated and assessable, and are applicable as staff practice guidelines. The organizational structure is designed to enable the efficient management of business operations. The Group prescribes in writing its Guidelines for Business Conduct Policy and Conflict of Interest Policy which prohibit executives and employees from acting in a manner that would create a conflict with the organization's interests, as well as prescribing penalties for violations thereof. The Group has established the Office of Internal Audit, the Legal and Compliance Group, and the Risk Management Group which are the key supporting arms ensuring efficiency of good governance, internal controls, and risk management. The Group has also established in writing policies and procedures that strictly govern financial transactions, procurement, general administration and fraud protection measures. In addition, it has set strategies on human resources management and prescribes staff policies regarding selection, recruitment, orientation, and training and development. Other internal control mechanisms include supervision and team management, and appropriate checks and balances in each of the Group's business functions.

2) Objective Setting

Each of the Group's business units is required to set its objectives that are linked to the Group's corporate vision, mission and strategies, with clearly defined key performance indicators. In brief, the "SMART" concept, which is an acronym for criteria for the setting of objectives that represent business imperatives, is applied. This concept includes the following:

Specific : targeted returns or outcomes are clearly defined and comprehensible to all employees.



- Measurable** : achievements can be quantified and measured.
- Achievable** : targets are possible to achieve under the availability of the Bank's current resources.
- Relevant** : conform to the Bank's operation strategies and targets.
- Timeliness** : the achievement timeframe is clearly specified.

All of these objective settings aim to create efficiency, appropriateness and a common ground on a corporate direction for an acceptable risk level.

3) Event Identification

The Group identifies internal and external events that can affect its achievement targets for business operations. Appropriate stress test assessments under given stress scenarios are implemented to evaluate the severity of potential losses or adversity, as well as to find proper response planning for such outcomes. The Bank's Risk Management Group, under the supervision of the Risk Oversight Committee, generally performs regular reviews of stress test procedures and the environment in accordance with the risk management framework and policy prescribed by the Bank of Thailand.

4) Risk Assessment

The Bank consistently and continually fosters risk management policy and risk assessment processes, evaluates both internal and external risk factors that may materially affect the Bank's business operations, establishes control measures to monitor circumstance changes in such factors and implements mitigation measures thereof. The Risk Management Group, under the supervision of the Risk Oversight Committee, regularly communicates with relevant functions of the Group to remain aware and comply with such risk management measures. The Office of Internal Audit shall review and monitor relevant implementations thereof to assure compliance with the prescribed risk management plans by each unit.

5) Risk Response

The Risk Management Group, together with related business units, determines risk response

methods for mitigation of such risk to an acceptable threshold. Exploring appropriate risk response methods to the probability or consequences of a risk event is undertaken via cost-benefit analysis. The Group continually and consistently monitors and reviews its risk response measures.

6) Control Activities

The Group clearly prescribes in writing its delegation of authority governing all its authority levels in the management and committees. The controls include the segregation of duties and responsibilities of various functional roles, involving granting of approval and authorization, recording of information data and recognition of accounting entries, as well as fiduciary duty and property management. The actions create a check-and-balance mechanism. In the event that the Group undertakes transactions with its major shareholders, directors, executives or connected parties thereof, the Group also sets approval measures to govern such transactions, and in the event that the Group has investments in its subsidiaries or affiliates, the Group also monitors the business operations of such entities on a regular basis. The Group provides strategic directions to an individual whom it has appointed to serve as director or management of such entities to comply with. The Legal and Compliance Group monitors legal compliance of the Group to assure the mitigation of reputation risk. In the event of error and deficiency, a fact-finding panel comprising an independent body shall be established to investigate facts as well as to propose remedial and improvement methods to prevent any recurrence of such error and deficiency.

7) Information & Communication

The Group has arranged to have an information technology system that can adequately support information management. It has also established comprehensive intra-corporate communications that are high-quality, clear, timely and with organization-wide coverage. The system, which has the beneficial features of completeness, simplicity and an easy-to-use pattern, provides support to decision-making with data storage and data



classification. The Bank has set up the Process Improvement and IT Sub-committee to define its development targets for internal work process and IT improvements to be in line with its overall policy objectives. It also promotes knowledge management activities to make knowledge and proficiency accessible to all employees and encourages them to apply such knowledge and proficiency in their work duties. The Group also promotes business expertise and advisory skills among employees to enable them to better serve their clients, trade partners and related parties, as well as render maximized corporate benefits as per the Group's targeted vision and mission.

8) Monitoring

The Group has processes, procedures and tools to support its executives, Board members and committees to monitor business operations, improve efficiency and make assessments according to the key performance indicators. All these help in assuring performances and on-going efficiency of the internal control system and are regularly adjusted with changes in circumstances. It also assures that any errors or omissions are promptly identified for remediation. The Group prescribes the reporting of its operational results, performances, and comparative performance targets on a monthly and quarterly basis, according to their relative importance and impacts. It also monitors and reports incurred losses for assessment and review of the operation process and efficiency of applied risk management tools. The monitoring process includes reviews of minutes of meetings, loss reports, complaints, and random checks on self-assessment reports made in accordance with self-regulation and self-control concepts. The monitoring actions are made by the Legal and Compliance Group, Risk Management Group and Office of Internal Audit, together with investigations by external auditors. The Board of Directors also assesses the adequacy of the internal control system on an annual basis, to assure that the Group has appropriate internal control systems, thus making it capable of achieving its targeted goals.

Summary of the Opinions of the Board of Directors to Internal Controls

The Board of Directors is of the opinion that the Bank and its subsidiaries have sufficient and appropriate internal control systems, which can protect the assets of the Bank and its subsidiaries from any misappropriation or unauthorized action of directors or executives. In the past year, the Bank and its subsidiaries had some deficiencies in its internal control systems and management has given serious attention to these issues in order to correct and improve the performance of the system. The Audit Committee shared similar views to those of the Board of Directors. The external auditors did not make any remarks which could be deemed as being of any significance on the Group's internal controls. The related party transactions between the Group and persons who could present potential conflicts of interest which are necessary, undertaken in the ordinary course of business, and at market price, are disclosed in the notes to the financial statements.

The Group arranges to have internal control assessment surveys every year. In 2019, the Group's management was engaged in assessing the adequacy of internal controls using the SEC's checklist, which was developed under the COSO 2013 framework. The assessment results had been reviewed by the Audit Committee and the Board of Directors in order to exchange views and have a common understanding over the state of internal controls so that appropriate actions could be further determined.

Chief of the Internal Auditor

During the meeting of the Audit Committee No.1/2555 dated on January 11, 2012, the Committee approved the appointment of Dr.Narong Preedanana to hold the position of Executive Vice President, Head of the Office of Internal Audit. The decision was submitted to the Board of Directors for further approval. Dr.Narong Preedanana has over thirty years of internal audit work experience with leading financial institutions. He sufficiently attended various internal audit training courses



and has a good understanding of the Group's business and operations, and thus is suitable to perform his assigned tasks. The decisions on appointment, transfer, dismissal of the Chief of the Internal Audit require approval from the Audit Committee. His qualifications are as follows:

Dr. Narong Preedanan
Executive Vice President, Office of Internal Audit

Education

- Doctor of Business Administration (DBA), University of South Australia, Australia
- Master of Business Administration, University of Leicester, UK
- Bachelor of Accountancy, Chulalongkorn University

Professional Certificates

- CFSA (Certified Financial Service Auditor, IIA)
- CCSA (Certification in Control Self Assessment, IIA)
- CRISC (Certified in Risk and Information System Control, ISACA)

Work Experiences

- | | |
|----------------|---|
| 2012 - Present | Executive Vice President, Head of Office of Internal Audit, Kiatnakin Bank Public Company Limited |
| 2004 - 2011 | Senior Vice President, Group Audit, TMB Bank Public Company Limited |
| 2001 - 2003 | Vice President, Financial Markets Audit, DBS Thai Dhanu Bank Public Company Limited |
| 1997 - 2000 | Vice President, Head of Internal Audit, Thailand Securities Finance Cooperation (TSFC) Securities Company Limited |
| 1992 - 1996 | Senior Manager, Finance One Public Company Limited |
| 1991 - 1992 | Management Internal Control, the Chase Manhattan Bank N.A. |
| 1987 - 1990 | Audit Officer, Siam Commercial Bank Public Company Limited |

Training Programs

- Chief Audit Executive (CAE) Forum: Mobile Banking and Digital Bank Audit organized

by the Bank and Financial Institution Internal Auditors Club

- The Study of Audit Adjustments by Research Institute for Policy Evaluation & Design, University of the Thai Chamber of Commerce, organized by the SET
- Compliance Risk & Internal Control organized by OmegaWorldClass
- Value Creation and Enhancement for Listed Companies with the New COSO 2017 Enterprise Risk Management (ERM) organized by the Faculty of Commerce and Accountancy, Thammasat University, and the SET
- Chief Audit Executive (CAE) Forum: Robotic Internal Control and Audit organized by the Bank and Financial Institution Internal Auditors Club
- IT/ Cyber Security for Auditor organized by Office of Internal Audit, Kiatnakin Bank Public Company Limited
- IFRS 9: Financial Instruments organized by Office of Internal Audit, Kiatnakin Bank Public Company Limited
- Audit Data Analytic organized by Office of Internal Audit, Kiatnakin Bank Public Company Limited
- PwC Forensics Seminar on Increase Business Efficiency and Reduce Costs with GRC organized by PricewaterhouseCoopers ABAS Ltd.
- PwC Forensics Seminar on Cybercrime organized by PricewaterhouseCoopers ABAS Ltd.
- Global and Thailand Economic Outlook and How Disruptive Innovations Affect Your Competitive Landscape organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Chief Audit Executive (CAE) Forum: Behavior and Culture (B&C) organized by the Bank and Financial Institution Internal Auditors Club
- Enterprise Risk Management Workshop organized by PricewaterhouseCoopers ABAS Ltd.



- Fighting Fraud with Big Data and Analytic organized by ACL Services Ltd.
- Preparing for Basel III Implementation organized by Regulatory Intellect Ltd.
- Practical 'FRAUD' Prevention, Detection & Litigation organized by OmegaWorldClass
- New Transfer Pricing Legislation organized by PricewaterhouseCoopers ABAS Ltd.
- Workshop for Practical Issues in Thai Financial Reporting Standards organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Final FATCA Regulations Workshop organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- TFRS & IFRS Excellence organized by Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.
- Director Certification Program (DCP) organized by the Thai Institute of Directors Association
- Director Accreditation Program (DAP) organized by the Thai Institute of Directors Association
- Knowledge relating to Internal Audit profession, Banking and Financial Markets; e.g. Internal Audit Workshop (London), Derivatives (DBS Bank/ Singapore), New Financial Instruments: Accounting & Taxation (Euromoney/ Hong Kong), Fundamental of Financial Derivatives, Treasury System (Australia), Bond/Debtenture (Euromoney), Credit Training Programme, Asset Liability Management, Enterprise Risk Management (COSO ERM)

Chief of Compliance

During the meeting of the Board of Directors No.1/2557 dated on January 31, 2014, the Board resolved the appointment of Mr. Aphichart Chongsanguanpradab to hold the position of Executive Vice President, Head of the Office of Compliance, effective from February 1, 2014 and the Board of Directors' meeting No. 6/2562 dated on June 27, 2019 resolved the appointment of Mr. Aphichart Chongsanguanpradab, Executive Vice President, as Head of Legal and Compliance Group, effective from July 16, 2019 and reported to the Bank of Thailand to acknowledge such appointment.

Mr. Aphichart Chongsanguanpradab has twenty years of experience in compliance, supervisory policy for securities business, and internal audit of financial institutions. He attended various training courses, Operational Supervision for Head of Compliance, for three courses organized by the Thai Bankers' Association together with the Thai Institute of Banking and Finance Association (TIBFA), the Association of Investment Management Companies (AIMC) and the Association of Thai Securities Companies (ASCO) including the Compliance Officer Program organized by the Bank of Thailand together with the Faculty of Law, Chulalongkorn University and the Thai Bankers' Association. His qualifications are as follows:

Mr. Aphichart Chongsanguanpradab

Executive Vice President, Legal and Compliance Group

Education

- Master of Business Administration with Finance Concentration, Eastern Michigan University, U.S.A.
- Bachelor of Accountancy, Chulalongkorn University

Certificates or Diploma Programs

- Operational Supervision for Head of Compliance in 2019 organized by the Thai Bankers' Association
- ASCO Compliance Training Program in 2019 organized by the ASCO
- Taxation Law No. 1 organized by Thammasat University
- Compliance Professional Standards in 2018 organized by the ASCO
- Supervision of Insurance Business No. 1/2017 organized by Chula Unisearch, Chulalongkorn University
- Compliance Officer of Commercial Bank organized by the Bank of Thailand together with the Faculty of Law, Chulalongkorn University and the Thai Bankers' Association
- Bond Regulatory Update organized by the Thai Bond Market Association



- Audit Program Development organized by the Institute of Internal Auditors of Thailand (IIA)

Work Experiences

- 2019 - Present Executive Vice President, Head of Legal and Compliance Group, Kiatnakin Bank Public Company Limited
- 2014 - 2019 Executive Vice President, Office of Compliance, Kiatnakin Bank Public Company Limited
- 2011 - 2014 Head of Operation Department, Phatra Securities Public Company Limited
- 2010 - 2011 Compliance Officer, Credit Suisse (Thailand) Securities Company Limited
- 2004 - 2010 Head of Compliance, Phatra Securities Public Company Limited
- 2003 - 2004 Compliance Officer, Merrill Lynch International Bank Limited (Merchant Bank) (Singapore Branch)
- 1999 - 2003 Compliance Officer, Merrill Lynch Phatra Securities Company Limited
- 1997 - 1999 Internal Auditor, Bangkok Bank Public Company Limited

Training Programs

Training Programs in 2019

- Thailand - EU Seminar on E-Commerce and GDPR organized by Royal Thai Embassy Brussels and Ministry of Digital Economy and Society
- ASEAN Banking Cybersecurity Conference 2019 organized by Thailand Banking Sector CERT (TB-CERT), the Thai Bankers' Association
- E - KYC for Digital Financial No. 1 organized by Thai Institute of Banking and Finance Association
- Electronics Law Program No. 4 organized by Thai Institute of Banking and Finance Association
- Personal Data Protection Act B.E. 2562 Process and Practice No. 3 organized by Dharmniti
- Seminar on Latest Debt Collection Act, Announcement of Office of the Consumer

Protection Board 2018 and Hire Purchase and Leasing Guidelines organized by Thai Hire-Purchase Association

Training Programs in 2018

- The Business Law of New Financial Institution Class 1 organized by the TIBFA
- The Law of the Office of the Consumer Protection Board in 2018, Market Conduct of the Bank of Thailand and the Practices of the Hire Purchase and Leasing organized by the Thai Hire-Purchase Association
- Anti-Money Laundering and Counter Financing of Terrorist (AML/ CFT) Training for Transaction Reports under section 13 and section 16 Course 1, Class 2 organized by the AMLO
- The Information Technology Risk Supervision of Financial Institute organized by Compliance Club of the Thai Bankers' Association
- Compliance Professional Standards in 2018 organized by the ASCO
- Anti-Corruption Working Paper Program No.3/2018 organized by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King
- Workshop for Customer's Risk Management Framework organized by the SEC
- Compliance and Compliance Audit Auditing 7.0 CPE Credits organized by the IIA
- Roundtable Discussion 2018: Driving Business Value & Sustainability through Active by the SEC
- Discussion on the Privacy Protection, Big Data and GDPR in the Digital Economy Development organized by the Bank of Thailand and the College of Local Administration, Khonkaen University
- The Financial Instruments: TFRS 9 organized by the Department of Business Development, Ministry of Commerce
- Insurance Expo 2018: Converging Insurance Business Model with Insurance in Digital Disruption organized by the OIC
- Re-Inventing Business Model Through Technological Lens organized by the SEC and Business Software Alliance (BSA)



Training Programs in 2017

- Financial Advisor' Code of Conduct and Working Procedures under Code of Conduct (Amended) organized by Investment Banking Club, the ASCO
- Guideline for the Registration of Secured Transaction Contract of Department of Business Development organized by Department of Business Development, Ministry of Commerce.
- Review of Guidelines for the reporting entity to be in compliance with the AMLO
- The focus group : The industry utilizes information technology to enhance regulatory processes (RegTech) organized by the SEC
- The Standardization of AML/CFT organized by the AMLO
- The Annual Seminar : Future Banking Evolution or Revolution organized by the Human Development Club, the Thai Bankers' Association
- The Preparation for the Financial Sector Assessment Program (FSAP) organized by the SEC
- Risk and Compliance organized by Wells Fargo Bank and the Thai Bankers' Association
- The Market Conduct Guideline for Commercial Bank organized by the Compliance Club, the Thai Bankers' Association

Roles and Responsibilities of Chief of Compliance

1. Provide Legal and Compliance Group's strategic plan (business, budget, resource plans) consistent with organization direction and strategy.
2. Determine Legal and Compliance Group's goals and objectives which are appropriate with organizational direction as well as their benchmarks with the management.

3. Prepare performance evaluation, monitoring, following up on guidelines and performing assessments as such.
4. Determine and approve compliance policies.
5. Develop conclusive compliance system/ process and update relevant laws as well as distribute notices, guidelines, policies, manual, including KM distribution.
6. Advise and provide training in relation to policies, process or other matters with respect to relevant laws, rules and other guidelines, especially those in connection with new products or financial transactions to directors, management and employees.
7. Assess the process sufficiency and effectiveness and provide solutions to other parties to improve processes which are in connection with compliance matters.
8. Determine guidelines for record retention of agreements between the Bank and clients, e.g. hire purchase agreements, loan agreements, etc.
9. Determine and evaluate guidelines for compliance surveillance program with relevant laws and regulations enforced on financial institutions and report any potential regulatory risks.
10. Determine guidelines for compliance surveillance program with the bank policies, notices, processes and work manuals.
11. Determine guidelines with other parties to improve work process which is in relation to regulatory compliance.
12. Monitor, analyze and investigate transactions for any potentially suspicious transactions as well as report to the AMLO and collectively consider a mutual resolution.



Related Party Transactions

In 2017, 2018 and 2019 the Bank performed related party transactions, which were transacted to support its normal course of business operations. The Bank also maintains the prescribed procedures governing related party transactions that are in accordance with the guidelines set forth by the SEC. These related party transactions do not lead to any conflict of interest.

Measures or Procedures Governing Approval of Related Party Transactions

The Bank pays attention towards protections against any circumstances that threaten to give rise to any conflict of interest. When considering entering into any related party transactions with any party or person that may have any potential conflict of interest, such transaction shall be considered by the Bank on a similar basis as, and no less favorable to any other transaction undertaken with any unrelated third-party. It also prescribes that its directors and executives who have special interest in any particular transaction shall not be entitled to cast their vote on the approval thereof.

Significant Related Party Transactions

1. Significant related party transactions with subsidiaries.

Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)			Reasons and Necessities
			2017	2018	2019	
Phatra Capital Public Company Limited/ PHATRA	99.98% owned by the Bank	- Loans	1,870	1,770	1,770	The Bank calculated interest at the normal rate similar to regular clients.
		- Deposit	3	31	73	
		- Other assets	15	13	10	
		- Other liabilities	107	130	145	
		- Interest income	77	106	88	
		- Dividend income	420	841	1,367	
		- Other income	15	19	20	
		- Other expense	153	183	210	
Phatra Securities Public Company Limited/ PTSEC	Indirectly holding via PHATRA of 99.95%	- Loans	3,050	-	2,900	The Bank calculated interest at the normal rate similar to regular clients.
		- Deposit	22	167	316	
		- Other assets	62	79	60	
		- Other liabilities	64	58	70	
		- Interest income	40	49	6	
		- Other income	(10)	53	71	
		- Interest expense	7	6	7	
		- Other expense	36	89	121	



Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)			Reasons and Necessities
			2017	2018	2019	
Phatra Asset Management Company Limited/ PASSET	Indirectly holding via PHATRA of 99.97%	- Deposit - Other assets - Other income	9 1 8	16 9 24	5 5 33	The Bank calculated interest at the normal rate similar to regular clients.
Erawan Law Office Company Limited	<i>Completed the liquidation process and registered the completion of liquidation with the Department of Business Development on December 20, 2019</i>	- Deposit	6	6	-	The Bank calculated interest at the normal rate similar to regular clients.
The Asia Recovery 1 Fund	99.95% owned by the Bank	- Other assets - Dividend income and profit sharing	- -	8 8	- -	
The Asia Recovery 2 Fund	99.59% owned by the Bank	- Other assets - Dividend income and profit sharing - Other income	- - 1	90 90 1	- - 1	
The Asia Recovery 3 Fund	99.97% owned by the Bank	- Dividend income and profit sharing - Other income	12 2	2 2	- 2	
Thai Restructuring Fund	98.91% owned by the Bank	- Dividend income and profit sharing - Other income	1 2	43 5	- 5	
Bangkok Capital Fund	95.72% owned by the Bank	- Deposit - Other assets - Dividend income and profit sharing - Other income	59 - 243 2	201 168 301 9	40 - 96 4	The Bank calculated interest at the normal rate similar to regular clients.
Gamma Capital Fund	94.03% owned by the Bank	- Deposit - Dividend income and profit sharing - Other income	229 276 4	166 237 7	340 6 5	The Bank calculated interest at the normal rate similar to regular clients.



Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)			Reasons and Necessities
			2017	2018	2019	
KKP Tower Company Limited	91.34% owned by the Bank	- Loans	960	1,274	1,768	The Bank calculated interest at the normal rate similar to regular clients.
		- Deposit	103	108	34	
		- Other assets	50	53	50	
		- Other liabilities	7	8	7	
		- Interest income	49	48	70	
		- Interest expense	-	1	1	
		- Rental and service Expenses	174	191	196	
Phatra Asset Management (Cayman) Limited	Indirectly holding via PHATRA of 99.98%	-	-	-	-	
Phatra Equity Market Neutral Asia Pacific Fund	<i>Redemption of all redeemable participating shares on April 1, 2019</i>	-	-	-	-	

2. Related transaction between the Bank and other business entities in which the directors, key executives and related persons have significant influence

Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)			Reasons and Necessities
			2017	2018	2019	
Business entities in which the directors, key executives and related persons have significant influence	Business entities are related to the directors and executives	- Deposit	36	146	163	The Bank calculated interest at the normal rate similar to regular clients.
		- Borrowings	600	500	400	
		- Other assets	1	1	1	
		- Other liabilities	6	8	7	
		- Interest expense	30	21	21	
		- Other expenses	67	104	102	



3. Related transaction between the Bank and directors, key executives and related persons have significant influence

Name	Relationship	Description of Transaction	Transaction Amount (Baht Million)			Reasons and Necessities
			2017	2018	2019	
Directors/ key executives/ related persons	Directors/ key executives/ related persons	- Deposit	428	619	769	The Bank calculated interest at the normal rate similar to regular clients.
		- Loan	-	3	9	
		- Borrowings	48	38	133	
		- Interest expense	8	9	12	PTSEC and PASSET provide services and charge at the same commission rate as other regular clients.
		- Brokerage income	13	13	14	

Policy and Outlook for Future Related Party Transactions

It is not the Bank's and its subsidiaries' policy to encourage the transacting of related party transactions with any party or persons that may have any potential conflict of interest, unless such transactions are those which occur in their normal course of business operations. In that regard, such related party transactions shall maintain their pricing or terms which are no different from those transacted between the Bank and any unrelated third-party. The Bank and its subsidiaries shall regularly review their related party transactions on a quarterly basis and duly report any irregularities to the Audit Committee.

Reasons behind the Holding of the Bank and its Subsidiaries' shares in Excess of 10.00% by a Person that May Have Potential Conflict, Instead of Direct Holdings

It is not the Bank's policy to have a person that may have potential conflict hold shares in its subsidiaries on behalf of the Bank.



Report of the Board of Directors' Responsibility for Financial Statements

The Board of Directors is accountable for the consolidated financial statement of the Bank and its subsidiaries, the separate financial statement of the Bank as well as other financial information as presented in the annual report. The financial statements have been prepared in accordance with Thai financial reporting standards with appropriate accounting policies applied on a consistent basis, careful consideration and reasonable estimations. Adequate disclosures have been made in the notes to the financial statements. These are transparent and reasonable presentations which reflect a true and fair financial position and performance which is useful to all shareholders and investors. Moreover, these financial statements have been audited by an independent certified public accountant whose unqualified opinions are stated therein.

The Board of Directors has adopted and maintained appropriate and effective systems of risk management, internal control, internal audit and compliance to ensure that all accounting records are accurate, complete and sufficient. These systems facilitate the Bank in maintaining all of its assets as well as in preventing any damage from other significant irregularities in the operations of the Bank.

In this respect, the Board of Directors has appointed the Audit Committee consisting of independent directors to be responsible for these following duties: assuring the accuracy and sufficiency of the Bank's financial reports, overseeing and cross-examining the Bank's internal control system as well as its internal audit and reviewing all disclosures of the Bank's related transactions or conflict of interest for the most accuracy and completeness. The opinion of the Audit Committee related to these matters is stated in the Report of the Audit Committee section in the annual report and the annual registration statement (Form 56-1).

The Board of Directors is of the opinion that the overall internal control system of the Bank is sufficient, well-managed and satisfactory to provide reasonable confidence in the reliability of the consolidated financial statement of the Bank and its subsidiaries and the separate financial statement of the Bank for the year ended December 31, 2019.

Mr. Supol Wattanavekin
Chairman

Mr. Aphinant Klewpatinond
Chief Executive Officer



Report of the Audit Committee

The Audit Committee of Kiatnakin Bank Public Company Limited (the “Committee”) comprises the following three independent directors, each of whom possesses extensive knowledge and experience in finance, accounting, economic and organization management.

- | | |
|------------------------------|------------------------------|
| 1. Mrs. Dayana Bunnag | Chairperson of the Committee |
| 2. Mr. Chet Pattrakornkul | Member of the Committee |
| 3. Mr. Veravat Chutichetpong | Member of the Committee |

In 2019, the Committee had eleven meetings, with the attendance record of each committee member reported under the Management Structure section in the annual report, to perform duties in accordance with the role set forth in the Committee’s charter, in summary:

- In each quarter, the Committee reviewed the financial reports through a meeting with executives of the Finance and Budgeting Group and external auditors to consider all comments made from the auditing and reviewing of financial statements as well as acknowledged the progress on the preparation to support the TFRS 9 Financial Instruments which take effect in 2020. In addition, on a half-yearly basis, the Committee and external auditors had meetings arranged without the attendance of the executives.
- By working together with the internal auditor and external auditor, the Committee reviewed the internal control system, including information technology security and control as well as cyber security, to assess the efficiency and sufficiency of these systems. The Committee stressed that the internal auditor should conduct a follow-up review over the new core banking system and assessed the Group’s readiness for the new Personal Data Protection Act (PDPA), which would be effective in May 2020. Moreover, in 2019, the Bank’s management was engaged in assessing the adequacy of internal control, using the SEC’s checklist which was developed under the COSO 2013 framework. The assessment results were reviewed by the Committee and the Board of Directors in order to exchange views and develop a mutual understanding over the state of internal controls so that appropriate actions could be further determined.
- The Committee reviewed and approved the Annual Internal Audit Plan, determined the independence of the Internal Audit function and reviewed the annual performance of the Internal Audit Head.
- The Committee reviewed the Group’s risk management system and measures as reported by the risk management function. These include the key risk factors and management response to address those risks, in line with the Group’s policies, strategies and plans. In addition, the Committee had a meeting with the Risk Oversight Committee to consult and exchange views so as to assess whether the risk management policies and strategies covered all existing and emerging risks and if the implementations of such policies and strategies were effective and efficient.
- The Committee reviewed related-party transactions or transactions that may lead to conflict of interest, including the disclosure thereon, to ensure that they were in compliance with the laws and regulations imposed by the SET and were reasonable and for the highest benefit of the Group.
- On a quarterly basis, the Committee reviewed the internal audit’s report to assess whether disclosure and appropriate surveillance and monitoring programs were in place to ensure compliance with the laws and regulations relating to the Group’s business, including those imposed by the Bank of Thailand, the SEC, the OIC, the AMLO, etc.



- The Committee reviewed the performance of the Bank's external auditors on their duties over the year. The Committee is of the opinion that the auditors of PricewaterhouseCoopers ABAS Ltd. are independent, possess great skill and knowledge about international auditing standards, and have sufficient resources. In addition, the auditors demonstrated a high level of proficiency in auditing banking and capital markets businesses. As a result, the Committee considered and re-nominated PricewaterhouseCoopers ABAS Ltd. as the auditors of the Bank for the year 2020. The Committee has submitted its recommendation on the appointment and remuneration of the Bank's external auditor to the Board of Directors, to be proposed to the shareholders' meeting for approval.
- The Committee considered the Group's policy on non-audit services to be provided by the Bank's external auditor and reviewed its services, aiming to ensure that non-audit engagement does not impair independence of the Bank's external auditor.
- The Committee has arranged meetings with other Audit Committees within the Group to exchange views and opinions regarding the role of the Audit Committee, in accordance with the good Governance, Risk and Control (GRC) framework, so as to allow all committee members to be able to assess the overall picture of the Group's internal control.

According to a self-assessment carried out in 2019, the results suggested that the Committee has satisfactorily discharged its duties in accordance with the requirements set out in the Committee's charter.

In summary, the Committee has performed its duties independently and has been open in expressing its opinions for the best benefit of the Bank. The Committee is of the opinion that the Bank has an appropriate and efficient risk management and sound internal controls in place for undertaking related party transactions, monitoring compliance with the rules and policies, and for other Bank operations. The financial statements of the Bank are reliable and have been constructed with sufficient control systems and in accordance with Thai Financial Reporting Standards.

The Committee has recommended to the Board of Directors so that communications shall be continuously made to all staff that the Group emphasizes the importance of corporate culture in which unethical and fraudulent behavior is unacceptable (Zero Tolerance to Fraud policy).

As of January 14, 2020
On behalf of the Audit Committee

Mrs. Dayana Bunnag
Chairperson of the Audit Committee



Report of the Nomination and Remuneration Committee

The Board of Directors, on October 26, 2002, resolved to appoint the Chairman and members of the Nomination and Remuneration Committee (the “Committee”). Currently, the structure of the Committee complies with the Bank of Thailand’s notification on Corporate Governance of Financial Institutions and supports the effective and efficient performance of the Committee. As of December 31, 2019, the Nomination and Remuneration Committee consists of three directors as follows:

- | | |
|------------------------------|--------------------------------|
| 1. Mr. Veravat Chutichetpong | Chairman/ Independent Director |
| 2. Mr. Chet Pattrakornkul | Member/ Independent Director |
| 3. Mr. Suvit Mapaisansin | Member/ Non-executive Director |

During the year 2019, the Committee held seven meetings to perform its duties as specified. A summary of the Committee’s key resolutions are presented below:

1. Selected and nominated candidates for the Bank’s directors to replace the directors, who were retired by rotation or resigned from the director post, in order to propose such candidates to the Board of Directors and subsequently to the annual shareholders’ meeting for election, as well as monitored and ensured that the component and size of the Board of Directors are adequately effective in supporting the business directions and complies with corporate governance. The Committee utilized mechanism or tools in the candidate selection and nomination process, such as the Board Skill Matrix, to ensure that the proposed directors possess the knowledge, competency and experiences beneficial to the long-term operation and suitable for the business direction and strategy of the Group.
2. Consented on the nominated candidates for the Group companies’ directors and persons with management authority prior to proposing to the Group companies’ authorized persons for consideration and appointment.
3. Assessed and nominated qualified candidates for appointment as the Bank’s persons with management authority prior to proposing the said nominations to the Bank of Thailand for endorsement and subsequently to the Board of Directors for approval and appointment. Consideration of the candidates’ qualifications was given to ensure diversity and appropriateness in terms of knowledge, competence and experiences in order to strengthen and support the Group’s business direction.
4. Assured the annual performance assessment of the Board of Directors and CEO were properly carried out. The assessments were conducted by members of the Board of Directors and other related committees. The assessment results, including all feedbacks and comments to increase the overall performance of the Board of Directors and senior executives, were reported to the Board of Directors for consideration and acknowledgement.
5. Reviewed and ensured that the compensation of the Board of Directors and sub-committee members are appropriate given to their assigned duties and responsibilities and are competitive with banking industry practices prior to proposing to the Board of Directors for consideration and subsequently to the shareholder’s meeting for approval.
6. Approved compensation of the CEO based on the scope of duties and responsibilities, relevant risks, assessment result and feedback, long- and short-term performance of the Bank and the Group com-



panies and ability to increase long-term shareholders' values under the annual budget framework approved by the Board of Directors.

