

YOUR TRUSTED BANKING PARTNER

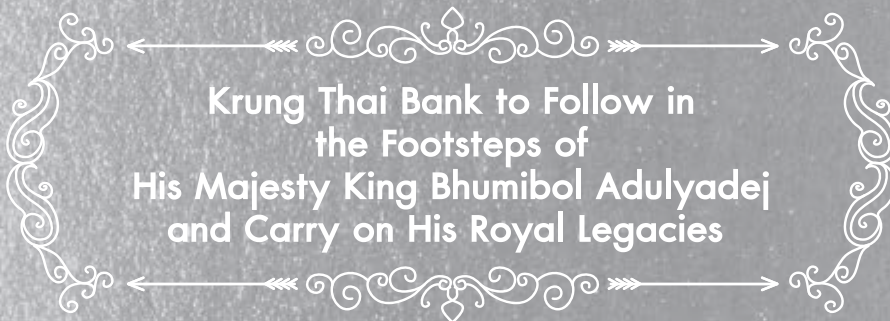
Annual Report
2016

IN THE AGE OF



DIGITAL BANKING





In commemoration of H.M.'s royal grace & deepest remembrance of our beloved King Bhumibol Adulyadej
We, the Board of Directors, executives and employees of Krung Thai Bank,
are determined to carry on the royal legacies and
adopt the Philosophy of Sufficiency Economy as the approach for
the Bank's business operation at all levels so that
we continually contribute to
the development of stability and sustainability
in economy, society and environment.



Carry on Performing Good Deeds to Commemorate the King

**On this most auspicious occasion of
His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun's
accession to the throne as the tenth monarch of the Chakri Dynasty,**

Long Live the King

Board of Directors, Executives and Employees of Krung Thai Bank



KRUNGTHAI BANK





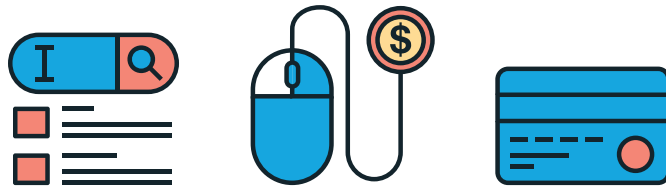
YOUR TRUSTED BANKING **PARTNER**

IN THE AGE OF DIGITAL BANKING

Serving from the heart like the family

Experiencing the sense of
pleasant and friendly services
Paying attention to every single
detail and treating the customers
like our family





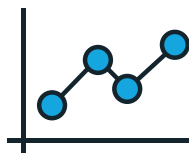
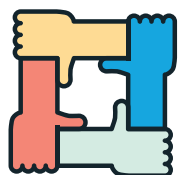
YOUR **TRUSTED** BANKING PARTNER

IN THE AGE OF DIGITAL BANKING

Satisfying every aspect of
the digital lifestyle

Being ready to support all needs
with value-added innovative
products and services that are
convenient, prompt and secure.
We're your trusted digital
banking partner.





YOUR TRUSTED BANKING PARTNER

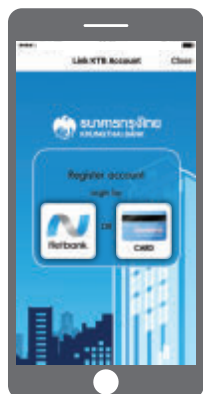
IN THE AGE OF DIGITAL BANKING

“ONE KTB”, one power leading us
to work professionally

Being your professional business partner
considering the importance of
shareholder and stakeholder and
adhering to Corporate Governance
principles so that we can grow
together firmly and sustainably







ผูกบัญชี กรุงไทย

กับ **rabbit** **LINE Pay** ได้แล้ว

ผูกง่าย เต็มสะดวก โดยไม่สะดุด

ตู้ **สมุดเงิน**

เติมเงินเข้าบัตร

M-PASS

ได้แล้ววันนี้



ซื้อ-ยื่น-ค้าประกัน

โครงการภาครัฐ

ได้ครบ จบที่ KTB



ATM

กรุงไทย พร้อมเพย์
สะดวก ง่าย สบายใจ



KTB
netbank
การเงินออนไลน์
สบายทุกเรื่อง

มอบของขวัญ
แทนความรู้สึก แด่คนสำคัญ
ด้วย KTB Gift Card

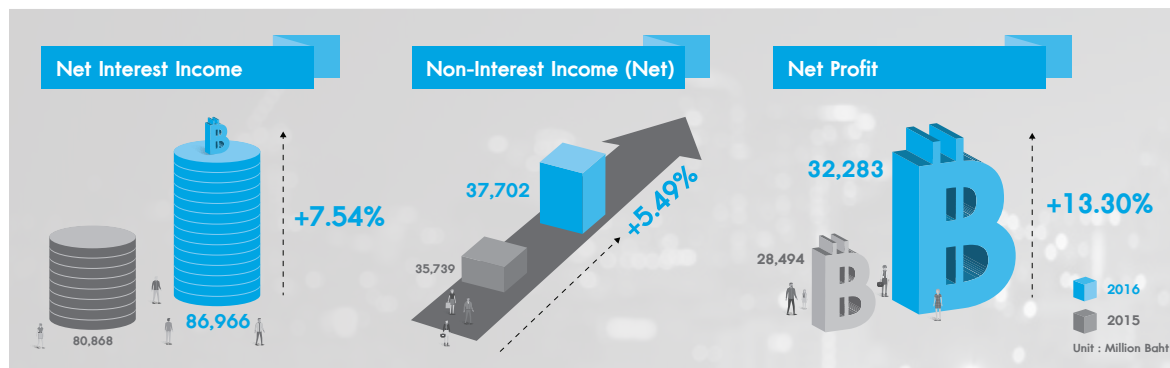


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Krung Thai Bank Pcl.

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Financial Highlights



	Consolidated					Krung Thai Bank				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Financial Standing (Million Baht)										
Loans	1,904,089	2,027,440	1,952,996	1,711,090	1,530,097	1,837,120	1,969,661	1,900,647	1,715,503	1,538,686
(Less Deferred Revenue)										
Allowance for Doubtful Accounts	110,782	85,956	76,021	61,806	55,188	102,922	77,353	68,483	60,977	54,842
(Including Revaluation Allowance for Debt Restructuring)										
NPLs	91,128	76,371	57,489	56,458	59,516	86,786	71,848	53,624	55,026	59,171
Total Assets	2,689,446	2,815,330	2,789,143	2,506,833	2,256,490	2,614,798	2,748,608	2,727,150	2,494,293	2,250,884
Total Deposits	1,972,404	2,135,498	2,151,268	1,883,781	1,666,961	1,975,158	2,137,446	2,152,553	1,884,262	1,667,374
Total Liabilities	2,410,299	2,565,032	2,553,276	2,300,743	2,073,642	2,354,343	2,514,136	2,503,298	2,292,118	2,070,629
Total Equity	279,147	250,298	235,867	206,090	182,848	260,455	234,472	223,852	202,175	180,255
Total Equity (Equity Holders of the Bank)	273,929	245,883	232,142	206,090	182,848	260,455	234,472	223,852	202,175	180,255
Operating Performance (Million Baht)										
Interest Income	129,230	132,525	128,230	111,403	101,798	116,257	120,559	116,676	109,959	101,272
Interest Expense	42,264	51,657	51,072	46,921	43,676	40,784	49,994	49,044	46,773	43,645
Net Interest Income	86,966	80,868	77,158	64,482	58,122	75,473	70,565	67,632	63,186	57,627
Non-Interest Income (Net)	37,702	35,739	30,892	29,849	23,774	31,463	28,794	23,926	25,555	24,906
Other Operating Expenses	50,632	50,920	48,145	39,584	35,343	43,693	43,894	41,464	37,755	34,003
Net Profit	33,544	29,541	34,078	34,513	23,366	29,968	26,474	31,855	31,540	25,613
Net Profit (Equity Holders of the Bank)	32,283	28,494	33,191	34,513	23,366	29,968	26,474	31,855	31,540	25,613
Financial Ratios (%)										
Return on Average Assets (Equity Holders of the Bank)	1.17	1.02	1.24	1.45	1.11	1.12	0.97	1.22	1.33	1.22
Return on Average Equity (Equity Holders of the Bank)	12.42	11.92	15.15	17.75	14.80	12.11	11.55	14.95	16.49	16.58
NPLs / Loans	3.97	3.20	2.41	2.65	3.21	3.89	3.09	2.30	2.58	3.18
BIS Total Capital Ratio*	16.60	14.85	14.85	14.79	16.38	16.85	15.22	14.85	14.79	16.38
Book Value per Share (Baht)	19.97	17.90	16.87	14.74	13.08	18.63	16.77	16.01	14.46	12.89

* For 2016 and 2015, consolidated financial statements are financial business groups' figures. Other years' figures are the Bank's financial statement.





Message from the Chairman and the President

The Bank continues promoting sustainable business growth, supporting the government policies, and becoming “Your Trusted Banking Partner” by standing side-by-side with our customers, society and economy.

Message from the Chairman and the President

The Thai economy in 2016 showed a gradual recovery with the government sector playing the role of a key driver. However, the challenges remain, especially in banking sector, such as high household debt, severe drought, slow growth in private investment, sluggish recovery amid global economic fluctuations, problems in foreign banking industry, and China's economic slowdown. Moreover, we saw that the low interest rate environment has sparked critical condition on the Bank's profitability. Private Investors found opportunities to raise funds through capital market amid low interest rate. Consequently, the bank's loan outstanding was substantially declined by 6.1% from the previous year. Unfortunately, Gross NPL sharply rose by 19.3% and Bank's net fees and service income slightly grew by only 3.3%. Nevertheless, the Bank's net profit increased by 13.3% to THB 32,283 million, ranking us the third most profitable commercial bank, up from the fourth in 2015. The increase was due to 7.5% growth in net interest income resulting from intensive implementation of effective financial cost management. Consequently, net interest margin (NIM) increased to 3.30% from 3.02% in the previous year. The Bank continued to promote the strategic plan under the second phase (2016 - 2020) of the Three Summits Strategy, aiming at closing the gaps between KTB and our peers in terms of profit, market share and efficiency.



The Bank's focuses remained generating sustainable growth and supporting the government's endeavor to improve well-being of the people and enhance the country's capacity through the National e-Payment by accepting PromptPay registration and providing G2C financial aid transfer service. Besides, the Bank was determined to offer new and innovative products and services, e.g. accepting payment for traffic ticket fines and penalties; accepting tax payment for The Revenue Department, Excise Department and Thai Customs; and electronic local bill discounting project (KTB e-LBD). We also placed importance on enhancing the effectiveness of IT management in order to effectively build data-driven strategies and define goals.

In 2017, we understand that there are many challenges especially the on-going development of the Bank's foundations including IT system, effectiveness of work process and expertise of employees, in order to keep up with our peers and enhance our potential to compete in the industry and improve profitability in the long run. We also need to prepare for the future challenges that may affect our operation, including the transformation of national payment system in line with the government's promotion of e-Payment and cashless society, which is expected

to have significant impact on revenue and business model. The transition to digital bank amid technological advancement, the shift in consumer behavior and the emergence of financial technology (FinTech) companies will greatly intensify the competition. The Bank will then try to seize the opportunities arising from economic recovery, especially those due to the progress of the government's investment in infrastructure and the growth in export.

- Aiming for “Your Trusted Banking Partner”. We will make great efforts to provide the highest quality in all financial services, develop long-term partnership, and enhance trustworthiness to our clients.
- Developing employees and managing performance-based remuneration appropriately, making the Bank a performance driven organization. The Bank shall



As a large listed commercial bank and a state-owned bank, we need to ensure the importance of all stakeholder groups and sustainable profitability, as well as supporting the government in driving the economy. The Bank's key operation plans in 2017 include the following:

- **Supporting the National e-Payment project** as the government has placed its trust on us to be one of the key drivers along with other financial partners, for instance, the extension of PromptPay for juristic person and participation in bidding for Electronic Data Capture (EDC) installation.
- **Taking on new roles as a transmission channel and supporter of economic growth** that follows government projects e.g. investment in infrastructure and Thailand 4.0 policy. We will be the key mechanism in directly and indirectly financing the target industries and will play important role in **helping the government stimulating growth in regional economy all over the country** and minimize economic inequality by employing **area-based financing strategy** and becoming the hub of near-border and cross-border trade as well as in the 18 provincial clusters according to the nation's trade strategy.

also adhere to “ONE KTB” practice - to integrate all of the Bank's strengths into one - in order to become the market leader with integrity, transparency and trustworthiness; the one that understands customers best and creates innovations to satisfy customers' needs.

Finally, on behalf of the Board of Directors, Executives, employees and subsidiaries, we would like to express our appreciation to all the shareholders, business partners in public and private sectors as well as customers and clients who have continuously placed their trust in us and supported us. We ensure that we will continue operating our business professionally to increase financial stability. In doing so, we will take into consideration the benefits of all stakeholders, adhere to good corporate governance and support the government operations while driving the country's economy so that all sectors are growing together firmly and sustainably.

(Dr. Somchai Sujjapongse)
Chairman of
the Board of Directors

(Mr. Payong Srivanich)
President



Statement of Direction : SOD

Strengthen financial stability and provide shareholders with appropriate returns through top-ranking product and service management while supporting public affairs



VISION

“Growing Together” – Enhancing capabilities of employees to support growth and prosperity for customers, enrich quality of society and environment, as well as provide sustainable return for our shareholders

MISSION

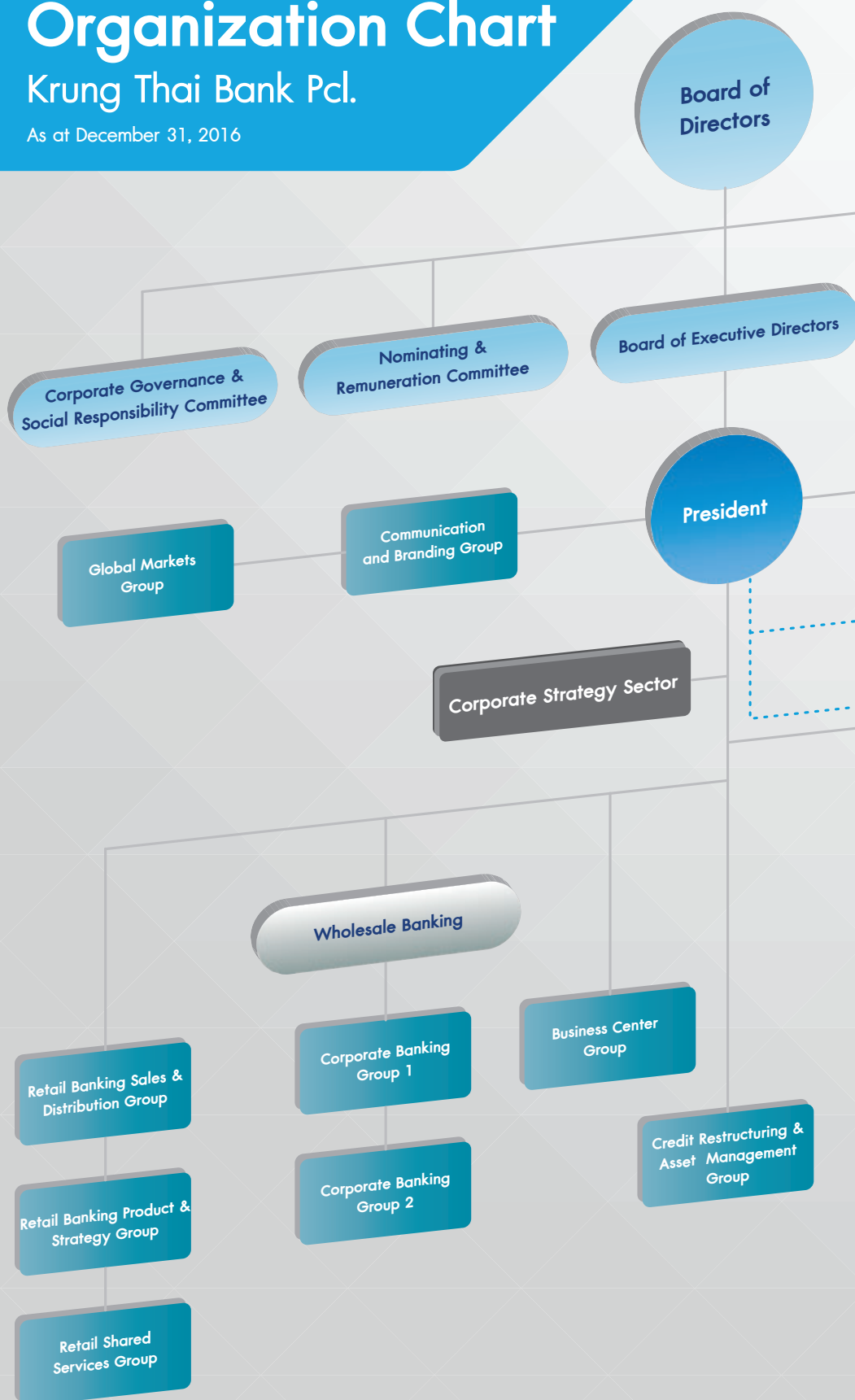
- Develop capabilities of personnel and work system
- Provide customers with differentiated and value added service and advice
- Fulfill our responsibility to society through supporting sustainable economic, social, and environmental development
- Provide shareholders with superior and sustainable return

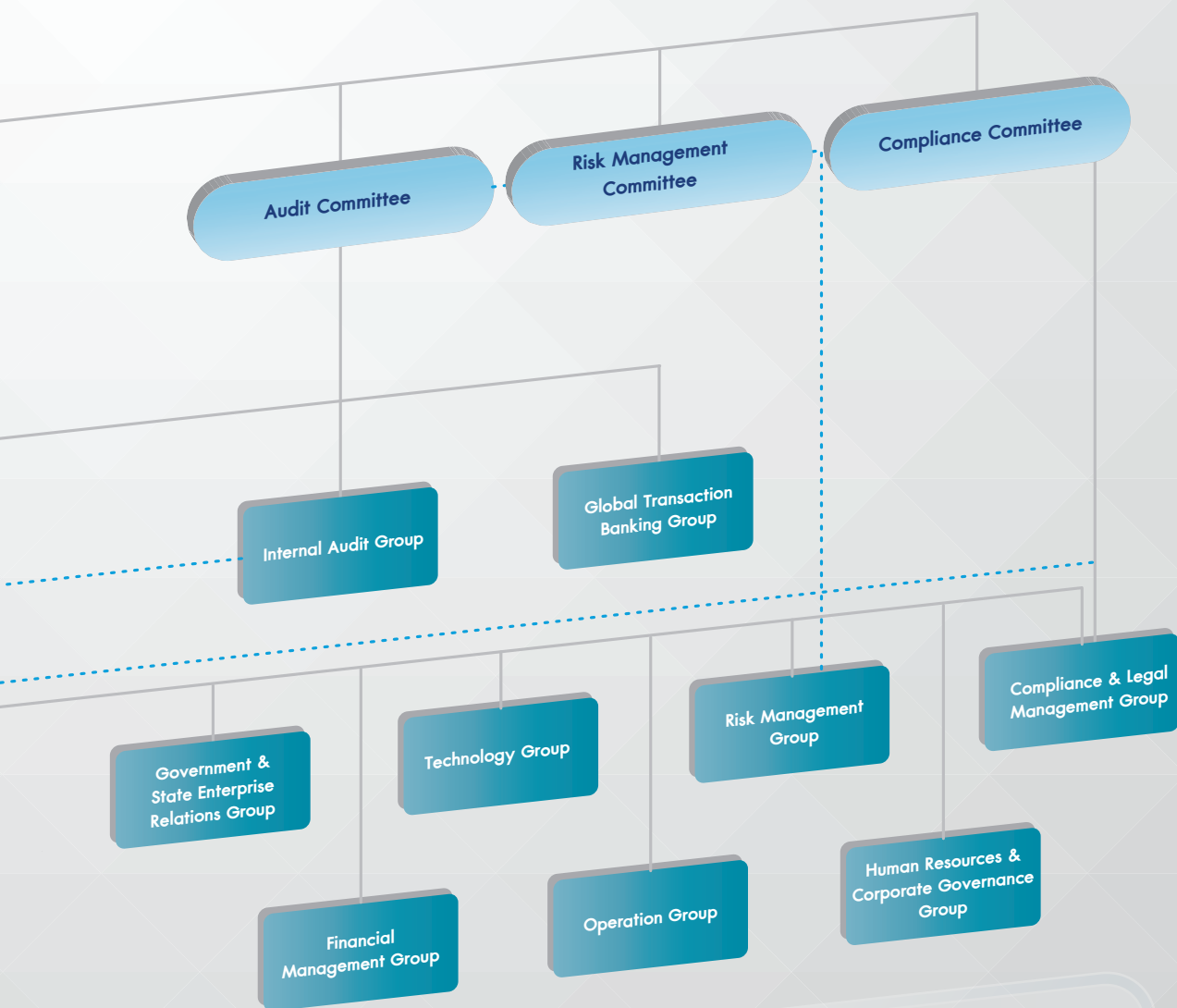


Organization Chart

Krung Thai Bank Pcl.

As at December 31, 2016







Dr.Somchai Sujjapongse
Chairman of the Board of Directors

Board of Directors

(As of January 31, 2017)



- (2) **Mr. Krairit Euchukanonchai**
Vice Chairman, Chairman of the Board of Executive Directors, Chairman of the Risk Management Committee
- (3) **Mr. Poonnis Sakuntanaga**
Director, Executive Director, Member of the Risk Management Committee
- (4) **Dr. Kulaya Tantitemit**
Director, Executive Director, Member of Corporate Governance and Social Responsibility Committee
- (5) **Mr. Vorapak Tanyawong**
President, Executive Director, Member of the Risk Management Committee (Until November 7, 2016)
- (6) **Mr. Payong Srivanich**
President, Executive Director, Member of the Risk Management Committee (Effective on November 8, 2016)

Board of Directors

(As of January 31, 2017)



- (7) **Mr. Distat Hotrakitya**
Chairman of the Independent Director Committee, Chairman of the Compliance Committee,
Member of the Nominating and Remuneration Committee
- (8) **Mr. Supant Mongkolsuthree**
Director, Chairman of the Corporate Governance and Social Responsibility Committee,
Member of the Risk Management Committee
- (9) **Mr. Nontigorn Kanchanachitra**
Independent Director, Chairman of the Nominating and Remuneration Committee,
Member of the Corporate Governance and Social Responsibility Committee

Board of Directors

(As of January 31, 2017)



- (10) **Dr. Kittipong Kittayarak**
Independent Director, Chairman of the Audit Committee, Member of the Compliance Committee
- (11) **General Tienchai Rubporn**
Independent Director, Member of the Audit Committee, Member of the Compliance Committee
- (12) **Mr. Somchai Boonnamsiri**
Independent Director, Member of the Audit Committee,
Member of the Nominating and Remuneration Committee, Member of the Risk Management Committee
- (13) **Mr. Thanwa Laohasiriwong**
Independent Director, Member of the Audit Committee, Member of the Risk Management Committee



2

Mr. Payong Srivanich

President

(Since November 8, 2016)

Executive Officers

(As of January 31, 2017)



- (3) **Mr. Parinya Patanaphakdee**
First Senior Executive Vice President - Head of Credit Restructuring & Asset Management Group
- (4) **Ms. Jaree Wuthisanti**
Senior Executive Vice President - Head of Corporate Banking Group 1
- (5) **Dr. Vites Techangam**
Senior Executive Vice President - Head of Technology Group
- (6) **Ms. Arisara Dharamadhaj**
Senior Executive Vice President - Head of Government & State Enterprise Relations Group
- (7) **Mr. Songpol Chevapanyaroj**
Senior Executive Vice President - Head of Global Transaction Banking Group

Executive Officers

(As of January 31, 2017)



- (8) **Mr. Poonpat Sripleng**
Senior Executive Vice President - Head of Risk Management Group
- (9) **Mr. Suchart Dejittirut**
Senior Executive Vice President - Head of Compliance and Legal Management Group
- (10) **Mr. Weerapong Suppasedsak**
Senior Executive Vice President - Head of Corporate Banking Group 2
- (11) **Mr. Cherdchai Chomphonukulrut**
Senior Executive Vice President - Head of Retail Banking Sales & Distribution Group
- (12) **Ms. Praralee Ratanaprasartporn**
Senior Executive Vice President - Head of Retail Shared Services Group

Executive Officers

(As of January 31, 2017)



- (13) **Ms. Amporn Chotruchsakul**
Senior Executive Vice President - Head of Operation Group
- (14) **Ms. Walairat Lertumpornpisal**
First Executive Vice President - Head of Financial Management Group
- (15) **Mr. Suppawat Wadhanapatee**
First Executive Vice President - Head of Human Resources and Corporate Governance Group
- (16) **Mr. Pativate Santavanond**
First Executive Vice President - Head of Business Center Group

Executive Officers

(As of January 31, 2017)



- (17) **Mr. Santi Parivisutt**
First Executive Vice President - Head of Internal Audit Group
- (18) **Mr. Luechai Chaiparinya**
First Executive Vice President - Head of Retail Strategy Product & Segmentation Group
- (19) **Mr. Rawin Boonyanusasna**
First Executive Vice President - Head of Global Markets Group
- (20) **Mr. Pichit Jongsaliswang**
Advisor to the President

Brief Biography of Board of Directors and Executive Officers

As of December 31, 2016

Brief Biography of Board of Directors

1. Dr.Somchai Sujjapongse

Chairman

Age 55

Date of Appointment

November 17, 2015

Education

- Doctor of Economics, Ohio State University, USA
- Master of Economics, Ohio State University, USA
- Bachelor of Economics (Honors), Chulalongkorn University

Training Program

- Class 20, National Defence Course for the Joint State-Private Sectors, The National Defence College
- Class 75/2006, Director Certification Program (DCP), IOD
- Class 3/2013, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Year 2011, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
- Class 2/2009, Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, University of the Thai Chamber of Commerce
- Class 2/2006 Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 44/2005 Top management Program: Visionary Leader, Civil Service Training Institute

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2015-Present	Director, Thai Airways International Pcl.
2015-Present	Director and Member of the Remuneration Committee, PTT Pcl.

Positions in Non-Listed Companies/Other Organizations

2015-Present	Permanent Secretary, Ministry of Finance
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Experience over Past 5 Years

2015	Director, IRPC Pcl.
2014-2015	Director General, The Customs Department
2014-2015	Chairman, The Government Lottery Office
2014-2015	Chairman, Government Savings Bank
2011-2014	Director-General, Fiscal Policy Office, Ministry of Finance
2010-2014	Director, Aeronautical Radio of Thailand Ltd.
2009-2014	Director, Metropolitan Electricity Authority
2011-2013	Independent Director and Member of the Audit Committee, Thaioil Pcl.

2. Mr.Krairit Euchukanonchai

Vice Chairman (Authorized Signatory Director)

Chairman of the Board of Executive Directors

Chairman of the Risk Management Committee

Age 61

Date of Appointment

October 15, 2015

Education

- Master of Business Administration (Finance and Banking), North Texas State University, Texas, USA
- Bachelor of Science, Chulalongkorn University

Training Program

- Class 16/2007, Role of the Chairman Program (RCP), IOD
- Class 59/2005, Director Certification Program (DCP), IOD

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2014-Present Independent Director, Chairman of the Audit Committee and Member of Nomination and Corporate Governance Committee, Advanced Info Service Pcl.

Positions in Non-Listed Companies/Other Organizations

1998-Present Chairman, V.Group Honda Cars Co., Ltd. and its Subsidiaries

2014-Present Director, Advanced Wireless Network Co., Ltd.

Experience over Past 5 Years

2011-2012 Director and Member of the Audit Committee, PTT Pcl.

2011-2012 Director, PTT Exploration and Production Pcl.

2006-2012 Chairman and Chairman of the Risk Management Committee, Krung Thai Asset Management Pcl.

- In house Training Programs, Citibank
- Asian Banking and Sovereign Conference 2006 by Moody
- Regional Workshop "Risk Modeling for Sovereign Debt Portfolio" by World Bank

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2015-Present Director, Thaikong Co., Ltd.

Experience over Past 5 Years

2003-2016 President, IQ Plus & Management Co., Ltd.

2012-2014 Director and Chairman of the Board of Executive Directors, Advance Life Assurance Pcl.

3. Mr.Poonnis Sakuntanaga

Director

Executive Director

Member of the Risk Management Committee

Age 58

Date of Appointment

January 28, 2015

Education

- Master of Business Administration (Marketing), University of Wisconsin - Madison, USA
- Master of Business Administration (Finance), Middle Tennessee State University, USA
- Bachelor of Business and Accountancy (Finance and Banking), Chulalongkorn University

Training Program

- Class 27/2016, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 113/2009, Director Certification Program (DCP), IOD
- Class 4, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute

4. Dr.Kulaya Tantitemit

Director (Authorized Signatory Director)

Executive Director

Member of Corporate Governance and Social Responsibility Committee

Age 44

Date of Appointment

October 12, 2016

Education

- Ph.D., International Economics and Finance, Brandeis University, USA
- M.S., International Economics and Finance, Brandeis University, USA
- M.A., Economics, Boston University, USA
- Bachelor of Economics, Thammasart University

Training Program

- Class 82/2015, Top management Program: Visionary Leader, Civil Service Training Institute
- Class 6/2014, Foreign Affairs Executive Programme, Devawongse Varopakarn Institute of Foreign Affairs (DVIFA), Ministry of Foreign Affairs

Number of Shares in company None

% of Shares in company None

(Not change since October 12,2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2016-Present Inspector General, Office of the Permanent Secretary, Ministry of Finance

2016-Present Director, PTT International Trading Pte Ltd.

Experience over Past 5 Years

2016 Advisor on Policy and Strategy, Office of the Permanent Secretary, Ministry of Finance

2013-2016 Director of the Macroeconomic Policy Bureau, Fiscal Policy Office, Ministry of Finance

2011-2013 Senior Expert on Macroeconomic policy, Fiscal Policy Office, Ministry of Finance

5. Mr.Vorapak Tanyawong

President (Authorized Signatory Director)

Executive Director

Member of the Risk Management Committee

Age 52

Date of Appointment

November 8, 2012

(Took position since November 8, 2012 to November 7, 2016)

Education

- MBA in Finance, University of Missouri, Kansas City, USA
- BS in Management Science & Computer System, Oklahoma State University, Stillwater, USA

Training Program

- Class 33/2012, Diploma Exam, IOD
- Class 15/2012, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 3/2012, Role of the Nomination and Governance Committee (RNG), IOD
- Class 152/2011, Director Certification Program (DCP), IOD
- Advanced Bank Lending Education I (1990), Bank of America, Thailand
- Advanced Bank Lending Education II (1991), Bank of America, Thailand

- Corporate Banking & Corporate Finance (1995), Bank of America, Thailand

- Strategic Relationship Management (1996), Bank of America, Thailand

Number of Shares in company None

% of Shares in company None (Not changed since January 1, 2016 to November 7, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

8 Nov. 2012 President,

-7 Nov. 2016 Executive Director and Member of the Risk Management Committee, Krung Thai Bank Pcl.

2012 Chairman and Chief Executive Officer, Finansa Capital Ltd.

2012 Independent Director and Member of Corporate Governance Committee, PTT Exploration and Production Pcl.

2012 Director, Padaeng Industry Pcl.

2011-2012 Honorary Director, Energy Fund Administration Institute (Public Organization)

2010-2012 Chairman and Chief Executive Officer, Finansa Securities Ltd.

2009-2010 Senior Executive Vice President, Siam Commercial Bank Pcl.

2004-2009 Senior Country Officer and Head of Investment Banking for JPMorgan Chase Thailand

2002-2004 President, Deutsche Bank (Thailand) Overseeing the World Capital Market, Bond Market, Foreign Exchange and Derivatives

1990-2002 President (from entry level - Corporate Finance Executive), Bank of America (Thailand)

1989-1990 Expert in Leasing,
IBM Thailand Co., Ltd.

6. Mr. Payong Srivanich

President (Authorized Signatory Director)

Executive Director

Member of the Risk Management Committee

Age 48

Date of Appointment

November 8, 2016

Education

- MBA, University of Pittsburgh, Pittsburgh, Pennsylvania, USA
- BS in Industrial Engineering, University of Arizona, Tucson, Arizona, USA

Training Program

- Class 223/2016, Director Certification Program (DCP), IOD

Number of Shares in company None

% of Shares in company None

(Not changed since November 8, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

2015-7 Nov. 2016 Senior Executive Vice President -
Head of Global Markets Group,
Krung Thai Bank Pcl.

2016 Director, Krungthai-AXA Life Pcl.

2008-2014 Managing Director,
Head of Global Markets &
Country Treasurer Citibank N.A.,
Thailand

7. Mr. Distat Hotrakitya

Chairman of the Independent Director Committee

Chairman of the Compliance Committee

Member of the Nominating and Remuneration Committee

Age 58

Date of Appointment

August 21, 2014

Education

- D.E.A. de Droit Public, Université Strasbourg III (Robert Schuman), France
- Bachelor of Laws (Honors), Chulalongkorn University
- Certificate in Comparative Law, University Strasbourg III (Robert Schuman), France
- Certificate in Public Administration, Ecole nationale d'administration (ENA), France

Training Program

- Class 53, National Defence Course, National Defence College
- Class 94/2007, Director Certification Program (DCP), IOD
- Class 47/2006, Top Management Program: Visionary Leader, Civil Service Training Institute
- Class 1, Top Management Program in Governmental legal, Office of the Council of State
- Class 3/2015, Certificate in Law for Democracy, Office of the Constitutional Court
- Corporate Governance for Developing National Undergraduate Education Program, Knowledge Network Institute of Thailand
- Administration Litigation and Supervision Program, France
- Public Administration Program, France

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2016-Present Independent Director/
Chairman of Nomination
Committee/ Member of
Risk Management
Committee/ Member of
Corporate Governance
Committee, MCOT Pcl.

Positions in Non-Listed Companies/Other Organizations

2016-Present Honorary Prosecutor Committee

2016-Present	Independent Director and Corporate Governance Committee, Electricity Generating Authority of Thailand
2015-Present	Executive Director Office of Knowledge Management and Development (Public Organization)
2014-Present	Secretaries-General, Office of the Council of State
Experience over Past 5 Years	
2015-2016	Director, Sukhumvit Asset Management Co., Ltd.
2010-2016	Director, National Science Museum (Thailand)
2012-2014	Deputy Secretaries-General, Office of the Council of State
2012-2014	Director, Thailandpost Co., Ltd.

8. Mr.Supant Mongkolsuthree

Director

Chairman of the Corporate Governance and Social Responsibility Committee

Member of the Risk Management Committee

Age 58

Date of Appointment

July 24, 2014

Education

- Honorary Degree of Doctor of Philosophy (Economics), Ramkhamhaeng University
- Master of Political Science, Chulalongkorn University
- Master of Business Administration, City University, USA
- Bachelor of Business Administration, Sukhothai Thammathirat Open University

Training Program

- Class 16 National Defence Course for the Joint State-Private Sectors, The National Defence College
- Class 52/2004, Director Certification Program (DCP), IOD
- Class 12/2004, Director Accreditation Program (DAP), IOD
- Class 3/2006, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand

- Executive Leadership Program, NIDA-Wharton University of Pennsylvania
- Year 2009, Corporate Governance for Director and Top Management of State Owned Enterprise and Public Organization Course, Public Director Institute (PDI), King Prajadhipok's Institute
- Top Management Program in Urban Development (Mahanakorn 1st), Urban Green Development Institute
- Class 14/2010, Top Executive Program in Justice Administration, Judicial Training Institute

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

1988-Present Chairman, Synnex (Thailand) Pcl.

Positions in Non-Listed Companies/Other Organizations

2016-Present	Honorary Chairman, The Federation of Thai Industries
2014-Present	Member of the National Legislative Assembly, The Secretariat of the Senate
2008-Present	Chairman of the Board of Corporate Affairs / Council Member, Royal Police Cadet Academy
2006-Present	Advisor to Chairman of Thai Listed Companies Association
1993-Present	Executive Director, T.K.S. Siam Press Management Co., Ltd.
1992-Present	Executive Director, Mongkolsuthree Holding Co., Ltd.

Experience over Past 5 Years

2014-2016	Chairman, The Federation of Thai Industries
1986-2016	Vice Chairman, T.K.S. Technologies Pcl.
2012-2014	Honorary Director, Student Loan Fund
1996-2014	Executive Director, Prism Solutions Co.,Ltd.

2012-2013	Chairman, RFID Institute of Thailand , The Federation of Thai Industries
2010-2013	Vice Chairman, The Federation of Thai Industries
2010-2013	Chairman, Institute of Information and Communication Technology for Industries, The Federation of Thai Industries
2010-2013	Honorary Member of Rajamangala University of Technology Rattanakosin Council

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2015-Present Director, Interlink Telecom Pcl.

Positions in Non-Listed Companies/Other Organizations

2015-Present Councillor of State

2015-Present Chairman and Independent Director, SISB Co., Ltd.

2015-Present Advisor, Defence Technology Institute (Public Organization)

2015-Present Member of Chaopraya University Council

2012-Present Steering committee, Faculty of Political Science and Public Administration, Chiang Mai University

2011-Present Director, Industrial Estate Authority of Thailand

2011-Present Member of Rattana Bundit University Council

Experience over Past 5 Years

2010-2015 Secretary-General, Civil Service Commission

2012-2013 Honorable Person, Highland Research and Development Institute (Public Organization)

2007-2013 Member of Khon Kaen University Council

2009-2012 Honorable Person on Human Resources Management, Defence Technology Institute (Public Organization)

2009-2012 Honorable Member of the Civil Service Sub-commission, Department of Special Investigation

2008-2012 Honorable Member of the Civil Service Sub-commission, Office of the National Economic and Social Development Board

2005-2012 Special Instructor Faculty of Law, Chulalongkorn University

9. Mr.Nontigorn Kanchanachitra

Independent Director

Chairman of the Nominating and Remuneration Committee

Member of the Corporate Governance and Social Responsibility Committee

Age 61

Date of Appointment

December 24, 2009

Education

- Honorary Degree of Doctor of Business Administration (Human Resource Management), Dhonburi Rajabhat University
- Master of Public Administration, Middle Tennessee State University, USA
- B.Pol. SC., Chiang Mai University

Training Program

- Class 48, National Defence Course, National Defence College
- Class 26/2011, Role of the Chairman Program (RCP), IOD
- Class 102/2008, Director Certification Program (DCP), IOD
- Class 22/2008, Audit Committee Program (ACP), IOD
- Class 6/2008, Role of the Compensation Committee (RCC), IOD
- Class 1/2008, Financial Statements for Director (FSD), IOD

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

10. Dr.Kittipong Kittayarak

Independent Director

Chairman of the Audit Committee

Member of the Compliance Committee

Age 58

Date of Appointment

July 24, 2014

Education

- Doctor of the Science of Laws (J.S.D.), Stanford University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Harvard University, USA (Fulbright Scholarship)
- Master of Laws (LL.M.), Cornell University, USA (OCSC Scholarship)
- Bachelor of Laws (Honors), Chulalongkorn University
- Barrister-at-Law, Institute of Legal Education Thai Bar Association

Training Program

- Class 49, National Defence Course, National Defence College
- Class 112/2014, Director Accreditation Program (DAP), IOD
- Class 18/2015, Advanced Audit Committee Program (AACP), IOD
- Class 1/2013, Certificate in Law for Democracy, Office of the Constitutional Court
- Class 1/2012, Top Executive Program in Energy Literacy, Thailand Energy Academy
- Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 10/2006, Top Executive Program in Justice Administration, Judicial Training Institute
- Class 5/2001, Politics and Governance in Development Systems or Executive Course, King Prajadhipok's Institute

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

- | | |
|--------------|--|
| 2016-Present | Independent Director and Member of the Audit Committee, Dusit Thani Pcl. |
| 2014-Present | Independent Director and Chairman of the Audit Committee, PTT Pcl. |

Positions in Non-Listed Companies/Other Organizations

- | | |
|--------------|--|
| 2016-Present | Honorary Director, National Commission for Justice Administration Development |
| 2015-Present | Executive Director, Thailand Institute of Justice (Public Organization) |
| 2015-Present | Honorary Director, The Narcotics Control Board |
| 2014-Present | Chairman, Bangkok University Council |
| 2011-Present | Executive Director and Chairman (Thailand Branch), ASIA Crime Prevention Foundation (ACPF) |
| 2010-Present | Member of the Board of Committee, Thai Bar Association |
| 2009-Present | Member of Mahidol University Council |

Experience over Past 5 Years

- | | |
|-----------|--|
| 2014-2015 | Advisor to the Prime Minister |
| 2008-2014 | Permanent Secretary, Ministry of Justice |

11. General Tienchai Rubporn

Independent Director

Member of the Audit Committee

Member of the Compliance Committee

Age 61

Date of Appointment

January 28, 2015

Education

- Master of Arts, Command and General Staff College
- Class 27, Bachelor of Science Chulachomklao Royal Military Academy

Training Program

- Class 22/2016 Advanced Audit Committee Program (AACP), IOD
- Class 3/2016 Ethical Leadership Program (ELP), IOD
- Class 2/2016 Driving Company Success with IT Governance (ITG), IOD
- Class 15/2016 Corporate Governance for Capital Market Intermediaries (CGI), IOD
- Class 28/2016 Successful Formulation & Execution of Strategy (SFE), IOD
- Class 28/2015, Financial Statements for Director (FSD), IOD
- Class 121/2015 Director Accreditation Program (DAP), IOD
- Class 47, Security Studies Program, Royal Thai Army War College
- Resource Management Introductory Course, United States Army Finance School Fort Benjamin Harrison, Indiana, USA
- Planning, Programming Budgeting, Execution System Course, United States Army Finance School Fort Benjamin Harrison, Indiana, USA

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations None

Experience over Past 5 Years

2016	Advisor of the Public Budget Expenditures Committee
2016	Senior Expert, The Royal Army
2014-2016	Permanent Secretary, Office of the Army Comptroller
2014-2016	Secretary of the Public Budget Expenditures Committee
2013-2014	Deputy Permanent Secretary, Office of the Army Comptroller
2011-2013	Assistant Permanent Secretary, Office of the Army Comptroller

12. Mr.Somchai Boonnamsiri

Independent Director

Member of the Audit Committee

Member of the Nominating and Remuneration Committee

Member of the Risk Management Committee

Age 62

Date of Appointment

December 24, 2015

Education

- M.A. Economics, The Victoria University of Manchester, England
- B.Sc.(Honors) Economics, The University of Salford, England
- Certificate of Ordinary National Diploma in Business Studies, The City of Bath Technical College, England

Training Program

- Class 9 National Defence Course for the Joint State-Private Sectors, The National Defence College
- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 3/2016, Ethical Leadership Program (ELP), IOD
- Class 21/2016, Role of the Compensation Committee (RCC), IOD
- Class 59/2005, Director Certification Program (DCP), IOD
- Class 8/2009, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand

Number of Shares in company None

% of Shares in company None

(Not changed since January 1, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2013-Present	Independent Director, Chairman of the Nomination and Compensation Committee and Member of the Audit Committee, The Platinum Group Pcl.
2010-Present	Independent Director, BEC World Pcl.

Positions in Non-Listed Companies/Other Organizations

2014-Present Director, Magnolia Finest Corporation Co., Ltd.

Experience over Past 5 Years

2015 Director, Siam City Leasing and Factoring Pcl.

2013-2015 Chairman, Thaifoods Group Pcl.

2010-2015 Director, Siam Allied Holding and Consultant Co., Ltd.

1995-2015 Chairman, Wall Street Tullet Prebon Co., Ltd.

2007-2014 President, Krung Thai Asset Management Pcl.

13. Mr.Thanwa Laohasiriwong

Independent Director

Member of the Audit Committee

Member of the Risk Management Committee

Age 51

Date of Appointment

January 26, 2016

Education

- Bachelor of Engineering (Computer), King Mongkut's Institute of Technology Ladkrabang

Training Program

- Class 2/2016, Driving Company Success with IT Governance (ITG), IOD
- Class 20/2015, Advanced Audit Committee Program (AACCP), IOD
- Class 1/2015, Ethical Leadership Program (ELP), IOD
- Class 22/2014, Successful Formulation & Execution of Strategy (SFE), IOD
- Class 43/2004, Director Certification Program (DCP), IOD
- IBM/Harvard Management Development Program - 2001
- IBM/INSEAD Management Development Program -1998
- Class 4/2016, Environmental Governance for Executive Officer, Department of Environmental Quality Promotion (DEQP) , Ministry of Natural Resources and Environment

Number of Shares in company None

% of Shares in company None

(Not change since January 26, 2016)

Family Relationship with Director and Executive Officer None

Positions in Other Listed Companies

2014-Present Independent Director and Chairman of the Audit Committee, TPBI Pcl.

2011-Present Independent Director and Member of the Audit Committee, Asiasoft Corporation Pcl.

Positions in Non-Listed Companies/Other Organizations

2015-Present Chairman, Humanica Co., Ltd.

2014-Present Director and Member of the Board of Executive Directors, TOT Pcl.

Experience over Past 5 Years

2015-2016 Chairman, Independent Director and Chairman of the Audit Committee, ASN Broker Pcl.

2011-2016 Independent Director and Member of the Audit Committee, Easy Buy Pcl.

2014-2015 Acting President, TOT Pcl.

2014-2015 Director, F.A.S.T. Solutions Co., Ltd.

2014-2015 Member of the Financial and Assets Committee , King Mongkut's Institute of Technology Ladkrabang

2012-2014 Independent Director and Member of the Audit Committee, Communication & System Solution Pcl.

2012 President, Value Investor (Thailand) Association

Brief Biography of Executive Officers

1. Mr.Vorapak Tanyawong

President

(Until November 7, 2016)

- Please refer to page 21

2. Mr.Payong Srivanich

President

(Effective on November 8, 2016)

- Please refer to page 22

3. Mr.Parinya Patanaphakdee

First Senior Executive Vice President - Head of
Credit Restructuring & Asset Management Group

Age 58

Date of Appointment

October 1, 2010

Education

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

Training Program

- Executive Leadership Development Program
(ELDP) 2015, Compass Institute,
LEAD Business and Cornell University
- Class 4/2013, Training Course on Advanced
Security Management Program (ASMP 4),
National Defence College
- Class 6/2013, Training Course on Top Executive
Program in Commerce and Trade (TEPCoT 6),
Academic Service Center,
University of the Thai Chamber of Commerce
- Class 16/2012, Successful Formulation and
Execution of Strategy (SFE)

- Class 2/2011, Training Course on
Administrative Justice for Executives (BYP),
The Administrative Court
- Class 1/2010, Financial Institutions Governance
Program (FGP),
Thai Institute of Directors Association (IOD)
- Class 10/2010, Top Management Program,
Capital Market Academy,
The Stock Exchange of Thailand
- Class 18 (NDC 2548), National Defence
Course for the Joint State-Private Sectors,
National Defence College
- Class 8/2004, Advanced Certificate Course
in Politics and Governance in Democratic
Systems for Executives,
King Prajadhipok's Institute (KPI 8)
- Class 7/2003, The Programme for Senior
Executives in Criminal Justice Administration,
National Academy of Criminal Justice,
Office of the Judiciary (B.Y.S.7)
- Class 11/2002, Financial Executive Development
Program (FINEX XI), The Thai Institute of Banking
and Finance Association

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2014-Present Directors, KTB General Services
and Security Co., Ltd.
(KTB General Services Co., Ltd.)

2013-Present Directors Pull

2011-Present Vice Chairman, KTB Law Co., Ltd

Experience over Past 5 Years

2015-2016 Advisor to the Minister,
Ministry of Information and
Communication Technology

2013-2014 Academic to Committee on
Monetary Financial Banking and
Financial Institution, Senate

2011-2012 First Executive Vice President -
Managing Director,
Credit Restructuring &
Asset Management Group,
Krung Thai Bank Pcl.

4. Ms.Jaree Wuthisanti

Senior Executive Vice President - Head of
Corporate Banking Group 1

Age 59

Date of Appointment

October 3, 2011

Education

- MBA, National Institute of Development Administration
- BBA (Accounting), (First Honors), Chiang Mai University
- Diploma in Advanced International Bank Management Program, The Swedish International Development Cooperation Agency

Training Program

- Class 9/2016, Top Executive Program in Commerce Trade : TEPCoT, Commerce Academy
- Executive Leadership Development Program (ELDP) 2015 , Compass Institute, LEAD Business Institute and Cornell University
- Class 16/2013, Top Management Program, Capital Market Academy, The Stock Exchange of Thailand
- Class 19/2006, National Defence Course for the Joint State-Private Sectors, National Defence College
- Class 29 /2003, Directors Certification Program, Thai institute of Directors Association

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies

2012-Present Director, Dhipaya Insurance Pcl.

Positions in Non-Listed Companies/Other Organizations

2012-Present Director, KTB Advisory Co., Ltd

Experience over Past 5 Years None

5. Dr.Vites Techangam

Senior Executive Vice President - Head of
Technology Group

Age 59

Date of Appointment

June 17, 2013

Education

- Ph.d. (Computer Science), University of South Western Louisiana, USA
- M.Sc. (Computer Science), University of California, USA
- B.Eng. (Computer Engineering), Chulalongkorn University

Training Program

- Driving Company Success with IT Governance (ITG) 2016, Thai Institute of Directors Association (IOD)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Class 92/2011, Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)
- ISO/IEC 20000 - 1:2001 IT Service Management System and Awareness for Management, Bureau Veritas

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2013-Present Director, National ITMX Co., Ltd

Experience over Past 5 Years

2014-2015 Director, KTB Law Co.,Ltd.

2013-2014 Senior Executive Vice President -
Managing Director,
Electronic Banking & Cash
Management Group,
Krung Thai Bank Pcl.

2011-2013 President,
KTB Computer Services Co.,Ltd.

6. Ms.Arisara Dharamadhaj

Senior Executive Vice President – Head of
Government & State Enterprise Relations Group

Age 59

Date of Appointment

October 1, 2012

Education

- MBA, Roosevelt University, USA
- BBA (Economics),
University of the Thai Chamber Of Commerce

Training Program

- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Class 24, National Defence Course for Joint State-Private Sectors, National Defence College
- Class 75/2006, Director Certification Program (DCP), Thai Institute of Directors Association (IOD)

Number of Shares in company None

% of Shares in company None
(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2014-Present	Director, Krung Thai IBJ Leasing Co.,Ltd
2016-Present	Director, KTB General Services and Security Co.,Ltd. (KTB General Services Co.,Ltd.)

Experience over Past 5 Years

2006-2015	Director, Bangkok Expressway and Metro Plc.
2012-2014	First Executive Vice President – Acting Managing Director, Government & State Enterprise Relations Group, Krung Thai Bank Pcl.
2005-2012	Executive Vice President, – Director, Corporate Banking Sector 2,3 Krung Thai Bank Pcl.

7. Mr.Songpol Chevapanyaroj

Senior Executive Vice President – Head of
Global Transaction Banking Group

Age 44

Date of Appointment

July 2, 2014

Education

- MBA (Finance),
Case Western Reserve University, U.S.A.
- BA (Science), University of Findlay, U.S.A.

Training Program

- Class 231/2016, Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Class 3/2016, Financial and Fiscal Management Program, The Comptroller General's Department (CGD)
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Class 7/2015, Corporate Governance for Capital Market Intermediaries (CGI)
- KTB Digital Banking Workshop 2015

Number of Shares in company None

% of Shares in company None
(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies

2015-Present	Director, Krung Thai Asset Management Pcl.
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Positions in Non-Listed Companies/Other Organizations

2014-Present	Director, SAB SIAM Co., Ltd
2014-Present	Director, SPACE@SIAM Co., Ltd

Experience over Past 5 Years

2014	Advisor To The President, Krung Thai Bank Pcl.
2014	Executive Vice President, World Business Division, Kasikornbank Pcl.
2013	Executive Vice President, Group Head, Global Business Division, Kasikornbank Pcl.

2010-2012 Executive Vice President,
Group Head, Corporate and
SME Products Division Corporate
Channel, and Cash Management,
Kasikornbank Pcl.