7. Reviewed the Board of Directors' annual performance appraisal form in order to obtain clearer, more appropriate and effective performance assessment result.
8. Acknowledged bonus and annual merit's budget criteria and guidelines for the Bank's persons with management authority, which were determined based on several factors, such as the performance of the overall organization, function or business unit, the individual performance and the total compensation concept as specified.
9. Acknowledged the succession planning of senior executive positions and talents of the Group as well as ensured the succession plan had been continuously and appropriately proceeded in order for the sustainable human resources management.

The Committee has performed duties as set forth in its charter with prudence and transparency as well as in compliance with relevant laws and regulations and the good corporate governance principles for the utmost benefits of the Bank and shareholders.

A handwritten signature in black ink, appearing to read "Veravat Chutichetpong".

Mr. Veravat Chutichetpong
Chairman of the Nomination and Remuneration Committee



Report of the Compliance and Governance Committee

The Compliance and Governance Committee of Kiatnakin Bank Public Company Limited (the “Committee”) has the role to oversee the governance and compliance of the Bank and the Group companies to ensure their compliance with laws, regulations, rules, and principles of good corporate governance.

The Committee is comprised of the following two knowledgeable and experienced directors: Mr. Chet Pattrakornkul (an independent director as the Chairman of the Committee) and Mr. Suwit Mapaisansin (a non-executive director who has been appointed as member of the Committee, effective from May 1, 2019, in place of Mr. Tarnin Chirasoonton, a non-executive director who resigned from a director post of the Bank.)

In 2019, the Committee held six meetings and undertook the following important actions:

- Reviewed and revised the Committee’s charter, policies and action plan prior to proposing to the Board of Directors for approval as follows:
 - Endorsed the review and the revision of the Committee’s charter.
 - Endorsed the review and the revision of the Corporate Governance Policy of the Bank for the year 2019 to comply with current operations and regulations such as the Corporate Governance Criteria of Financial Institutions released by the Bank of Thailand.
 - Reviewed and revised the Compliance Policy of the Group for the year 2019.
 - Endorsed the revision of definition of the Bank’s independent director to be in alignment with the Bank of Thailand’s notification on Corporate Governance of Financial Institutions.
- Approved the action plans of Legal and Compliance Group for year 2019.
- Acknowledged and monitored the implementation progress of the corrective actions and suggestions required by the Bank of Thailand’s examiners and Regulatory Monitoring Department of the Bank, such as monitoring the compliance with regulations related to bond trading transactions, deposit transactions and home loan transactions including monitoring the client services management (Market Conduct), etc.
- Acknowledged the compliance reports of the Bank and Group companies proposed by the compliance units. The Committee also expressed its views and made suggestions on the improvement of the Bank’s and the Group’s compliance. In case where any significant issues, which might cause a compliance risk, were found, the Committee requested the management or relevant unit to urgently address such issue.
- Considered and expressed opinions on the compliance reports for the year 2018 prior to submission to relevant governing authorities.
- Assessed the performance of the Committee to review the annual performance for the year 2019.



In 2019, the Bank was bestowed the following awards which reflected the Bank's management based on business conduct in accordance with good corporate governance:

- One of 182 listed companies was ranked "5 TIA" with full 100 score from the quality assessment of its Annual General Meeting of Shareholders in 2019 by the Thai Investors Association, the SEC and Thai Listed Company Association.
- Rated "Excellent" CG scoring from the Corporate Governance Report of Thai Listed Companies in 2019 and received five Logos from the IOD.
- One of 98 listed companies selected by the SET to receive the Thailand Sustainability Investment 2019 for the fifth consecutive year due to efforts to develop good corporate governance, responsibilities to the environment and society and business management under corporate governance (ESG) in order to uphold sustainable growth and build trust for all stakeholders.
- One of the 100 listed companies selected by Thaipat Institute's ESG Rating Unit to be on the list of ESG100 in the year 2019 for the fifth consecutive year due to outstanding sustainability performance of ESG aspects.

The Bank recognizes the importance of our business conduct with ethics and integrity in order to comply with laws, business conduct and good corporate governance. This is because our business is predicated on trust and respect of clients, shareholders, stakeholders and all concerned parties, as well as in promoting the Bank's sustainable growth. The Bank is fully committed to pursuing best practice under good corporate governance principles.

Mr. Chet Pattrakornkul
Chairman of the Compliance and Governance Committee



Report of the Risk Oversight Committee

The Risk Oversight Committee of Kiatnakin Bank Public Company Limited has been established since May 1, 2019 to replace the Risk Management Committee. The Risk Oversight Committee consists of four members, namely Mr. Supol Wattanavekin (Chairman), Prof. Dr. Anya Khanthavit, Mr. Aphinant Klewpatinond and Mr. Philip Chen Chong Tan. Mr. Banyong Pongpanich is advisor of the Risk Oversight Committee.

In 2019, the Risk Oversight Committee held eight meetings and performed its duties in accordance to the responsibilities assigned by the Board of Directors which can be summarized as follows:

1. Developed strategies that were consistent with the Bank's Risk Management Policy. The strategies should enable the Risk Oversight Committee to assess, monitor and control risks to be at acceptable levels.
2. Reviewed and updated overall policies on risk management for the Bank and the Group and proposed to the Board of Directors for consideration and approval, such as Credit Risk Management Policy, Liquidity Risk Management Policy, Market Risk Management Policy, Operational Risk Management Policy, Reputational Risk Management Policy, Loan Approval Policy, Investment and Trading Policy, and Delegation of Authority Policy for Retail Lending - Product Program.
3. Reviewed and improved the risk management system, as well as approved the criteria and regulations of the Bank and Group companies, such as criteria relating to lending, commitments and any transactions with loan-like characteristics, criteria on asset classification including criteria for stress-testing (in accordance with ICAAP and Supervisory Scenario) in order to assess capital adequacy for the year 2019, single lending limit plan and risk mitigation plan.
4. Approved the well-suited member changes and acknowledged the performance of sub-committees under supervision.
5. Acknowledged the Bank's and the Group Companies' overall risk, credit risk analysis and management report, operational risk and loss report, and issues from the Risk Management Committees of the subsidiaries in the capital market business.
6. Reported credit risk management policies and loan approval criteria to the Executive Committee and Board of Directors.

Mr. Supol Wattanavekin
Chairman of the Risk Oversight Committee



Report of the Executive Committee

The Executive Committee of Kiatnakin Bank Public Company Limited consists of eight members, namely Mr. Banyong Pongpanich as chairman, with Mr. Aphinant Klewpatinond, Mr. Krittiya Veeraburus, Ms. Thitinan Wattanavekin, Mr. Pracha Chumnarnkitkosol, Dr. Anuchit Anuchitanukul, Mrs. Patchanee Limapichat and Mr. Philip Chen Chong Tan as members. Mr. Supol Wattanavekin is advisor of the Executive Committee.

In the year 2019, the Executive Committee had fourteen meetings to perform its duties in accordance with the duties and authorities assigned by the Bank's Board of Directors. The key activities have been summarized here:

1. Determined the short and long-term business directions and strategic goals of the Group for both financial and non-financial aspects by analyzing the ecosystem and factors and endorsed the Group's vision and mission for the year 2019 prior to proposing to the Board of Directors for approval.
2. Endorsed the revision of the mid-year 2019 business plan and budget and the business plan and annual budget for the year 2020 - 2022 of the Group by emphasizing on adequate and efficient allocation of key resources, for instance, capital investment, personnel, technology, etc. before proposing to the Board of Directors for approval.
3. Monitored the Group's business operation to ensure that it is in accordance with laws and specified policies and acknowledged important management reports, such as the risk appetite report, the report on the issuance and offering of debentures, the succession plan of the capital market business group, etc.
4. Endorsed and approved new policies, as well as improved those policies and guidelines currently being used to promote transparent and efficient business operation and be in compliance with the changing regulations. Examples include Factoring Policy, Mutual Fund Selling Agent Policy, Sandbox Policy, IT Policy Bancassurance Business Policy, Delegation of Authority Policy for Commercial Lending and Retail Lending - Product Program, Anti-Money Laundering and Counter - Terrorism and Proliferation of Weapon of Mass Destruction Financing Policy, Accounting Policy relating to Classification and Measurement of Financial Instrument, Guidelines for Securities Trading of Directors, Executives, Employees and Persons who can access undisclosed information which is material to changes in the securities price, etc.
5. Endorsed the revision of the Group's management guideline for the year 2019 to ensure it is in line with the current Group's organization structure and to enable the Group to have a better practice in corporate management and policy governance prior to proposing to the Board of Directors for approval.
6. Approved the unaudited financial statements in order to disclose to the SET, relevant supervisory agencies and the public and approved debt write - off in accordance with the authority of the Executive Committee.
7. Endorsed the allocation of profit and dividend payment for the year 2018 prior to proposing to the Board of Directors for consideration and to the 2019 Annual General Meeting of Shareholders for approval as well as endorsed the allocation of profit and interim dividend payment from the operating period during January 1 - June 30, 2019 before proposing to the Board of Directors for approval.



8. Endorsed the review and revision of the Capital Management Plan and Policy and the Internal Capital Adequacy Assessment Process (ICAAP Report) for the year 2019 to ensure capital is appropriate for the current business operation prior to proposing to the Board of Directors for approval and approved the review and revision of the Liquidity Management Guideline for the year 2019.
9. Approved, reviewed and changed the credit line and credit covenant for the Bank's counterparties in accordance with the authority of the Executive Committee, endorsed the credit line and credit covenant of the Bank's counterparties prior to proposing to the Board of Directors for approval and monitored the approval, review and revision of the credit line and credit covenant for the Bank's counterparties executed by the Main Credit and Foreclosed Property Committee.
10. Acknowledged the report on the improvement of the Commercial Lending's NPL for the year 2018 and approved its NPL improvement plan for the year 2019 prior to proposing to the Bank of Thailand for consideration.
11. Endorsed the Bank's IT Master Plan for the years 2019 - 2021 prior to proposing to the Board of Directors for approval and approved the budget for the Digital Workplace Project.
12. Endorsed the assessment result and the long-term plan for supporting the digital banking transactions and proposed to the Board of Directors for approval.
13. Endorsed the IT Disaster Recovery Plan and the revision of the Crisis Management Plan for the year 2019 prior to proposing to the Board of Directors for approval and acknowledged the test result of the Business Continuity Plan for the year 2019.
14. Approved the Group companies to invest in ICHX Tech Pte. Ltd. which was the financial technology company in Singapore and operating the iSTOX platform to offer full services for digital securities in the capital market.
15. Endorsed the reorganizational structure in the group level of the Bank in order to support business operation in accordance with the corporate direction, business plan and strategy approved by the Board of Directors prior to proposing to the Board of Directors for approval.
16. Reviewed and revised roles, duties and responsibilities of the Executive Committee prior to proposing to the Board of Directors for approval, approved the revision of roles, duties and responsibilities and the appointment of members and advisors for sub - committees under supervision to ensure more appropriateness and monitored the performance of the sub - committees under supervision.
17. Approved the Executive Committee's report and performed self - assessment for the year 2019.

Mr. Banyong Pongpanich
Chairman of the Executive Committee



Management Discussion and Analysis

The Management Discussion and Analysis (MD&A) for the year ended December 31, 2019, discussing principal changes in the audited consolidated financial statements and comparing operating performance and financial position with those of the year ended December 31, 2018, is as follows:

Overall Economic and Financial and Capital Market Environment

The Thai economy for the year 2019 exhibited a decelerating trend. Private consumption slowed down in almost all categories especially in durable goods from the contraction in vehicle sales partly from weakened household income especially non-farm income together with the tightening of financial institutions' credit approval due to the deterioration in asset quality. The non-durable goods and services segment showed improvement during the last quarter of the year as a result of the government's economic stimulus. Private investment contracted in all investment categories from the slowdown in domestic and external demand and also from the delay in private investment due to low capacity utilization in manufacturing. Meanwhile, public spending excluding transfers also contracted in both current and capital expenditures partly due to the delay of the FY2020 budget.

Exports for the year 2019 contracted at 2.7% compared to last year, in line with the continuing decline in global demand from the slow economic growth of trading partners, the protectionist trade policies between the US and China, the down-cycle of electronic products and also from the decline in global oil prices together with the temporary maintenance closure of some oil refineries in the last quarter of

the year. Nevertheless, the current account remained in surplus with the value of imports contracting at a greater rate than exports at 4.7% YoY, consistent with the subdued domestic economic conditions.

In the tourism sector, the number of tourist arrivals for 2019 continued to exhibit a slow growth, increasing 4.2% from last year. The number of Chinese tourists, which made up 28% of total tourist arrivals, recovered in the second half of the year with growth of 4.4% for the whole year.

For 2020, the Thai economy is projected to continue to be in a 'low growth, low rates' environment. Main headwinds include: 1) the weakness in global growth particularly the Chinese economic slowdown which could weigh on global trade and investment; 2) the Coronavirus outbreak and associated fears that would greatly impact Thai tourism income and related sectors; 3) the severe drought that would depress agricultural and even industrial production during the first half of this year; 4) the subsequent effects of the aforementioned factors on employment and household income, which would hinder private consumption and impair household debt serviceability; and 5) the sluggish investment demand due to uncertain macroeconomic outlook, tightening credit conditions, and the delays in government budget process.

For monetary policy, at the meeting on December 24, 2019, the Bank of Thailand revised the inflation target from a point target of 2.5% with a band of +/-1.5% which has been set since 2015 to a range target of 1 - 3% to be in line with the changes in financial conditions and structurally lower inflation stemming from 1) the aging society, 2) the growth of e-Commerce and 3) technological advancement resulting in lower manufacturing costs.



Meanwhile, in the auto industry, the total number of car sales for 2019 showed a slowing trend with sales for the whole year at 1,007,552 units, contracting 3.3%. The commercial vehicle segment contracted by 5.1% while the passenger vehicle segment also contracted by 0.3% YoY.

In the capital market, the average daily securities trading value (SET and mai) for 2019 decreased by 7.8% from Baht 57,674 million in 2018 to Baht 53,192 million during 2019. The SET index at the end of 2019 closed at 1,579.84 points, increasing by 1.0% from 1,563.88 points at the end of 2018.

Overall Business Operations for 2019

The consolidated net profit (excluding non-controlling interests) of the Bank and subsidiaries for the year 2019 totaled Baht 5,988 million, a decrease of 0.9% from Baht 6,042 million in 2018. The consolidated comprehensive income for 2019 totaled Baht 5,625 million, an increase of 9.8% compared to Baht 5,123 million in 2018. The comprehensive income included revaluation of available-for-sale securities as a result of the capital market volatility.

Operating income for the year 2019 amounted to Baht 19,168 million, an increase of 5.9% YoY mainly driven by the increase in net interest income of 9.4% from growth in the loan portfolio with non-interest income also increasing slightly by 0.2%. Meanwhile, operating expenses also increased due to higher loss from the sale of foreclosed assets.

During 2019, the overall Bank's loan portfolio grew by 4.2% from the end of 2018 with growth in the real estate development segment, SME segment and across the retail loan segment except in the auto hire purchase segment which contracted.

For asset quality, the NPL to total loans ratio for 2019 declined to 4.0% from 4.1% at the end of 2018.

For the capital market business, the market share in securities brokerage (SET and mai excluding proprietary trading) of PTSEC was 9.61%, increasing from 4.55% in 2018 and ranking 1st from a total of thirty-nine brokers.

Summary of Performance of the Bank and Subsidiaries

Percentage	4Q2018	2018	1Q2019	2Q2019	3Q2019	4Q2019	2019
Loan growth	3.8	18.5	1.9	0.2	2.0	0.0	4.2
NPLs/ Total loans (excluding interbank)	4.1	4.1	4.1	4.2	4.2	4.0	4.0
Total loan loss reserve/ Total NPLs (coverage ratio)	114.8	114.8	114.1	113.2	110.1	111.2	111.2
Total loan loss reserve/ Total mandatory reserve	186.3	186.3	184.4	182.4	167.0	170.9	170.9



Profit and Loss Transaction

For the Year Ended December 31, (Baht'000)	Consolidated		Change	
	2019	2018	Amount	%
Interest income	18,036,208	16,294,353	1,741,855	10.7
Interest expenses	5,719,962	5,032,721	687,241	13.7
Interest income, net	12,316,246	11,261,632	1,054,614	9.4
Fees and services income	5,201,699	5,022,025	179,674	3.6
Fees and services expenses	597,665	442,747	154,918	35.0
Fees and services income, net	4,604,034	4,579,278	24,756	0.5
Gain on trading and foreign exchange transactions, net	276,581	457,007	(180,426)	(39.5)
Gain on financial liabilities designated at fair value through profit or loss, net	285,937	62,709	223,228	356.0
Gain on investments, net	568,068	389,893	178,175	45.7
Dividend income and profit sharing	576,265	967,561	(391,296)	(40.4)
Other operating income	540,840	384,989	155,851	40.5
Total operating income	19,167,971	18,103,069	1,064,902	5.9
Other operating expenses				
Employee's expenses	5,576,858	5,573,375	3,483	0.1
Directors' remuneration	47,311	46,688	623	1.3
Premises and equipment expenses	1,300,008	1,163,974	136,034	11.7
Taxes and duties	427,193	392,544	34,649	8.8
Loss from revaluation of foreclosed assets	124,027	244,229	(120,202)	(49.2)
Loss from sale of foreclosed assets	839,752	237,664	602,088	253.3
Other expenses	1,879,174	1,811,985	67,189	3.7
Total other operating expenses	10,194,323	9,470,459	723,864	7.6
Impairment loss on loans and debt securities	1,676,428	1,245,495	430,933	34.6
Profit from operating before income tax expenses	7,297,220	7,387,115	(89,895)	(1.2)
Income tax expenses	1,307,485	1,342,829	(35,344)	(2.6)
Net profit	5,989,735	6,044,286	(54,551)	(0.9)



For the Year Ended December 31, (Baht'000)	Consolidated		Change	
	2019	2018	Amount	%
Net profit attributable to:				
Equity holders of the Bank	5,988,444	6,041,983	(53,539)	(0.9)
Non-controlling interests	1,291	2,303	(1,012)	(43.9)
Total comprehensive income attributable to:				
Equity holders of the Bank	5,624,640	5,123,220	501,420	9.8
Non-controlling interests	(37)	1,283	(1,320)	(102.9)
Earnings per share of equity holders of the Bank				
Basic earnings per share (Baht)	7.07	7.14	(0.07)	(1.0)

Operating Results for 2019 Compared to 2018

The consolidated net profit (excluding non-controlling interests) for 2019 totaled Baht 5,988 million, a slight decrease of 0.9% YoY, of which Baht 1,040 million was the net profit from the capital market business operated by PHATRA and subsidiaries. Meanwhile, the consolidated comprehensive income for 2019 totaled Baht 5,625 million, an increase of 9.8% YoY. The capital market business's comprehensive income was Baht 863 million. Comprehensive income included revaluation of available-for-sale securities as a result of the capital market volatility.

Net Interest Income amounted to Baht 12,316 million, an increase of Baht 1,055 million or 9.4% YoY from Baht 11,262 million in 2018. Interest income was Baht 18,036 million, an increase of 10.7% from 2018 mainly from the increase in interest income on loans of 18.5% from loan expansions. Interest on investment in loans also increased 84.6%. Interest expense totaled Baht 5,720 million, an increase of 13.7% YoY.

Yield on loan for 2019 declined slightly to 7.0% from 7.2% in 2018, while cost of funds remained stable at 2.3% resulting in loan spread for 2019 to decline to 4.7% from 5.0% YoY.

For the Year Ended	Consolidated		Change	
	December 31, 2019	December 31, 2018	Baht Million	%
Interest income	18,036	16,294	1,742	10.7
Interest on loans	7,352	6,203	1,150	18.5
Interest on interbank and money market items	270	246	24	9.7
Hire purchase and financial lease income	9,233	9,074	159	1.8
Interest on securities	620	458	163	35.6
Interest on investment in loans	540	292	247	84.6
Others	21	22	(1)	(4.7)



For the Year Ended	Consolidated		Change	
	December 31, 2019	December 31, 2018	Baht Million	%
Interest expense	5,720	5,033	687	13.7
Interest on deposits	3,204	2,642	562	21.3
Interest on interbank and money market items	254	155	98	63.4
Interest on debt issued and borrowings	1,157	1,237	(80)	(6.5)
Fees and charges on borrowings	11	20	(9)	(43.2)
FIDF and DPA fees	1,043	931	113	12.1
Others	51	47	3	6.3

Ratio (%)	4Q2018	2018	1Q2019	2Q2019	3Q2019	4Q2019	2019
Yield on loan	7.3	7.2	7.1	7.0	7.0	7.2	7.0
Cost of fund	2.3	2.3	2.3	2.4	2.4	2.3	2.3
Loan spread	5.0	5.0	4.8	4.6	4.6	4.9	4.7

Net Fees and Services Income totaled Baht 4,604 million, an increase of 0.5% YoY from Baht 4,579 million. Brokerage business income for the year 2019 totaled Baht 1,649 million increasing 16.6% YoY with the market share of PTSEC increasing to 9.61% from 4.55% in 2018. Fee from the asset management business totaling Baht 813 million also increased 1.4% from Baht 801 million in 2018. Meanwhile, fee generated from the investment banking business for 2019 totaled Baht 552 million, decreasing when compared to 2018. Bancassurance fee amounted to Baht 938 million, also declining 6.2% YoY.

Total Operating Income amounted to Baht 19,168 million, increasing Baht 1,065 million or 5.9% YoY mainly due to the increase in net interest income and net fees and services income.

Other Operating Expenses were Baht 10,194 million, increasing by 7.6% YoY from Baht 9,470 million during 2018. The Bank recorded loss on sale of foreclosed assets totaling Baht 840 million for 2019 compared to loss of Baht 238 million in 2018. Loss on sale of foreclosed assets comprised of loss from the sale of repossessed cars amounting to Baht 1,423 million, with the loss increasing from Baht 941 million in 2018, and also from gain on sale of foreclosed properties which totaled Baht 584 million for 2019, decreasing from Baht 703 million in 2018. During 2019, the Bank sold foreclosed properties in the amount of Baht 1,294 million.

When excluding losses from sale of foreclosed assets and losses from revaluation of foreclosed assets, operating expenses for the year 2019 totaled Baht 9,231 million, a slight increase of 2.7% from 2018 expenses of Baht 8,989 million mainly from the increase in premises and equipment expenses from the renovation of KKP Tower. Cost-to-income ratio excluding loss from sale of foreclosed assets and loss from revaluations stood at 46.7% for 2019, declining from 47.8% in 2018.



Impairment Loss on Loans and Debt Securities totaled Baht 1,676 million compared to Baht 1,245 million in 2018. The increase was partly due to the reversal of loss on impairment of investments in receivables in the amount of Baht 268 million which the Bank recorded in 2018. Loan loss provisions including losses from sale of repossessed cars (Credit Cost) stood at 1.33% of average loan for the year 2019.

Allowance for doubtful accounts and allowance for troubled debt restructuring amounted to Baht 10,589 million. As of end of 2019, the total loan loss reserve to total mandatory reserve ratio stood at 170.9% while total loan loss reserve to total NPL ratio (Coverage Ratio) stood at 111.2%. In regards to the implementation of TFRS9 from January 1, 2020 onwards, the amount of loan loss provisions required would be higher but would still be lower than the total loan loss provisions the Bank currently has and the excess loan loss provisions which is estimated to be approximately Baht 1,200 million - Baht 1,500 million, will be released within five years.

Basic Earnings per Share was at Baht 7.07.

Annualized Ratio	4Q2018	2018	1Q2019	2Q2019	3Q2019	4Q2019	2019
Net Profit (Baht Million)	1,427	6,042	1,228	1,471	1,610	1,680	5,988
ROAE (%)	13.7	14.5	11.5	13.8	15.2	15.5	13.9
ROE (%)	13.9	14.6	11.6	13.5	15.3	15.8	14.2
ROAA (%)	1.9	2.1	1.6	1.9	2.0	2.1	1.9
Comprehensive Income (Baht Million)	1,033	5,123	1,369	1,126	1,766	1,365	5,625
ROAE (%)	9.9	12.3	12.8	10.5	16.7	12.6	13.1
ROE (%)	10.0	12.4	13.0	10.4	16.8	12.8	13.3
ROAA (%)	1.4	1.8	1.8	1.4	2.2	1.7	1.8



Statements of Financial Position of the Bank and Subsidiaries

Total Assets, as of December 31, 2019, totaled Baht 311,690 million, increasing Baht 5,361 million or 1.7% from the end of 2018.

Assets (Baht'000)	Consolidated		Change	
	December 31, 2019	December 31, 2018	Amount	%
Cash	1,109,658	1,335,668	(226,010)	(16.9)
Interbank and money market items, net	11,981,838	28,199,589	(16,217,751)	(57.5)
Derivatives assets	4,298,538	3,315,858	982,680	29.6
Investments in securities, net	39,201,003	29,780,567	9,420,436	31.6
Investments in receivables, net	1,619,449	1,769,505	(150,056)	(8.5)
Investments in properties, net	21,870	22,132	(262)	(1.2)
Loans to customers and accrued interest receivables, net				
Loans to customers	259,076,313	249,982,184	9,094,129	3.6
Accrued interest receivables	1,128,035	1,170,011	(41,976)	(3.6)
Total loans to customers and accrued interest receivables	260,204,348	251,152,195	9,052,153	3.6
<u>Less</u> Deferred revenue	(21,937,566)	(22,086,038)	148,472	(0.7)
<u>Less</u> Allowance for doubtful accounts	(10,588,936)	(10,759,343)	170,407	(1.6)
<u>Less</u> Allowance for troubled debt restructuring	(536)	(432)	(104)	24.1
Total loans to customers and accrued interest receivables, net	227,677,310	218,306,382	9,370,928	4.3
Properties foreclosed, net	3,585,530	3,724,922	(139,392)	(3.7)
Land, premises and equipment, net	3,038,243	2,772,514	265,729	9.6
Other intangible assets, net	1,151,041	1,117,889	33,152	3.0
Goodwill	3,066,035	3,066,035	0	0.0
Deferred tax assets	1,846,295	1,861,740	(15,445)	(0.8)
Accounts receivable from clearing house and broker - dealers	4,056,938	3,411,791	645,147	18.9
Securities and derivative business receivables	4,620,082	4,212,723	407,359	9.7
Other assets, net	4,416,176	3,432,183	983,993	28.7
Total assets	311,690,006	306,329,498	5,360,508	1.7



Total Liabilities amounted to Baht 267,679 million, increasing 1.4% from the end of 2018. Deposits were Baht 172,174 million, declining by 5.2%. Deposits comprised of 62.5% of term deposits and 37.5% of current and savings accounts (CASA).

Meanwhile, debts and borrowings were Baht 55,415 million, increasing by 13.1% from the end of 2018. The loan to deposits and borrowings ratio stood at 104.6%, compared to 99.1% at the end of 2018.

Liabilities (Baht'000)	Consolidated		Change	
	December 31, 2019	December 31, 2018	Amount	%
Deposits	172,173,559	181,693,821	(9,520,262)	(5.2)
Current account	535,014	352,967	182,047	51.6
Savings account	64,093,363	69,345,929	(5,252,566)	(7.6)
Term deposit	107,049,290	111,396,122	(4,346,832)	(3.9)
Certificate of deposit	495,892	598,803	(102,911)	(17.2)
Interbank and money market items, net	17,339,111	13,156,615	4,182,496	31.8
Liabilities payable on demand	377,326	503,487	(126,161)	(25.1)
Financial liabilities designated at fair value through profit or loss	3,498,702	1,193,144	2,305,558	193.2
Derivatives liabilities	4,038,272	3,438,329	599,943	17.4
Debt issued and borrowings	55,415,433	49,008,059	6,407,374	13.1
Senior securities	47,125,433	40,222,972	6,902,461	17.2
Subordinated bond	8,290,000	8,290,000	0	0.0
Bills of exchange	0	495,088	(495,088)	(100.0)
Provisions	844,037	779,584	64,453	8.3
Deferred tax liabilities	26,703	20,457	6,246	30.5
Accounts payable to clearing house and broker - dealers	614,271	120,194	494,077	411.1
Securities and derivative business payables	3,868,461	5,297,794	(1,429,333)	(27.0)
Accrued interest expenses	745,793	692,732	53,061	7.7
Other accounts payable	3,141,943	2,232,379	909,564	40.7
Income tax payable and specific business tax payable	559,255	854,568	(295,313)	(34.6)
Other liabilities	5,035,881	4,997,775	38,106	0.8
Total liabilities	267,678,747	263,988,938	3,689,809	1.4



Shareholders' Equity was Baht 44,011 million, increasing by 3.9% from the end of 2018. Total issued and paid-up capital totaled Baht 8,468 million. Share premium totaled Baht 9,356 million. Unappropriated retained earnings were at Baht 25,039 million.

Dividend Payment The Bank paid the remaining dividend for the year 2018's operations at the rate of Baht 3.00 per share on May 21, 2019 and paid the interim dividend payment for the January 1 - June 30, 2019 operations at the rate of Baht 1.50 per share on September 20, 2019.

Capital Adequacy Ratio (BIS Ratio) As of December 31, 2019, the capital adequacy ratio (BIS ratio) under Basel III, which included profit for the first half of 2019 after deducting dividend payment, was at 16.60% while the Tier-1 ratio was at 12.88%. When including profit up to the end of 2019, the BIS ratio will increase to 17.83% while the Tier-1 ratio will be 14.11%.

Business Segment Performance

The Group's business is divided into two main areas: the commercial banking business operated by the Bank and the capital market business operated by its subsidiaries which are comprised of PHATRA, PTSEC and PASSET.

Both the commercial banking business and the capital market business work closely together in order to achieve combined results in the three business objectives which the Group places focus upon: 1) credit business, 2) private banking and 3) investment banking. For the credit business which focuses on loan expansions to the retail and small and medium enterprise segments, the goals will be a timely credit process, building efficiencies, creating standards, identifying new alternative channels to reach targeted client segments while maintaining an effective risk management and credit monitoring and control. For private banking, the goal is to grow the business by capitalizing on the capital market group's expertise in the wealth management business and through the commercial banking business's distribution channels to increase fee income and assets under advice. The area of investment banking will combine the expertise of several functions within the Group to allow the Group to offer more comprehensive financial services to meet clients' demands.

Commercial Banking Business

The commercial banking business includes retail lending, commercial lending, corporate lending, Lombard loan, Special Asset Management (SAM) or distressed asset management loan and other loans. The breakdown of the total loan portfolio is as follows:

Type of Loans	December 31, 2019		December 31, 2018		Change
	Amount (Baht Million)	%	Amount (Baht Million)	%	(%)
Retail Lending	145,223	61.0	140,402	61.4	3.4
Auto hire purchase loan	107,612	45.2	108,191	47.3	(0.5)
Personal loan	7,993	3.4	6,528	2.9	22.5
Micro SME loan	7,954	3.3	7,040	3.1	13.0
Housing loan	21,663	9.1	18,642	8.2	16.2
Commercial Lending	60,899	25.6	55,813	24.4	9.1
Real estate development loan	31,591	13.3	29,052	12.7	8.7
SME loan	29,308	12.3	26,760	11.7	9.5



Type of Loans	December 31, 2019		December 31, 2018		Change
	Amount (Baht Million)	%	Amount (Baht Million)	%	(%)
Corporate Lending	23,527	9.9	23,873	10.4	(1.5)
Special Asset Management Loan	509	0.2	565	0.2	(10.0)
Lombard Loan	7,987	3.4	7,947	3.5	0.5
Total Loans and Account Receivables	238,144	100.0	228,599	100.0	4.2

- Retail Lending

Retail lending totaled Baht 145,223 million, increasing by 3.4% from the end of 2018. Retail loans include auto hire purchase loans, personal loans, micro SME loans and housing loans.

Auto Hire Purchase Loans amounted to Baht 107,612 million, a slight contraction of 0.5% from the end of 2018. The new auto hire purchase business volume booked during 2019 totaled Baht 40,532 million, declining 11.7% from the previous year. As of the end of 2019, the portion of the auto hire purchase loan to the Bank's total loan portfolio was at 45.2% with the portion of new cars to used cars at 37:63. Domestic new car sales for 2019 totaled 1,007,552 units, declining by 3.3% compared to last year. The penetration rate of the Bank's new car lending to the domestic new car sales for 2019 was at 2.2%, declining from 2.7% in 2018.

Other Retail Loans amounted to Baht 37,611 million, expanding by 16.8% from the end of 2018 with the total combined other retail loans portion to the Bank's total loan portfolio increasing to 15.8% as of the end of 2019.

- Commercial Lending

The commercial lending business amounted to Baht 60,899 million, expanding by 9.1% from the end of 2018. Commercial lending includes real estate development loans and SME loans with details as follows:

Real Estate Development Loans totaled Baht 31,591 million, expanding by 8.7% from the end of 2018.

SME Loans were Baht 29,308 million, an increase of 9.5% from the end of 2018. SME loans comprise of several business sectors including apartment & hotel, logistics, commercial & industrial and construction machinery & materials.