8. Mr.Poonpat Sripleng

Senior Executive Vice President – Head of
Risk Management Group

Age 52

Date of Appointment

October 1, 2013

Education

- MS (Economic), Thammasat University
- BS (Economic), Thammasat University

Training Program

- Executive Leadership Development Program (ELDP) 2015 Compass Institute, LEAD Business Institute and Cornell University
- The Risk Games Conference 2013: The Asian Banker Summit 2013, Jakarta, Indonesia
- Corporate Credit Rating Analysis, Hong Kong
- Bourse Game; Union Bank of Switzerland, Hong Kong
- Portfolio Management; Euro Money, Hong Kong
- Project Management; Alltel Information System
- Syndication Loan; DC Gardner
- Problem Solving and Decision Making, Kepner Tregoe
- Leadership Development Institute, Kepner Tregoe
- Asset & Liability Management, Sendero Institution
- Profitability Measurement and Fund Transfer Pricing, Sendero Institution
- Risk Management, Risk Metrics
- Advance Volatility Trading, Singapore
- Advance Banking and Risk Management Program, Nanyang Technology University, Singapore
- Retail Lending and Stress Test, Singapore
- FRM (Financial Risk Manager; GARP)

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies

2016-Present Chairman, Krungthai Card Pcl.

Positions in Non-Listed Companies/Other Organizations

2014-Present Executive Director,
KT ZMICO Securities Co.,Ltd

Experience over Past 5 Years

2013 Executive Director,
KTB Leasing Co.,Ltd

2013-2016 First Executive Vice President -
Managing Director
Risk Management Group,
Krung Thai Bank Pcl.

2011-2013 Executive Vice President - Director,
Risk Management Sector,
Risk Management Group,
Krung Thai Bank Pcl.

9. Mr.Suchart Dejittirut

Senior Executive Vice President – Head of
Compliance and Legal Management Group

Age 59

Date of Appointment

March 2, 2015

Education

- Master of Arts in Public Administration, Public and Private Sectors Management National Institute for Development Administration (NIDA)
- Bachelor of Economics, Ramkhamhaeng University

Training Program

- Class 225/2016 Director Certification Program (DCP), Thai Institute of Directors Association (IOD)
- Knowledge of Operational Securities Business for The most responsible regulatory 2015, The Thai Institute of Banking and Finance Association and The Thai Bankers Association
- Class 4/2015, Senior Legal Executive for Government, Office of The Council of State
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- One on One Executive Coaching (2014), Slingshot Coaching Co.,Ltd.

- Management of Mass Media For Executive 2014, DC Consultants and Marketing Communication
- Lending at the Speed of Trust (2014), PacRim Group
- Advanced Certificate Course in Public Economics Management (2011), King Prajachipok's Institute
- Class 4/2016, Effective Minute Taking-EMT, Thai Institute of Director

Number of Shares in company None

% of Shares in company None

(Not changed During the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2012-Present Director, KTB Law Co., Ltd.

Experience over Past 5 Years

2015-2016	First Executive Vice President- Managing Director of Compliance and Legal Management Group, Krung Thai Bank Pcl.
2012-2015	Executive Vice President-Director, Asset Disposition Management Department, Krung Thai Bank Pcl.
2012-2013	Member of Executive Finance Management Program # 4 Fiscal Policy Research Institute Foundation

10. Mr.Weerapong Suppasedsak

Senior Executive Vice President - Head of
Corporate Banking Group 2

Age 50

Date of Appointment

December 26, 2014

Education

- Master of Economics (Finance), National Institute of Development Administration (NIDA)
- Bachelor of International Economics, Ramkhamhaeng University

Training Program

- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Interest rate Indexed and Derivatives 2015

- TLCA Executive Development Program 2014, Thai Listed Companies Association

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies

2012-Present Director, Bangkok Expressway
and Metro Plc.

Positions in Non-Listed Companies/Other Organizations

2016-Present	Director, Krungthai Panich Insurance Pcl.
2014-Present	Director / Chairman of the Audit Committee at Suvarnabhumi Airport Hotel Company Limited

Experience over Past 5 Years

2014-2016	First Executive Vice President - Managing Director Corporate Banking Group 2, Krung Thai Bank Pcl.
2011-2014	Executive Vice President - Director Corporate Banking Sector 3, 4, 6, Krung Thai Bank Pcl.

11. Mr.Cherdchai Chomphonukulrut

Senior Executive Vice President - Head of
Retail Banking Sales & Distribution Group

Age 59

Date of Appointment

5 October 2015

Education

- Master of Business Administration, Naresuan University
- Bachelor of Science, Kasetsart University

Training Program

- Digital Banking & Inspirational Leadership 2016
- IT governance & cybersecurity for directors/ managing directors 2016
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- KTB Digital Banking Workshop 2015
- Key Success of Sales Teamwork 2013
- Total Solution Provider 2010

Number of Shares in company 1,300 shares*

% of Shares in company 0.000009*

Family Relationship with Executive Officer None

Positions in Other Listed Companies

2016-Present Director, Krung Thai Asset Management Pcl.

2016-Present Director, Krungthai Card Pcl.

Positions in Non-Listed Companies/Other Organizations

2016-Present Director, KTB General Services and Security Co.,Ltd.
(KTb General Services Co.,Ltd.)

Experience over Past 5 Years

2015-2016 First Executive Vice President-
Managing Director Retail
Banking Sales & Distribution Group
Krung Thai Bank Pcl.

2013-2015 Executive Vice President-
Director Metropolitan Network
Sector 1, Krung Thai Bank Pcl.

2012-2013 Executive Vice President-
Director Southern Region Network
Sector1, Krung Thai Bank Pcl.

* has 1,666 shares hold by spouse 0.000012%

12. Ms.Praralee Ratanaprasartporn

Senior Executive Vice President - Head of
Retail Shared Services Group

Age 47

Date of Appointment

May 2, 2013

Education

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

Training Program

- Analytics Experience (2016), SAS Software, Italy
- Asia Banking Analytics Roundtable (2016),
Mckinsey, Hong Kong
- Director Certification Program - DCP (2016),
Thai Institute of Directors Association (IOD)
- Customer Segmentation and Micro Segment
Analytics by SAS 2016

- Executive Leadership Development Program
(ELDP) 2015, Compass Institute,
LEAD Business Institute and Cornell University
- KTB Digital Banking Workshop 2015
- Advance Management Program (2011) INSEAD
Business School - European Campus, France
- Customer Experience Workshop (2010), Malaysia
- SME Strategy Workshop (2007), GE Singapore
- Global Mortgage Conference (2006), GE USA
- Advance Manager Course
- Six Sigma / Quality Training (2003)

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2014-Present Chairman of Risk Management
Committee / Director,
KTb Leasing Co., Ltd.

Experience over Past 5 Years

2014-2016 First Executive Vice President
Managing Director Retail
Shared Services Group,
Krung Thai Bank Pcl.

2013-2014 Advisor to The President,
Krung Thai Bank Pcl.

2009-2013 Executive Vice President,
Head of Retail Credit Risk
Management,
Executive Vice President,
Head of Customer Relationship
Management,
Siam Commercial Bank Pcl.

13. Ms.Amporn Chotruchsakul

Senior Executive Vice President – Head of
Operation Group

Age 57

Date of Appointment

October 14, 2016

Education

- Master of Sciences-Accounting, DePual University
- Master of Art- Public Administration, Northern Illinois University
- Bachelor of Art – Public Administration (Finance)-(First Class Honors & Gold Medal for Highest Score), Chulalongkorn University

Training Program

- 4 Keys to operations Excellence (2016)
- Harvard Online Training (2016), Citibank
- Leadership Matters (2016), Citibank
- Risk of Outsourcing Lifecycle Management (2015), Citibank
- Manage Your Risk (2014), Citibank
- Power of ONE Training (2014), Citibank
- Risk Strategy (2014), Citibank
- APAC Understanding the Risks in Outbound Callback Verification (2013), Citibank
- Whole Brain Appreciative Coaching (2012), Citibank
- Executive Development for Managing Director (2011), Citibank
- Advanced Regional AML Training (2011), Citibank

Number of Shares in company None

% of Shares in company None

(Not changed since October 14, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations
None

Experience over Past 5 Years

2008-2016	MD-Country Operations & Technology Head, Citibank N.A. Thailand
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14. Ms.Walairat Lertumpornpisal

First Executive Vice President – Head of
Financial Management Group

Age 59

Date of Appointment

May 4, 2016

Education

- Master of Business, NIDA Business School, National Institute of Development Administration
- Bachelor of Economics, Chulalongkorn University

Training Program

- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Foreign Account Tax Compliance Act (FATCA) 2014
- Class 78/2013, The Civil Service Executive Development Program : Visionary and Moral Leadership, Civil Service Executive College, Civil Service Executive College, Office of the Civil Service Commission, Thailand
- The 7 Habits of Highly Effective People 2012, PacRlm Group
- TQA Internal Organization Assessment 2012, Thailand Productivity Institute
- State Enterprise Performance Appraisal : SEPA 2010, Thailand Productivity Institute

Number of Shares in company 1,430 Shares*

% of Shares in company 0.00001

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations
None

Experience over Past 5 Years

2013-2016	Executive Vice President-Director, Financial Planning Sector, Financial Management Group, Krung Thai Bank Pcl.
2012-2013	Senior Vice President-Director, Financial Planning Sector, Financial Management Group, Krung Thai Bank Pcl.

2010-2011 Senior Vice President & Manager,
Planning & Budgeting Department,
Financial Management Group,
Krung Thai Bank Pcl.

* has 10,986 shares hold by spouse 0.000079%

15. Mr. Suppawat Wadhanapatee

First Executive Vice President - Head of
Human Resources and Corporate Governance Group

Age 46

Date of Appointment

October 1, 2016

Education

- Doctor of Business Administration,
Dhurakij Pundit University
- Master of Business Administration/ finance,
Rensselaer Polytechnic Institute, USA
- Master of Laws / International Law,
Chulalongkorn University
- Bachelor of Laws, Chulalongkorn University

Training Program

- Digital Banking & Inspirational Leadership 2016
- How Digital Technology Transforms
the Financial Service and Experiences 2016
- Situational Leadership 2015, Slingshot Group
- Strategy and Innovation for Businesses in Asia
(SIBA) : CMMU Session (2014)
- Executive Leadership Development Program
(ELDP) 2015, Compass Institute,
LEAD Business Institute and Cornell University
- Professional Coach Certification Program 2015,
Thailand Coaching Institute
- The GRID for Supervisory Excellence -
Experience The Power to Change 2015,
Grid Organization Development LLC
- Workshop: The Leadership & Talent Sustainability
Across Borders 2013, Personnel Management
Association of Thailand - PMAT (2 Days Exclusive
Workshop with Prof. Dave Ulrich)

Number of Shares in company None

% of Shares in company None

(Not changed since October 1, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations
None

Experience over Past 5 Years

2013-2016 Executive Vice President Sector
Head of Human Resources Sector
Human Resources and Corporate
Governance Group,
Krung Thai Bank Pcl.

2012-2013 Senior Vice President Sector
Head of Human Resources Sector
Human Resources and Corporate
Governance Group,
Krung Thai Bank Pcl.

2011-2012 Senior Vice President Department
Head of Human Resources
Management Department
Human Resources and
Corporate Governance Group,
Krung Thai Bank Pcl.

16. Mr. Pativate Santavanond

First Executive Vice President - Head of
Business Center Group

Age 55

Date of Appointment

October 1, 2016

Education

- MBA - Finance, Webster University, USA
- BA - Economics, Thammasat University

Training Program

- Digital Banking & Inspirational Leadership 2016
- Executive Brand Solicitation 2016
- Executive Leadership Development Program
(ELDP) 2015, Compass Institute,
LEAD Business Institute and Cornell University
- TLCA Executive Development (2013),
Listed Companies Association Thailand,
Stock Exchange of Thailand, and Capital
Market Academy

Number of Shares in company None*

% of Shares in company None*

(Not changed since October 1, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2016-Present Director,
Krung Thai IBJ Leasing Co.,Ltd.

Experience over Past 5 Years

2014-2016 Executive Vice President -Director,
Metropolitan Business Center
Sector 1, Krung Thai Bank Pcl.

2013-2014 Executive Vice President-Director,
Southern Region Business Center
Sector, Krung Thai Bank Pcl.

2012-2013 Senior Vice President-Director,
Southern Region Business Center
Sector, Krung Thai Bank Pcl.

* has 66,000 shares hold by spouse 0.000472%

17. Mr.Santi Parivisutt

First Executive Vice President - Head of
Internal Audit Group

Age 54

Date of Appointment

October 1, 2016

Education

- MS (Economic), National Institute of Development Administration
- Bachelor of Economics, Ramkhamhaeng University

Training Program

- Annual Audit Committee C.AACC 2016
- Digital Banking & Inspirational Leadership 2016
- Crucial Conversations 2016, PacRim Group
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- FATCA for Director and Executive Officers
- Situational Leadership 2015, Slingshot Coaching Co., Ltd.
- The 7 Habits of Highly Effective People 2012, PacRim Group

Number of Shares in company None

% of Shares in company None

(Not changed since October 1, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations
None

Experience over Past 5 Years

2015-2016 Executive Vice President Sector
Head-Credit Transaction Audit
Sector, Krung Thai Bank Pcl.

2014-2015 Senior Vice President Sector
Head-Credit Transaction Audit
Sector, Krung Thai Bank Pcl.

2012-2014 Senior Vice President
Metropolitan BC CRTM
Department, Krung Thai Bank Pcl.

18. Mr.Luechai Chaiparinya

First Executive Vice President - Head of
Retail Strategy Product & Segmentation Group

Age 58

Date of Appointment

August 1, 2016

Education

- MBA, Khonkaen University
- Bachelor of Arts, Chiang Mai University

Training Program

- Customer Segmentation and Micro Segment Analytics by SAS 2016
- Digital Banking & Inspirational Leadership 2016
- Executive Brand Solicitation 2016
- Executive Leadership Development Program (ELDP) 2015, Compass Institute, LEAD Business Institute and Cornell University
- Class 4/2012, Fiscal Management, Fiscal Policy Research Institute Foundation
- Influencer The power of change 2012
- Strategic Marketing Plan for Service Marketing 2012

Number of Shares in company 605 shares*

% of Shares in company 0.000004*

(Not changed since August 1, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2016-Present Director, Krungthai - AXA Life Pcl.

Experience over Past 5 Years

2013-2016	Executive Vice President Sector Head Northern Region Network 2, Krung Thai Bank Pcl.
2012-2013	Executive Vice President Sector Head Metropolitan Network 1, Krung Thai Bank Pcl.
2010-2012	Senior Vice President Sector Head Metropolitan Network, Krung Thai Bank Pcl.

* has 264 shares hold by spouse 0.000002%

19. Mr.Rawin Boonyanusasna

First Executive Vice President - Head of
Global Markets Group

Age 42

Date of Appointment

November 22, 2016

Education

- MSc. In Financial Engineering and Quantitative,
University of Reading
- MA. In International Economics and Finance,
Chulalongkorn University
- BA. In Economics, Thammasat University

Training Program

- Customer Segmentation and Micro Segment
Analytics by SAS 2016
- KTB executive refining program 2016
- Global Market Desk Guide 2016
- Strategic Planning Workshop 2015

Number of Shares in company None

% of Shares in company None

(Not changed since November 23, 2016)

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

None

Experience over Past 5 Years

2016	Executive Vice President Trading Team, Global Markets Group, Krung Thai Bank Pcl.
2014-2015	Head of Capital Market Product Trading, TMB Bank Pcl.

2013	Head of Global Markets, Royal Bank of Scotland, Thailand
2010-2013	Head of Trading, Bank of America, Thailand

20. Mr.Pichit Jongsaliswang

Advisor To The President

Age 35

Date of Appointment

July 13, 2015

Education

- MBA, Kellogg School of Management,
Northwestern University, USA
- BSc., McIntire School of Commerce,
University of Virginia, USA

Number of Shares in company None

% of Shares in company None

(Not changed during the year)

Training Program None

Family Relationship with Executive Officer None

Positions in Other Listed Companies None

Positions in Non-Listed Companies/Other Organizations

2015-Present	Director, Kumo Business Service Co.,Ltd.
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Experience over Past 5 Years

2013-2015	Executive Vice President, Head of SME Segment, TMB Bank Pcl.
2011-2013	Vice President, Strategy Group, Total Access Communication Pcl.



Economic Overview in 2016 and Outlook for 2017



Economic Overview in 2016

World Economy: weakened following the slowdown of major countries' economy amid higher risks

2016 world economy recorded the lowest economic growth in the past 7 years with 3.1¹ percent growth, down from 3.2 in the previous year. This was partially due to oil price plummet, which resulted in the fall of commodity price affecting the income of both oil producing countries and export dependent countries. Furthermore, it caused the stagnation of the world trade. Economies of notable countries, namely U.S., European countries, Japan and China, slowed down amid risks which continued from the previous year as well as new risks arose this year. The followings are the key movements of prominent countries.

¹ IMF, January 2017



United States of America (USA)

The U.S. economy expanded by 1.6 percent, slower than 2.6 percent in the previous year, as a result of export and industrial manufacture being affected by the appreciation of the US Dollar following the Fed Funds Rate hike for the first time in 9 years in December 2015. Moreover, the shale oil business which is one of the key drivers of U.S. economy was also affected by the oil price plunge. Therefore, U.S. economy expanded at much lower rate than expected causing the Fed to raise the interest rate only once rather than 4 times as planned. However, there were clear signs of a strong recovery in the last quarter especially in labor and real estate market. Although the presidential election result was shocking and put the money and capital market wildly fluctuated for some time, the U.S. was back on the recovery track after the market was starting to find that the new president's policies promised during his run for president may encourage faster economic recovery.



Eurozone

European economy became more exposed to risk factors resulting in the GDP growth slowing down to 1.7 percent from 2.0 percent in 2015. The impact of terrorist attacks in Turkey, Germany and Switzerland which was presumably related to migrant policy and the instability of governments of EU countries were reflected by Brexit referendum and Italian constitutional referendum, generating fear of EU instability. Furthermore, there were underlying problems in the banking sector, especially bad debt issues among Italian banks, European Central Bank (ECB)'s unreliable stress test, liquidity issue of large banks which became more severe after settlements with the U.S. Department of Justice, especially in the case of Deutsche Bank and Credit Suisse. These forced ECB to lower policy rate even further in negative territory and extend QE policy again from ending in March 2017 to December 2017 in order to handle the risks. However, continuous improvement of labor market and the depreciation of Euro and Pound Sterling, especially after the Brexit referendum, spurred a continuous growth in European economy and lowered deflationary pressure as inflation raised slowly and was back into positive figures in the second half of the year.



Japan

Economy expanded only slightly at 0.9 percent from 1.2 percent in the previous year. This was partly due to the strong appreciation of the Yen to lower than 100 JPY/USD in mid-August 2016, 17% lower than the average of 121.09 JPY/USD in 2015. The surging Yen caused the Japanese export to drop for the first time in 5 years; worsening the effect of the earthquake on Kyushu on the production of automobile and electronics and making the production contracted for 2 consecutive years. The risk of deflation once again put pressure on Japanese economy as the inflation had been in negative figures since March 2016, prompting the Bank of Japan to employ negative interest policy for the first time and continue with QE measures. The government budget approved seen at record of Yen 96.7 trillion and the government announced the delay from April 2017 to October 2019 of sales-tax increase from 8 percent to 10 percent. Casino legalization bill was passed and Japan continued to work toward the ratification of Trans-Pacific Partnership (TPP), in hopes that it will stimulate the stagnant economy. However, the Yen's sharp fall following the U.S. election and the strong expansion in tourism industry will gradually support the improvement of Japan's economy.



China

China's economy expanded by 6.7 percent, the lowest figure in 26 years. This continued from the economic slowdown at 6.9 percent growth in the previous year due to the shrink in export for 2 consecutive years. Although the GDP increase met the Chinese government's target at 6.5 - 7.0 percent, China's economic expansion was still at risk as China was susceptible to the Fed Funds Rate increase and economic policies of the new U.S. president as shown by the large capital outflow resulting in the decrease of China's foreign-exchange reserves for the second year in a row and the new low in almost 6 years. Although this caused continuous depreciation of the Yuan, it did not support the country's export significantly. Moreover, debt issues in private and state-enterprise sectors worsened, partly due to loan expansion being much higher than GDP growth, undermining the stability of China's financial sector. At the same time, NPL problem worsened as it set the new record high in 10 years and the shadow banking problem was not solved. As a result, Moody's and S&P changed China's sovereign outlook from stable to negative.



Thai Economy: Recovering with the government sector as the key driver

The growth of Thai economy in 2016 accelerated to 3.2 percent, up from 2.9 percent in the previous year. Nevertheless, the growth was below potential and it was mainly due to the expansion of tourism and government's stimulation.

Private Consumption

was being pressured by rising household debt and falling household income resulting from low agricultural product prices, decline in agricultural production due to the worst drought in over 22 years, lower income of labor in export industry and lower purchasing power due to the mourning period. Despite the pressure, the private consumption increased because of the government's stimulation, namely the shopping tax break measure at the end of the year, the salary raise for employees of state-enterprises and civil servants, supporting measures for farmers and low-income earners, etc.

Private Investment

slowed down following overproduction and the stagnation of private sector consumption and export. Moreover, investors were reluctant to invest as they waited for political clarity regarding the constitutional referendum and the timeline for election. Some of the investors opted to invest in neighboring countries because of lower cost and benefits from GSP. The government's investment in infrastructure was in the early phase and did not spark much private investment.

Government's spending

was the key driver of Thai economy in 2016. The spending included accelerating budget disbursement, pushing forward infrastructure investment projects, employing various economic stimulus measures throughout the year e.g. the second batch of soft loan measures to help SMEs, measures to stimulate small investment throughout the country, to strengthen grassroots economy through National Village and Urban Community Fund, to develop village potential and promote well-being of sub-districts, etc.

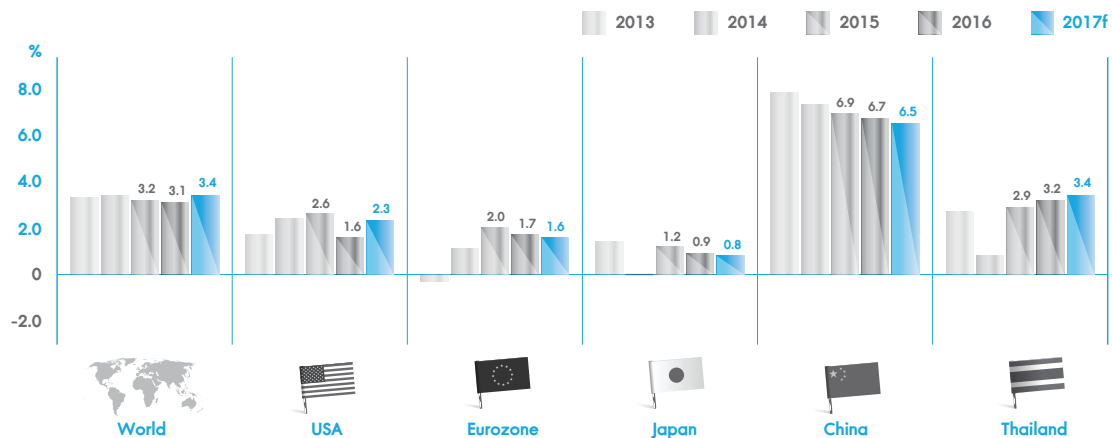
Export

expanded for the first time in 4 years with a pace of 0.01 percent. However, it still be the low growth rate due to the world's crude oil price plunge which caused prices of agricultural product and commodity to fall. This, in turn, affected the prices of Thailand's major exports. Agricultural production also declined because of drought. There were also structural problems in Thai export regarding the erosion of competitiveness of some key products and decrease in world trade volume following the fragile recovery of world economy. However, continuous decline in import resulting from falling oil price and slow domestic investment was the reason that net import value was still positive and this supported the expansion of Thai economy.

Tourism

expanded dramatically as the number of Chinese tourists grew and European and Russian tourism markets recovered. However, bombing attacks in 7 important tourist provinces in Southern Thailand, the increase of visa on arrival fee, the crackdown on zero-dollar tours and the restriction on entertainment toward the end of the year; led to falling number of tourists in the last quarter. The government then adopted measures to ease the situation for example, visa fee waiver for passport holders of 19 countries, extension of long-stay visa for elderly tourists and tax measures to stimulate tourism.

World and Major Countries' Economic Growth Rate



Source : IMF

f-forecasted by IMF (January 2017)

Thai economy forecasted by Business Risk Research Department, Krung Thai Bank Pcl.

Business

Help Econom

Economic Outlook for 2017



World Economy: recovery from low base amid rising risks

IMF expected the world economy in 2017 to expand by 3.4² percent. Although we are seeing positive figure, it was partly due to low base as economy of each country grew lower than expected. Many countries are inclined to implement economic stimulus measures including the U.S. under the new president. However, world economy will be under uncertainties and that might slow down the recovery or even send world economy back to recession. Key points can be summarized as follows :

- The new U.S. president tends to implement aggressive economic policies e.g. immigration ban, strict refugee screening and the attempt to attract production and investment to U.S. As for trade policy, U.S. may raise the trade barriers, affecting trade and investment in other countries especially China.

- Political problems may occur in Europe as in 2017, there will be elections in major countries; Germany, France and the Netherlands in particular, causing concern that if the conservative parties win the election, the countries may want to leave the Eurozone and EU. The results of referendums in U.K. and Italy in the previous year, as well

as the result of U.S. presidential election, showed that conservatism was becoming more popular amid slow economic recovery. If the conservative continues to win in 2017, the stability of EU and EUR currency will be seriously endangered. Furthermore, it is unclear how much the U.K.'s procedure to leave EU, which will be triggered in March 2017, will affect the economy of Europe.

- Problems in banking sector may spread and become world financial crisis, especially the NPL problem among Chinese banks that may worsen due to economic slowdown. European banking sector is facing critical problem as large banks failed stress test

² IMF, January 2017

due to lack of capital and had trouble increasing the capital because of political instability. Their financial position is weakened further by bad operating result due to ECB's negative interest rate policy and many of them were fined by authorities for violating regulations.

- The monetary policy divergence will be more noticeable as Fed signified that interest rate will be increased 3 times this year, which is possible if the new president's policies accelerate inflation, while ECB must continue expansionary monetary policy to prepare for risks in politics and financial sector. Japan and China will have to stimulate their slowly recovering economy. As a result, world money market will fluctuate more severely because of higher yield gap, generating more movement in fund flow.

- Oil price tends to rise after OPEC and Non-OPEC agreed on joint reduction of production to 1.8 million

barrel per day. Together with U.S. Dollar appreciation following Fed Funds Rate hike, this will affect the cost of oil importing countries. However, oil price may rise only slightly as it is uncertain to what degree OPEC countries will honor the agreement. In addition, U.S. oil supply will increase once the world oil price reaches the breakeven point to produce oil from shale.

- Political and religious conflicts/terrorist attacks have been more frequent and have occurred in wider areas. The conflicts between the U.S. and China as well as between the U.S. and Russia which are becoming more tensed, Syrian Civil War, circumstances in Iraq and, in particular, the tendency of more frequent terrorist attacks in Europe, as well as territorial disputes in the South China Sea, will have effect on confidence, trading and investment climate and the recovery of world economy.

Thai Economy: in need of support from the government

It is expected that Thai economy will gradually grow at 3.4 percent, not reaching its full potential. The economic growth requires main drive from the government, especially the investment in infrastructure in a 5-year plan from 2016-2020 totaling to Baht 5.5 trillion. This is divided into Baht 2.5 trillion investment in energy infrastructure, Baht 0.5 trillion investment in the preparation for digital economy and the most important, Baht 2.5 trillion investment in transportation including continuously building rapid transit system, motorway routes, double track railway, Thailand-China rail link, airports, etc. The cabinet approved the Ministry of Transport's urgent plan of action concerning investment in 2017 with the total budget of Baht 896 billion, with Baht 150 billion expected to be disbursed in 2017. The mentioned government's investments, including both those out of the government's budget or in public-private partnership (PPP) will create crowding-in effect.

Tourism will grow substantially. The number of foreign tourists is expected to rise to approximately 32-34 million

people or by 10% (yoy). Some individuals' purchasing power will recover after they paid off the debt from the first car policy. This will also stimulate consumption.

It is expected that export has passed its lowest in the previous year but the growth will remain modest following higher risks in overall world trade due to U.S. unstable trade policies and China's economic slowdown, the risk of banking crisis in Europe, the effect of Brexit, pre-election political instability in many European countries as the opposition or alternative parties of these countries promote Euroscepticism as their policy.

In addition, there are other domestic risk factors that we need to monitor for example, the realization of the roadmap for an election under the new constitution, the fluctuation of the rising oil price even though the price increase has been small, and the recovery of agricultural production and price which has not yet reach the normal level, etc.

Policy and Business Overview



1. An Overview of Performance

The Bank operates its business under the vision “Growing Together” with the determination to enhance employees’ capability and work system; to provide services and worthy suggestions to customers continually; to develop economy, society and environment sustainably; and to provide superior and sustainable returns to shareholders. Under the vision, the Bank aims to pay strong attention to and place importance on all stakeholders covering the employees, customers, society and shareholders. Moreover, the Bank has set up its strategic objectives to focus on an increase in its profits and return from expansion in high yield loan, a decrease in financial cost by increasing non-fixed deposits, an increase in non-interest income from cross-selling products. The Bank also controlled expense by optimizing performance and improving procurement process. Besides, the Bank emphasized on reducing NPL by using data analytics to analyze customer data, and developing early warning system and effective debt collection system. The Bank also aim to lift up the staff’s engagement and encourage KTB to become the Performance Driven Organization in compliance with our motto “Effective Works, Joyful Staffs” with the purpose of developing

the Bank to become a leading digital banking and the second home for employees.

The Board of Directors emphasizes on the revision and determination of policy guidelines, vision, mission, strategic plan and business plan as well as the supervision of these implemented to achieve the Bank’s goal. At the beginning, the Bank arranges the meeting with the Board of Directors, the Management and Managing Directors of subsidiaries for brainstorming session in order to set up strategic business plan. Then, the Management gathers all opinions from the meeting so as to set up and submit the plans to the Board of Directors for the approval. Not only does the Management communicate the strategic/ business plan and the goal to all employees but also holds the KTB Business Strategy Seminar every year to inform Executives (Branch Manager, Regional Office Manager and First Vice President or above) of policies, statement of direction and economic outlook. Executives take these as proactive approaches to reach the Bank’s goal and convey to their employees. The Board of Directors monitors the Bank’s operating performance as against key performance indicators (KPIs) from CEO Report and KTB Corporate War Room Leaflet Report every month and

follows up the Bank's operating performance as against peer banks and KPIs every quarter. During the year, the Board of Directors provides policies, strategies and advices to the Management via the Board meeting. Then, when these are implemented, the Management must continually report the progress and success to the Board meeting. Moreover, the Bank arranges the off-site Meeting of the Board of Directors so that the Board can always visit the Bank's units and branches of each region and pass on important policies and strategies to the employees as well as closely acknowledging problems from employees' operation.

Major strategies for business operation in 2016 focus on 2 main aspects as follows:

1) Business Growth:

By emphasizing on digital banking, the Bank has developed the system, improved processes and service platform for future competition, enhanced potential of management and data analysis in business operation by employing data analytics, expanded credit in SMEs customers and connected supply chain and supported government investment in infrastructures, including increased non-interest income such as wealth management, cash management, trade finance and global markets.

2) Business Foundation:

The Bank has improved operational process to have more straight through process (STP); adjusted risk management process covering credit approval and credit policy to achieve better clarity and dexterity and risk management system; and exercised tight control on asset quality. The Bank also emphasized on enhancing human resource competency by improving the system relating to rewards, compensation and career path in order to properly reflect the employees' performance. Moreover, the Bank adjusted human resource planning in order to strengthen employees' skills and capabilities; retained high-potential employees; and encouraged employee engagement to make Krung Thai Bank the employees' "second home" and to pave way to becoming the "best place to work" in the future. In addition, the Bank has placed the importance on continuous IT investment, mainly focusing on stability and safety of the system.

Apart from the abovementioned major strategies, the Bank implemented crucial activities in 2016 to enhance competitiveness and prepare for the future fierce competitions as follows:

- **Digital Banking:** The Bank had important operations related to digital banking in 2016, namely:
 - Support for government policy "National e-Payment"

1) **Registration of PromptPay Service - An electronic fund transfer service under the National e-Payment scheme:** The Bank has offered KTB PromptPay registration since July 15, 2016 and been ready for testing, linking the system to other banks which joined in the central system and transferring money between banks in different forms. The Bank launched PromptPay service for consumer-to-consumer from January 27, 2017 onwards as scheduled by The Thai Bankers Association and Ministry of Finance.

2) **The project of lucky draw for promoting PromptPay registration:** The Bank launched the campaign under the slogan "Krung Thai PromptPay, Give away big prize, Dee Jai Jang" to award the customers who use their KTB account to register for PromptPay. They will have chance to win more than 5,000 prizes including Honda Civic, Samsung mobile phone and KTB e-Money Cards, with value more than Baht 9 million in total during July 15 to October 15, 2016 to support and promote PromptPay service.

3) **EDC machine installation:** Krung Thai Bank and the electronic data capture (EDC) machine alliance formed by 5 banks, namely Bank of Ayudhya Pcl., TMB Bank Pcl., Siam Commercial Bank Pcl., Thanachart Bank Pcl., and the Government Savings Bank, signed a memorandum of understanding for cooperation in June, 2016. The member banks will cooperate in promoting the card acceptance expansion to reduce cash use by boosting spending via cards and merchant discount rates (MDR). However, the EDC machine installation is expected to be launched at the beginning of 2017.



4) The government's welfare schemes:

Krung Thai Bank offered low-income earners to register for the government welfare scheme during July 15 to August 15, 2016 and disbursed some type of government welfare in 2016 such as Child Support Grant for family with newborn infant and subsidies for low-income earners. For the government policy in 2017, other welfare projects will be continue to extend further such as subsidies for the elderly, subsidies for disabled person and subsidies for HIV patient. Implementing the government's schemes is to promote the Bank as a channel for social welfare payment to people who are the government's target group and to support the government to help people based on their need.

- **Studying and improving service channels** such as KTB netbank, KTB branches and ATMs: Each channel was provided in reasonable proportion in line with using service preference and behavior of customer and consumer in various groups. The Bank has also enhanced service competency and given good experience to customers in accordance with the Bank's customer centricity strategy.

- **Offering new services and product innovation** to pave the way for becoming a leader in digital banking, for example the KTB e-LBD Project to provide electronic local bill discounting service to customers in sugar manufacturing and facilitate them in the payment for sugar cane and sugar cane deposit instead of using cheques; integration between M-PASS and Easy Pass to automatically pay for both motorway and express way with a single pass, including an e-wallet which can be used to withdraw cash at ATMs and make payments; and KTB netbank.

- **Data Management:** The Bank has initiated to use data analytics for analyzing customer data in order to support business expansion and reduce business risk in various dimensions such as valuation and appraisal of collateral; development of debt collection system for retail customers; development of data analytics and data support systems for business expansion in money and capital markets to help increasing success rate of sale; monitoring employees' performance; and increase in non-interest income from cross-selling products. Moreover, the Bank has planned to invest in IT infrastructures continually in order to increase capacity for database management to get faster, completer and more accurate results.

- **Risk Process Improvement:** The Bank improved risk management system and credit policy to achieve

better clarity and dexterity. The Bank also developed new statistical model to help evaluating and screening credit customers who have ability to repay debt which reduced NPL from loan approval; used proactive approach to credit portfolio management by monitoring and evaluating an overview of each industry as well as developing early warning system (EWS) to reduce default risk and the system to prevent fraud from loan approval of the Bank's employees.

Due to the determination to operate business under these strategic plans, the Bank's overall operation has achieved its target and the Bank has been presented with many awards from both domestic and international institutions, reflecting the Bank's quality of services, business operation that meets international standards and the achievement in good corporate governance that the Bank has been continuously accentuated. Consequently, the Bank's previous operation shall drive the Bank and all its stakeholders toward stable and sustainable growth in the future.

2. Brief History and Key Developments

The Bank was incorporated on March 14, 1966 through a merger between Mondhon Bank Limited and the Agricultural Bank Limited, with the Ministry of Finance acting as its major shareholder. In June 1989, the Bank became the first state enterprise to list its shares in the Stock Exchange of Thailand and started trading from August 2, 1989 onwards. The Bank registered its transformation to public limited company on March 24, 1994 under the name "Krung Thai Bank Pcl.", abbreviated to KTB, and the registration No. Bor.Mor.Jor. 335 (which has been changed to 0107537000882).

The Bank accepted the transfer of assets and liabilities of Sayam Bank Limited in August 1987 and of the First Bangkok City Bank Pcl. in November 1998 for further management.

In September 2002, the Extraordinary General Meeting of Shareholders approved the reduction of its registered capital to decrease the accumulated loss through reduction of par value from formerly Baht 10 to Baht 5.15 per share.

In October 2003, as the Financial Institutions Development Fund (FIDF) had the policy to reduce its shares holding in the Bank, the Bank then made a public offering of 3,450 million shares held by FIDF at Baht 8.50 per share. After such public offering, the FIDF still retained the status as the major shareholder of the

Bank accounting for 56.4 percent of the Bank's total paid up share at that time.

In October 2012, the Bank has increased its capital fund by issuing rights offerings of 2,796.31 million ordinary shares with par value at Baht 12.60 per share to the existing shareholders, in pro rata portion to the existing holdings of both ordinary shares and preferred shares of each shareholder. After such capital increasing, FIDF still retained its status as the major shareholding of the Bank accounting for 55.05 percent of the Bank's total shares as at December 31, 2012.

3. Shareholding Structure in Business Group

To support the core business of the Bank and create opportunities to generate higher investment returns, the Bank has thus invested in the following subsidiaries and associated companies.

- **Subsidiary Group** refers to the group of companies the businesses of which the Bank supports. They are as vital as a business unit in servicing the Bank or serving as a channel in providing full-ranged services. Their operation is in line with the Banks policies and strategic plans. This group comprises of:

- 1) Krun Thai Asset Management Pcl. (KTAM) conducts the securities business relating to funds management and other businesses with the license granting from the Securities and Exchange Commission.

- 2) KTB Leasing Co., Ltd. provides services in hire-purchase and leasing for all types of movable assets, factoring business and leasing of consumer products.

- 3) KTB Computer Services Co., Ltd. offers information technology (IT) services and advisory services for the development and enhancement of computer systems. The company mainly serves internal business units and the financial business group of the Bank.

- 4) KTB Law Co., Ltd. provides legal services mainly to the Bank and its financial business group.

- 5) KTB General Services and Security Co., Ltd. renders general business services to the Bank and its financial business group in the areas of premises management, transportation of assets, financial and nonfinancial documents, security service, document printing and pressure sealing including mailing and delivery of cash and documents to other financial institutions permitted by the Bank of Thailand.

- 6) KTB Advisory Co., Ltd. provides financial advisory services to customers in the public and private sectors including the Bank's business clients and its subsidiaries.

- **Associated Group** refers to the group of companies in which the Bank jointly invests with business alliance in order to create strategic benefits to the Bank, especially in developing of financial products that meet diverse customer needs. This group of companies comprises of:

- 1) Krunghthai Card Pcl. operates credit card business and other types of cards as well as offers personal loans.

- 2) Krunghthai-AXA Life Insurance Pcl. operates life insurance services.

- 3) Krunghthai Panich Insurance Pcl. offers all types of non-life insurance services.

- 4) Krun Thai IBJ Leasing Co., Ltd. conducts hire-purchase leasing of machinery and equipment of all types, hire purchase of movable property, factoring business and car rental for operations.

- 5) KT ZMICO Securities Co., Ltd. is a joint-venture between the Bank and SEAMICO Group. It is a brokerage firm conducting securities trading business, securities underwriting, financial advisory service and other businesses permitted by the Securities and Exchange Commission.

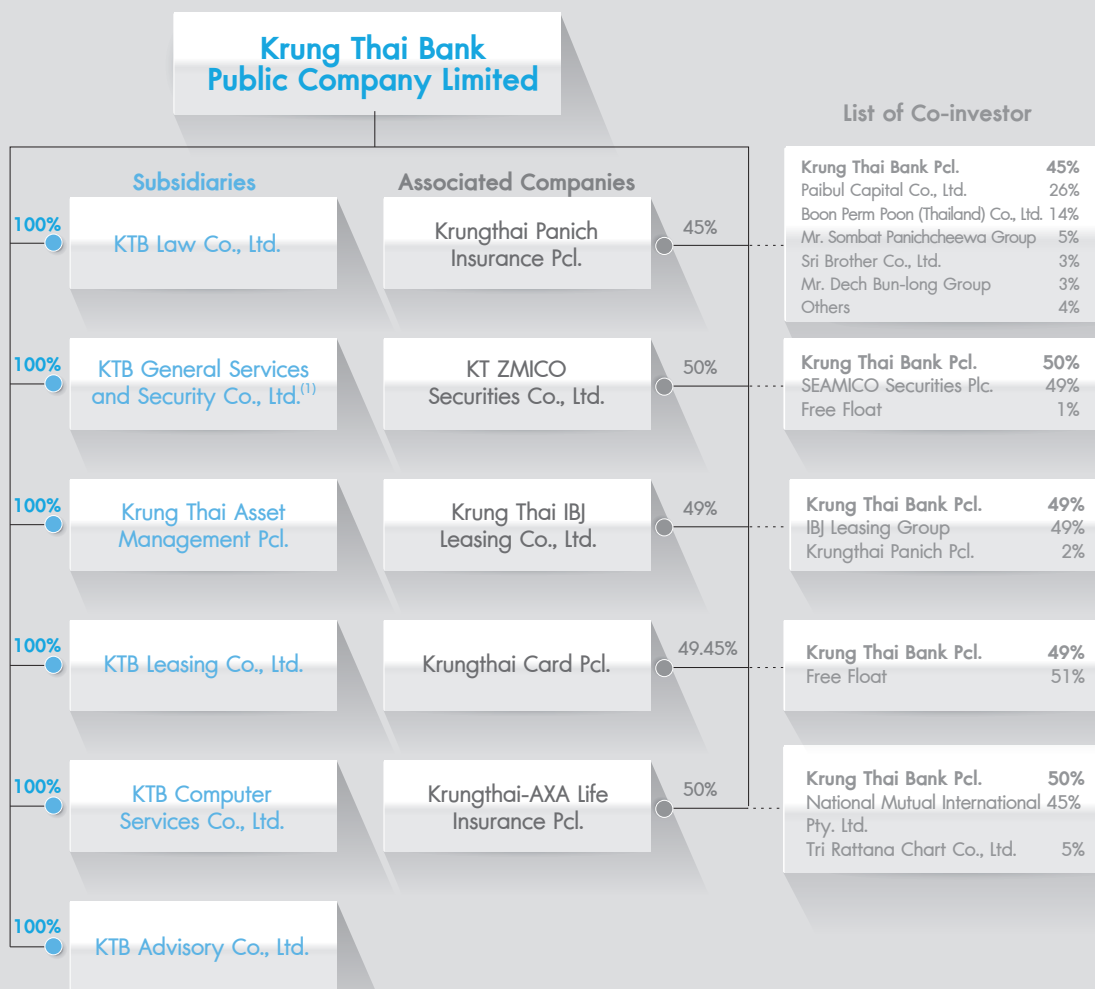
However, the Bank oversees the financial business group under the Consolidated Supervision guidance and in compliance with the Bank of Thailand, with the purpose to supervise financial business group to run the business smoothly and strongly as well as preventing any risk arisen from the operation of financial business group.

- **Other Companies Group** refers to companies in which the Bank holds 10 percent or more shares, excluding the abovementioned subsidiaries and associated companies. The details are shown in General Information and Other Major Information on pages 270-274.



Shareholding Structure in Subsidiaries and Associated Companies

As at December 31, 2016



(1) Its former name was KTB General Services Co., Ltd.

Business Operation



1. Income Structure

The major income of the Bank derived from interest on loan and from the fees and service income inferiorly, which results in the ratio between interest income: non-interest income to post at 75.65 : 24.35 percent.

	2016		2015		2014 (Restated)	
	Million Baht	%	Million Baht	%	Million Baht	%
Interbank and money market items	11,213	6.57	12,092	7.06	14,875	9.21
Investment and trading transactions	137	0.08	319	0.19	188	0.12
Investment in debt	4,585	2.68	4,963	2.90	6,256	3.87
Loans	110,298	64.57	111,438	65.11	102,873	63.69
Hire-purchase and finance lease	2,957	1.73	3,679	2.15	4,018	2.49
Others	40	0.02	34	0.02	20	0.01
Total interest income	129,230	75.65	132,525	77.43	128,230	79.39
Fee and service Income	25,931	15.18	24,224	14.15	21,027	13.02
Gains on Trading and Foreign Exchange Transactions, net	6,827	4.00	6,701	3.92	4,826	2.99
Gains on Investments, net	695	0.41	648	0.38	235	0.14
Share of Profit from Investments for Using Equity Method	3,083	1.80	3,038	1.78	2,932	1.81
Dividend Income	482	0.28	408	0.24	425	0.26
Other Operating Income	4,573	2.68	3,601	2.10	3,854	2.39
Total Non-Interest Income	41,591	24.35	38,620	22.57	33,299	20.61
Total Income	170,821	100.00	171,145	100.00	161,529	100.00



2. Products and Services

The Bank provides diversity of financial products and services, dividing into loan and non-loan types and including the subsidiaries products and services contributing to customers via the Bank in order to accurately react to target customer's need as the following details:

2.1 Loan Products

- **Corporate Loans** are divided into two groups: 1) a group of corporate customers having sales of over Baht 1,000 million and credit line of over Baht 500 million. Credit and financial service shall be offered to the customer depending on different types of business which are agricultural business, construction and property development business, service business and industrial business. 2) a group of mega-corporate customers which are the companies listed on the SET100, multinational companies and customers needing complicated credit and financial service, for instance, project finance and loan syndication. As for the past year, the Bank not only established corporate loan quality development group so as to analyze data in any aspects and to provide

effective projection but also created the system to monitor the progression of long-term loan and project loan. With the awareness of business operation under competitive condition and intense risk, the Bank selected target industry with the potentiality to grow in the future and designed products that responded to particular need of customers in each segments.

- **Medium Enterprises Loans** for customers with total credit line of over Baht 20 million but not over Baht 500 million via Business Centers which are scattered nationwide. The Bank provides services that can response the customers' need according to their business type and cover to various sectors namely; manufacturing, service, wholesale and retail, agriculture and export-Import. Additionally, the Bank has provided training course for SMEs in order to improve their respective skills, cooperated with Thai Credit Guarantee Corporation (TCG) in accommodating SMEs whose collateral is not available or enough. Moreover, the Bank has joined hand with government sector and Government Savings Bank to launch Soft Loan to the SMEs for working capital or long-term investment.

- **Small Business Loans** for retail customers with total sale volume of not over Baht 100 million per year and total credit line of not over Baht 20 million (sSME). In 2016, the Bank improved product conditions for sSME with the purpose to accommodate government policy supporting SMEs to access source of fund with the appropriate cost and to enhance business operation capability. The Bank developed products to fulfill customers' need. The products are namely; KTB-Soft Loan GSB SMEs 59 Phase 2, KTB-sSME 3 times (Bor Sor Yor. PGS 5 new revision), Soft Loan for changing machine and enhancing productive capability of SMEs, KTB Jai Dee loan for SMEs (Package 4), Loan for tobacco agriculturist with the purpose to support fund for tobacco agriculturist. Moreover, the Bank joined hand with Ministry of Industry and Department of Industry Promotion to be the network of SME Rescue Center which is responsible for supporting SMEs that encountered with business problem but still possessed potentiality to recover its business for normal operation.

- **Government and State Enterprise Loans** for government agencies and employee of state agencies

and state enterprises that form one of the large customer base of the Bank, are summarized as follows:

1) Loan directly granted to the government agencies and state enterprise

2) Loan coordinated with respective government agencies, for instance, loan for improvement of Provincial Administrative Organization, loan for government pawnshop, loan for environmental project which collaborated with Ministry of Natural Resources and Environment.

• **Personal Loans** comprise of 1) Housing Loans and Home for cash. As in 2016, the Bank joined hand with government sector to accelerate property among the low-to-medium income people by means of decreasing interest rate of the first five year by 0.25%. 2) Personal Loan such as Krungthai Thanawat revolving loan; Multi-Purpose Loan; Loan for local and international studies; KTB Care for You loan which the borrower is required to provide only collateral and no KTB payroll; Super Easy loan which is a loan without collateral and KTB payroll required. The product is eligible for both customer with salary segment and self-employment segment. Moreover, the Bank also provided “Krung Thai Loan Give 5 for KTB Payroll” which is offered to the private organization’s employees whose payrolls are paid through KTB account but the organization did not have MOU with the Bank. The offer comprises of 5 Plus Multipurpose Loan which is term loan and KTB Thanawat 5 Plus Loan which is revolving loan.

• **Financial Institution Loans** for financial institutions which is a part of interbank and money market items. Major group of customers include offshore financial institutions, branches and subsidiaries of offshore financial institutions conducting business in Thailand including domestic financial institutions, specialized financial institutions, securities business, asset management companies, insurance and leasing business. Business analysis, risk assessment are done to set risk limits to accommodate relevant transactions as well as setting credit lines to Financial Institution customers, monitoring their transactions to ensure that they are within the risk framework acceptable to the Bank.

• **Overseas Branches Loans** have been offered to Thai government agencies, Thai entrepreneurs and foreign capital in both government and private sectors through overseas branches and representative office. The provided services are namely; commercial loan, project finance and trade finance. For Loan offered in 2016, the Bank emphasized on businesses that invest in neighboring countries having good operating performance or governmental projects having stable income in order to accommodate the AEC.

2.2 Non-Loan Product and Services

• **Financial Service** The Bank has offered variety type of deposits including savings, current and fixed deposit to general customers comprising individuals, juristic entities, government agencies and



financial institutions through branches and respective channels. In 2016, the Bank provided various choices of deposit period and interest rate in order to be alternative for the customer. Those are namely Deposit for Special Occasion; Tam Jai Fixed Deposit, which is Day-term fixed deposit with the duration of 7 - 365 days and due date can be selected depending on customer's need or cash flow. Additionally, there were product bundling which is the coordination with Krungthai-AXA Life Insurance Pcl. to launch fixed deposit. In light of this, the Bank offered KTB Protection Plus for the customer who bought iProtect 5 insurance program and wish to pay the annual premium with the amount of mature deposit so as to render convenience and increase privilege to the customer.

- **Wealth Management Service** divides customers into 2 groups, namely KTB Precious and KTB Precious Plus. KTB Precious is Mass Affluent, who is the customer with invested assets of Baht 2 to 9.9 million. KTB Precious Plus is Affluent, who is the customer with invested assets of Baht 10 to 49.9 million and High Net Worth who is the customer with invested assets of Baht 50 million or higher. With the concern on Customer Centricity as an importance, the Bank develops products and services covering to 2 aspects namely, **financial and investment aspect** or personal financial planning advisor which offers full-fledged financial plan for any types of asset to be in complying with customers' financial goal. The Bank provides professional financial and investment advisor through Wealth Manager, who is expertise and certified by the certificate. With the wealth manager, updated information, in-depth investment condition analysis, proper investment strategic, investment tools that customers can manage financial plan by themselves through website shall be rendered to the customers. The second aspect is **lifestyle aspect**. The Bank's customers have been rendered the Money-Can't-Buy service, the service under the cooperation between the Bank and its alliances providing different experts, in order to serve our customers with various privileges responding to all customers' lifestyle, for instance, KTB Precious Lounge, superior service offered at over 700 special lounges worldwide and exclusive experience with particular activities in various forms.

- **KTB Card Service** classified into four core types namely;

- **KTB ATM Card** for convenience in cash withdrawal, funds transfer or making any payment through ATM or paying for product and service by ATM card through EDC under the Bank's network. Moreover, the Bank renders KTB card service to individual coordinated with institution / organization or government agencies so as to be an identification card with ATM service and to increase convenience to government agencies in paying any fee.

- **KTB Debit card** or cash card is used for paying goods and services and withdrawing funds from the account through ATM. The Bank has coordinated with 2 leading card companies namely; Visa International and UnionPay International. The Bank jointed hand with Department of Highways to launch the service to manage the system of automatic fee collection through highways under the name "M-PASS card". The card is used for paying toll of Department of Highways (Motorway 9 and Motorway 7), making transaction via the Bank's and other banks' ATM and paying for products/ service through EDC in the store showing the sign of VISA. As in 2016, the Bank jointed hand with PTG Energy Pcl. in launching "Max Money", the top-up card for petrol, and "Max Cash", the card for paying for product / service through EDC at PT gas station nationwide.

- **Business credit card** in the form of fleet card for government agencies, state enterprises and juristic entities used for payment of goods and services at PTT petrol stations, Bangchak, Esso and PT gas stations nationwide to help boost liquidity to government agencies, juristic entities with maximum payment of 55 days.