- Corporate Lending

Corporate lending provides lending services to listed companies and large corporations or financing for investment banking transactions of the capital market business. The current outstanding loans totaled Baht 23,527 million, contracting by 1.5% from the end of 2018.

- Special Asset Management

The Special Asset Management Group is responsible for the distressed asset management business and sales of foreclosed assets. The current outstanding financial claim loans totaled Baht 509 million.

- Lombard Loan

Lombard loan is a multi-purpose credit facility for wealth management clients using financial assets as collateral. The current outstanding loans totaled Baht 7,987 million, increasing slightly by 0.5% from the end of 2018.



The table shows NPL distribution by loan type.

Type of Loans	December 31, 2019			December 31, 2018		
	Amount (Baht Million)	Ratio (%)	% of Loans	Amount (Baht Million)	Ratio (%)	% of Loans
Retail Lending	4,051	42.4	2.8	3,485	37.1	2.5
Auto hire purchase loan	2,651	27.7	2.5	2,443	26.0	2.3
Personal loan	135	1.4	1.7	193	2.1	3.0
Micro SME loan	922	9.6	11.6	579	6.2	8.2
Housing loan	342	3.6	1.6	270	2.9	1.4
Commercial Lending	5,016	52.5	8.2	5,353	56.9	9.6
Real estate development loan	3,394	35.5	10.7	3,942	41.9	13.6
SME loan	1,622	17.0	5.5	1,411	15.0	5.3
Corporate Lending	0	0.0	0.0	0	0.0	0.0
Special Asset Management Loan	494	5.2	97.1	565	6.0	100.0
Lombard Loan	0	0.0	0.0	0	0.0	0.0
Total	9,560	100.0	4.0	9,403	100.0	4.1

Consolidated NPLs as of the end of 2019 totaled Baht 9,560 million or 4.0% of total loans, decreasing from 4.1% at the end of 2018. NPLs from the real estate development segment continued to decline while NPLs from the retail loan segment increased.

Capital Market Business

The capital market business comprises of the brokerage business, investment banking business, investment business and asset management business. Details are as follows:

- Brokerage Business

PTSEC operates agency business providing both securities and derivatives brokerage services to local and foreign institutional investors, as well as high-net-worth individuals under private wealth management. For high-net-worth clients, other wealth management products are provided such as local and foreign mutual funds and structured products. For 2019, the market share ^{/1} of PTSEC was 9.61%, ranking 1st from the total of thirty-nine brokers. PTSEC generated brokerage revenue totaling Baht 1,280 million, comprising of equity brokerage revenue of Baht 1,132 million and derivatives brokerage revenue of Baht 148 million. Additionally, PTSEC also had brokerage revenue from selling agent fees of Baht 552 million.^{/2}

^{/1} Including SET and mai but excluding proprietary trading

^{/2} Including selling agent fee received from subsidiary company



- Investment Banking Business

The investment banking business, operated by PTSEC, provides financial advisory service as well as underwriting service. In 2019, the investment banking business's revenue was Baht 552 million, which can be broken down into financial advisory fee amounting to Baht 263 million, underwriting fee amounting to Baht 191 million and revenue from tender offer agent of Baht 98 million.

- Investment Business

The investment business of the Group is managed by three departments. PHATRA operates a direct investment business via the Direct Investment Department (DI), with a medium to long-term investment horizon, while PTSEC manages short-term investment via the Investment and Trading Group, comprising of the Equity and Derivatives Trading Department (EDT) and the Hedge Fund Department (HF). EDT focuses on equity and equity-linked securities in the capital market and derivatives market, with short-term investment of not more than one year by applying arbitrage investment strategy as well as issuing and offering financial structured products. HF focuses on equity and derivatives trading with less than one year investment horizon, applying a market-neutral strategy and advanced statistical modeling. After considerations on the unfavorable conditions impacting the investment strategy of the hedge fund business, PTSEC ceased the operation of the hedge fund business since 1Q2019 onwards.

In 2019, DI, focusing on long-term investment with a value-based investment philosophy, recorded losses on investment including losses on re-measuring available-for-sale securities totaling Baht 172 million. HF posted gain of Baht 35 million for the year.^{/3} Meanwhile, EDT had gains on investment totaling Baht 589 million.^{/4} Additionally, there were other investment incomes from treasury and liquidity management, resulting in overall investment gain of Baht 594 million.

- Asset Management Business

PASSET, under mutual fund and private fund management licenses, offers fund management services to individuals and corporate clients.

PASSET's mutual fund asset under management as of December 31, 2019 was Baht 69,256 million with a total of thirty-five funds under management consisting of thirty-two mutual funds and three property funds. PASSET's market share in terms of mutual funds was 1.28%. In 2019, PASSET's fee income from the mutual fund business totaled Baht 545 million.

As of December 31, 2019, asset under management from the private fund was Baht 24,521 million. PASSET's fee income from the private fund business totaled Baht 270 million.

^{/3} In addition to the investment revenue, HF also had foreign exchange losses and advisory fee revenue with total gain of Baht 1 million and hedging cost of Baht 2 million. In summary, total HF gain after cost of hedging was Baht 34 million.

^{/4} Income before deducting the cost of hedging; once deducting those costs, net gain was Baht 553 million



Credit Rating

As of April 26, 2019 TRIS Rating Company Limited has affirmed the latest company rating at “A”, the senior unsecured debentures at “A” and the hybrid tier 2 capital securities at “BBB+” with “Stable” outlook. Details are as follows:

	March 15, 2016*	April 11, 2017*	April 25, 2018*	April 26, 2019*
Company Rating	A-	A-	A-	A
Issue Ratings				
KK202A: Baht 3,000 million senior unsecured debentures due 2020	-	-	A-	A
KK203A: Baht 3,000 million senior unsecured debentures due 2020	-	-	A-	A
KK25DA: Baht 3,000 million hybrid tier 2 capital securities due 2025	BBB	BBB	BBB	BBB+
Outlook	Stable	Stable	Positive	Stable

Remarks: *CreditNews (annual credit review)



Independent Auditor's Report

To the shareholders and the Board of Directors of Kiatnakin Bank Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Kiatnakin Bank Public Company Limited (the Bank) and its subsidiaries (the Group) and the separate financial statements of the Bank present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Bank as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2019;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Bank in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



Key audit matter	How my audit addressed the key audit matter
<p>Allowance for doubtful accounts</p> <p>I focused on this area because management makes significant judgements over timing, and the amount to record as an allowance for doubtful accounts and the size of loans to customers is significant for the consolidated and separate financial statements. At 31 December 2019, the gross loans to customers balance was Baht 259,076 million and Baht 262,614 million. The balance of allowance for doubtful accounts of loans to customers was Baht 10,588 million and Baht 10,614 million, which represents 4.09% and 4.04% of loans to customers respectively. The impairment loss on loans was recognised in the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 31 December 2019 of Baht 2,797 million and Baht 2,802 million, respectively. The basis of the allowances is summarised in the Accounting policies in Note 2.11. See Note 6.1 for the estimates and assumptions related to allowance for doubtful accounts and Note 13, 15 and 51 for the cross-referred figures.</p> <p>The Bank classifies its loan portfolios into categories and sets an allowance for doubtful accounts for loans in accordance with the Bank of Thailand's notification, and with the management's estimation over the allowance for doubtful accounts from the ending balance of loans, based on both qualitative and quantitative factors. The Bank uses the following methods to assess the amount of allowance for doubtful accounts of loans to customers.</p> <ul style="list-style-type: none"> • For hire-purchase receivables, the allowance for doubtful accounts of loans to customers is applied under a collective approach based on a modelled basis. Some inputs to this model are subject to management judgement, which are qualitative factors used for loan classification and external factors such as macro-economic conditions. • For larger, individually significant loans to customers, the allowance for doubtful accounts is assessed individually. The key assumptions and judgement made by management are the expected cash flows to be received from debtors or from the sale of collateral. 	<p>I evaluated the design of operating controls and tested the effectiveness of those controls over the allowance for doubtful accounts data and calculations. This included testing:</p> <ul style="list-style-type: none"> • controls over calculation models for the allowance for doubtful accounts, including input data • controls over the estimations of collateral valuation • controls over the approval process for the annual credit review and classification of loans • controls over the input data to calculate credit scoring and the monitoring process under a qualitative approach • controls over the data transfer from source systems to the allowance for doubtful accounts models and model output to the general ledger • controls over the monitoring of the properness of models and qualitative data by the risk management department • IT controls for loan data, aging systems and collateral systems, and • governance controls, including reviewing the minutes of meetings that form part of the approval process for the allowance for loans, the classification of loans, and assessing management's analysis and challenging the actions taken for special allowance cases or any additional qualitative factors applied. <p>I didn't find any deficiencies which have a material impact on the financial statements from those control tests.</p> <p>For the collective approach model used by the Bank, I tested if the underlying loan information used in the models was complete and accurate by agreeing details to the source systems, as well as re-performing the calculation of the modelled provision. For the key assumptions in the model, I challenged management to provide objective evidence for updated macro-economic figures that were appropriate. I found no material exceptions in this test.</p> <p>For individually assessed loans I selected samples of loans for expected recoverable amount testing, and</p>



Key audit matter	How my audit addressed the key audit matter
<p>Management also applies qualitative factors such as the additional judgement of loan classification.</p> <ul style="list-style-type: none">For personal loans and retail loans, the percentage of allowance for doubtful accounts of loans is set following the loan aging report. Management also applies qualitative factors such as the additional judgement of loan classification for personal loans and retail loans.Apart from the minimum requirements of allowance for doubtful accounts following the Bank of Thailand's guidelines, the Bank also set an additional allowance for doubtful accounts as a part of the general reserve in order to be conservative. The general provision is considered from the industry risk and economic uncertainties. <p>I focused my audit procedures on the allowance for doubtful accounts, specifically relating to:</p> <ul style="list-style-type: none">the key assumptions and judgements made by management related to loan classification, the percentage of allowance following the qualitative factors, collateral values, estimated expected cash inflows and the discount rate appliedthe post model adjustments in response to identified internal factors such as historical loss and external factors such as economic factors under the collective approach, andthe completeness of loan balances that are included in the allowance for doubtful accounts calculation.	<p>tested the estimation of the future expected cash flows from debtors, including from the realisation of collateral held. This involved assessing the work performed by both internal and external independent experts used by the Bank to value the collateral to check that the valuation is up to date. I assessed the current financial position and business plan of individual debtors and the key financial ratio used as the basis of measuring the allowance for doubtful accounts, to consider whether the key judgments were appropriate. I also challenged management to provide supporting evidence for the related key assumptions and impairment indicators, and I found no material exceptions in this test.</p> <p>For personal loans and retail loans, I recalculated the accuracy of account receivables aging reports which both qualitative and timing criteria has been considered as well as the allowance rate used for personal loans and retail loans. I found no material differences from this activity.</p> <p>For general provision and additional allowance for doubtful accounts set up from management's judgement, I understood and evaluated the process for identifying the industry risk of debtors in the loan portfolio. I also used my industry experience and knowledge to consider the appropriateness of the provision. I found that this provision amount is aligned with the industry.</p> <p>I evaluated management's assessment of impairment by inquiry with management about the method used and assumptions in the valuation model.</p> <p>Specific work where I challenged management and corroborated supporting evidence for appropriateness of valuation model included:</p> <ul style="list-style-type: none">comparing the assumptions used within the valuation model to approved budgets and business plans, payout ratio estimated from the forecast business performance and other



Key audit matter	How my audit addressed the key audit matter
<p><i>Impairment testing of goodwill</i></p> <p>As at 31 December 2019, the Group had a goodwill of Baht 3,066 million. Goodwill arose from the Capital Market segment, which was identified as the cash-generating unit (CGU). The recoverable amount of goodwill is determined by the Dividend Discount Model. Refer to the accounting policy related to goodwill in note 2.15, accounting estimates and assumptions in note 6.5 and related disclosures of goodwill in note 20.2.</p> <p>I focused on this area due to the significant value and the nature of the significant judgement and assumptions used in the valuation model. An assessment is required annually to establish whether this goodwill is recognised with the proper amount.</p> <p>The management calculated the discounted dividend by using the dividend received projection based on financial budgets covering a ten-year period which are referred from the past operating results, together with the estimated growth rates of the market and the subsidiaries where management believes that the ten-year period can reflect their business plan.</p> <p>The key assumptions that involve management judgement are:</p> <ul style="list-style-type: none"> • Discount rate • Growth rate • Payout ratio • Expected future revenue and net profit generated from Capital Market Segment <p>Those assumptions are from both internal and external factors. The management will revisit and consider applying the latest information that reflects the market condition and business for the calculation of the recoverable amount of goodwill.</p>	<p>supporting evidence for future assumptions such as expected yearly market turnover and average commission rate</p> <ul style="list-style-type: none"> • comparing key assumptions with external data. For example, I compared the discount rate with the risk-free rate of government bonds and market risk premium with market data and also tested the input data to check that the input data is updated and appropriate • considering the current year and historical performance against the plan and the reasons for any deviation from the plan. I also discussed those deviations and uncertainties with management • evaluated and challenged the group's net income forecast in a discussion with the management of the business involved, such as future business plans and focus <p>I concluded that the key assumptions were reasonable, given the historic results and economic outlook.</p> <p>In the testing valuation model:</p> <ul style="list-style-type: none"> • I checked the calculations for mathematical accuracy and I found no exceptions. • I considered the sensitivity of the calculation by varying the assumptions, which are the discount rate and growth rate, within a reasonable range. <p>I found that management's assumptions appropriately reflected the current economic conditions in the capital market as at the financial statements.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.



My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my 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 consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Bank or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
27 February 2020



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Financial Position
As at 31 December 2019

		Consolidated		Separate	
	Notes	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Assets					
Cash		1,109,658	1,335,668	1,108,781	1,334,978
Interbank and money market items, net	7	11,981,838	28,199,589	13,275,187	25,246,153
Derivatives assets	8	4,298,538	3,315,858	4,234,450	3,161,627
Investments in securities, net	9	39,201,003	29,780,567	26,973,203	21,818,428
Investments in subsidiaries, net	10	-	-	10,302,807	9,971,501
Investments in receivables, net	11	1,619,449	1,769,505	363,319	472,574
Investments in properties, net	12	21,870	22,132	-	-
Loans to customers and accrued interest receivables, net	13				
Loans to customers		259,076,313	249,982,184	262,614,005	253,025,934
Accrued interest receivables		1,128,035	1,170,011	1,134,334	1,178,080
Total loans to customers and accrued interest receivables		260,204,348	251,152,195	263,748,339	254,204,014
Less Deferred revenue		(21,937,566)	(22,086,038)	(21,937,566)	(22,086,038)
Less Allowance for doubtful accounts	15	(10,588,936)	(10,759,343)	(10,614,313)	(10,779,781)
Less Allowance for troubled debt restructuring	17	(536)	(432)	(536)	(432)
Total loans to customers and accrued interest receivables, net		227,677,310	218,306,382	231,195,924	221,337,763
Properties foreclosed, net	18	3,585,530	3,724,922	4,720,261	5,205,620
Land, premises and equipment, net	19	3,038,243	2,772,514	823,750	896,718
Other intangible assets, net	20.1	1,151,041	1,117,889	1,071,555	1,051,079
Goodwill	20.2	3,066,035	3,066,035	-	-
Deferred tax assets	21	1,846,295	1,861,740	1,603,603	1,689,388
Accounts receivable from clearing house and broker - dealers		4,056,938	3,411,791	-	-
Securities and derivative business receivables		4,620,082	4,212,723	-	-
Other assets, net	22	4,416,176	3,432,183	3,542,764	2,951,084
Total assets		311,690,006	306,329,498	299,215,604	295,136,913

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Financial Position (Cont'd)
As at 31 December 2019

		Consolidated		Separate	
	Notes	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Liabilities and equity					
Liabilities					
Deposits	23	172,173,559	181,693,821	172,661,303	182,205,861
Interbank and money market items, net	24	17,339,111	13,156,615	17,289,523	13,338,684
Liabilities payable on demand		377,326	503,487	377,326	503,487
Financial liabilities designated at fair value through profit or loss	25	3,498,702	1,193,144	-	-
Derivatives liabilities	8	4,038,272	3,438,329	4,011,189	3,178,376
Debt issued and borrowings	26	55,415,433	49,008,059	53,235,324	47,143,389
Provisions	27	844,037	779,584	556,724	549,770
Deferred tax liabilities	21	26,703	20,457	-	-
Accounts payable to clearing house and broker - dealers		614,271	120,194	-	-
Securities and derivative business payables		3,868,461	5,297,794	-	-
Accrued interest expenses		745,793	692,732	745,793	692,015
Other accounts payable	28	3,141,943	2,232,379	3,002,524	2,067,031
Income tax payable and specific business tax payable		559,255	854,568	425,740	641,165
Other liabilities	29	5,035,881	4,997,775	4,346,026	4,391,290
Total liabilities		267,678,747	263,988,938	256,651,472	254,711,068
Equity					
Share capital					
Authorised share capital					
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511	8,467,511
Issued and paid-up share capital					
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511	8,467,511
Premium on share capital		9,356,233	9,356,233	9,356,233	9,356,233
Other components of equity	33	186,602	568,882	243,194	401,177
Retained earnings					
Appropriated					
Legal reserve	30	852,337	852,337	852,337	852,337
Others		380	380	380	380
Unappropriated		25,039,042	22,935,113	23,644,477	21,348,207
Total equity of the Bank		43,902,105	42,180,456	42,564,132	40,425,845
Non-controlling interests		109,154	160,104	-	-
Total equity		44,011,259	42,340,560	42,564,132	40,425,845
Total liabilities and equity		311,690,006	306,329,498	299,215,604	295,136,913

(Mr. Aphinant Klewpatinond)
Chief Executive Officer

(Mr. Suraphol Kulsiri)
Director

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Financial Position
As at 31 December 2019

	Notes	Consolidated		Separate	
		2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Interest income	43	18,036,208	16,294,353	17,748,919	16,199,689
Interest expenses	44	5,719,962	5,032,721	5,695,077	4,932,222
Interest income, net		12,316,246	11,261,632	12,053,842	11,267,467
Fees and services income	45	5,201,699	5,022,025	2,293,121	2,180,082
Fees and services expenses	45	597,665	442,747	145,628	132,100
Fees and services income, net		4,604,034	4,579,278	2,147,493	2,047,982
Gain on trading and foreign exchange transactions, net	46	276,581	457,007	233,768	136,224
Gain on financial liabilities designated at fair value through profit or loss	47	285,937	62,709	-	-
Gain on investments, net	48	568,068	389,893	846,591	169,031
Dividend income and profit sharing		576,265	967,561	1,656,945	1,831,917
Other operating income	49	540,840	384,989	518,720	354,033
Total operating income		19,167,971	18,103,069	17,457,359	15,806,654
Other operating expenses					
Employee's expenses		5,576,858	5,573,375	4,156,477	4,164,486
Directors' remuneration		47,311	46,688	42,307	42,174
Premises and equipment expenses		1,300,008	1,163,974	953,520	896,570
Taxes and duties		427,193	392,544	388,786	370,036
Loss from revaluation of foreclosed assets		124,027	244,229	123,990	244,152
Loss from sale of foreclosed assets		839,752	237,664	1,183,792	670,073
Other expenses	50	1,879,174	1,811,985	1,646,260	1,590,669
Total other operating expenses		10,194,323	9,470,459	8,495,132	7,978,160
Impairment loss on loans and debt securities	51	1,676,428	1,245,495	1,711,069	1,223,482
Profit from operating before income tax expenses		7,297,220	7,387,115	7,251,158	6,605,012
Income tax expenses	52	1,307,485	1,342,829	1,094,369	1,030,673
Net profit		5,989,735	6,044,286	6,156,789	5,574,339

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the year ended 31 December 2019

Notes	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Other comprehensive income (expenses)				
Items that will be reclassified subsequently to profit or loss				
Gain (loss) on remeasuring investments in receivables	5,625	(24,104)	(14,344)	23,244
Loss on remeasuring available-for-sale securities	(390,120)	(1,113,180)	(183,135)	(121,450)
Gain (loss) on currency translation differences	12,655	(2,849)	-	-
Income taxes relating to items that will be subsequently reclassified to profit or loss	53 80,892	217,633	39,496	19,641
Total items that will be reclassified subsequently to profit or loss	(290,948)	(922,500)	(157,983)	(78,565)
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of post-employment benefit obligations	(92,729)	3,397	(62,754)	2,060
Income taxes on items that will not be subsequently reclassified to profit or loss	53 18,545	(680)	12,551	(412)
Total items that will not be reclassified subsequently to profit or loss	(74,184)	2,717	(50,203)	1,648
Total other comprehensive income	(365,132)	(919,783)	(208,186)	(76,917)
Total comprehensive income	5,624,603	5,124,503	5,948,603	5,497,422
Net profit attributable to				
Equity holders of the Bank	5,988,444	6,041,983	6,156,789	5,574,339
Non-controlling interests	1,291	2,303	-	-
Total comprehensive income attributable to				
Equity holders of the Bank	5,624,640	5,123,220	5,948,603	5,497,422
Non-controlling interests	(37)	1,283	-	-
Earnings per share of Equity holders of the Bank				
Basic earnings per share (Baht)	36 7.07	7.14	7.27	6.58

(Mr. Aphinant Klewpatinond)
Chief Executive Officer

(Mr. Suraphol Kulsiri)
Director

The accompanying notes are an integral part of these financial statements.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity
For the year ended 31 December 2019



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Consolidated (Thousand Baht)													
Equity attributable to the Bank's shareholders													
Appropriated retained earnings													
Other components of equity													
Deferred tax components of other comprehensive income (expenses)													
Translating financial statements in subsidiaries													
Legal reserve													
Others													
Unappropriated retained earnings													
Bank's share-holders													
Total equity attributable to the Bank's shareholders													
Note	Issued and paid-up share capital	Premium on share capital	Revaluation surplus (Deficit) on investments in receivables	Revaluation surplus (Deficit) available-for-sale securities	Revaluation surplus relating to components of other comprehensive income (expenses)	Deferred tax components of other comprehensive income (expenses)	Translating financial statements in subsidiaries	Legal reserve	Others	Unappropriated retained earnings	Bank's share-holders	Total equity	
	8,467,511	9,356,233	718,478	1,083,000	(235,654)	(9,803)	(24,403)	852,337	380	21,124,099	41,332,178	216,054	41,548,232
32	-	-	-	-	-	-	-	-	-	(4,233,683)	(4,233,683)	-	(4,233,683)
	-	-	(23,256)	(1,112,962)	217,590	(2,849)	-	-	-	6,044,697	5,123,220	1,283	5,124,503
	-	-	-	-	-	-	-	-	-	-	-	(29,655)	(29,655)
	-	-	-	-	-	-	(41,259)	-	-	-	(41,259)	(27,578)	(68,837)
	8,467,511	9,356,233	695,222	(29,962)	(18,064)	(12,652)	(65,662)	852,337	380	22,935,113	42,180,456	160,104	42,340,560
	8,467,511	9,356,233	695,222	(29,962)	(18,064)	(12,652)	(65,662)	852,337	380	22,935,113	42,180,456	160,104	42,340,560
32	-	-	-	-	-	-	-	-	-	(3,810,316)	(3,810,316)	-	(3,810,316)
	-	-	6,934	(390,075)	80,884	12,652	-	-	-	5,914,245	5,624,640	(37)	5,624,603
	-	-	-	-	-	-	-	-	-	-	-	(6,026)	(6,026)
	-	-	-	-	-	-	(92,675)	-	-	-	(92,675)	(44,887)	(137,562)
	8,467,511	9,356,233	702,156	(420,037)	62,820	-	(158,337)	852,337	380	25,039,042	43,902,105	109,154	44,011,259

The accompanying notes are an integral part of these financial statements.

Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity (Cont'd)
For the year ended 31 December 2019

Separate (Thousand Baht)								
Note		Other components of equity					Appropriated retained earnings	
		Issued and paid-up share capital	Premium on share capital	Revaluation surplus (Deficit) on investments in receivables	Revaluation surplus (Deficit) on available-for-sale securities	Deferred tax relating to components of other comprehensive income (expenses)	Legal reserve	Unappropriated retained earnings
Opening balances as at 1 January 2018								
32	Dividend paid	8,467,511	9,356,233	124,797	474,880	(119,935)	852,337	380
	Total comprehensive income (expense)							
Closing balances as at 31 December 2018								
		8,467,511	9,356,233	148,041	353,430	(100,294)	852,337	380
Opening balances as at 1 January 2019								
32	Dividend paid	8,467,511	9,356,233	148,041	353,430	(100,294)	852,337	380
	Total comprehensive income (expense)							
Closing balances as at 31 December 2019								
		8,467,511	9,356,233	133,697	170,295	(60,798)	852,337	380



(Mr. Aphinant Klewpatinond)
Chief Executive Officer



(Mr. Suraphol Kulsiri)
Director

The accompanying notes are an integral part of these financial statements.





Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows
For the year ended 31 December 2019

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Cash flows from operating activities				
Profit from operating before income tax expenses	7,297,220	7,387,115	7,251,158	6,605,012
Adjustments to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities				
Depreciation	617,555	554,330	251,321	228,590
Amortisation	184,564	128,127	151,566	101,432
Amortisation of premium on investments in securities	(347,324)	604,565	(345,486)	605,888
Bad debt and doubtful accounts	2,825,619	2,499,319	2,859,558	2,470,557
Loss on impairment of investments in receivables	34,036	18,157	34,738	24,906
Unrealised loss (gain) on trading and foreign exchange transactions	(382,737)	(807,516)	(240,010)	91,309
(Gain) loss on remeasuring trading securities	(119,333)	550,389	85,783	17,623
Loss (reversal) on impairment on general investment	190	(23)	190	14
Loss (reversal) on impairment on investments in subsidiaries	-	-	(212,681)	159,316
Loss on diminution in value of properties foreclosed	124,027	244,229	123,990	244,152
Loss on impairment of other assets	10,405	6,402	10,405	6,402
(Gain) loss on disposal of investment in securities	604,266	1,221,206	11,834	(6,084)
Gain on disposal of equipment and intangible assets	(10,397)	(28,109)	(10,397)	(27,775)
Loss on write-off of equipment and intangible assets	11,857	15,724	11,575	4,165
Other income	-	-	-	(525)
Net interest income	(11,968,922)	(11,866,197)	(11,708,356)	(11,873,355)
Dividend income	(576,265)	(967,561)	(1,656,945)	(1,831,917)
Proceeds from interest income	17,755,484	16,814,365	17,464,940	16,727,112
Interest paid	(5,668,895)	(4,750,514)	(5,643,293)	(4,650,164)
Dividend received	571,995	959,811	188,682	310,496
Cash paid for corporate income tax	(1,492,053)	(1,141,708)	(1,172,978)	(839,132)
Cash paid for provision	(109,389)	(29,228)	(108,589)	(19,122)
Increase (decrease) in provision expenses	81,113	180,080	52,789	117,789
Increase in specific business tax payable	4,475	7,410	1,016	6,804
Increase in accrued expenses	145,331	102,322	69,432	109,910
Profit from operating before changes in operating assets and liabilities	9,592,822	11,702,695	7,470,242	8,583,403
(Increase) decrease in operating assets				
Interbank and money market items	16,198,015	(16,693,672)	11,924,325	(12,350,697)
Investments in trading and available-for-sale securities	(5,706,328)	5,588,949	(1,303,358)	1,958,373
Investments in receivables	120,735	265,564	59,262	204,319
Investments in properties	-	(5)	-	-
Loans and receivables	(17,433,268)	(42,451,234)	(17,898,886)	(42,577,018)
Properties foreclosed	5,221,557	4,485,717	5,563,004	4,721,554
Securities and derivative business receivables	(407,359)	528,651	-	-
Accounts receivable from clearing house and broker-dealers	(645,147)	580,764	-	-
Other assets	(1,001,918)	(437,580)	(615,712)	(501,852)

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Cash flows from operating activities (Cont'd)				
Increase (decrease) in operating liabilities				
Deposits	(9,520,262)	48,815,715	(9,544,558)	48,927,617
Interbank and money market items	4,182,496	4,866,892	3,950,839	5,387,987
Liabilities payable on demand	(126,161)	(54,332)	(126,161)	(54,332)
Accounts payable to clearing house and broker-dealers	494,077	(302,129)	-	-
Securities and derivative business payables	(1,429,333)	783,040	-	-
Other payables	927,724	(1,270,062)	949,445	(1,290,672)
Other liabilities	(142,291)	(25,010)	(149,762)	(27,404)
Net cash from operating activities	325,359	16,383,963	278,680	12,981,278
Cash flows from investing activities				
Cash paid for long-term investments in securities	(20,986,997)	(14,981,724)	(20,194,268)	(14,144,994)
Proceeds from long-term investments in securities	16,744,970	10,171,354	16,407,396	9,320,600
Proceeds from reduction of the capital in subsidiaries	-	-	999	89,627
Dividend received and profit sharing from subsidiaries	-	-	1,462,433	1,406,672
Cash paid for investment in subsidiaries	-	-	(137,562)	(68,311)
Cash paid for building improvement and equipment	(913,094)	(471,037)	(203,935)	(290,345)
Proceeds from sales of equipment	10,452	29,676	10,452	28,056
Purchases of intangible assets	(215,443)	(447,984)	(169,072)	(415,181)
Net cash from investing activities	(5,360,112)	(5,699,715)	(2,823,557)	(4,073,876)
Cash flows from financing activities				
Proceeds from issuance of debentures	72,728,124	88,982,174	62,888,575	70,926,365
Cash paid for redemption of debentures	(66,283,690)	(96,613,438)	(56,759,579)	(75,688,511)
Proceeds from issuance of financial liabilities designated at fair value through profit or loss	2,305,558	1,193,144	-	-
Dividend paid	(3,810,316)	(4,233,683)	(3,810,316)	(4,233,683)
Dividend paid to non-controlling interest	(5,437)	(29,302)	-	-
Decrease in share capital of non-controlling interest in subsidiaries	(589)	(69,190)	-	-
Payments to non-controlling interest	(137,562)	-	-	-
Net cash from financing activities	4,796,088	(10,770,295)	2,318,680	(8,995,829)
Exchange gains (losses) on cash and cash equivalents	12,655	(2,849)	-	-
Net decrease in cash and cash equivalents	(238,665)	(86,047)	(226,197)	(88,427)
Cash and cash equivalents as at 1 January	1,335,668	1,424,564	1,334,978	1,423,405
Cash and cash equivalents as at 31 December	1,109,658	1,335,668	1,108,781	1,334,978

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2019

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Increase (decrease) in account payables from land, premises and equipment purchased	(18,160)	2,828	(13,952)	8,136
Transfer of assets for loan settlement	5,206,192	4,360,376	5,177,866	4,272,160
Increase (decrease) in fair value reserves on investments in receivables	5,625	(24,104)	(14,344)	23,244
Decrease in fair value reserves on available-for-sale securities	(390,120)	(1,113,180)	(183,135)	(121,450)
Pay-in-kind properties foreclosed for reduction and distribution of the capital of the subsidiaries	-	-	17,938	-
Profit sharing in form of pay-in-kind	-	-	5,830	114,749
Transfer of investments in properties to land, premises and equipment	-	125,608	-	-
Transfer of work in progress to land, premises and equipment	(515,850)	(105,091)	(29,006)	(99,400)
Transfer of work in progress to other intangible assets	(194,326)	(361,958)	(176,263)	(347,559)

(Mr. Aphinant Klewpatinond)
Chief Executive Officer

(Mr. Suraphol Kulsiri)
Director

The accompanying notes are an integral part of these financial statements.



Kiatnakin Bank Public Company Limited and Subsidiaries

Notes to the Consolidated and the Separate Financial Statements For the year ended 31 December 2019

1 General

Kiatnakin Bank Public Company Limited (“the Bank”) was incorporated in Thailand. Its head office is located at 500 Amarin Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok. The Bank provides banking business through its branches network in Thailand. As at 31 December 2019 and 2018, has 11 and 13 subsidiaries and funds (“subsidiaries”), respectively.

This consolidated and separate financial statements have been approved for issued by the Board of Directors on 27 February 2020.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

2.1 Basis of preparation

The consolidated and separate financial statements (“the financial statements”) are prepared in accordance with Thai financial reporting standards under the Accounting Act B.E. 2543, being those Thai financial reporting standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission (“SEC”). The primary financial statements (i.e. statements of financial position, profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows) are prepared in the full format as required by the Notification of the Bank of Thailand (“BOT”), no. Sor Nor Sor 21/2558. The preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated on 4 December 2015.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with the Thai financial reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements, are disclosed in note 6 to the financial statements.