- **Acquiring Business** is product/service payment via electronic card. The Bank shall select and install Electronic Data Capture (EDC) to the shop. EDC has been guaranteed the security by Payment Card Industry Data Security Standard (PCI DSS) and is able to accommodate all types of electronic cards namely, KTB VISA Debit and Debit card of all financial institutions (having Visa, MasterCard sign). This is regarded as a tool for increasing opportunity to offer product / service to the shop and facilitate government and private sectors in term of service/ product payment. As in 2017, the Bank plans

to extend its business into e-Commerce which product / service payment can be made through Payment Gateway system under 3 Domain Secure (3Ds) and PCI DSS standard. Moreover, the list of sold products can be looked up by the shop owner through the real time website provided by the Bank.

- **International Funds Transfer Service** offers to the various groups of customers namely, international business, tourist business, education, group of Thai people working aboard, group of foreigner living or working in Thailand and government agencies. The service are divided into 2 aspects namely;

- 1. **International Transfer** covers to **Inward Remittance**, the Bank will transfer fund to the account of customer or beneficiary in Thailand. After receiving order from correspondent bank or the Bank's overseas branch, the customer will get the money right away by Straight Through Process (STP) and the notification of money transfer will be sent to customer's email by Pre-advice service. The second service is **Outward Remittance**, the Bank will transfer fund to overseas according to the customer's order (transferor) via SWIFT to correspondent bank or beneficiary in overseas. The Bank received Straight Through Processing Award

(STPA) from Well Fargo and Bank of New York, the leading bank in overseas. The Bank also provides special exchange rate for fund transfer amounting over USD 10,000 and 151-currency fund transfer service to overseas.

- 2. **Express fund transfer via Western Union system** provides Receive Money and Send Money service for a small amount of money and individual and individual transfer. The service is available at counter's branches, currency exchange point with Western Union logo nationwide.

- **Currency Exchange Service** provides 36 currencies to the customers. With the international standard of currency exchange system, the Bank can service customer professionally and smoothly and is ready to serve the customer every time through head office, branch and currency exchange point. The main customers are namely, students who are going to study aboard, tourists who are going to travel aboard as a group, Thai workers and foreigners. Additionally, the customer can pay for currency exchange through KTC credit card (grace period up to days) at 59 branches in Bangkok Metropolitan Region. Available branches are shown at the Bank's website.



- **International Trade Service** for importers and exporters with products and services relating to import and export and international letter of guarantee (L/G) as well as advisory services on preparation of international trade documents, domestic product trade, applicable laws and regulations, foreign exchange and possible risk that may arise. In rendering such services, the Bank has in place world-class cutting-edge IT system with quality assurance under Service Level Agreement (SLA). The Bank provides services to customers as the complete Hub-Spoke to enhance service capability. Moreover, the Bank expanded channels of international trade service by KTB Trade Online to support clients' business operation. Service channel is possible on the internet besides through the 25 International Business Centers. Due to the Paperless policy, the customers can request for making any transaction, for instance, L/C issuance or amendment application, without delivering original copy of any document. To save customer's time, the supplementary documents for loan application or doing payment are required to deliver to the Bank via online channel. Moreover, customers can observe transaction status and check credit line balance, outstanding balance, Forward Contract Outstanding and be notified when receiving document via real time monitoring program on tablet or smart phone. With the Bank's emphasis on IT security, the Bank was attained ISO/IEC 27001 : 2013 for Trade Finance System (TFS) and KTB Trade Online. Furthermore, the Bank has been awarded as The Best Trade Finance Bank in Thailand 2016 from Global Finance, the international financial magazine.

- **Financial management service** The Bank has offered convenience to full-fledged financial management service covering to repayment, collection, liquidity management, data management, guarantee and financial advisory to the customers in government agencies, state enterprise, corporate, financial institution, SME and individual through branches and electronic channels. Distinctive products and services in 2016 are namely;

- **Online Fine Payment Project, the collaboration between Royal Thai Police and Krung Thai Bank:** the purpose of this project is to facilitate people

in paying traffic fine, to reduce working process of police officer and to response to National e-Payment policy of the government.

- **Social welfare Registration Project:**

The citizen with small income is offered the opportunity to register for social welfare at the Bank's counter.

- **National Savings Fund Supporter Project:**

The Bank performs as a main channel for offering the service of registration and facilitating citizens in applying/ changing/ cancelling/ payment/ printing statement.

- **Banking Agent:** The Bank develops system with banking agent so as that customer can deposit, transfer, pay and top up money via Banking Agent.

- **Government Fiscal Management Information System (GFMS) via KTB Corporate Online:**

Government agency can send the money to government via the Bank's electric channel instead of cash or cheque.

- **Supply Chain Financing** is cash management that facilitates financial transaction between buyer and supplier through the Bank electronic channel in order to enhance the efficiency and lower business cost to the entrepreneurs that link counterparties in supply chain together. Supply Chain Financing Service is divided into 2 types.

- 1) **Supplier Finance** provides short-term credit that optimizes working capital for both the seller/ supplier that sells products and services to sponsor. The products are such as loan for herdsman and loan for electronic appliances dealer of large companies.

- 2) **Distributor Finance** provides short-term credit that optimizes working capital for the buyer or the distributor of sponsor. The products are such as loan for distributor of large companies, long-term loan for developing and constructing petrol station, Fleet Card loan and loan for dealer of motorcycle company.

- **Global Markets Products** for SME, government agencies and state enterprises, and ultra high net worth or UHNW. The Bank has in place client suitability analysis prior to offering financial derivatives complying with BOT regulations to ensure that the derivative transactions offered to customers match with customer need. The Bank also encourages the customers to have knowledge and understand about

banking transactions and related risks. Products and services include currency exchange in and forward markets, Government and corporate bond, financial derivatives for hedging the risk of currency exchange and short and long term interest, for instance, currency option, interest rate swap (IRS), cross currency interest rate swap (CIRS), interest rate option, financial advisory service and offer of suitable financial derivatives to each customer. Besides, the Bank presented commodity hedging product to customers doing business related to commodity prices and increases the number of KTB eFx service channels in order to enhance efficiency in hedging exchange rate risk for customers.

- **Investment Banking Business Service**

refers to arranging and underwriting of debt instruments, Infrastructure Fund and trust for investing in properties for private sector customers and government agencies wishing to raise funds through issuance of debt instrument, Infrastructure Fund and trust for investing in properties. The Bank acts as intermediary between those needing capital and investors wishing to invest. In this connection, the Bank may propose to be the sole underwriter or arranger in finding other financial institution to join in so as to achieve the issuer's objective being a private placement or public offering through the Bank's branch network. Besides, the Bank renders financial advisory services namely, advisor for Infrastructure Fund and trust for investing in properties, financial structuring to add value to the business, capital funding, credit rating as well as introduction of work plan suitable to economic and business environment. Key activities in 2016 are namely; being an underwriter who sells private sector's reliable debenture covering short-term and long-term debenture to issuers that are domestic and foreign companies, over 80 transactions accounting for Baht 110,000 million, for example, debentures of Berli Jucker Cellox Co., Ltd., CPF (Thailand) Pcl., Charoen Pokphand Foods Pcl., CP All Pcl., CH. Karnchang Pcl., Siam Cement Pcl., Krung Thai Card Pcl., True Move H Universal Communication Co., Ltd, Thai Union Group Pcl., Toyota Leasing (Thailand) Co., Ltd., Central Plaza Hotel Pcl., Advance Wireless Network Co., Ltd. and the bonds of the Ministry of Finance of The Lao People's Democratic Republic. Significantly, the

Bank also performs as an underwriter, who distributes USD debenture of EDL-Generation Pcl., having the maximum amount of USD 312 million and the longest term of 12 years. Moreover, the Bank are given trust to be bond dealer of government sectors, namely Bank for Agriculture and Agricultural Cooperatives bond, Bangkok Mass Transit Authority bond and State Railway of Thailand bond.

- **Electronic Service:** The Bank provides convenient channels of making transaction consisting of

1) Internet Banking Service: Provides financial services via the Bank's internet banking networks and electrical tools namely, computer, tablet, smart phone and mobile phone supporting internet banking service function and being able to connect to internet wifi/3G/4G. The customer can access the service via web browser <https://www.ktbnbank.com>, <https://www.ktb.co.th> and application on the mobile phone for both iOS and Android operation. The application can be downloaded from Play Store and App Store by searching "KTB netbank" and installing the application into the device. Apart from making transaction by themselves, the customers can talk to the Net Officer via VDO Call service. However, the Bank has developed its services to be miscellaneous and to accommodate customers widely. The services are such as foreign banknotes ordering, pre-purchasing - booking lottery tickets (First come first serve), PromptPay registration and credit information checking with the National Credit Bureau (NCB).

2) ATM/ADM and Update Passbook Machines 24 hours every day provide customers the services of withdraw, deposit, Top Up the KTB E-Money Card/ Easy Pass card, cash withdraw by using E -Cheque without card, deposit to account of other banks, registering to use services of KTB Online, SMS Alert, direct debit, checking of credit information, and mini statement. Moreover, the Bank offers special services including the currency exchange service for foreign card holders and pre-purchasing - booking lottery tickets service and PromptPay registration. However, the Bank's ATMs can receive cards displaying the sign of Plus, Cirrus, Union Pay, JCB, American Express, Diner's Club, APN (Asian Payment Network) and other Non-Bank cards as well as are provided many languages in conducting



transaction, for instance, Thai, English, Chinese, Japanese and Myanmar. Besides, the Bank has launched Virtual Teller Machine (VTM) which is a new innovation of the Bank and Thailand. VTM offers the service to the customers as if they were at the branch in form of One-Stop-Service. The customers can make any transaction by themselves through video banking system which the officers have been provided to accommodate during making any transaction. However, customer identification shall be verified through the machine from the chip on smart card. VTM as an electronic document shall reduce cost of making transaction and amount of paper usage and shall become a prototype for the branch in the future. Presently, the Bank has piloted VTM at 2 locations namely, Siam Paragon and Central Ladprao and planned to increase additional 3 VTMs in the near future.

3) Krungthai Telebank "+662 111-1111"

is 24 hours and everyday financial service through landline telephone, mobile phone or fax. The services provided in Krungthai Telebank are similar to ATM. Additional services are namely bill payment of registration for Sukhothai Thammathirat Open University, inactivating card via automatic system, inactivating account, cheque services, requiring documents via Fax, SMS, E-mail and inquiring the Bank information

for example, interest rate, exchange rate and other additional services including SMS Alert, KTB 765 and Verified by Visa.

2.3 Subsidiaries Products and Services offered through the Bank

• Hire Purchase and Leasing Services

operate by KTB Leasing Co., Ltd. Four types of services are rendered namely car hire purchase comprising new car hire purchase, used car loan and car convenience cash, consumer finance, financial lease and hire purchase/leasing for entrepreneur. However, the Bank is considering guideline for restructuring business operation of Hire Purchase and Leasing Services.

• **Asset Management:** The Bank supports the sale and repurchase of unit trust of Krungthai Asset Management Pcl. (KTAM), which operates mutual fund, private fund and other business approved by the Securities and Exchange Commission and offers asset management service to various institutions, organizations and large state enterprises under the license of managing mutual fund, personal fund and provident fund focusing on under writing mutual fund products such as term mutual fund, offshore mutual fund, retirement mutual fund (RMF) and long term equity fund (LTF). The emphasis has been placed on providing

various mutual funds so as to be option for the investors. Those mutual funds cover to domestic and international general fixed income fund with the term specification and fund offered to other countries for instance, term fund and roll over fund, FIF, RMF, LTF and etc.

- **Securities Brokerage Service** through KT ZMICO securities Co., Ltd. which offers securities business such as Broker, Securities brokerage, Debt Securities Trading, Securities Underwriter, Fund Management, Securities Borrowing and Lending (Principal and Agent) and Futures Agent/ Dealer. There are 20 branches nationwide. Besides, KT ZMICO also added channels for accessing the information related to the securities purchasing in SET via internet under the project of KTZMICO Cyber Branch.

- **Life and Non-life Insurance** The Bank renders life insurance and non-life insurance business through its three affiliates namely Krungthai-AXA Life Insurance Pcl. offering life insurance products, Krungthai Panich Insurance Pcl. and Dhipaya Insurance Pcl., non-life insurance. The Bank presents the products through various distribution channels such as branches, business centers, business units in Corporate Banking Group, Government & State Enterprise Relations Group.

- **Credit Card and Personal Loan** are provided by Krungthai Cards Pcl. comprising three key products and projects namely Credit Card Business, Personal Loan Business under the name "KTC Cash and KTC PROUD", Home Loan Payment Project for increasing option in paying installment having with Krung Thai Bank via KTC credit card, the application of credit card having deposits as a collateral, rendering EDC service to any store. KTB branches nationwide represents as the seller to publicize products and promotions to the Bank's client base.

3. Marketing and Competition

3.1 Overview of Banking Business and Competition in 2016

Performance of commercial banks in 2016 developed amid economic challenges as world economy recovered at the rate slower than expected and the recovery of Thai economy was not broad-based. Severe drought, high household debt, low interest rate and fluctuations in money and capital markets added to the challenges. Commercial banks have adapted to prepare for such challenges, especially in the aspects of financial cost control, risk management and preparation for future opportunities, causing net profit to grow and financial position to remain strong. The details are as follows:

- **Net profit** increased by 4.05 percent, compared to the decrease of 12.46 percent in the previous year, following the growth of the revenue from core businesses. However, ROE fell slightly to 10.31 percent from 10.96 percent in the previous year while ROA remained stable at 1.18 percent.

- **Net interest income** increased by 7.32 percent from 3.82 percent in the previous year. The main factors were lower interest expense and the maturation of high-interest deposits, resulting in net interest margin (NIM) increasing slightly from 2.80 percent to 2.88 percent.

- **Net non-interest income** shrank by 1.69 percent, compared to the increase of 12.78 percent in the previous year, following the decrease of net gains on investment, net gains on trading and foreign exchange transaction, as well as slow rise in net fee and service income.

- **Loans** (after deducting deferred revenue) grew by 2.40 percent, down from 6.27 percent in the previous year, marking the lowest growth rate in 7 years. This was due to gradual and narrow-based economic expansion, loan repayment from the government and more business operators opting to raise capital through bond market.

- **Deposits** rose by 1.87 percent, lower than an increase of 3.01 percent in the previous year. This was due to commercial banks' delay in rolling out new deposit campaigns in order to retain profitability and to stay in line with the trends in lending and high liquidity.

- **NPLs (net)** grew by 13.32 percent because of the effect of narrow-based economic recovery on retail and corporate customers' debt serviceability, especially among SMEs. This caused the expense of allowances for bad debt, doubtful debt and impairment loss to increase by 4.51 percent and **net NPLs/Loan** ratio to increase to 1.41 percent, up from 1.28 percent in the previous year. However, the **coverage ratio** rose to 134.06 percent from 128.17 percent in the previous year as commercial banks set aside more allowances for bad debt.

- **Capital funds** grew by 6.92 percent, resulting in total capital ratio increasing to 17.77 percent from 17.12 percent in the previous year and Tier 1 Ratio increasing to 14.48 percent from 13.92 percent in the previous year, which were substantially higher than the minimum at 9.125 percent and 6.625 percent respectively.

Competition in 2016 was rather stable following Thailand's economic condition and atmosphere that did not encourage for active market expansion, making commercial banks focus on growing carefully and retaining healthy operational result. This was reflected by the delay in launching new term deposit campaigns to reduce interest expense and retain NIM during high liquidity period. At the same time, the banks carefully expanded loan to minimize NPLs risk and implemented measures to help customers e.g. reducing loan interest rate in the second quarter of 2016 and relaxing repayment conditions for customers facing natural disasters. In 2016, the banks focused more on adjusting strategies to prepare for future opportunities, especially for digital banking, e.g. investing in FinTech and startup companies through venture capital, establishing subsidiaries to oversee financial innovation, investing in IT infrastructure and tightening IT risk management such as by developing Biometric technology for customer identity verification. However, the competition was on the basis of retaining customer base or market share; short-term competitions during financial expos and seasonal campaigns, e.g. New Year, Chinese New Year, Valentine's and Songkran; competition in LTF/RMF and life insurance markets toward the end of the year; competition in card business to prepare for the government's spending and tourism stimulus measures; the shift to chip card usage from May 16, 2016 onward and the start of PromptPay registration under the National e-Payment policy. Furthermore,

commercial banks were actively promoting financial products and services that assist risk management amid fluctuations in money and capital markets.

3.2 An outlook of Banking Business and Competition in 2017

The overall operation of commercial banks in 2017 will improve following steady recovery of Thai economy mainly due to the progress of the government's investment in infrastructure and the export returning to positive figures. Moreover, commercial banks will adjust their strategies to keep up with new trends along the transition to digital bank amid lowering pressures from NPLs. This will boost the revenue from banks' core businesses, as well as strengthening their financial positions and preparing them for future risks, particularly the uncertainties in world economy and fluctuations in capital and money markets. However, in 2017, the competition is likely to be intensified following the positive development of the economy and the fight for opportunities while being pressured by non-banks, especially the emergence of FinTech companies. The environmental factors of commercial banks' operation, both opportunities and challenges, in 2017 are summarized below:

- **Opportunities**

- **Continuous expansion of the government's investment and Public Private Partnership (PPP) investment** will open up new opportunities for banks to generate more revenue from interest and related fees, as well as non-interest income from money and capital markets (e.g. fundraising advisors/sale of bond and debenture).

- **Fluctuations in money and capital markets** will lead to opportunities to offer risk-prevention solutions, generating more fee income for the banks.

- **The government's support for e-Payment and cashless society** will allow commercial banks to expand their customer bases and generate more income from card products.

- **The support for digital economy and technological advancement** will create opportunities for the banks to offer digital banking products in order to facilitate and provide alternatives to modern customers.

- **The support for 10 target industries to accommodate Thailand 4.0** will give banks a chance to provide lending to new businesses with high potential that are supported by the government, in order to increase the quality and sustainability of the banks'

loan portfolio as well as contributing to sustainable growth of economy.

- **The connection of trade and finance in the region in line with AEC** is the opportunity for banks to expand their services and generate relating revenue such as from trade finance, foreign exchange, fund transfer service, etc.

- **The rise of Qualified ASEAN Banks (QABs)**. Thailand has signed bilateral agreements with Malaysia, Indonesia and Myanmar, which will facilitate branch and network expansion in the region to accommodate the needs of customers and investors who expand their investment to ASEAN countries.

- **Aging society** provides commercial banks a chance to offer products and services for the elderly, e.g. insurance and life insurance through bancassurance and financing for corporate customers with high potential businesses such as healthcare and medical business, hospital, medical device, nursing home for the elderly, dietary supplement, meals for senior, housing for the elderly, human replacement machine in the manufacturing sector, etc.

- **Urbanization trend** The studies of both World Bank and McKinsey show that Thailand's rate of urban expansion is higher than Asia's and ASEAN's average. The government's projects to invest in infrastructure in the next 8-10 year and to establish special economic zones to prepare for AEC were also major acceleration factors, as reflected by the surging land prices in regional areas, particularly in large provinces where there is expansion of investment in real estate, retail and modern trade, resulting in higher employment attracting people from other places to relocate for work. As urban communities grow, the size of economy and income tend to increase as a result, especially the income of the middle class with high spending. This will open up new marketing opportunities, which in turn will create opportunities to bring in more revenue, both from loan and wealth management.

- **Challenges**

- **Weak export recovery** causes commercial banks to closely monitor customers in export/import industries to prevent loan quality risk.

- **Money and capital markets are highly fluctuating** due to the differences in monetary policies of key economic countries, political situation in Europe, Brexit process and the U.S.'s uncertain trade

and economic policies. The fluctuations may pose higher risk to commercial banks' investment portfolio management.

- **Monetary Policy Committee is likely to keep the policy rate at 1.5 percent for some time** despite the increased interest rate in the U.S. and the better recovery of Thai economy. However, as the recovery is not broad-based, the growth has not reached the potential level and there are uncertainties in world economy; it is expected that the Monetary Policy Committee will retain 1.5 percent policy rate, putting pressure on the recovery of NIM of commercial banks.

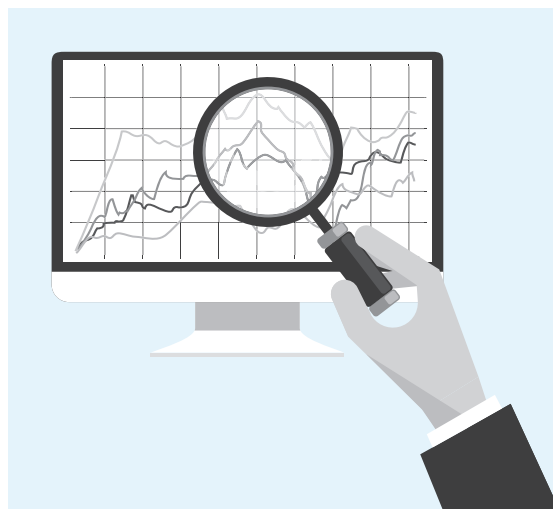
- **The launch of PromptPay**, both for personal and juristic person customers, will result in lower fee income from money transfer transactions.

- **The emergence of FinTech companies** may pose threat on the growth of non-interest income.

- **High household debt** will still be a risk factor that puts pressure on loan expansion and affects the quality of personal loans.

- **IT risks are becoming more complex** resulting in more exposure to technology crimes and higher expenses on IT investment.

- **New regulations issued by authorities** e.g. the increase of minimum capital requirement and liquidity management according to Basel III framework, and the preparation for IFRS9, result in commercial banks having higher cost in preparation for such new regulations. However, the investment is a must as it will make the overall compliance and risk management more effective.



- **Human resources management will be more challenging.** As the competition grows fiercer, the war for talent will also become more competitive. Meanwhile, the transition to digital bank will make branch expansion less necessary and some branches may need to be closed down. Therefore, the banks must manage employees in branches appropriately.

The outlook for the operating results of commercial banks in 2017 can be summarized for each aspect of CAMELS Model as follows:

- **Capital Adequacy:** Capital adequacy ratio will remain healthy, high enough to accommodate risks and future business expansion following income growth and prepare for Basel III measures. The Bank of Thailand (BOT) encourages commercial banks to devise contingency plan in case BIS ratio falls to substandard.

- **Asset Quality:** NPLs will continue to grow in the first half of the year due to the pressure stemming from narrow-based economic recovery in Thailand. However, it is expected that NPLs will remain stable or even lower in the second half of the year due to completed repayment of debt from the first car policy, recovered export and the write-off of non-performing loans to asset management companies (AMC). The demand of loan, which will recover following the investment by government and private sector, will lower NPLs ratio.

- **Management Capability:** Operation will be more effective as a result of fierce competition among commercial banks and against emerging FinTech companies, leading to the development of innovative products and services, especially those relating to digital banking and the adoption of technology to increase effectiveness and create new opportunities e.g. blockchain and big data technologies. Moreover, commercial banks will control cost as well as preparing for new regulations and environment such as IFRS 9, National e-Payment and Digital Economy.

- **Earnings:** Operating income will grow following the loan expansion rate at 4-6 percent. The growth is mainly due to the government's investment in infrastructure which will lead to more private investment and consumption. The allowance for bad debt will gradually fall back to the normal level despite the pressure from the preparation for IFRS9. However, the launch of PromptPay service will reduce fee income from money transfer transactions. The rise of FinTech companies may threaten the growth of non-interest income and the investment in IT may lower the net profit growth.

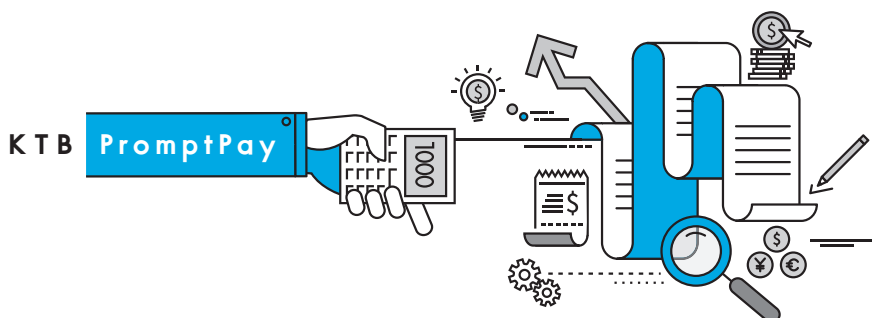
- **Liquidity:** The overall liquidity is good after having substantial excess liquidity in 2016. The government will continually inject fund into the economic system, balancing the loan disbursement amid the risks of capital outflow, especially if the Fed decides to increase the interest rate more abruptly and to a greater extent than expected.

- **Sensitivity to Market:** There is a risk from fluctuations in money and capital markets following fragile world economy, uncertainties in U.S. economic policies under the new government which may affect trading in Asia, larger monetary policies divergence of key economic countries, political and banking sector risks in Europe, the progress of Brexit, problems in China's financial and real estate sectors and the implementation of Thai political roadmap.

3.3 Competitive Potentiality of Krung Thai Bank

Krung Thai Bank is a large commercial bank of which competitiveness posted at front row among commercial banks in Thailand. This is demonstrated by its financial position and operating performance. The factors that support competitiveness are as follows:

- **The Bank is regulated by various government agencies.** As the commercial bank



regulated by BOT and SEC, as well as being a good state enterprise and having the government as its major shareholder, the Bank is entitled to audit by the Office of the Auditor General of Thailand (OAG) and the State Enterprise Policy Office (SEPO). Thus, the Bank has the image of an organization with high stability and gains confidence from depositors and investors.

- **The Bank's large market share among Thai commercial banks** in terms of assets, loans and deposits. In addition, the Bank's branches cover all regional areas of Thailand, amounting to 19.06 percent market share, allowing the Bank to accommodate the expansion of regional economy, especially in special economic zones and border trade areas.

- **The Bank's large customer base** covers both personal and corporate customers, and especially customers in the government sector with whom the Bank has good relationship as the Bank has supported various government's policies such as National e-Payment, national lottery ticket reservation and purchase, traffic ticket and fine payment, transfer of financial aid from the government, promotion of SME single account scheme and provision of loan to developers of Ban Pracha Rath.

- **High engagement with customers** as measured by Customer Engagement Score surveyed by Gallup. The score has been gradually increasing from 4.41 at the beginning of 2015 to 4.49 in December 2016, ranking the Bank in the world's top 25 banks.

- **The Bank offers various competitive products** and have won several awards e.g. Best Trade Finance Bank in Thailand 2016 from Global Finance; 6 awards from The Asset Triple A Treasury, Trade and Risk Management Award 2016 which was organized by The Asset, Asia's leading magazine in finance and investment; Thailand Domestic Cash Management Bank of the Year from Asian Banking & Finance, Best Domestic FX Provider Award from Asia Money and Best USD/THB Liquidity Provider Award from Thomson Reuters Thailand.

- **The Bank possesses a strong brand and has continuous marketing activities** especially through online marketing channels. The Bank won the 1st Half 2016 YouTube Ads Leaderboard with the advertisement video titled "O-Liang...the Forever Friend". Furthermore, the Bank won Thailand's Most Social Power Brand 2016 Award from Brand Age magazine as KTB Care fan page on social network ranks top in engagement rate among commercial banks.

- **Continuous development and improvement in organization** allows the Bank to keep up with fast-changing environmental factors of business. The development included improving internal process to optimize the effectiveness, developing innovative products and services that fulfill customers' needs through KTB Innovative Awards and Teamwork Awards projects, enhancing data management, developing digital banking and enhancing the Bank's IT system to maximize stability and security in order to support new transactions in the future.



Asset, Loan, Deposit and Branch of each Commercial Banks Registered in Thailand

as at December 31, 2016

	Asset		Loan		Deposit		Branch	
	Amount (Million Baht)	Market Share (%)	Amount (Million Baht)	Market Share (%)	Amount (Million Baht)	Market Share (%)	Amount	Market Share (%)
1. Bangkok Bank	2,838,799	17.67	1,777,103	16.61	2,116,659	18.51	1,157	16.53
2. Siam Commercial Bank	2,661,442	16.57	1,850,637	17.29	2,021,454	17.68	1,170	16.72
3. Krung Thai Bank	2,614,798	16.28	1,734,199	16.21	1,975,158	17.27	1,213	17.34
4. Kasikornbank	2,467,252	15.36	1,589,192	14.85	1,798,440	15.73	1,110	15.86
Total of Large Banks	10,582,291	65.88	6,951,131	64.96	7,911,711	69.19	4,650	66.45
1. Bank of Ayudhya	1,805,967	11.24	1,302,638	12.17	1,102,914	9.64	658	9.40
2. Thanachart Bank	906,868	5.64	632,310	5.91	677,807	5.93	593	8.48
3. TMB Bank	820,172	5.11	568,335	5.31	599,021	5.24	453	6.47
Total of Medium Banks	3,533,007	21.99	2,503,283	23.39	2,379,742	20.81	1,704	24.35
1. UOB Bank	451,743	2.81	308,971	2.89	324,081	2.83	153	2.19
2. CIMB Thai Bank	295,623	1.84	193,189	1.81	183,877	1.61	92	1.31
3. Tisco Bank	260,751	1.62	213,994	2.00	155,951	1.36	57	0.81
4. Kiatnakin Bank	220,312	1.37	167,442	1.56	110,209	0.96	67	0.96
5. Land and Houses Bank	209,695	1.31	138,051	1.29	149,639	1.31	133	1.90
6. Standard Chartered Bank (Thai)	190,701	1.19	32,284	0.30	52,180	0.46	18	0.26
7. ICBC Thai Bank	158,151	0.98	93,797	0.88	92,024	0.80	20	0.29
8. Bank of China (Thai)	43,946	0.27	21,164	0.20	21,996	0.19	9	0.13
9. Thai Credit Retail Bank	39,334	0.25	32,887	0.31	32,905	0.29	88	1.26
10. Sumitomo Mitsui Trust Bank (Thai)	29,260	0.18	19,903	0.19	8,607	0.08	1	0.01
11. ANZ Bank (Thai)	28,242	0.18	9,077	0.08	996	0.01	1	0.01
12. Mega International Commercial Bank	20,212	0.13	15,287	0.14	11,675	0.10	5	0.07
Total of Small Banks	1,947,970	12.13	1,246,046	11.65	1,144,140	10.00	644	9.20
Grand Total	16,063,268	100.00	10,700,460	100.00	11,435,593	100.00	6,998	100.00

Source: Summary Statement of Assets and Liabilities (C.B. 1.1), BOT

Notes: The BOT grouping criteria for commercial banks are as follows:

1. Large Banks include Thai commercial banks with market share of 10 % or above.
2. Medium Banks include Thai commercial banks with market share of 3 % and less than 10 %
3. Small Banks include Thai commercial banks with market share of less than 3 %

4. Sources of Funds and Lending

As at December 31, 2016, the Bank's and its subsidiaries' major sources of funds were deposits, taking up 73.34 percent, and other sources including shareholders' equity, debts issued and borrowings, and interbank borrowings. The Bank spent funds of 70.80

percent of the total assets to give loans to customers (after deducting deferred revenue), 16.05 percent in net interbank and money market items and 9.01 percent in net investment of its subsidiaries and associated companies.

• Sources of Funds

Unit : Million Baht

	December 31, 2016		December 31, 2015		Change
	Amount	%	Amount	%	%
Deposits	1,972,404	73.34	2,135,498	75.85	(7.64)
Net interbank and money market items	203,166	7.55	194,243	6.90	4.59
Debt issued and borrowings	120,691	4.49	116,240	4.13	3.83
Others	114,038	4.24	119,051	4.23	(4.21)
Total Equity					
- Equity Holders of the Bank	273,929	10.19	245,883	8.73	11.41
- Non-Controlling Interest	5,218	0.19	4,415	0.16	18.19
Total	2,689,446	100.00	2,815,330	100.00	(4.47)

• Key Sources and Uses of Funds

Unit : Million Baht

Loans and deposits classified by remaining maturity The Bank's financial statements	December 31, 2016		December 31, 2015		Change
	Amount	%	Amount	%	%
Loans					
- Not over 1 year	621,906	33.85	652,664	33.14	(4.71)
- Over 1 year	1,215,337	66.16	1,317,163	66.87	(7.73)
less Deferred revenue	123	0.01	166	0.01	(25.90)
Total loans *	1,837,120	100.00	1,969,661	100.00	(6.73)
Deposits					
- Not over 1 year	1,831,142	92.71	1,946,713	91.08	(5.94)
- Over 1 year	144,016	7.29	190,733	8.92	(24.49)
Total deposits	1,975,158	100.00	2,137,446	100.00	(7.59)

Note: * Excluding accrued interest receivables and interbank and money market items

Management Analysis and Discussion



Analysis of Operation and Financial Standing

1. Economic and Industrial Conditions Influencing the Operation

Despite seeing constant improvement in economic and industrial conditions in 2016, the recovery was limited to only some industries. However, KTB was able to effectively manage risks and professionally operate the business, as reflected by the increase in operating profit although the amount of loan provided lowered as the Bank took more caution in granting loan due to NPL issue.

2. Results of Operation Following Business Plan

1) Focusing on Business Growth

1.1) Digital Banking: The Bank supported the government's National e-Payment policy by accepting registration of PromptPay and registration of low-income earners for receiving financial aid from the government.

The Bank, along with other 5 partner banks, formed the EDC Consortium to support the government's policy in expanding EDC device installation.

1.2) Data Analytics: The Bank enhanced its competency in data management and analytics e.g. employing retail customer data analysis for loan approval, improving loan quality and loan collection process. Data Analytics allowed the Bank to better understand customers' needs, figure out the right products for customer and generate more income from money and capital markets.

1.3) Expansion of Loans to SMEs and Supply Chain e.g. KTB Generous Loan for SMEs making low-interest source of fund available for SMEs, cooperating with Crown Tech Advance Pcl. (AJD) and Alibaba Group on expanding e-Commerce channel as well as supporting Thai SMEs, cooperating with Thai International Freight Forwarders Association in Freight Forwarders Project to support SMEs relating to export.



1.4) Supporting the Government's Investment in Infrastructure: The Bank supported the government's fundraising by means of loan provision, savings bond and Infrastructure Fund. The Bank was also chosen as a financial consultant in the establishment and management of Thailand Future Fund worth Baht 100 billion. It is expected that infrastructure assets will be sold to the fund and the fundraising will commence in early 2017.

1.5) Increasing non-interest income e.g. fee income from Wealth Management service, fee income from new transactions such as e-LDB, traffic ticket payment, Boonterm transfer, Line Pay payment, M-Pass and Easy Pass integration, etc. Moreover, the Bank earned more fee income from arranging and underwriting bonds, trading and foreign transactions in money and capital market as the Bank's market share grew.

2) Laying Strong Business Foundation

2.1) Process: Work processes in areas such as credit processing, procurement, building and premise management, and financial transaction operational process have been improved by adopting Straight Through Process (STP) initiative to increase effectiveness and to become a paperless organization.

2.2) Risk Management: Risk management process as well as SMES and corporate credit policies were improved for better clarity and product agility. The development of new statistical models helped with assessing and filtering customers in target industries, e.g. manufacturing, construction materials, etc. The Bank also actively and constantly monitored the condition of industries and loan diversification to prevent default.

2.3) Human Resources: The Bank improved performance management system by planning, monitoring and appraising employees in response to the Bank's operation direction which would result in appropriate remuneration payment reflecting the employee's performance. The Bank has also provided necessary training and skill development programs to employees and retained high-potential employees. The goal was to become a performance driven organization (PDO).

2.4) Information Technology: Importance was placed on IT stability to ensure that crucial work systems, application programs and electronic service channels operate normally and support the Bank's operation without causing any interruptions. Another focus was on IT security to boost customers' confidence in the Bank's services.

Overall, the Bank's financial standing and operating performance achieved the target. Additions and changes were described under the Analysis of Financial Standing and Operating Performance (comparison between 2016 and 2015).

Furthermore, the Bank remained determined to provide valuable products and services to the customers. In 2016, the Bank launched several innovative products and services such as :

- **KTB e-LBD Project:** The Bank cooperated with Kaset Thai International Sugar Corporation Pcl. (KTIS) in providing electronic local bill discounting service to facilitate customers in sugar manufacturing and approximately 10,000 sugar cane growers instead of using cheques. KTB was the first bank to provide such service.

- **M-PASS and Easy Pass Integration:** The Bank and Department of Highways developed M-PASS card in response to the government's policy. By integrating the two passes, customers could enjoy the convenience of being able to pay for both motorway and express way with a single pass. An e-wallet is also included and can be used to withdraw cash at ATMs and make payments.

- **Accepting Payment for Traffic Tickets:** Royal Thai Police Headquarters and the Bank promoted e-transactions by opening new channels for paying traffic tickets from incidents detected by cameras of Thai Traffic Police, Highway Police or police stations under Metropolitan Police Bureau. The payments for such tickets can be made at KTB branches, ATMs or via netbank.

- **SME e-Commerce Expansion:** Together with Alibaba Group and Crown Tech Advance Pcl., the Bank provided a one-stop-service for Gold Supplier membership application, allowing SMEs, especially those in international trade, to operate their business on B2B e-Commerce basis on Alibaba.com digital platform.

- **KTB Factoring Loan via Post:** Together with Thailand Post, the Bank expanded its KTB Factoring loan service channel to post and became the first bank to allow the customers whose loans have been approved to submit commercial documents for the disbursement of the facility at any post office nationwide without additional postage fee.

- **Boonterm Cash Transfer Service:** Together with Forth Corporation Pcl., the Bank expanded cash transfer channels for the convenience of customers in remote areas, by providing cash transfer service from Boonterm machine and Boonterm counter service to KTB accounts or to other accounts via KTB's ORFT system.

- **Cooperative Debit Chip Card:** Krung Thai Bank and The Federation of Savings and Credit Cooperatives of Thailand launched the cooperative debit chip card.

Krung Thai Bank was the first bank to issue a debit chip card which the members of cooperatives nationwide can use to make transactions.

- **One-stop Tax Payment Service:** The Bank started accepting tax payments for The Revenue Department, Excise Department and Thai Customs at KTB ATMs and KTB netbank to facilitate tax payers. The Bank was the first bank to provide a complete one-stop tax payment service which is available 24/7 following the IT Integration Project.

3. Overview of Financial Standing and Operating Performance Change in Comparison with Banking Industry (Analyzed from the Bank's financial statements in order to be comparable to the industry average, which BOT presented using the data from separated financial statements only)

- **Loans** (after deduction of deferred revenue) fell by 6.73 percent, lower than the industry average which rose by 2.40 percent due to gradual and uneven economic growth, loan repayment from the government and more operators raising fund from bond market.

- **Deposits** decreased by 7.59 percent, while the industry went up by 1.87 percent, due to deposit maturity and the delay of new campaigns to retain profitability and to conform to loan direction and high liquidity.

- **Net Profit** rose by 13.20 percent, higher than the industry average at 4.05 percent increase. The Bank's net profit increase was outstanding because of the growth in net interest income following effective cost management. As a result, the net interest margin (NIM) was 2.94 percent, better than the industry average at 2.88 percent. Net non-interest income grew by 9.27 percent while the industry declined by 1.69 percent. These, as well as good cost control, resulted in 0.46 percent decrease in cost of operation.

The Bank's ROA and ROE increased to 1.12 and 12.11 percent, from 0.97 and 11.55 percent respectively.

- **Asset Quality** NPLs (net) decreased by 0.73 percent. However, NPL Ratio (net) was up from 1.74 percent at the end of 2015 to 1.81 percent as loan substantially contracted. The Bank's NPL (gross) grew by 20.79 percent, mainly due to SMEs. However, the Bank focused on asset quality by employing a more cautious loan approval process, placing importance on prompt debt collection,

working as a team and performing debt restructuring as appropriate. The Bank's NPL coverage ratio was 121.30 percent. The industry's NPLs (net) increased by 13.32 percent while NPLs ratio (net) rose to 1.41 percent, up from 1.28 percent in 2015, due to economic recovery not reaching all sectors, affecting the repayment capacity of retail and business customers. In addition, commercial banks had to set aside more allowance for bad debt causing the NPL coverage ratio rose to 134.06 percent, up from 128.17 percent in the previous year.

- **Statutory Capital Fund** remained strong as Tier I Ratio was 12.96 percent, up from 11.43 percent at the end of 2015. Total Capital Ratio was 16.85 percent, up from 15.22 percent, and it was still much higher than the minimum set by BOT. Tier 1 Ratio of the banking sector increased to 14.48 percent from 13.92 percent in the previous year and Total Capital Ratio increased to 17.77 percent from 17.12 percent in the previous year.

4. Analysis of Financial Standing and Operating Performance (Analysis of significant changes in consolidated financial statements)

The consolidated financial statements included the financial statements of the Bank and its 8 subsidiaries which the Bank had the control over or held more than 50 percent of its paid-up shares. All material intercompany

transactions and balances were eliminated. The subsidiaries are KTB Law Co., Ltd., KTB General Services and Security Co., Ltd. (formerly KTB General Services Co., Ltd.), Krung Thai Asset Management PCL, Krungthai Computer Services Co., Ltd., KTB Leasing Co., Ltd., Krungthai Advisory Co., Ltd., KTB Capital Holding Co., Ltd. (the liquidation request was submitted to the Ministry of Commerce on December 18, 2014 and the company is currently in liquidation process) and Krungthai Card PCL (the Bank has the control over the company).

Overview of the Bank and Subsidiaries' Operation

In 2016, the Bank and its subsidiaries operating profit before setting aside allowances (for bad debts, doubtful accounts and loss on impairment) was Baht 74,036 million, an increase of Baht 8,349 million (12.71 percent) compared to 2015.

After deducting expenses for bad debts and doubtful accounts of Baht 33,429 million and income tax of Baht 7,063 million, the Bank and subsidiaries net profit was Baht 33,544 million, an increase of Baht 4,003 million (13.55 percent) compared to 2015. The Bank's net profit was Baht 32,283 million, an increase of Baht 3,789 million (13.30 percent) compared to 2015, resulting from growth in net interest income and non-interest income while operating expenses remained stable.

	2016	2015	Change	
			Amount	%
Operating profit*	74,036	65,687	8,349	12.71
Operating profit before the deduction of income tax	40,607	35,146	5,461	15.54
Income tax	7,063	5,605	1,458	26.01
Net profit	33,544	29,541	4,003	13.55
Net profit (Equity Holders of the Bank)	32,283	28,494	3,789	13.30

* Operating profit before the deduction of provisions (for bad debts, doubtful accounts and loss on impairment) and income tax

- **Net Interest Income**

For 2016, net interest income of the Bank and its subsidiaries was Baht 86,966 million. It increased to Baht 6,098 million or 7.54 percent from 2015 due to the maturity of fixed deposits and appropriate financial cost

management, resulting in net interest margin (NIM) in 2016 which increased from 3.02 percent in 2015 to 3.30 percent.

Unit: Million Baht				
	2016	2015	Change	
			Amount	%
Interest income	129,230	132,525	(3,295)	(2.49)
- Interbank and money market items	11,213	12,092	(879)	(7.27)
- Investment and trading transactions	137	319	(182)	(57.05)
- Investment in debt	4,585	4,963	(378)	(7.62)
- Loans	110,298	111,438	(1,140)	(1.02)
- Hire-purchase and financial lease	2,957	3,679	(722)	(19.62)
- Others	40	34	6	17.65
<u>Less Total interest expenses</u>	<u>42,264</u>	<u>51,657</u>	<u>(9,393)</u>	<u>(18.18)</u>
- Deposits	24,770	33,762	(8,992)	(26.63)
- Interbank and money market items	2,719	2,579	140	5.43
- Contributions to BOT and Deposit Protection Agency	9,658	10,057	(399)	(3.97)
- Debt issued	5,061	5,214	(153)	(2.93)
Subordinated notes	4,726	4,716	10	0.21
B/E	335	498	(163)	(32.73)
- Borrowings	29	27	2	7.41
- Others	27	18	9	50.00
Net interest income	86,966	80,868	6,098	7.54
Net interest margin (earning assets) (%)	3.30	3.02		

Policy Rate and Commercial Bank's Interest Rates

	Unit: %				
	Dec 31, 2016	Sep 30, 2016	Jun 30, 2016	Mar 31, 2016	Dec 31, 2015
Policy rate	1.50	1.50	1.50	1.50	1.50
Deposit interest rate					
- Savings	0.50	0.50	0.50	0.50	0.50
- 3-month fixed deposit	0.90	0.90	0.90	0.90	0.90
- 6-month fixed deposit	1.15-1.35	1.35	1.35	1.35	1.35
- 12-month fixed deposit	1.30	1.40	1.40	1.50	1.50
Loan interest rate					
- MLR	6.275	6.275	6.275	6.525	6.525
- MOR	7.120	7.120	7.120	7.375	7.375
- MRR	7.620	7.620	7.620	7.875	7.875

- **Net Fee and Service Income**

The Bank and its subsidiaries' net fee and service income in 2016 was Baht 22,042 million, showing an increase of Baht 699 million (3.28 percent) from 2015

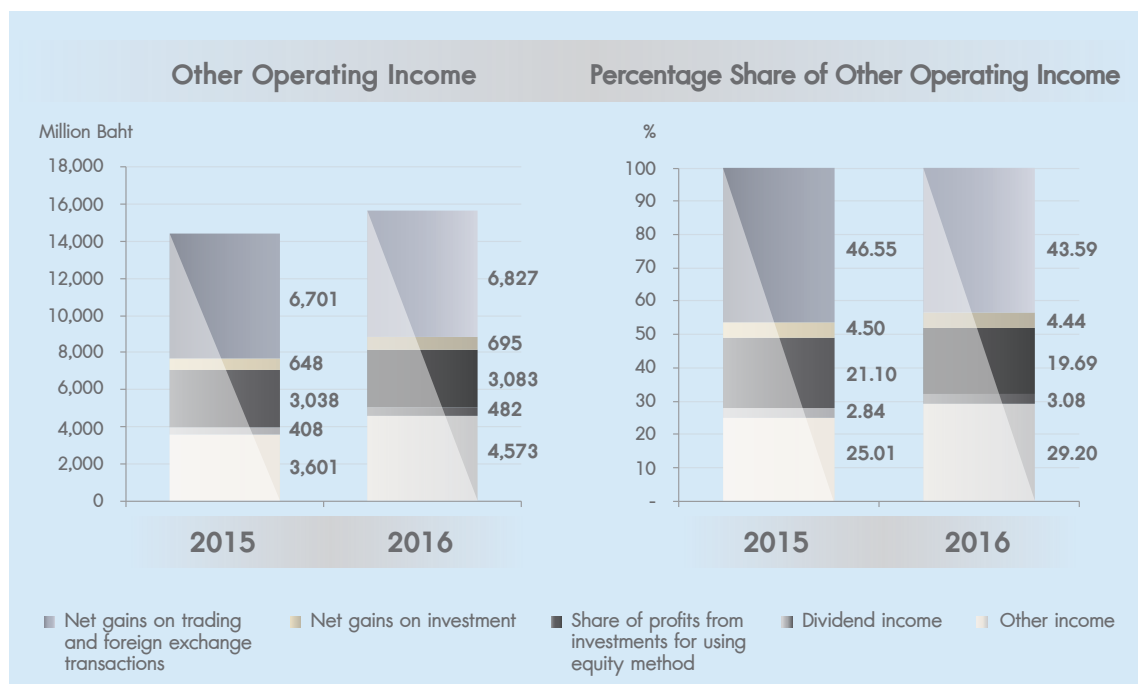
due to fees from card products and electronic business transactions.

	Unit: Million Baht			
	2016	2015	Change	
			Amount	%
Fee and service income	25,931	24,224	1,707	7.05
<u>Less</u> Fee and service expenses	3,889	2,881	1,008	34.99
Net fee and service income	22,042	21,343	699	3.28

- **Other Operating Income**

The Bank and its subsidiaries' other operating income in 2016 was Baht 15,660 million, showing an increase of Baht 1,264 million (8.78 percent) from 2015,

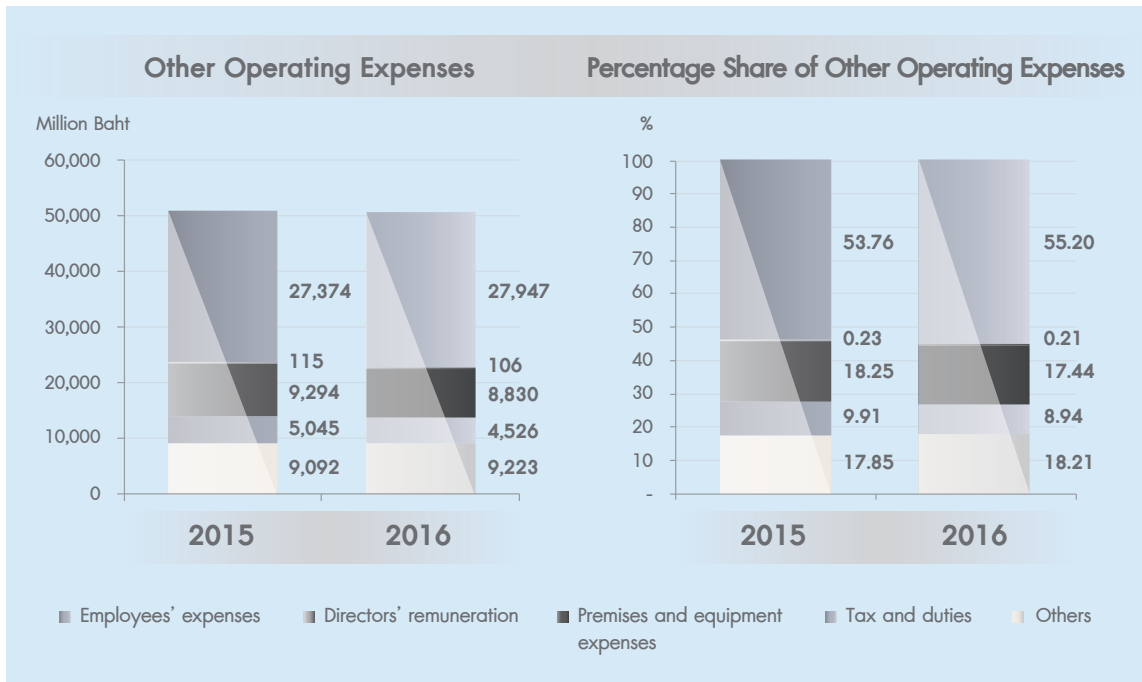
mostly due to other operating income and net trading and foreign exchange income.



- **Other Operating Expenses**

The Bank and its subsidiaries' other operating expenses were Baht 50,632 million, showing a decrease of Baht 288 million (0.57 percent) from 2015. It resulted from taxes and duties decreasing Baht 519 million (10.29 percent) and premises and equipment expenses decreasing Baht 464 million (4.99 percent). Due to

other operating expenses decreased and the Bank and subsidiaries' operating income was Baht 124,668 million increasing Baht 8,061 million (6.91 percent) from 2015, the cost-to-income ratio in 2016 was 40.61 percent, decreasing from 43.67 percent in 2015.



- **Bad Debts, Doubtful Accounts and Loss on Impairment**

The Bank and its subsidiaries set aside allowance for bad debts, doubtful accounts and loss on impairment of Baht 33,429 million. This increased Baht 2,888 million (9.46 percent) from 2015 because the Bank has booked normalized provision to increase from Baht 700 million per month to Baht 1,000 million per month, starting in 2016 to comply with the existing loan amount, while some of extra provision is decreased.

Coverage Ratio was 121.57 percent, an increase from 112.55 percent as at December 31, 2015. Besides, coverage ratio (the Bank's financial statement) was 121.30 percent, an increase from 110.54 percent as at December 31, 2015.

Financial Standing Analysis

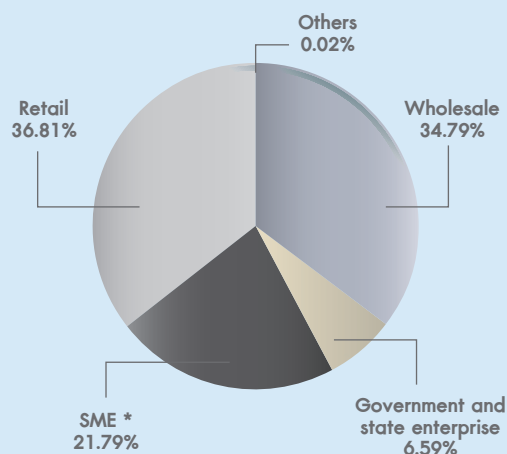
- **Total Assets**

Total assets as at December 31, 2016 was Baht 2,689,446 million, showing a decrease of Baht 125,884 million (4.47 percent) from that as at December 31, 2015 due to a decrease in loan to customers and net investment.

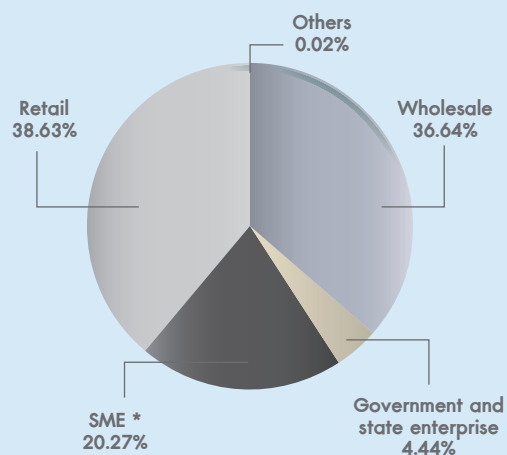
- **Loans to Customers**

As at December 31, 2016 the Bank and its subsidiaries' loan to customers (less deferred revenue) was Baht 1,904,089 million, showing a decrease of Baht 123,351 million (6.08 percent) from that as at December 31, 2015. Loan in all customer groups, particularly government and small and medium enterprises (SME), decreased as the Bank takes more careful for loan consideration.

Percentage Share of Loan Classified by Type of Borrowers (The Bank's Financial Statement)



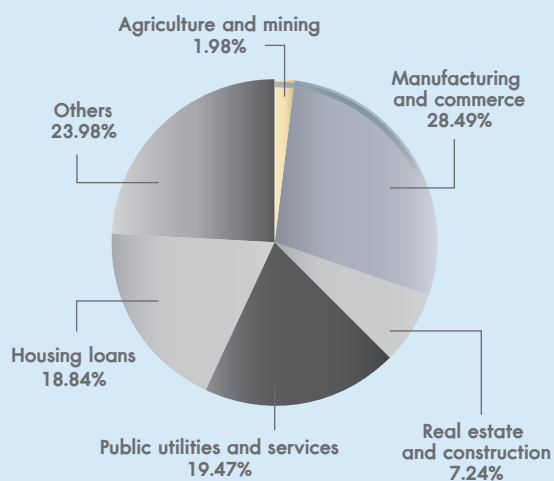
December 2015



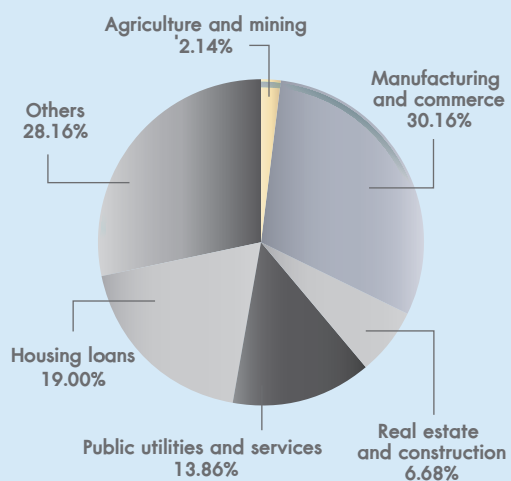
December 2016

Remark: *SME loan: Loan granted to business which has ≤ 200 employees and Baht ≤ 200 million fixed assets (excluding land)

Percentage Share of Loan Classified by Type of Business



December 2015



December 2016

- Investments

The Bank and its subsidiaries had investment and investment in subsidiaries and associates (net) of Baht 242,266 million as at December 31, 2016, an decrease of Baht 19,466 million (7.44 percent) from that as at December 31, 2015 due to a decrease in investments in debt securities.

Unit : Million Baht

	December 31, 2016		December 31, 2015		Change
	Amount	%	Amount	%	%
Investments, net	226,955	93.68	247,082	94.40	(8.15)
Investment in subsidiaries and associates, net	15,311	6.32	14,650	5.60	4.51
Total investment	242,266	100.00	261,732	100.00	(7.44)

Investment (net) Classified by Type of Securities

Unit: Million Baht

	December 31, 2016		December 31, 2015		Change
	Amount	%	Amount	%	%
Government & state enterprise securities	171,813	75.70	210,342	85.13	(18.32)
Private enterprise debt securities	8,406	3.71	8,011	3.24	(4.93)
Foreign debt securities	33,595	14.80	22,512	9.11	49.23
Domestic marketable equity securities	5,521	2.43	5,558	2.25	(0.67)
Domestic non-marketable equity securities	2,037	0.90	1,974	0.80	3.19
Others	1	0.00	-	-	-
Add (less) Allowance for revaluation	6,801	3.00	103	0.04	6,502.91
<u>Less</u> Allowance for impairment	1,219	0.54	1,418	0.57	(14.03)
Total investments (net)	226,955	100.00	247,082	100.00	(8.15)

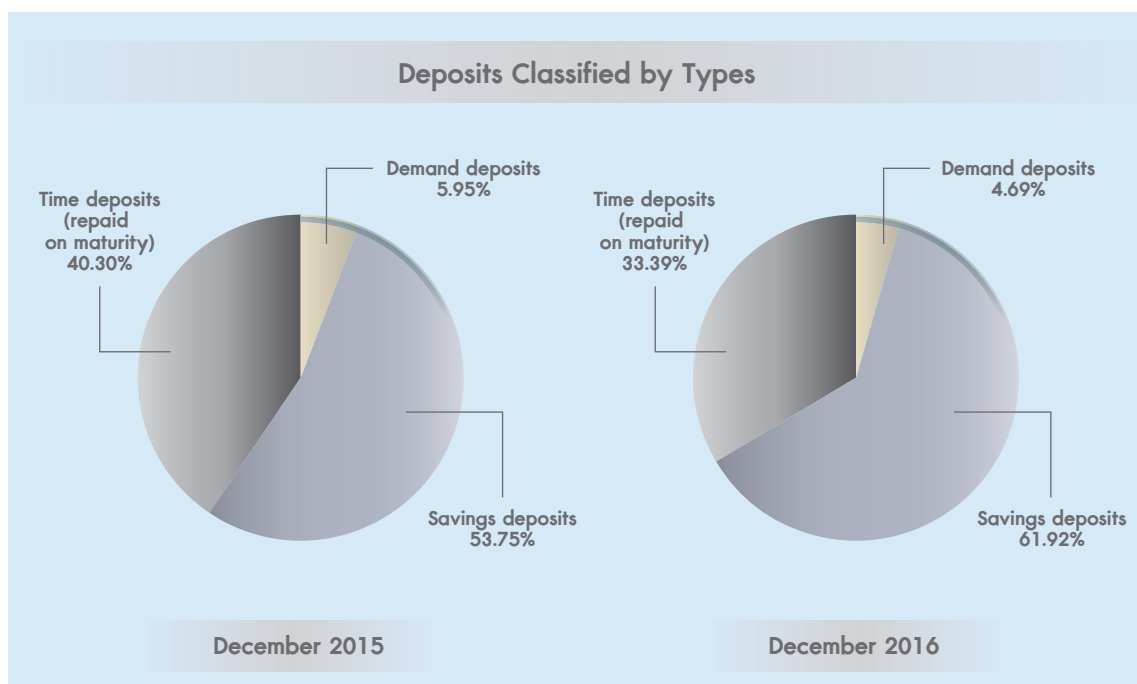
- Liabilities

As at December 31, 2016, the Bank and subsidiaries had total deposits of Baht 1,972,404 million, decreasing Baht 163,094 million (7.64 percent) from that as at December 31, 2015 due to the maturity of short-term and long-term fixed deposits which was in line with a decrease of credit lending. This affected loans (less deferred revenue)-to-deposits ratio to increase

slightly from 94.94 percent as at December 31, 2015 to 96.54 percent. Meanwhile, net interbank and money market items stood at Baht 203,166 million, increasing Baht 8,923 million (4.59 percent). These impacted the total liabilities of the Bank and its subsidiaries to stand at Baht 2,410,299 million, decreasing Baht 154,733 million (6.03 percent) from that as at December 31, 2015.

In addition, the Bank redeemed USD-currency subordinated hybrid bond amounting to USD 189.5 million (or Baht 7,112.5 million) on October 10, 2016 and Thai-currency Hybrid Tier 1 amounting to Baht 1,440 million on November 28, 2016. These affected

the debt issued and borrowings to be decreased. However, the Bank's subsidiaries issued more debt debentures causing debt issued and borrowings of the Bank and its subsidiaries to stand at Baht 120,691 million, increasing Baht 4,451 million (3.83 percent).

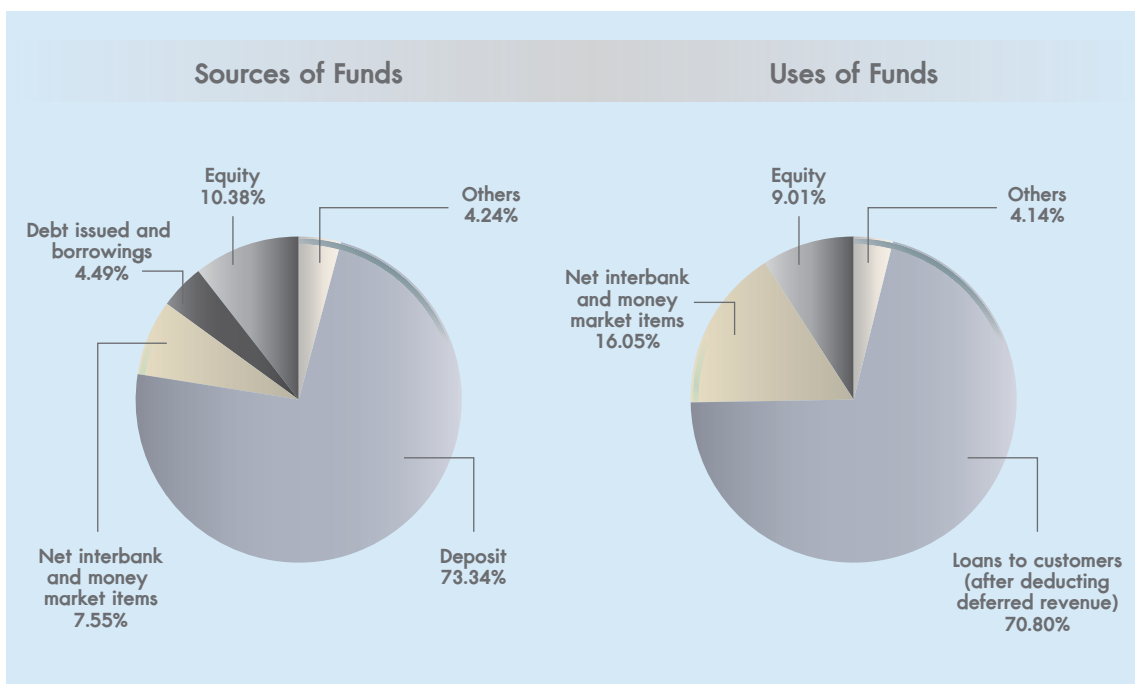


- Equity**

The total equity (Equity Holders of the Bank) as at December 31, 2016 was Baht 273,929 million, an increase of Baht 28,046 million (11.41 percent) from that as at December 31, 2015. Book value per share (Bank's only) as at December 31, 2015 was Baht 19.59 per share, an increase of Baht 17.59 per share from that as at December 31, 2015.

Analysis of Sources and Uses of Funds

As at December 31, 2016, the Bank and subsidiaries' major sources of funds were deposits, taking up 73.34 percent, and other sources including shareholders' equity, interbank borrowings and debt issued and borrowings. The Bank spent funds of 70.80 percent of total assets to give loans to customers (after deducting deferred revenue), 16.05 percent in net interbank and money market items and 9.01 percent in net investment in subsidiaries and associated companies.



Key Sources and Uses of Funds

Unit: Million Baht

Loans and deposits classified by remaining maturity The Bank's financial statements	December 31, 2016		December 31, 2015		Change
	Amount	%	Amount	%	%
Loans					
- Not over 1 year	621,906	33.85	652,664	33.14	(4.71)
- Over 1 year	1,215,337	66.16	1,317,163	66.87	(7.73)
less Deferred revenue	123	0.01	166	0.01	(25.90)
Total loans *	1,837,120	100.00	1,969,661	100.00	(6.73)
Deposits					
- Not over 1 year	1,831,142	92.71	1,946,713	91.08	(5.94)
- Over 1 year	144,016	7.29	190,733	8.92	(24.49)
Total deposits	1,975,158	100.00	2,137,446	100.00	(7.59)

Note: * Excluding accrued interest receivables and interbank and money market items

Statutory Capital Fund

As at December 31, 2016, the Common Equity Tier I capital of the Financial Business Group was Baht 248,288 million (12.75 percent of risk-weighted assets) while Tier I capital was Baht 249,324 million (12.81 percent of risk-weighted assets) and the Total Capital ratio was Baht 323,206 million (16.60 percent of risk-weighted assets),

increasing from 14.85 percent as at the end of 2015 due to the appropriation of June 2016 net profit to be fund. In addition, the decline of loan amount caused the risk-weighted asset to be decreased. However, these were calculated in line with Basel III as prescribed by Bank of Thailand.

Unit : Million Baht

Financial Business Group*	December 31, 2016			December 31, 2015		
	Amount	%	The minimum rate required by BOT (%)**	Amount	%	The minimum rate required by BOT (%)
Common Equity Tier 1 capital	248,288	12.75	5.125	220,491	10.74	4.50
Tier 1 capital	249,324	12.81	6.625	229,348	11.17	6.00
Tier 2 capital	73,882			75,496		
Total capital fund	323,206	16.60	9.125	304,844	14.85	8.50
Risk-weighted assets	1,946,712			2,052,672		

* Financial statement under the regulation of supervision in financial business group is conducted in compliance with the regulation of the Bank of Thailand. Financial business group doesn't cover the company operating insurance business or life insurance business and the company in which its shares are held by the Bank less than 50 percent.

** Commercial banks are required by the Bank of Thailand to maintain the additional capital fund so as to be a Conservation Buffer. They are required to gradually maintain additional capital fund 0.625% per year, starting from January 1, 2016, from the minimum capital fund until completing 2.50 % on January 1, 2019.

As at December 31, 2016, the Common Equity Tier I capital of the Bank, Tier 1 capital and total capital fund were 12.96, 12.96 and 16.85 percent of Risk-weighted assets respectively.

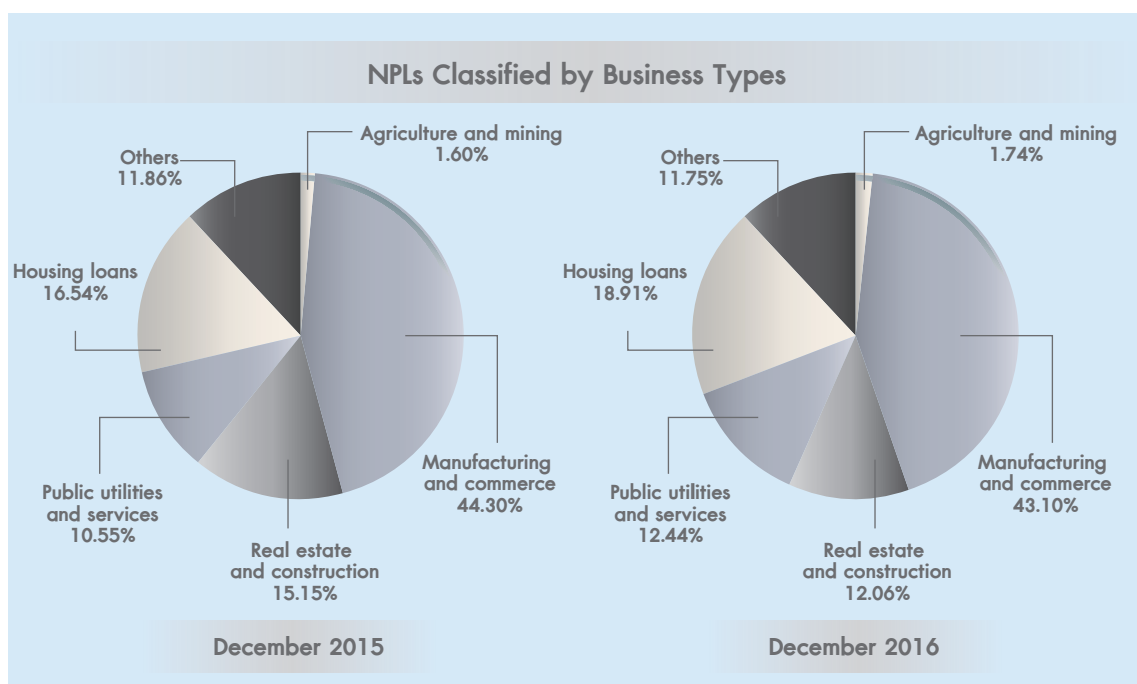
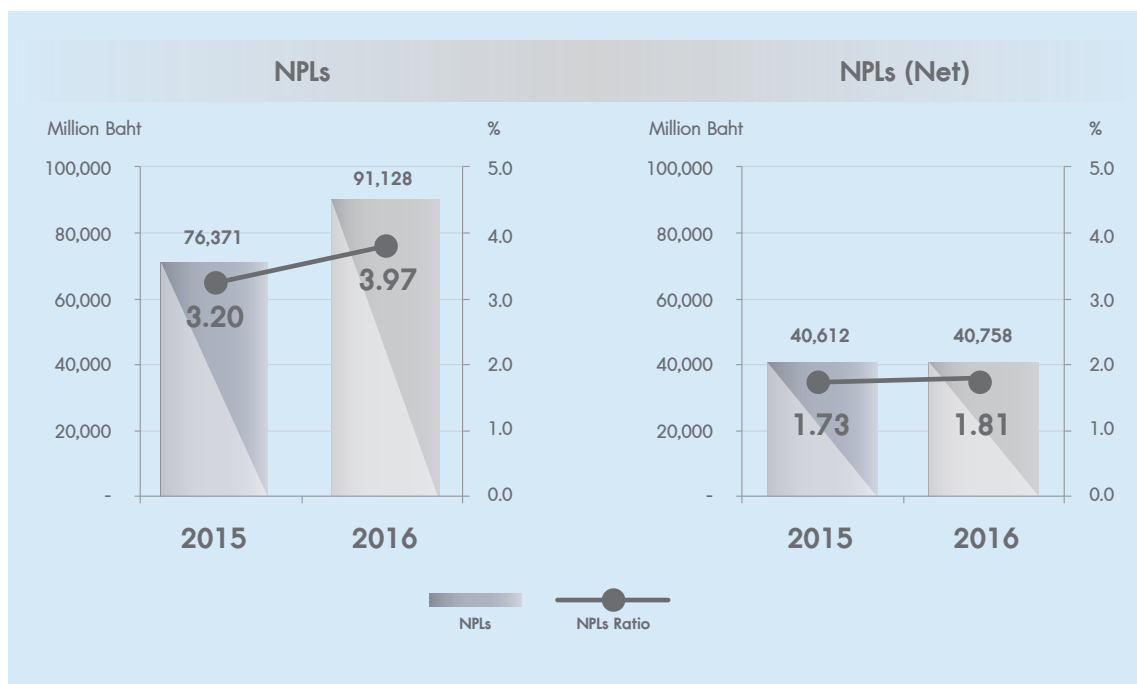
Asset Quality Analysis

• Non-Performing Loans (NPLs)

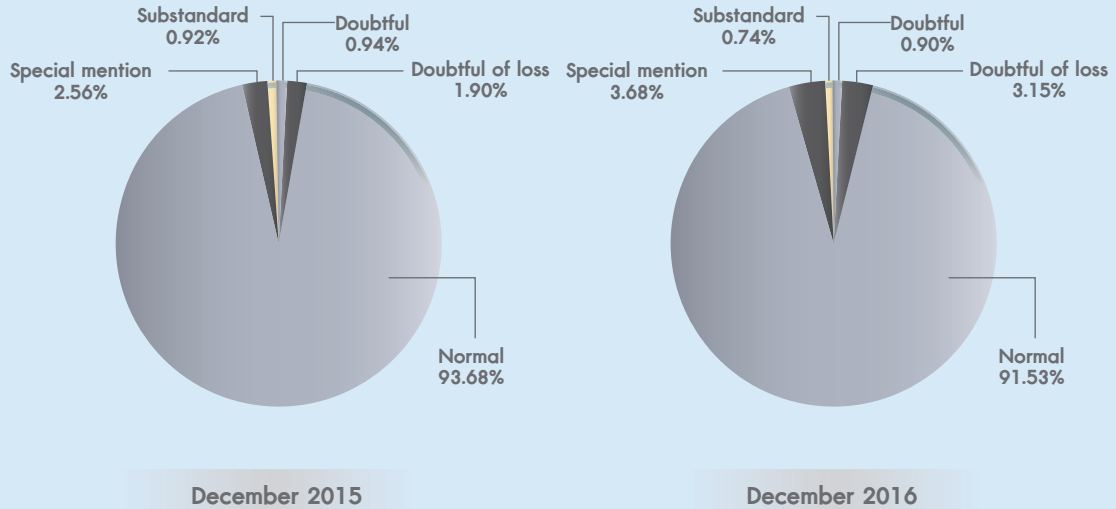
As at December 31, 2016, the Bank and subsidiaries' gross non-performing loans (NPLs) were Baht 91,128 million, showing an increase of Baht 14,757 million (19.32 percent) from that as at December 31, 2015. NPL ratio (gross) and NPL ratio (net) were 3.97 and 1.81 percent respectively. NPL ratio (gross) was increase from 3.20 percent as at December 31, 2015. The major cause of the increase was from NPLs among SME customers and retail customers and the decrease of total credit lending. However, the loans of corporate customers in metal industry have been restructured; affecting the debt classification of such customer to change from NPL to Special Mention in

the fourth quarter of 2016. With this regard, the Bank also improved working practice for debt classification to be more prudent. Moreover, the sensitivity of some customer sectors impacted potentiality of NPL and Special Mention classification to increase (Special Mention classification was increased to 3.68 percent of total credit by increasing from 2.56 percent of total credit as at December 31, 2015)

The Bank also ensured asset quality by taking more careful on credit consideration, placing emphasis on rapid debt collection, working as a team and performing appropriate debt restructuring.



Loan Classified by Loan Classification



The Details of Allowance for Respective Loan Classification

Unit: Million Baht

Loan	% used for setting aside the allowance for doubtful account	December 31, 2016			December 31, 2015		
		Loans and accrued interest receivables	Net amount used for setting aside the allowance for doubtful account ⁽¹⁾	Allowance for doubtful account	Loans and accrued interest receivables	Net amount used for setting aside the allowance for doubtful account ⁽¹⁾	Allowance for doubtful account
Normal	1	1,747,553	887,490	16,063	1,904,474	911,788	15,163
Special Mention	2	70,528	27,223	21,790	52,246	24,456	11,015
Substandard	100	14,156	6,715	6,785	18,725	8,962	8,975
Doubtful	100	17,059	8,778	9,060	19,083	9,696	9,715
Doubtful of Loss	100	60,063	27,195	34,616	38,813	12,462	17,069
Excess Allowance				22,406			23,887
Total		1,909,359	957,401	110,720	2,033,341	967,364	85,824

(1) Net amount used for setting aside the allowance for doubtful accounts represents outstanding amount of principal excluding accrued interest receivables after deducted collateral, or debts after deducting the present value of expected cash flows from debtors, or present value of expected cash flows from sale of collateral.

- **Troubled Debt Restructuring (TDR)**

Unit: Million Baht

The Bank's Financial Statement	December 31, 2016		December 31, 2015	
	No. of Cases	Outstanding Debt before Restructuring	No. of Cases	Outstanding Debt before Restructuring
Transfers of assets	25	732	43	1,484
Change of repayment conditions	544	15,397	813	18,973
Debt restructuring in various forms	11,093	43,782	9,216	20,966
Total	11,662	59,911	10,072	41,423

- **Properties for Sale**

As at December 31, 2016, the net properties for sale in consolidated financial statements stood at Baht 35,744 million, an increase of Baht 5,736 million (19.11 percent) compared to that as at December 31, 2015.

- **The Transfer of Non-Performing Loans to Thai Asset Management Corporation (TAMC)**

As at December 31, 2015, the Bank had net impaired assets of Baht 17,743 million transferred to TAMC and provisions from loss for non-performing loans transferred to TAMC of Baht 3,461 million. The Bank set allowance for doubtful accounts at 15 percent of the transferred value. As in 2012 and 2016, management team considered additional provisions of Baht 800 million and 600 million respectively. On December 2, 2016, the Bank received the notification of loss from impaired asset management and the Bank had to pay Baht 3,947 million to TAMC.

The Bank agreed to pay for loss from non-performing loans transferred to TAMC in the amount of Baht 3,947 million. Such an amount of money shall be deducted from the amount that the Bank shall receive from TAMC. There was TAMC's outstanding amount having with the Bank, comprising of which was Promissory Note recorded by the Bank as debt security held to maturity on December 31, 2015 amounting to Baht 2,653 million, the interest of Promissory Note and deposit amounting to Baht 451 million, deducting Baht 5 million of withholding tax totaling to Baht 3,100 million. After deducting those amounts of money, the Bank had to pay Baht 847 million to Ministry of Finance and the payment was transferred to Ministry of Finance on December 16, 2016.

Provisions and Contingent Liabilities

The details of the Bank's provisions and contingent liabilities are as follows:

Unit: Million Baht

	December 31, 2016	December 31, 2015
Provisions		
Defined benefit plan	10,777	10,391
Loss from NPLs transferred to TAMC	-	3,462
Contingent liabilities from being sued	336	538
Other contingent liabilities	39	34
Total	11,152	14,425
Contingent Liabilities		
Avals to bills	8,112	6,696
Guarantees of loans	11	6,432
Liability under unmaturred import bills	4,756	-
Letters of credit	40,407	37,029
Other contingencies		
- Unused credit line of overdraft	156,430	162,476
- Other guarantees	160,274	143,210
- Others	-	-
Total	369,990	355,843



Analysis of Cash Flow Statement

For the year ending December 31, 2016, the cash and cash equivalent items in consolidated financial statements stood at Baht 72,106 million, rose by Baht 636 million or 0.89 percent from 2015. The main factors are as follows:

1) **Net cash used in operating activities was Baht 9,500 million.** The Bank and its subsidiaries has operating profit before changes in operating assets and liabilities of Baht 69,817 million. The major changes in assets from operating were namely; an increase of Baht 34,347 million in interbank and money market items (asset), a decrease of Baht 101,586 million, Baht 8,599 million and Baht 5,617 million in loan, in investment in trading securities and in properties for sale respectively. The changes in operating liabilities were namely; a decrease of 163,095 million, Baht 9,048 million and Baht 1,039 million in deposit, in other liabilities and in liabilities payable on demand respectively. Meanwhile, the interbank and money market items (liabilities) increased by Baht 8,924 million.

2) **Net cash received from investment activities was Baht 15,351 million,** deriving from cash inflow from selling assets held for sale of Baht 107,902 million and from cash inflow from selling held-to-maturity securities Baht 28,410 million. Cash outflow from buying assets held for sell was Baht 114,193 million and cash outflow from buying held-to-maturity securities was Baht 6,712 million.

3) **Net cash used in financing activities was Baht 5,135 million,** deriving from cash outflow to repay debt issued and long-term borrowings of Baht 16,278 Baht, cash outflow to pay dividends of ordinary shares and preferred shares of Baht 10,627 million while net cash inflow from debt issued and long-term borrowings were Baht 21,770 million.

5. Corporate Income Tax Deductible Research and Development Expenses

-none-

6. Forward-Looking Statements

In 2017, Thai economy tends to grow continually from 2016, with key driving factors being government spending and tourism sector. However, Thai economy will be exposed to more risks, especially external risk factors, from e.g. fluctuations in world economy and financial market, instability of US and European economic and politics conditions, and problems in China financial and real estate sectors. Moreover, there are challenges arisen from the shift in customer behavior and more intense

competition as a result of the transition to digital economy, technological advancements, emergence of financial technology (FinTech) companies, and industrial transition toward "Thailand 4.0" policy. Besides, the changes and additions to regulatory standards may affect the Bank's financial standing and operating performance, e.g. the adoption of IFRS9 and the calculation of capital fund to risk weighted asset in accordance with Basel framework as the additional detail mentioned in Risk Factors part.

Consequently, the Bank has to prepare for the future challenges that may influence its operation, including the National e-Payment project which is expected to have significant impact on revenue and business model. Moreover, the Bank will be faced with the challenge to enhance our potential to compete in the industry and improve profitability in the long run, especially the ongoing development of the Bank's business foundations including IT system, effectiveness of work process and expertise of employees.

Furthermore, the Bank has long-term plans under the 3 Summits Strategy. In 2017, the Bank will continue to pursue the second phase of the strategy (2016-2020), focusing on closing the performance gaps with peers in terms of profit, market share and operation effectiveness, as well as on becoming the top commercial bank in Thailand. However, due to fast-changing economic condition and technological advancement, the Bank has made adjustments to carry out the second and third phase in parallel. "ONE KTB" working practice has also been introduced to enhance the effectiveness of its operation. The 5 key principles of ONE KTB are:

1. **"One team"** refers to employees' willingness to work as a team with the same ultimate goal, the utmost benefit of the Bank.

2. **"One in customer's mind"** refers to the determination to become the best bank in customers' mind by understanding and engaging with customers so that the Bank can take care and offer products and services that best fulfill their needs.

3. **"One in innovation"** will be achieved by improving the databases and using data analytics in developing products and services that better fulfill the needs of customers, as well as using the information extracted in planning work process so that work can be done quickly and conveniently. Moreover, the Bank will also develop the security and stability of IT infrastructure.

4. “One in the market” refers to the determination to become the leader of markets with potential to grow e.g. wealth management customers, SME customers, supply chain, NPL management, etc.

5. “One in compliance” means the determination to comply with regulations by employing the Zero Tolerance of Fraud policy-not tolerating any intentional corruption or incompliance and aiming to be an organization recognized for corporate governance and transparency.

The Bank’s ultimate goal is to become “Your Trusted Banking Partner” who deeply understands customers’ needs, to be the financial institution with trustworthiness, stability and security, to be able to actively and promptly respond to situations, as well as having the knowledge and expertise to support the new Thai economy, create digital innovations and to become a performance-driven organization.

Furthermore, the Bank has plans to carry out projects in the following key areas:

1. **Data:** The Bank focuses on using data analytics to generate revenue, improve loan quality and loan collection process. Furthermore, the Bank will carry out

projects regarding data foundation and governance to enhance the Bank’s data system so that performance data processing, management and planning can be done accurately and quickly.

2. **National e-Payment:** to develop system, improve process and service format to support the government’s digital economy and National e-Payment policies

3. **Wealth Management:** to become customers’ financial advisor and generate more revenue

4. **Area-Based Financing Project:** to accommodate the government’s policies that encourage economic growth and strength in regional areas and to create the Bank’s potential to grow in high-potential regional areas.

The Bank expects that such strategic operations will increase the Bank’s capability to compete and satisfy both customers and employees, making the Bank one of the top banks in the country along with its commercial bank peers.

In 2017, the Bank’s goal is to increase assets so that its operating result grows sustainably. The forecast of financial numbers in 2017 are as follows:

The Bank’s Financial Statement

2017 Forecast*

GDP Growth (Forecast)	3.4%
Loan Growth	4-6%
Fee Income Growth	3-5%
NPLs Ratio (gross)	Maintain
ROA	Maintain
ROE	Maintain

* The financial goal is a forecast based on the Bank’s current assumption about economic condition and it is subject to change according to changing situations.

Shareholding and Management Structure

1. Shareholding Structure

List of Shareholders as at December 31, 2016

Shareholders	Number of Shares			
	Ordinary	Preferred	Total	%
1) The Financial Institutions Development Fund	7,696,248,833	0	7,696,248,833	55.05
2) Thai NVDR Co., Ltd	876,565,406	2,060	876,567,466	6.27
3) State Street Bank Europe Limited	374,357,921	0	374,357,921	2.68
4) Vayupaksa Mutual Fund 1 managed by MFC	271,370,608	2,726,095	274,096,703	1.96
5) Vayupaksa Mutual Fund 1 managed by KTAM	271,370,607	2,726,095	274,096,702	1.96
6) Chase Nominees Limited	176,527,513	0	176,527,513	1.26
7) EGAT Saving and Credit Cooperative Limited	151,083,300	0	151,083,300	1.08
8) Bualuang Long-Term Equity Fund	140,686,100	0	140,686,100	1.01
9) The Bank of New York Mellon	111,200,500	0	111,200,500	0.80
10) State Street Bank Company	92,423,260	0	92,423,260	0.66
11) Other shareholders	3,814,227,202	45,750	3,814,272,952	27.27
Total	13,976,061,250	5,500,000	13,981,561,250	100.00

Proportion of Thai Nationality and Foreign Nationality Shareholders:

Shareholder	Juristic Entity		Individual		Total		
	Number	Number of Shares	Number	Number of Shares	Number	Number of Shares	%
Thai Nationality	700	10,378,897,941	79,787	1,871,626,556	80,487	12,250,524,497	87.62
Foreign Nationality	249	1,718,901,168	141	12,135,585	390	1,731,036,753	12.38
Total	949	12,097,799,109	79,928	1,883,762,141	80,877	13,981,561,250	100.00

Remark : 1. Information from Thailand Securities Depository Co., Ltd.

2. Investors can look up the latest shareholding structure at www.ktb.co.th

Shareholders can examine the details of Securities Register for ordinary and preferred shares of the Bank on pages 275-276.

2. Dividend Payment Policy

2.1 Dividend Payment Policy of the Bank

The Bank has the policy to pay about 40 percent of its net profit as dividend. However, dividend payment in each year is subject to the realized profit from normal business operation in that particular year. Also taken into consideration were the future performance of the Bank as well as economic condition, financial factors involved, growth of credit extension and provisioning, resolution from the Board meeting and/or shareholders general meeting, retained earnings, legal and other provisioning as the Bank deems necessary and including the regulatory compliance under law, rules and regulation prescribed by the authorized regulators.

As for the 2015 operating performance, the Bank paid dividend to the shareholder Baht 0.76 per ordinary share and Baht 0.9145 per preferred share (equivalent to 40.14 percent of net profit) on May 27, 2016.

2.2 Dividend Payment Policy of Subsidiaries

Dividend payment of subsidiaries depends on each company's operating performance, retained earnings, legal provisioning and other required provisioning as appropriate for business operation.

3. Management Structure

3.1 Organization Structure's details are provided in Organization Chart on pages 8-9.

3.2 Members and Authorities of each Committee

3.2.1 The Board of Directors

Members of the Board of Directors as at December 31, 2016

1)	Dr. Somchai Sujjapongse	Chairman of the Board of Directors
2)	Mr. Krairit Euchukanonchai	Vice Chairman
3)	Dr. Kittipong Kittayarak	Director and Independent Director
4)	Mr. Nontigorn Kanchanachitra	Director and Independent Director
5)	Mr. Supant Mongkolsuthree	Director
6)	Mr. Distat Hotrakitya	Director and Independent Director
7)	Gen. Tienchai Rubporn	Director and Independent Director
8)	Mr. Poonnis Sakuntanaga	Director
9)	Mr. Somchai Boonnamsiri	Director and Independent Director
10)	Mr. Thanwa Laohasiriwong	Director and Independent Director
11)	Dr. Kulaya Tantitemit	Director
12)	Mr. Payong Srivanich	President
	Mr. Suchart Dejittirut	Secretary
	Mr. Wittoon Kantaapa	Assistant Secretary
	Ms. Sineenard Damri-Anant	Assistant Secretary

Details of Changes of Directorship, Secretaryship and Assistant Secretaryship

- | | | |
|----|--------------------------|---|
| 1) | Mr. Thanwa Laohasiriwong | Took the position of Director on January 26, 2016 to replace Prof. Athueck Asvanund who resigned from the position of Director on December 4, 2015. |
| 2) | Dr. Kulaya Tantitemit | Took the position of Director on October 12, 2016 to replace Mr. Somchai Poolsavasdi who resigned from the position of Director on August 1, 2016. |
| 3) | Mr. Payong Srivanich | Took the position of the President on November 8, 2016 to replace Mr. Vorapak Tanyawong who completed his term of office on November 7, 2016. |
| 4) | Mr. Zethjak Leeyakars | Retired from the position of Assistant Secretary on July 1, 2016. |
| 5) | Mr. Witoon Kantaapa | Took the position of Assistant Secretary on August 1, 2016. |

Scope of Authority and Responsibility of the Board of Directors

The Board of Directors assumes full authority in the management and oversees that the business operation as the commercial bank complies with the objectives, the Articles of Association and the resolutions of the shareholders' meetings. All of which must be subjected to relevant laws and regulations. The authority and responsibility includes:

Authority of the Board of Directors

1) Each director can cast one vote and the majority vote shall be taken as the resolution of the Board meeting. In case of equal votes, the Chairman of the Board shall have the second vote for a decision. In case of election of Director in replacement of the Directors who resigned prior to the end of term, at least three-fourths votes of approval from the total number of Directors are required.

2) Any director who has his own interest in the matter discussed in the Board meeting is prohibited from casting vote on such issue. In this case, the Chairman may request such director to temporarily leave the meeting.

3) All business activities of the Bank shall be under the authority of the Board of Directors. Either the President or at least two other directors as delegated by the Board have the authority to sign and affix the Bank's official seal on behalf of the Bank.

4) The Board of Directors has the authority to appoint the General Manager and staff members as well as agent of the Bank with the authority and duty as the Board deems appropriate. Remuneration, expenses and benefits as well as removal of such persons from office are also within the authority.

5) The Board of Directors can empower the General Manager to appoint and revoke the appointment of the staff members of the Bank. If the General Manager is also a director of the Board of Directors, he is named the "President".

6) The Board of Directors has the authority to invite any person, as it deems appropriate, to be an advisor assisting the Board on banking business as well as determining wages and remuneration for the advisor.

7) If the Board of Directors view that the Bank has gained sufficient profits and it is appropriate to pay dividend, the Bank may from time to time pay interim dividend to shareholders and report in the next shareholders' meeting.

Scope of Authority of the Board of Directors

The Board of Directors shall have the power to conduct all kinds of business of the Company. However, certain kinds of business in accordance with the Bank's regulations and the Limited Public Company Act B.E.2535 (1992) and its amendments are specified to be conducted by the power of the meeting of shareholders.

- 1) Approval of the balance sheets and the profit and loss statements.
- 2) Approval of the profit appropriation.
- 3) Election of new directors replacing those who completed their term of office or election of the additional directors when there is an increase in the total number of directors.
- 4) Appointment of the Bank's auditor and fixing their audit fee.
- 5) Increase of capital, reduction of capital and transfer of allowance for compensation of accumulated loss, dividend payment, public offering or allocation of capitalized shares and issuance of debentures.
- 6) Sale or transfer of the Bank's entire business or some material parts, acquisition or acceptance of transfer of other business, amendment or termination of agreement relating to renting out partial or the entire Bank's business.

Responsibilities of the Board of Directors

- 1) Oversee and manage the Bank's business in accordance with the objectives, the Bank's Articles of Association and the resolutions of the shareholders meeting as well as supervising the Bank's operations.
- 2) Hold the meeting at least once a month and there must be at least half of the total directors attending. The majority vote shall be taken as the resolution of the meeting. In case of election of Director in replacement of the Directors who resigned prior to the end of term, at least three-fourths votes of approval from the total number of Directors are required.
- 3) Call for an annual ordinary general meeting within four months from the closing of accounting period. Other general meetings may be called anytime as extra ordinary meeting when the Board deems appropriate or within one month from the date of shareholder's written request.
- 4) Despite Board vacancy, the subsisting directors can still perform the duty. However, if the number of directors does not constitute a quorum, the remaining directors can only call a general meeting to elect new candidates to fill all the vacancies.
- 5) Comply with the Code of Best Practice of Directors of Listed Companies.

Authorized Signatory Directors

The Authorized Signatory Director on behalf of the Bank has been changed since November 8, 2016. Presently, Mr. Payong Srivanich, the President is authorized to sign solely on behalf of the Bank affixed with the Bank's official seal or Mr. Krairit Euchukanonchai jointly with Dr. Kulaya Tantitemit to sign as two signatories affixed with the Bank's official seal.

3.2.2 The Board of Executive Directors

Members of the Board of Executive Directors as at December 31, 2016

- | | | | |
|----|---------------|----------------|---------------------|
| 1) | Mr. Krairit | Euchukanonchai | Chairman |
| 2) | Mr. Poonnis | Sakuntanaga | Director |
| 3) | Dr. Kulaya | Tantitemit | Director |
| 4) | Mr. Payong | Srivanich | Director |
| | Mr. Suchart | Dejittirut | Secretary |
| | Mr. Wittoon | Kantaapa | Assistant Secretary |
| | Ms. Sineenard | Damri-anant | Assistant Secretary |

Details of Changes of Directorship, Secretaryship and Assistant Secretaryship

- | | | |
|----------------|-------------|---|
| 1) Mr. Somchai | Poolsavasdi | Resigned from the position of Executive Director on August 1, 2016. |
| 2) Dr. Kulaya | Tantitemit | Took the position of Executive Director on October 12, 2016. |
| 3) Mr. Vorapak | Tanyawong | Resigned from the position of Executive Director on November 8, 2016. |
| 4) Mr. Payong | Srivanich | Took the position of Executive Director on November 8, 2016. |
| 5) Mr. Zethjak | Leeyakars | Resigned from the position of Assistant Secretary on July 1, 2016. |
| 6) Mr. Witoon | Kantaapa | Took the position of Assistant Secretary on August 1, 2016. |

Scope of Authority and Responsibility of the Board of Executive Directors

The Board of Directors has empowered the Board of Executive Directors with the following duties:

- 1) Approve credit, debt restructuring and debt write-off within the authority.
- 2) Approve investment or sales of securities invested by the Bank, trading or renting out Banks' property within the authority.
- 3) Approve the hiring of consultant and procurement operation in accordance with the procurement regulations.
- 4) Scrutinize business plan, policy tasks and annual budget.
- 5) Monitor significant assignments given by the Board of Directors.
- 6) Approve or acknowledge other businesses relating to management that deem necessary, appropriate or urgent to get problems resolved since they may cause damage to the Bank if unattended. Report such issue promptly to the Board of Directors.
- 7) Perform other tasks assigned by the Board of Directors.

3.2.3 The Audit Committee

The Audit Committee as at December 31, 2016

- | | | |
|------------------|---------------|-----------|
| 1) Dr. Kittipong | Kittayarak | Chairman |
| 2) Gen. Tienchai | Rubporn | Director |
| 3) Mr. Somchai | Boonnamsiri | Director |
| 4) Mr. Thanwa | Laohasiriwong | Director |
| Mr. Santi | Parivisutt | Secretary |

Details of Changes of Directorship

- | | | |
|----------------|---------------|---|
| 1) Mr. Somchai | Boonnamsiri | Took the position of Directors on April 5, 2016. |
| 2) Mr. Thanwa | Laohasiriwong | Took the position of Director on April 29, 2016 to replace Mr. Nontigorn Kanchanachitra who completed term of office on April 29, 2016, date of the 23 rd Annual Ordinary General Meeting. |

The scope of authority and responsibility of the Audit Committee has been revised in accordance with the Charter of the Audit Committee 2016, which has become effective since August 24, 2016. The details are as follows:

Scope of Authority and Responsibility of the Audit Committee

1) Financial Reporting and Public Disclosure

1.1) Review the financial reports to ensure their adequacy, accuracy and reliability in accordance with the generally accepted accounting principles.

1.2) Review with the Bank's auditor key issues that may adversely affect the reliability of the financial reports such as:

1.2.1) Significant problems or conflicts encountered during the course of the audit

1.2.2) Different facts and opinions between the auditor and the management

1.2.3) Effectiveness of internal control

1.2.4) Deficiencies or losses found in the current accounting period and the possibility to recur in the following periods

1.2.5) The draft of the annual financial statements and notes to the financial statements

1.2.6) The auditor's report

1.3) Review any connected transactions or transactions that may cause conflict of interest or signify chances of fraud to ensure accurate accounting procedures as well as the complete and transparent information disclosure.

1.4) Review the evidences when doubt about the operation that may significantly impair the Bank's business or conflict of interest that may cause negative impact on the Bank's operation.

1.5) Oversee the information submitted to the regulator to be in line with that in the financial reports.

2) Internal Control

2.1) Review the internal control system to ensure its effectiveness and compliance with the standards of the Committee of Sponsoring Organizations of Treadway Commission (COSO). Assess the entire internal control system at least once a year in addition to the assessment of financial reporting with the Bank's auditor.

2.2) Review the appropriateness and effectiveness of risk management, internal control of the Bank's IT system and its security including business continuity plan.

3) Auditor

3.1) Ensure independence of the auditor.

3.2) Review the scope of work of auditor and internal auditors to avoid duplication of work in financial auditing with due consideration of efficiency in the use of resources in the audit process.

3.3) Consider the recruitment, appointment, dismissal and remuneration of the auditor and submit to the Board of Directors in proposing to the shareholder's general meeting. The Committee together with the auditor held the meeting without the presence of the management department at least once a year.

3.4) Review the annual audit report and may suggest reviewing or examining on significant or necessary issues before submitting the key recommendation to the Board of Directors.

4) Internal Auditor

4.1) Ensure independence of the internal auditor.

4.2) Directly supervise the Internal Audit Group, excluding the management of the Internal Audit Group that report directly to the President.

4.3) Oversee the Internal Audit Group to adhere to moral ethics and corporate governance with generally accepted audit standards as well as examine and review Code of Business Conduct of audit officers prior to submission to the Board of Directors for approval.

4.4) Regularly examine and review the Charter of the Internal Audit Group.

4.5) Consider and approve the strategic plan for internal audit, organization structure, manpower, annual internal audit program as well as budget used in auditing, stressing efficiency and effectiveness including their prioritization with regard to risk levels.

4.6) Review the internal audit reports and call confidential meetings with Managing Director of the Internal Audit Group to see if there is any interference from the executives and the management that may cause negative impacts on the independence and freewill of the internal auditor.

4.7) Review with the Internal Audit Group Managing Director the utilization of resources to be in line with the established policy or operating manual.

4.8) Review with management the material deficiencies found from auditing and their responses.

4.9) Submit opinions to the Board of Directors concerning the appointment, transfer, dismissal, remuneration fixing and appraisal of the Internal Audit Group Managing Director and all internal auditors of the Internal Audit Group.

4.10) Assess the performance of the Internal Audit Group Managing Director.

4.11) Perform the Independent Quality Assessment Review by external auditor at least every five years.

5) Regulatory Compliance

5.1) Review all compliances with relevant laws, rules and regulations stipulated by the official authorities and the regulators so as to prevent penalty charges, warning or reputation of the Bank and its executives.

5.2) Supervise the financial business group

5.2.1) Supervise and monitor the operation to be in accordance with financial business group policy.

5.2.2) Review accuracy and adequacy of financial report of financial business group.

6) Risk Management

6.1) Review crucial risk levels and risk assessment methods used by the internal auditor and the Bank's auditor whether they are adequate and reliable.

6.2) Review the awareness of the Board of Directors and top executives on key risks and those related to strategic risk, credit risk, market risk, liquidity risk and operational risk.

7) Performance Assessment

Conduct self-assessment and the Board of Directors will evaluate the Audit Committee's annual performance.

8) Charter Establishment and Review

Establish and review Charter of the Audit Committee at least once a year for submission to the Board of Directors for approval.

9) Other Responsibilities

9.1) Authorized to audit or investigate concerned persons under the scope of authority and responsibility of the Audit Committee and to hire specialist to assist in auditing or investigation.

9.2) Perform other jobs as assigned by the Board of Directors and with consent from the Audit Committee.

Term of Office

1) The Audit Committee has a three-year term of office. One year refers to the period from the Ordinary General Meeting of the year in which the Director is appointed to the next Ordinary General Meeting. A director completing the term of office is eligible for re-election. Moreover, the Bank has stipulated additional provisions concerning the appropriateness of Director's term of office that it should not be over two consecutive terms except that any Director is considered appropriate to take the director office longer than such term. In this regard, the Board of Directors shall consider the independence and performance efficiency of that director before extended the term of office for more than two consecutive terms. The extension of such term shall not be permitted automatically.

2) The Directors in Audit Committee shall terminate from the position under the following circumstances:

2.1) Complete the term of office

2.2) Terminate from directorship of the Bank's Board of Directors

2.3) Resignation

2.4) Death

2.5) Lacking of qualifications as Audit Committee under the regulations prescribed by the Bank or SET

2.6) Have resolution to terminate from the position approved by the Board of Directors

2.7) Receive final judgment to imprisonment or lawful order to imprisonment except the negligent offence or petty offenses

2.8) Being quasi incompetent or adjudged incompetent

2.9) Bankruptcy

3) For the resignation of Audit Committee Director, the letter of resignation must be submitted in advance to the Chairman of the Board of Directors for least 30 days, excluding in the case of further necessity occurred, for the Board of Directors to approve.

4) In case the Audit Committee Directors has left the position prior to the completion of office term, the qualified person will be selected by the Board of Directors and will stay only for the remaining tenure of the director who left.

Member of the Audit Committee with experiences in reviewing financial statement

1) Gen. Tienchai Rubporn Director

2) Mr. Somchai Boonnamsiri Director

The individual brief biography and experiences in reviewing financial statements are shown in "Brief Biography of the Board of Directors and Executive Officers" on pages 25-27.

3.2.4 Corporate Governance and Social Responsibility Committee

The Corporate Governance and Social Responsibility Committee as at December 31, 2016

1) Mr. Supant Mongkolsuthree Chairman

2) Mr. Nontigorn Kanchanachitra Director

3) Dr. Kulaya Tantitemit Director

Ms. Siriporn Nopwattanapong Secretary

Detail of changes of the Corporate Governance and Social Responsibility Committee

1) Mr. Somchai Poolsavasdi Resigned from the position of Director on August 1, 2016

2) Dr. Kulaya Tantitemit Took the position of Director on October 12, 2016

Scope of Authority and Responsibility of Corporate Governance and Social Responsibility Committee

1) Present policy on corporate governance and social responsibility of the Bank and subsidiaries to the Board of Directors.

2) Oversee that operations are in compliance with the principles of corporate governance stipulated by the regulators such as the Bank of Thailand, the Stock Exchange of Thailand and the Securities and Exchange Commission, together with bearing social responsibility.

3) Regularly review the corporate governance and social responsibility policy to be in consonance with international practices and recommendations of related institutions.

4) Recommend Code of Best Practices or Board of Directors Charter to the Board of Directors as well as other established committees of the Bank.

5) Recommend Code of Business Conduct and Code of Best Practices for executives and staff members.

6) Encourage good corporate governance culture and participation in social activities for sustainable development, which must be acknowledged and carried out effectively by staff in all levels.

7) Appoint subcommittee to support corporate governance and social responsibility work as deemed appropriate.

8) Perform other tasks assigned by the Board of Directors.

3.2.5 The Nominating and Remuneration Committee

The Nominating and Remuneration Committee as at December 31, 2016

1)	Mr. Nontigorn Kanchanachitra	Chairman
2)	Mr. Distat Hotrakitya	Director
3)	Mr. Somchai Boonnamsiri	Director
	Mr. Suppawat Wadhanapatee	Secretary
	Mr. Natakrit Tanapaisankit	Assistant Secretary
	Mr. Boonchird Pikulyam	Assistant Secretary

Detail of changes of the Nominating and Remuneration Committee

- 1) Dr. Kittipong Kittayarak Resigned from the position of Director on April 27, 2016.

Scope of Authority and Responsibility of the Nominating and Remuneration Committee

The Nominating and Remuneration Committee has been delegated from the Bank to perform the following duties:

- 1) Set policy, criteria and procedure in nominating and fixing remuneration including other benefits for the directors, top executives and authorized personnel.
- 2) Recommend overall policy concerning the fixing of remuneration and other benefits.
- 3) Recruit and select applicants with qualifications according to rules and relevant laws to be presented to the Board of Directors for consideration as
 - 3.1) Director
 - 3.2) Member of respective committees delegated from the Board of Directors
 - 3.3) Top executives and authorized person
- 4) Oversee that the size of the Board of Directors is justifiable and appropriate for the organization and the changing environment. The Board of Directors must comprise of the personnel with knowledge, skill and experience in various areas.
- 5) Activate the Board of Directors to select new director to replace the one that has completed term of office according to the Articles of Association.
- 6) Oversee that directors, top executives and authorized persons' remunerations are justifiable with their duties and responsibilities. Remunerations are adjusted in accordance with additional duties and responsibilities of such director.
- 7) Set up guidelines for assessing the performance of directors, top executives and authorized management personnel when revising annual compensations and takings into consideration the duties, responsibilities, related risks and long term value creation for shareholders.
- 8) Disclose policy and details of recruiting procedures and fixing of remunerations, all types of benefits and report the process of determining remunerations. At least the details of objectives, performance, and recommendation of the Nominating and Remuneration Committee must be disclosed in the annual report.
- 9) Perform other tasks as assigned by the Board of Directors.