An English-language version of the financial statements has been prepared from the statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

2.2 Basis for Preparation of the Consolidated Financial Statements

The consolidated financial statements include the accounts of the head office and all branches of the Bank and its subsidiaries (collectively known as “the Group”) where the Bank has a controlling interest. Significant related party transactions and balances have been eliminated. All subsidiaries were incorporated in Thailand except for Phatra Asset Management (Cayman) Limited and Phatra Equity Market Neutral Asia Pacific Fund which were incorporated in Cayman. The list of subsidiaries is as below:

	Type of business	Ownership interest (%)	
		2019	2018
Phatra Capital PCL.	Holding Company	99.98	99.98
Phatra Securities PCL.	Securities	99.95 ⁽¹⁾	99.95 ⁽¹⁾
Phatra Asset Management Co., Ltd.	Fund Management	99.97 ⁽²⁾	99.97 ⁽²⁾
Erawan Law Office Co., Ltd.	Law Office	- ⁽³⁾	99.96 ⁽³⁾
Asia Recovery 1 Fund	Investments	99.95	99.95
Asia Recovery 2 Fund	Investments	99.59	99.59
Asia Recovery 3 Fund	Investments	99.97	99.97
Thai Restructuring Fund	Investments	98.91	98.91
Bangkok Capital Fund	Investments	95.72	95.72
Gamma Capital Fund	Investments	94.03	94.03
KKP Tower Co., Ltd.	Real estate	91.34	84.30
Phatra Asset Management (Cayman) Limited	Fund Management	99.98 ⁽⁴⁾	99.98 ⁽⁴⁾
Phatra Equity Market Neutral Asia Pacific Fund	Investments	- ⁽⁶⁾	99.95 ⁽⁵⁾

⁽¹⁾ Indirectly holding via Phatra Capital PCL. of 99.97%

⁽²⁾ Indirectly holding via Phatra Capital PCL. of 99.99%

⁽³⁾ Completed the liquidation process and registered the completion of liquidation with the Department of Business Development on 20 December 2019.

⁽⁴⁾ Indirectly holding via Phatra Capital PCL. of 100.00%

⁽⁵⁾ Indirectly having control via Phatra Securities PCL.

⁽⁶⁾ Redemption of all redeemable participating shares on 1 April 2019.

2.3 Revised accounting standards, revised financial reporting standards, and related interpretations

2.3.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2019 which have significant change and are relevant to the Group:



TFRS 15	Revenue from contracts with customers
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 15 provides principle and approach of revenue under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The impact from this standard is disclosed in Note 3.

TAS 28 clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40 clarifies that transfers to or from investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

TFRIC 22 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The above revised standards have been adopted and do not have significant impact on the Group.

2.3.2 Financial reporting standards are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Group. The Group has not yet adopted these revised standards

2.3.2.1 Financial instruments

The new financial reporting standards relate to financial instruments are:



TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments as follow:

Classification and measurement:

- The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
- Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
- Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
- Derivatives are classified and measured at fair value through profit or loss.

The combined application of the entity's business model and the cash flow characteristics of the financial assets do not result in the significant change in the classification of financial asset when compared to the existing classification of financial assets in the statement of financial position as at 31 December 2019. However, the Group has identified certain instruments that will change the classification and measurement from existing classification.

- General investment which is currently stated at cost less allowance for impairment in value will be measured at fair value elected at inception to be fair valued in other comprehensive income.
- Investment in receivables which currently holds as an available-for-sale instrument will be reclassified as a purchased or originated credit-impaired asset (POCI)
- Derivatives for hedging of transactions which are currently measured on an accrual basis and will not be applied hedge accounting will be re-measured at fair value to profit or loss.

The concept of interest recognition will be changed to recognise at effective interest rate. In which, there will be no longer reversal concept for accrued



interest income on loan when its principal or interest payment has become over three months past due.

The Group does not expect a significant impact arising from the changes in classification and measurement of the financial liabilities.

Impairment of financial assets

The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

For trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.

As a consequence, the method of impairment loss calculation will be changed from calculation in accordance to the existing BOT's guideline to calculation by the Group's impairment model with taking effect of forward looking adjustment.



Hedge accounting

The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

The impact from hedge accounting is immaterial to the Group.

Transitional impact

On 1 January 2020, the Group will apply the new financial reporting standards related to financial instruments in its financial statements by applying modified retrospective approach. From the preliminary assessment, management expect that the material adjustment of opening balance of retained earnings will be affected on the following items:

- Change in allowance for impairment of financial assets under the new standard requirement.
- Change in allowance for impairment of financial assets being classified as purchased or originated credit-impaired.
- Change in balance of derivative assets and liabilities for hedging transactions which will be changed from accrued basis to be re-measured at fair value to profit or loss.
- Change in balance of general investment which will be changed subsequent measurement from at cost less impairment to at fair value through other comprehensive income.

2.3.2.2 TFRS 16 Leases

TFRS 16 will result in almost all leases where the Group is a lessee being recognised on the statement of financial position as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group will apply TFRS 16, the Group choose, on a lease-by-lease basis, to recognise right-of-use asset at the initial application date at its carrying amount as if TFRS 16 has been applied since the transition date, but discounted using the lessee's incremental borrowing rate at the initial application date.



2.3.2.3 Other new/ amended standards

The new and amended financial reporting standards which are relevant to the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TAS 28	Investments in associates and joint ventures
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) - clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- That the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- That the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- That the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

Management has already assessed that those accounting standards have no significant impact on the Group financial statements.



2.4 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method with consideration for impairment of asset (if any).

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in owners' equity.

(3) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(4) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.



Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The differences between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

(5) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

(6) Separate financial statement

In the separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the subsidiaries is set out in Note 2.2

2.5 Foreign currency translation

(a) Functional and presentation currency

The financial statements are presented in Baht which is the Group's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.



When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflation economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows;

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

2.6 Cash

Cash includes cash on hand according to the BOT's Notification.

2.7 Investments in securities

2.7.1 Basis of investment classification

Investments other than investments in subsidiaries are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
3. Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.
4. Investments in non-marketable equity securities are classified as general investments.

All categories of investments are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the investments.



2.7.2 Trading and available-for-sale investments

The Group states trading and available-for-sale investments at fair value in the statements of financial position. The fair value of investments is calculated under the following methods:

- The fair value of government securities is based on the average bidding yields of the Thai Bond Market Association at the reporting date.
- The fair value of private's sector debt securities is based on the mark-to-market yield of the Thai Bond Market Association at the reporting date.
- The fair value of domestic and foreign marketable equity securities is based on the last bid prices and closing prices published by Stock Exchange respectively.
- The fair value of unlisted unit trusts is based on net assets value (NAV) per unit published by asset management companies at the reporting date.
- The fair value of listed unit trusts is based on the last bid prices published by the Stock Exchange of Thailand at the reporting date.

Unrealised gain or loss resulting from changes in fair value of trading investments and gain or loss on disposals are reported as gain on trading and foreign exchange transaction recognised in profit or loss.

Unrealised gain or loss resulting from changes in fair value of available-for-sale investments are reported as a component of equity through other comprehensive income until realised, after which gain or loss on disposal of the investments will be recognised as net gain (loss) on investments.

2.7.3 Held-to-maturity investments

The Group states held-to-maturity investments at amortised cost using the effective yield method less allowance for impairment (if any) in the statements of financial position.

2.7.4 General investments

The Group states general investments at cost less allowance for impairment in value, (if any) in the statements of financial position.

2.7.5 Impairment of investments in securities

Investments in securities of the Group are tested for impairment when there is a factor indicating that an investment in securities might be impaired. If the carrying amount of the investments in securities is higher than its recoverable amount, impairment loss is charged to profit or loss.



2.7.6 Gain (loss) from disposal of investments in securities

The Group recognises income of investments in securities when there is disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

When a particular investment is partly disposed of, the carrying amount of disposed part is determined by the weighted average method of the carrying amount of the total holding of such investment.

2.8 Valuation of investments in receivables

The investments in receivables are the investments in commercial loans with or without collateral. These commercial and hire-purchase loans have no readily ascertainable market values available and, therefore, are reported at the estimated fair value. Fair value of investments in receivables is determined by the net present value of estimated future cash flows from sales of collateral.

Changes in fair value of investments in receivables is reported in a separate component of equity, except where the Group disposes such investments, the realised gain or loss will be recognised in profit or loss.

Investments in receivables of the Group are tested for impairment when there is a factor indicating that an investment in receivables might be impaired. If the carrying value of the investments in receivables is higher than its present value amount of expected cash flow, impairment loss is charged to profit or loss.

Where there is a change in terms or contracts through debt restructuring agreements, the investments in receivables will be transferred to loans account to comply through debt restructuring agreements, with the BOT's Notification No. Sor Nor Sor. 20/2558 Re: Accounting procedures for financial institution. The Bank will record the transfer at the fair value on the day the transfer occurred. The difference between book value and fair value will be recognised immediately in profit or loss. In case where there is a gain, the Bank will take into consideration of the probability of future cash flow to be received.

2.9 Valuation of investments in property

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives which are around 40 - 60 years.



The Group recognises the difference between the net disposal proceeds and carrying amount as income or expenses to profit or loss when there is disposal of an investment property.

2.10 Loans

Overdrafts are stated at the principal amounts including interest. Other loans are stated at the principal amount. Unearned discounts received in advance are presented as deduction from the loans.

Hire-purchase and finance lease receivables are stated at the contract value of the hire-purchase and finance lease receivables net of unearned income, which is presented after netting prepaid commission expenses and initial direct costs at the inception of the contracts.

2.11 Allowance for doubtful accounts

The Bank classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the BOT's Notification dated 29 June 2016 and with the management estimation over the allowance for doubtful accounts from the ending balance of loans. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan. The value of collateral used depends on each type of collateral. The Bank categorises their loan portfolios into six categories and determines allowance for doubtful accounts subject to different levels of provisioning.

The Bank sets allowance on loan receivables and fleet car hire-purchase receivables classified as substandard, doubtful and doubtful of loss, at the rate of 100% of the difference between outstanding loan value and present value of expected cash flow from receivables or present value of expected cash flow from disposal of the collateralised assets. The discount rate and expected collateral disposal duration is referenced from the BOT's guideline. For receivables classified as normal and special mention, the Bank sets allowance for doubtful account at the rate of 1% and 2% of outstanding loan value net of collateralised assets.

The Bank provides allowance for doubtful accounts on hire-purchase receivables by using the collective approach method which considers from the historical loss suffered by calculating using the probability of default and the percentage of loss given default. Inclusively, the Bank adjusted historical loss data for key domestic and international economic factors which may influence repayment abilities of the receivables. The Bank also sets additional allowance for doubtful accounts from the collective approach to certain classes of receivables in order to be conservative.

For increase or decrease in allowance for doubtful accounts, the Group are recorded as an expense or decrease in expenses during the accounting period.

Bad debts are written off during the period in which they are identified. Bad debts recovery is recorded by reducing bad debts and doubtful accounts expenses in profit or loss.



2.12 Troubled debt restructuring

The Bank accounts for troubled debt restructuring in accordance with guidelines approved by BOT. The Bank records the assets or equity securities transferred to the Bank for debt settlements at the lower of fair values of the assets or equity securities, less estimated selling expenses, or the amount of investments in receivables (including non-accrued interest income at the restructuring date).

In cases where the debt restructuring involves modifications to terms of receivables as accepted by the Bank, the fair value of investments in receivables after restructuring is based on the net present value of expected future cash flows discounted using the original effective interest rate for hire-purchase receivables and using the Minimum Lending Rates (MLR) for other loan types prevailing at the restructuring date.

The Bank recognise losses arising from debt restructuring by the waiver of loan principal or recorded accrued interest receivables, less recorded allowance, in profit or loss when incurred.

The Bank recalculate the fair value of restructured debts based on the aforementioned discount interest rate as of the date of the monthly financial statements and adjust the valuation on debt restructured for any change, 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 purchased and subsequently restructured, the Bank calculate the fair value of restructured debt as of the restructuring date and recognise the difference between book value and fair value in profit or loss for the period and classified investments in receivables as loans in accordance with the BOT's criteria.

Legal fees and other direct costs incurred as a result of the debt restructuring are expensed when incurred.

2.13 Properties foreclosed

Properties foreclosed include land and/or construction, leasehold, condominium and repossessed vehicles.

The Bank states land and/or construction, leasehold and condominium at the lower of the outstanding loan principal including accrued interest or fair value.

Repossessed vehicles are stated at the lower of cost or fair value at the transferred date. Fair value is calculated by using market value (Red book).



Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in profit or loss when the disposal is made. Impairment loss (if any) is recognised as expense in profit or loss.

2.14 Land, premises and equipment

The Group states land at historical cost, while premises and equipment are stated at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the cost of each asset, except for land, to its residual value over its estimated useful life as follows;

Premises and building improvement	5 - 60 years
Equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/ gains - net' in profit or loss.

2.15 Goodwill in a business combination

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

For excess of net fair value of the identifiable net assets over purchase cost as at the date of acquisition, the Group recognises that excess as revenue recorded in profit or loss.

2.16 Intangible assets

2.16.1 Computer software

Acquired computer software licenses are capitalised when the Group uses the specific software. These costs are amortised over their estimated useful lives of not exceeding 10 years.

2.16.2 Deferred license fee

The subsidiaries amortise deferred license fee on a systematic basis over the useful economic useful life of 5 years.

2.17 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognised in the profit or loss.

2.18 Receivables from Clearing House and Broker-dealers

Receivables from Clearing House and Broker-dealers comprise of net receivable of the followings;

- (1) Net receivables from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, included cash collateral pledged with TCH for equity trading,
- (2) Net receivables from TCH from derivatives trading made through TCH, included cash collateral pledged with TCH for derivatives trading,
- (3) Net receivables from foreign equity securities or derivatives trading settled overseas through



foreign securities companies, included cash collateral pledged with foreign securities companies for equity or derivatives trading, and

- (4) Net receivables from local equity securities or derivatives trading settled domestically through local securities companies, included cash collateral pledged with local securities companies for equity or derivatives trading.

2.19 Securities and derivatives business receivables and allowance for doubtful accounts

Securities and derivatives business receivables comprise the net securities business receivables and derivatives business receivables, after deducting allowance for doubtful accounts and adding related accrued interest receivables.

In addition, securities business receivables comprise the net receivable balances of cash accounts, securities borrowing receivables and other receivables such as overdue cash customers' accounts and receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

Derivatives business receivables include other receivables which are derivatives business receivable subjected to legal proceeding, are undergoing restructuring or are being settled in installments.

Allowance for doubtful accounts is determined based on the announcement of the Office of the Securities and Exchange Commission's Notification dated 15 February 2001, regarding the accounting for sub-standard loans. The announcement requires the Group categorize its loan portfolio into 3 categories subject to different minimum levels of provisioning. The announcement also imposes policies regarding collateral valuation for the purpose of setting allowance for doubtful accounts.

In the case that the Group received money from its receivables which written off as bad debts, the Group will record such items as bad debt recoveries which are presented as other income in profit or loss.

2.20 Payables to Clearing House and Broker-dealers

Payables to Clearing House and Broker-dealers comprise net payables of the followings;

- (1) Net payables to Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand,
- (2) Net payables to TCH from derivatives trading made through TCH,
- (3) Net payables from foreign equity securities or derivatives trading settled overseas through foreign securities companies, and
- (4) Net payables from local equity securities or derivatives trading settled domestically through local securities companies.



2.21 Securities and derivatives business payables

Securities and derivatives business payables are the obligation of the Group in respect to securities and derivatives business with outside parties, such as the net payables of cash accounts, obligation to deliver securities as a result of short sales or securities borrowing and obligation to return assets held by the Group as customers' collateral for securities lending, etc.

2.22 Structured notes

The Group's structured notes are offered to customers or business associates of the Group, which are institutional investors or high net worth investors, through private placements. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

Structured notes comprise of 2 parts which are a note and a put or a call option. If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Group will separately account the embedded derivative from the host contract and measure the embedded derivative under "derivatives assets/liabilities" in the statement of financial position. The host contract will be accounted for under the related accounting standards. On the other hand, if the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards. The Group is able to designate the structured notes to measure at fair value through profit or loss if those structured notes are met the criteria as disclosed in Note 2.29.

The initial recognition of structured notes comprises of notes and options. The cost of notes is recorded at amortised cost. The discount is amortised by the effective interest rate method. For an option-based note, it is calculated from selling prices of structured notes less the cost of notes. The balances of structured notes are subsequently measured at fair value. Changes in fair value are reflected in profit or loss. The value of the option part is calculated from the general accepted valuation model or technique such as Black-Scholes model and Monte Carlo Simulation.

2.23 Employment benefit

Provident fund

The Group operates a provident fund that is a defined contribution plan, the assets of which are held separately from the Group and managed by an external authorised fund manager in accordance with the provident fund Act. B.E. 2530. The provident fund is funded by payments from employees and by the Group. The Group has no further payment obligations once the contributions have been paid. Contributions to the provident fund are recognised as employee benefit expense when they are due.



The Group and every employee are required to make contributions at the same rates as follows;

Service periods	Contribution rate (%)
Less than 5 years	5
Over 5 years	8 - 10

Post-employment benefit obligation

Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

The obligation of this plan is considered as an unfunded defined benefit obligation under TAS 19 Employee benefits and is separately measured by an actuary using the projected unit credit method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, employees' turnover rate, salary increase rate, mortality rate, discount rate, years of service and other factors.

Remeasurements of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

The Group recognises the post-employment benefit obligation as a provision in the statement of financial position and personnel expenses.

Benefit from carried forward leave

The Group recognises the benefit from employees' cumulative carried forward leave as a provision in the statement of financial position and personnel expenses.

2.24 Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.



Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.25 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Derivatives

Recognition of derivatives is as follows;

- 2.26.1 Derivatives for trading are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. The Group presents fair value of future contracts as the part of other assets.



2.26.2 Derivatives for hedging of transactions which are measured on an accrual basis are recorded as off-financial reporting items and income and expense are recognised on an accrual basis equivalent to that used for the underlying transactions.

2.27 Recognition and amortisation customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts and placed as margin for derivatives trading is recorded as assets and liabilities of the subsidiary for internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

2.28 Securities borrowing and lending

The Group is engaged in securities borrowing and lending, whereby the Group acts as a principal of the borrowers and lenders of securities.

The Group records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing and lending payables" recognised as Securities and derivatives business payables, net in the statements of financial position, and securities lent to customers as "Securities borrowing and lending receivables" recognised as Securities and derivatives business receivables in the statement of financial position. The balance of securities borrowing and lending receivables and payables are subsequently measured at fair value. The fair value is based on last offer price quoted on the Stock Exchange of Thailand of the last business day on the statement of financial position date. Unrealised gains or losses resulting from securities borrowing and lending receivables and payables are included in gain (loss) on investments in profit or loss. Moreover, the Group records cash paid as collateral for securities borrowing as "Collateral receivables" and cash received as collateral for securities lending as "Collateral payables". Fees from borrowing are charged to expenses, and fees from lending are recognised as revenue. They are recognised on an accrual basis over the term of the borrowing and lending.

2.29 Financial assets and financial liabilities designated at fair value through profit or loss

The Group designated some financial assets or financial liabilities upon initial recognition as financial assets or liabilities as at fair value through profit or loss (fair value option) when and only the Group demonstrates that it falls within one (or more) of following three criteria;

- (a) When such designation eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise,
- (b) When a group of financial assets, financial liabilities or both is managed and its performance is evaluated on fair value basis, in accordance with a documented risk management or investment strategy, and
- (c) When an instrument contains an embedded derivatives that meets particular conditions.

Fair value changes relating to financial assets and financial liabilities designated at fair value through profit or loss are recognised in profit or loss.



2.30 Accounting for lease

Leases of premises or equipment which substantially all the risks and rewards of ownership are transferred to the lessee are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated to the principal and to the finance charges so as to achieve a constant rate on the finance lease balance outstanding. The outstanding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period. Assets acquired from financial lease will be depreciated throughout the assets life time or the period of contracts, whichever is the lower.

Leases which a significant portion of the risks and rewards of ownership retained with the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which such termination takes place.

2.31 Interest income on loans and deposits

Interest income on loans and deposits are recognised as income on an accrual basis, except in the case of interest on loans which is over three months past due from the due date where interest is recognised on collection basis. The Bank reverses accrued interest income on loan when its principal or interest payment has become over three months past due to comply with the BOT's Notification dated on 29 June 2016. The Bank will recognise income only when cash is received and the Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

2.32 Hire-purchase and finance lease income

Interest income from hire-purchase contracts is recognised based on the effective interest method.

Interest income on hire-purchase is recognised on an accrual basis. The Bank reverses accrued interest income on hire-purchase when its principal or interest payment has become over three months past due to comply with the BOT's Notification dated on 29 June 2016. The Bank will recognise income only when cash is received and the Bank continues its income recognition on the accrual basis when the entire amount of the principal and overdue interest has been paid.

The Group recognises income from finance lease contracts on the effective interest method over the period of contracts.



2.33 Interest and dividend income from investment in securities

Interest income on investment in securities is recognised as income by applying effective interest method except in the case of interest on debt securities which is over three months past due where interest is recognised on cash basis. Dividend income is recognised when dividend is declared.

2.34 Income from investments in receivables

The Group recognises interest income from investments in receivables on the cash basis based on the outstanding loans multiplied by the effective yield according to contract or new agreement.

2.35 Fees and services income

The Group recognises fees and services income when diverse range of services have been rendered to its customers.

Fee and commission income is generally recognised on the completion of a transaction. Such fees include brokerage fees, insurance commission fee, underwriting fee, financial advisory fees, unit trust trading fee, and other fees related to the completion of corporate finance transactions.

For a service that is provided over a period of time, fee and commission income is recognised over the period during which the related service is provided or credit risk is undertaken. Such fees include the income from issuance of acceptance, avals and guarantees, tailing fees, securities lending fee, fund management and registrar fee, investment advisory fees, and bancassurance service fees from insurance company.

2.36 Recognition of expenses

The Group recognises expenses on an accrual basis.

2.37 Earnings per share

The Group computes basic earnings per share by dividing the net profit for the period by the weighted-average number of issued and paid-up ordinary shares during the period. The diluted earnings per share are computed by dividing the net profit for the period adjusted by expense (after tax effect) saved from the conversion of dilutive potential ordinary shares, by the weighted-average number of ordinary shares (included potentially dilutive shares).

2.38 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.



2.39 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3 Change in accounting policies

The Group has adopted the new Thai Financial Reporting Standards No. 15, Revenue from contracts with customers from 1 January 2019 replaced the existing revenue recognition guidance and established a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue is recognised when a performance obligation is satisfied, which could be either at a point in time or when the obligation is satisfied over time. The effect of this change in accounting policy is immaterial to the comparative financial statements.

In addition, the Group has changed the accounting policy related to debt issued and borrowings from settlement date to trade date. The effect of this change in accounting policy is immaterial to the comparative financial statements.

4 Capital risk management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 31 to the financial statements.

5 Risk management

The risk management policy of the Group is emphasised on managing overall risks as a Group wide in order to ensure the appropriateness and effectiveness of the enterprise wide risk management. While each related business and department unit is required to sufficiently understand and effectively manage its risks incurred under the centralised framework and risk management policy of the Group, risk management department also plays important roles to control and review each business line and unit to ensure the sufficient risk management and control system.

Significant financial assets carried on the statement of financial position include cash, interbank and money market items, derivative assets, investments in securities, investment in subsidiaries, investments in receivables, hire-purchase receivables, loans to customers and accrued interest receivables, account



receivable from clearing house and broker - dealers and securities and derivative business receivables. Significant financial liabilities carried on the statement of financial position include deposits, interbank and money market items, liabilities payable on demand, financial liabilities designated at fair value through profit or loss, derivative liabilities, debt issued and borrowings, accounts payable to clearing house and broker - dealers, securities and derivative business payable, accrued interest expenses, other account payables.

Risks relating to significant financial instruments held by the Group are summarised below:

5.1 Credit risk

Credit risk refers to risk arising from the failure of either debtors to repay principal and interest as agreed, or of counterparties to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange, and other types of debts; and those off-financial reporting such as derivatives trading and letters of guarantee.

The Group has constantly improved its process of credit risk management to appropriately reflect its managed credit risk. Details of such improvement measures are as follows;

5.1.1 Credit Policy Adjustment

The Bank focuses on adjusting its main credit policy, business loan policy and personal loan policy to an adequate level of conservativeness and suitability to current environment. Counterparty credit policy and country credit policy have also been added to accommodate the Bank's extended reach to financial institution and corporation counterparties.

5.1.2 Development of Credit Approval Aid

The Bank aims to consistently develop and improve its tools for assisting the credit approval process. Set up Product Program for Retail Banking, which covers 2 dimensions, customer profile and collateral class. In addition, Behavior-Score usage, which applied for acquired existing customer with different credit granted from risk level. For new customer, the Bank started implementing Bureau Score which will ensure to a better risk assessment and select a customer group in accordance with the Bank's goals and strategy.

5.1.3 Loan portfolio Management

The Bank focuses on giving credit to businesses which the Bank has expertise. The Bank will manage its loan portfolio to maximise profit with an acceptable level or Risk Appetite of each portfolio as well as early warning indicator for monitoring of loan portfolio position with a systematic information reporting, in-depth analysis for the identification of risks and solution planning. A concentration risk limit is also utilised to lessen the volatility in the



Group's performance. Examples of concentration limits include the Single Lending Limit and the Large Borrower Concentration Limit.

The Bank has introduced Risk Mitigation function which will responsible for Retail Collection Strategies. The customer will be graded as High, Medium and Low upon each Individual payment behavior and collection treatment will be differentiated according to their grade. In addition, the Bank implemented has done in-depth cost-benefit analysis for each collection activity, especially when comparing to debt outstanding balance to ensure each collection activities must be cost-effectiveness.

In the case of recognised financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for doubtful accounts, represents the maximum exposure to credit risk.

The Group 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 financial instruments will not adhere to the terms of the contract when settlement becomes due.

The Group is exposed to credit risk in case where the counterparty fails to comply with terms in accordance with off-statement of financial position financial instruments such as commitments to extend credit, standby letters of credit, and financial guarantees. Risk of aforementioned instruments equals the contractual notional amount of applicable instruments. The Group use the same credit policy in making commitments and conditional obligations as they do for on-statement of financial position financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amount does not represent the Group exposure to potential credit loss. The Group controls credit risk on financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

The Group has policies in place to ensure that loans are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the credit line of loan transaction to any client or financial institution.



As at 31 December 2019 and 2018, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows;

	Consolidated		Separate	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Agriculture and mining	309,144	260,986	309,144	260,986
Manufacturing and commerce	20,334,693	18,495,488	20,334,693	18,495,488
Real estate and constructions	40,249,947	38,106,953	42,017,639	39,380,703
Public utilities and services	16,638,018	15,659,346	16,638,018	15,659,346
Housing loans	19,754,219	16,899,099	19,754,219	16,899,099
Hire-purchase loans	113,292,678	114,076,226	113,292,678	114,076,226
Finance lease loans	390,484	510,572	390,484	510,572
Others	26,169,564	23,887,476	27,939,564	25,657,476
Total loans and receivables	237,138,747	227,896,146	240,676,439	230,939,896

5.2 Market risk

Presently, the Bank performs many transactions in financial market products for both trading and banking books. Five major transaction types are 1) fixed income trading and fixed income derivatives, 2) foreign exchange trading and foreign exchange derivatives, 3) interest rate derivatives, 4) common equity, property fund, infrastructure fund, and Real Estate Investment Trust (REIT) which registered in the Stock Exchange of Thailand (SET) and equity derivatives, and 5) option contract which refers equity price, ETF price or mutual fund performance as underlying asset. Furthermore, the capital market business invests in common equity traded in the SET and foreign stock markets as well as futures contract in Thailand Futures Exchange (TFEX) and equity derivatives.

The trading book market risk management focuses on transactions with interest rate risk and foreign exchange risk. In highly volatile market, these risks arise from internal and external uncontrollable factors and adversely affect trading book. Therefore, the Bank determines acceptable risk limit on interest rate risk and foreign exchange risk for trading book transactions and allows equity transaction to expose zero market risk in equity price.



The banking book market risk management emphasizes on transactions with interest rate risk. The Bank determines acceptable interest rate risk limit and fully hedges foreign exchange risk or hedge to insignificant level. However, the Bank may invest in common equity, property fund, infrastructure fund, and REIT which registered in the SET. This will be a long-term investment which required the related committee approval, on a case-by-case basis.

The Bank has consistently developed comprehensive and systematic market risk management procedures, ranging from identifying, measuring, monitoring and controlling risks resulted from trading and banking book transactions. These processes cover related and significant market risk factors. Meanwhile, the financial market group and treasury department are major units to manage market risk in trading and banking books respectively. The Market Risk Management together with the Liquidity Risk Management and ALM departments identify risk indicator and propose risk limit for an approval from Risk Oversight Committee to assess and monitor market risk. The internationally accepted risk indicator tools such as Value at Risk (VaR), Present Value of a Basis Point (PV01), Net Open Position in Foreign Currency (NOP), and Economic Value of Equity (EVE) are utilised to cover changes in the market. In case of any irregularity or beyond acceptable market risk limit, the Market Risk Management and Liquidity Risk Management and ALM departments will report to relevant units.

The capital market risk management department focuses on the investment in common equity, in the SET and foreign stock markets, futures contract in TFEX, and equity derivatives. The key market risk factors consist of equity prices, liquidity and equity volatility. The capital market business short-term investment strategy gives rise to minimal risks resulted from risk hedging. On the other hand, the long-term investment in common equity in the country or in the foreign countries by the Direct Investment Department of Phatra Capital PCL. is not hedged and directional, hence highly volatile market risk still exists. In the event that the price of invested securities drops or the exchange rate changes, such events will adversely impact the Group's performance and profitability. Nevertheless, the Group is aware of the risks arising from these investment strategies. The Group has limited investment risk under acceptable level. The Risk Management department of the Capital Market Business is responsible for setting risk limits, for example, maximum loss at a determined confident level and maximum position held which determined by daily volume. In case of any irregularity or beyond acceptable trading book risk limit, the Risk Management department of the Capital Market Business will report to relevant units



5.2.1 Interest rate risk

The Bank manages interest rate risk in trading book by limiting portfolio's sensitivity to interest rate change, including relevant foreign interest rates, to be in line with the risk appetite.

Interest rate risk management in banking book is to reduce negative impact arising from interest rate volatility. The Bank manages risk of the gap between asset and liability structures, which sensitive to interest rate change, both on statement of financial position, and off-statement of financial position. The Bank specifies to regularly evaluate the impacts on net interest income (Earning perspective), and economic value of equity (Economic value perspective), under supervision of the Assets and Liabilities Management Committee (ALCO). The treasury department is mainly responsible for managing the structure of assets and liabilities to be at an appropriate level, while the risk management group monitors and controls the risk, and reports to the Risk Management Committee and the Bank's Board of Directors on a regular basis.