3.2.6 Risk Management Committee

Risk Management Committee comprised of Directors, President and top executives from the Risk Management Group, Operation Group and Financial management Group.

Risk Management Committee as at December 31, 2016

1)	Mr. Krairit Euchukanonchai	Chairman
2)	Mr. Poonnis Sakuntanaga	Director
3)	Mr. Somchai Boonnamsir	Director
4)	Mr. Thanwa Laohasiriwong	Director
5)	Mr. Supant Mongkolsuthree	Director

6)	Mr. Payong	Srivanich	Director
7)	Mr. Poonpat	Sripleng	Director
8)	Ms. Amporn	Chotruchsakul	Director
9)	Ms. Walairat	Lertumpornpisal	Director
	Mr. Songpol	Tangkijthavorn	Secretary

Detail of Changes of the Risk Management Committee

1)	Mr. Somchai	Boonnamsiri	Took the position of Director on January 14, 2016.
2)	Mr. Thanwa	Laohasiriwong	Took the position of Director on January 26, 2016.
3)	Ms. Kittiya	Todhanakasem	Resigned from the position of Director on April 8, 2016 because she resigned from the Bank.
4)	Mr. Supant	Mongkolsuthree	Took the position of Director on April 29, 2016.
5)	Ms. Walairat	Lertumpornpisal	Took the position of Director on May 4, 2016 to replace Ms. Kittiya Todhanakasem.
6)	Mr. Chainarong	Isadawong	Resigned from the position of Director on September 16, 2016 because he resigned from the Bank.
7)	Ms. Amporn	Chotruchsakul	Took the position of Director on October 14, 2016 to replace Mr. Chainarong Isadawong
8)	Mr. Vorapak	Tanyawong	Resigned from the position in the Audit Committee on November 8, 2016 because he resigned from the position in the Board of Directors.
9)	Mr. Payong	Srivanich	Took the position of Director on November 8, 2016 to replace Mr. Vorapak Tanyawong.

Scope of Authority and Responsibility of Risk Management Committee

- 1) Present / set out the overall risk management policy and strategy to Board of Directors.
- 2) Set out strategies in consonance with the risk management policy and control, monitor and assess risk management. Follow the guidelines prescribed by the Bank and the regulators.
- 3) Formulate the risk management policy and oversee risk management of the financial business group to be in compliance with the Consolidated Supervision guidance of the Bank of Thailand. Furthermore, control, monitor and assess risks of the financial business group for better efficiency and to be at acceptable levels.
- 4) Report the operating performance of the Risk Management Committee to the Audit Committee regularly every month and report the same to the Board of Directors every quarter.
- 5) Perform other task assigned by the Board of Directors.

Risk Management Committee has arranged for the regular meeting at least once a month or as deem appropriated.

3.2.7 The Compliance Committee

The Compliance Committee as at December 31, 2016

1)	Mr. Distat	Hotrakitya	Chairman
2)	Dr. Kittipong	Kittayarak	Director
3)	Gen. Tienchai	Rubporn	Director
	Mr. Suchart	Dejittirut	Secretary
	Mr. Wittoon	Kantaapa	Assistant Secretary
	Ms. Nipawan	Wanasathop	Assistant Secretary

Detail of Changes of the Compliance Committee

1)	Mr. Wittoon	Kantaapa	Took the position of Assistant Secretary on June 23, 2016
2)	Ms. Nipawan	Wanasathop	Took the position of Assistant Secretary on June 23, 2016.

Scope of Authority and Responsibility of the Compliance Committee

The regulatory compliance committee was appointed by the Board of Directors to be responsible for 6 major operations as follows:

- 1) Supervise and monitor risks resulted from the default against the law and regulations via the Compliance Department.
- 2) Review the Charter of the Compliance Committee on regular basis for submission to the Board of Directors for approval.
- 3) Assess annual performance of the Compliance Department to maintain independence and avoid conflict of interest. Review policy and regularly assess efficiency of risk management in regulatory compliance to ensure that the Bank's regulatory compliance is appropriate.
- 4) Approve the Annual Compliance Report.
- 5) Review the review report or monitor the regulatory compliance. It may be asked to review or monitor transactions that default on compliance and the Bank considered them as being important cause of risk.
- 6) Report to the Board of Directors for acknowledgement the result of the review report or monitor the regulatory compliance. The committee shall consider for the improvement in case the default on compliance occurred.

3.2.8 Independent Director Committee

Independent Director Committee as at December 31, 2016

1) Mr. Distat	Hotrakitya	Chairman of Independent Director
2) Mr. Kittipong	Kittayarak	Independent Director
3) Mr. Nontigorn	Kanchanachitra	Independent Director
4) Gen. Tienchai	Rubporn	Independent Director
5) Mr. Somchai	Boonnamsiri	Independent Director
6) Mr. Thanwa	Laohasiriwong	Independent Director
Mr. Suchart	Dejittirut	Secretary
Ms. Sineenard	Damri-anant	Assistant Secretary

Detail of Changes of Independent Director Committee, Secretary and Assistant Secretary

1) Mr. Distat	Hotrakitya	Took the position of Chairman of Independent Director on March 23, 2016.
2) Mr. Somchai	Boonnamsiri	Took the position of Independent Director on March 23, 2016
3) Mr. Thanwa	Laohasiriwong	Took the position of Independent Director on April 29, 2016

Definition of Independent Director

Independent director must not have any business or work related to commercial bank that might have an impact on his/her independent decision-making and must have additional qualifications which are more intensive than the Capital Market Supervisory Board's regulations in terms of shareholding as follows:

(a) Not holding more than 0.5 percent of the total number of voting shares of the bank or the bank's parent company, subsidiary, associated company, major shareholder or any person with control power over the bank including shares held by any related person of such an independent director.

(b) Not be or have been a director in the management of the bank, or an employee, officer or an advisor of the bank receiving regular salary, and not be and have not been a person with control power over the bank or the bank's parent company, subsidiary, or associated company, or a subsidiary of another company in the same level, unless such person has resigned from such position for at least two years. Such restriction or prohibition shall not apply to an independent director who has been a government officer or an advisor of a government authority that is the major shareholder of the bank or the person with control power over the bank.

(c) Not be a person having relationship either through lineage or legal registration as a father, mother, spouse, sibling or child, including spouse of a child of any director, executive or major shareholder of the bank or

the bank's subsidiary, or of any person with power to control the bank or the bank's subsidiary, or of the person being nominated to be a Director, an executive or a person having power to control the bank or the bank's subsidiary.

(d) Not having and have not had any business relationship with the Bank or the Bank's parent company, subsidiary, associated company, or major shareholder, or with the person with control power of the Bank that may have conflict of interest, in the manner in which his/her independent discretion might be affected, and not be and have not been a substantial shareholder of or a person with power to control the person that has business relationship with the Bank or the Bank's parent company, subsidiary, associated company, or major shareholder, or person with control power over the Bank unless such an independent director has not been a person referred to above for not less than two years.

Business relationship referred to the first paragraph above shall mean to include any ordinary course of business or trade for business engagement purpose, any lease taking or lease out of any property, any transaction relating to asset or services, any financial support by way of either borrowing, lending, guaranteeing or collateral providing or any other manner similar thereto that could result to an obligation required to be performed by the Bank or the party thereto in an amount of three percent or more of the net tangible asset value of the Bank or twenty million Baht or more, whichever is lesser. In light of this, the method for calculation of the value of connected transaction pursuant to the Capital Market Supervising Committee's Notification, Re: Regulations in respect of an Entering into a Connected Transaction shall be applied mutatis mutandis for the purpose of calculation of such amount of debt of the Bank, provided that the amount of debt incurred during the past one year prior to the date on which such a business relationship with such person exists.

(e) Not be and have not been an auditor of the Bank or the Bank's parent company, subsidiary, associated company, or major shareholder, or of any of the person with control power over the Bank, and not be and have not been a substantial shareholder of, a person with power to control over, or a partner of any auditing firm or office in which the auditor of the Bank or the Bank's parent company, subsidiary, associated company, or major shareholder, or the person with control power over the Bank is working, unless such an independent director has not been a person referred to above for not less than two years.

(f) Not be and have not been a professional advisor, including legal or financial advisor who receives fee of more than two million Baht per year from the Bank or the Bank's parent company, subsidiary, associated company, or major shareholder, or from the person with control power over the Bank and not be and have not been a substantial shareholder of, a person with control power or a partner of any of such professional service provider firm or office, unless such an independent director has not been a person referred to above for not less than two years.

(g) Not be a director appointed as a representative of a director of the Bank, a representative of a major shareholder of the Bank, or a representative of a shareholder of the Bank which is a related person of the major shareholder of the Bank.

(h) Not engage in any business of the same nature of which is the same as that of the Bank or the Bank's subsidiary and which, in any material respect, is competitive with the business of the Bank or the Bank's subsidiary, or not be a substantial partner in a partnership, a director taking part in the management, an employee or officer, an advisor receiving regular salary from, or a shareholder holding more than one percent of the voting shares of a company engaging in any business the nature of which is the same as that of the Bank or the Bank's subsidiary and which, in any material respect, is competitive with the business of the Bank or the Bank's subsidiary.

(i) Having no other characteristics by which his/her independent comment or opinions on the Bank's operation may be affected.

(j) The person must be nominated through the Board of Directors or the Nominating and Remuneration Committee.

After being appointed as an independent director of the Bank and having qualifications stated in (a) to (j), he/she may be assigned by the Bank's Board of Directors to make decision in respect of business operation of the Bank, or the Bank's parent company, subsidiary, associated company, or a subsidiary of another company in the same level of the Bank, the major shareholder of the Bank, or the person having control power over the Bank, provided that such decision made must always be made on a collective decision basis.

Furthermore, when the Capital Market Supervisory Board/the Securities and Exchange Commission announce any improvement/flexibility of the regulation of Independent Director's qualifications, it will then be applied afterward.

Term of Office

Equivalent to the Board of Directors' term of office and must not exceed 9 consecutive years

Scope of Authority and Responsibility of the Independent Committee

- 1) Recommend agenda of meeting to the Chairman of the Board of Directors for the issue that is deemed as important or issues that should be considered by the Board and not yet included on the agenda.
- 2) Provide opinions to the Chairman of the Board of Directors regarding to the role and performance of the Board.
- 3) Support the Board of Directors in boosting efficiency in complying with the principles of good corporate governance.
- 4) In case where the Board of Directors consider material agenda items such as related-party items or significant property trading, Independent Directors of over half the total number of Independent Directors should join in the consideration of such material agenda items.
- 5) In case where the Independent Directors may have conflicting opinions or any other observations on agenda items under consideration by the Board of Directors meeting, such opinions or observations should also be recorded in the minutes of the Board of Directors meeting every time.
- 6) Monitor the performance by the Independent Directors who have been designated to take position in various subcommittees especially in the issues of regulatory compliance, international accounting standards and risk management.
- 7) Perform any other tasks as assigned by the Board of Directors.

Business Relationship of Independent Directors

According to the Notification of the Capital Market Supervisory Board TorChor.39/2559, subject: Application for and Approval of Offer for Sale of Newly Issued Shares, the Bank disclose relevant information concerning the business relationship of independent directors that in an amount of three percent of the net tangible asset value of the Bank or twenty million Baht or more, whichever is lesser. For the Bank, the criteria of value over twenty million Baht is applied. Details are as follows:

The Board of Directors appointed independent directors with prudence and transparency and realizing that all the present six independent directors (as at December 31, 2016) possess qualifications, knowledge, competence and experience that would benefit to the Bank's operation. They all have performed their duties with full responsibilities, prudence and integrity under the applicable laws, objectives and Articles of Association of the Bank as well as the resolutions of the shareholders general meeting. Moreover, they have fulfilled the tasks with complete independence in helping to oversee business operation enthusiastically and continuously. None of the Bank's independent directors holds the office of independent director in the parent company, subsidiary or associated company of the same order

However, there are four independent directors who have taken the position in other companies, namely Dr. Kittipong Kittayarak as independent director and chairman of audit committee in the PTT Pcl. and independent director and a member of audit committee in Dusit Thani Pcl. Mr. Nontigorn Kanchanachitra as a director in Interlink Communication Pcl. Mr. Thanwa Laohasiriwong as executive director in TOT Pcl. and independent director and a chairman of audit committee in TPBI Pcl. Mr. Somchai Boonnamsiri, who complete the term of office as the position of director in Thaifoods Group Pcl. not over 2 years. The business relationship between the six abovementioned companies and the Bank is loan granting, which is referred as the normal business transactions in banking operation on normal general terms and conditions. Besides, such relationship does not violate the nature that will obstruct the use of discretion or judgment in performing duty independently of the independent directors.

3.3 Assessment of the Board of Directors

3.3.1 Self-Assessment of the Board of Directors

The Bank requires the Board of Directors to perform self-assessment to reflect the efficiency of the Board of Directors' operation under the principles of good corporate governance and the Performance Evaluation of State-owned Enterprise from the State Enterprise Policy Office, Ministry of Finance in the aspect of Organization Management "Role of the State Enterprise's Board of Directors" twice a year. These self-assessments include performance evaluation during January-June and July-December annually. The procedures are as follows:

Assessment Procedures

- 1) The Nominating and Remuneration Committee ensures the review of self-assessment evaluations to be accurate, complete, and comply with the established regulations.

- 2) The Secretary to the Board of Directors delivers the self-assessment form to the Board of Directors for assessment.
- 3) The Secretary to the Board of Directors collects and summarizes the self-assessment result of the Board of Directors and reports the result to the Board of Director.
- 4) The Board of Directors analyzes the result and ensures the improvement guidelines for enhancing further effective performance.
- 5) The Secretary to the Board of Directors sends Ministry of Finance the result of the self-assessment.

The self-assessment of the Board of Directors aims to reflect the operation efficiency under the principles of good corporate governance. This self-assessment has divided into three types: self-assessment of the entire Board of Directors, self-assessment of individual Director and inter-assessment of individual Director. Criteria and the assessment of 2016 are as follows:

1) **Self-assessment of the entire Board of Directors** consists of six areas namely; structure and qualifications of Directors, role and responsibility of the Board, guideline practices of the Board, communications of the Board, relationship between the Board and the Management and Board Meeting.

The overall twice assessment results for the six areas in 2016 were excellent at 97.7 percent for and 98.7 percent respectively. Thus the average percentage from twice assessments is at 98.2 percent. Majority of the Directors expressed their opinions that the number of Directors was appropriate for the business size and the number of Independent Directors was complying with what the authorized regulators required. Moreover, the Bank has appointed adequate member of respective subcommittees under good corporate governance principles to assist in researching and scrutinizing the specific key issues for prudent and efficient business operation.

2) **Self-assessment of the individual Director** covers six areas namely; outstanding in competency, independence, readiness in performing duty, carefulness, responsibility, operating performance as Director on Board and vision to create long-term values to the business.

The overall twice assessments for the six areas in 2016 were excellent at 97.9 percent and 98.0 percent respectively. Hence, the average percentage from twice assessments is 98.0 percent. Most of the Directors expressed their opinions that the Directors performed their tasks with accountability, prudence and integrity in compliance with the law, objectives, the Bank's Articles of Association and resolutions of the shareholders general meeting. The Directors were ready to provide recommendations under the Code of Best Practices for the benefit of the Bank and attended the Board meetings and other Committee meetings regularly.

3) **Inter-assessment of individual Director** comprises of six areas namely; outstanding in competency, independence, readiness in performing duty, carefulness, responsibility, operating performance as Director on Board and vision to create long-term values to the business.

The overall of twice assessments for the six areas in 2016 were excellent at 99.6 percent and 99.4 percent respectively. Therefore, the average percentage from twice assessments is 99.5 percent. Most of the Directors expressed their opinions that the Directors performed their task with accountability, prudence and integrity under applicable laws, objective, the Bank's Articles of Association and the resolutions of general meeting. They were highly independent in term of responsibility for and treatment of stakeholders without conflict of interest and misuse of internal information for self-interest or other-interest.

3.3.2 Self-Assessment of Respective Committee

The Respective Committees, comprising of the Board of Executive Directors, the Audit Committee, the Nominating & Remuneration Committee, the Corporate Governance & Social Responsibility Committee, the Risk Management Committee and the Compliance Committee, are required to perform self-assessment once a year to reflect operational efficiency under the principles of good corporate governance prescribed by Thai Institute of Directors Association (IOD) and the Standard of ASEAN Corporate Governance Scorecard. The self-assessment of the Respective Committee has been divided into 2 types: self-assessment of the entire of each committee and self-assessment of individual member of each committee. Procedures are as follows:

Assessment Procedures

1) The Respective Committees perform and review self-assessment evaluations under the principles of good corporate governance and guideline practices of Respective Committees.

2) The Secretary to each committee delivers the self-assessment forms to the Respective Committees for conducting assessment.

3) The Secretary to each committee collects, summarizes and reports the self-assessment result to the Respective Committees.

4) The Board of Directors analyzes the result and ensures the improvement guidelines for enhancing further effective performance.

5) The Secretary to each committee reports the self-assessment result of the Respective Committees to the Board of Directors.

The self-assessment result of all the Respective Committees in 2016 was in excellent level and can be summarized as follows:

Unit : %

The Respective Committees	The result of self-assessment	
	The entire of each committee	Individual assessment
1. The Board of Executive Directors	99.7	99.4
2. The Audit Committee	99.3	99.3
3. The Nominating & Remuneration Committee	99.7	96.8
4. The Corporate Governance & Social Responsibility Committee	98.2	98.0
5. The Risk Management Committee	97.7	90.1
6. The Compliance Committee	98.3	99.4

Thus, the Bank shall summarize the assessment results both of the Board of Directors and the Respective Committees and report to all the Directors for acknowledgement in order to set the guidelines of reviewing Director's performance, problems and difficulties. The Bank shall analyze the assessment results and implement all suggestions for the development of further operation.

3.4 Corporate Secretary

The Bank has assigned Mr. Suchart Dejittirut, Senior Executive Vice President-Head of Compliance and Legal Management Group to be the Corporate Secretary to comply with the Securities and Exchange Law and the principles of good corporate governance. Main duties and responsibilities include:

1) Oversee activities of the Board of Directors to be in compliance with the relevant applicable laws, rules and regulations.

2) Organize shareholders general meeting and the Board of Directors meeting to be in compliance with the relevant laws and the Bank's Articles of Association and monitoring those actions taken according to the meeting resolution for accuracy and compliance.

3) Prepare and retain the following documents:

- Director registration
- Invitation letter of the Board of Directors meeting, minutes of such meeting and the annual report of the company.
- Invitation letter of shareholders general meeting and minutes of such meeting.

4) Retain the reports on interest reported by Directors and executives.

5) Monitor the actions taken in accordance with the resolutions of the Board of Directors meeting and shareholders general meeting.

- 6) Provide appropriate recommendations to Directors concerning legal matter, rules and regulations of the Bank.
- 7) Oversee corporate governance issues.
- 8) Act as a consultant and coordinator with secretaries of respective committees of the Bank.
- 9) Communicate with the shareholders to inform them of their rights and news of the Bank.
- 10) Take any other actions that are prescribed by the Capital Market Supervisory Board.

3.5 Board of Directors Meeting

Dates of the Board of Directors meeting have been appointed in advance throughout the year and the meetings in 2016 shall be held on the second and the fourth Wednesday of each month. Special sessions may be held when appropriate. Corporate secretary shall send the invitation, agenda and related document to the Directors at least 7 days before the meeting date. Corporate secretary will note the minutes and retain for audit after the Board of Directors' approval. Meeting agenda will be categorized into headings for efficiency of the meeting, such as Chairman's Statement for information, adoption of previous meeting's minutes, on-going issues, policies, loan, debt restructuring, investment, property trading and procurement, human resources issue, issue for information and other business topics.

The Board of Directors in 2016 called 27 meetings, the Board of Executive Directors 57 meetings, the Audit Committee 26 meetings, the Nominating and Remuneration Committee 19 meetings, the Corporate Governance and Social Responsibility Committee 12 meetings, the Risk Management Committee 29 meetings, the Compliance Committee 12 meetings and the Independent Directors Committee 2 meeting. Details of each Director's attendance are as follows:

Name of Directors	Board of Directors	Board of Executive Directors	Audit Committee	Nominating and Remuneration Committee	CG and CSR Committee	Risk Management Committee	Compliance Committee	Independent Committee
1) Dr. Somchai Sujjapongse	27/27	-	-	-	-	-	-	-
2) Mr. Krairit Uchukanonchai	25/27	57/57	-	-	-	29/29	-	-
3) Dr. Kittipong Kittayarak	24/27	-	25/26	7/8	-	-	10/12	2/2
4) Mr. Nontigorn Kanchanachitra	26/27	-	5/6	19/19	12/12	-	-	1/2
5) Mr. Supant Mongkolsuthree	25/27	-	-	-	12/12	14/19	-	-
6) Mr. Distat Hotrakitya	25/27	-	-	17/19	-	-	12/12	2/2
7) Gen. Tienchai Rubporn	27/27	-	25/26	-	-	-	12/12	2/2
8) Mr. Poonnis Sakuntanaga	27/27	56/57	-	-	-	28/29	-	-
9) Mr. Somchai Boonnamsiri	27/27	-	21/21	19/19	-	27/28	-	2/2
10) Mr. Thanwa Laohasiriwong ⁽¹⁾	25/26	-	19/20	-	-	23/27	-	2/2
11) Dr. Kulaya Tantitemit ⁽²⁾	6/7	11/12	-	-	2/3	-	-	-
12) Mr. Payong Srivanich ⁽³⁾	4/4	8/10	-	-	-	3/3	-	-
Directors resigned during the year								
1) Mr. Somchai Poolsavasdi ⁽⁴⁾	15/15	28/33	-	-	6/7	-	-	-
2) Mr. Vorapak Tanyawong ⁽⁵⁾	21/23	43/47	-	-	-	18/26	-	-

Notes : Number in the table refers to the number of attendance/ number of Board Meeting held while acting as Director.

(1) Took the position of Director on January 26, 2016.

(2) Took the position of Director on October 12, 2016.

(3) Took the position of President on November 8, 2016.

(4) Resigned from the position of Director on August 1, 2016.

(5) Completed term of office as the President on November 7, 2016 and resigned from the position of Director on November 8, 2016.

Besides, in the past year 10 meetings were held without the attendance of the management division, so as to be in complying with the good corporate governance. With this regard, the Board of Directors considered and shared their opinions concerning their duties and responsibilities in consonance with the regulations specified by Bank of Thailand and State Enterprise Policy Office.

3.6 Remunerations for the Board of Directors

3.6.1 Policy on Remunerations for the Board of Directors

The Bank structures its policy on fair and reasonable remunerations with the reviewing of the Nominating and Remuneration Committee. The consideration of remuneration must be in accordance with the Director's responsibilities and the Bank's financial status; must be comparable to the remuneration of the peers; and must be in complying with the resolution approved by the shareholders meeting. Remuneration is divided into 4 parts as follows:

- 1) Remuneration for the position in the Board of Director
- 2) Ex-officio remuneration to individual director of the Board of Directors as follows:
 - 2.1) Chairman of the Board of Directors
 - 2.2) Vice Chairman of the Board of Directors
 - 2.3) Chairman of other Boards e.g. the Chairman of the Board of Executive Directors, the Audit Committee, the Nominating and Remuneration Committee, the Corporate Governance and Social Responsibility Committee, the Risk Management Committee and the Compliance Committee and the Chairman of other Boards that the Bank of Thailand required to have or was deemed to have or the Board of Director was deemed as necessary.
- 3) Meeting honorarium shall be paid to the Directors in complying with the number of attendance.
- 4) Directors' gratuity is subject to the following criteria:
 - 4.1) The Bank must obtain profit from its operation, and
 - 4.2) The Bank must pay dividend to the shareholders

The Bank proposed all abovementioned remuneration namely, remuneration for the position in the Board of Director, Ex-officio remuneration, meeting honorarium and Directors' gratuity, without any other privilege to the shareholder's meeting for considering approval annually. However, at the 23rd Shareholders Ordinary Annual General Meeting on April 29, 2016, the meeting resolved to give an approval of the Directors' remuneration. The details are as follows:

Details of Directors' Remunerations	Per Person
1.1 Remuneration for the position in the Board of Director	Baht 70,000/month
1.2 Ex-officio remuneration to individual director of the Board of Directors as follows:	
1.2.1 Chairman of the Board of Directors	Baht 130,000/month
1.2.2 Vice Chairman of the Board of Directors	Baht 30,000/month
1.2.3 Chairman of Respective Committees e.g.	Baht 30,000/month
- The Board of Executive Directors	
- Audit Committee	
- Nominating and Remuneration Committee	
- Corporate Governance and Social Responsibility Committee	
- Risk Management Committee	
- Compliance Committee	
- The Chairman of other Boards that the Bank of Thailand required to have or was deemed to have or the Board of Director was deemed as necessary.	
1.3 Meeting honorarium	Baht 30,000/time
Paid to the Directors who attended the meetings and the Directors in other Boards that the Bank of Thailand required to have or was deemed to have or the Board of Director was deemed as necessary	

Apart from abovementioned remunerations, there was the meeting honorarium to the Chairman of Relations Affairs Committee at the rate of Baht 30,000 per the time of attending the meeting but no more than one time per month.

3.6.2 Remunerations for the Board of Directors in 2016

In 2016, the Bank paid remunerations in cash as the remuneration for the position in the Board of Directors, ex-officio remuneration and meeting honorarium of Baht 36,006,129.03 in total. It is divided into:

- 1) Remuneration for the position in the Board of Directors at a total of Baht 19,296,129.03.
- 2) Remuneration for the position in the Board of Executive Directors at a total of Baht 5,280,000.00, for the Audit Committee Baht 2,520,000.00, for the Nominating and Remuneration Committee Baht 2,160,000.00, for the Corporate Governance and Social Responsibility Committee Baht 1,320,000.00, for the Risk Management Committee Baht 3,690,000.00, for the Compliance Committee Baht 1,380,000.00 and for the Chairman of the Relations Affairs Committee Baht 360,000.00. The details are as follows:

Name of Directors		Remuneration in Cash					CG and CSR Committee	Risk Management Committee	Compliance Committee
	Board of Director	Board of Executive Director	Audit Committee	Nomination and Remuneration Committee					
1) Dr. Somchai Sujjapongse	2,910,000.00								
2) Mr. Krairit Uchukanonchai	1,817,419.35	1,740,000.00	960,000.00	210,000.00	1,170,000.00				300,000.00
3) Dr. Kittipong Kittayarak	1,440,000.00		150,000.00	900,000.00		360,000.00			
4) Mr. Nontigorn Kanchanachitra	1,500,000.00					720,000.00			
5) Mr. Supant Mongkolsuthree	1,470,000.00								
6) Mr. Distat Hotrakitya	1,470,000.00			510,000.00					720,000.00
7) Gen. Tienchai Rubporn	1,530,000.00		570,000.00						360,000.00
8) Mr. Ponnis Sakuntanaga	1,530,000.00	1,350,000.00						780,000.00	
9) Mr. Somchai Boonamsiri	1,530,000.00		450,000.00	540,000.00				660,000.00	
10) Mr. Thanwa Laohasiriwong ⁽¹⁾	1,413,548.39		390,000.00					660,000.00	
11) Dr. Kulaya Tantitmit ⁽²⁾	275,161.29	90,000.00				60,000.00			
12) Mr. Payong Sivanich ⁽³⁾	183,666.67	60,000.00							
Directors resigned during the year									
1) Mr. Somchai Poolsavasdi ⁽⁴⁾	940,000.00	840,000.00				180,000.00			
2) Mr. Vorapak Tanyawong ⁽⁵⁾	1,286,333.33	1,200,000.00							
Total remuneration of Board of Directors	19,296,129.03								
Total remuneration of respective committees		5,280,000.00	2,520,000.00	2,160,000.00		1,320,000.00		3,690,000.00	1,380,000.00
Remuneration of the Chairman of Relations Affairs Committee ⁽⁶⁾									360,000.00
Total remuneration of all Respective Committees									16,710,000.00
Total remuneration of the Board of Directors and all Respective Committees									36,006,129.03

Notes : (1) Took the position of Director on January 26, 2016.

(2) Took the position of Director on October 12, 2016.

(3) Took the position of President on November 8, 2016.

(4) Resigned from the position of Director on August 1, 2016.

(5) Completed term of office as the President on November 7, 2016 and resigned from the position of Director on November 8, 2016.

(6) The 23rd Shareholders Ordinary Annual General Meeting on April 29, 2016, the meeting resolved to give an approval to paying remuneration to the Chairman of Relations Affairs Committee at the rate of Baht 30,000/the time of attending the meeting but no more than one time per month. The Relations Affairs Committee was formed following the Labour Relations Act. B.E. 2543 and its members consist of representatives of the employer, representatives of the employees, and having one of the members of the Board of Directors as the Chairman as such, Mr. Nontigorn Kanchanachitra acted as the Chairman.

3.6.3 Gratuity Payment of the Directors in 2015

The Board of Directors allocated a total of Baht 41,650,000.00 as gratuity for Directors in 2015. The details are as follows:

			Unit : Baht
Name of Directors			Gratuity
1)	Dr. Somchai	Sujjapongse	606,052.17
2)	Mr. Krairit	Uchukanonchai	933,769.27
3)	Dr. Kittipong	Kittayarak	3,823,366.15
4)	Mr. Nontigorn	Kanchanachitra	3,823,366.15
5)	Mr. Supant	Mongkolsuthree	3,823,366.15
6)	Mr. Distat	Hotrakitya	3,823,366.15
7)	Mr. Somchai	Poolsavasdi	3,823,366.15
8)	Gen. Tienchai	Rubporn	3,034,750.12
9)	Mr. Poonnis	Sakuntanaga	3,540,541.80
10)	Mr. Somchai	Boonnamsiri	71,828.40
11)	Mr. Vorapak	Tanyawong	3,823,366.15
12)	Mr. Prasert	Bunsumpun	1,197,140.08
13)	Mr. Chakkrit	Parapuntakul	3,108,074.95
14)	Dr. Areepong	Bhoocha-Oom	4,080,751.26
15)	Prof. Athueck	Asvanund	2,136,895.05
Total			41,650,000.00

3.7 The Board of Directors' trainings

The Board of Directors supports Directors to participate in training courses or activities enhancing knowledge for performing duties continually. As in 2016, there were 5 Directors who attended in the training courses held by Thai Institute of Directors (IOD). The details are as follows:

Name of Directors			Training Course Title and Batch	
1)	Mr. Poonnis	Sakuntanaga	-	Successful Formulation & Execution of Strategy (SFE) Batch 27/2016
2)	Gen. Tienchai	Rubporn	-	Ethical Leadership Program (ELP) Batch 3/2016
			-	Driving Company Success with IT Governance (ITG) Batch 2/2016
			-	Corporate Governance for Capital Market Intermediaries (CGI) Batch 15/2016
			-	Successful Formulation & Execution of Strategy (SFE) Batch 28/2016
3)	Mr. Somchai	Boonnamsiri	-	Ethical Leadership Program (ELP) Batch 3/2016
			-	Driving Company Success with IT Governance (ITG) Batch 2/2016
			-	Role of the Compensation Committee (RCC) Batch 21/2016
4)	Mr. Thanwa	Laohasiriwong	-	Driving Company Success with IT Governance (ITG) Batch 2/2016
5)	Mr. Payong	Srivanich	-	Director Certification Program (DCP) Batch 223/2016

The details of their training courses are provided in the unit of brief biography of the Board of Directors and the Executive Officers on pages 19-27.

3.8 Directors Orientation

The Bank organizes directors' orientation for newly appointed directors to familiarize them with the Bank's business plan, products and services, capital and shareholding structure, organization structure and key legal issues necessary for performing the duty of a registered company. For 2016, the orientation was organized for the 4 newly appointed directors, namely Dr. Somchai Sujjapongse, Mr. Krairit Uchukanonchai, Mr. Somchai Boonnamsiri and Mr. Thanwa Laohasiriwong. The relevant documents presented included

- 1) The roles and responsibilities of state enterprise Board of Directors in compliance with the principle guidelines prescribed by the State Enterprise Policy Office, Ministry of Finance.
- 2) Business Ethics Manual and Code of Conduct of Krung Thai Bank Pcl.
- 3) Organization Structure and list of executive officers
- 4) Directorship in subsidiaries, associated and affiliated companies
- 5) Capital and shareholding structures, business certificate, the Bank's Memorandum of Association and Articles of Association
- 6) Memorandum of Agreement on State Enterprise Operating Performance Assessment
- 7) The Bank's strategic plan and business plan
- 8) Overview of the Bank's risk management
- 9) Credit rating
- 10) Directors & Officers Liability Insurance
- 11) KTB Corporate War Room
- 12) Meeting room layout and fire exits

Apart from the abovementioned documents, various key topics were presented by the President and the secretary to the Board of Directors in the orientation. Details are as follows:

- 1) Overview of the Bank's operation including Banking Industry Overview, KTB Strategies, KTB Transformation, Peer Bank Comparison and Credit Principles
- 2) The relevant laws related to the Board of Directors
- 3) Board of Directors structure and roles of the Board of Directors

3.9 Executive Officers of the Bank

3.9.1 President

The President is empowered to oversee that the management and business operation of the Bank is in accordance with strategies, policies and objectives as formulated and set by the Board of Directors with the following responsibilities:

- 1) Oversee that the operation of the Bank is in accordance with the strategies, policies, rules and procedures and targets designated by the Board of Directors.
- 2) Manage work with restriction to the plan or budget approved by the Board of Directors and for the benefit of the Bank and the shareholders.
- 3) Supervise staff members and employees in accordance with the objectives and authority of the Bank.
- 4) Build and maintain relationship and collaboration with various agencies, institutions and organizations, onshore and offshore.
- 5) Represent or be an authorized person on behalf of the Bank when dealing with external agencies, regulators or conducting any legal acts with legal binding as assigned by the Board of Directors within the framework of the Bank's objectives and Articles of Association.
- 6) Attend meetings and take directorship or membership of committee as appointed by the Bank.
- 7) Consider any other topics as designated by the Board of Directors and respective committees.

Assessment of the President Performance

The Bank adheres to the performance assessment guidelines for the President which prescribes 2 performance assessments per year. One is for the performance of the period from January to June and the other is for the performance of the period from January to December of each year. The processes are as follows:

- 1) The Nominating and Remuneration Committee will assess the performance by comparing it with the key performance indicator (KPI) as specified in the strategies and targets of each year.
- 2) The Nominating and Remuneration Committee submits the performance assessment to the Board of Directors for approval.
- 3) The Nominating and Remuneration Committee informs the President of the assessment results.

3.9.2 Top Executive Officers

Names and Positions of Top Executive Officers as at December 31, 2016 (according to the organization structure pages 8-9)

Name		Position	
1) Mr. Payong	Srivanich	President	
2) Mr. Parinya	Patanaphakdee	Senior Executive Vice President - Head of	Credit Restructuring And Asset Management Group
3) Ms. Jaree	Wuthisanti	Senior Executive Vice President - Head of	Corporate Banking Group 1
4) Dr. Vites	Techangam	Senior Executive Vice President - Head of	Technology Group
5) Ms. Arisara	Dharamadhaj	Senior Executive Vice President - Head of	Government and State Enterprise Relations Group
6) Mr. Songpol	Chevapanyaroj	Senior Executive Vice President - Head of	Global Transaction Banking Group
7) Mr. Poonpat	Sripleng	Senior Executive Vice President - Head of	Risk Management Group
8) Mr. Praralee	Ratanaprasartporn	Senior Executive Vice President - Head of	Retail Shared Services Group
9) Mr. Werapong	Suppasedsak	Senior Executive Vice President - Head of	Corporate Banking Group 2
10) Mr. Suchart	Dejittirut	Senior Executive Vice President - Head of	Compliance & Legal Management Group
11) Mr. Cherdchai	Chomphonukulrut	Senior Executive Vice President - Head of	Retail Banking Sales & Distribution Group
12) Ms. Amporn	Chotruchsakul	Senior Executive Vice President - Head of	Operation Group
13) Ms. Walairat	Lertumpornpisal	First Executive Vice President - Head of	Financial Management Group
14) Mr. Pativate	Santavanond	First Executive Vice President - Head of	Business Center Group
15) Mr. Santi	Parivisutt	First Executive Vice President - Head of	Internal Audit Group
16) Mr. Suppawat	Wadhanapatee	First Executive Vice President - Head of	Human Resources and Corporate Governance Group
17) Mr. Luechai	Chaiparinya	First Executive Vice President - Head of	Retail Strategy Product & Segmentation Group
18) Mr. Rawin	Boonyanusasna	First Executive Vice President - Head of	Global Markets Group
19) Mr. Pichit	Jongsaliswang	Advisor to the President	

Executive Officers who retired on September 30, 2016

1) Ms. Pannipa	Apichatabutra	Senior Executive Vice President - Head of	Internal Audit Group
2) Mr. Udomsak	Rojviboonchai	Senior Executive Vice President - Head of	Business Center Group
3) Ms. Mayurasiri	Pongtaranont	Senior Executive Vice President - Head of	Human Resources and Corporate Governance Group

Details of changes of the Top Executive Officers in 2016

1) Mr. Vorapak	Tanyawong	Completed term of office as the President on November 7, 2016.
2) Mr. Payong	Srivanich	Has been appointed as the President since November 8, 2016 to replace Mr. Vorapak Tanyawong who completed his term of office.
3) Mr. Poonpat	Sripleng	Has been promoted from the position of First Executive Vice President-Group Head to Senior Executive Vice President-Group Head, Risk Management Group since June 1, 2016.
4) Ms. Praralee	Rattanaprasartporn	Has been promoted from the position of First Executive Vice President-Group Head to Senior Executive Vice President-Group Head, Retail Shared Services Group since September 16, 2016.
5) Mr. Werapong	Suppasedsak	Has been promoted from the position of First Executive Vice President-Group Head to Senior Executive Vice President-Group Head, Corporate Banking Group 2 since September 16, 2016.
6) Mr. Suchart	Dejittirut	Has been promoted from the position of First Executive Vice President-Group Head to Senior Executive Vice President-Group Head, Compliance & Legal Management Group since September 16, 2016.
7) Mr. Cherdchai	Chomphonukulrut	Has been promoted from the position of First Executive Vice President-Group Head to Senior Executive Vice President-Group Head, Retail Banking Sales & Distribution Group since September 16, 2016.
8) Ms. Amporn	Chotruchsakul	Took the position of Senior Executive Vice President-Group Head, Operation Group since October 14, 2016 to replace Mr. Chainarong Isadawong who resigned from the position.
9) Ms. Walairat	Lertumpompisal	Took the position of First Executive Vice president-Group Head, Financial Management Group since May 4, 2016 to replace Ms. Kittiya Todhanakasem who resigned from the position.
10) Mr. Pativate	Santavanond	Took the position of First Executive Vice President-Group Head, Business Center Group since October 1, 2016 to replace Mr. Udomsak Rojviboonchai who retired.
11) Mr. Santi	Parivisutt	Took the position of First Executive Vice President-Group Head, Internal Audit Group since October 2016 to replace Ms. Pannipa Apichatabutra who retired.
12) Mr. Suppawat	Wadhanapatee	Took the position of First Executive Vice President-Group Head, Human Resources and Corporate Governance Group since October 1, 2016 to replace Ms. Mayurasiri Pongtaranont who retired.

- | | | |
|-----|-------------------------|---|
| 13) | Mr. Luechai Chaiparinya | <p>Took the position of First Executive Vice President-Group Head, Retail Strategy Product & Segmentation Group since August 1, 2016 to replace Mr. Tanyapong Thamavaranukupt who resigned from the position.</p> |
| 14) | Mr. Rawin Boonyanusasna | <p>Has been promoted from the position of Executive Vice President to First Executive Vice President - Group Head, Global Markets Group since November 23, 2016.</p> |

Executives who resigned from the position in 2016

- | | | |
|----|-------------------------------|--|
| 1) | Ms. Wareemon Niyomthai | Resigned from the position of Advisor to the President on February 7, 2016. |
| 2) | Ms. Kittiya Todhanakasem | Resigned from the position of First Senior Executive Vice President-Group Head, Financial Management Group on April 8, 2016. |
| 3) | Mr. Tanyapong Thamavaranukupt | Resigned from the position of Senior Executive Vice President, Retail Business & Network Support Team on July 31, 2016. |
| 4) | Mr. Kittiphun Anutarasoti | Resigned from the position of Senior Executive Vice President, Wholesale Banking on October 11, 2016. |
| 5) | Mr. Chainarong Isadawong | Resigned from the position of First Executive Vice president-Group Head, Operation Group on September 16, 2016. |

Details of changes of the Top Executive Officers after December 31, 2016

- | | | |
|----|---------------------------|---|
| 1) | Mr. Parinya Patanaphakdee | <p>Has been promoted from the position of Senior Executive Vice president-Group Head to First Senior Executive Vice President-Group Head, Credit Restructuring and Asset Management Group since January 25, 2017.</p> |
|----|---------------------------|---|

3.10 Remuneration for Top Executives

In 2016, the Bank paid remuneration to the following Top Executive Officers of the Bank.

- According to the definition by SEC, there are a total of 29 Top Executive Officers that are the President, First Senior Executive Vice President, Senior Executive Vice Presidents, First Executive Vice Presidents and Advisors to the President. Their remuneration totaled to Baht 299,247,419. They are divided into two groups. The first group consists of 13 executives who the Bank contributes to their provident funds. The total remuneration of this group was Baht 112,021,023. The other group consists of 16 executives who the Bank does not contribute to their provident funds. The total remuneration of this group was Baht 187,226,396. The remuneration included the special remuneration payment for 1 executive who retired in 2015 and received the special remuneration in 2016.

- Remuneration of 76 Sector Directors (classified as the Management Authority according to the definition by BOT) totaled to Baht 333,149,670. They are divided into two groups. The first group consists of 63 executives to whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance and contributed to their provident funds. The total remuneration of this group was Baht 299,038,393. The other group consists of 13 executives to whom the Bank paid their salary, business unit allowance, extra gratuity, child allowance, child education allowance, housing allowance but does not contribute to their provident funds. The total remuneration of this group was Baht 34,111,277. The remuneration included the special remuneration payment for 8 executives who retired in 2015 and received the special remuneration in 2016.

3.11 Information of Directorship of the Bank's Directors and Executives in Subsidiaries, Associated and Related Companies as at December 31, 2016

Name	KTB	Subsidiaries						Associate companies					Related Companies													
		1	2	3	4	5	6	1	2	3	4	5	Other Companies			Companies with joint Directors										
Directors																										
Dr. Somchai	Sujjapongse	XX																X	X							
Mr. Krairit	Euchukanonchai	A																		X	X	X	X		X	
Dr. Kittipong	Kittayarak	X																	X							
Mr. Nontigorn	Kanchanachitra	X																								
Mr. Supant	Mongkolsuthree	X																								
Mr. Distat	Hotrakitya	X																								
Gen. Tienchai	Rubporn	X																								
Mr. Poonnis	Sakuntanaga	/																								
Mr. Somchai	Boonnamsiri	X																								
Mr. Thanwa	Laohasiriwong	X																								
Dr. Kulaya	Tantitemit	/																								
Mr. Payong	Srivanich	B																								
Top Executive Officers																										
Mr. Parinya	Patanaphakdee	M	X	X																						
Ms. Jaree	Wuthisanti	M					X									X										
Ms. Arisara	Dharamadhaj	M		X								XX														
Dr. Vites	Techangam	M															X									
Mr. Poonpat	Sripleng	M							XX			/														
Mr. Songpol	Chevapanyaroj	M			X																					
Ms. Praralee	Ratanaprasartporn	M				X																				
Mr. Weerapong	Suppasedsak	M								X					X											
Mr. Suchart	Dejittirut	M	X																							
Mr. Cherdchai	Chomphonukulrut	M		X	X				X																	
Ms. Amporn	Chotruchsakul	M																								
Ms. Walairat	Lertumpornpisal	M																								
Mr. Luechai	Chaiparinya	M						X																		
Mr. Pativate	Santavanond	M									X															
Mr. Santi	Parivisutt	M																								
Mr. Supawat	Wadhanapatee	M																								
Mr. Rawin	Boonyanusasna	M																								
Mr. Pichit	Jongsaliswang	M																								

Note : Brief Information on each person's position is shown in "Brief Biography of the Board of Directors and the Executive Officers" and "Executives Directory"

Symbols	XX = Chairman	A = Mr.Krairit Euchukanonchai	B = Mr.Payong Srivanich holds the following positions in KTB:
	/ = Executive Director	holds the following positions in KTB:	- President
	X = Director	- Vice Chairman	- Executive Director
	M = Top Executive Officers	- Chairman of the Board of Executive Directors	- Director

- Definition**
- (1) Subsidiary refers to a company in which the Bank's shareholding exceeds 50 percent of paid-up capital and such company is under the Bank's control excluding company in which the Bank has invested due to troubled debt restructuring.
 - (2) Associated company refers to a company in which the Bank's shareholding is 20 percent and over but not more than 50 percent of paid-up capital and such company is under material influence of the Bank excluding company in which the Bank has invested due to troubled debt restructuring.
 - (3) Other company refers to a company in which the Bank's shareholding is 10 percent and over excluding company in which the Bank has invested due to troubled debt restructuring.
 - (4) Company with joint Directors refers to a company in which the Bank's Director has directorship of the Board of Directors.

Name		KTB	Related Companies																				Companies with joint Senior Executives			
			Companies with joint Directors																							
			6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	1	2	3	4				
Directors																										
Dr. Somchai	Sujjapongse	XX																								
Mr. Krairit	Euchukanonchai	A																								
Mr. Nontigorn	Kanchanachitra	X	X																							
Mr. Nontigorn	Kanchanachitra	X		X	XX																					
Mr. Supant	Mongkolsuthree	X				XX	/	/																		
Mr. Distat	Hotrakitya	X								X																
Gen. Tienchai	Rubporn	X																								
Mr. Poonnis	Sakuntanaga	/									/															
Mr. Somchai	Boonnamsiri	X										X	X	X												
Mr. Thanwa	Laohasiriwong	X													X	/	X	XX								
Dr. Kulaya	Tantitemit	/																X								
Mr. Payong	Srivanich	B																								
Top Executive Officers																										
Mr. Parinya	Patanaphakdee	M																								
Ms. Jaree	Wuthisanti	M																								
Ms. Arisara	Dharamadhaj	M																								
Dr. Vites	Techangam	M																								
Mr. Poonpat	Sripleng	M																								
Mr. Songpol	Chevapanyaraj	M																			X	X				
Ms. Praralee	Ratanaprasartporn	M																								
Mr. Weerapong	Suppasedsak	M																	X							
Mr. Suchart	Dejittirut	M																								
Mr. Cherdchai	Chomphonukulrut	M																								
Ms. Amporn	Chotruchsakul	M																								
Ms. Walairat	Lertumpompisal	M																								
Mr. Luechai	Chaiparinya	M																								
Mr. Pativate	Santavanond	M																								
Mr. Santi	Parivisutt	M																								
Mr. Suppawat	Wadhanapatee	M																								
Mr. Rawin	Boonyanusasna	M																								
Mr. Pichit	Jongsaliswang	M																						X		

Subsidiaries⁽¹⁾

1. KTB Law Co., Ltd.
2. KTB General Services and Security Co., Ltd.
3. Krung Thai Asset Management Pcl.
4. KTB Computer Services Co., Ltd.
5. KTB Leasing Co., Ltd.
6. KTB Advisory Co., Ltd.

Associated Companies⁽²⁾

1. Krungthai - AXA Life Insurance Pcl.
2. Krungthai Card Pcl.
3. Krungthai Panich Insurance Pcl.
4. Krung Thai IBJ Leasing Co., Ltd.
5. KT ZMICO Securities Co., Ltd.

Related Companies Other Companies⁽³⁾

1. Suvarnabhumi Airport Hotel Co., Ltd.
2. Dhipaya Insurance Pcl.
3. National ITMX Co., Ltd.

Companies with Joint Directors⁽⁴⁾

1. Thai Airways International Pcl.
2. PTT Pcl.
3. V.Group Honda Cars Co., Ltd. and Affiliates
4. Adanced Info Service Pcl.
5. Adanced Wireless Network Co., Ltd.
6. Dusit Thani Pcl.
7. Interlink Telecom Pcl.
8. SISB Co., Ltd.
9. Synnex (Thailand) Pcl.

10. Mongkolsuthree Holding Co., Ltd.

11. T.K.S. Siam Press Management Co., Ltd.
12. MCOT Pcl.
13. Thaikong Co., Ltd.
14. The Platinum Group Pcl.
15. BEC World Pcl.
16. Magnolia Finest Corporation Co., Ltd.
17. TPBI Pcl.
18. TOT Pcl.
19. AsiaSoft Corporation Pcl.
20. Humanica Co., Ltd.
21. PTT International Ltd.

Companies with Joint Senior Executives

1. Bangkok Expressway and Metro Pcl.
2. SAB SIAM Co., Ltd.
3. SPACE@SIAM Co., Ltd.
4. Kumo Business Service Co., Ltd.

3.12 Shareholding of the Board of Directors and Top Executives as at December 31, 2016

Name of Directors and Top Executive Officers			Position	KTB Shares Held				Proportion
				Own	Spouse	Child	Total	%
1	Dr. Somchai Sujjapongse		Chairman of the Board of Directors	-	-	-	-	-
2	Mr. Krairit Euchukanonchai		Vice Chairman	-	-	-	-	-
3	Dr. Kittipong Kittayarak		Director	-	-	-	-	-
4	Mr. Nontigorn Kanchanachitra		Director	-	-	-	-	-
5	Mr. Supant Mongkolsuthree		Director	-	-	-	-	-
6	Mr. Distat Hotrakitya		Director	-	-	-	-	-
7	Gen. Tienchai Rubporn		Director	-	-	-	-	-
8	Mr. Poonnis Sakuntanaga		Director	-	-	-	-	-
9	Mr. Somchai Boonnamsiri		Director	-	-	-	-	-
10	Mr. Thanwa Laohasiriwong		Director	-	-	-	-	-
11	Dr. Kulaya Tantitemit		Director	-	-	-	-	-
12	Mr. Payong Srivanich		President	-	-	-	-	-
13	Mr. Parinya Patanaphakdee		Senior Executive Vice President	-	-	-	-	-
14	Ms. Jaree Wuthisanti		Senior Executive Vice President	-	-	-	-	-
15	Dr. Vites Techangam		Senior Executive Vice President	-	-	-	-	-
16	Ms. Arisara Dharamadhaj		Senior Executive Vice President	-	-	-	-	-
17	Mr. Songpol Chevapanyaraj		Senior Executive Vice President	-	-	-	-	-
18	Mr. Poonpat Sripleng		Senior Executive Vice President	-	-	-	-	-
19	Ms. Praralee Rattanaprasartporn		Senior Executive Vice President	-	-	-	-	-
20	Mr. Werapong Suppasedsak		Senior Executive Vice President	-	-	-	-	-
21	Mr. Suchart Dejittirut		Senior Executive Vice President	-	-	-	-	-
22	Ms. Amporn Chotruchsakul		Senior Executive Vice President	-	-	-	-	-
23	Mr. Cherdchai Chomphonukulrut		Senior Executive Vice President	1,300	1,666	-	2,966	0.000021
24	Ms. Walairat Lertumpornpisal		First Executive Vice President	1,430	10,986	-	12,416	0.000089
25	Mr. Luechai Chaiparinya		First Executive Vice President	605	264	-	869	0.000006
26	Mr. Santi Parivisutt		First Executive Vice President	-	1,070	-	1,070	0.000008
27	Mr. Pativate Santavanond		First Executive Vice President	-	66,000	-	66,000	0.000472
28	Mr. Suppawat Wadhanapatee		First Executive Vice President	-	-	-	-	-
29	Mr. Rawin Boonyanusasna		First Executive Vice President	-	-	-	-	-

3.13 The Bank's Personnel

3.13.1 Number of Employees

The number of regular employees and employee under the signed contract and staff members divided by Group as at December 31, 2016 are as follows:

Group	Number of Regular Employees and Employees under the Signed Contract		Staff Members	Total
	Head Office	Non Head Office		
Core Group				
Retail Strategy Product & Segmentation Group	439	-	2	441
Retail Banking Sales & Distribution Group	55	15,605	125	15,785
Retail Shared Services Group	852	-	26	878
Wholesale Banking	20	-	-	20
Corporate Banking Group 1	173	-	-	173
Corporate Banking Group 2	99	-	-	99
Global Markets Group	107	-	-	107
Global Transaction Banking Group	624	-	-	624
Government and State Enterprise Relations Group	215	-	-	215
Business Center Group	1,169	-	2	1,171
Total	3,753	15,605	156	19,513
Non-Core Group				
Business unit being directly to the President	51	-	-	51
Marketing & Corporate Communication Group	127	-	-	127
Internal Audit Group	303	-	-	303
Human Resources and Corporate Governance Group	348	-	2	350
Financial Management Group	457	16	-	473
Risk Management Group	301	-	2	303
Compliance & Legal Management Group	238	-	1	239
Operation Group	1,633	-	7	1,640
Credit Restructuring and Asset Management Group	201	-	-	201
Technology Group	578	-	-	578
Total	4,237	16	12	4,265
Grand Total	7,990	15,621	167	23,778

3.13.2 Compensations for Employees

The compensations given to the employees (including Top Executives) in 2016 are divided into salary, wage, bonus, provident fund contribution, medical expense, social security contributions, training courses expense, pension and other benefits in total amount of Baht 22,726 million.

3.13.3 Policy on Human Resources Training and Development in 2016

The Bank not only originates policy to become a leader in digital banking and a second home of employees but also places emphasis and aims to develop its employees so as to increase their potentiality and efficiency. With this regard, the matter related to the Continue to Cultivate PDO, Retain and Attract Top Talent and Develop/Re-Skill Staff have been operated by the Bank continually.

To enhance employees' potentially and provide knowledge to all employees, the Bank reviews the employees' training plan in complying with the Bank's policies and strategies with the attempt to originate their individual development plan which is in comply with the Bank's strategy. Moreover, in preparing employees with capability and skills necessary for performing duty to achieve the Bank's objectives and being ready for business competition, 3 main factors, Competency, Career Path Roadmap and Training Roadmap, have been implemented in conducting employees' and executives training plan covering to all levels of employees. The employees of the Bank divided into 2 major groups namely a group of executives, which consist of top-level executive, middle-level executive and first-level executive, and a group of general employees.

The Bank's executive development plan is devised with the purpose to create personnel with high potential, develop and encourage the employees in management level to optimize their full potential at work, equip them with skills and knowledge required to make the correct decisions and to understand strategic management, as well as preparing the Bank for future business expansion so that the Bank can continue to compete in the business with no interruptions. The development program covers Leadership Skill, Strategic Planning, Managing Resource, Change Management, Building Innovation, Negotiation, Project Management, Human Resource Management, etc. The courses shall focus on case based study and workshop to shape the individuals' attitude and unlock their leadership potential. Furthermore, the Bank creates new generations of executives by developing high potential employees, so that they can become the important mechanism in developing the Bank's business in the future. With this regard, KTB Academy devises a concrete individual development plan (IDP) for each of the high potential employees as well as emphasize on building employee engagement by turning managers into HR Managers who can build employees' determination and engagement through various trainings.

As for those 2 groups, the Bank developed and reviewed training process annually in order to comply with and connected with the Bank's strategic plan and strategic objectives. There were 3 areas for developing competency, including core competency, technical competency and management competency, for instance, product knowledge, sale and service, credit knowledge, debt restructuring to decrease NPLs, risk management, internal audit, working procedures, leadership skill development, coaching skill etc, through various training methods for example classroom training, E-Learning, VDO Conference, On-the-Job-Training (OJT), Coaching, Mentoring, Case Study & Workshop, Webinar, Sale GURU etc. Additionally, Experience Based Training between executives and employees has become the center of attention with the purpose to encourage top executives to be part of creating learning atmosphere in the organization continually. The top executives turn out to be the instructor for general employees and be role models in term of organization culture, enhancing technical skill and retaining relationship between employees and executives.

The Bank analyzed development needs from executives and employee, organization requirement and executives' policy. KTB Academy plays an important role in taking into account the information about organization, personnel, sustainability and training roadmap for reviewing and analyzing all input factors by implementing Gap Analysis as an analysis tool. Knowledge, skill and attitude were specified in accordance with 3 aspects of competency namely; core competency, technical competency and management competency. Executives shall devise both the executives' and employees' development plan. As for executive's development plan, the Individual Development Plan (IDP) has been highly considered. For the high-potential employees, the technical competency necessary for the work and plan for future development are the main focus for trainings based on the analysis of their competency strength and weakness in overview.

However, the Bank also took society and environment into account reflecting from the vision and mission in sustainably conveying economic, social and environmental development and other projects related to society and environment. Executives and employees were encouraged to participate in the projects and also trained about the environment dimension, for instance, the appointment of Committee of Occupational Safety, the Paperless Routing Memo project, etc.

Report of the Board of Executive Directors

The Board of Executive Directors is set up by the approval of the Board of Directors in order to support the Board Performance. Presently, the Board of Executive Directors consists of the 4 Bank's Directors and the President serves ex officio as Executive Director.

In 2016, the Board of Executive Directors held totally 57 meetings so as to perform duties in accordance with the scopes and responsibilities defined in the Charter of the Board of Executive Directors as well as constantly reporting the operating performance to the Board of Directors. Highlights were as follows:

Scrutiny and Approval of Credit/ Debt Restructuring

The Board of Executive Directors has granted credit approval to 228 customers, approval of debt restructuring to 28 customers and scrutinized before proposing to the Board of Directors for granting credit approval to 162 customers. Moreover, the Board of Executive Directors has granted policies approval to 174 issues and acknowledged issues such as report the operating performance of its affiliates, report the operating performance progresses by resolution from the Board meeting and report the investment in equity and debt instruments etc to 213 issues.

Consideration of Strategic Plan/ Business Plan

The Board of Executive Directors has emphasized on scrutinizing strategic plan/ annual business plan as well as policy and strategic plan for the finance business group of the Bank as the business alliance between the Bank and subsidiaries to contribute the strategy which has clearly compliance and pay strong to growth and wealth of the Banks' group. Moreover, The Board of Executive Directors has revised the capital funds management and the strategic capital funds of the Bank before proposing to the Board of Directors for approval.

Monitoring of Operating Performance of the Bank and its Affiliates

The Board of Executive Directors has regularly monitors the Bank's operating performance as against key performance indicators and peer banks, investment in equity and debt instruments of the Bank, also gave precedence to the performance monitoring of the Management by the resolution from the Board meeting as well as operating performance of its affiliates.

Convey Policies and Suggestions to the Management

The Board of Executive Directors has conveyed policies and provided invaluable suggestions to the Management and emphasized on proactive approach so as to achieve the organizational target and strategic objectives, for instance

- Analyzed the problem of Non Performing Loans (NPLs), revised credit strategy and found the solutions of NPLs reduction. In addition, efficiency of NPLs monitoring and protection of NPLs problem were emphasized.
- Provided suggestion and conveyed policy to treated as strictly in presentation process for credit consideration and troubled debt restructuring to effective consideration such as providing an overall analysis of clients' group for consolidate credit consideration, guarantor financial standing report which has essential information to the risk management of clients' group, analyzed the credit rating, introduced credit allocation for customer credit limit usage, risk return appropriateness by considering the balance in business operation and risk etc. Moreover, conveyed policies of increasing knowledge and credit skill for Credit Departments' staff.

- Provided suggestion and conveyed policy for readiness in several aspects to support strategic plan of the Bank to operate the business as proactive approach to KTB Digital Banking, for instance
 - IT Policy: Brought the IT system for the management which takes into consideration on stability, availability and security by emphasizing on conducting and IT Audit Capability which also need development both system and new related system knowledge.
 - Investment Policy: For the development to Digital Banking (IT Master Plan). IT development system is a clearly as heart of marketing strategy, analyze and requirement to meet the timely completion and able to compete in the market. And also manage the resource and budget to be efficiency with worthiness and generate utmost benefit to the Bank, also give precedence to have protection system in fraud both legal and as well as any damage.
 - Retain & Reskill Policy: Keep talented, good and potential person to have awareness to create good performance for the organization. Also has employee skills improvement for preparedness and readiness for development in IT and Digitized Personnel both Core Banking and other Financial Products.
 - Brand Policy: With reliance and public trust in products and services efficiency, stability, reliability and security. Also, increasing role of IT research and development to have entirely digital innovation technology to ensure that the Bank intensely reach the customer demand.
- Provided suggestion and conveyed policy to emphasizing on Zero Tolerance Policy without flexibility to the irrespective of the law or break the law. Moreover, fraud in every case and every income by the Banks' operation must be legitimate, comply with the regulation, worthiness income and transparency operation including effective and instantly auditing and investigating process and also obviously punishment.
- Conveyed policy for troubled debt restructuring method to resolving problems with earnestly and appropriately on case by case.
- Conveyed policy to the Management to giving precedence and strictly compliance in business collateral operation with accuracy and precisely by The Business Collateral Act B.E.2558 (2015) for the interest of the Bank.
- Conveyed policy for the preparedness and formulated the operation for working groups to accommodate the legislation and amendment such as The Business Collateral Act and Thai Financial Reporting Standards etc. Also, including adjust/amend regulations to be modernity and timely.
- Conveyed security policy and management plan to handle the problems by covering to many aspects on information technology and electronic tools of the Bank.



(Mr. Krairit Euchukanonchai)
Chairman of the Board of Executive Directors

Annual Report of the Compliance Committee 2016

The Compliance Committee of Krung Thai Bank Public Company Limited consists of three qualified independent members namely:

- | | | |
|---------------------|------------|--------------------------------------|
| 1. Mr. Distat | Hotrakitya | Chairman of the Compliance Committee |
| 2. Dr. Kittipong | Kittayarak | Member of the Compliance Committee |
| 3. General Tienchai | Rubporn | Member of the Compliance Committee |

Mr. Suchart Dejittirut, Senior Executive Vice President – Managing Director Compliance and Legal Management Group serves as Secretary to the Compliance Committee.

In 2016, the Compliance Committee held a total of 12 meetings to perform its duty within the scope of work and responsibility as prescribed in the Charter of the Compliance Committee. The minutes of the meetings were regularly submitted to the Board of Directors of the Bank, major takes completed are summarized as follows:

1. Consideration of the plan for Compliance Function Upgrade

The Committee gave its approval and recommendations on the proposed Compliance Function Upgrade in order to strengthen the Bank's Control Function and Compliance Risk Management systems; Moreover, this would promote and encourage the Bank employees at all levels to be aware of the importance of and responsibility for regulatory compliance.

2. Consideration of the Annual Compliance Report, 2015

The Committee considered the Report's substance and approved the Annual Compliance Report for the year 2015 before further submission to the Bank of Thailand (BOT) and the Securities and Exchange Commission of Thailand (SEC) while recommending upgrade of the Compliance Function for greater efficiency in the following year.

3. Consideration, review and monitor of the implementation to the Compliance Program, 2016

The Committee considered improving and giving its guidelines for analyzing and linking the data/information in order to prepare the Compliance Program for 2016 by classifying the statistical issues of finding into three (3) aspects namely : 1) Regulatory issues, 2) Technical issues and 3) Operation issues , together with the integrated corrective guidelines and risk prevention including the review and monitoring of operating performance under the Compliance Program for 2016. The Compliance Committee considered the operating performance report and gave instruction to report to the Committee for information on the progress of making correction in case of finding that there was still non-compliance operation. In such case, the Committee recommended that there should be a processing of the review results under the Compliance Program in order to reduce risk according to the Risk Matrix.

4. Revision of the Compliance Policy

The Committee considered reviewing and revising the Bank's AML/CFT Policy so that it would be in accordance with the audit or examination results, and also in compliance with the ministerial regulations and the AMLO's notifications/announcements before submission to the Risk Management Committee and the Board of Directors for consideration and further announcement for internal use.

5. Review and monitor of the Compliance Reports of the Bank's overseas branches and financial business companies

The Committee reviewed and monitored the Compliance Reports of eight (8) overseas branches and one (1) overseas representative office as quarterly reports, and 11 financial business companies by specifying that the Bank's financial business companies need to come in person to report on their guidelines for Compliance Risk management and results of regulatory compliance. The frequency of reporting cycle was in accordance with the compliance risk level of each company.

6. Formulation of the Anti-Corruption and Bribery Policy

The Committee considered and gave its approval to the guidelines for prescribing appropriate internal control for the Bank to prevent any offering of bribes to government officials. It also considered the appropriateness of the scope, substance/content, and gave various recommendations useful for formulating the new Anti-Corruption and Bribery Policy. This would be regarded as formulation of internal measures or guidelines appropriate for the Bank to prevent the offering of bribes to government officials under Section 123/5 of the Anti-Corruption Organic Act (No.3), B.E. 2558 (2015 A.D.).

7. Prescription of measures for prevention of illegal or unlawful actions against the laws and official regulations

The Committee prescribed the process and measures/penalty for those who committed illegal actions against the laws and official regulations in order to control and reduce the probability of operation risk occurring from noncompliance with the Bank's regulations, as well as enabling the Bank employees in all business units to be aware of the importance of this issue and take precautions in their operation to be in compliance with the prescribed laws and regulations.

8. Assignment of relevant policies and recommendations to the Bank Management

The Committee gave recommendations useful for the development of operating process of the Compliance Department with greater efficiency prudence as follows:

- Provided recommendations for instilling awareness and creating the Compliance Culture in the organization apart from prescribing penalty or "stick" to noncompliant employee while presenting "carrot" (or merit award) to employee who had never committed any wrong doing in several successive years by promoting such practice as a project with continuous campaign.
- Assigned a policy of setting up a "Training the Trainer" system by designating staff member or representative in each business unit or department to be trained as trainer to transfer the knowledge gained from training to others in the business unit. At the same time, incentive would be given by organizing an operating performance competition project in each business group at year-end. Awards would be presented to the officer with outstanding compliance performance and such award would be appointed Compliance Team Leader of the business unit.
- Assigned a policy to the Management that they should attach the importance to the review and improvement procedural steps of considering any fraud cases occurring in the Bank, and should find guidelines for correcting the problems of the fact finding and inquiry/investigation process as well as taking disciplinary measures for higher efficiency and speed thus enabling correctness and transparency. All this would lead to fairness and create confidence in the Bank's work process with the official regulators.
- Assigned a policy to upgrade the Bank's Compliance Function in order to focus on instilling in the employees at all levels the awareness of Compliance in their job operation so as to create "Compliance DNA" in each and every employee of the Bank.



(Mr. Distat Hotrakitya)
Chairman of the Compliance Committee

Report of the Risk Management Committee

The Risk Management Committee comprises four Directors of the Bank, the President and three top executives, totaling 8 persons. The Executive Vice President-Director of Risk Management Sector acts as the secretary of the Risk Management Committee.

The Risk Management Committee performed its duty within its scope and responsibility as written in the Risk Management Committee Charter delegated by the Board of the Directors. In 2016, the Risk Management Committee called 29 meetings and reported the performances to the Audit Committee every month and to the Board of Directors on a quarterly basis.

The Risk Management Committee emphasizes on supervision guidelines from supervisory agencies and international general practices, and manages its overall risks to be within their acceptable levels. Details are summarized as follows:

1. Reviewed the Risk Management Policy covering various risk types, such as strategic risk, credit risk, market risk, liquidity risk, operational risk and risks that impact the Bank's reputation, so as to ensure that the risk management policy was appropriate, up-to-date and in line with the Bank of Thailand's notifications.
2. Set up the Enterprise Risk Management Framework, comprising Risk Map, Key Risk Indicators, Risk Appetite, Risk Tolerance and Report of Risk Management Dashboard, consistent with the Bank's Strategic Objectives and Plans and in accordance with SEPA and Basel regulations, so as to use as the Bank's risk management guideline.
3. Supervised overall risk management to be in line with the designated policies by monitoring performance reports of all risks, watching closely to risks arising from economic, finance and banking conditions such as competition and changes in official rules and regulations, then assessing impacts and performing stress test to the Bank's stability.
4. Developed tools and improved credit management process in order to prevent and reduce NPLs, as well as watched and monitored closely to the Bank's credit portfolios and NPLs by letting related departments report on action plans to cope with NPLs and their progresses.
5. Screened and commented on the Bank's Strategic Plans including Key Initiatives of the Bank's Groups in order to ensure that all risks were considered thoroughly in the Strategic Plans and Key Initiatives.
6. Supervised on the formulation of IT Master Plan 2016, in line with the Bank's Strategic Plans and Business Plans, with regard to the development of business capabilities, the development of fundamental systems to be able to further develop on demands with steadiness and effectiveness, and the adoption of appropriate technology to create competitive advantages and growth of businesses. Also, followed up the progress to ensure that major projects were operated in accordance with the Strategic Plans as follows:
 - 6.1 Operated Digital Banking in response to market trends and changing customer behaviors as well as supporting the government's policy in the Digital Economy, and reformed the operations of the Branch and the Branch Strategies to support Digital technology and competitiveness in the future.

- 6.2 Operated Digital Payment Solution Project as the foundation of electronic payment systems to support the government's National e-Payment Policy, which encouraged payments and money transfer transactions through electronic channels, aiming to reduce the use of cash and to Cashless Society.
- 6.3 Operated Data Foundation and Data Transformation Projects so that the Bank had quality data and banking systems, which were key foundations in supporting the KTB Digital Banking Project and further operations of the Bank's Groups in order to enhance management, productivity and performance.
- 6.4 Emphasized on governance of IT risks by assigning responsible units to oversee such risks and track the progress of the Security Action Plans. The major focus was not only security, but also stability of the systems, in order to prevent problems in the systems. These were set as the key policy of the Bank.
7. Supervised and monitored closely on performances regarding the orders and notices of the BOT and other regulatory agencies including the AMLO and the SEC, by assigning responsible units to pay attention to the issues and expedite the process, as well as determining clear deadlines.
8. Managed business continuity (Business Continuity Management: BCM) by developing simulation testing guidelines for Business Continuity Plan (BCP) for related significant activities, so as to ensure that the designated BCPs were efficient and practical in real situation.
9. Formulated risk management and supervision of risk management policies for the financial business group in compliance with the BOT's guidelines for consolidated supervision, as well as efficiently controlled, monitored and assessed risks of the financial business group to be at the acceptable levels.



(Mr. Krairit Euchukanonchai)
Chairman of the Risk Management Committee
March 7, 2017

Risk Factors



1. Overview of the Bank's Risk Management

1.1 Risk Management Practices

Amid the competitive conditions together with the severe and rapid change of economy and society, Risk Management is noticeable as one of core factors that help preventing, maintaining and encouraging organization to achieve its goal. The effective risk management exhibits the organization's good governance transparency, integrity and ethics that will enable the Bank to achieve sustainable growth.

The Bank, as the leading large financial institution of the country, gives emphasis to the systematic and effective risk management and control. With this regard, the Bank has obviously determined the structure, policy and guidelines for risk management to envelop all aspects of risk management under the compliance with the frameworks prescribed by the Bank of Thailand, Committee of Sponsoring Organizations of the Treadway Appraisal (SEPA). These frameworks have been regarded as the structure of risk management under the integration of international standard, with the main principle to connect risk management process with strategic planning

and business opportunities of the Bank in order to help integrating the administration and the management of risks for the whole organization. Hereof, Risk Map has been conducted to identify the Risk Factors causing both positive and negative impacts toward the Bank. Additionally, Key Risk Indicators (KRIs), Risk Appetite, Risk Tolerance covering all risk factors and Risk Causes have been specified in order to control risk management within the Bank's acceptable level and in accordance with the set targets. Consequently, the Bank is able to identify the accurate risk motives in order to establish appropriate measures and preventive guidelines before the incurrence of losses that might adversely affect revenue and capital funds. Risk Management Group was empowered by the Bank to oversee, monitor, access and reports the risk performance to the Risk Management Committee and the Board of Directors on regular basis. Therefore, the Bank was capable to accomplish the objectives and targets that shall craft for the sustainable and beneficial values to the organization, the shareholders and the stakeholders.

The Bank has organized training programs and seminars upon the matter of risk management to the

employees at all levels covering to the Board of Directors, senior executives and employees in every department of the Bank so that all of them realized the importance and have further understanding toward risk management as well as taking responsibility in regulatory compliance and the Bank's risk management. This project aimed to support all business units to effectively and efficiently achieve the goals with the business operations that are in compliance with good corporate governance. Consequently, the Bank shall have further steady and sustainable growth.

1.2 Consolidated Supervision

The Bank has 11 subsidiary companies in the Financial Business Group, dividing into 4 business groups, namely credit business, securities business, insurance business and general services business. The Bank had formulated policy and risk management guidelines in accordance with the identical principles to the Bank's risk management and complied with the BOT's requirements for consolidated supervision. This risk management is under the supervision of the Enterprise Risk Management Department. Furthermore, the companies in Financial Business Group are required to report risk management performance to the Risk Management Committee regularly or whenever significant changes occurred. As this regard, risk management performance of respective companies must get monitored closely.

The Bank had encouraged companies under Financial Business Group to generate the significant risk management to be in compliance with the Internal Capital Adequacy Assessment Process (ICAAP), comprising of Strategic Risk, Credit Risk, Credit Concentration Risk, Market Risk, and Interest Rate Risk in the Banking Book (IRRBB), Liquidity Risk, Operational Risk and Reputation Risk. Hereof, the Bank has offered the trainings and relevant knowledge to the Financial Business Group continuously. Furthermore, the Bank also oversees that its subsidiaries has determined the KRI as the tool for assessment risk and reported the risk management performance to the Risk Management Committee and the Board of Directors of the Bank. As a result, the risk management of Financial Business Group had developed respectively.

1.3 Risk Management Structure

The Bank sets up the organization structure and effective risk management process in accordance with principles of good corporate governance. Duty and responsibility are clearly segregated for each business unit and the reporting line. The Bank's Risk management

structure consists of the Risk Management Committees at policy-level, which are the Board of Directors, the Board of Executive Directors, the Audit Committee and the Risk Management committee. In addition, the Board of Directors also appointed other several committees comprising of senior executives to manage risk in various aspects, namely Management Committee, Investment Committee (IC), Assets and Liabilities Management Committee (ALCO), Group Credit Committee (GCC), Credit Scrutiny Committee and IT Steering Committee. Details upon the scope of authority of each committee are provided in section Shareholding and Management Structure on pages 84-92 and section Corporate Governance on page 145.

2. Risk and Measure for Risk Management

2.1 Credit Risk

Credit Risk refers to the risks that may arise from the counterparties failing to perform in compliance with the covenants as stating in the contract agreement; including the counterparties' credit rating get diminished which shall cause adverse effects over the Bank's income and capital funds maintaining. However, the Bank attaches highly attention to the Credit Risk Management covering both in the customer and portfolio level. Thus, the Risk management system of the Bank is formed with major procedures, namely Risk Identification, Risk Evaluation, Risk Monitor and Control and Risk Report.

The Bank has developed credit risk management constantly by reviewing and improving policy and manual of credit risk management, developing the process of approving loan through Loan Factory and setting other standards, for instance standard of credit term and condition, underwriting criteria and product program for retail customers and SME-M loan customers. These standards can help the Bank to screen risk and control credit quality formally. Additionally, the Bank also enhances the efficiency of assessing, controlling, monitoring and reporting portfolio at the individual level by designing and developing working process for warning risk in advance through Early Warning System (EWS). The system provides signal for warning customers' behavior which is assessed from the statistical model. Besides, the Bank also specifies workflow according to different risk levels and links EWS with the automatic credit period review for extension through Credit Review (CR) as well as editing and improving debt



quality through Turnaround System (TA). Hence, the Bank is able to oversee its loan customers since the beginning of loan withdrawal. The Bank also provides the full-fledge procedure to daily monitor customer until reaching the date of annual credit extension. These 3 systems are operated conjointly in form of End-to-end Process.

In 2016, the Bank has continued to develop the Early Warning System for SME-M customers, for example Days Past Due Splitter (DPD Splitter), the Early Warning System for preventing overdue overdraft debt (OD Over Limit) and Customer Healthy Report. Moreover, the Bank has developed statistical model to oversee its SME-L loan customers and applied through the Early Warning System (EWS) for SME-L and Credit Review for SME-L in order to help loan officers know each customer's risk level which is processed by statistical model and can immediately see customers' default information for each account. Meanwhile, the system is able to screen customers to notify loan officers to monitor and review customers' loan and risk in all aspects, namely financial risk, liquidity risk, operational risk, monitoring and reviewing repayment ability, financial statement, credit line usage, credit conditions as well as reviewing customers' credit rating. The Bank scheduled the frequency of credit review in

compliance with quality of debtors, for example customers who are classed as "normal" shall be reviewed every 12 months. Customers who are classed as "special mention" or have watchlist loan shall be reviewed every 6 months and customers who are classed as "Substandard" shall be reviewed every 3 months. However, if any factor signals an increased risk, a review shall be made before due. It results in appropriate monitoring and managing such customer groups' risk by using up-to-date information. The Bank can also increase opportunities to offer appropriate loan products to customers and effectively monitor credit policy compliance because monitoring information is shown in the system.

In addition, the Bank applies credit risk rating as a tool for credit approval and credit portfolio management, including setting a pricing policy and risk management for SME-M and SME-L customers. The Bank has developed and reviewed tool for credit risk rating continually to comply with and support the Bank's operation and reflect customers' risks.

The Bank also places importance on systematic management of qualitative and quantitative database by creating a large credit risk data mart which collects and stores information from databases, for example loan

approval data, debt repayment behavior data, credit quality data. The Bank uses credit risk data mart to develop credit risk management models and credit risk rating process for monitoring and reviewing credit. This database is also used for management of monitoring credit quality so that the Bank can know and evaluate how customers' credit risk changes. The change shall be notified automatically through the end-to-end EWS. Moreover, such database management is prepared for supporting credit risk model development for measuring expected loss from credit risk to comply with draft of Thai Financial Reporting Standards (TFRS) 9: Financial Instruments-Measurement approach: Impairment: Recognition and measurement of allowance for loss of which must be accessed in terms of credit risk change. The Bank must act for accounting period which begins from January 1, 2019 onward.

Besides, the Bank develops Industry Direction or classifying industrial group according to risk level in order to be a guideline to manage credit portfolio of industrial group, provides stress test to assess effect of credit portfolio and capital adequacy and also monitor/report risk management result so as to control credit risk to be consonant with credit risk management plan and guidelines in credit risk management of the Bank of Thailand and respective regulators. Important credit risks are as follows:

- **Credit Concentration Risk**

The Bank pursues policy on assessing risk from credit concentration, investments, and contingent liabilities made available to customers and customer groups to cover the diverse credit granting to the customers and related parties in compliance with the regulation for the Single Lending Limit prescribed by the authority. Besides, the Bank also set the sector limit of transaction volume for each category of industry and country limit of transaction volume so as to manage risk diversification and control significant credit concentration. With close monitor for risks, the Sector Limit of respective industry shall be reviewed annually.

Moreover, the Bank manages country risk by determining a lending limit for each country in order to control the counterparty risks and credit risk, investments, and contingent liabilities for customers or counterparties who have a domicile in foreign countries. The Bank also controls the risks by stipulating to report credit line usage of agencies at the end of every month in order

to manage credit usage not to exceed the maximum limit. Additionally, the Bank has a process to access each country's reliability by using credit rating done by a leading external credit rating agency such as Moody's, S&P's, or Fitch Ratings.

- **Counterparty Credit Risk**

Counterparty Credit Risk is a risk that a loss arising from the default event of a counterparty in financial contracts, for example financial instrument is not traded or compensation for any damage is not given as agreed. For Over-the-counter such as Derivatives, Purchase and Sale of Securities and Repurchase Agreement (Repo), its risks of a counterparty causes main risks, namely pre-settlement risk and settlement risk as well as the risk from decrease in credit quality of a counterparty or credit valuation adjustment risk.

The Bank sets credit limit to prepare for both pre-settlement risk and settlement risk by considering factors such as financial status and credit rating of counterparties as well as controlling and monitoring transactions not to exceed daily credit limit. Moreover, the Bank uses Stress Testing to test impacts on counterparties if crisis arises and reports the Risk Management Committee monthly.

The Bank reduces the risks of counterparties caused from signing International Swaps and Derivatives Association (ISDA) and Credit Support Annex (CSA) with counterparties. These require placement of collateral in the form of cash on a daily or weekly basis in the event that the fair market value of any contract deviates beyond an agreed threshold.

- **Non-Performing Loans: NPLs**

According to the increase of NPLs, the Bank sets more allowance for doubtful account which affects to its operating performance, financial status and capital adequacy. However, the Bank initiates the corrective measures for controlling the increase of NPLs. The business units which are responsible for credit extension are required to control NPLs amount. Moreover, the Bank carries out the process to manage the customers that might become NPLs as well as improving the credit approval authority and debt restructuring so as to increase more efficiency to the credit considering process and get better control over risks. Besides, the Bank has continuously enhanced the risk assessment tools which shall help facilitate the process of customer selection to become greater efficiency.

- **Collateral Value Impairment Risk**

Most of the loan collaterals are immovable properties with possibility of being depended on economic situation. In case that economy encounters recession state, a value of collateral shall be decreased and the Bank must further reserve the allowance for doubtful accounts (NPLs). The Bank formulates the review of collateral value to revise the collateral prices to be up-to-date while the frequency of collateral price appraisal for each respective type shall be conducted under the BOT requirement so as to be acknowledged the actual collateral prices. In this regard, the Bank can take it to formulate operation strategy in compliance with the change of credit risk and reserve allowance for impairment of properties for sale. Details are provided in section notes to No.6.9 of the financial statements.

2.2 Market Risk

Market risk refers to the risk that the Bank may sustain loss from changes in value of position on the statements of financial position and off-the statements of financial position, caused by fluctuation of interest rate, foreign exchange rate, equity price, and commodity price resulting in negative impact on the Bank's income and capital funds.

The Bank assigns Market Risk Management Department, which is independent from Front Office, to control risk with the purpose of ensuring transparency and effectiveness in accordance with the market risk supervisory guideline of the Bank of Thailand and the market risk management policy of the Bank. In this regard, Risk Limit or Risk Appetite have been stipulated, for instance Trading Book Position shall be monitored from value/ investment position, highest loss, the statistical technique as Value at Risk (VaR) and Sensitivity, while the Banking Book Position shall be monitored from the Net Interest Income Change and Economic Value Change by formulating practice for accommodating the exceeding of approved risk tolerance level; appraising price according to market price and regularly performing stress testing. Additionally, the Bank provides Product Program for making the new derivatives transaction, improves the form of report, working system and tools for evaluating and controlling risk to be effective and supports the further complex transactions.

As for the market risk of the companies in financial business group, the Bank oversees them by monitoring risk indicators and requiring the companies



to present their operating performance report and risk management result to the Risk Management Committee regularly.

The overview of the Bank's market risk in 2016, both banking book portfolio and trading book portfolio are under the approved risk tolerance level. The significant market risk is shown as follows:

- **Interest Rate Risk in Banking Book Portfolio**

This is the risk that the Bank's income or capital funds are adversely affected by changes of interest rate on all the assets, liabilities and off-the statements of financial position items that are rate sensitive. Such risk might have negative impact on net interest income, market values of items in trading account and other income and expenses related to interest rate.

In 2016, Thai interest rate was at low level. Monetary Policy Committee (MPC) of the Bank of Thailand maintained policy rate at 1.50 percent throughout the year to retain support for domestic economy and private sector's confidence while commercial banks decreased deposit's and loan's interest rate. However, the Bank has monitored and controlled interest rate risk to be at the risk tolerance level by formulating risk limit and indicators, performing stress testing on quarterly basis, requiring presenting



the conditions of interest rate, economy, money and capital market of both domestic and international countries to the Assets and Liabilities Management Committee and presenting risk management report to the Risk Management Committee on monthly basis, as well as formulating guidelines to accommodate for the occurring of over risk limit.

- **Interest Rate Risk in Trading Book Portfolio**

This is risk that income or capital funds got negatively impacted due to the change of interest rate affecting the tenure of bond and financial derivatives which its prices are relied on interest rate in trading book portfolio.

In 2016, Baht interest rate in financial market had moved due to many factors, for example anticipation about Thai policy rate adjustment; anticipation about the ECB and other central banks' expansionary monetary policy; international capital flows; anticipation about increase in the US interest rate; anticipation about economic recovery or stagnation in Thailand, USA, Japan, China and other countries; referendum on Brexit; US presidential election; and Italian constitutional referendum. However,

the Bank has monitored and controlled interest rate risk to be at the risk tolerance level by formulating risk limit and indicators, performing stress testing on monthly basis, requiring presenting risk management report to the Executive on daily basis and to the Risk Management Committee on monthly basis, as well as formulating guidelines for the occurring of over risk limit.

- **Foreign Exchange Rate Risk**

This risk stems from exchange rate volatility giving adverse impact on income or capital funds after trading in foreign currency or having assets or liabilities in foreign currency, and when converting all items on financial statement to local currency causes the Bank's book value to be decreased and the diminishing of income or loss on foreign exchange.

In 2016, the Thai Baht continued fluctuating. In the 1st - 3rd quarter, Thai Baht appreciated against USD due to many factors, for example delay of increase in Fed Funds rate; the additional expansionary monetary policy of the key economic countries; rising of USD selling from local gold companies during increasing gold price; US economy expanding less than market expectations; referendum on Brexit; referendum on Thai constitution; and

positive Thai GDP growth beyond market expectations. In the 4th quarter, Thai Baht turned to depreciate due to many factors, for example worries about the stability of Deutsche Bank; positive US economic figure beyond market expectations; uncertainty of the United States Government Policy; and different monetary policies of the key economic countries. However, the Bank has monitored and controlled exchange rate risk to be at the risk tolerance level by formulating risk limit and indicators, performing stress testing on monthly basis, requiring presenting risk management report to the Executive on daily basis and to the Risk Management Committee on monthly basis, as well as formulating guidelines for the occurring of over risk limit.

- **Equity Price Risk**

This risk arises from changes of equity securities prices giving adversely impact on income or capital funds resulting in decline of investment securities for trading.

In 2016, SET index fluctuated and was inclined to rise due to factors such as international capital movement, concerns over Fed's interest rate raise, world economic slowdown, result of Brexit referendum, new U.S. president's economic stimulus policies, Thai GDP and the stagnation of Thai and ASEAN countries' economy. In addition, the Bank monitored and controlled equity price risk to be within acceptable level by formulating risk limit and indicators, performing stress tests on a monthly basis, preparing risk management report and present to top executives and the Risk Management Committee on a daily and monthly basis respectively. The Bank also formulated guidelines for implementing in case the set risk limit is exceeded.



- **Commodity Price Risk**

This refers to the risk that incomes or capital funds derived negative effects from changes of commodity prices.

In 2016, the commodity price was fluctuating. As the Bank did not have the policy regarding positions taking, the Bank managed risk using back-to-back approach.

2.3 Operational Risk

The risk arises from the lack of proper internal operation processes, personnel, and the Bank's working system or external situations. Moreover, it also means the legal risk but excludes strategic risk and reputation risk.

The Bank oversees operational risk management by adhering to three-tier risk management approach as follows:

Tier 1 Business units and business unit supports who are risk owners have a duty to identify, assess, control and monitor risks as well as reporting to their respective managers. Each department has a operational risk officer (ORO) who coordinate with the department overseeing operational risks both regarding tool usage and risk management in accordance with the guideline established by the Bank.

Tier 2 Business units which are responsible for monitoring risk and overseeing other aspects provide tools and methods, guidelines and procedures to the business units in Process 1.

Tier 3 Audit departments audit and test business process and risk management process to assure the committees that the Bank's risk management and internal control system are effective.

Respective business units shall manage operational risk using the same procedure throughout the organization; that is assessing, controlling, monitoring and systematic report using tools such as Operational Loss Data Collection, Risk Self Control Assessment (RCSA) and Operational Key Risk Indicator (KRI). The operational risk officer (ORO) of each business unit has a duty to coordinate on operational risk management within the unit. The Bank focuses on enhancing risk prevention and timely risk management before incurring loss to the Bank and its stakeholder. Moreover, the Bank requires respective



business unit to complete the New Product Process which is the assessment of risk and effectiveness of risk control for new products and services before launching to market to ensure that the risk of new products is within the risk tolerance level and is controlled appropriately before servicing to customers while the risk in outsourcing shall be closely monitored.

In 2016, the Bank has formulated key risk indicators for managing operational risk in the Bank's overview. There are 2 levels of key risk indicators; Risk Appetite and Risk Tolerance and it was found that the status of the Bank's operational risk in overview was at Risk Appetite level. The above-mentioned risk has been controlled by Standards Operating Procedure (SOP) and the Bank met risk control standards in both prevention and detection in order to reduce mistakes during performing duty as well as preventing and reducing damage that might occur to the Bank and its customers.

As for risk stemming from uncontrollable external factors, Business Continuity Plan (BCP) is devised to ensure that even in emergency or crisis, the Bank is still able to provide services to customers without interruption. The BCP is tested regularly by the Bank and external service providers in order to improve its effectiveness and boost employees and customers' confidence.

The Bank monitors and controls operational risks by summarizing, analyzing and reporting the risks to top executives and Risk Management Committee on a monthly basis so that they are aware of the risks and able to manage the status of risks and make decisions effectively.

2.4 IT Risk

IT Risk stems from the unavailability of IT, information inaccessibility, unauthorized access to information and computer system, threat to data bases of IT system within the organization and external threat such as damaged data, attack/hack on important data, unauthorized changes to data, etc.

The Bank gives precedence to information technology covering applications, information, infrastructure, operation, people and process so as to establish IT Best Practices under 3 major principles, which are security, integrity and availability to prevent any damage that might occur to the Bank.

The Bank has declared policy and procedure of IT security protection and reviewed the standard of IT security to comply with current Bank of Thailand regulations or meet international standards. IT Steering Committee was appointed to oversee the Bank's IT risk and consider risks that may pose threat to the Bank's operation.

Moreover, the Bank continually oversees IT operations to ensure system stability for rendering services. There are controlling and preventive measures for abnormal situation and network attack, as well as fixing vulnerabilities in the Bank's system that might be prone to hacker attack. Reports must be submitted to relating committees who will give suggestions that will improve the process and boost confidence in the Bank's IT security.

2.5 Other Risks

- **Liquidity Risk**

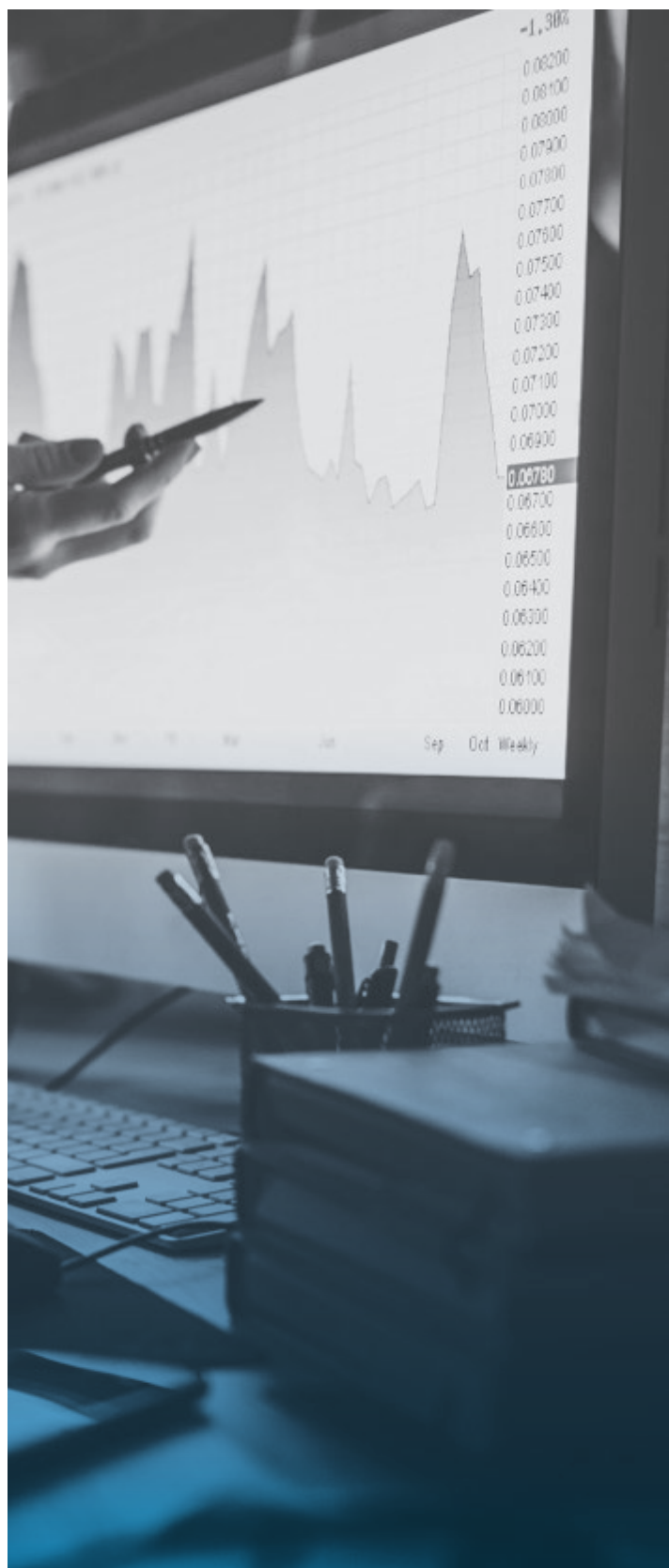
Liquidity risk is the risk that the Bank fails to repay liabilities or contingencies on due date because of inability to liquidate assets into cash or having insufficient funds or acquiring funds at a higher unacceptable cost thus affecting income and capital funds.

In 2016, liquidity in the financial market got escalated from the previous year, thus the Bank adjusted its funding structure by expanding the base of savings and current account of individual and private corporate customers as well as reducing the portion of term deposit accounts from special promotions in order to manage financial cost effectively. Furthermore, the Bank provided the guideline to accommodate Liquidity Coverage Ratio (LCR) according to Basel III requirement which the Bank of Thailand required commercial banks in Thailand to reserve minimum LCR since 2016. As at December 31, 2016, the Bank's liquidity was higher than the minimum LCR.

The Bank has established liquidity risk management policy and process in accordance to the Bank's strategy, market condition and BOT's liquidity risk management guidelines. Risk tolerance limit or indicator has been set to control and monitor the Bank's liquidity risk. Risk Appetite and Risk Tolerance limits have been defined and the Bank performed stress tests to assess its capability to handle liquidity crisis. Test results were reported to the Risk Management Committee regularly. Liquidity contingency plan was devised in accordance with BOT requirement and presented to the Board of Directors on an annual basis.

- **Capital Management**

The Bank has been effectively managing capital fund, both for the bank and for the conglomerate, in compliance with Basel III requirements as prescribed by the Bank of Thailand (BOT) since January 1, 2013. The three pillars of Basel III Capital Framework are as follows:





Pillar I Minimum Capital Requirement:

The Bank is required to set out capital requirement covering credit risk, market risk and operational risk.

Pillar II Supervisory Review Process:

The Bank is required to hold higher level of capital than the minimum requirements in Pillar I in order to accommodate for all risks that the Bank shall face in both normal situation and stress event. The Bank is required to have good risk management by performing Internal Capital Adequacy Process (ICAAP) while concerning all its risks and conducting stress tests appropriately.

Pillar III Market Discipline: The Bank is required to disclose information on its capital requirements, level of risks and risk management system to the public so that the outsiders and stakeholders can use such information to analyze and assess the Bank's risk. Apart from the Bank's internal control and the supervision of Bank of Thailand, the disclosure is an essential market mechanism that forces the Bank to have effective risk management system.

The Bank has always been operating in compliance with risk management standards and overseeing capital adequacy according to BOT's regulations and international guidelines. Stress tests covering significant risks in both normal and stressed situations have been carried out to evaluate the effect on capital adequacy. The Bank has studied the effect of Basel III for the purpose of capital planning and setting the Bank's dividend policy.

As at 2016 year end, the Bank's capital adequacy ratio (CAR) was 16.60 percent. After stress test, CAR was higher than the minimum set by BOT. This reflected the Bank's strong capital fund which was capable of accommodating business expansion and possible risks stemming from changes in economy, society and regulations.

As for the BOT consolidated supervision requirement, the Bank submits report on capital adequacy of the conglomerate to BOT quarterly and discloses information on capital fund and risks of the conglomerate as scheduled on the Bank's website. In this regard, the Bank and its conglomerate's capital adequacy was higher than the minimum requirement of BOT.

However, the Bank of Thailand and commercial banks have been considering the revision of risky asset calculation covering credit risk, market

risk and operational risk in order to comply with the Framework of Basel Committee on Banking Supervision (BCBS) in the future. In this regard, the Bank has performed Comprehensive Impact Assessment (CIA) in terms of both quantitative and qualitative aspects so as to prepare for business operation in the future.

- **Strategic Risk**

Strategic risk is the risk generated from inappropriate strategic planning, operation and implementation not in line with internal factors and external environment producing undesirable impact on income, capital funds or business survival

In 2016, Thai economy expanded at a better rate compared to 2015 with the main supporting factor being the government's investment, the recovery in agricultural production and the growing tourism. However, Thai economy was still being affected by risk factors such as fluctuations in world economy and financial market, economic and political instabilities in the U.S. and Europe, problems in China real estate sector, high household debt and the slowdown of investment in private sector. These resulted in Thai economy growing at below potential rate comparing to growth in the previous years. Nevertheless, the Bank continued to operate its business with caution and attached importance to action plans and risk management, which can be summarized as follows:

1) The Bank's measures for strategic risk management are in line with Bank of Thailand's examination guideline and State Enterprise Policy Office (SEPO)'s enterprise risk management. Policies and guidelines for strategic risk management have been devised and reviewed annually.

2) The strategic planning process was comprehensive and in line with the guidelines for State Enterprise Performance Appraisal (SEPA). Procedures and persons involved as well as time frame were clearly specified. Committees concerned and top executives participated in the strategic planning that included the transformation of the plan into actual practice and communication of the plan to executives of all business units across the board.

3) The Bank's strategic plan is appropriate for both internal and external environment. It focuses on using real data and analyzing in comparison with the Bank's and peers' targets. SWOT

Analysis was performed to determine further strategies to enhance the strengths, rectify the weaknesses, capture business opportunities and prevent any threats from external pressures. These were combined into the Bank's overall strategy, both short term and long term, which responds to the statement of Direction (SOD), Vision, Mission and Core Values of the Bank.

4) The Bank monitors and compares its operating performance with the targets regularly, and report to executives to set strategies to achieve the targets. Action plans are reviewed and adjusted to fit changing conditions.

- **Properties for Sale Risk**

The majority of the Bank's properties for sale were property for investment or commercial property such as hotels, factories, office buildings, etc. Next in line were residential property, land with building and vacant land. These properties were assets being transferred to repay debt and being auctioned under the intention to solve NPL problem efficiently and generate utmost benefit to the Bank. By doing so, the Bank can reduce amount of NPL rapidly and also gets the opportunity to generate income from selling such properties.

The main properties for sale risk is impairment of assets which is caused by the changes of properties condition or environment, for instance, physical deterioration of the property, flooding, natural disasters, economic situation, the decreased price of property after being affected by the current market situation, laws and city plan. These factors affect the Bank's capability to sell and the value of the property. However, the Bank has developed asset management process for better effectiveness.

- **Economic Condition Risk**

The growth of economy in 2016 accelerated to 3.2 percent from 2.9 percent in 2015. The main drive was the government's constant measures, e.g. short-term consumer purchase stimulation and continuous promotion of infrastructure investment projects. The growth in tourism sector, especially increasing number of Chinese tourists in the first 3 quarters, contributed to the growth. However, domestic risks from the previous year still remained, e.g. severe drought in the first half of the year, low crop price and structural problem in export industry. In addition, new risks arose during the year, for



instance, new excise tax rate on automobile, bombing attacks in 7 important tourist provinces in Southern Thailand, the crackdown on zero-dollar tours which affected part of Chinese tourists, and the impact of flood in many locations in the second half of the year. These resulted in narrow-based recovery which clustered around some industries only. Furthermore, there were external risks affecting economy as well as Thailand's money and capital markets, e.g. Kumamoto earthquakes hitting the main automobile production base, Brexit referendum, Deutsche Bank crisis, rising interest rate in the U.S., U.S. presidential election and Italian constitutional referendum.

Business Risk Research Department has closely monitored and assessed the domestic and international risks in economy, society, finance and banking aspects; and reported the risks to the meeting of Risk Management Committee and the Board of Directors on a monthly basis, so that they are aware of both positive and negative impacts. The department also send signals to alert other departments involved so that the Bank can adjust its strategy to adapt to the changes in situation.

In 2017, it is expected that Thai economy will continue to grow and the government will remain the key driver. In this regard, the infrastructure projects will lead to more investment and disbursement, especially double track railway, motorway route, rapid system and high-speed train projects which will encourage the expansion in private sector as well. Furthermore, tourism will continue to grow at healthy rate continually. Besides, purchasing power will recover as people complete the

repayment of the debt from first car policy, encouraging continual growth of consumption. It is expected that export has passed its lowest in the previous year but the growth will remain modest following higher risks in overall world trade due to U.S. uncertain trade policies and China's economic slowdown. In addition, there are various emerging risks, e.g. the risk of banking crisis in Europe, the effect of Brexit, pre-election political instability in many European countries as the opposition or alternative parties promote Euroscepticism policy, the risk from Thai Election Roadmap implementation, fluctuating and rising oil price and low production and price of agricultural product. However, the Bank forecasts situation by performing stress tests that cover possible situation and monitors economic risk closely.

- **Reputation Risk**

Reputation risk stems from the public's perception of the Bank's negative image or lack of confidence in the Bank as the Bank's main business involves providing services to the public, which includes customers, partners, investors and regulators. While communication network at present allows quick spread of news and exchange of information, it also a channel to spread rumors and comments the public may have about the Bank. This will reflect the Bank's image and the stakeholders' confidence in the Bank, which may have impact on the Bank's revenue and/or capital fund both at present and in the future. Moreover, reputation risk may result from operational risks due to not complying with the regulations of the government/regulators, not acting in accordance with ethical practice or social expectation or business standards, violating terms and agreement or providing unfriendly services to customers.

The Bank manages reputation risk in addition to other important risks. A guideline for risk management has been established and reviewed as per schedule or whenever there is a significant change. As for risk management procedure, the Bank has defined risk factor, reputation risk index as well as Risk Appetite and Risk Tolerance. Risks are monitored by observing indicators and report is submitted to the Risk Management Committee on a monthly basis. If any indicator is higher than the acceptable level, it must be reported along with reasoning and action plan to eradicate/mitigate the risk.

Internal Control and Risk Management

1. Internal Control System

The Bank placed emphasis on good internal control system. Environment that provides for effective internal control system can help reduce operational risk and enhance effectiveness and efficiency of all guidelines for any activities, which leads the Bank to achieve its important business objectives.

Accordingly, the Board of Directors has attached importance to the internal control through continuous monitoring and oversight to obtain reasonable assurance that the Bank achieves its objective of business operations, efficient and effective operations, trustworthy financial and operational reporting, corporate compliance as well as preventing the actions adversely affecting the bank's asset and reputation. In this regard, the Risk Management Committee is responsible for managing and maintaining the Bank's risk at the appropriate level while the Regulatory Compliance Committee is responsible for oversight that all departments operate their businesses in compliance with the rules and regulations prescribed by the regulators. Particularly, the Audit Committee has duties to oversee the Internal Audit Group, is responsible for continuous assessment of internal control to achieve further enhancement and development as well as preventing risk and performing their operation with care and prudence so as to avoid loss or damage. The Audit Committee shall monthly submit the report to the Board of Directors.

Furthermore, the Bank constantly oversees the operation of companies in its financial business group by assigning the Head Office Audit Department to audit the companies in its financial business group and holding joint meetings between the Bank's Audit Department and the companies in its financial group annually.

The 2016 Report of the Audit Committee (details are provided on pages 160-161) expressed the opinion that the Bank's financial statements and disclosure of information were complete, reliable and in line with accounting standard and generally accepted accounting principles. Additionally, the risk management and internal

control system have been implemented effectively and appropriately. Internal audits have been independently conducted in accordance with internal audit standards covering all high-risk processes. Moreover, audit process has complied with audit standard and the Bank has adequately monitored compliance with regulatory and legal requirements, consistent with the current business conditions.