As at 31 December 2019 and 2018, the loan information classified by fixed and floating rates is summarised as follows;

	Consolidated		Separate	
	2019	2018	2019	2018
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Loans and receivables with fixed interest rate	234,567,748	171,718,462	234,567,748	171,718,462
Loans and receivables with floating interest rate	2,570,999	56,177,684	6,108,691	59,221,434
Total loans and receivables	237,138,747	227,896,146	240,676,439	230,939,896



The Group has summarised financial assets and liabilities classified on maturity of interest re-pricing years as at 31 December 2019 and 2018 as follows;

	Consolidated						
	2019						
	0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items	7,221,645	1,005,134	-	-	-	3,792,280	12,019,059
Derivatives assets	1,230,702	932,941	16,719	-	-	2,118,176	4,298,538
Investments in securities, net	438,672	8,133,840	14,354,381	1,655,218	-	14,618,892	39,201,003
Investments in receivables, net	-	145,328	217,991	-	1,256,130	-	1,619,449
Loans	78,841,773	27,609,738	111,634,468	6,191,840	9,559,889	3,301,039	237,138,747
Account receivables from clearing							
house and broker - dealers	-	-	-	-	-	4,056,938	4,056,938
Securities and derivative business							
receivables	-	-	-	-	-	4,620,082	4,620,082
Financial liabilities							
Deposits	94,065,034	57,824,163	17,437,955	2,144,020	-	702,387	172,173,559
Interbank and money market items	12,772,263	1,886,080	330,588	-	-	2,350,180	17,339,111
Liabilities payables on demand	-	-	-	-	-	377,326	377,326
Financial liabilities designated							
at fair value through profit or loss	-	3,498,702	-	-	-	-	3,498,702
Derivatives liabilities	1,302,594	1,307,509	31,648	-	-	1,396,521	4,038,272
Debt issued and borrowings	11,010,301	28,145,358	7,969,774	8,290,000	-	-	55,415,433
Payable to clearing house							
house and broker - dealers	-	-	-	-	-	614,271	614,271
Securities and derivative business							
payables	-	-	-	-	-	3,868,461	3,868,461



Consolidated						
2018						
0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht

Financial assets

Interbank and money market items	25,065,600	216,199	-	-	-	2,935,275	28,217,074
Derivatives assets	480,223	188,034	-	-	-	2,647,601	3,315,858
Investments in securities, net	1,445,238	2,656,335	10,725,228	2,601,933	-	12,351,833	29,780,567
Investments in receivables, net	1,575	189,029	283,545	-	1,295,356	-	1,769,505
Loans	75,182,586	26,931,026	107,431,600	5,958,727	9,403,426	2,988,781	227,896,146
Account receivables from clearing house and broker - dealers	-	-	-	-	-	3,411,791	3,411,791
Securities and derivative business receivables	-	-	-	-	-	4,212,723	4,212,723

Financial liabilities

Deposits	94,769,324	70,950,966	15,019,200	391,068	-	563,263	181,693,821
Interbank and money market items	8,283,848	2,179,000	1,016,003	83,382	-	1,594,382	13,156,615
Liabilities payables on demand	-	-	-	-	-	503,487	503,487
Financial liabilities designated at fair value through profit or loss	-	1,193,444	-	-	-	-	1,193,144
Derivatives liabilities	559,865	600,976	-	-	-	2,277,488	3,438,329
Debt issued and borrowings	18,519,655	14,290,570	7,907,834	8,290,000	-	-	49,008,059
Payable to clearing house house and broker - dealers	-	-	-	-	-	120,194	120,194
Securities and derivative business payables	-	-	-	-	-	5,297,794	5,297,794



Separate						
2019						
0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht

Financial assets

Interbank and money market items	9,360,000	1,005,132	-	-	-	2,976,573	13,341,705
Derivatives assets	1,230,702	932,941	16,719	-	-	2,054,088	4,234,450
Investments in securities, net	398,753	7,954,800	14,354,381	1,655,218	-	2,610,051	26,973,203
Investments in receivables, net	-	145,328	217,991	-	-	-	363,319
Loans	78,841,773	31,147,430	111,634,468	6,191,840	9,559,889	3,301,039	240,676,439

Financial liabilities

Deposits	94,552,777	57,824,163	17,437,955	2,144,020	-	702,388	172,661,303
Interbank and money market items	13,992,675	616,080	330,588	-	-	2,350,180	17,289,523
Liabilities payables on demand	-	-	-	-	-	377,326	377,326
Derivatives liabilities	1,302,594	1,307,509	31,648	-	-	1,369,438	4,011,189
Debt issued and borrowings	11,010,300	25,965,250	7,969,774	8,290,000	-	-	53,235,324

Separate						
2018						
0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht

Financial assets

Interbank and money market items	22,803,796	216,199	-	-	-	2,246,035	25,266,030
Derivatives assets	480,223	188,034	-	-	-	2,493,370	3,161,627
Investments in securities, net	1,445,238	2,431,946	10,725,228	2,601,933	-	4,614,083	21,818,428
Investments in receivables, net	-	189,029	283,545	-	-	-	472,574
Loans	75,182,586	29,974,776	107,431,600	5,958,727	9,403,426	2,988,781	230,939,896

Financial liabilities

Deposits	95,281,364	70,950,966	15,019,200	391,068	-	563,263	182,205,861
Interbank and money market items	10,235,917	409,000	1,016,003	83,382	-	1,594,382	13,338,684
Liabilities payables on demand	-	-	-	-	-	503,487	503,487
Derivatives liabilities	559,865	600,976	-	-	-	2,017,535	3,178,376
Debt issued and borrowings	18,519,655	12,425,900	7,907,834	8,290,000	-	-	47,143,389



The average balances of significant performing financial assets and financial liabilities, including the average interest are summarised as follows;

Consolidated			
2019			
	Average outstanding balances Thousand Baht	Interest and dividend income Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	15,313,885	269,693	1.76
Investments in securities	41,426,751	620,365	1.50
Investments in receivables	1,608,553	539,744	33.55
Loans	233,144,032	16,585,701	7.11
	291,493,221	18,015,503	6.18
Significant financial liabilities			
Deposits	178,341,505	3,203,977	1.80
Interbank and money market items, net	15,161,129	253,851	1.67
Debt issued and borrowings	50,138,435	1,156,976	2.31
	243,641,069	4,614,804	1.89

Consolidated			
2018			
	Average outstanding balances Thousand Baht	Interest and dividend income Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	15,862,502	245,872	1.55
Investments in securities	37,309,633	457,542	1.23
Investments in receivables	1,894,886	292,342	15.43
Loans	212,082,128	15,276,875	7.20
	267,149,149	16,272,631	6.09
Significant financial liabilities			
Deposits	152,413,221	2,642,282	1.73
Interbank and money market items, net	9,890,946	155,354	1.57
Debt issued and borrowings	60,537,321	1,236,888	2.04
	222,841,488	4,034,524	1.81



Significant performing financial assets

	Separate		
	2019		
	Average outstanding balances Thousand Baht	Interest and dividend income Thousand Baht	Average rate %
Interbank and money market items, net	12,444,875	217,603	1.75
Investments in securities	27,616,052	546,500	1.98
Investments in receivables	835,043	212,305	25.42
Loans	236,279,091	16,758,904	7.09
	277,175,061	17,735,312	6.40

Significant financial liabilities

Deposits	178,808,327	3,204,634	1.79
Interbank and money market items, net	15,492,596	254,391	1.64
Debt issued and borrowings	48,540,755	1,131,639	2.33
	242,841,678	4,590,664	1.89

Significant performing financial assets

	Separate		
	2018		
	Average outstanding balances Thousand Baht	Interest and dividend income Thousand Baht	Average rate %
Interbank and money market items, net	15,305,136	267,169	1.75
Investments in securities	20,044,206	399,283	1.99
Investments in receivables	1,065,567	79,792	7.49
Loans	215,014,045	15,442,859	7.18
	251,428,954	16,189,103	6.44

Significant financial liabilities

Deposits	152,858,855	2,644,754	1.73
Interbank and money market items, net	9,838,422	141,996	1.44
Debt issued and borrowings	55,802,981	1,162,789	2.08
	218,500,258	3,949,539	1.81



5.2.2 Foreign exchange rate risk

Foreign exchange rate risk refers to the loss affecting income and/or equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities.

The Bank sets and controls the risk of trading intent transactions that exposed to foreign exchange rate risk to be within an acceptable level. The transactions include foreign currency bonds, FX spot, FX derivatives, and cross currency swap. For other assets and liabilities, the Bank regularly hedges against the foreign exchange rate risk by using forward and swap contracts. Therefore, the Bank's overall foreign exchange rate risk is relatively low.

The subsidiaries have strategies, which invest abroad and do not intent to expose to foreign exchange rate risk. As such, the subsidiaries also use forward and swap contracts to hedge the risk. However, the foreign exchange rate risk may remain for some investment strategies, since the amount of these investment strategies is considered as very small or the investments are exposed to foreign exchange rate risk in low liquidity currencies, and unable to hedge. Although, the remaining foreign exchange rate risk is considered as minimal, and not significant to the subsidiaries.



The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2019 and 2018 are summarised as follows;

Consolidated						
2019						
US Dollar Thousand Baht	Hong Kong Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Vietnamese Dong Thousand Baht	Others Thousand Baht	Total Thousand Baht

Financial assets

Interbank and money market

items, net	1,403,428	13,840	6,488	722	-	35,480	1,459,958
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Investments in securities, net	7,313	-	-	-	1,359,197	1,033,765	2,400,275
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Loans to customers and accrued

interest receivables	5,899,246	-	-	-	-	-	5,899,246
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Account receivables from clearing

house and broker - dealers	185,501	7,926	-	-	-	9	193,436
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Securities and derivative business

Receivables	177,965	326	-	-	-	-	178,291
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Total financial assets	7,673,453	22,092	6,488	722	1,359,197	1,069,254	10,131,206
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Financial liabilities

Deposits	-	-	-	-	-	-	-
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Interbank and money market items, net	2,424,145	-	-	-	-	-	2,424,145
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Debt issued and borrowings	-	-	-	-	-	-	-
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Account payable to clearing house

and broker - dealers	170,417	326	-	-	-	-	170,743
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Securities and derivative business

Payables	137,815	-	-	-	-	-	137,815
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Total financial liabilities	2,732,377	326	-	-	-	-	2,732,703
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Foreign currency position of items

recognised on the statements of

financial position - net	4,941,076	21,766	6,488	722	1,359,197	1,069,254	7,398,503
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Items not recognised off the

statements of financial position -

net (Forward exchange contracts

and cross currency swaps)	(5,021,413)	(244)	340	(3,847)	-	(10,809)	(5,035,973)
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Consolidated							
2018							
	US Dollar Thousand Baht	Hong Kong Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Vietnamese Dong Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	1,594,048	11,600	1,004	5,758	38	22,785	1,635,233
Investments in securities, net	27,949	-	-	-	1,036,138	1,058,619	2,122,706
Loans to customers and accrued interest receivables	6,194,981	-	-	-	-	-	6,194,981
Account receivables from clearing house and broker - dealers	392,162	8,393	-	-	-	1	400,556
Securities and derivative business Receivables	3,205	-	-	-	-	-	3,205
Total financial assets	8,212,345	19,993	1,004	5,758	1,036,176	1,081,405	10,356,681
Financial liabilities							
Deposits	-	-	-	-	-	-	-
Interbank and money market items, net	2,271,486	-	-	-	-	-	2,271,486
Debt issued and borrowings	-	-	-	-	-	-	-
Account payable to clearing house and broker - dealers	3,792	-	-	-	-	-	3,792
Securities and derivative business Payables	1,360	-	-	-	-	-	1,360
Total financial liabilities	2,276,638	-	-	-	-	-	2,276,638
Foreign currency position of items recognised on the statements of financial position - net							
	5,935,707	19,993	1,004	5,758	1,036,176	1,081,405	8,080,043
Items not recognised off the statements of financial position - net (Forward exchange contracts and cross currency swaps)							
	(5,173,190)	4,251	29,308	(4,709)	-	(26,705)	(5,171,045)



	Separate				
	2019				
	US Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets					
Interbank and money market items, net	1,345,967	6,488	722	42,368	1,395,545
Investments in securities, net	-	-	-	-	-
Loans to customers and accrued interest receivables	5,899,246	-	-	-	5,899,246
Total financial assets	7,245,213	6,488	722	42,368	7,294,791
Financial liabilities					
Deposits	-	-	-	-	-
Interbank and money market items, net	2,424,145	-	-	-	2,424,145
Debt issued and borrowings	-	-	-	-	-
Total financial liabilities	2,424,145	-	-	-	2,424,145
Foreign currency position of items recognised on the statements of financial position, net	4,821,068	6,488	722	42,368	4,870,646
Items not recognised off the statements of financial position, net (Forward exchange contracts and cross currency swaps)	(5,021,413)	340	(3,847)	(11,051)	(5,035,971)



	Separate				
	2018				
	US Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets					
Interbank and money market items, net	1,579,935	1,004	5,758	33,909	1,620,606
Investments in securities, net	-	-	-	-	-
Loans to customers and accrued interest receivables	6,194,981	-	-	-	6,194,981
Total financial assets	7,774,916	1,004	5,758	33,909	7,815,587
Financial liabilities					
Deposits	-	-	-	-	-
Interbank and money market items, net	2,271,486	-	-	-	2,271,486
Debt issued and borrowings	-	-	-	-	-
Total financial liabilities	2,271,486	-	-	-	2,271,486
Foreign currency position of items recognised on the statements of financial position, net	5,503,430	1,004	5,758	33,909	5,544,101
Items not recognised off the statements of financial position, net					
(Forward exchange contracts and cross currency swaps)	(4,719,108)	29,308	(4,709)	(22,454)	(4,716,963)



5.2.3 Equity price risk

Equity price risk refers to the loss affecting income and/ or 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 investments. For trading book, the bank can invest in equity securities and/or equity derivative. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and regularly reports the equity price risk.

The majority of Bank's equity position is in the subsidiaries, and unit trusts, which manage the Bank's assets. The remaining portion consists of equities listed in The Stock Exchange of Thailand, and those obtained from debt restructuring.

The equity position in the banking book of the capital market business is managed by the direct investment department of Phatra Capital PCL., which focuses on a long-term investment based on the business intrinsic value by employing value based investment approach. In a search for investment opportunities, the direct investment department performs in-depth analysis, and covers essential aspects related to sustainable growth of the business opportunity, such as, attractiveness, industry's trend, business model, sustainable competitiveness, talent and transparency of executives, including the structure that encourages good governance. However, every transaction of the direct investment department must be approved from the Investment Committee (IC) before investing and be controlled and monitored transactions under the framework which approved by the risk management department.



5.3 Liquidity risk

Liquidity risk is the risk of the Bank not being able to fulfill its obligation of repayment as it is unable to promptly convert its assets into cash, unable to raise sufficient funds in time or able to at a high cost which may affect the Bank's income and capital.

The Bank has established the Money Desk Sub-Committee to analysed and track cash inflows and outflows as well as closely monitor the Bank's liquidity to comply with the Bank's risk limits. The committee will regularly convene at least once every two weeks under the supervision of the Asset and Liability Management Committee (ALCO). The treasury department plays a key role in the implementation of the Bank's liquidity management to maintain an appropriate level of liquidity. Additionally, the risk management department monitors and controls the position of liquidity risk and regularly reports to the Risk Management Committee (RMC) and the Board of Directors.

The Bank also sets liquidity risk management policy and procedure in accordance with the Bank's strategy and the BOT's financial institution liquidity management framework. The main policies are as follows;

- Maintenance of liquidity ratio under both Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) regulated by BOT and at an appropriate level
- Control of liabilities and assets maturity mismatch at an acceptable level
- Diversification of liability types
- Expansion of deposit base while considering customer concentration in each type of deposit and maturity
- Provision of contingent liquidity reserves



Significant assets and liabilities of the Group analysed by relevant maturity groupings are as follows;

	Consolidated					
	2019					
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,109,658	1,109,658
Interbank and money market items	4,868,389	6,141,388	1,010,878	-	5,834	12,026,489
Derivatives assets	-	2,165,347	1,410,133	723,058	-	4,298,538
Investments in securities, net	39,919	17,565,066	14,254,186	1,655,218	5,686,614	39,201,003
Investments in receivables, net	-	-	1,619,449	-	-	1,619,449
Hire-purchase receivables	25,671	2,513,995	81,306,450	29,446,561	-	113,292,677
Finance lease receivables	34,656	74,237	281,592	-	-	390,485
Loans and receivables	1,982,451	22,855,641	47,477,658	51,139,835	-	123,455,585
Accounts receivable from clearing house and broker - dealers	-	4,056,938	-	-	-	4,056,938
Securities and derivative business receivables	-	4,620,082	-	-	-	4,620,082
Total financial assets	6,951,086	59,992,694	147,360,346	82,964,672	6,802,106	304,070,904
Financial liabilities						
Deposits	64,628,377	87,963,207	17,437,955	2,144,020	-	172,173,559
Interbank and money market items	3,419,342	11,808,989	2,110,780	-	-	17,339,111
Liabilities payable on demand	377,326	-	-	-	-	377,326
Financial liabilities designated at fair value through profit or loss	-	3,498,702	-	-	-	3,498,702
Derivatives liabilities	-	1,725,958	1,815,877	496,437	-	4,038,272
Debt issued and borrowings	-	39,042,229	8,083,204	8,290,000	-	55,415,433
Accounts payable to clearing house and broker - dealers	-	614,271	-	-	-	614,271
Securities and derivative business receivables	-	3,868,461	-	-	-	3,868,461
Total financial liabilities	68,425,045	148,521,817	29,447,816	10,930,457	-	257,325,135



Consolidated						
2018						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,335,668	1,335,668
Interbank and money market items	5,913,204	21,718,842	594,913	-	5,834	28,232,793
Derivatives assets	-	2,473,278	775,491	67,089	-	3,315,858
Investments in securities, net	-	9,346,634	10,725,229	2,601,933	7,106,771	29,780,567
Investments in receivables, net	-	-	1,769,505	-	-	1,769,505
Hire-purchase receivables	35,834	3,339,967	79,264,803	31,435,622	-	114,076,226
Finance lease receivables	14,984	97,645	397,943	-	-	510,572
Loans and receivables	1,411,774	6,969,208	61,108,211	43,820,155	-	113,309,348
Accounts receivable from clearing house and broker - dealers	-	3,411,791	-	-	-	3,411,791
Securities and derivative business receivables	-	4,212,723	-	-	-	4,212,723
Total financial assets	7,375,796	51,570,088	154,636,095	77,924,799	8,448,273	299,955,051
Financial liabilities						
Deposits	69,698,896	96,584,657	15,019,200	391,068	-	181,693,821
Interbank and money market items	1,414,183	9,020,558	1,016,002	1,705,872	-	13,156,615
Liabilities payable on demand	503,487	-	-	-	-	503,487
Financial liabilities designated at fair value through profit or loss	-	1,193,144	-	-	-	1,193,144
Derivatives liabilities	-	2,488,179	839,800	110,350	-	3,438,329
Debt issued and borrowings	-	32,802,548	7,915,511	8,290,000	-	49,008,059
Accounts payable to clearing house and broker - dealers	-	120,194	-	-	-	120,194
Securities and derivative business receivables	-	5,297,794	-	-	-	5,297,794
Total financial liabilities	71,616,566	147,507,074	24,790,513	10,497,290	-	254,411,443



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	Separate					
	2019					
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,108,781	1,108,781
Interbank and money market items	6,196,572	6,141,388	1,010,878	-	-	13,348,838
Derivatives assets	-	2,101,259	1,410,133	723,058	-	4,234,450
Investments in securities, net	-	8,054,996	14,254,186	1,655,218	3,008,803	26,973,203
Investments in receivables, net	-	-	363,319	-	-	363,319
Hire-purchase receivables	25,671	2,513,995	81,306,450	29,446,561	-	113,292,677
Finance lease receivables	34,656	74,237	281,592	-	-	390,485
Loans and receivables	1,982,451	26,393,333	47,477,658	51,139,835	-	126,993,277
Total financial assets	8,239,350	45,279,208	146,104,216	82,964,672	4,117,584	286,705,030
Financial liabilities						
Deposits	65,116,121	87,963,207	17,437,955	2,144,020	-	172,661,303
Interbank and money market items	4,604,203	10,574,540	2,110,780	-	-	17,289,523
Liabilities payable on demand	377,326	-	-	-	-	377,326
Derivatives liabilities	-	1,698,875	1,815,877	496,437	-	4,011,189
Debt issued and borrowings	-	36,862,120	8,083,204	8,290,000	-	53,235,324
Total financial liabilities	70,097,650	137,098,742	29,447,816	10,930,457	-	247,574,665



	Separate					
	2018					
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,334,978	1,334,978
Interbank and money market items	2,965,602	21,718,842	594,913	-	-	25,279,357
Derivatives assets	-	2,319,047	775,491	67,089	-	3,161,627
Investments in securities, net	-	3,877,184	10,725,229	2,601,933	4,614,082	21,818,428
Investments in receivables, net	-	-	472,574	-	-	472,574
Hire-purchase receivables	35,834	3,339,967	79,264,803	31,435,622	-	114,076,226
Finance lease receivables	14,984	97,645	397,943	-	-	510,572
Loans and receivables	1,411,774	10,012,958	61,108,211	43,820,155	-	116,353,098
Total financial assets	4,428,194	41,365,643	153,339,164	77,924,799	5,949,060	283,006,860
Financial liabilities						
Deposits	70,210,936	96,584,657	15,019,200	391,068	-	182,205,861
Interbank and money market items	1,594,378	9,022,432	1,016,002	1,705,872	-	13,338,684
Liabilities payable on demand	503,487	-	-	-	-	503,487
Derivatives liabilities	-	2,228,226	839,800	110,350	-	3,178,376
Debt issued and borrowings	-	30,937,878	7,915,511	8,290,000	-	47,143,389
Total financial liabilities	72,308,801	138,773,193	24,790,513	10,497,290	-	246,369,797



5.4 Fair value

The methodology of fair value measurement is depended on the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique and complied with related authorities' regulations.

The Group holds derivatives for trading intent, and servicing customers, including for a purpose of managing the Bank and subsidiaries' assets and liabilities. This includes interest rate swaps, cross currency swaps, FX derivatives, and equity derivatives.

Additionally, the Group does not control only the market risk of the derivatives to be within an acceptable level, but also the counterparty credit risks by setting-up, and controlling transaction limits based on the normal lending procedures.

6 Estimates and assumptions

Preparation of financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of revenue, expenses, assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows;

6.1 Allowance for doubtful accounts

6.1.1 Loans

The Bank classifies its loan portfolios into categories and sets allowance for doubtful accounts for loans in accordance with the BOT's Notification and with the management's estimation over the allowance for doubtful accounts from the outstanding balance of loans at the period end date. The period of time that a loan is past due and the ability to repay the debt are the principal criteria utilised in classifying a loan. The collateral value used in calculating the required allowance for doubtful accounts is based on the type of collateral. Revaluation is performed every 3 years in accordance to the BOT's guideline. The Bank provided the allowance for doubtful accounts on substandard, doubtful and doubtful loss at the rate of 100% of the difference between the carrying amount and net present value of estimated future cash flows to be received from debtors or from sales of collateral. Discount rate and holding periods used is in compliance with the Bank of Thailand's guideline. For the normal and special mentioned debts, the Bank provided the allowance for doubtful accounts at the rates of 1% and 2%, respectively.



6.1.2 Fleet car hire-purchase receivables

The Bank sets allowance for doubtful account of fleet car hire-purchase receivables by considering the loan classification, the value of collaterals and loss rate according to the BOT's guidelines.

6.1.3 Hire-purchase receivables

The Bank provides allowance for doubtful accounts on hire-purchase loans by using the collective approach method which considers historical loss suffered and is calculated using the probability of default and the percentage of loss given default. Inclusively the Bank adjusted historical loss suffered data for key domestic and international economic factors which may influence repayment abilities of the receivables. Allowance for doubtful hire-purchase receivables made under the collective approach is in line with the BOT's guideline regarding the Classification and Provision Criteria of Financial Institution.

The Bank sets additional allowance for doubtful accounts from the collective approach to certain classes of receivables in order to be conservative. Formerly, the Bank provides allowance for doubtful accounts for hire-purchase receivables based on the collective approach and additional allowance on hire-purchase receivables was made by considering the difference between outstanding loan value and present value of expected cash flows from receivables or present value of expected cash flows from disposal of the collateralised assets per the BOT's notification.

6.1.4 Allowance for doubtful accounts of securities business receivables

Allowance for doubtful accounts of securities business receivables are intended to adjust the values of receivables for probable credit losses. In determining an allowance for doubtful accounts of securities business receivables, the management needs to make judgments and estimates based upon, among other things, past collection history, the value of the securities collateral, aging profile of outstanding debts and the prevailing economic conditions.

6.1.5 Impairment of long-term deposit at financial institution

The subsidiaries will treat long-term deposit at financial institution as impaired when such financial institution is facing going concern problems and has default on payment. The subsidiaries' management uses judgment to estimate the loss reserve for deposit at financial institution, based on considering repayment ability and the financial institution plan to restructure its debts.



6.2 Valuation of investments in receivables

Fair value of investments in receivables is determined by the net present value of estimated future cash flows from selling of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by interest rate at 7% per annum with the expected selling period of 4 - 5 years but not exceeding the balance in the original contract. The fair values assigned to the investment portfolio are based upon available information and assumptions which do not necessarily represent amounts which might ultimately be realised because of the uncertainty of economic's circumstance which is the significant factor to determine the fair value.

The subsidiaries which are mutual funds that invest in the investments in receivables measured the fair values of the investments in restructured commercial loans based upon net present value of estimated future cash flows (interest rate as identified in restructuring agreements). Fair value of the investments in non-restructured commercial loans is based upon the net present value of estimated future cash flows from sales of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by interest rate at 7% per annum with the expected selling period of 4 - 5 years but not exceeding the balance in the original contract.

For Bangkok Capital Fund and Gamma Capital Fund, fair value of investments in receivables is calculated based upon the net present value of estimated future cash flows from sales of collateral, appraised by an external independent valuer or internal valuer according to the Bank of Thailand's guideline, discounted by yield rate at 18% per annum with the expected selling period of 2.4 - 8.4 years but not exceeding the balance in the original contract.

6.3 Valuation of investments in properties

Fair value of investments in properties is calculated from the appraisal value, appraised by an internal appraiser. The fair value of investment properties are based on Market Approach by surveying the comparative market data in the vicinity to perform a comparative analysis by means of data modification (Grid-Adjustment).

6.4 Valuation of properties foreclosed

Fair value of properties foreclosed-immovable assets is calculated from the appraisal value, appraised by an external independent valuer or internal valuer of the Bank every year, less estimated selling expenses, and the appraisal value is discounted according to the holding period.

The Bank calculates allowance for impairment of repossessed vehicles and movable foreclosed assets in accordance with the BOT's Notification.

6.5 Goodwill

Goodwill is tested for impairment using a fair value method of present value of dividend discount model on an annual basis.



6.6 Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments the management has made judgement by using a variant of acceptable valuation techniques. The input parameter to the models used is taken from observable market, and includes consideration of maturity, interest rate, correlation and volatility, etc. The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions.

6.7 Provision for post-retirement benefits and pension fund

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 27.

7 Interbank and money market items, net (assets)

	Consolidated					
	2019			2018		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
The Bank of Thailand and FIDF	2,283,055	-	2,283,055	1,087,041	-	1,087,041
Commercial Banks	1,826,963	6,145,965	7,972,928	1,978,623	18,803,265	20,781,888
Special purpose financial institutions	1,392	-	1,392	1,301,451	2,800,000	4,101,451
Other financial institutions	320,000	-	320,000	720,000	-	720,000
Total	4,431,410	6,145,965	10,577,375	5,087,115	21,603,265	26,690,380
<u>Add</u> Accrued interest receivables	297	1,388	1,685	2,392	7,923	10,315
<u>Less</u> Allowance for doubtful accounts	(3,200)	(31,400)	(34,600)	(7,200)	(18,973)	(26,173)
Total domestic items	4,428,507	6,115,953	10,544,460	5,082,307	21,592,215	26,674,522
Foreign						
US Dollar	380,743	1,005,133	1,385,876	788,703	703,079	1,491,782
Euro	1,886	-	1,886	10,363	-	10,363
Other currencies	53,922	-	53,922	24,549	-	24,549
Total	436,551	1,005,133	1,441,684	823,615	703,079	1,526,694
<u>Add</u> Accrued interest receivables	-	5,745	5,745	-	5,404	5,404
<u>Less</u> Allowance for doubtful accounts	-	(10,051)	(10,051)	-	(7,031)	(7,031)
Total foreign items	436,551	1,000,827	1,437,378	823,615	701,452	1,525,067
Total	4,865,058	7,116,780	11,981,838	5,905,922	22,293,667	28,199,589



	Separate					
	2019			2018		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
The Bank of Thailand and FIDF	2,283,055	-	2,283,055	1,087,041	-	1,087,041
Commercial Banks	308,181	6,140,000	6,448,181	348,121	18,797,349	19,145,470
Special purpose financial institutions	1,392	-	1,392	1,451	2,800,000	2,801,451
Other financial institutions	3,220,000	-	3,220,000	720,000	-	720,000
Total	5,812,628	6,140,000	11,952,628	2,156,613	21,597,349	23,753,962
<u>Add</u> Accrued interest receivables	-	1,388	1,388	-	7,923	7,923
<u>Less</u> Allowance for doubtful accounts	(32,200)	(31,400)	(63,600)	(7,200)	(18,973)	(26,173)
Total domestic items	5,780,428	6,109,988	11,890,416	2,149,413	21,586,299	23,735,712
Foreign						
US Dollar	335,089	1,005,133	1,340,222	774,077	703,079	1,477,156
Euro	1,576	-	1,576	10,363	-	10,363
Other currencies	47,279	-	47,279	24,549	-	24,549
Total	383,944	1,005,133	1,389,077	808,989	703,079	1,512,068
<u>Add</u> Accrued interest receivables	-	5,745	5,745	-	5,404	5,404
<u>Less</u> Allowance for doubtful accounts	-	(10,051)	(10,051)	-	(7,031)	(7,031)
Total foreign items	383,944	1,000,827	1,384,771	808,989	701,452	1,510,441
Total	6,164,372	7,110,815	13,275,187	2,958,402	22,287,751	25,246,153



8 Derivatives

8.1 Derivatives

Derivatives for trading as at 31 December 2019 and 31 December 2018 are as follows;

Type of risk	Consolidated					
	2019			2018		
	Fair value		Notional amount	Fair value		Notional amount
	Assets Thousand Baht	Liabilities Tousand Baht		Assets Thousand Baht	Liabilities Tousand Baht	
Exchange rate	2,575,712	2,605,911	299,892,506	2,563,217	2,496,200	272,086,120
Interest rate	1,220,966	1,345,014	184,743,902	340,772	538,171	183,038,072
Equity price	274,437	38,659	8,813,875	325,155	347,643	10,111,442
Debt securities	42,598	44,990	4,615,638	26,526	33,077	4,630,355
Others	2,885	3,698	267,412	-	-	-
Total	4,116,598	4,038,272	498,333,333	3,255,670	3,415,091	469,865,989

Type of risk	Separate					
	2019			2018		
	Fair value		Notional amount	Fair value		Notional amount
	Assets Thousand Baht	Liabilities Tousand Baht		Assets Thousand Baht	Liabilities Tousand Baht	
Exchange rate	2,575,712	2,605,910	299,892,506	2,572,154	2,496,435	272,531,950
Interest rate	1,220,966	1,345,014	184,743,902	340,772	538,171	183,038,072
Equity price	210,349	11,577	4,612,984	161,987	87,455	4,782,134
Debt securities	42,598	44,990	4,615,639	26,526	33,077	4,630,355
Others	2,885	3,698	267,412	-	-	-
Total	4,052,510	4,011,189	494,132,443	3,101,439	3,155,138	464,982,511

As at 31 December 2019 and 2018, the proportion, determined based on the notional amount, of derivatives for trading transactions divided by type of counterparty are as follows;

	Consolidated	
	2019	2018
	%	%
Financial institutions	76.59	81.39
Third parties	23.41	18.61
Total	100.00	100.00

	Separate	
	2019	2018
	%	%
Financial institutions	77.22	82.20
Third parties	22.73	17.68
Subsidiaries	0.05	0.12
Total	100.00	100.00



8.2 Derivatives for hedging

Derivatives for hedging as at 31 December 2019 and 2018 are as follows;

Type Risk	Consolidated and Separate					
	2019			2018		
	Fair value		Notional amount	Fair value		Notional amount
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Exchange rate	181,940	-	4,302,632	60,188	23,238	4,384,386
Total	181,940	-	4,302,632	60,188	23,238	4,384,386

9 Investments in securities, net

9.1 Classification of investments in securities

As at 31 December 2019 and 2018, the Group classifies their investments in securities as follows:

	Consolidated		Separate	
	Fair value		Fair value	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Trading securities				
Government and state enterprise securities	3,714,651	1,435,172	3,714,651	1,435,172
Private sector's debt securities	1,468,027	426,877	1,468,027	426,877
Foreign debt securities	-	6,418	-	-
Domestic marketable equity securities	9,323,718	5,232,062	-	-
Foreign marketable equity securities	7,313	21,531	-	-
Total trading securities	14,513,709	7,122,060	5,182,678	1,862,049
Securities designated at fair value through profit or loss*				
Domestic marketable equity securities	2,589,165	2,691,213	2,589,165	2,691,213
Total securities designated at fair value through profit or loss	2,589,165	2,691,213	2,589,165	2,691,213
Available-for-sale securities				
Government and state enterprise securities	17,162,997	14,269,874	17,162,997	14,269,874
Private sector's debt securities	1,015,812	69,823	1,015,812	69,823
Domestic marketable equity securities	278,674	2,280,682	5,416	1,893,430
Foreign marketable equity securities	2,243,622	2,094,757	-	-
Total available-for-sale securities	20,701,105	18,715,136	18,184,225	16,233,127

* The Bank classifies investments which have specific intention to manage the risk in trading derivatives portfolio as investment designated at fair value through profit or loss (Fair Value Option) to help the Bank reduces the accounting mismatch on measurement or recognition between investments and trading derivatives transactions.



Held-to-maturity debt securities

Government and state enterprise securities

Total held-to-maturity debt securities

Consolidated		Separate	
Amortised cost		Amortised cost	
2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
1,220,624	1,226,988	1,001,666	1,002,599
1,220,624	1,226,988	1,001,666	1,002,599

General investments

Domestic non-marketable equity securities

Foreign non-marketable equity securities

Less Allowance for impairment

Total general investments

Total investments in securities, net

Consolidated		Separate	
Cost		Cost	
2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
30,604	53,524	19,012	32,793
149,340	-	-	-
(3,544)	(28,354)	(3,543)	(3,353)
176,400	25,170	15,469	29,440
39,201,003	29,780,567	26,973,203	21,818,428



9.2 Investments in securities with holdings of 10% upwards

As at 31 December 2019 and 2018, investments in securities in which the Bank hold 10% upwards of the paid-up capital in each entity, classified by industry are as follows;

Consolidated				
Business type	31 December 2019		31 December 2018	
	Investment amount at cost Baht	Holding %	Investment amount at cost Baht	Holding %

Other companies

ICHX TECH PTE. LTD.	Digital Asset Business	149,340,026	10.44	-	-
Rayongrungrung Co., Ltd.	Real Estate	-	-	14,949,792	24.99
BOT Lease (Thailand) Co., Ltd.	Leasing	3,085,200	10.00	3,085,200	10.00

Separate				
Business type	31 December 2019		31 December 2018	
	Investment amount at cost Baht	Holding %	Investment amount at cost Baht	Holding %

Other companies

Rayongrungrung Co., Ltd.	Real Estate	-	-	14,949,792	24.99
BOT Lease (Thailand) Co., Ltd.	Leasing	3,085,200	10.00	3,085,200	10.00

9.3 Recognition of transaction in profit or loss, or other comprehensive income for available for sales investments

Recognition of transaction in profit or loss or other comprehensive income for available for sales investments for the years ended 31 December 2019 and 2018 are as follow;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Changes in value of available for sale investments	186,149	(723,301)	448,502	202,016
Realised loss (gain) from sale of available for sale investments transferred to profit or loss	(576,269)	(389,879)	(631,637)	(323,466)
	(390,120)	(1,113,180)	(183,135)	(121,450)

10 Investments in subsidiaries, net

As at 31 December 2019 and 2018, the Bank has investments in subsidiaries as follows;

Separate								
2019								
	Business type	Securities investment type	Cost method				Holding %	Dividend received and profit sharing Thousand Baht
			Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht			
Phatra Capital PCL.	Holding Company	Ordinary shareholder	7,170,617	-	7,170,617	99.98	1,366,715	
Erawan Law Office Co., Ltd.	Law office**	Ordinary shareholder	-	-	-	-	-	
Asia Recovery 1 Fund	Investments*	Unit trust	192,037	(7,744)	184,293	99.95	-	
Asia Recovery 2 Fund	Investments*	Unit trust	359,849	-	359,849	99.59	-	
Asia Recovery 3 Fund	Investments*	Unit trust	579,822	-	579,822	99.97	-	
Thai Restructuring Fund	Investments*	Unit trust	166,200	-	166,200	98.91	-	
Bangkok Capital Fund	Investments*	Unit trust	1,801,113	(1,107,278)	693,835	95.72	95,718	
Gamma Capital Fund	Investments*	Unit trust	1,210,754	(268,961)	941,793	94.03	5,830	
KKP Tower Co., Ltd.	Real estate	Ordinary shareholder	206,398	-	206,398	91.34	-	
			11,686,790	(1,383,983)	10,302,807		1,468,263	

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

** Completed the liquidation process and registered the completion of liquidation with the Department of Business Development on 20 December 2019.





		Separate				
		2018				
Business type	Securities investment type	Cost method			Holding %	Dividend received and profit sharing Thousand Baht
		Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht		
Phatra Capital PCL.	Ordinary shareholder	7,170,617	-	7,170,617	99.98	841,055
Eravan Law Office Co., Ltd.	Ordinary shareholder	999	-	999	99.96	-
Asia Recovery 1 Fund	Unit trust	192,037	(6,417)	185,620	99.95	7,996
Asia Recovery 2 Fund	Unit trust	359,849	(42,380)	317,469	99.59	89,627
Asia Recovery 3 Fund	Unit trust	588,600	-	588,600	99.97	1,585
Thai Restructuring Fund	Unit trust	166,200	-	166,200	98.91	43,474
Bangkok Capital Fund	Unit trust	1,801,113	(1,106,672)	694,441	95.72	300,634
Gamma Capital Fund	Unit trust	1,219,914	(441,195)	778,719	94.03	237,050
KKP Tower Co., Ltd.	Ordinary shareholder	68,836	-	68,836	84.30	-
		11,568,165	(1,596,664)	9,971,501		1,521,421

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).



Acquisition of additional interest in a subsidiary

For the period ended 31 December 2019, the Company purchased 16.18 million ordinary shares of KKP Tower Co., Ltd. at price of Baht 8.50 per share for a total of Baht 137.56 million, the Company's shareholding in KKP Tower Co., Ltd. increased from 84.30% to 91.34%. The Company recorded the effects of the changes in its shareholding in KKP Tower Co., Ltd. amounting to Baht 92.68 million, under the heading of "Deficit from change in the ownership interest in subsidiaries" under shareholders' equity in the consolidated statements of financial position.

For the period ended 31 December 2018, the Company purchased 8.56 million ordinary shares of KKP Tower Co., Ltd. for a total of Baht 68.84 million, the Company's shareholding in KKP Tower Co., Ltd. increased from 80.58% to 84.30%. The Company recorded the effects of the changes in its shareholding in KKP Tower Co., Ltd. amounting to Baht 41.26 million, under the heading of "Deficit from change in the ownership interest in subsidiaries" under shareholders' equity in the consolidated statements of financial position.

The liquidation of the capital of the mutual funds

According to the Notifications of the Capital Market Supervisory Board No. Thor Nor. 21/2552 Thor Nor. 22/2552, and Thor Nor. 23/2552: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems, it specified that the maturity date of the scheme to be no later than 31 August 2015. Therefore, Asia Recovery Fund 1, Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund are required to be liquidated in accordance with these notifications. The remaining funds are in the process of liquidation.

During the year ended 31 December 2019, the Bank received capital distribution for liquidation from Asia Recovery Fund 3 and Gamma Capital Fund in the amount of Baht 17.94 million (31 December 2018: the Bank received capital distribution for liquidation from Asia Recovery Fund 2 in amount of Baht 89.63 million.).



11 Investments in receivables, net

As at 31 December 2019 and 2018, the details of investments in receivables auctioned from the Financial Restructuring Authority (“FRA”), the Legal Execution Department (“LED”) and other companies are as follows;

Purchase date	Consolidated and Separate			
	2019			
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	297	2,053,445	122,499	28,157
15 December 1999	106	377,770	4,314	5,108
Receivables purchased				
January 2009 - December 2019	3	110,687	51,080	12,592
Receivables auctioned from LED				
	933	11,174,336	628,212	317,462
	1,339	13,716,238	806,105	363,319
<u>Subsidiaries (Fund)</u>	2,103	47,980,268	737,204	1,256,130
Total	3,442	61,696,506	1,543,309	1,619,449

Purchase date	Consolidated and Separate			
	2018			
	Number of debtors	Outstanding balance per original and renewed agreements Thousand Baht	Cost Thousand Baht	Fair value Thousand Baht
<u>Kiatnakin Bank Public Company Limited</u>				
Receivables auctioned from FRA				
30 September 1999	300	2,096,886	152,253	63,274
15 December 1999	141	412,235	4,457	5,836
Receivables purchased				
January 2009 - December 2018	3	110,687	51,247	12,817
Receivables auctioned from LED				
	1,004	11,314,471	661,451	390,647
	1,448	13,934,279	869,408	472,574
<u>Subsidiaries (Fund)</u>	2,510	48,450,670	798,676	1,296,931
Total	3,958	62,384,949	1,668,084	1,769,505



12 Investment property, net

	Consolidated	
	2019 Thousand Baht	2018 Thousand Baht
Cost	26,629	26,629
<u>Less</u> Accumulated depreciation	(4,759)	(4,497)
Net book amount	21,870	22,132
Opening net book amount	22,132	148,233
Additions	-	5
Transferred-in (out)	-	(125,608)
Depreciation	(262)	(498)
Closing net book amount	21,870	22,132
Fair value	68,000	68,000

The Group's investment properties were revalued at 31 December 2018 by internal appraiser. The fair value of investment properties are based on Market Approach by surveying the comparative market data in the vicinity to perform a comparative analysis by means of data modification (Grid-Adjustment). The fair values are within level 3 of the fair value hierarchy.

Amounts recognised in profit or loss that are related to investment property are as follows

	Consolidated	
	2019 Thousand Baht	2018 Thousand Baht
Rental income	2,770	20,961
Direct operating expense arise from investment property that generated rental income	298	28,743



13 Loans to customers and accrued interest receivables, net

13.1 Classified by product

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
<u>Loans</u>				
Overdrafts	1,032,079	1,039,292	1,032,079	1,039,292
Loans	122,429,129	112,254,830	125,466,821	115,298,580
Bills	50,000	50,000	550,000	50,000
Hire-purchase receivables	135,135,970	136,076,620	135,135,970	136,076,620
Finance lease receivables	429,135	561,442	429,135	561,442
Total loans	259,076,313	249,982,184	262,614,005	253,025,934
<u>Less</u> Deferred revenue	(21,937,566)	(22,086,038)	(21,937,566)	(22,086,038)
Total loans net of deferred revenue	237,138,747	227,896,146	240,676,439	230,939,896
<u>Add</u> Accrued interest receivables	1,128,035	1,170,011	1,134,334	1,178,080
Total loans and accrued interest receivables net				
of deferred revenue	238,266,782	229,066,157	241,810,773	232,117,976
<u>Less</u> Allowance for doubtful accounts				
1. Minimum allowance per BOT guideline				
- Individual Approach	(2,598,307)	(2,167,695)	(2,623,684)	(2,188,133)
- Collective Approach	(3,579,215)	(3,591,049)	(3,579,215)	(3,591,049)
2. Surplus reserve	(4,411,414)	(5,000,599)	(4,411,414)	(5,000,599)
<u>Less</u> Allowance for troubled debt restructuring	(536)	(432)	(536)	(432)
Net loans to customers and accrued interest receivables	227,677,310	218,306,382	231,195,924	221,337,763

Deferred interest revenue of hire-purchase and finance lease contracts are stated net of commissions and direct expenses incurred at the initiation of the contracts.

13.2 Classified by currency and residence of customers

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Domestic				
Baht	229,248,209	219,711,315	232,785,901	222,755,065
US Dollar	3,114,026	3,463,929	3,114,026	3,463,929
Foreign				
Baht	2,017,039	2,017,039	2,017,039	2,017,039
US Dollar	2,759,473	2,703,863	2,759,473	2,703,863
Total loans	237,138,747	227,896,146	240,676,439	230,939,896



13.3 Classified by business type and loans classification

	Consolidated						Separate					
	31 December 2019						31 December 2019					
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Total Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	307,803	-	-	-	307,803	307,803	-	-	-	309,144	1,341	309,144
Manufacturing and commerce	18,820,881	313,700	127,234	195,186	20,334,693	18,820,881	313,700	127,234	195,186	20,334,693	877,692	20,334,693
Property development												
and construction	34,615,093	1,023,738	1,509,282	104,196	40,249,947	36,382,785	1,023,738	1,509,282	104,196	42,017,639	2,997,638	42,017,639
Public utilities and services	16,110,670	92,103	306,505	34,987	16,638,018	16,110,670	92,103	306,505	34,987	16,638,018	93,753	16,638,018
Housing loans	19,343,540	85,859	24,796	105,682	19,754,219	19,343,540	85,859	24,796	105,682	19,754,219	194,342	19,754,219
Hire-purchase loans	100,367,593	10,189,375	1,160,088	752,268	113,292,678	100,367,593	10,189,375	1,160,088	752,268	113,292,678	823,354	113,292,678
Leasing loans	296,703	17,268	-	50,702	390,484	296,703	17,268	-	50,702	390,484	25,811	390,484
Others	25,643,363	351,168	111,123	19,314	26,169,564	27,413,363	351,168	111,123	19,314	27,939,564	44,596	27,939,564
Total loans	215,505,646	12,073,211	3,239,028	1,262,335	237,138,747	219,043,338	12,073,211	3,239,028	1,262,335	240,676,439	5,058,527	240,676,439
Accrued interest receivables	913,542	214,493	-	-	1,128,035	919,842	214,492	-	-	1,134,334	-	1,134,334
Total	216,419,188	12,287,704	3,239,028	1,262,335	238,266,782	219,963,180	12,287,703	3,239,028	1,262,335	241,810,773	5,058,527	241,810,773



	Consolidated						Separate					
	31 December 2018						31 December 2018					
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	Total Thousand Baht
Agriculture and mining	259,645	1,341	-	-	-	260,986	259,645	1,341	-	-	-	260,986
Manufacturing and commerce	17,054,608	325,491	142,557	224,580	748,252	18,495,488	17,054,608	325,491	142,557	224,580	748,252	18,495,488
Property development												
and construction	32,060,181	924,488	2,507,392	182,108	2,432,784	38,106,953	33,333,931	924,488	2,507,392	182,108	2,432,784	39,380,703
Public utilities and services	15,188,838	357,683	22,803	29,399	60,623	15,659,346	15,188,838	357,683	22,803	29,399	60,623	15,659,346
Housing loans	16,566,808	73,123	43,352	61,736	154,080	16,899,099	16,566,808	73,123	43,352	61,736	154,080	16,899,099
Hire-purchase loans	101,379,639	10,208,380	1,077,382	879,931	530,894	114,076,226	101,379,639	10,208,380	1,077,382	879,931	530,894	114,076,226
Leasing loans	405,148	24,324	50,902	3,091	27,107	510,572	405,148	24,324	50,902	3,091	27,107	510,572
Others	23,382,082	280,941	181,022	19,722	23,709	23,887,476	25,152,082	280,941	181,022	19,722	23,709	25,657,476
Total loans	206,296,949	12,195,771	4,025,410	1,400,567	3,977,449	227,896,146	209,340,699	12,195,771	4,025,410	1,400,567	3,977,449	230,939,896
Accrued interest receivables	959,980	210,031	-	-	-	1,170,011	968,049	210,031	-	-	-	1,178,080
Total	207,256,929	12,405,802	4,025,410	1,400,567	3,977,449	229,066,157	210,308,748	12,405,802	4,025,410	1,400,567	3,977,449	232,117,976



13.4 Classification by loans classification

Loans classification	Consolidated			
	2019			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	115,518,305	36,861,020	1.00	368,599
Other hire-purchase receivables ⁽²⁾	6,571,569	4,597,386	1.00	45,975
Hire-purchase receivables	94,329,314	93,827,670	1.56	1,459,449
Special mention				
Loans ⁽¹⁾	1,917,624	478,902	2.00	9,556
Other hire-purchase receivables ⁽²⁾	175,963	161,426	2.00	3,228
Hire-purchase receivables	10,194,117	10,015,943	11.47	1,148,583
Substandard				
Loans	2,078,940	358,844	100.00	358,844
Other hire-purchase receivables ⁽²⁾	43,497	42,652	100.00	42,652
Hire-purchase receivables	1,116,591	1,116,591	36.90	411,975
Doubtful				
Loans	510,067	146,404	100.00	146,404
Other hire-purchase receivables ⁽²⁾	34,079	21,701	100.00	21,701
Hire-purchase receivables	718,189	718,189	37.02	265,909
Doubtful loss				
Loans	4,235,173	1,577,455	100.00	1,577,455
Other hire-purchase receivables ⁽²⁾	27,150	23,893	100.00	23,893
Hire-purchase receivables	796,204	796,204	36.84	293,299
Total loans and accrued interest receivables	238,266,782	150,744,280		6,177,522
Additional allowance for some doubtful accounts				511,414
General reserve				3,900,000
Total				10,588,936

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables - fleet, car 3x and motorbike



Loans classification	Consolidated			
	2018			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	105,341,277	37,253,802	1.00	372,538
Other hire-purchase receivables ⁽²⁾	6,093,001	3,778,206	1.00	37,782
Hire-purchase receivables	95,822,651	95,314,130	1.64	1,565,994
Special mention				
Loans ⁽¹⁾	2,019,667	396,496	2.00	7,922
Other hire-purchase receivables ⁽²⁾	56,059	48,675	2.00	974
Hire-purchase receivables	10,330,076	10,153,165	11.39	1,156,348
Substandard				
Loans	2,948,028	822,549	100.00	822,549
Other hire-purchase receivables ⁽²⁾	15,498	13,408	100.00	13,408
Hire-purchase receivables	1,061,884	1,061,884	35.60	378,073
Doubtful				
Loans	520,636	143,512	100.00	143,512
Other hire-purchase receivables ⁽²⁾	19,226	15,224	100.00	15,224
Hire-purchase receivables	860,705	860,705	35.80	308,090
Doubtful loss				
Loans	3,446,555	743,313	100.00	743,313
Other hire-purchase receivables ⁽²⁾	10,473	10,473	100.00	10,473
Hire-purchase receivables	520,421	520,423	35.08	182,544
Total loans and accrued interest receivables	229,066,157	151,135,965		5,758,744
Additional allowance for some doubtful accounts				500,599
General reserve				4,500,000
Total				10,759,343

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables - fleet, car 3x and motorbike



Loans classification	Separate			
	2019			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	119,062,297	39,398,712	1.00	393,976
Other hire-purchase receivables ⁽²⁾	6,571,569	4,597,386	1.00	45,975
Hire-purchase receivables	94,329,314	93,827,670	1.56	1,459,449
Special mention				
Loans ⁽¹⁾	1,917,623	478,902	2.00	9,556
Other hire-purchase receivables ⁽²⁾	175,963	161,426	2.00	3,228
Hire-purchase receivables	10,194,117	10,015,943	11.47	1,148,583
Substandard				
Loans	2,078,940	358,844	100.00	358,844
Other hire-purchase receivables ⁽²⁾	43,497	42,652	100.00	42,652
Hire-purchase receivables	1,116,591	1,116,591	36.90	411,975
Doubtful				
Loans	510,067	146,404	100.00	146,404
Other hire-purchase receivables ⁽²⁾	34,079	21,701	100.00	21,701
Hire-purchase receivables	718,189	718,189	37.02	265,909
Doubtful loss				
Loans	4,235,173	1,577,455	100.00	1,577,455
Other hire-purchase receivables ⁽²⁾	27,150	23,893	100.00	23,893
Hire-purchase receivables	796,204	796,204	36.84	293,299
Total loans and accrued interest receivables	241,810,773	153,281,972		6,202,899
Additional allowance for some doubtful accounts				511,414
General reserve				3,900,000
Total				10,614,313

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables - fleet, car 3x and motorbike



Loans classification	Separate			
	2018			
	Loans outstanding and interest receivables Thousand Baht	Net balance used for allowance Thousand Baht	Rate used for allowance %	Allowance for doubtful accounts Thousand Baht
Normal				
Loans ⁽¹⁾	108,393,096	39,297,552	1.00	392,976
Other hire-purchase receivables ⁽²⁾	6,093,001	3,778,206	1.00	37,782
Hire-purchase receivables	95,822,651	95,314,130	1.64	1,565,994
Special mention				
Loans ⁽¹⁾	2,019,667	396,496	2.00	7,922
Other hire-purchase receivables ⁽²⁾	56,059	48,675	2.00	974
Hire-purchase receivables	10,330,076	10,153,165	11.39	1,156,348
Substandard				
Loans	2,948,028	822,549	100.00	822,549
Other hire-purchase receivables ⁽²⁾	15,498	13,408	100.00	13,408
Hire-purchase receivables	1,061,884	1,061,884	35.60	378,073
Doubtful				
Loans	520,636	143,512	100.00	143,512
Other hire-purchase receivables ⁽²⁾	19,226	15,224	100.00	15,224
Hire-purchase receivables	860,705	860,705	35.80	308,090
Doubtful loss				
Loans	3,446,555	743,313	100.00	743,313
Other hire-purchase receivables ⁽²⁾	10,473	10,473	100.00	10,473
Hire-purchase receivables	520,421	520,421	35.08	182,544
Total loans and accrued interest receivables	232,117,976	153,179,713		5,779,182
Additional allowance for some doubtful accounts				500,599
General reserve				4,500,000
Total				10,779,781

⁽¹⁾ Allowance for doubtful accounts on troubled debt restructured receivables have been wholly presented in allowance for troubled debt restructuring.

⁽²⁾ Hire-purchase receivables - fleet, car 3x and motorbike



13.5 Non-performing loans

The Group has non-performing loans, defined according to the BOT's Notification as loan classified as substandard, doubtful, and doubtful loss, including interbank and money market items, but excluding accrued interest receivables, as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Non-performing loans (excluding accrued interest receivables)	9,559,890	9,403,426	9,559,890	9,403,426
Percentage of non-performing loans to total loans				
(including loans to financial institutions)	3.91	3.75	3.81	3.70
Non-performing loans net of allowance for				
doubtful accounts (excluding accrued interest receivables)	6,001,805	6,438,697	6,001,805	6,438,697
Percentage of non-performing loans net of				
allowance for doubtful accounts to total loans net of allowance for				
doubtful accounts (including loans to financial institutions)	2.49	2.60	2.43	2.57
Percentage of non-performing loans to the total of				
each type of loans				
- Loans	5.51	6.08	5.36	5.92
- Hire-purchase receivables	2.41	2.18	2.41	2.18

Loans and accrued interest receivables from which recognition of income based on accrual basis has been discontinued are as follows;

	Consolidated and Separate			
	2019		2018	
	Principal Thousand Baht	Interest receivables Thousand Baht	Principal Thousand Baht	Interest receivables Thousand Baht
Loans and bills receivables	6,824,180	-	6,915,219	-
Hire-purchase receivables	2,735,710	-	2,488,207	-
Total loans from which recognition				
of income has been discontinued	9,559,890	-	9,403,426	-



14 Hire-purchase and finance lease receivables

Receivables of the Group under hire-purchase and finance lease agreements and mostly comprise hire-purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements, interest is charged at a fixed rate as specified in agreements.

	Consolidated and Separate			
	2019			
	Amount due under lease agreements			
	Less than 1 year Thousand Baht	Within 1-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Gross investment in the agreements	2,678,043	95,124,117	37,762,945	135,565,105
<u>Less</u> Unearned income*				(21,881,943)
Present value of minimum lease payment				
per agreement				113,683,162
<u>Less</u> Allowance for doubtful accounts				(3,838,269)
Hire-purchase and finance lease receivables, net				109,844,893

	Consolidated and Separate			
	2018			
	Amount due under lease agreements			
	Less than 1 year Thousand Baht	Within 1-5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Gross investment in the agreements	3,498,622	92,419,428	40,720,012	136,638,062
<u>Less</u> Unearned income*				(22,051,264)
Present value of minimum lease payment				
per agreement				114,586,798
<u>Less</u> Allowance for doubtful accounts				(3,734,712)
Hire-purchase and finance lease receivables, net				110,852,086

* Net of commission and direct expenses incurred at the initiation of hire-purchase.



15 Allowance for doubtful accounts

	Consolidated						
	2019						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	2,121,319	1,173,294	1,312,089	470,680	1,181,961	4,500,000	10,759,343
<u>Add</u> Doubtful accounts (reversal)	(156,450)	(7,311)	(353,212)	(31,075)	3,945,254	(600,000)	2,797,206
<u>Less</u> Bad debt written-off	-	-	-	-	(2,967,613)	-	(2,967,613)
At end of year	1,964,869	1,165,983	958,877	439,605	2,159,602	3,900,000	10,588,936

	Consolidated						
	2018						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	1,900,663	1,190,279	841,571	511,207	1,629,946	4,500,000	10,573,666
<u>Add</u> Doubtful accounts (reversal)	220,656	(16,985)	470,518	(40,527)	1,851,647	-	2,485,309
<u>Less</u> Bad debt written-off	-	-	-	-	(2,299,632)	-	(2,299,632)
At end of year	2,121,319	1,173,294	1,312,089	470,680	1,181,961	4,500,000	10,759,343

	Separate						
	2019						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	2,141,757	1,173,294	1,312,089	470,680	1,181,961	4,500,000	10,779,781
<u>Add</u> Doubtful accounts (reversal)	(151,511)	(7,311)	(353,212)	(31,075)	3,945,254	(600,000)	2,802,145
<u>Less</u> Bad debt written-off	-	-	-	-	(2,967,613)	-	(2,967,613)
At end of year	1,990,246	1,165,983	958,877	439,605	2,159,602	3,900,000	10,614,313

	Separate						
	2018						
	Normal Thousand Baht	Special mention Thousand Baht	Substandard Thousand Baht	Doubtful Thousand Baht	Doubtful loss Thousand Baht	General reserve Thousand Baht	Total Thousand Baht
At beginning of year	1,919,363	1,190,279	841,571	511,207	1,629,946	4,500,000	10,592,366
<u>Add</u> Doubtful accounts (reversal)	222,394	(16,985)	470,518	(40,527)	1,851,647	-	2,487,047
<u>Less</u> Bad debt written-off	-	-	-	-	(2,299,632)	-	(2,299,632)
At end of year	2,141,757	1,173,294	1,312,089	470,680	1,181,961	4,500,000	10,779,781



16 Troubled debt restructuring

As at 31 December 2019, the Group has outstanding receivables which have been restructured as follows;

	Consolidated and Separate		
	Number of loans	Outstanding balance after restructuring Thousand Baht	Outstanding balance Thousand Baht
Restructured before 2019	71	1,339,595	173,154
Restructured during the year ended			
31 December 2019	3	161,468	940

Details of customers whose debts have been restructured compared with the total customers, both in the consolidated and separate financial statements are as follows;

	Consolidated and Separate			
	2019		2018	
	Number of loans	Outstanding balance after restructuring Thousand Baht	Number of loans	Outstanding balance after restructuring Thousand Baht
Restructured debts	3	161,468	3	11,683
Total customers	458,357	239,006,577	452,184	231,642,975

Details of the restructured debts for the years ended 31 December 2019 and 2018, classified into the restructuring methods are as follows;

Restructuring method	Consolidated and Separate					
	2019					
	Outstanding balance			Assets transferred		
	Number of loans	Before restructuring Thousand Baht	After restructuring as of 31 December Thousand Baht	Type of assets	Fair value of assets Thousand Baht	Loss from restructuring Thousand Baht
Debt restructuring in various forms	1	160,000	-	Land and building	143,466	16,534
Modifications of terms of receivables	2	1,468	940		-	328
Total	3	161,468	940		143,466	16,862



Restructuring method	Consolidated and Separate					
	2018					
	Outstanding balance			Assets transferred		
	Number of loans	Before restructuring	After restructuring	Type of assets	Fair value of assets	Loss from restructuring
		Thousand Baht	31 December Thousand Baht		Thousand Baht	Thousand Baht
Debt restructuring in various forms	1	8,060	240	Machine	1,000	615
Modifications of terms of receivables	2	3,623	-		-	1,223
Total	3	11,683	240		1,000	1,838

The debts restructured which have outstanding balance as of 31 December 2019 and 2018 can be classified by the terms of repayment under the restructuring agreements as follows;

Year of debts restructuring contracts	Consolidated and Separate					
	2019			2018		
	Debt balances			Debt balances		
	Number of debtors	Before restructuring	After restructuring	Number of debtors	Before restructuring	After restructuring
		Thousand Baht	Thousand Baht		Thousand Baht	Thousand Baht
0 - 1 month	-	-	-	-	-	-
More than 1 month - 3 months	-	-	-	-	-	-
More than 3 months - 6 months	-	-	-	-	-	-
More than 6 months - 12 months	-	-	-	-	-	-
More than 12 months	1	1,025	940	2	98,731	18,496
Total	1	1,025	940	2	98,731	18,496

Supplemental information relating to the restructured debts for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated and Separate	
	2019 Thousand Baht	2018 Thousand Baht
Loss on debt restructuring	16,862	1,838
Interest income	9,865	11,943



17 Allowance for troubled debt restructuring

	Consolidated and Separate	
	2019 Thousand Baht	2018 Thousand Baht
At beginning of year	432	2,294
<u>Add/(Less)</u> during year	104	(1,862)
At end of year	536	432

18 Properties foreclosed, net

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Properties foreclosed	5,716,169	5,731,534	6,849,221	7,210,590
<u>Less</u> Provision for diminution in value	(2,130,639)	(2,006,612)	(2,128,960)	(2,004,970)
Net properties foreclosed	3,585,530	3,724,922	4,720,261	5,205,620

The Group acquired properties foreclosed by transferring assets, auction and repossession for the debt settlement.

	Consolidated		
	2019		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	5,255,690	475,844	5,731,534
Additions	506,954	4,699,238	5,206,192
Disposals	(718,953)	(4,502,604)	(5,221,557)
At end of year	5,043,691	672,478	5,716,169
<u>Less</u> Provision for diminution in value	(2,072,916)	(57,723)	(2,130,639)
Net properties foreclosed	2,970,775	614,755	3,585,530



	Consolidated		
	2018		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	5,505,804	351,071	5,856,875
Additions	462,104	3,898,272	4,360,376
Disposals	(712,218)	(3,773,499)	(4,485,717)
At end of year	5,255,690	475,844	5,731,534
<u>Less</u> Provision for diminution in value	(1,927,131)	(79,481)	(2,006,612)
Net properties foreclosed	3,328,559	396,363	3,724,922

	Separate		
	2019		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	6,734,746	475,844	7,210,590
Additions	502,397	4,699,238	5,201,635
Disposals	(1,060,400)	(4,502,604)	(5,563,004)
At end of year	6,176,743	672,478	6,849,221
<u>Less</u> Provision for diminution in value	(2,071,237)	(57,723)	(2,128,960)
Net properties foreclosed	4,105,506	614,755	4,720,261

	Separate		
	2018		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	7,194,164	351,071	7,545,235
Additions	488,637	3,898,272	4,386,909
Disposals	(948,055)	(3,773,499)	(4,721,554)
At end of year	6,734,746	475,844	7,210,590
<u>Less</u> Provision for diminution in value	(1,925,489)	(79,481)	(2,004,970)
Net properties foreclosed	4,809,257	396,363	5,205,620



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Immovable properties foreclosed classified by external and internal appraisers as at 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Immovable properties foreclosed				
Appraised by external appraisers	4,975,780	5,229,230	6,108,832	6,708,286
Appraised by internal appraisers	67,911	26,460	67,911	26,460
Total	5,043,691	5,255,690	6,176,743	6,734,746

As of 31 December 2019, the Bank had repossessed cars which were still under the redemption option by gurarantor in amount of million 96.88 Baht.