2. Head of Internal Audit and Head of Compliance of the Bank

2.1 Head of Internal Audit

Mr. Santi Parivisutt

First Executive Vice President - Managing Director
Internal Audit Group

Responsibilities of Internal Audit

Internal audit has to give the management and the Audit Committee the confidence and counsel, which crafting for value addition and improvement to the Bank's operation to achieve its goal by assessing the adequacy and effectiveness of risk management process, internal control and corporate governance.

The Audit Committee's responsibilities included: to consider and approve the qualification, to appoint, to demote and to remove Head of Internal Audit (The more details are provided in the section of Shareholding and Management Structures on pages 88-89). The Audit Committee expressed the opinion that Mr. Santi Parivisutt was suitable for performing as the Head of Internal Audit since he was proficient and had banking business comprehension, management skills, positive attitude toward the organization and the qualification as prescribed by the regulator.

His biography, namely education, training, other current positions and experiences during the past 5 years is shown in the unit of Brief Biography of Board of Directors and Executive Officers on page 36.

2.2 Head of Compliance

Mr. Witoon Kantaapa

Senior Vice President – Director
Compliance & Procedures Sector

Position Taking Date

September 1, 2016 (He was appointed as the Head of Compliance to replace Mr. Zethjak Leeyakars, Executive Vice President – Sector Director, Compliance & Procedures Sector whose resignation was effective on July 1, 2016)

Education

- Master Degree, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor Degree, Faculty of Economics, Thammasat University

Training Course

- ASCO Compliance Training Program for Head of Compliance, Batch 1, held by the Securities and Exchange Commission, Thailand

Work Experience (2012-Present)

Krung Thai Bank Pcl.

- | | |
|--------------------------------|---|
| - August 2016 – Present | SVP Sector Head,
Compliance &
Procedures Sector |
| - January 2014 – July 2016 | SVP Team Leader,
Compliance
Department |
| - October 2011 – December 2013 | FVP Team Leader,
Compliance
Department |

Responsibilities of Regulatory Compliance

The Compliance Committee's responsibilities are to oversee the regulatory compliance and ensure that the Bank and its departments operate the business in accordance with relevant laws and regulations prescribed by the regulators, namely the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand and the official authorities as well as providing advice on regulatory compliance practices and being the coordination center between the regulators, the official authorities and the internal business units.

Report of the Corporate Governance and Social Responsibility Committee 2016

Krung Thai Bank is aware of corporate governance (CG) and corporate social responsibility (CSR) which makes the Bank has sustainable growth and become crucial mechanism for steering the economy and developing the society. The board of directors has appointed the Corporate Governance and Social Responsibility Committee, consisting of 3 directors. In 2016, the Committee held 12 meetings.

The Corporate Governance and Social Responsibility Committee has formulated and adjusted policies on CG and CSR in accordance with the guideline of the regulator such as formulating the policy that directors and senior executives shall notify the board of directors or a person appointed by the board of directors of stock trading of Krung Thai Bank PCL at least 1 day in advance before trading, the policy and the guideline on partner selection, the policy that each director of the Bank shall serve on the board of directors no more than 3 listed companies and following the Persons with Disabilities Empowerment Act, B.E. 2550 (2007), section 35.

As the result of the serious operation, the Bank received the awards for the corporate governance and social responsibility as follows:

- Outstanding State-Owned Enterprise (SOE) Awards 2016 for Outstanding Disclosure and Transparency from the State Enterprise Policy Office (SEPO), Ministry of Finance
- Investors' Choice Awards 2016: the Thai Investors Association in collaboration with the Stock Exchange of Thailand announced the award to reflect excellent performance in annual general meeting of shareholders of listed companies. Krung Thai Bank is one of the 12 listed companies which has achieved score 100 in the assessment of organizing general meeting of shareholders for eight consecutive years.
- An 'Excellent' level of recognition at a full score of 100% in the assessment of organizing general meeting of shareholders from the Thai Investors Association
- 5 stars (excellent) ranking in Corporate Governance Report of Thai Listed Companies 2016 from the Thai Institute of Directors (IOD)
- Outstanding Award from Sustainability Report Award 2016 from Thai Listed Companies Association, the Securities and Exchange Commission and the Thaipat Institute
- ESG 100 Certificate 2016 (ESG: Environmental, Social and Governance) from the Thaipat Institute

These rewards and assessments have reflected the Bank's effective operation and the Bank will ensure that this will continue in the future.



(Mr. Supant Mongkolsuthree)
Chairman of the Corporate Governance and
Social Responsibility Committee

Report of the Nominating and Remuneration Committee

The Nominating and Remuneration Committee consists of 3 Independent Directors. The Committee has been entrusted with the duties and responsibilities, as prescribed by the Bank of Thailand, to set policy, practices and criteria in recruiting candidates, evaluating the performance and determining the remunerations for the Directors, President and Authorized Bank Executives.

In 2016, the Nominating and Remuneration Committee has held a total of 19 meetings and all the recruitments and remunerations determined by the Committee have already been considered and approved by the Board of Directors as the following details:

1. The Nominating and Remuneration Committee has nominated qualified candidates to be appointed as Directors, taking into account the size, structure and composition of the Board of Directors suitable for the Bank and compatible with the changing business environment. The Committee aims to recruit the appropriate and competent candidates; as well as ensuring that their qualifications meet the respective requirements prescribed by the Bank of Thailand.
2. The Committee has considered and set qualification and expertise required of the Directors as the reference and guideline for recruiting suitable person to be appointed as a member of the Board of Directors.
3. The Committee has determined the remunerations of the Board of Directors and Sub-Committee Directors before submitting to the Board of Directors and shareholders in the Annual Ordinary General Meeting for approval. For remuneration, the Committee has taken into consideration the regulations, operating performance of the Bank, the remuneration of benchmarking banks, duties and responsibilities assigned to the Directors as well as the compliance with good corporate governance.
4. The Committee has nominated qualified candidates to be appointed as Authorized Executives of the Bank to the Board Directors, and then requested approval from the Bank of Thailand and relating regulators. The Committee has taken into account the qualifications, knowledge, competence, skills, experience, versatile expertise, leadership, positive vision and attitude toward the organization. The Committee has also established the succession and management continuity plans for Executive positions to facilitate effective operation and management of the Bank.
5. The Committee has designated the performance evaluation guidelines for the Directors and Sub-Committee Directors in compliance with good corporate governance.
6. The Committee has designated the performance evaluation guidelines for the President and the Authorized Bank Executives in order to submit the appropriate remunerations to the Board of Directors for approval. The remuneration has been determined in consideration of the individual's duties, assigned responsibilities and performance, together with the Bank's overall operating result and the market rate for banking business.
7. The Committee has approved the succession plan and management process of Group Heads (N-1), Sector Heads (N-2) and Department Heads / Team Leaders (N-3) to ensure management continuity and to facilitate effective operation and management of the Bank.
8. The committee has provided suggestions and advices for further effective operation in various aspects of human resource management. Examples are as follows:
 - 8.1 The Bank's remuneration structure
 - 8.2 Approach to and strategies for human resource development
 - 8.3 Approach to talent management
 - 8.4 Approach to improving employee's disciplinary procedure



(Mr. Nontigorn Kanchanachitra)

Chairman of the Nominating and Remuneration Committee

Corporate Governance



1. Corporate Governance Policy

Krung Thai Bank is aware and determined to operate its business with transparency, integrity and fairness in compliance with good corporate governance principles in order to become the effective organization that excels in operating business, concerns ethical responsibility and takes into account the benefits of all stakeholders. Such operation shall create confidence and generate benefits to the shareholders, who are vital to the Bank's sustainable growth and prosperity.

The Board of Directors placed importance on good corporate governance over the past several years. The Bank has been determined in operating with good corporate governance; encouraged all Directors, managements and employees of all levels to adhere to good corporate governance principles and take part activities leading to be an organization with CG in process; and elevate the Bank's compliance to meet international standards.

Moreover, the Board of Directors has entrusted the Corporate Governance and Social Responsibility Committee to formulate the action plans and monitoring measures for the implementation of corporate governance policy. The Committee assesses the implementation of the policy, adjusts and updates policy regularly for constant relevancy. It also monitors and revises CG guideline practices to comply with both domestic and overseas good corporate governance guidelines in order to reach international standards.

The Bank has stipulated the Corporate Governance policy and guideline in conformity with the principles of corporate governance of the Stock Exchange of Thailand as follows:

- 1) Creation of Long Term Value
- 2) Accountability
- 3) Responsibility
- 4) Promotion of Best Practices
- 5) Equitable Treatment
- 6) Transparency
- 7) Social and Environmental Awareness

The Bank has communicated and publicized the seven principles of good corporate governance to all employees via the Bank's communication channels and assigned all business units of the Bank to adopt these CG principles in their operation. This will ensure that the Bank observes good corporate governance. All Directors are aware of the Bank's duty to operate for the highest benefit of the Bank and continually undertake activities relating to social responsibility, generating substantial result and truly benefiting the society and environment. The Bank develops effective social and environmental projects by integrating activities in projects and carries out the projects continuously under the concept of instilling intellectual capital. More importantly, the Bank also induced the society, community and other stakeholders to take part in the Bank's activities, to encourage them to care for each other and be generous toward the unfortunate, as well as putting emphasis on environmental issues that are becoming more critical.

In 2016, the Bank continued to promote good corporate governance through various means including:

- The assessment of the implementation of corporate governance policy is undertaken in all business units in the Bank and it is used as one of the criteria for KTB FIRST Firm: Corporate Governance Awards.

- The assessment of the implementation of corporate governance policy in the subsidiaries that the Bank holds 100% share

- CG Day activity (on August 24) was organized to promote corporate governance activities. Mr. Sansern Poljiak, the secretary-general of National Anti-Corruption Commission (NACC), was the guest speaker on Anti-Corruption and he presented the KTB FIRST Firm: Corporate Governance Awards. The Bank's Board of Directors and executives attended the CG Day activity, reflecting that they placed importance on corporate governance. The commitment to promote CG in process and anti-corruption policy in organization and companies in the conglomerate has been signed.

- Publication of articles and news relating to corporate governance on the Bank's website and intranet homepage, as well as directly in employee's mailbox.

- The year 2016 was assigned the year of corporate governance and the Bank solicited employees' cooperation to perform their duties under the principle of good governance.

- The Bank's policy is to foster CG in process. Therefore the Bank has established corporate governance guideline 2016 and complied with CG in process guideline.



- The Bank has updated the Code of Conduct to meet international standards.

2. Corporate Governance Principles set by the Stock Exchange of Thailand

The Bank has fully complied with the principles of good corporate governance in all 5 categories set forth by the Stock Exchange of Thailand. In 2016, the Bank has carried out the following operations:

2.1 Rights of Shareholders

The Bank places importance on protecting shareholder's rights and supports them to exercise their rights properly under the fundamental rights stipulated by law. The basic legal rights comprise of the right to buy, sell or transfer securities holding; the right to receive dividend; the right to attend the shareholders meeting; the right to propose agenda in the shareholders meeting; the right to vote for the appointment of auditor and fixing of auditor fee; and the right to take part in decision making of the Bank's material issues such as approval of key activities affecting business direction, amendment to the Memorandum and the Articles of Association.

Beside these fundamental rights, the Bank has established best practices for its shareholders in order to support and facilitate them in exercising their rights. Shareholders have the right to receive information on operating performance, management policy and other key information on the Bank's website which can be easily accessed. Additionally, the Bank organized fieldtrip for shareholders to visit and observe the Bank's operation. Shareholders can propose an agenda of the Annual Ordinary General Meeting in advance. The timeline is 3 months before the end of accounting year on December 31 of each year. As for the 23rd Annual Ordinary General Meeting (2016), the period for meeting agenda submission was from October 1 to December 31, 2015. The Bank published information relating to meeting agendas 30 days in advance of the meeting on the Bank's website to allow shareholders to adequately study the information before receiving paper documents from the Bank. Shareholders are welcome to voice their opinions, give recommendations or ask questions freely before casting their votes. In the invitation to the meeting, it is stated that in case of doubt, shareholders can submit their queries to the directors prior to the meeting on the Bank's website or mail directly to the Board of Directors.

At the meeting, the Chairman will inform the shareholders of the rules of the meeting and the procedures of voting, allowing the shareholders fair opportunities to present their opinions and inquire about matters relating to the agenda or the Bank. Chairman of the Board of Directors, President and all the relevant chairmen of the respective committees must attend the meeting to explain the operating performance and management policies and to answer any queries raised.

In 2016, the Bank held the 23rd Annual Ordinary General Meeting on April 29, 2016 and all members of the Board of Directors and the Group Head of Financial Management Group as the Chief Financial Officer (CFO) attended the meeting. The Bank employed barcode technology to register attendees, counting votes and displaying result to facilitate the meeting to progress smoothly and effectively. The Chairman of the meeting ran through the set agendas and gave all shareholders equitable opportunity and time to exercise their rights to oversee the Bank's operation, raise questions, voice their opinions and give suggestions. Those important questions and recommendations were recorded in minutes of the meeting and disclosed to shareholders on the Bank's website within 14 days after the meeting date.



2.2 Equitable Treatment of Shareholders

The Bank's policy is to treat all shareholders equally and fairly by facilitating and encouraging all groups of shareholders including minor shareholders, institutional investors and foreign investors to attend the meeting, enabling them to enjoy equitable treatment in exercising their rights as described in the Right of Shareholders section. As for voting, ordinary stock and preferred stock are counted as one vote each. The majority of the votes prevail unless stated otherwise in the article of association or by law.

Furthermore, the Bank announced through the Stock Exchange of Thailand that minor shareholders may nominate an individual to become a director, together with submitting his qualifications for consideration and his consent to be nominated as specified by the Bank's regulations, to the Nominating and Remuneration Committee during the 3 months period before the end of accounting year on December 31. As for the 23rd Annual Ordinary General Meeting (2016), the period was from October 1 to December 31, 2015. During the agenda of electing directors, the Bank nominated candidates for the shareholders to vote for the appointment of each director.

The Bank may not unnecessarily add any agenda without notifying shareholders in advance, especially if the matter is important and the shareholders need time to study before making decision. If any shareholder cannot attend the meeting, he can assign proxies to vote on his behalf. Proxy form and the proposed two independent directors were attached to the invitation to the meeting. Shareholders or proxies are urged to use voting ballots in every agenda.

The Bank clearly stipulated measures inhibiting directors, executives, employees and related persons to use the Bank's insider information for personal benefit or disclose it to the public. In addition, there is the written regulation prescribed the document retaining to prevent the misuse of inside information and publicized to all employees for acknowledgment. Previously, no incident of using inside information for personal benefit has been found.

The Bank's corporate governance policy states that directors must inform the secretary of the Board of Directors and executives must inform the Compliance Department about the sale/purchase of the Bank's stocks at least 1 day before the sale/purchase. Also, directors, executives and First Vice President and Manager in accounting and cashier departments must report the

possession of asset issued by the Bank which belongs to themselves, their spouses and non-sui juris children, to the Securities and Exchange Commission, as per regulations and report their possession to the meeting of the Board of Directors on a monthly basis. For transparency and verification, the Board of Directors formulated guidelines for directors and executives to reveal their stake and their related person in accordance with the requirement of regulator such as the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand.

2.3 Consideration for Stakeholders

2.3.1 Treatment of Stakeholders

The Bank recognized the rights and roles of various groups of stakeholders, internally or externally, and has included it as an integral part in the Code of Conduct disclosed through media including the Bank's website. It is also published as manuals and distributed to all business units for strict compliance, which could enable the Bank to have sustainable growth. The guidelines are summarized below:

Shareholders: The Bank is determined to conduct business with prudence and transparency, making profits grow continuously and steadily, boosting its competitiveness and creating more value for the shareholders in the long run.

Customers: The Bank is determined to serve all customers willingly, eagerly and with equality and fairness. All employees are ready and willing to assist customers with their problems and try to find appropriate solutions without disclosing their confidential information unless required by law or with customer's written consent.

Creditors: The Bank's policy is to treat creditors of all groups including depositors, debenture holders and other creditors equally and fairly on the basis of fair returns for both parties and strictly under the agreements of covenants agreed upon. In case of non-compliance with any one of the covenants, the Bank will promptly notify the creditor to jointly discuss the issue. In conducting business negotiation, the Bank shall refrain from demanding or employing any dishonest benefits in trading. Moreover, the Bank regularly prepares financial reports that are accurate, complete and submit to the creditors in a timely manner.

Trading Partners: The Bank requires its employees to strictly prioritize the Bank's utmost benefit without concerning about self-interest or interest of related



person. Employees must provide accurate and complete information that will not impede the buyers' or sellers' decisions. Importantly, employees should avoid accepting gifts or rewards from buyers or sellers as well as attending private functions hosted by them to avoid any accusation or render special assistance in return of later occasion. All trading partners should be treated with equitability to create trust between the Bank and trading partners by adhering to procurement regulation which spells out procedure, criteria for trading partner selection and joint practice guideline. These are shown explicitly on the Bank's website as follows:

Criteria for trading partner selection

- The profession of the bidder must be the provider of the goods/services specified by the Bank and/or the representative appointed by the copyright owner.
- The bidder must not be named in the list of work abandoner which has been circulated.
- The bidder must not have any privilege or protection that allows him the possibility to reject presence in Thai court, unless the government of the bidder has issued a disclaimer of such protection.
- The bidder must be an authorized person to perform juristic act on behalf of the company, partnership or juristic person. In case the bidder cannot submit bid envelope in person, the bidder may assign authority to another director, partner or employee to do so on his behalf on the condition that the assigned person must present the letter of power of attorney signed by the director or authorized partner of the juristic person and stamped by the company's/partnership's seal to the Bank as evidence.

- The bidder must not be named in the list of those fail to show income-expense statement or show substantially incomplete income-expense statement while participating in the procurement process and at the time of signing the contract.

- The bidder must have no mutual benefit with other bidders and/or a committee member of that procurement. The bidder must not obstruct fair competition of price.

- The bidder must not be bankrupted, in the process of being sued for bankruptcy, requesting for business rehabilitation or debt restructuring. The bidder shall prepare the juristic person/person certificate.

Business Alliances: The Bank is firmly determined to comply with the agreements made with its business partners and to provide assistance for mutual business benefits.

Competitors: The Bank has no policy to falsify or distort competitors' fact. At the same time, the Bank avoids making deals or discussion with employees of other organizations or financial institutions about geographical locations, marketing, customer segmentation, interest rates, fees and commissions as well as products, services or business plans that may exert negative impact on the Bank's business competition.

Social and Environmental Responsibility: The Bank, similar to a good citizen, operates its business with awareness of responsibility toward the society and the nation. The Bank also encourages activities for public benefits in order to develop the society, community and environment, as well as conserving natural resources. Furthermore, the Bank is willing and prepared to cooperate with the government and support the government's policies for the utmost benefit of the country.

Board of Directors and Executives: The Bank's Board of Directors and executives are aware of their rights and they are ready to be a role model in exercising their rights and performing their duties as specified by the Bank. At the same time, they realize the importance of equitable and fair rights among groups of stakeholders.

Employees: The Bank prioritizes human resources management and development. The Bank employs human resources management system in which employees of all levels have equal chance to advance in their career path as well as ensuring that employees' salary, remuneration, welfare and other benefits are comparable to those of other leading companies. Learning method, training courses and human resources development

process have been improved to enhance the capability of employees and ensure business competitiveness. The Bank also attaches importance to employees' security by providing environment that is safe and suitable for work. Security measures have been established in compliance with the law and the Bank's regulations. Each business unit is required to prepare a business continuity plan both for normal and critical situations to ensure safety of employees and the Bank's properties. The Bank encourages employees to respect and honor one another along the guidance stipulated in the personnel code of conduct. In term of employee welfare, the Bank promotes the well-being of employees by providing benefits such as a clinic to provide medical care to employees, their families and retired employees; educational allowance for children of employees, medical allowances, mediation training project and welfare loans.

Government Sector: The Bank supports government's operation and complies with the regulators' requirements and policies in conjunction with promoting collaboration in activities of governmental agencies to build national stability and growth.

Finally, the Bank places importance on intellectual property and copyright infringement and confidentiality of the Bank's information, which the employees must strictly comply with.

2.3.2 Stakeholders Engagement

In its operation, the Bank adheres to good corporate governance principles, emphasizes on management with transparency, integrity and fairness to all stakeholders and take into account the benefits of all relating parties including employees, customers, society, shareholders, trading partners and regulators. The Bank has also announced its adoption of anti-bribery and corruption policy which is crucial for developing business operation process that meets the standard, generating growth and wealth to all stakeholders following the Bank's "Growing Together" vision. The Bank has established stakeholder engagement policy as part of its corporate governance policy and code of business conduct. The Bank has been treating all groups of stakeholders equally and fairly by considering impact on stakeholders and the rights of stakeholders to engage via various channels. For instance, in 2016, the Bank reviewed and updated its code of business conduct to meet international standards and cover all principles in anti-corruption. Giving or accepting bribe and corruption are illegal and the Bank employs

the Zero Tolerance policy. Measures concerning the use of insider information and misuse of insider information for benefit have been added to the Corporate Governance policy to ensure equal treatment of shareholders and concern about the roles of stakeholders respective. Furthermore, the Bank has conducted surveys to solicit employees' opinions in order to improve management condition to fulfill the needs and expectations of the employees. Survey of employee engagement are conducted biannually. The Bank allows external stakeholders to participate in occasions, for example, shareholders may voice their opinion freely, propose an agenda and nominate a candidate for director at the Shareholders Meeting. Additionally, stakeholders may directly contact committees and business units involved in the matter to give useful suggestion or information that will benefit the Bank or make complaint about any wrongdoing.

Moreover, the Bank has conducted Corporate Social and Responsibility (CSR) projects to give back to the community in all 3 dimensions namely economy, society and environment. There are 4 types of activities; education, arts, society and environment, and sports. Examples are **Krungthai Weaving Dream Schools Project** providing support to schools nationwide to enhance their quality; **Krungthai Business Ethics Initiative (White Seedlings) Project** giving high school students an opportunity to carry out projects that adopt the Philosophy of Sufficiency Economy and **Krungthai Green Heart Project** giving employees of the Bank and associated companies and their families a chance to learn and raise their awareness about the conservation of energy, natural resources and environment. These operations reflect the Bank's determination to allow all groups of stakeholders to participate in meetings and activities organized by the Bank.

2.3.3 Whistle Blowing and Complaints

The objective of the Board of Directors is to satisfy all groups of stakeholders, provide direct communication channels for stakeholders to reach the Board of Directors and related business units. For example, customers and general public may report any wrongdoing or comment about the Bank through various channels of the Customer Complaint Center as follows:

- **For whistle blowing**

- Send an e-mail to the Chairman of the Board of Director at whistletruth@ktb.co.th



- Send an e-Mail to whistle@ktb.co.th
- Send a letter to the Credit Information Compliance Team, Compliance Department, Krung Thai Bank Pcl. 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District Bangkok 10110.

- Telephone to +662 208-3857 or fax to +662 256-8778

- **For complaints**

- KTB Call Center +662 111-1111 (24 hours)
- Customer Complaint Center
Tel: +662 208-8989 (Mondays - Fridays between 8:30 - 16:30 hrs.)

- www.ktb.co.th
- E-mail: compliant.center@ktb.co.th
- <http://www.contactcenter.ktb.co.th> or e-mail to call.callcenter@ktb.co.th

- Fax: +662 256-8170

- Send a letter to Office of the Board of Directors, Krung Thai Bank Plc., 13th floor, Nana Nue Building, 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District Bangkok 10110 or PO Box 44, Hua Lamphong Bulk Mail Centre, Bangkok, 10331.

- Customer satisfaction survey by Business Risk Research Department. The responses collected will be submitted to executives and related business units for improvement.

- Employees can directly report or make comments to the Board of Directors and Executives by sending an e-mail to their respective e-mail addresses which can be found in the phonebook on intranet. Other complaint channels are:

- > E-mail to hr.care@ktb.co.th administrated by the Head of Human Resources And Corporate Governance Group, the Head of Welfare and Employee Relation Sector and the Head of Discipline and Employee Relation Department

- > Hotline at +662 208-8887

2.4 Disclosure of Information and Transparency

2.4.1 Disclosure of Information as prescribed in Listed Public Company Requirements

The Bank oversees that key information, financial and performance related data are disclosed accurately, completely, transparently, comprehensively and timely as prescribed in the requirements of the Securities and Exchange Commission and those of the Stock Exchange of Thailand. Apart from Annual Registration Statement (Form 56-1) and the Annual Reports (Form 56-2), most of the information is posted on the Bank's website in Thai and English with regular updates, thus helping shareholders, customers and interested persons to access the reliable information with ease and equality.

Key information disclosed by the Bank are performance of the directors over the year, training history of each director, number of meetings called and attendance of each director in the past year, opinions, policy on remuneration and remuneration of members of the Board of Directors and top executives which reflect their roles and responsibilities, shareholding structure, business operation, operating performance, corporate governance policy and code of business conduct, business goals, social responsibility policy, etc.

2.4.2 Performance of the Board of Directors and Respective Committees

- Board of Director's structure, scope of power, members and brief biography of each members of the subcommittees are exhibited in Organization Chart on pages 8-9, Brief Biography of Board of Directors on pages 19-27 and Shareholding and Management Structures on pages 84-95.

- The Bank established a reasonable and fair policy on remunerations. The Nominating and Remuneration Committee reviews the appropriateness of the remuneration for the director's scope of duties, roles and responsibilities. The remuneration must be relevant to the Bank's financial position, comparable to that of its peers and in compliance with the resolution of shareholders meeting. The detail is in Shareholding and Management Structures on pages 99-102.

- Performance of the Board of Directors in the previous year is reflected in numerous awards namely
 - Corporate Governance Report of Thai Listed Companies 2016. The Bank was rated at 5 star level by Thai Institute of Directors: IOD.
 - Sustainability Report Award 2016 in the 'Outstanding' category from Thai Listed Companies Association, The Securities and Exchange Commission, Thailand and Thaipat Institute
 - ESG 100 Certificate 2016 (ESG: Environmental, Social and Governance) from Thaipat Institute

2.4.3 Investor Relations

The Financial Institutions & Investor Relations Department, Financial Management Group has been assigned to equally and fairly provide and disseminate information and activities of the Bank which are beneficial for all related parties, including retail investors, institution investors, general investors, stock analysts, domestic and foreign fund managers as well as government agencies through communication events. In 2016, the Bank's executives and investor relations officers met with analysts and investors on various occasions and provided them with useful information. The occasions were as follows:

Format	No. of Times
One-on-One Meeting & Conference Call	60
Analyst Meeting & Fund Meeting	12
Road Show	5
Total	77

Financial Institutions & Investor Relations Department Contact Information

Tel. : +662 208-3668-9
 Fax. : +662 256-8800
 E-mail : ir@ktb.co.th
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 35 Sukhumvit Road, Klong Toey Nua Subdistrict,
 Wattana District, Bangkok, 10110
 Website : <http://www.ktb.co.th> and navigate to "Investor Relations"

Furthermore, Corporate Branding and Communications Department has been assigned to publish news and information of the Bank. The publishing occasions in 2016 were as follows:

Format	No. of Times
Press Release	106
Press Conference	19
Press Interview	29
Total	154

2.5 Responsibility of the Board of Directors

The Board of Directors has established policy framework, vision, mission and strategic plans to define the Bank's direction in operation and they are reviewed and approved regularly. The Bank also track the implementation of the policy, vision, mission and strategic plans in achieving the organization goals. The Bank's objectives are to strengthen financial security, pay reasonable dividend to shareholders, support the government's operation, and provide excellent product and service management. The Bank's vision is "Growing Together", showing the Bank's determination to develop employees and create high-value services to support the growth and wealth of customers, elevate the quality of the society and generate sustainable return to the shareholders. The Board of Directors has devised strategies on business operation, compliance and audit to ensure transparency and oversee the Bank's communication and information disclosure. While performing their duties, the Board of directors should prioritize benefits of shareholders with care and integrity. The strategies should be reviewed regularly within reasonable period of time.

For the utmost benefit of the overall shareholders, the Board of Directors must be truly independent of the management while performing their duties. Responsibilities and duties are clearly divided between the Board of Directors and the management. The Board of Directors oversees that all activities performed by the Bank are legal and ethically sound. To ensure that no person has unlimited authority, the Chairman of the Board of Directors cannot be the same person as the President. The main duties of the Chairman of the Board of Directors is to ensure that the meetings of the Board of Directors are held effectively and that the important and essential agendas are included, especially those related to the Bank's strategies. He also presides over shareholders meetings and act in accordance with the duties of the Chairman

of the Board of Directors as prescribed by law. As for the duties of the President, it is described in the Shareholding and Management Structures section.

The Board of Directors consists of a group of people who have various qualifications, skills, experience and expertise that are useful for the Bank. The members have been through selection process as stipulated by law and good corporate governance principles. The Nominating and Remuneration Committee considered candidates from various sources including the director pool. The skill matrix for director position which is in line with the Bank's strategies are established and used in consideration and screening process, so that the Bank has the person with skills and expertise that the Bank lacks or requires more thereof, as well as suitable for working along the Bank's strategies. The details of the nominating and selection process is in the Nomination and Appointment of Directors and Executives section on pages 145-146. All members of the Board of Directors have sacrificed their time to perform their duties responsibly; therefore the Bank has a strong Board of Directors. The directors' term of office is prescribed clearly in Corporate Governance policy and article 22 states that one-third of the members of the Board of Directors must retire from the position at each Annual Ordinary General Meeting. Each member of the Board of Directors may not be in the position for longer than 3 consecutive terms of office unless his qualifications justify it. The Board of Directors will consider the effectiveness of such director in performing his duties and explain the reason thereof and his performance to the shareholders.

As at December 31, 2016, the Board of Directors consists of 12 persons: one member is executive director and eleven members are non-executive directors. Among those eleven members of the non-executive directors, six members are the independent directors, accounting for 50 percent of the total number of the Board of Directors that exceeds the SEC's regulations requiring one-third of

the total number of the Board of Directors or no less than three directors must be independent directors. No Director can serve more than nine consecutive years.

The Board of Directors has appointed respective committees to help study and scrutinize the task as deemed necessary to ensure the Board's greater efficiency and effectiveness in performing its duty. Term of office of the Director must comply with the charter of respective committee. In addition, it is the Bank's policy to appoint the Secretary to the Board of Directors and the Corporate Secretary to be in compliance with the applicable Securities and Stock Exchange and principles of good corporate governance of the Bank. Core duties and responsibilities are detailed in the section "Shareholding and Management Structures" on pages 83-95.

The Bank has established guideline of holding board positions in other companies in accordance with the rules prescribed by the Standard features for Directors and Employees Act, the Financial Institutions Businesses Act, the Securities and Exchange Act and other related law as well as the principles of corporate governance of listed companies, for example directors are required to serve on the board in no more than 3 state enterprises and/or juristic persons with state enterprise's shareholding; to serve as presidents, executive directors or authorized director in no more than 3 business groups; and to serve as directors in no more than 3 listed companies. The Bank disclosed information on directorship in other companies on pages 108-109. Concerning directorship of the President and top executives in other companies, the Bank has formulated clear policy as to classify types of directorship and number of companies in which they are entitled to hold the post, and such directorship holding must be first approved by the Board of Directors.

The Bank sets the schedules and normal agendas for the Board of Directors meeting in advance and regularly throughout the year. Meeting schedules have been detailed on the Bank's intranet website since the beginning of the year. Each Director is informed of such schedules to facilitate arrangement for attendance as detailed in the section "Shareholding and Management Structures" on page 98. In this regard, the subcommittee related to the agenda for such particular issue will scrutinize the relevant information; make comments and suggestions before proposing to the Chairman of the Board of Directors for approval and inclusion of that issue on the agenda for prudence and

risk management in all respects that may arise. Besides, the Board of Directors has the policy of opportunities to call meeting among them to discuss issues of common interest. In 2016, the 2 meetings of Independent Director Committee and the 10 meetings of the Board of Directors without attendance management were arranged. The President will be informed of the meeting results.

The Bank proposes directors' remuneration in every form, e.g. remuneration for directors, position allowances, meeting allowances and directors' pension without any privilege in the shareholder general meeting to consider approving annually. The Nominating and Remuneration Committee has a duty to consider appropriateness and commensurate with directors' scope of duties and responsibilities; the Bank's financial status comparable to other companies at the same level of business group as detailed in the section "Shareholding and Management Structures" on pages 99-102.

The Bank requires the Board of Directors to conduct self-assessment twice a year to reflect their operation efficiency under the principles of corporate governance as detailed in the section "Shareholding and Management Structures" on pages 95-97.

The Directors, the Executives and related parties are encouraged to develop their competencies through the regular training courses continuously in order to enhance their knowledge. The Bank coordinates with internal and external agencies, for example the Thai Institute of Directors (IOD) to summarize appropriate and important courses and continually provide training courses and seminars which increase knowledge and effectiveness of performance of directors to each director for participation (See details in the sections "Brief Biography of the Board of Directors and Executive Officers" on pages 19-37 and "Shareholding and Management Structures" on page 112.). Moreover, the Bank organizes Orientation to each new appointed Director. In 2016, the Bank organized orientation for 4 new directors, namely Dr. Somchai Sujjapongse, Mr. Krairit Euchukanonchai, Mr. Somchai Boonnamsiri and Mr. Thanwa Laohasiriwong (See details in the section "Shareholding and Management Structures" on pages 103.) Furthermore, every year in December, the Bank arranged for the directors and executives nationwide, including overseas branches to attend the Bank's seminar on the Bank's business strategy to for brainstorming and driving the Bank to achieve the goals as stated in the strategic business plan.

3. Other Committees

- **Management Committee**

Management Committee has duties to formulate the Bank's policy and strategic plan; set overview of policy in many aspects so that the Bank's services satisfy customers' needs effectively; and supervises operation in accordance with policies established by the Board of Directors and the Board of Executive Directors. Moreover, the Bank monitors the operation to be in line with the Bank's policy and strategic plan and approves any matter as stated in the regulations/ the Bank's notifications.

- **Investment Committee**

Investment Committee (IC) has duties to manage the Bank's investment in equity and debt instruments, approve investment within the limits delegated by the Board of Directors, screen investment that is beyond their scope of authority, the IC controls investment management and risk pertaining to trading of instruments to be in accordance with the Bank's policy and targets. The meeting of the IC is organized at least once a month.

- **Assets and Liabilities Management Committee**

The committee formulates framework for managing the Bank's assets, liabilities and capital funds in line with external factors affecting liquidity and profitability by implementing appropriated analysis tools to determine interest rate, and benefit returns from loans and deposits. The committee also recommends strategies in investment, which related with liquidity management of the bank. The meeting of the ALCO is organized at least once a month.

- **Group Credit Committee Level 7**

Group Credit Committee (GCC) level 7 is authorized to approve lending limits and debt restructuring as stipulated in the Bank's notification on credit approval and debt restructuring. Additionally, the committee is authorized to approve acceptance of collateral transfer as specified by the Bank. The meeting of the GCC is organized at least once a week.

- **Credit Scrutiny Committee**

This Committee scrutinizes credit work under the authority of the Board of Directors and the Board of Executive Directors, namely application for credit and debt restructuring, trading of non-performing assets, underwriting or investment in debt instruments except those issued by government, Bank of Thailand or other government agencies guaranteed by Ministry of Finance. Moreover, it approves credit limit and debt restructuring

limit, and other credit activities within its scope, as well as other duties delegated by the Board of Directors, the Board of Executive Directors and the President. The meeting of the committee is organized at least once a week.

- **IT Policy Committee**

IT Policy Committee has duties to oversee the Bank's operation to be in line with laws, regulations related to electronic transactions and information, consider screening project and plan for the Bank's information technology, control the overview of the Bank's information technology project, monitor the progress of solving significant problems, and oversee IT risk that might affect the Bank's business operation.

4. Nomination and Appointment of Directors and Executives

4.1 Recruiting procedures for Independent Directors and Directors are similar but the qualifications of the Independent Director will be considered in accordance with the prescribed definition. The detail of definition and the business relationship information of Independent Director shall be provided in the section "Shareholding and Management Structures" on pages 93-95.

4.2 Nomination of Directors

- **Selection of Directors**

The Bank has appointed the Nominating and Remuneration Committee to select and scrutinize applicant nominated for directors. Under the policy to contain the variety, the Bank originates Directors' skill matrix that is in compliance with the Bank's strategy so as to employ when considering for director nomination. Presently, the Board of Directors has comprised of several specialists from various areas such as finance, economics, information technology, human resources management and law. If the Bank needs personnel other than those areas, additional specialists will be recruited in complying with the nomination process specified by law and good corporate governance. Director nomination will be considered from any source and director pool in order to select the qualified director complying with the Bank's strategy to join as director.

In selecting and nominating a director, such individual must be qualified and not forbidden by the Standard features for Directors and Employees Act, B.E.

2518 (1975) and the Financial Institutions Business Act, B.E. 2551 (2008). The candidate must also be approved by the Bank of Thailand and related regulators before submitting to the Board of Directors and then to the shareholders. Name of candidate will be submitted to the general meeting via the Board of Directors. After approval of the appointment, the responsible business unit will proceed with the registration of director change and report to the units concerned within the specified time. Directors who completed their term of office may be re-elected. Moreover, the Bank organizes orientation for new directors to inform them of their role, duty and responsibility as well as relevant rules and policies needed for the understanding of the Bank's business operation.

- **Appointment of Director**

Criteria of appointing Directors can be categorized into 2 cases as follows:

Case 1 Appointment of new director to replace the one who completed his/her term will be done in the shareholder general meeting. A Director who completed his/her term of office is eligible for re-election.

Case 2 Appointment of Directors to replace the vacant position which is not case 1 shall be made by the Board of Directors with voting of no less than three-fourths of the subsisting directors. Qualified person without any forbidden traits will be selected and will stay only for the remaining tenure of the director who left.

4.3 Selection of the President

The Bank complied with the Standard features for Directors and Employees Act, B.E.2518 (1975) in holding a transparent process of selection. A public announcement will be made giving an opportunity to qualified persons with vision, knowledge, competency and experience in the management of large organization to apply. The Nominating Committee will recruit qualified person who possess appropriate knowledge and experience and then submit the list of candidates to the Board of Directors to assign for the Subcommittee on Remuneration in considering and negotiating for the remuneration subsequently.

4.4 Selection of Group Executives Managing Director

The Nominating and Remuneration Committee will nominate internal personnel with knowledge and competency relating to the work under consideration. In the event that no appropriate person is available, it will nominate outsider with vision, knowledge, leadership and capability in managing banking business as well as having positive attitude toward the organization.

5. Succession Plan

The Bank has its system of succession for executives at each level and each job family that can be implemented effectively through the Succession Plan for crucial posts especially the chief executive officer of the Bank. Preparedness of training courses for individuals



that will become executive officer or manager has been in place together with the Individual Development Plan to enable the successor to manage and carry on the task instantly, smoothly and efficiently. Work plan and requirements for selecting successor at different levels are summarized below:

1) President level: The Bank complies with the Standard features for Directors and Employees Act, B.E. 2518 (1975) and also has transparent nominating and selecting process by recruiting from the executive officers within the Bank and giving opportunities to external applicants who are visionary with knowledge, competence and experience in corporate management to apply for the President. From then the applicants will be selected via the appropriate nominating process by the Nominating and Remuneration Committee.

2) Group and Sector level: The Bank makes relevant assessment seeking opinions from existing group executive and requesting such group executive to nominate qualified person as successor of each business group. Approval consideration shall be done by Managing Director and President and the qualified candidate shall be selected by the Nominating and Remuneration Committee.

3) Department level: The Bank provides Successor Plan to prepare the successor's readiness. Human resources and Corporate Governance Group shall be responsible for proposing candidate with the qualification to sector head and group head for considering selecting qualified successor. Successor will be entered into selection and nominating process specified by the Bank so as to replace the vacant position.



4) Regional office and business center: The Bank provides Successor Pool to prepare the executives of regional office and business center readiness through the means of the notification of internal recruitment complying with the regulation of Group's Employee Committee and taking written Assessment Center for selection. The candidate's appropriateness will be assessed by two levels of supervisors. Amount of competent executives shall be selected as appropriated according to succession plan. The highly competent executives will be listed in preparation for replacement and business expansion.

5) Branch level: The Bank provides Successor Pool to prepare the branch manager's readiness through the means of the notification of internal recruitment complying with the regulation of Group's Employee Committee, examination and the Assessment Center for selection. The candidate's appropriateness will be assessed by two levels of supervisors. Amount of competent executives will be picked as appropriated according to succession plan. The highly competent executives will be listed in preparation for replacement and business expansion.

Moreover, the Bank selects and builds competent employees groups, that is, the Bank scholars and KTB High Potential Employee to be further developed for the new generation executive posts. They will serve as foundation for business expansion and help prevent any problem of understaffing or shortage of manpower for future executive posts.

6. Supervision of the Subsidiary and Associated Company Operations

The Bank oversees the financial business group under the Consolidated Supervision guidance prescribed by the Bank of Thailand with the purpose to supervise financial business group to run its business smoothly and strongly as well as prevent any risk arisen from the business operation of financial business group.

The Bank authorizes its executives to take role of the director in order to supervise subsidiaries for the advantages of business supervision and integration of interrelated benefits between the Bank and its subsidiaries. In this regard, the Bank requires the Bank's Board of



Director to consider appointing the Bank's Executive to be Director in its subsidiaries and requires the Board of Executive Directors to consider appointing the Bank's Executive to be Director in associated companies. The subsidiaries are required to determine business plan and annual budget to report to the Bank for approval together with the Key Performance Indicator of subsidiaries in order to be compliance with the Bank's policy. In addition, the Bank will monitor the uses of funds and business operation of financial business group through conducting business operation report submitted to the Board of Executive Directors in each quarter, quarterly risk management results reported to the Risk Management Committee and yearly business operation report submitted to the Board of Directors before deliver to compliance unit. Moreover, Subsidiaries and Associated Company are required to report their related-party transactions in each month for efficient control.

In case of significant changes in business group such as the capital increase/decrease as well as investment that exceed half of their total asset, the Bank requires

Subsidiaries to report the Board of Executive Directors for approval. For Associated Companies, the Bank requires them to report the bank's President for approval before performing any action.

The Bank allows other shareholders to participate as the management of the Joint Venture. Number of committee depended on ratio of shares holding whilst the number of independent committee determined by the regulations prescribed in those associate companies.

7. Supervision of the Use of Inside Information

The Bank establishes the measures for the use of inside information into corporate governance policy as the following details:

1) Staff member is not permitted to purchase, sell or transfer securities in such a way that take advantage of other persons by using internal information that are significant to the changes of security prices of which has not yet been disclosed to the public or The Stock Exchange of Thailand, and to which information he has access by virtue of his office or position, and whether



or not such act is done for his own or another person's benefit, or to disclose such information so that he will receive consideration from the person who engages in the aforesaid acts.

2) Director, President, Managing Director, and manager or higher in Account and Finance Group must report details of the securities acquisition issued by the Bank, both of themselves, spouses, and immature children to the Securities and Exchange Commission as prescribed, whilst such details must be reported to Board of Directors on monthly basis. In addition, the details of stakeholder as above-mentioned will be reported to Corporate Secretary in order to inform the Chairman of the Board of Directors and the Chairman of the Audit Committee in compliance with the requirement from the Securities and Exchange Commission. The copy of the report referred as above must be submitted to Compliance Department so as to accumulate as the reference for operation of the related-party transaction thereafter.

3) Buying and selling securities as well as prevention of inside information use will be supervised by fixing a time limitation for selling or buying securities issued by the Bank. Directors, staff members, and related parties will be informed the use of inside information prevention regulations via the Bank channels regularly.

With the purpose of transparency and accountability, the Board of Directors formulated guidelines for directors and executives to reveal their stake and their related person with the directors in accordance with the requirement of regulator such as the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand. As for Krung Thai Bank Pcl. shares trading, directors are required to inform secretary to the Board of Directors and top executives are required to inform Compliance Department at least 1 day prior to trading day.

8. Auditor's Fee Paid

- **Audit fee**

The Bank and subsidiaries paid a total of Baht 8,040,000 for the audit fee in the accounting period of 2016.

- **Non-audit fee**

The Bank and its subsidiaries paid for the preparation of special report, report on foreign exchange profit, report on electronics money transfer system audit and the review on the English translation of financial statement to the Bank's auditor. No amount is paid within the accounting year and 1,130,000 Baht will be paid in the future.

9. Other Issues of Corporate Governance Principles

The Bank has fully complied with the principles of good corporate governance and all the five categories set forth by the Stock Exchange of Thailand as details in section 2. The Board of Directors and Executives are required to operate their work in accordance with the Governance Risk & Compliance including risk management, regulations compliance and corporate governance practice. Management and operation process shall be relevant and connected together while each process requires individual officer to clearly take responsibility, starting from initiating the strategic plan/ business plan/policy of products launching, tool development, compliance practice with the Bank policy as well as monitoring and reporting.

Moreover, the Board of Directors oversees the performance of the Management to ensure its compliance with the key performance indicators (KPI) determined at the beginning of the year. Operating performance is monitored on a monthly and quarterly basis so as to know the status at every stage. In case the operating performance falls short of the target, the Board of Directors will conduct an analysis to find the root of causes for further solutions. At year-end, the Board will compare the Management's performance with the KPI set under the Performance Agreement (PA).

The Board controls and verifies the Management work to ensure transparency and compliance with the Bank's code of conduct, which has been developed in accordance with the dynamic matters as well as supervised internal control and risk management properly.

Related-Party Transactions

1. The Important Related-Party Transactions

As at December 31, 2016 and 2015, loans to the Bank's executives (First Vice President-Sector Head and above) were Baht 106.35 million and Baht 93.03 million. The average outstanding balances of such loans at month end were Baht 98.12 million and Baht 91.66 million respectively.

The loans outstanding as at December 31, 2016 and 2015 to close family members of the Bank's executives mentioned above were Baht 29.51 million and Baht 14.59 million respectively.

Apart from the Notes in the Financial Statements No. 6.24, the transactions related to individuals or companies, important information on related-party transaction of the Bank and its subsidiaries, associated and affiliated companies are shown below:

- Loans and Obligations

The details of the Bank's loans and Obligations to its subsidiaries, associated and affiliated companies are as follows:

Unit : Million Baht

The Bank's Financial Statements						
	December 31, 2015		December 31, 2016			
	Loans	Obligations	Loans	Obligations	Shares held by the Bank (%)	Common Director or Top Executive
<u>The Bank's Subsidiaries</u>						
KTB General Services and Security Co., Ltd ⁽³⁾	8.16	29.20	9.09	43.40	100.00	Mr. Parinya Patanaphakdee Mr. Cherdchai Chomphonukulrut Ms. Arisara Dharamadhaj
KTB Law Co., Ltd.	-	-	-	-	100.00	Mr. Parinya Patanaphakdee Mr. Suchart Dejittirut
Krung Thai Asset Management Pcl.	0.05	-	0.05	-	100.00	Mr. Songpol Chevapanyaroj Mr. Cherdchai Chomphonukulrut
KTB Computer Services Co., Ltd.	3,942.86	4.55	3,080.72	4.55	100.00	
KTB Leasing Co., Ltd.	50,826.10	1,450.60	36,815.11	1,061.20	100.00	Ms. Praralee Ratanaprasartporn
KTB Advisory Co., Ltd.	-	-	-	-	100.00	Ms. Jaree Wuthisanti
Krungthai Card Pcl.	0.62	2.30	0.66	2.29	49.45	Mr. Poonpat Sripleng Mr. Cherdchai Chomphonukulrut
<u>The Bank's Associated Companies</u>						
Krungthai-AXA Life Insurance Pcl.	-	-	-	-	50.00	Mr. Luechai Chaiparinya
KT Zmico Securities Co., Ltd.	1,080.18	-	2,568.94	-	50.00	Mr. Poonpat Sripleng
Krung Thai IBJ Leasing Co., Ltd.	0.07	1.39	0.09	3.30	49.00	Ms. Arisara Dharamadhaj Mr. Pativate Santavanond
Krungthai Panich Insurance Pcl.	0.23	-	0.63	-	45.00	Mr. Werapong Suppasedsak

The Bank's Financial Statements

December 31, 2015

December 31, 2016

	Loans	Obligations	Loans	Obligations	Shares held by the Bank (%)	Common Director or Top Executive
<u>The Bank's Affiliated Companies</u> (with common Directors) ⁽¹⁾						
Thai Airways International Pcl.	10.44	-	10.91	-	-	Dr. Somchai Sujjapongse
PTT Pcl.	-	47.78	-	44.98	-	Dr. Somchai Sujjapongse Dr. Kittipong Kittayarak
Advanced Info Service Pcl.	0.21	-	0.01	-	-	Mr. Krairit Euchukanonchai
Advanced Wireless Network Co.,Ltd	3.29	-	5.72	-	-	Mr. Krairit Euchukanonchai
Dusit Thani Pcl.	390.00	-	240.00	-	-	Dr. Kittipong Kittayarak
Interlink Telecom Pcl.	0.64	41.79	1.36	-	-	Mr. Nontigom Kanchanachitra
Synnex (Thailand) Pcl.	18.50	1.16	-	-	-	Mr. Supant Mongkolsuthree
T.K.S. Siampress Management Co., Ltd.	-	40.45	-	-	-	Mr. Supant Mongkolsuthree
MCOT Pcl.	0.21	0.10	0.20	0.10	-	Mr. Distat Hotrakitya
The Platinum Group Pcl.	-	-	0.03	-	-	Mr. Somchai Boonnamsiri
TPBI Public Co., Ltd.	98.68	42.38	46.06	16.62	-	Mr. Thanwa Laohasiriwong
Asiasoft Corporation Pcl.	0.02	-	0.02	-	-	Mr. Thanwa Laohasiriwong
TOT Pcl.	11.85	-	11.78	-	-	Mr. Thanwa Laohasiriwong
Don Muang Tollway Pcl.	0.41	-	0.44	-	-	Mr. Somchai Poolsavasdi ⁽⁴⁾
<u>The Bank's Affiliated Companies</u> (with common Top Executives) ^{(1) (2)}						
Bangkok Expressway and Metro Pcl.	25,416.63	78.98	4,701.59	1,048.56	6.85	Mr. Werapong Suppasedsak

Notes : (1) Report only the companies with loans or obligations as at December 31, 2016 including the companies with common directors who resigned from the Bank or the companies during the year of 2016.

(2) Top executives shown above are Managing Director of all Groups or equivalent.

(3) The previous name was KTB General Services Co., Ltd

(4) Mr. Somchai Poolsavasdi resigned from the position of Director on August 1, 2016.

Additionally, the Bank's loans and obligations to affiliated companies, which the Bank holds 10% of the total shares (refer to the consolidated financial statements) as at December 31, 2016 were Baht 106.82 million and Baht 14.59 million respectively and as at December 31, 2015 were Baht 110.72 million and Baht 29.48 million respectively.

In 2016, the Bank's transactions related to individuals or companies according to the Securities and Exchange Act, Section 89/1 on the procurement of transactions supporting the Bank's regular business operation was summarized as follows:

Related Company/ Relationship	Transaction	Payment in 2016
Thai British Security Printing Pcl. The Bank's Director (Mr.Supant Mongkolsuthree), Spouse and Child were the major shareholder (Indirectly).	Hiring for the printing of cheque and financial instruments, and the online program for cheque and financial instruments printing	Baht 39.80 million

The Audit Committee approved such transaction after viewing that it was in line with general commerce condition, fair agreement and no conflict of interest. The Board of Executive Directors also approved this transaction as the consideration of the Audit Committee.



- **Deposits and Borrowings**

The details of the Bank's balances of deposits and borrowings from its subsidiaries and associated companies are as follows:

		Unit : Million Baht			
		December 31, 2016		December 31, 2015	
		Deposits	Borrowings	Deposits	Borrowings
Subsidiaries					
Total balance		2,754.14	-	1,947.97	-
Associated companies					
Total balance		1,729.69	3,250	876.33	2,730

- **Income and Expenses**

The details of the Bank's income and expenses from its subsidiaries and associated companies are as follows:

		Unit : Million Baht	
The Bank's Financial Statements		December 31, 2016	December 31, 2015
Subsidiaries			
Interest Income		1,564.60	1,982.28
Interest Expenses		12.52	10.85
Net Interest Income		1,552.08	1,971.43
Other income		585.13	434.15
Other expenses		6,998.49	7,309.05
Operating Profit*		(4,861.28)	(4,903.47)
Associated companies			
Interest Income		30.81	12.89
Interest Expenses		5.44	20.61
Net Interest Income		25.37	(7.72)
Other income		3,986.42	4,784.74
Other expenses		152.16	3.27
Operating Profit*		3,859.63	4,773.75

* Pre-Provision Operating Profit

2. Policy on Pricing

To prevent conflict of interest that may arise from conducting related-party transactions, the Bank has used the market price or fair price in conducting all types of transactions unless otherwise specified by the regulators.