19 Land, premises and equipment, net

	Consolidated								
	2019								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net Thousand Baht
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	557,370	-	-	557,370	-	-	-	-	557,370
Premises and building	2,838,985	454,223	(234,148)	3,059,060	(1,500,119)	(317,601)	233,932	(1,583,788)	1,475,272
Equipment	1,437,141	117,131	(106,749)	1,447,523	(1,002,659)	(158,026)	105,986	(1,054,699)	392,824
Furniture and fixtures	917,703	114,212	(130,656)	901,259	(658,258)	(97,613)	119,723	(636,148)	265,111
Vehicles	321,984	18,814	(25,032)	315,766	(187,512)	(44,053)	25,032	(206,533)	109,233
Work in progress	47,879	706,404	(515,850)	238,433	-	-	-	-	238,433
Total	6,121,062	1,410,784	(1,012,435)	6,519,411	(3,348,548)	(617,293)	484,673	(3,481,168)	3,038,243

	Consolidated								
	2018								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net Thousand Baht
	Beginning		Disposals/	Ending	Beginning		Disposals/	Ending	
	Balance	Additions	Transfers	Balance	Balance	Additions	Transfers	Balance	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand		
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Land	523,403	33,967	-	557,370	-	-	-	-	557,370
Premises and building	2,727,255	214,470	(102,740)	2,838,985	(1,305,361)	(285,968)	91,210	(1,500,119)	1,338,866
Equipment	1,475,232	201,108	(239,199)	1,437,141	(1,100,479)	(139,675)	237,495	(1,002,659)	434,482
Furniture and fixtures	946,665	78,066	(107,028)	917,703	(674,452)	(87,013)	103,207	(658,258)	259,445
Vehicles	331,572	67,310	(76,898)	321,984	(222,997)	(41,176)	76,661	(187,512)	134,472
Work in progress	43,327	109,643	(105,091)	47,879	-	-	-	-	47,879
Total	6,047,454	704,564	(630,956)	6,121,062	(3,303,289)	(553,832)	508,573	(3,348,548)	2,772,514



	Separate								
	2019								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net Thousand Baht
	Beginning		Disposals/	Ending	Beginning		Disposals/	Ending	
	Balance	Additions	Transfers	Balance	Balance	Additions	Transfers	Balance	
Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand		
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Land	94,968	-	-	94,968	-	-	-	-	94,968
Premises and building	125,971	-	-	125,971	(60,837)	(4,598)	-	(65,435)	60,536
Equipment	1,163,700	53,380	(75,368)	1,141,712	(808,136)	(115,058)	74,671	(848,523)	293,189
Furniture and fixtures	828,381	101,670	(127,777)	802,274	(582,700)	(90,210)	116,844	(556,066)	246,208
Vehicles	295,921	17,141	(25,032)	288,030	(167,566)	(41,455)	25,032	(183,989)	104,041
Work in progress	7,016	46,798	(29,006)	24,808	-	-	-	-	24,808
Total	2,515,957	218,989	(257,183)	2,477,763	(1,619,239)	(251,321)	216,547	(1,654,013)	823,750

	Separate								
	2018								
	Cost				Accumulated depreciation				Land, Premises and Equipment, net
	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Thousand Baht
Land	94,968	-	-	94,968	-	-	-	-	94,968
Premises and building	76,552	49,419	-	125,971	(56,379)	(4,458)	-	(60,837)	65,134
Equipment	1,224,898	138,408	(199,606)	1,163,700	(900,028)	(107,325)	199,217	(808,136)	355,564
Furniture and fixtures	861,912	73,366	(106,897)	828,381	(607,346)	(78,430)	103,076	(582,700)	245,681
Vehicles	306,774	66,045	(76,898)	295,921	(205,850)	(38,377)	76,661	(167,566)	128,355
Work in progress	35,773	70,643	(99,400)	7,016	-	-	-	-	7,016
Total	2,600,877	397,881	(482,801)	2,515,957	(1,769,603)	(228,590)	378,954	(1,619,239)	896,718

20 Other intangible assets, net and goodwill

20.1 Other intangible assets, net

	Consolidated								
	2019								
	Cost				Accumulated depreciation				Other Intangible Assets, net
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Software	2,041,197	201,854	(7,611)	2,235,440	(981,116)	(177,926)	7,611	(1,151,431)	1,084,009
License fee	6,688	-	-	6,688	(2,302)	(4,365)	-	(6,667)	21
Work in progress	53,422	207,915	(194,326)	67,011	-	-	-	-	67,011
Total	2,101,307	409,769	(201,937)	2,309,139	(983,418)	(182,291)	7,611	(1,158,098)	1,151,041



Consolidated									
2018									
Cost				Accumulated depreciation				Other	
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Intangible Assets, net Thousand Baht	
Software	1,509,264	532,467	(534)	2,041,197	(857,717)	(123,933)	534	(981,116)	1,060,081
License fee	500	6,188	-	6,688	(379)	(1,923)	-	(2,302)	4,386
Work in progress	144,093	271,287	(361,958)	53,422	-	-	-	-	53,422
Total	1,653,857	809,942	(362,492)	2,101,307	(858,096)	(125,856)	534	(983,418)	1,117,889

Separate									
2019									
Cost				Accumulated depreciation				Other	
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Intangible Assets, net Thousand Baht	
Software	1,763,155	159,706	-	1,922,861	(760,432)	(148,596)	-	(909,028)	1,013,833
Work in progress	48,356	185,629	(176,263)	57,722	-	-	-	-	57,722
Total	1,811,511	345,335	(176,263)	1,980,583	(760,432)	(148,596)	-	(909,028)	1,071,555

Separate									
2018									
Cost				Accumulated depreciation				Other	
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Intangible Assets, net Thousand Baht	
Software	1,257,069	506,086	-	1,763,155	(661,968)	(98,464)	-	(760,432)	1,002,723
Work in progress	139,261	256,654	(347,559)	48,356	-	-	-	-	48,356
Total	1,396,330	762,740	(347,559)	1,811,511	(661,968)	(98,464)	-	(760,432)	1,051,079

20.2 Goodwill

Consolidated				
2019				
Cost				
Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht	
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035



	Consolidated			
	2018			
	Cost			
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035

Goodwill arised from the Capital Market segment which was identified as the cash-generating unit (CGU).

The recoverable amount of this CGU is determined by the Dividend Discount Model. This calculation used the dividend received projection based on financial budgets covering a ten-year period which are referred from the past operating results together with the estimated growth rates of market and the subsidiaries which management believes that ten years period can reflect their business plan. Dividend beyond the ten-year extrapolation uses the estimated dividend growth rate of 4% (31 December 2018: 4%) and the discount rate of 12% per annum (31 December 2018: 12%).

The recoverable amount using this Dividend Discount Model is greater than the book value amount of Baht 434 million (31 December 2018: Baht 843 million). A reduction in dividend growth rate to 3.28% (31 December 2018: 2.67%) or a rise in discount rate to 12.39% (31 December 2018: 12.71%) would remove the remaining headroom.

21 Deferred income tax, net

Deferred tax assets and deferred tax liabilities as at 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Deferred tax assets	1,846,295	1,861,740	1,603,603	1,689,388
Deferred tax liabilities	(26,703)	(20,457)	-	-
Deferred income tax, net	1,819,592	1,841,283	1,603,603	1,689,388



Movements in deferred tax assets and deferred tax liabilities during the year were as follows:

	Consolidated			
	Balance as at 1 January 2019 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2019 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	904,192	(119,719)	-	784,473
Allowance for impairment of investments	430,452	(36,177)	-	394,275
Allowance for impairment of properties foreclosed	402,238	24,594	-	426,832
Provisions	153,070	(5,634)	18,545	165,981
Income received in advance	199,121	10,300	-	209,421
Non-accrued interest income	61,350	17,529	-	78,879
Depreciation of assets	18,920	26,607	-	45,527
Loss on remeasuring available-for-sale securities	90,305	1,377	41,397	133,079
Unrealised gain on remeasuring trading securities	-	3,535	-	3,535
Unrealised gain on remeasuring securities				
borrowing and lending	59,224	(57,469)	-	1,755
Unused tax losses	6,641	42,438	-	49,079
Unrealised loss on remeasuring derivatives	3,916	(3,916)	-	-
Others	5,018	615	-	5,633
Total	2,334,447	(95,920)	59,942	2,298,469
Deferred tax liabilities				
Premise appraisal surplus	20,457	(3,446)	-	17,011
Prepaid hire-purchase commission	273,045	16,166	-	289,211
Gain on remeasuring available-for-sale securities	100,294	-	(39,495)	60,799
Unrealised gain on remeasuring trading securities	28,224	(16,112)	-	12,112
Unrealised gain on remeasuring securities				
borrowing and lending	5,039	(5,039)	-	-
Unrealised gain on remeasuring derivatives	33,420	25,429	-	58,849
Others	32,685	8,210	-	40,895
Total	493,164	25,208	(39,495)	478,877
Deferred income tax, net	1,841,283	(121,128)	99,437	1,819,592



Consolidated				
	Balance as at 1 January 2018 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	Balance as at 31 December 2018 Thousand Baht
Deferred tax assets				
Allowance for doubtful accounts	904,322	(130)	-	904,192
Allowance for impairment of investments	393,662	36,790	-	430,452
Allowance for impairment of properties foreclosed	353,611	48,627	-	402,238
Provisions	238,854	(85,104)	(680)	153,070
Income received in advance	190,418	8,703	-	199,121
Non-accrued interest income	58,660	2,690	-	61,350
Depreciation of assets	32	18,888	-	18,920
Loss on remeasuring available-for-sale securities	-	13,389	76,916	90,305
Unrealised gain on remeasuring securities borrowing and lending	5,039	54,185	-	59,224
Unused tax losses	-	6,641	-	6,641
Unrealised loss on remeasuring derivatives	19,694	(15,778)	-	3,916
Others	9,469	(4,451)	-	5,018
Total	2,173,761	84,450	76,236	2,334,447
Deferred tax liabilities				
Premise appraisal surplus	23,903	(3,446)	-	20,457
Prepaid hire-purchase commission	245,521	27,524	-	273,045
Gain on remeasuring available-for-sale securities	241,011	-	(140,717)	100,294
Unrealised gain on remeasuring trading securities	73,119	(44,895)	-	28,224
Unrealised gain on remeasuring securities borrowing and lending	2,509	2,530	-	5,039
Unrealised gain on remeasuring derivatives	19,798	13,622	-	33,420
Others	24,598	8,087	-	32,685
Total	630,459	3,422	(140,717)	493,164
Deferred income tax, net	1,543,302	81,028	216,953	1,841,283



	Separate			Balance as at 31 December 2019 Thousand Baht
	Balance as at 1 January 2019 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	
Deferred tax assets				
Allowance for doubtful accounts	904,192	(119,719)	-	784,473
Allowance for impairment of investments	428,985	(36,177)	-	392,808
Allowance for impairment of properties foreclosed	400,994	24,798	-	425,792
Provisions	109,166	(11,139)	12,551	110,578
Income received in advance	196,520	10,439	-	206,959
Non-accrued interest income	61,351	17,529	-	78,880
Unrealised gain on remeasuring trading securities	-	3,535	-	3,535
Unrealised gain on remeasuring derivatives	3,916	(3,916)	-	-
Others	3,206	808	-	4,014
Total	2,108,330	(113,842)	12,551	2,007,039
Deferred tax liabilities				
Prepaid hire-purchase commission	273,044	16,166	-	289,210
Gain on remeasuring available-for-sale securities	100,294	-	(39,496)	60,798
Unrealised gain on remeasuring trading securities	13,622	(13,622)	-	-
Unrealised gain on remeasuring derivatives	-	13,182	-	13,182
Others	31,982	8,264	-	40,246
Total	418,942	23,990	(39,496)	403,436
Deferred income tax, net	1,689,388	(137,832)	52,047	1,603,603



	Separate			Balance as at 31 December 2018 Thousand Baht
	Balance as at 1 January 2018 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive income Thousand Baht	
Deferred tax assets				
Allowance for doubtful accounts	904,322	(130)	-	904,192
Allowance for impairment of investments	392,196	36,789	-	428,985
Allowance for impairment of properties foreclosed	352,164	48,830	-	400,994
Provisions	204,983	(95,405)	(412)	109,166
Income received in advance	187,678	8,842	-	196,520
Non-accrued interest income	58,660	2,691	-	61,351
Unrealised gain on remeasuring derivatives	-	3,916	-	3,916
Others	7,464	(4,258)	-	3,206
Total	2,107,467	1,275	(412)	2,108,330
Deferred tax liabilities				
Prepaid hire-purchase commission	245,521	27,523	-	273,044
Gain on remeasuring available-for-sale securities	119,935	-	(19,641)	100,294
Unrealised gain on remeasuring trading securities	17,146	(3,524)	-	13,622
Unrealised gain on remeasuring derivatives	3,550	(3,550)	-	-
Others	23,824	8,158	-	31,982
Total	409,976	28,607	(19,641)	418,942
Deferred income tax, net	1,697,491	(27,332)	19,229	1,689,388

Accordingly the Group used a tax rate of 20% for calculation of deferred income tax for the years ended 31 December 2019 and 2018.



22 Other assets, net

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Interest and dividend income receivables	85,062	96,218	53,413	64,070
Other income receivables	327,821	204,261	184,820	76,149
Prepaid expenses and deferred expenses	320,300	245,500	286,997	216,241
Prepaid output tax for hire-purchase receivables*	70,993	74,172	70,993	74,172
Other receivables, net*	1,430,853	1,589,694	1,362,618	1,836,138
Receivables from trading securities	1,051,192	216,131	1,052,207	221,121
Refundable deposit	96,577	86,634	130,028	121,518
Withholding income tax	18,492	12,584	-	-
Input VAT - pending tax invoice	328,675	245,080	285,649	227,689
Prepayment for leasehold right	42,867	45,140	55,173	58,143
Others*	643,344	616,769	60,866	55,843
Total other assets	4,416,176	3,432,183	3,542,764	2,951,084

* As at 31 December 2019 these transactions are shown net of total doubtful accounts of Baht 21.61 million in the consolidated and the separate financial statements (31 December 2018: Baht 18.30 million).

23 Deposits

23.1 Classified by type of deposit

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Current accounts	535,015	352,967	987,206	750,329
Savings accounts	64,093,362	69,345,929	64,128,915	69,460,607
Term deposits	107,049,290	111,396,122	107,049,290	111,396,122
NCD	495,892	598,803	495,892	598,803
Total	172,173,559	181,693,821	172,661,303	182,205,861



23.2 Classified by currency and residence of depositors

	Consolidated					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	171,228,923	944,636	172,173,559	180,663,870	1,029,951	181,693,821
Total	171,228,923	944,636	172,173,559	180,663,870	1,029,951	181,693,821

	Separate					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	171,716,667	944,636	172,661,303	181,175,910	1,029,951	181,693,821
Total	171,716,667	944,636	172,661,303	181,175,910	1,029,951	181,693,821

24 Interbank and money market items, net (liabilities)

	Consolidated					
	2019			2018		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
Bank of Thailand and Financial Institution Development Fund	-	-	-	-	200,000	200,000
Commercial banks	358,193	6,353,080	6,711,273	-	4,048,996	4,048,996
Specific Financial Institution	-	5,441,958	5,441,958	-	5,314,589	5,314,589
Other financial institutions	3,655,180	23,000	3,678,180	1,412,308	558,232	1,970,540
	4,013,373	11,818,038	15,831,411	1,412,308	10,121,817	11,534,125
Foreign						
USD	-	1,507,700	1,507,700	-	1,622,490	1,622,490
Total	4,013,373	13,325,738	17,339,111	1,412,308	11,744,307	13,156,615



	Separate					
	2019			2018		
	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht	On demand Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic						
Bank of Thailand and Financial						
Institution Development Fund	-	-	-	-	200,000	200,000
Commercial banks	-	6,353,080	6,353,080	-	4,048,996	4,048,996
Specific Financial Institution	-	5,441,958	5,441,958	-	5,314,589	5,314,589
Other financial institutions	3,963,785	23,000	3,986,785	1,594,377	558,232	2,152,609
	3,963,785	11,818,038	15,781,823	1,594,377	10,121,817	11,716,194
Foreign						
USD	-	1,507,700	1,507,700	-	1,622,490	1,622,490
Total	3,963,785	13,325,738	17,289,523	1,594,377	11,744,307	13,338,684

25 Financial liabilities designated at fair value through profit or loss

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Structured debentures	3,498,702	1,193,144	-	-
Total	3,498,702	1,193,144	-	-

Proportion of transactions being classified by type of counterparties

	Consolidated		Separate	
	2019 %	2018 %	2019 %	2018 %
Third parties	100	100	-	-
Total	100	100	-	-



26 Debt issued and borrowings

	Currency	Interest rate %	Maturity	Consolidated	
				2019 Thousand Baht	2018 Thousand Baht
Senior securities	THB	1.35 - 1.99	2020 - 2021	42,209,919	35,255,000
Subordinated bond	THB	3.50 - 5.10	2025 - 2028	8,290,000	8,290,000
Structured debentures not designated at fair value	THB	0.75 - 2.20 and linked to equity, fund or, set index price	2020 - 2021	4,915,514	4,967,971
Bills of exchange	THB	-	-	-	495,088
Total				55,415,433	49,008,059

	Currency	Interest rate %	Maturity	Separate	
				2019 Thousand Baht	2018 Thousand Baht
Senior securities	THB	1.35 - 1.99	2020 - 2021	42,209,919	35,255,000
Subordinated bond	THB	3.50 - 5.10	2025 - 2028	8,290,000	8,290,000
Structured debentures not designated at fair value	THB	1.76 - 2.20 and linked to equity, fund or, set index price	2020 - 2021	2,735,405	3,103,301
Bills of exchange	THB	-	-	-	495,088
Total				53,235,324	47,143,389

27 Provisions

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Post-employment benefits obligation	801,022	637,293	513,709	407,479
Others	43,015	142,291	43,015	142,291
Total	844,037	779,584	556,724	549,770



Post-employment benefits obligation

The Group has post-employment benefits plan under the Thai Labor Protection Act, which is considered as unfunded defined benefit plans.

Movements in the present value of the defined benefit obligation for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Beginning defined benefit obligation	637,293	525,065	407,479	346,099
<u>Recognised within Statement of Profit or Loss:</u>				
Current service cost	82,207	69,837	59,780	51,155
Interest cost	16,228	10,452	10,331	6,613
Previous service cost	(17,987)	64,564	(17,987)	25,130
<u>Recognised within Other comprehensive income:</u>				
Remeasurements:				
Loss from change in demographic assumptions	(768)	-	-	-
Loss (gain) from change in financial assumptions	78,680	(3,397)	53,466	(2,041)
Experience (gain) loss	14,817	-	9,288	(19)
<u>Other:</u>				
Defined benefit obligation transferred from subsidiary company	-	-	-	(336)
Benefits paid	(9,448)	(29,228)	(8,648)	(19,122)
Ending defined benefit obligation	801,022	637,293	513,709	407,479

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at 31 December 2019 and 2018 are as follows;

	2019	2018
Financial assumptions		
Discount rate	1.31% - 2.46%	1.76% - 4.15%
Expected rate of salary increase	3.0% - 8.0%	3.0% - 8.0%
Turnover rate	0.0% - 25.0%	0.0% - 25.0%
Retirement age	55 years and 60 years	55 years and 60 years



Sensitivity analysis on key assumption changes are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Discount rate -1.0%	890,573	688,923	574,152	442,103
Discount rate (base)	801,022	637,293	513,709	407,479
Discount rate +1.0%	724,491	592,511	462,120	377,504
Expected rate of salary increase -1.0%	725,775	588,308	462,902	374,804
Expected rate of salary increase (base)	801,022	637,293	513,709	407,479
Expected rate of salary increase +1.0%	887,016	692,876	571,857	444,645
Turnover rate -20.0%	862,919	676,783	560,197	437,274
Turnover rate (base)	801,022	637,293	513,709	407,479
Turnover rate +20.0%	750,546	605,030	476,289	383,542

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Maturity profile of defined benefit obligation

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Maturity duration of the post-employment benefits (Years)	12 - 16	11 - 15	16	15
Maturity analysis of benefits expected to be paid				
Benefits expected to be paid within 12 months	27,730	28,261	7,787	22,102
Benefits expected to be paid between 1 and 2 years	20,241	28,308	5,440	6,993
Benefits expected to be paid between 2 and 5 years	164,128	115,442	102,794	70,381
Benefits expected to be paid in more than 5 years	2,567,827	2,127,011	1,819,880	1,478,500



Other provisions

On 29 June 2015, the Bank was sued by a company for damages resulting from a counterfeit letter of guarantee. On 28 June 2016, the Civil court ruled that the Bank should pay the plaintiff damages amounting to Baht 99,247,704 plus interest of 7.5% per annum, not exceeding Baht 693,374. Subsequently, the Bank has added a provision into financial statements equal to the amount ruled by the court. On 31 August 2018, the Appeal court dismissed the petition of the Bank. During December 2019, the Bank had already paid cash for such damages according to the judgement of the Supreme Court.

28 Other accounts payable

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Margin payables	492,229	508,469	492,229	508,469
Insurance premium payables	234,974	315,734	234,974	315,734
Dealer payables	776,454	661,336	776,454	661,336
Other refund payables to customers	10,054	10,340	10,054	10,340
Securities payables	1,054,053	160,543	1,054,053	160,543
Others	574,179	575,957	434,760	410,609
Total	3,141,943	2,232,379	3,002,524	2,067,031

29 Other liabilities

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Accrued bonus	1,558,260	1,570,026	865,000	887,733
Accrued expenses	1,080,360	888,197	1,049,477	922,246
Front-end fees	264,720	252,905	276,161	264,821
Other income received in advance	1,534,358	1,669,452	1,615,467	1,752,437
Deposits	161,348	294,798	160,446	291,893
Value added tax payable	174,117	153,451	152,821	141,643
Others	262,718	168,946	226,654	130,517
Total other liabilities	5,035,881	4,997,775	4,346,026	4,391,290

30 Legal reserve

Under the Public Companies Act, the Bank which is the public company is required to set aside as legal reserve at least 5% of its net profit, net of accumulated deficit brought forward (if any), until the reserve is not less than 10% of the registered capital.



31 Capital fund

As a result of BASEL II improvement, on 8 November 2012, the Bank of Thailand issued the new supervisory guideline on capital fund for the commercial bank to comply with global regulatory framework (BASEL III) of Basel Committee on Banking Supervision (BCBS) which is effective by phases commencing on 1 January 2013 up to 1 January 2019.

The minimum capital requirement, the Bank of Thailand as follow;

Capital funds	Minimum required by BOT (%)
Common equity tier 1 capital to risk-weighted assets	4.50
Tier 1 capital to risk-weighted assets	6.00
Capital funds to risk-weighted assets	8.50

The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Bank.

The Group maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at 31 December 2019 and 2018, the Group total capital funds can be categorised as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Tier 1 capital				
Issued and paid-up capital	8,467,511	8,467,511	8,467,511	8,467,511
Share premium	9,356,233	9,356,233	9,356,233	9,356,233
Legal reserve	852,337	852,337	852,337	852,337
General reserve	380	380	380	380
Retained earnings after appropriation	24,245,896	22,474,128	20,494,200	18,408,954
Other reserve and other provisions	(488,814)	(84,079)	136,236	282,744
Capital deduction items on CET1	(6,057,029)	(6,055,443)	(5,830,561)	(5,897,714)
Total tier 1 capital	36,376,514	35,011,067	33,476,336	31,470,445
Tier 2 capital				
Subordinated debt	8,290,000	8,290,000	8,290,000	8,290,000
Allowance for classified assets of "normal" category	1,308,278	1,283,569	1,362,655	1,304,006
Total tier 2 capital	9,598,278	9,573,569	9,652,655	9,594,006
Total capital fund	45,974,792	44,584,636	43,128,991	41,064,451



As at 31 December 2019 and 2018, capital adequacy ratios and leverage ratios maintained by the Bank in accordance with the Notification of the BOT are as follows;

	Capital funds			
	Consolidated		Separate	
	2019 (%)	2018 (%)	2019 (%)	2018 (%)
Common equity tier 1 capital to risk-weighted assets	13.61	13.56	12.88	12.49
Tier 1 capital to risk-weighted assets	13.61	13.56	12.88	12.49
Capital funds to risk-weighted assets	17.20	17.26	16.60	16.29

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Capital funds less capital add-ons				
Capital funds to risk-weighted assets	45,974,792	44,584,636	43,128,991	41,064,451
Rate of capital funds to risk-weighted assets	17.20	17.26	16.60	16.29

Disclosure of Capital Maintenance information under the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance for Commercial Banks

Location of disclosure : http://www.kiatnakinphatra.com/ir/disclosure_basel?lang=en
Date of disclosure : Within April 2020
Information as at : 31 December 2019

Moreover, the Group has disclosed information related to Liquidity Coverage Ratio as at 31 December 2018 under the Notification of Bank of Thailand, no. Sor Nor Sor 2/2561, as the above location and date of disclosure.

32 Dividend paid

On 23 April 2019, the Annual General Meeting of the Bank's shareholders for the year 2019 approved the resolution regarding the payment of dividend for the year 2018 at the rate of Baht 5.00 per ordinary share, a part of which had been paid as dividend at the rate of Baht 2.00 per share on 21 September 2018, amounting to Baht 1,693,474,218 and the remaining amount will be paid on 21 May 2019 at the rate of Baht 3.00 per share, amounting to Baht 2,540,220,627.



On 22 August 2019, the Board of directors Meeting of the Bank No. 8/2562 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 1.50 per ordinary share. The dividend was paid on 20 September 2019 amounting to Baht 1,270,095,763.

On 24 April 2018, the Annual General Meeting of the Bank's shareholders for the year 2018 approved the resolution regarding the payment of dividend for the year 2017 at the rate of Baht 5.00 per ordinary share, a part of which had been paid as dividend at the rate of Baht 2.00 per share on 22 September 2017, amounting to Baht 1,693,416,618 and the remaining amount will be paid on 21 May 2018 at the rate of Baht 3.00 per share, amounting to Baht 2,540,208,627.

On 23 August 2018, the Board of directors Meeting of the Bank No. 9/2561 approved the resolution regarding the payment of interim dividend from six-month period operating performance at the rate of Baht 2.00 per ordinary share. The dividend was paid on 21 September 2018 amounting to Baht 1,693,474,218.

33 Other components of equity

Other components of equity for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated				
	Attributable to owners of the components of the				
	Components of equity parent				
	Revaluation surplus (deficit) on investments in receivables Thousand Baht	Revaluation surplus (deficit) available-for-sale securities Thousand Baht	Deferred tax relating to components other comprehensive income Thousand Baht	Translating financial statements Thousand Baht	Deficit from change in the ownership interest in subsidiaries Thousand Baht
Opening balances as at 1 January 2018	718,478	1,083,000	(235,654)	(9,803)	(24,403)
Total comprehensive income (expenses)	(23,256)	(1,112,962)	217,590	(2,849)	-
Net decrease in non-controlling interest from change in investment in subsidiary	-	-	-	-	(41,259)
Closing balances as at 31 December 2018	695,222	(29,962)	(18,064)	(12,652)	(65,662)
Opening balances as at 1 January 2019	695,222	(29,962)	(18,064)	(12,652)	(65,662)
Total comprehensive income (expenses)	6,934	(390,075)	80,884	12,652	-
Net decrease in non-controlling interest from change in investment in subsidiary	-	-	-	-	(92,675)
Closing balances as at 31 December 2019	702,156	(420,037)	62,820	-	(158,337)



	Separate		
	Other components of equity		
	Revaluation surplus (deficit) on investments in receivables Thousand Baht	Revaluation surplus (deficit) available-for-sale securities Thousand Baht	Deferred tax relating to components of other comprehensive income (expense) Thousand Baht
Opening balances as at 1 January 2018	124,797	474,880	(119,935)
Total comprehensive income (expenses)	23,244	(121,450)	19,641
Closing balances as at 31 December 2018	148,041	353,430	(100,294)
Opening balances as at 1 January 2019	148,041	353,430	(100,294)
Total comprehensive income (expenses)	(14,344)	(183,135)	39,496
Closing balances as at 31 December 2019	133,697	170,295	(60,798)

34 Assets with obligations and restrictions

As at 31 December 2019, the Group and the Bank have investments in government securities which are pledged as collaterals for repurchase agreement with fair value of Baht 1,549.80 million (31 December 2018: Baht 1,551.69 million).

35 Commitments and contingent liabilities

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Aval to bills of exchange	1,933,090	1,904,633	1,933,090	1,904,633
Other contingencies				
- Unused overdraft credit facilities	7,843,509	6,066,846	9,073,509	6,796,846
- Other guarantee	9,341,578	7,257,354	9,341,578	7,257,354
Total	19,118,177	15,228,833	20,348,177	15,958,833

As at 31 December 2019, the Group has other commitments in the form of various agreements relating to computer system and software development and construction agreement of the office building . The Group is obligated to pay a further Baht 947.21 million (31 December 2018: Baht 1,540.87 million).



36 Earnings per share

Earnings per share in the consolidated and the separate financial statements for years ended 31 December 2019 and 2018 are calculated as follows;

Consolidated					
For the year ended 31 December					
Profit for the years		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018
Thousand	Thousand	Thousand	Thousand		
Baht	Baht	Shares	Shares	Baht	Baht

Basic earnings per share

Net profit available to ordinary shareholders	5,988,444	6,041,983	846,751	846,751	7.07	7.14
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Separate					
For the year ended 31 December					
Profit for the years		Weighted average number of ordinary shares		Earnings per share	
2019	2018	2019	2018	2019	2018
Thousand	Thousand	Thousand	Thousand		
Baht	Baht	Shares	Shares	Baht	Baht

Basic earnings per share

Net profit available to ordinary shareholders	6,156,789	5,574,339	846,751	846,751	7.27	6.58
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There are no dilutive ordinary shares in issue for the years ended 31 December 2019 and 2018.



37 Information on quality of assets

The quality of assets classified in accordance with the guidelines of the Securities Exchange Commission as at 31 December 2019 and 2018 are as follows;

37.1 Investments in securities

The Bank has investments in debt instruments in companies which were ordered to discontinue their operations and defaulted their debts as at 31 December 2019 and 2018 as follows;

Consolidated and Separate					
2019					
	Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht
Company which has defaulted on interest payment	Senior securities	1	0.04	-	0.04
Listed company being subject to delisting	Common stocks	2	5.42	5.42	-
		3	5.46	5.42	0.04

Consolidated and Separate					
2018					
	Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht
Company which has defaulted on interest payment	Senior securities	1	0.04	-	0.04
Listed company being subject to delisting	Common stocks	2	5.42	5.42	-
		3	5.46	5.42	0.04

The Group had recognised impairment loss on such debt instruments in profit or loss in the year when incurred.



37.2 Loans and accrued interest receivables

The Group had given loans and accrued interest receivables to companies which faced the financial operational difficulties and provided related allowance for doubtful accounts in the consolidated and the separate financial statements as follows;

Consolidated and Separate				
2019				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht
Companies which are under default problem	220	5,273,609	8,512,011	1,881,294
	220	5,273,609	8,512,011	1,881,294

Consolidated and Separate				
2018				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for doubtful accounts Thousand Baht
Companies which are under default problem	161	5,543,303	10,064,705	1,499,275
	161	5,543,303	10,064,705	1,499,275



38 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

According to the BOT's Notification Sor Nor Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated on 18 June 2010, 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;

The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank enters into the transactions with general customers with the same risk.

The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

To manage the operation and consolidated supervision, the Board of Directors assigned the Risk Management Committee to take the policy into action, control and monitor business and supporting unit to conform with the Financial Business Group Policy. Moreover, the Board of Directors shall be informed of the significant risk of the Financial Business Group on a regularly basis.

Furthermore, the Risk Management Committee of each company in the Financial Business Group is responsible to perform the risk assessment according to its policy, and report the results to the Bank's Risk Management Committee on a regularly basis. In case there is any significant change or any circumstance that will impact the current business operation, the Risk Management Committee shall report such matters immediately.



38.1 Income

The following transactions were carried out with related parties for the years ended 31 December 2019 and 2018

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Interest, dividend income and profit sharing				
Subsidiaries				
Phatra Capital PCL.	-	-	1,455	947
Phatra Securities PCL.	-	-	6	49
KKP Tower Co., Ltd.	-	-	70	48
Asia Recovery 1 Fund	-	-	-	8
Asia Recovery 2 Fund	-	-	-	90
Asia Recovery 3 Fund	-	-	-	2
Thai Restructuring Fund	-	-	-	43
Bangkok Capital Fund	-	-	96	301
Gamma Capital Fund	-	-	6	237
	-	-	1,633	1,725
Fees and services income				
Subsidiaries				
Phatra Capital PCL.	-	-	20	19
Phatra Securities PCL.	-	-	89	56
Phatra Asset Management Co., Ltd.	-	-	33	24
Asia Recovery 2 Fund	-	-	1	1
Asia Recovery 3 Fund	-	-	2	2
Thai Restructuring Fund	-	-	5	5
Bangkok Capital Fund	-	-	5	5
Gamma Capital Fund	-	-	6	6
Directors and management at the position of department head and above including their related persons who have control or significant influences	14	13	-	-
	14	13	161	118



Consolidated		Separate	
2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Other operating income			
Subsidiaries			
Phatra Securities PCL.	-	(18)	(3)
Bangkok Capital Fund	-	(1)	4
Gamma Capital Fund	-	(1)	1
-	-	(20)	2

38.2 Expenses

Consolidated		Separate	
2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Interest and discounts on borrowings			
Subsidiaries			
Phatra Securities PCL.	-	7	6
KKP Tower Co., Ltd.	-	1	1
Directors and management at the position of department head and above including their related persons who have control or significant influences			
33	30	33	30
33	30	41	37

Other service expenses

Subsidiaries

Phatra Capital PCL.	-	-	210	183
Phatra Securities PCL.	-	-	121	89
KKP Tower Co., Ltd.	-	-	196	191
Other related parties	102	104	102	104
	102	104	629	567



38.3 Outstanding balances

The outstanding balance of significant related party transactions as at 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Loans to financial institutions/ Loans				
Subsidiaries				
Phatra Capital PCL.	-	-	1,770	1,770
Phatra Securities PCL.	-	-	2,900	-
KKP Tower Co., Ltd.	-	-	1,768	1,274
<u>Less</u> Allowance of doubtful accounts	-	-	(54)	(20)
Directors and management at the position of department head and above including their related persons who have control or significant influences	9	3	9	3
	9	3	6,393	3,027
Accrued interest receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	6	7
KKP Tower Co., Ltd.	-	-	-	1
	-	-	6	8
Other accounts receivables				
Subsidiaries				
Phatra Capital PCL.	-	-	4	6
Phatra Securities PCL.	-	-	56	57
Phatra Asset Management Co., Ltd.	-	-	5	9
Asia Recovery 1 Fund	-	-	-	8
Asia Recovery 2 Fund	-	-	-	90
Bangkok Capital Fund	-	-	-	168
	-	-	65	338
Derivative assets				
Subsidiaries				
Phatra Securities Co., Ltd.	-	-	4	22
	-	-	4	22
Other assets				
Subsidiaries				
KKP Tower Co., Ltd.	-	-	50	52
Other related parties	1	1	1	1
	1	1	51	53



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	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Deposits				
Subsidiaries				
Phatra Capital PCL.	-	-	73	31
Phatra Securities PCL.	-	-	316	167
Phatra Asset Management Co., Ltd.	-	-	5	16
Erawan Law Office Co., Ltd.	-	-	-	6
Bangkok Capital Fund	-	-	40	201
Gamma Capital Fund	-	-	340	166
KKP Tower Co., Ltd.	-	-	34	108
Directors and management at the position of department head and above including their related persons who have control or significant influences	932	765	932	765
	932	765	1,740	1,460
Borrowings				
Directors and management at the position of department head and above including their related persons who have control or significant influences and other related party	533	538	533	538
	533	538	533	538
Accrued interest expenses				
Directors and management at the position of department head and above including their related persons who have control or significant influences and other related party	3	3	3	3
	3	3	3	3
Other liabilities				
Subsidiaries				
Phatra Capital PCL.	-	-	145	130
Phatra Securities PCL.	-	-	70	58
KKP Tower Co., Ltd.	-	-	7	8
Other related parties	4	5	4	5
	4	5	226	201



39 Benefits paid to directors and executives

The Bank has no special benefits given to the directors and executives beyond the general benefits provided such as directors' remuneration, executives' salary and bonus (if any).

For the years ended 31 December 2019 and 2018, compensations paid to key management personnel are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Short-term employee benefits	377,625	378,073	234,762	231,671
Post-employment benefits	7,689	8,479	5,392	6,386
Total	385,314	386,552	240,154	238,057

40 Operating lease commitments

As at 31 December 2019 and 2018, the Group has operating lease commitments in respect of vehicles, office space, computer software and maintenance, and office equipment expenses from the statements of financial position dates as follows;

	Consolidated			
	2019			
	Vehicle rental expenses Thousand Baht	Office rental expenses Thousand Baht	Computer software and office equipment expenses Thousand Baht	Total Thousand Baht
Within the first year	1,212	184,667	23,969	209,848
Within the second year	1,052	127,582	11,453	140,087
Over three years	-	150,662	-	150,662
Total	2,264	462,911	35,422	500,597

	Consolidated			
	2018			
	Vehicle rental expenses Thousand Baht	Office rental expenses Thousand Baht	Computer software and office equipment expenses Thousand Baht	Total Thousand Baht
Within the first year	1,212	168,102	25,547	194,861
Within the second year	1,212	88,467	20,350	110,029
Over three years	1,052	144,667	11,348	157,067
Total	3,476	401,236	57,245	461,957



	Separate		
	2019		
	Office rental expenses Thousand Baht	Computer software expenses Thousand Baht	Total Thousand Baht
Within the first year	325,211	-	325,211
Within the second year	209,063	-	209,063
Over three years	150,662	-	150,662
Total	684,936	-	684,936

	Separate		
	2018		
	Office rental expenses Thousand Baht	Computer software expenses Thousand Baht	Total Thousand Baht
Within the first year	310,216	-	310,216
Within the second year	229,489	-	229,489
Over three years	226,181	-	226,181
Total	765,886	-	765,886

41 Operating segments

The Group discloses operating segments information in accordance with the Thai Financial Reporting Standard No. 8 “Operating Segments” and under the same basis as internal management reports presented to the Bank’s chief operating decision maker for resources allocation to and performance evaluation of various segments. Accordingly, the Bank has divided reportable segments in accordance with the new structure of the Kiatnakin Phatra Financial Group and characteristics of segments operating in significantly diverse environment. These operating segments are; Commercial Banking Business, Capital Market Business, and the Debt Restructuring Segment under the Commercial Banking Business. Details of each operating segment are as follows;

- Commercial banking business consists of all commercial banking business and KKP Tower Co., Ltd. except for the Debt restructuring segment
- Capital market business consists of Phatra Capital PCL., Phatra Securities PCL., Phatra Asset Management Co., Ltd. and Phatra Asset Management (Cayman) Limited and Phatra Equity Market Neutral Asia Pacific Fund
- The Debt restructuring segment

Assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard as adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs and income between segments. Transactions between segments are eliminated on consolidation.



41.1 Operation result

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated			
	2019			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	11,723	(27)	620	12,316
Fees and services income, net	2,065	2,537	2	4,604
Other operating income, net	1,268	982	(2)	2,248
Total income from operating	15,056	3,492	620	19,168
Income between segments	1,813	338	-	2,151
Depreciation and amortisation	657	116	12	785
Other expenses	7,391	2,117	(99)	9,409
Total other operating expenses	8,048	2,233	(87)	10,194
Impairment loss of loans and debt securities	1,667	-	10	1,677
Profit from operating before income tax expenses	5,341	1,259	697	7,297
Income tax expenses	1,018	251	38	1,307
Net Income	4,323	1,008	659	5,990

	Consolidated			
	2018			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	11,229	(188)	221	11,262
Fees and services income, net	2,000	2,578	1	4,579
Other operating income, net	873	1,384	5	2,262
Total income from operating	14,102	3,774	227	18,103
Income between segments	1,920	278	-	2,198
Depreciation and amortisation	497	105	11	613
Other expenses	7,002	1,980	(125)	8,857
Total other operating expenses	7,499	2,085	(114)	9,470
Impairment loss of loans and debt securities	1,245	-	1	1,246
Profit from operating before income tax expenses	5,358	1,689	340	7,387
Income tax expenses	1,034	338	(29)	1,343
Net Income	4,324	1,351	369	6,044



Revenue transactions under TFRS 15 classified by timing of revenue recognition and operating segments of Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the year ended 31 December 2019 and 2018 are as follows:

Consolidated				
2019				
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Timing of revenue recognition				
At a point in time	1,999	2,149	2	4,150
Over time	273	916	-	1,189

Consolidated				
2018				
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Timing of revenue recognition				
At a point in time	1,661	2,081	4	3,746
Over time	247	871	-	1,118

Total assets classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment

	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
As at 31 December 2019	283,512	24,170	4,008	311,690
As at 31 December 2018	283,109	19,155	4,065	306,329



41.2 Reconciliation operating segments information

Reconciliation between consolidated income from all segments and income and reconciliation between consolidated profit from all segments and profit from operating before income tax expenses for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated	
	2019 Million Baht	2018 Million Baht
Income		
Consolidated income from all segments	21,319	20,301
Elimination of inter-segment income	(2,151)	(2,198)
Total income	19,168	18,103
Profit		
Consolidated profit from all segments	7,297	7,387
Elimination of inter-segment profit	-	-
Profit from operating before income tax expenses	7,297	7,387

Reconciliation between consolidated assets from all segments and total assets as at 31 December 2019 and 2018 are as follows;

	Consolidated	
	2019 Million Baht	2018 Million Baht
Assets		
Consolidated assets from all segments	311,690	306,329
Elimination of inter-segment assets	-	-
Total assets	311,690	306,329

During the years ended 31 December 2019 and 2018, there is no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

The Bank and its subsidiaries operate in Thailand mainly. Only Phatra Asset Management (Cayman) Limited and Phatra Equity Market Neutral Asia Pacific Fund operate in Cayman. However, the transactions from both entities are immaterial to the consolidated financial statement. As a result, all of the revenues, profits and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.



42 Important positions and performance classified by type of domestic or foreign transactions

42.1 Position classified by type of transaction

	Consolidated					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	302,505,663	9,184,343	311,690,006	297,198,497	9,131,001	306,329,498
Interbank and money						
market items, net (Assets)	10,544,460	1,437,378	11,981,838	26,674,522	1,525,067	28,199,589
Investments	36,800,728	2,400,275	39,201,003	27,657,861	2,122,706	29,780,567
Loan to customer and accrued						
interest receivables, net	222,924,649	4,752,661	227,677,310	213,607,779	4,698,603	218,306,382
Deposits	172,173,559	-	172,173,559	181,693,821	-	181,693,821
Interbank and money						
market items (Liabilities)	15,831,411	1,507,700	17,339,111	11,534,125	1,622,490	13,156,615
Debt issued and borrowings	55,415,433	-	55,415,433	49,008,059	-	49,008,059

	Separate					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	292,864,410	6,351,194	299,215,604	288,579,064	6,557,849	295,136,913
Interbank and money						
market items, net (Assets)	11,890,416	1,384,771	13,275,187	23,735,712	1,510,441	25,246,153
Investments	26,973,203	-	26,973,203	21,818,428	-	21,818,428
Loan to customer and accrued						
interest receivables, net	226,443,263	4,752,661	231,195,924	216,639,160	4,698,603	221,337,763
Deposits	172,661,303	-	172,661,303	182,205,861	-	182,205,861
Interbank and money						
market items (Liabilities)	15,781,823	1,507,700	17,289,523	11,716,194	1,622,490	13,338,684
Debt issued and borrowings	53,235,324	-	53,235,324	47,143,389	-	47,143,389



42.2 Performance classified by type of transaction

	Consolidated					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	17,684,201	352,007	18,036,208	16,037,978	256,375	16,294,353
Interest expenses	5,717,006	2,956	5,719,962	5,023,783	8,938	5,032,721
Net interest income	11,967,195	349,051	12,316,246	11,014,195	247,437	11,261,632
Net fee and service income	4,227,431	376,603	4,604,034	4,310,204	269,074	4,579,278
Other operating income	1,855,787	391,904	2,247,691	2,205,328	56,831	2,262,159
Other operating expenses	11,850,928	19,823	11,870,751	10,696,136	19,818	10,715,954
Profit from continuing operation before income tax expenses	6,199,485	1,097,735	7,297,220	6,833,591	553,524	7,387,115

	Separate					
	2019			2018		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	17,399,705	349,214	17,748,919	15,946,819	252,870	16,199,689
Interest expenses	5,693,757	1,320	5,695,077	4,932,159	63	4,932,222
Net interest income	11,705,948	347,894	12,053,842	11,014,660	252,807	11,267,467
Net fee and service income	2,147,493	-	2,147,493	2,047,982	-	2,047,982
Other operating income	2,962,789	293,235	3,256,024	2,527,823	(36,618)	2,491,205
Other operating expenses	10,202,624	3,577	10,206,201	9,188,803	12,839	9,201,642
Profit from continuing operation before income tax expenses	6,613,606	637,552	7,251,158	6,401,662	203,350	6,605,012



43 Interest income

Interest income for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Interbank and money market items	269,693	245,872	217,603	267,169
Investment in debt securities	620,365	457,542	546,500	399,283
Investment in receivables	539,744	292,342	212,305	79,792
Loans	7,352,497	6,202,754	7,525,700	6,368,738
Hire-purchase and financial leases	9,233,204	9,074,121	9,233,204	9,074,121
Others	20,705	21,722	13,607	10,586
Total interest income	18,036,208	16,294,353	17,748,919	16,199,689

44 Interest expenses

Interest expenses for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Deposits	3,203,977	2,642,282	3,204,634	2,644,754
Interbank and money market items	253,851	155,354	254,391	141,996
Contributions to Financial Institution Development Fund and Deposit Protection Agency	1,043,392	930,876	1,043,392	930,876
Debt issued				
- Senior securities	760,877	842,481	760,877	842,481
- Subordinated bond	365,850	320,149	365,850	320,149
- Others	30,249	74,258	4,912	159
Fees and charges on borrowings	11,256	19,822	48,671	40,003
Others	50,510	47,499	12,350	11,804
Total interest expenses	5,719,962	5,032,721	5,695,077	4,932,222



45 Fees and services income, net

Fees and services income, net for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Fees and services income				
- Brokerage fees	1,378,245	1,563,068	-	-
- Bancassurance fees	937,515	999,561	937,515	999,561
- Acceptance, avals and guarantees	118,833	87,987	118,833	87,987
- Others	2,767,106	2,371,409	1,236,773	1,092,534
Total fees and services income	5,201,699	5,022,025	2,293,121	2,180,082
Fees and services expenses				
- Security management fees	355,265	224,603	-	-
- Others	242,400	218,144	145,628	132,100
Total fees and services expenses	597,665	442,747	145,628	132,100
Fees and services income, net	4,604,034	4,579,278	2,147,493	2,047,982

46 Gain on trading and foreign exchange transactions, net

Gain on trading and foreign exchange transactions, net for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Gain (loss) on trading and foreign exchange transactions				
- Foreign exchange	(130,508)	(18,141)	(130,045)	(21,682)
- Debt securities	226,413	29,810	221,591	27,719
- Equity securities	(817,245)	(1,923,276)	(88,863)	30,605
- Derivatives	997,921	2,368,614	231,085	99,582
Total	276,581	457,007	233,768	136,224

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47 Gain on financial liabilities designated at fair value through profit or loss

Gain on financial liabilities designated at fair value through profit or loss for the years ended 31 December 2019 and 2018 are as follows:

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Changes in fair value of:				
Debentures	116,862	66,355	-	-
Gain (loss) on redemption and interest expense paid	169,075	(3,646)	-	-
Total	285,937	62,709	-	-

48 Gain on investments, net

Gain on investments, net for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Gain (loss) on sale of				
- Available-for-sale investments	576,269	389,879	631,637	323,466
- General investments	10,000	(9)	(4,950)	-
- Investments in subsidiaries	(18,011)	-	7,413	4,895
Total	568,258	389,870	634,100	328,361
Reversal (loss) on impairment of				
- General investments	(190)	23	(190)	(14)
- Investments in subsidiaries	-	-	212,681	(159,316)
Total	(190)	23	212,491	(159,330)
Total gain on investments, net	568,068	389,893	846,591	169,031

The Group recognised loss on impairment due to the carrying value less than the fair value.



49 Other operating income

Other operating income for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Penalty income	213,075	263,346	213,075	263,346
Profit from sales of fixed assets	10,355	28,109	10,397	27,775
Other income	317,410	93,534	295,248	62,912
Total other operating income	540,840	384,989	518,720	354,033

50 Other expenses

Other expenses for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Repossessed cars expenses	316,552	231,169	316,552	231,169
Properties foreclosed expenses	57,512	56,113	57,512	56,113
Transportation expenses	159,966	155,912	145,655	139,816
Advertising and promotion expenses	392,262	579,343	367,173	553,696
Management fee of Mutual funds	11,999	11,942	-	-
Other intangible assets expenses	179,630	123,568	148,596	98,452
Other expenses	761,253	653,938	610,772	511,423
Total other expenses	1,879,174	1,811,985	1,646,260	1,590,669



51 Impairment loss on loans and debt securities

Impairment loss on loans and debt securities for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Interbank and money market items	11,447	14,034	40,447	(16,466)
Loans	2,797,310	2,483,447	2,802,249	2,485,185
Loss for restructuring	16,862	1,838	16,862	1,838
Loss on revaluation and impairment of investments in receivables	34,036	18,157	34,738	24,906
	2,859,655	2,517,476	2,894,296	2,495,463
<u>Less</u> Bad debts recovered from loans and hire purchase receivables	(1,180,674)	(1,001,646)	(1,180,674)	(1,001,646)
Bad debts recovered from investments in receivables	(2,553)	(270,335)	(2,553)	(270,335)
Total	1,676,428	1,245,495	1,711,069	1,223,482

52 Income tax expenses

Income tax expenses for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Current income tax for the year	1,184,624	1,441,169	955,180	1,021,392
Adjustment in respect of current income tax of previous year	1,733	(17,312)	1,357	(18,051)
Deferred tax	121,128	(81,028)	137,832	27,332
Total income tax expenses	1,307,485	1,342,829	1,094,369	1,030,673



Reconciliation of effective tax rate for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated	
	2019 Thousand Baht	2018 Thousand Baht
Profit before income tax expenses	7,297,220	7,387,115
Tax calculated at a tax rate of 20%	1,459,444	1,477,423
Adjustment in respect of current income tax of previous year	1,733	(17,312)
Income not subjected to tax	(243,151)	(308,012)
Expenses not deductible for tax purpose	89,459	190,730
Income tax expenses as statements of profit or loss and other comprehensive income	1,307,485	1,342,829

	Separate	
	2019 Thousand Baht	2018 Thousand Baht
Profit before income tax expenses	7,251,158	6,605,012
Tax calculated at a tax rate of 20%	1,450,232	1,321,002
Adjustment in respect of current income tax of previous year	1,357	(18,051)
Income not subjected to tax	(441,130)	(451,599)
Expenses not deductible for tax purpose	83,910	179,321
Income tax expenses as statements of profit or loss and other comprehensive income	1,094,369	1,030,673

The weighted average income tax rate for the year ended 31 December 2019 was 17.92% and 15.09% in the consolidated and the separate financial statements respectively (2018 : 18.18% and 15.60% respectively).

The weighted average income tax rate for the separate financial statements decreased from dividend received transactions.



53 Income tax relating to components of other comprehensive income (loss)

Income tax relating to components of other comprehensive income (loss) for the years ended 31 December 2019 and 2018 are as follows;

	Consolidated					
	2019			2018		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	5,625	2,869	8,494	(24,104)	(4,649)	(28,753)
Gain (loss) on remeasuring available-for-sale securities	(390,120)	78,023	(312,097)	(1,113,180)	222,282	(890,898)
Gain (loss) on currency translation differences	12,655	-	12,655	(2,849)	-	(2,849)
Remeasurments of post-employment benefit obligations	(92,729)	18,545	(74,184)	3,397	(680)	2,717
Other comprehensive income (loss)	(464,569)	99,437	(365,132)	(1,136,736)	216,953	(919,783)

	Separate					
	2019			2018		
	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax (expense) benefit Thousand Baht	Net of tax Thousand Baht
Gain (loss) on remeasuring investments in receivables	(14,344)	2,869	(11,475)	23,244	(4,649)	18,595
Gain (loss) on remeasuring available-for-sale securities	(183,135)	36,627	(146,508)	(121,450)	24,290	(97,160)
Remeasurments of post-employment benefit obligations	(62,754)	12,551	(50,203)	2,060	(412)	1,648
Other comprehensive income (loss)	(260,233)	52,047	(208,186)	(96,146)	19,229	(76,917)



54 Fair value

54.1 Fair value estimation

The fair value of financial instruments are defined into the following three different levels by valuation method as follows:

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Group are the last bid prices from the Stock Exchange of Thailand, the closing price from the Stock Exchange in overseas and settlement prices from Futures Exchange. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.



The following table presents the financial assets and liabilities that are measured at fair value at 31 December 2019 and 2018.

	Consolidated				
	2019				
	Carrying amount	Fair value			
	Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Assets					
Derivatives assets	4,121,421	-	4,121,421	-	4,121,421
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	3,714,651	-	3,714,651	-	3,714,651
Private sector's debt securities	1,468,027	-	1,468,027	-	1,468,027
Domestic marketable equity securities	11,912,883	11,912,883	-	-	11,912,883
Foreign marketable equity securities	7,313	7,313	-	-	7,313
Available-for-sale securities					
Government and state enterprise securities	17,162,997	-	17,162,997	-	17,162,997
Private sector's debt securities	1,015,812	-	1,015,812	-	1,015,812
Domestic marketable equity securities	278,674	278,674	-	-	278,674
Foreign marketable equity security	2,243,622	2,243,622	-	-	2,243,622
Investments in receivables, net	1,619,449	-	-	1,619,449	1,619,449
Total assets	43,544,849	14,442,492	27,482,908	1,619,449	43,544,849
Liabilities					
Financial liabilities designated at fair value through profit or loss	3,498,702	-	3,498,702	-	3,498,702
Derivatives liabilities	4,038,272	-	4,038,272	-	4,038,272
Total liabilities	7,536,974	-	7,536,974	-	7,536,974



	Consolidated				
	2018				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Thousand Baht
Assets					
Derivatives assets	3,264,731	-	3,264,731	-	3,264,731
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	1,435,172	-	1,435,172	-	1,435,172
Private sector's debt securities	426,877	-	426,877	-	426,877
Foreign debt securities	6,418	-	6,418	-	6,418
Domestic marketable equity securities	7,923,275	7,923,275	-	-	7,923,275
Foreign marketable equity securities	21,531	21,531	-	-	21,531
Available-for-sale securities					
Government and state enterprise securities	14,269,874	-	14,269,874	-	14,269,874
Private sector's debt securities	69,823	-	69,823	-	69,823
Domestic marketable equity securities	2,280,682	2,280,682	-	-	2,280,682
Foreign marketable equity security	2,094,757	2,094,757	-	-	2,094,757
Investments in receivables, net	1,769,505	-	-	1,769,505	1,769,505
Total assets	33,562,645	12,320,245	19,472,895	1,769,505	33,562,645
Liabilities					
Financial liabilities designated at fair value through profit or loss	1,193,144	-	1,193,144	-	1,193,144
Derivatives liabilities	3,415,333	-	3,415,333	-	3,415,333
Total liabilities	4,608,477	-	4,608,477	-	4,608,477



	Separate				
	2019				
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Derivatives assets	4,057,333	-	4,057,333	-	4,057,333
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	3,714,651	-	3,714,651	-	3,714,651
Private sector's debt securities	1,468,027	-	1,468,027	-	1,468,027
Domestic marketable equity securities	2,589,165	2,589,165	-	-	2,589,165
Available-for-sale securities					
Government and state enterprise securities	17,162,997	-	17,162,997	-	17,162,997
Private sector's debt securities	1,015,812	-	1,015,812	-	1,015,812
Domestic marketable equity securities	5,416	5,416	-	-	5,416
Investments in receivables, net	363,319	-	-	363,319	363,319
Total assets	30,376,720	2,594,581	27,418,820	363,319	30,376,720
Liabilities					
Derivatives liabilities	4,011,189	-	4,011,189	-	4,011,189
Total liabilities	4,011,189	-	4,011,189	-	4,011,189



	Separate				
	2018				
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Derivatives assets	3,110,500	-	3,110,500	-	3,110,500
Trading securities and securities designated at fair value through profit or loss					
Government and state enterprise securities	1,435,172	-	1,435,172	-	1,435,172
Private sector's debt securities	426,877	-	426,877	-	426,877
Domestic marketable equity securities	2,691,213	2,691,213	-	-	2,691,213
Available-for-sale securities					
Government and state enterprise securities	14,269,874	-	14,269,874	-	14,269,874
Private sector's debt securities	69,823	-	69,823	-	69,823
Domestic marketable equity securities	1,893,430	1,893,430	-	-	1,893,430
Investments in receivables, net	472,574	-	-	472,574	472,574
Total assets	24,369,463	4,584,643	19,312,246	472,574	24,369,463
Liabilities					
Derivatives liabilities	3,155,380	-	3,155,380	-	3,155,380
Total liabilities	3,155,380	-	3,155,380	-	3,155,380

There was no transfers between Levels 1 and 2 during the year.



The following table presents the financial assets and liabilities that are not measured at fair value at 31 December 2019 and 2018.

	Consolidated				
	2019				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Thousand Baht
Assets					
Interbank and money market items, net	11,981,838	11,981,838	-	-	11,981,838
Derivative assets*	177,117	-	219,531	-	219,531
Loans to customers and accrued interest receivables, net	227,677,310	-	226,376,123	-	226,376,123
Held-to-maturity securities	1,220,624	-	1,266,411	-	1,266,411
General investments	176,400	-	-	385,273	385,273
Account receivable from clearing house	4,056,938	-	4,056,938	-	4,056,938
Securities and derivative business receivables	4,620,082	-	4,620,082	-	4,620,082
Total assets	249,910,309	11,981,838	236,539,085	385,273	248,906,196
Liabilities					
Deposits	172,173,559	-	171,733,144	-	171,733,144
Interbank and money market items, net	17,339,111	17,339,111	-	-	17,339,111
Liabilities payable on demands	377,326	-	377,326	-	377,326
Derivative liabilities*	4,038,272	-	4,038,272	-	4,038,272
Debt issued and borrowings	55,415,433	-	52,905,832	2,742,880	55,648,712
Accounts payable to clearing house	614,271	-	614,271	-	614,271
Securities and derivative business payables	3,868,461	-	3,868,461	-	3,868,461
Accrued interest payable	745,793	-	745,793	-	745,793
Total liabilities	254,572,226	17,339,111	234,283,099	2,742,880	254,365,090

* Derivatives for hedging of transactions



Consolidated					
2018					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Interbank and money market items, net	28,199,589	28,199,589	-	-	28,199,589
Derivative assets*	51,127	-	46,815	-	46,815
Loans to customers and accrued interest					
receivables, net	218,306,382	-	218,670,526	-	218,670,526
Held-to-maturity securities	1,226,988	-	1,274,440	-	1,274,440
General investments	25,170	-	-	245,322	245,322
Account receivable from clearing house	3,411,791	-	3,411,791	-	3,411,791
Securities and derivative business receivables	4,212,723	-	4,212,723	-	4,212,723
Total assets	255,433,770	28,199,589	227,616,295	245,322	256,061,206
Liabilities					
Deposits	181,693,821	-	183,355,069	-	183,355,069
Interbank and money market items, net	13,156,615	13,156,615	-	-	13,156,615
Liabilities payable on demands	503,487	-	503,487	-	503,487
Derivative liabilities*	22,996	-	38,982	-	38,982
Debt issued and borrowings	49,008,059	-	49,001,058	-	49,001,058
Accounts payable to clearing house	120,194	-	120,194	-	120,194
Securities and derivative business payables	5,297,794	-	5,297,794	-	5,297,794
Accrued interest payable	692,732	-	692,732	-	692,732
Total liabilities	250,495,698	13,156,615	239,009,316	-	252,165,931

* Derivatives for hedging of transactions



	Separate				
	2019				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Thousand Baht
Assets					
Interbank and money market items, net	13,275,187	13,275,187	-	-	13,275,187
Derivative assets*	177,117	-	219,531	-	219,531
Loans to customers and accrued interest receivables, net	231,195,924	-	229,894,738	-	229,894,738
Held-to-maturity securities	1,001,666	-	1,047,453	-	1,047,453
General investment	15,469	-	-	224,342	224,342
Total assets	245,665,363	13,275,187	231,161,722	224,342	244,661,251
Liabilities					
Deposits	172,661,303	-	172,220,857	-	172,220,857
Interbank and money market items, net	17,289,523	17,289,523	-	-	17,289,523
Liabilities payable on demands	377,326	-	377,326	-	377,326
Debt issued and borrowings	53,235,324	-	50,725,723	2,742,880	53,468,603
Accrued interest payable	745,793	-	745,793	-	745,793
Total liabilities	244,309,269	17,289,523	224,069,699	2,742,880	244,102,102

	Separate				
	2018				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Thousand Baht
Assets					
Interbank and money market items, net	25,246,153	25,246,153	-	-	25,246,153
Derivative assets*	51,127	-	46,815	-	46,815
Loans to customers and accrued interest receivables, net	221,337,763	-	221,701,908	-	221,701,908
Held-to-maturity securities	1,002,599	-	1,050,051	-	1,050,051
General investment	29,440	-	-	234,642	234,642
Total assets	247,667,082	25,246,153	222,798,774	234,642	248,279,569
Liabilities					
Deposits	182,205,861	-	183,867,109	-	183,867,109
Interbank and money market items, net	13,338,684	13,338,684	-	-	13,338,684
Liabilities payable on demands	503,487	-	503,487	-	503,487
Derivative liabilities*	22,996	-	38,982	-	38,982
Debt issued and borrowings	47,143,389	-	47,136,388	-	47,136,388
Accrued interest payable	692,015	-	692,015	-	692,015
Total liabilities	243,906,432	13,338,684	232,237,981	-	245,576,665

* Derivatives for hedging of transactions

There was no transfers between Levels 1 and 2 during the year.



Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes saving deposits and current deposits presented as both interbank and money market assets and liabilities items, account receivable from clearing house and broker-dealers, securities and derivative business receivables, liabilities payable on demand, account payable to cleaning house and broker-dealers and securities and derivative business payables.

Fair value of the following assets and liabilities is estimated for the purpose of disclosure as described below;

Loans to customers and accrued interest receivable, net

For floating rate loans, the fair value is equal to the carrying amount.

For fixed rate loans which are classified as normal or special mentioned, the fair value is equal to the present value of future cash flows discounted by the effective interest of loans with similar features.

For non-performing fixed rate loans, the fair value is equal to the carrying amount.

Interbank and money market items

The interbank and money market items (assets) are loans to financial institutions which are short-term or at call. Accordingly, their carrying amount is a reasonable approximation of fair value.

The interbank and money market items (liabilities) are borrowing and fixed deposits which are short-term. Accordingly, their carrying amount is a reasonable approximation of fair value.

Deposits

For saving and current deposits, the fair value is estimated by using carrying amount.

For fixed deposits and certificate of deposit, the fair value is estimated by using discounted cash flow applying current rates offered for fixed deposits of similar remaining maturities.

Debt issued and borrowings

The fair value of debt issued and borrowings is estimated by using quoted prices or yields of the Thai Bond Association at the statement of financial positions. In case of there is no active market price or borrowing portion of structured notes, the fair value is estimated by using present value of cash flows discounted by interest rate which reflects the Bank credit risk.

Accrued interest payable

The carrying amount of accrued interest payable in the statement of financial positions approximates to fair value.

**Held-to-maturity investment**

The fair value of held-to-maturity is of government securities and private's sector debt securities is estimated by using the average bidding yields and mark-to-market yield of the Thai Bond Association at the statement of financial positions, respectively.

General investments

The fair value of general investments, where quoted market prices at the statement of financial positions date are not available, is determined by applying net asset-base valuation method.

54.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise of ;

- Forward foreign exchange contracts and foreign exchange swaps which are fair valued based on forward rate of foreign currency against Thai Baht and discounted with Thai Baht interest rate.
- Interest rate swap and cross currency swap are fair valued based on the cash flows from contract rate (for fixed interest rate) or forward rate (for floating rate) and discounted with interest rate in each currency which can be obtained from observable market.
- Equity linked swap is fair valued based on each component in contracts. For equity component, the fair value is measured by using the last bid price quoted by the Stock Exchange of Thailand. For accrued dividend payable or receivable, the fair value is measured based on the expected cash inflow or outflow. For interest component, the fair value measurement is calculated the same method with interest rate swap contracts.
- The fair value of the option that is embedded with the structured note is calculated by using internal valuation model which valuation inputs are mainly observable

The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the credit value adjustment ('CVA').

Level 2 debt investments of marketable securities are fair valued based on the average bidding yields or mark-to-market yield of the Thai Bond Market Association under discounted cash flow model.

Level 2 investments in mutual funds are fair valued based on unit prices published by asset management companies.



54.3 Fair value measurements using significant unobservable inputs (Level 3)

	Investments in receivables, net			
	Consolidated		Separate	
	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Opening balance	1,769,505	2,170,438	472,574	771,663
Transfer out or repayment	(124,776)	(358,962)	(63,303)	(297,717)
Loss recognised in profit and loss	(30,905)	(17,867)	(31,607)	(24,616)
Gain (loss) recognised in other comprehensive income	5,625	(24,104)	(14,345)	23,244
Closing balance	1,619,449	1,769,505	363,319	472,574

There was no changes in fair value basis and estimation during the year.

54.4 Group's valuation processes

The main Level 3 input used by the Group pertains to the estimated discounted cash flow projections of expected cash receive from debtor and selling of collateral with the expected selling period but not exceeding the balance in the original contract. The discount rate is estimated based on current market assessments of the time value of money, risk adjusted and in line with the related BOT's notification which are at the rates between 7% to 18% per annum.

If the change in the discount rate shifted + 1 or - 1%, the impact on profit or loss in the consolidated and the separate financial statements will be as follows;

	Consolidated		Separate	
	2019 Million Baht	2018 Million Baht	2019 Million Baht	2018 Million Baht
Discount rate increased 1%	(47)	(49)	(12)	(16)
Discount rate decreased 1%	39	50	13	15

The Group reviews fair value of assets at the end of each month by using fair value of collaterals. The collaterals are appraised every 3 years and uses the discount rate announced by the BOT regulations.



55 Subsequent events

On 27 February 2020, the Board of directors Meeting of the Bank No.2/2020 approved the resolution regarding the payment of dividend for the year of 2019 at the rate of Baht 4.25 per share, a part of which had been paid as interim dividend at the rate of Baht 1.50 per share and the remaining amount will be paid on 21 May 2020 at the rate of Baht 2.75 per share.

On 25 February 2020, the Board of directors Meeting of Phatra Capital Public Company Limited (“the subsidiary”) approved the resolution regarding the payment of dividend for the year of 2019 at the rate of Baht 6.50 per share, a part of which had been paid as interim dividend at the rate of Baht 3.50 per share and the remaining amount will be paid on 15 May 2020 at the rate of Baht 3.00 per share.

On 25 February 2020, the Board of directors Meeting of Phatra Securities Public Company Limited, a subsidiary company of Phatra Capital Public Company Limited, approved the resolution regarding the payment of dividend for the year of 2019 at the rate of Baht 7.00 per share, a part of which had been paid as interim dividend at the rate of Baht 4.00 per share and the remaining amount will be paid on 13 May 2020 at the rate of Baht 3.00 per share.

On 24 February 2020, the Board of directors Meeting of Phatra Asset Management Company Limited, a subsidiary company of Phatra Capital Public Company Limited, approved the resolution regarding the payment of dividend for the year of 2019 at the rate of Baht 18.50 per share, a part of which had been paid as interim dividend at the rate of Baht 9.00 per share and the remaining amount will be paid on 13 May 2020 at the rate of Baht 9.50 per share.

On 30 January 2020, the Board of Directors’ Meeting No. 1/2563 was to approve the dissolution of Phatra Asset Management (Cayman) Limited in the Cayman Islands, a subsidiary of the Bank through Phatra Capital Public Company Limited.