3. Necessity and Justifications of Related-Party Transactions

Related-party transactions or connected transactions conducted in 2016 were normal business transactions or support transactions for normal business of the Bank; were conducted under the same general trading conditions as those done with outsiders and were necessary for business operation and supporting business operation. However, the Bank has considered those related-party transactions between the Bank or subsidiaries and related persons or persons who might have conflict of interest with the Bank or subsidiaries; and found that such transactions were conducted in accordance with general nature of business. In addition, the Bank received and paid remunerations at market prices or fair prices. Such transactions were also complied with the requirements of the regulators and were disclosed accurately and completely.

4. Measures for Related-Party Transactions Approval

The Bank gives importance to prevention of conflict of interest from conducting related-party transactions or connected transactions. In approving such transactions, the Bank has carefully considered the issues with integrity, good faith, justification and independence within ethical framework, adhering to the code of conduct and good corporate governance principles of the Bank. To ensure that related-party transactions or connected transactions will be conducted in accordance with the requirements of the regulators, the Bank has assigned the Compliance Department to oversee and re-check the approval procedures of such transaction.

For any related-party transaction or connected transaction that is required by the regulators or the Bank's procedure to be approved by the Board of Directors,

the Bank has formulated best practices for the Board of Directors to follow in order to prevent conflict of interest. The best practice is as follows:

1) Each Director must disclose information on transactions that might lead to conflict of interest, connected transactions or related-party transactions as required by the Securities and Exchange Commission and the Stock Exchange of Thailand.

2) Directors having interest are prohibited from taking part in approval process. If connected transactions have been conducted, the Audit Committee shall participate in the approval and give opinion to comply with good corporate governance and the regulations of the Stock Exchange of Thailand.

3) Lending or investing in business in which Director has interest must be unanimously approved by the Board of Directors without attendance of such Director. To prevent conflict of interest, pricing and terms and conditions must be determined in accordance with the Bank's normal trading and with the same treatment given to general customers.

5. Policy on Conducting Future Related-Party Transactions

Related-party transactions or connected transactions may occur in general business operation if the Bank sees that such transactions will bring utmost benefit to the Bank. The transactions must be conducted in compliance with the regulators' requirements and the Bank's measure in which clear approval procedures are stipulated.

Moreover, in conducting future related-party transactions or connected transactions, the Bank will adhere to the same practices as those employed in conducting transactions with general customers under the trading terms and conditions that are not different from those observed by general business or business of the same type. Remuneration paid or received from such transactions shall comply with market price or fair price. Complete and accurate disclosure of relevant information concerning related-party transactions or connected transactions is required to be in compliance with the regulators.

Corporate Social Responsibility (CSR)



Krung Thai Bank Pcl. has taken corporate social responsibility into consideration during the past years, reflected through one of the Bank's missions, that is to develop economics, society, and environment to have sustainable growth. The Bank has continuously supported corporate social responsibility projects in 3 dimensions: economic, social and environmental dimension. These projects follow the 4 main ways: 1) to continue the ongoing projects and to extend the outcomes from the main projects to promote and support in building intellectual capital continuously as well as to truly bring the benefits to the society and the environment; 2) to link and integrate the projects with related objectives and age ranges; 3) to encourage participation of the staff members' at all level by instilling the Bank staff members' consciousness to

realize participation in the Bank's projects and activities; and 4) to continually create alliance network to cover all social sectors, namely government sector, private sector and people in order to push forward the Bank's projects to achieve the goals.

Moreover, to comply with international standard, the Bank has produced Sustainability Development Report based on the guidelines of Global Reporting Initiative (GRI) version 4.0 that is the latest version and complies with guidelines and Annual Registration Statement (Form 56-1) stipulated by the Securities and Exchange Commission (SEC). This made Krung Thai Bank win CG & CSR awards bringing the pride to the Bank, for example, the Outstanding State-Owned Enterprise (SOE) Awards 2016 for Outstanding Disclosure and Transparency, A Five-



Star (excellent) Rank in Corporate Governance Report of Thai Listed Companies 2016, the Outstanding Award from Sustainability Report Award 2016, and ESG 100 Certificate 2016 (ESG: Environmental, Social and Governance)

These awards become the important factors in generating the confidence for all groups of stakeholders as well as in encouraging the Bank to enhance its operational processes with standard in order to become a sustainable organization, build up business growth, and to increase all stakeholders' wealth.

For more information related to the corporate social responsibility, the Bank has stated the information on the Bank's website www.ktb.co.th. Click the menu "Sustainability Report" and select "KTB Social Responsibility Report 2016".

Furthermore, the Bank has specified additional practice guidance on the prevention of corruption by setting the Anti-Bribery and Corruption Policy. In that way, the bank has intended to do business honestly, not to hurt others and straightforwardly based on the principle of anti-corruption as well as bribery for all forms, and corruption is certainly illegal. Hence, the Bank adheres to the Zero Tolerance Policy against corruption. Besides, the Bank has noticed mentioned policy publicly to all stakeholders via the Bank's website (www.ktb.co.th). Click the menu "Corporate Governance" and select "Anti-Bribery and Corruption Policy"

In addition to supervising its own organization, the Bank has closely monitored the corporate governance of its subsidiaries. The Bank would coordinate with the subsidiaries in case of the possibilities that their operations could affect to the society and environment. After investigation, the subsidiaries may require to solve the problems and report the progress of their solutions to the Bank. However, during the previous year, there is no case of their operations that affects corporate social responsibility.

Awards of Pride

1. The Best Trade Finance Bank in Thailand 2016 Award from Global Finance Magazine, the global financial magazine at the Bankers Association for Finance and Trade (BAFT) 2016 Global Annual Meeting in Paris, France. The Bank is the only Thai bank to receive the award, being selected based on the survey from corporate executives, analysts and technology experts. Criteria for choosing the winners included: volume of trade finance transaction, modern technology and worldwide services helping customers nimbly amid fast changing world trade.

2. Awards from the Asset Triple A Treasury, Trade and Risk Management Awards 2016 organized by The Asset, Asia's leading financial and investment magazine. Krung Thai Bank received 6 awards as follows:

- Best in Treasury and Working Capital - Public Sector, Thailand
- Best E-solutions Partner Bank, Thailand
- Best Cash Management Solution, Thailand for Jaew
- Best Cash Management Solution, Thailand for Ubon Bio Ethanol Group
- Best Cash Management Solution, Thailand for Union Auction
- Editors' Triple Star

3. Thailand Domestic Cash Management Bank of the Year from ABF Wholesale Banking Awards 2016 organized by Asian Banking & Finance Magazine. The award is judged on the financial services that have innovation, are quick and flexible to develop and enhance the effectiveness of the organizations and business sector.



1



3

2



4. The Award from Asia Money FX Poll 2016

from Asiamoney, a leading financial magazine in Asia. Krung Thai Bank received the Best Domestic FX Provider, making it one of the first three leading banks to be named the Best Domestic Providers of FX Services, the Best for FX Options, the Best for FX Products and Services and the Best for FX Research & Market Coverage.

5. Outstanding State-Owned Enterprise (SOE) Awards 2016 for Outstanding Disclosure and Transparency from the State Enterprise Policy Office, reflecting the Bank's adherence to anti-corruption, concern about international standard to have good corporate governance and grow together with Thai people.

6. Investors' Choice Awards 2016 from the Thai Investors Association are granted to the listed companies which follow the Stock Exchange of Thailand (SET) regulations in the arrangement of the Annual General Meeting of Shareholders (AGM), information disclosure and equal treatment of shareholders. The Bank has received the award with a full 100 score in the assessment of organizing General Meeting of Shareholders for eight consecutive years.

7. The Best USD/THB Liquidity Provider Award from Thomson Reuters Thailand is granted to the financial institutions which achieve success in foreign exchange in Thailand. The criteria for selection are the volume of selling and buying and the provision of price information through Thomson Reuters' electronic system for foreign exchange trading.

8. The Outstanding Award from Sustainability Report Award 2016 from the CSR Club, the Thai Listed Companies Association, the Securities and Exchange Commission and the Thaipat Institute.

9. A Five-Star (excellent) Rank in Corporate Governance Report of Thai Listed Companies 2016 from the Thai Institute of Directors (IOD)

10. ESG 100 Certificate 2016 (ESG: Environmental, Social and Governance) from the Thaipat Institute is granted to companies or organizations for outstanding performance in terms of environmental, social, and governance (ESG) aspects combined with good financial performance that will assist investors in looking for sustainable investment.

11. Outstanding Booth Award for Beautiful Booth at the 15th Money Expo 2016 in the 850-1,000 m² space category under the theme of "Growing Digital".

12. The Award for the 1st Half 2016 TH YouTube Ads Leaderboard: The Bank's advertisement "O-Liang... the Forever Friend" was ranked 4th in the YouTube Ads Leaderboard which showcases the top ads in terms of number of views, likes and shares from audience in Thailand in the first half of 2016.

13. Thailand's Most Social Power Brand Award 2016 from Brand Age Magazine: KTB Care fan page has the highest engagement rate among the banks.



Report of the Audit Committee 2016

The Audit Committee of Krung Thai Bank Pcl. comprises of 4 qualified Independent members as follows:

- | | | | |
|----|------------------|---------------|---------------------------------|
| 1. | Mr. Kittipong | Kittayarak | Chairman of the Audit Committee |
| 2. | General Tienchai | Rubporn | Member of the Audit Committee |
| 3. | Mr. Somchai | Boonnamsiri | Member of the Audit Committee |
| 4. | Mr. Thanwa | Laohasiriwong | Member of the Audit Committee |

Mr. Santi Parivisutt, First Executive Vice President - Managing Director of Internal Audit Group, is the secretary of the Audit Committee.

The Audit Committee performed the duties in accordance with the scope of work and responsibilities defined in the Audit Committee Charter and assigned by the Board of Directors which comply with the regulations of the Stock Exchange of Thailand and the Ministry of Finance. The emphasis has been placed on stipulating systematic working procedures in terms of good corporate governance, risk management system and the adequate internal control. Additionally, the Audit Committee focused on efficient and effective internal audit process in an attempt to promote value added creation and prevent any damage that may occur to the Bank. The details are summarized as follows:

- The Audit Committee emphasized on systematic internal control management, promoted accurate working procedure from the initial and integrated corporation between the regulatory agency and the risk management department in complying with the practice of Governance, Risk and Compliance in order to establish good corporate governance to the Bank and monitored business operation in accordance with law and regulation of the regulator. In addition, the Audit Committee with Compliance Committee and the Nominating and Remuneration Committee had encouraged all employees to perform their duty accurately and in accordance with Code of Conduct to support the compliance of good corporate governance.
- The Audit Committee implemented the proactive audit policy focusing on the audit that satisfied the stakeholder's expectation and primarily took into account the Bank's benefit. Moreover, the Committee highlighted on preventive audit and providing value-added suggestion through the complete, explicit and straight summary of the audit results as well as encouraging the IT implementation in the audit process.
- The Audit Committee improved the internal audit group staff's on knowledge of IT competence and complicated business transaction. The Committee also encouraged the staff to acquire special qualifications related to internal audit and risk management and supported their continuous development of audit profession to be ready for the Bank's business operation and achieve the department objectives as supporter and advisor for other departments.

In 2017, the Audit Committee held 26 meetings with the Management, Senior Executives and external auditor to consider related issues. The Audit Committee reported the operation results of each meeting to the Board of Directors on a monthly basis. Highlights were as follows:

Review of the Financial Statement

The Committee with the support from the external auditor, reviewed the monthly operation performances and the quarterly, half-yearly and annually financial statement of the Bank and the consolidated financial statement of the Bank and consolidated group. The external auditor and executives of the Financial Management Group regularly discussed with the external auditors without the participation of Management for the accuracy of the financial statements and the adjustment of significant accounts which had impacts on the financial statement. This is to ensure that the financial statement process and the financial reports were conducted as specified by related law and general accepted accounting principles, and the disclosures of information were adequate, complete, timely and reliable.

Review of the Related-Party Transactions and Conflicts of Interest

The Audit Committee reviewed related-party transactions between the Bank and its subsidiaries, the interconnected transactions or the transactions that may involve a conflict of interest to ensure that such transactions were reasonable,

followed the normal business conditions and provided the utmost benefit to the Bank. The Committee adequately disclosed information with transparency and without transactions that caused negative impact on the Bank significantly.

Review of the Risk Management

The Audit Committee reviewed the risk management processes of the Bank and consolidated group. Additionally, the Committee with the executives of the Risk Management Group followed up the results of risk management at least once a month to ensure that the Bank's risk management was appropriate and efficient, and the Bank's risks were at the acceptable risk levels.

Review of the Effectiveness of Internal Control System

According to the requirements of Office of the Auditor General of Thailand, the report of internal control assessment was reviewed. The Committee followed up the establishment of internal control system and self-assessment of the internal controls to ensure that the Bank's internal control system was adequate and appropriate.

Review of Compliance Operations

The Audit Committee with the Management regularly reviewed the compliance operations to ensure that the Bank complied with legal and requirements of the regulators and the Bank's regulations.

Monitoring of the Internal Audit Operations

The Audit Committee approved the review of the Internal Audit Charter to consider the appropriateness of duty, responsibility, scope of work, including the rights and independence of the operations; the Internal Audit Group's strategic plan, 3-year audit plan and annual audit plan. In addition, the Committee considered approving the annual budget of Internal Audit Group, the human resources management, the adequacy assessment of resources, the revision of work manual of the Internal Audit Group, the audit result of Internal Audit Group, the monitoring of the revised crucial points and the performance progress to be in line with the approved audit plans. For more efficient operations, the Committee shall provide advices in operation.

Maintaining Audit Committee Quality

The Audit Committee Charter was reviewed and revised. The assessment of individual performance (self-assessment and cross evaluation) and the Board evaluation were conducted in accordance with the best practice guidance of State Enterprise Policy Office, Ministry of Finance to ensure that the operations of the Audit Committee were efficient and achieved the objectives as defined in the Audit Committee Charter.

External Auditor

The Audit Committee assigned the Office of the Auditor General of Thailand as the Bank's auditor in 2016 and considered the appropriate audit remuneration before proposing to the Board of Director for approval at the shareholders' meeting.

The Audit Committee performed its duty with prudence and independence. All the opinions expressed were straightforward, transparent, verifiable and in accordance with good corporate governance. In this regard, the Audit Committee is of the opinion that the Bank's financial statements and disclosure of information are complete, reliable and consistent with generally accepted accounting principles. Overall risk management and internal control system have been implemented effectively and appropriately. Internal audits have been independently conducted covering high-risk operations and complying with internal audit standards. Furthermore, the adequate system of control in place was ensured to follow the applicable laws and regulations concerning with the current business environment.



(Mr. Kittipong Kittayarak)

Chairman of the Audit Committee

January 25, 2017

The Board of Directors' Responsibility for Financial Reports

The Board of Directors has attached great importance and been aware of the duty as the Director taking responsibility for the consolidated financial statements of Krung Thai Bank and its subsidiaries, as well as the financial information stated in the annual report. The Board thus oversees that such financial statements have been prepared in accordance with the generally accepted accounting principles and standards under appropriate accounting policy and regular adherence to them with prudence, accuracy, completeness, truthfulness and rationality to reflect the true operating performance of the Bank. In this connection, the Bank has continuously reported its operating results and disclosed adequately key information with transparency to the Stock Exchange of Thailand in the interest of the shareholders and general investors.

The Board of Directors has provided the business administration in compliance with the good corporate governance system and maintained appropriate and effective risk management, internal control system and internal audit to ensure accurate, complete and adequate financial information for retention of assets and prevention of frauds or any significant irregularities.

The Board of Directors has appointed the Audit Committee comprising of Independent Directors to oversee and review the reliability and accuracy of the financial reports including the internal control and internal audit to be efficient thus ensuring reliability of the Bank's financial reports. The Audit Committee has expressed its opinions about such issue in the Report of the Audit Committee appeared in this annual report.

The Board of Directors has an opinion that the Bank's overall internal control is adequate and appropriate to be rationally confident that the Bank's financial statements and the consolidated financial statements for the year ended December 31, 2016 are reliable in accordance with the generally accepted accounting standards and accurate under the relevant laws and procedures.



(Dr. Somchai Sujjapongse)
Chairman of the Board of Directors



(Mr. Payong Srivanich)
President

AUDITOR'S REPORT

To: THE SHAREHOLDERS OF KRUNG THAI BANK PUBLIC COMPANY LIMITED

Opinion

The Office of the Auditor General of Thailand has audited the accompanying consolidated financial statements of Krung Thai Bank Public Company Limited and its subsidiaries (the Group), and the Bank's financial statements of Krung Thai Bank Public Company Limited (the Bank), which comprise the consolidated and the Bank's statements of financial position as at December 31, 2016, and the consolidated and the Bank's statements of profit or loss and other comprehensive income, the consolidated and the Bank's statements of changes in equity and the consolidated and the Bank's statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In the Office of the Auditor General of Thailand's opinion, the accompanying consolidated and the Bank's financial statements present fairly, in all material respects, the consolidated financial position of the consolidated financial position of Krung Thai Bank Public Company Limited and its subsidiaries and of the Bank as at December 31, 2016, and its consolidated and the Bank's financial performance and its consolidated and the Bank's cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

The Office of the Auditor General of Thailand conducted the audit in accordance with Thai Standards on Auditing. The Office of the Auditor General of Thailand's responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and the Bank's financial statements section of the report. The Office of the Auditor General of Thailand is independent of the Group and the Bank in accordance with the State Audit Standards issued by the State Audit Commission and the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants that are relevant to the audit of the consolidated and the Bank, and the Office of the Auditor General of Thailand has fulfilled other ethical responsibilities in accordance with these requirements. The Office of the Auditor General of Thailand believes that the audit evidence the Office of the Auditor General of Thailand has obtained is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand opinion.

Key Audit Matters

Key audit matters are those matters that, in the Office of the Auditor General of Thailand professional judgment, were of most significance in the audit of the consolidated and the Bank's financial statements of the current period. The Office of the Auditor General of Thailand has considered these matters addressed in the context of the audit of the consolidated and the Bank's financial statements as a whole, and in forming the Office of the Auditor General of Thailand's opinion thereon, and the Office of the Auditor General of Thailand does not provide a separate opinion on these matters.

The Office of the Auditor General determines key audit matter communicated in the auditor's report as follows:

Allowance for Doubtful Accounts

The allowance for doubtful accounts for loans to customers requires the application of judgment and use of subjective assumptions and related factors applied by management in the estimates. Bank and its subsidiaries which engaged in the business of lending business recorded allowance for doubtful accounts in compliance with the Bank of Thailand's notifications and policy regulations on assets classification, determining provisions and the application of value of collateral in determining provisions. In addition, management considered determining additional allowances to cover any loss that may occur in the future by using more strict criteria than the requirements of the Bank of Thailand. Additional allowances consist of specific allowance for an individual that is likely to be non-performing loans or is likely to have loss more than allowance determined under normal regulations, and general allowance, including an individual that is not non-performing loans but there are any indicators of impairment.

Loans to customers and accrued interest receivables, net contributed as at December 31, 2016 to 66.88% of the Group's total assets and 66.51% of the Bank's total assets. The loan portfolio comprises the borrowers from the 5 sectors, i.e. Private Corporate, Government and State Enterprise, SMEs, Retail, and others. The significant customers in the Bank's loan portfolio consist of the borrowers from Private Corporate (37.62% of Loans to customers and accrued interest receivables, net), SMEs (20.63% of Loans to customers and accrued interest receivables, net), and Retail (40.15% of Loans to customers and accrued interest receivables, net). In addition, loan portfolio of each sector has different size and credit process.

The Office of the Auditor General focuses on allowance for doubtful accounts for Private Corporate, SMEs, and Retail portfolios. Due to the adoption of regulations on allowance for doubtful accounts, management shall determine the quantitative and qualitative factors used for assets classification, assumptions and methods of calculating the allowances, such as present value of future cash flows expected to be received by the borrowers, present value of future cash flows expected to be received from the sale of collateral, previous loss experience, which is a process related to uncertainty. The use of different models, assumptions used in the calculation and the quality of the data may result in significantly different allowances for doubtful accounts.

The Office of the Auditor General's key audit procedures include understanding and assessing the effectiveness of the key controls, and test of controls as follows:

- The identification of circumstances which indicate that the borrower is likely to be non-performing loans, and may affect ability to repay;
- The governance over the determining allowances processes, including the continuous re-assessment by management that models, assumptions used in the calculation are still calibrated in a way which is appropriate for the impairment risks in the Bank's loan portfolios, including comparing models, assumptions used in the calculation with external sources;
- The review and approval process that management have in place for the models, assumptions used in the calculation, outputs from such models, and the adjustments that are applied to modelled outputs;
- The accuracy, completeness and quality of data input to the system;
- The data interface between systems from the approval to recording and monitoring of loans; and
- The transfer of data between underlying source systems and models used in the calculation.

For the selected borrowers, the Office of the Auditor General reviewed credit process, tested the accuracy, completeness and quality of data input to the system, assessed reasonableness of assumptions applied to identify circumstances which indicate that the borrower is likely to be non-performing loans and re-computed the calculation of allowances, assessed reasonableness of assumptions applied to forecast of future cash flows, valuation of collaterals and loss given default, and tested the accuracy of data transfer from credit systems to data captured in the accounting records.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and the Bank's financial statements and the auditor's report in the annual report. The Bank expects that the annual report is made available to the Office of the Auditor General of Thailand after the date of this auditor's report.

The Office of the Auditor General of Thailand's opinion on the consolidated and the Bank's financial statements does not cover the other information and the Office of the Auditor General of Thailand will not express any form of assurance conclusion thereon.

In connection with the audit of the consolidated and the Bank's financial statements, the Office of the Auditor General of Thailand's responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the Office of the Auditor General of Thailand's audit, or otherwise appears to be materially misstated.

When the Office of the Auditor General of Thailand reads the annual report, if the Office of the Auditor General of Thailand concludes that there is a material misstatement therein, the Office of the Auditor General of Thailand is required to communicate the matter to those charged with governance and the management of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated and the Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and the Bank's financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated and the Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the Bank's financial statements, management is 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 management either intends to liquidate the Group and the Bank's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting processes.

Auditor's Responsibilities for the Audit of the Consolidated and the Bank's Financial Statements

The Office of the Auditor General of Thailand's objectives are to obtain reasonable assurance about whether the consolidated and the Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the Office of the Auditor General of Thailand's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 the Bank's financial statements.

As part of the Office of the Auditor General of Thailand's audit in accordance with Thai Standards on Auditing, the Office of the Auditor General of Thailand exercises professional judgment and maintains professional skepticism throughout the audit. The Office of the Auditor General of Thailand also:

- Identifies and assesses the risks of material misstatement of the consolidated and the Bank's financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the Office of the Auditor General of Thailand's 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.
- Obtains 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 controls.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Bank's ability to continue as a going concern. If the Office of the Auditor General of Thailand concludes that a material uncertainty exists, the Office of the Auditor General of Thailand is required to draw attention in the auditor's report to the related disclosures in the consolidated and the Bank's financial statements or, if such disclosures are inadequate, to modify the Office of the Auditor General of Thailand's opinion. The Office of the Auditor General of Thailand's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Group and the Bank's to cease to continue as a going concern.
- Evaluates the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and the Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains 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. The Office of the Auditor General of Thailand is responsible for the direction, supervision and performance of the Group and the Bank's audit. The Office of the Auditor General of Thailand remains solely responsible for the Office of the Auditor General of Thailand's opinion.

The Office of the Auditor General of Thailand communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the Office of the Auditor General of Thailand identifies during the audit.

The Office of the Auditor General of Thailand also provides those charged with governance with a statement that the Office of the Auditor General of Thailand has 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 the Office of the Auditor General of Thailand's independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the Office of the Auditor General of Thailand determines those matters that were of most significance in the audit of the consolidated and the Bank's financial statements of the current period and are therefore the key audit matters. The Office of the Auditor General of Thailand describes these matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the Office of the Auditor General of Thailand determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Signed) Yupin Chalanonniwat
(Yupin Chalanonniwat)
Deputy Auditor General

(Signed) Ratchanee Cholnakijkul
(Ratchanee Cholnakijkul)
Director of Financial Audit Office No.2

Office of the Auditor General of Thailand
February 28, 2017

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2016

(Thousand Baht)

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
ASSETS					
CASH		72,106,416	71,470,113	71,929,866	71,294,408
INTERBANK AND MONEY MARKET ITEMS, NET	6.2	431,638,413	397,357,971	431,350,214	397,061,378
CLAIMS ON SECURITIES		21,421,700	13,494,400	21,421,700	13,494,400
DERIVATIVES ASSETS	6.3	30,063,046	34,039,142	30,084,832	34,088,515
INVESTMENTS, NET	6.4	226,954,571	247,081,663	226,693,145	246,811,058
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.5	15,310,646	14,650,374	10,664,593	10,664,593
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	6.6				
LOANS TO CUSTOMERS		1,907,821,949	2,033,250,476	1,837,243,223	1,969,827,420
ACCRUED INTEREST RECEIVABLES		5,270,682	5,900,902	4,774,560	5,462,813
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES		1,913,092,631	2,039,151,378	1,842,017,783	1,975,290,233
LESS DEFERRED REVENUE		(3,733,253)	(5,810,002)	(122,922)	(165,766)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	6.7	(110,719,616)	(85,823,934)	(102,859,894)	(77,221,061)
LESS REVALUATION ALLOWANCE FOR DEBT RESTRUCTURING	6.8	(61,619)	(132,627)	(61,619)	(132,627)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET		1,798,578,143	1,947,384,815	1,738,973,348	1,897,770,779
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES		45,949	1,567,806	45,949	1,567,806
PROPERTIES FOR SALE, NET	6.9	35,743,634	30,008,144	35,668,551	29,909,856
PREMISES AND EQUIPMENT, NET	6.10	27,312,663	26,354,526	25,239,008	21,376,845
OTHER INTANGIBLE ASSETS, NET	6.11	4,210,901	4,571,604	870,720	897,367
DEFERRED TAX ASSETS	6.12	4,496,456	6,996,109	2,321,669	5,020,583
ACCRUED INCOME		2,853,937	3,788,212	2,589,233	3,578,869
OTHER ASSETS, NET	6.13	18,709,178	16,564,767	16,945,112	15,071,377
TOTAL ASSETS		2,689,445,653	2,815,329,646	2,614,797,940	2,748,607,834

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER, 2016

(Thousand Baht)

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
LIABILITIES AND EQUITY					
DEPOSITS	6.14	1,972,403,532	2,135,498,511	1,975,157,675	2,137,446,488
INTERBANK AND MONEY MARKET ITEMS, NET	6.15	203,166,312	194,242,842	193,711,003	177,701,199
LIABILITIES PAYABLE ON DEMAND		5,082,471	6,121,116	5,082,471	6,121,116
LIABILITIES TO DELIVER SECURITIES		21,421,700	13,494,400	21,421,700	13,494,400
DERIVATIVES LIABILITIES	6.3	31,516,693	37,232,572	31,516,693	37,234,793
DEBT ISSUED AND BORROWINGS	6.16	120,690,859	116,240,463	79,267,859	86,937,975
BANK'S LIABILITIES UNDER ACCEPTANCES		45,949	1,567,806	45,949	1,567,806
PROVISIONS	6.17	11,152,279	14,424,688	10,163,418	13,634,737
OTHER LIABILITIES	6.18	44,818,915	46,209,922	37,976,431	39,997,788
TOTAL LIABILITIES		2,410,298,710	2,565,032,320	2,354,343,199	2,514,136,302
EQUITY					
SHARE CAPITAL	6.19				
AUTHORIZED SHARE CAPITAL					
5,500,000 PREFERRED SHARES					
OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES					
OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715
ISSUED AND PAID-UP SHARE CAPITAL					
5,500,000 PREFERRED SHARES					
OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES					
OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER, 2016

(Thousand Baht)

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		DECEMBER 31, 2016	DECEMBER 31, 2015	DECEMBER 31, 2016	DECEMBER 31, 2015
		LIABILITIES AND EQUITY (CONTINUED)			
PREMIUM ON SHARE CAPITAL					
PREMIUM ON ORDINARY SHARE		20,833,734	20,833,734	20,833,734	20,833,734
OTHER COMPONENTS OF EQUITY		17,748,818	10,643,441	13,729,430	6,407,413
RETAINED EARNINGS					
APPROPRIATED					
LEGAL RESERVE	6.20	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED		156,141,238	135,200,033	146,686,033	128,024,841
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		273,929,334	245,882,752	260,454,741	234,471,532
NON-CONTROLLING INTEREST		5,217,609	4,414,574		
TOTAL EQUITY		279,146,943	250,297,326	260,454,741	234,471,532
TOTAL LIABILITIES AND EQUITY		2,689,445,653	2,815,329,646	2,614,797,940	2,748,607,834

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2016

(Thousand Baht)

	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2016	2015	2016	2015
INTEREST INCOME	6.27	129,229,887	132,525,324	116,257,345	120,559,061
INTEREST EXPENSES	6.28	42,264,056	51,657,469	40,784,204	49,994,241
INTEREST INCOME, NET		86,965,831	80,867,855	75,473,141	70,564,820
FEES AND SERVICE INCOME		25,931,448	24,223,837	21,260,651	19,934,377
FEES AND SERVICE EXPENSES		3,889,459	2,880,428	2,482,700	2,178,256
FEES AND SERVICE INCOME, NET	6.29	22,041,989	21,343,409	18,777,951	17,756,121
GAINS ON TRADINGS AND FOREIGN					
EXCHANGE TRANSACTIONS, NET	6.30	6,827,507	6,700,615	6,802,133	6,738,334
GAINS (LOSSES) ON INVESTMENTS, NET	6.31	694,573	648,130	694,573	(150,635)
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD		3,083,147	3,038,174	-	-
DIVIDEND INCOME		481,744	407,648	3,561,154	3,591,414
OTHER OPERATING INCOME		4,573,025	3,601,542	1,626,956	858,764
TOTAL OPERATING INCOME		124,667,816	116,607,373	106,935,908	99,358,818
OTHER OPERATING EXPENSES					
EMPLOYEES' EXPENSES		27,946,699	27,373,533	22,726,102	22,229,945
DIRECTORS' REMUNERATION		105,924	114,938	78,196	82,700
PREMISES AND EQUIPMENT EXPENSES		8,829,528	9,294,196	5,101,364	5,244,695
TAXES AND DUTIES		4,526,003	5,044,995	4,072,890	4,642,603
OTHERS		9,223,322	9,091,991	11,714,621	11,693,669
TOTAL OTHER OPERATING EXPENSES		50,631,476	50,919,653	43,693,173	43,893,612
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.32	33,429,379	30,541,508	26,996,155	23,999,849
OPERATING PROFIT BEFORE INCOME TAX EXPENSES		40,606,961	35,146,212	36,246,580	31,465,357
INCOME TAX EXPENSES	6.33	7,063,097	5,604,746	6,278,794	4,991,609
NET PROFIT		33,543,864	29,541,466	29,967,786	26,473,748

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

(Thousand Baht)

NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2016	2015	2016	2015
OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	6,724,383	(3,447,861)	6,724,383	(3,447,861)
LOSSES ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(79,909)	(38,408)	(79,909)	(38,408)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES (EQUITY METHOD) FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(216,640)	999,703	-	-
RELATED INCOME TAX EXPENSES FOR ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(1,344,876)	689,572	(1,344,876)	689,572
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS CHANGES IN REVALUATION SURPLUS ON ASSETS	2,528,024	(3,403)	2,528,024	(3,403)
ACTUARIAL LOSSES ON DEFINED BENEFIT PLANS	(936,608)	(214,146)	(849,697)	(342,100)
RELATED INCOME TAX EXPENSES FOR ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(318,284)	43,510	(335,665)	69,101
OTHER COMPREHENSIVE INCOME, NET	6.34 6,356,090	(1,971,033)	6,642,260	(3,073,099)
TOTAL COMPREHENSIVE INCOME	39,899,954	27,570,433	36,610,046	23,400,649
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	32,283,026	28,493,773	29,967,786	26,473,748
NON-CONTROLLING INTEREST	1,260,838	1,047,693		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	38,673,419	26,522,284	36,610,046	23,400,649
NON-CONTROLLING INTEREST	1,226,535	1,048,149		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	2.31	2.04	2.14	1.89
DILUTED EARNINGS PER SHARE (BAHT)	2.31	2.04	2.14	1.89

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2016

(Thousand Baht)

NOTE	CONSOLIDATED FINANCIAL STATEMENTS								
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK							NON-CONTROLLING INTEREST	TOTAL
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENTS OF EQUITY			RETAINED EARNINGS	TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		
			APPRAISAL SURPLUS (DEFICIT) ON ASSETS	REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL STATEMENTS				
BEGINNING BALANCE AS AT DECEMBER 31, 2014 (BEFORE RESTATED)	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,860,323	232,142,255	8	232,142,263
EFFECT FROM THRS 10 CONSOLIDATED FINANCIAL STATEMENTS	-	-	-	-	-	-	-	3,724,385	3,724,385
BALANCE AFTER ADJUSTMENT AS AT DECEMBER 31, 2014	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,860,323	232,142,255	3,724,393	235,866,648
EFFECT FROM THRS 13 FAIR VALUE MEASUREMENT	-	-	-	-	-	(197,533)	(197,533)	-	(197,533)
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2015	72,005,040	20,833,734	6,347,639	6,062,309	33,210	126,662,790	231,944,722	3,724,393	235,669,115
DIVIDEND PAID	-	-	-	-	-	(12,584,254)	(12,584,254)	(357,968)	(12,942,222)
TOTAL COMPREHENSIVE INCOME	-	-	(2,723)	(1,758,586)	(38,408)	28,322,001	26,522,284	1,048,149	27,570,433
ENDING BALANCE AS AT DECEMBER 31, 2015	72,005,040	20,833,734	6,344,916	4,303,723	(5,198)	142,400,537	245,882,752	4,414,574	250,297,326
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2016	72,005,040	20,833,734	6,344,916	4,303,723	(5,198)	142,400,537	245,882,752	4,414,574	250,297,326
DIVIDEND PAID	-	-	-	-	-	(10,626,837)	(10,626,837)	(423,500)	(11,050,337)
TOTAL COMPREHENSIVE INCOME	-	-	2,022,419	5,162,867	(79,909)	31,568,042	38,673,419	1,226,535	39,899,954
ENDING BALANCE AS AT DECEMBER 31, 2016	72,005,040	20,833,734	8,367,335	9,466,590	(85,107)	163,341,742	273,929,334	5,217,609	279,146,943

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE	THE BANK'S FINANCIAL STATEMENTS						TOTAL
	ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	OTHER COMPONENTS OF EQUITY			RETAINED EARNINGS	
			APPRAISAL SURPLUS ON ASSETS	REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL		
BEGINNING BALANCE AS AT JANUARY 1, 2015 (BEFORE RESTATED)	72,005,040	20,833,734	6,347,639	2,825,983	33,210	121,807,064	223,852,670
EFFECT FROM IFRS 13 FAIR VALUE MEASUREMENT	-	-	-	-	-	(197,533)	(197,533)
BALANCE AFTER ADJUSTMENT AS AT JANUARY 1, 2015	72,005,040	20,833,734	6,347,639	2,825,983	33,210	121,609,531	223,655,137
DIVIDEND PAID	-	-	-	-	-	(12,584,254)	(12,584,254)
TOTAL COMPREHENSIVE INCOME	-	-	(2,723)	(2,758,288)	(38,408)	26,200,068	23,400,649
ENDING BALANCE AS AT DECEMBER 31, 2015	72,005,040	20,833,734	6,344,916	67,695	(5,198)	135,225,345	234,471,532
BEGINNING BALANCE AS AT JANUARY 1, 2016	72,005,040	20,833,734	6,344,916	67,695	(5,198)	135,225,345	234,471,532
DIVIDEND PAID	-	-	-	-	-	(10,626,837)	(10,626,837)
TOTAL COMPREHENSIVE INCOME	-	-	2,022,419	5,379,507	(79,909)	29,288,029	36,610,046
ENDING BALANCE AS AT DECEMBER 31, 2016	72,005,040	20,833,734	8,367,335	5,447,202	(85,107)	153,886,537	260,454,741

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
OPERATING PROFIT BEFORE INCOME TAX EXPENSES	40,606,961	35,146,212	36,246,580	31,465,357
ADJUSTMENTS TO RECONCILE OPERATING PROFIT BEFORE INCOME TAX				
EXPENSES TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
DEPRECIATION AND AMORTIZATION EXPENSES	3,339,561	3,713,422	1,459,325	1,356,470
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	33,429,379	30,541,508	26,996,155	23,999,849
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	(3,083,147)	(3,038,174)	-	-
DIVIDEND RECEIVED FROM ASSOCIATES	2,206,235	2,513,552	-	-
LOSS (GAIN) ON DISPOSAL OF ASSETS	147,358	23,269	(475)	(508)
GAIN ON DISPOSAL OF INVESTMENTS	(670,322)	(593,939)	(670,322)	(593,939)
LOSS (GAIN) ON REVALUATION OF INVESTMENTS	26,096	(1,090,626)	26,096	(1,090,626)
LOSS (REVERSAL) ON IMPAIRMENT OF PROPERTIES FOR SALE	827,466	(88,400)	846,167	(16,243)
LOSS (REVERSAL) ON IMPAIRMENT OF INVESTMENTS	(24,253)	(54,190)	(24,251)	744,574
REVERSAL OF IMPAIRMENT OF PREMISES AND EQUIPMENT	(703,493)	-	(703,493)	-
REVERSAL OF IMPAIRMENT OF OTHER ASSETS	-	(7,956)	-	(7,956)
LOSS ON IMPAIRMENT OF OTHER ASSETS	49,101	61,421	49,101	61,421
AMORTIZATION OF DISCOUNT ON INVESTMENTS	(211,595)	(3,613,034)	(208,338)	(3,609,268)
LOSS (GAIN) ON FOREIGN CURRENCY TRANSLATION	1,658,724	(2,025,248)	1,658,786	(2,025,375)
INCREASE (DECREASE) IN PROVISIONS	(4,061,338)	83,470	(4,294,489)	(161,367)
DECREASE (INCREASE) IN OTHER ACCRUED INCOME	(82,995)	450,092	(27,634)	450,744
INCREASE IN OTHER ACCRUED EXPENSES	1,241,056	274,326	1,019,077	151,651
	74,694,794	62,295,705	62,372,285	50,724,784
INTEREST INCOME, NET	(86,965,831)	(80,867,855)	(75,473,141)	(70,564,820)
DIVIDEND INCOME	(481,744)	(407,648)	(3,561,154)	(3,591,414)
PROCEEDS FROM INTEREST INCOME	130,943,952	132,297,571	118,029,444	120,781,409
CASH PAID ON INTEREST EXPENSES	(43,825,712)	(51,511,662)	(42,352,644)	(49,879,051)
PROCEEDS FROM DIVIDEND INCOME	481,744	407,648	3,561,154	3,591,414
CASH PAID ON INCOME TAX EXPENSES	(5,029,927)	(8,176,525)	(3,933,799)	(7,256,964)
OPERATING INCOME BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES	69,817,276	54,037,234	58,642,145	43,805,358
(INCREASE) DECREASE IN OPERATING ASSETS				
INTERBANK AND MONEY MARKET ITEMS	(34,347,017)	59,280,517	(34,355,411)	59,292,813
INVESTMENTS IN TRADING SECURITIES	8,599,092	7,925,774	8,579,558	7,925,774
LOANS TO CUSTOMERS	101,586,374	(93,928,829)	117,952,325	(83,022,737)
PROPERTIES FOR SALE	5,616,984	3,597,111	5,575,077	3,368,270
OTHER ASSETS	3,546,249	(20,772,199)	3,844,837	(21,531,374)

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2016

(Thousand Baht)

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
INCREASE (DECREASE) IN OPERATING LIABILITIES				
DEPOSITS	(163,094,979)	(15,769,739)	(162,288,814)	(15,106,957)
INTERBANK AND MONEY MARKET ITEMS	8,923,470	27,027,908	16,009,805	16,926,547
LIABILITIES PAYABLE ON DEMAND	(1,038,645)	1,013,126	(1,038,645)	1,013,126
DEBT ISSUED AND SHORT-TERM BORROWINGS	(60,154)	(28,231,373)	(1,174)	(14,805,000)
OTHER LIABILITIES	(9,048,551)	24,800,189	(8,941,551)	25,869,533
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(9,499,901)	18,979,719	3,978,152	23,735,353
CASH FLOWS FROM INVESTING ACTIVITIES				
PURCHASES OF AVAILABLE FOR SALE SECURITIES	(114,193,503)	(181,569,209)	(114,193,503)	(181,569,209)
PROCEEDS FROM DISPOSAL OF AVAILABLE FOR SALE SECURITIES	107,902,226	188,681,319	107,902,226	188,681,319
PURCHASES OF HELD TO MATURITY DEBT SECURITIES	(6,711,625)	(50,485,141)	(5,890,528)	(49,784,443)
PROCEEDS FROM DISPOSAL OF HELD TO MATURITY DEBT SECURITIES	28,409,987	35,640,177	27,595,987	34,946,177
PURCHASES OF GENERAL INVESTMENTS	(348,458)	(443,983)	(348,458)	(443,983)
PROCEEDS FROM DISPOSAL OF GENERAL INVESTMENTS	288,485	542,756	288,485	542,756
PURCHASES OF INTANGIBLE ASSETS	(471,217)	(678,666)	(108,779)	(101,066)
PURCHASES OF PREMISES AND EQUIPMENT	(1,514,570)	(1,199,302)	(1,173,753)	(920,508)
PROCEEDS FROM DISPOSAL OF PREMISES AND EQUIPMENT	1,989,913	217,323	663	643
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	15,351,238	(9,294,726)	14,072,340	(8,648,314)
CASH FLOWS FROM FINANCING ACTIVITIES				
PROCEEDS FROM DEBT ISSUED AND LONG-TERM BORROWINGS	21,770,000	22,722,400	1,920,000	9,779,400
REPAYMENTS OF DEBT ISSUED AND LONG-TERM BORROWINGS	(16,278,288)	(23,084,600)	(8,628,288)	(15,534,600)
DIVIDEND PAID-ORDINARY SHARE	(10,621,807)	(12,578,454)	(10,621,807)	(12,578,454)
DIVIDEND PAID-PREFERRED SHARE	(5,030)	(5,800)	(5,030)	(5,800)
NET CASH USED IN FINANCING ACTIVITIES	(5,135,125)	(12,946,454)	(17,335,125)	(18,339,454)
LOSS ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	(79,909)	(38,408)	(79,909)	(38,408)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	636,303	(3,299,869)	635,458	(3,290,823)
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	71,470,113	74,769,982	71,294,408	74,585,231
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	72,106,416	71,470,113	71,929,866	71,294,408

NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Somchai Sujjapongse
SOMCHAI SUJJAPONGSE
CHAIRMAN OF THE BOARD OF DIRECTORS

(Signed) Payong Srivanich
PAYONG SRIVANICH
PRESIDENT

KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

1. GENERAL INFORMATION

Krung Thai Bank Public Company Limited (the Bank) is a public company limited registered in the Kingdom of Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

2.1 Basis of Preparation of the Consolidated and the Bank's Financial Statements

The consolidated and the Bank's financial statements are presented in accordance with the Notification of the Bank of Thailand (BoT) No. SOR NOR SOR.21/2558 dated December 4, 2015, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BoT's notifications; and with the regulations of the Stock Exchange of Thailand (SET) dated January 22, 2001, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2544 (2001). Moreover, these financial statements are prepared in conformity with generally accepted accounting principles, under Accounting Act B.E. 2543 (2000).

The Consolidated Financial Statements

The consolidated financial statements comprise the accounts of the Bank and its subsidiaries in which the Bank is a controlling interest or holds over 50 percent of paid-up shares capital after eliminating material intercompany transactions and balances. The 8 consolidated subsidiaries are KTB Law Co., Ltd., KTB General Services and Security Co., Ltd. (previously KTB General Services Co., Ltd.), Krung Thai Asset Management Pcl., KTB Computer Services Co., Ltd., KTB Leasing Co., Ltd., KTB Advisory Co., Ltd., KTB Capital Holding Co., Ltd. (registered as the business dissolution with the Ministry of Commerce on December 18, 2014, in the process of liquidation), and Krungthai Card Pcl. (has entity control).

Percentages of shareholdings and investments in the Bank's subsidiaries and associates are shown in Note 6.5.

Investments in associates are accounted in the consolidated financial statements using the equity method.

The Bank's Financial Statements

Investments in subsidiaries and associates are accounted in the Bank's financial statements using the cost method.

The Bank's financial statements for the years ended December 31, 2016 and 2015 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

The English Translation of Financial Statements

This English translation of financial statement has been prepared from the statutory financial statements that were issued in Thai language. In case of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) Effective in Current Period

The Bank has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations that announced and revised in accordance with the Federation of Accounting Professions, those are effective for the financial statements of the periods beginning on or after January 1, 2016. The Bank's managements have already considered that they have no significant impacts on the Bank's accounting policies, and the Bank's and its subsidiaries' financial statements.

2.3 The New and Revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) Announced but not yet Effective

The Federation of Accounting Professions has announced Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations, those are effective for the financial statements periods beginning on or after January 1, 2017 as follows:

TAS 1 (revised 2016)	Presentation of Financial Statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of Cash Flows
TAS 8 (revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2016)	Events after the Reporting Period
TAS 11 (revised 2016)	Construction Contracts
TAS 12 (revised 2016)	Income Taxes
TAS 16 (revised 2016)	Property, Plant and Equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee Benefits
TAS 20 (revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2016)	Borrowing Costs
TAS 24 (revised 2016)	Related Party Disclosures
TAS 26 (revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2016)	Separate Financial Statements
TAS 28 (revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2016)	Earnings per Share
TAS 34 (revised 2016)	Interim Financial Reporting
TAS 36 (revised 2016)	Impairment of Assets
TAS 37 (revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2016)	Intangible Assets
TAS 40 (revised 2016)	Investment Property
TAS 41 (revised 2016)	Agriculture
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments Disclosure and Presentation

TFRS 2 (revised 2016)	Share-based Payment
TFRS 3 (revised 2016)	Business Combinations
TFRS 4 (revised 2016)	Insurance Contracts
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2016)	Operating Segments
TFRS 10 (revised 2016)	Consolidated Financial Statements
TFRS 11 (revised 2016)	Joint Arrangements
TFRS 12 (revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2016)	Fair Value Measurement
TSIC 10 (revised 2016)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2016)	Operating Leases-Incentives
TSIC 25 (revised 2016)	Income Taxes-Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (revised 2016)	Service Concession Arrangements : Disclosures
TSIC 31 (revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (revised 2016)	Intangible Assets-Web Site Costs
TFRIC 1 (revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2016)	Applying the Restatement Approach under TAS 29 (revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2016)	Service Concession Arrangements
TFRIC 13 (revised 2016)	Customer Loyalty Programmes
TFRIC 14 (revised 2016)	TAS 19 (revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2016)	Transfers of Assets from Customers
TFRIC 20 (revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (revised 2016)	Levies

The Bank has been preparing for adopting related TAS, TFRS, TSIC Interpretations and TFRIC Interpretations mentioned above. The Bank's management has considered that there is no material impact on accounting policies and financial statements of the Bank and subsidiaries.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of Income

3.1.1 Interest Income

Interest income is recognized on an accrual basis, except for interest on loans classified as delinquent over 3 months and interest on loans under troubled debt restructuring contract which would be reversed. In accordance with the BoT's regulations, interest income on delinquent loans over 3 months from the due date already recognized as an income since January 1, 2000 would be reversed and recognized as income when received.

3.1.2 Fees and Service Income

Fees and Service Income is recognized when the related services are performed.

3.1.3 Dividend Income

Dividend income from investments is recognized when declared.

3.1.4 Lease Income

The lease income of the Bank and its subsidiaries is recognized as follows:

- Interest income from hire-purchase and financial lease is recognized by using effective interest rate throughout the term of the lease. Interest on defaulted lease over 4 months is ceased to recognize and reversed, except consumer financial defaulted lease over 3 months is ceased to recognize and reversed. Interest income will be recognized when received.
- Income from operating lease contract is recognized on a straight-line basis over the term of lease.

3.2 Recognition of Expenses

Interest expenses, fees and service expenses, and other operating expenses, are recognized on an accrual basis.

3.3 Cash and Cash Equivalents

Cash and cash equivalents represent cash in hand and cash on collection.

3.4 Derivatives

Accounting for derivative transactions depends on their purposes as follows:

1) Trading Derivatives

The Bank measures derivatives at fair value and recognizes gains or losses arising from changes in fair value in gains (losses) on tradings and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income along with assets or liabilities in the statements of financial position.

2) Hedging Derivatives

The Bank measures derivatives with the same manner of the hedged items.

3.5 Embedded Derivatives

The Bank records accounting for embedded derivatives namely Credit Derivative and Structured Note in line with the IAS 39 Financial Instruments: Recognition and Measurement as follows:

1) For not closely related embedded derivatives, those could be separated from their host contracts; if the Bank is able to measure them separately; their gains (losses) will be recognized at fair value through gains (losses) on tradings and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income. For the host contracts, the Bank will apply to related accounting standards. Conversely, the Bank is unable to measure the embedded derivatives separately, the Bank will revalue the entire combined contract and designate as trading booked at fair value through profit or loss, which also be recognized the gains or losses arising from changes in fair value in the statements of profit or loss and other comprehensive income.

2) For closely related embedded derivatives, the Bank will not separate them from their host contracts and will recognize the entire combined contract in accordance with related accounting standards.

3.6 Investments

3.6.1 Basis of Classification of Investments

The Bank and its subsidiaries classify their investments in debt securities and equity securities as trading securities, available-for-sale securities, held-to-maturity debt securities, or investments in subsidiaries and associates. Non-marketable equity securities are classified as general investments.

3.6.2 Basis of Valuation of Investments

Investments in marketable debt or equity securities classified as trading securities are stated at fair value. Unrealized gains or losses arising from the revaluation are recorded through gains (losses) on tradings and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

Investments in marketable debt or equity securities classified as available-for-sale securities are stated at fair value, net of allowance for impairment (if any). Unrealized gains or losses arising from the revaluation are separately shown in equity and realized gains or losses after the disposal.

Investments in debt securities classified as held-to-maturity are stated at the amortized cost, net of allowance for impairment (if any). Premiums or discounts on held-to-maturity debt securities are adjusted to interest income at the end of each month by using the straight-line method which is immaterially different from using the effective interest rate method.

General investments are stated at cost, net of allowance for impairment (if any). Losses on impairment are realized through gains (losses) on investments, net in the statements of profit or loss and other comprehensive income.

Investments in marketable unit trust classified as trading and available-for-sale securities are stated at fair value whereas investments in non-marketable unit trust are stated at net asset value.

Investments in foreign asset-backed debt securities classified as trading securities-current investments are stated at fair value.

Investments in subsidiaries and associates, shown in the Bank's financial statements, are accounted for by the cost method, net of allowance for impairment (if any). Moreover, investments in associates, shown in the consolidated financial statements, are accounted for by the equity method (the Bank uses financial information from unaudited/unreviewed financial statements of the associates).

The cost of disposed investments is calculated by the weighted-average method. Gains or losses on disposal of investments are presented in gains (losses) on investments, net in the statements of profit or loss and other comprehensive income, except for trading securities are presented in gains on tradings and foreign exchange transactions, net.

3.7 Loans

Loans represent the outstanding principal amounts, except for overdrafts including accrued interest receivables. Deferred revenue is presented as deduction from the loans.

Hire-purchase and financial lease receivables represent the outstanding amounts, less deferred interest receivables, and deferred commission, plus amortized direct expenses.

3.8 Allowance for Doubtful Accounts

The Bank and its subsidiaries which operate the loan provider business recognize allowance for doubtful accounts compliance with the BoT's Notification No. SOR NOR SOR.5/2559 dated June 10, 2016, regarding Regulations on Assets Classification and Provision of Financial Institutions based on the BoT's Regulations on Valuation and Appraisal of Collateral and Immovable Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institution dated June 10, 2016 summarized as follows:

1) The Bank has set aside provision for normal and special mention categories at 1 percent and 2 percent, respectively, in accordance with the BoT's regulations. The Bank also applies collective approach to set aside provision for each debtor group, grouping by similar credit risk.

2) Provision for impaired-debtors is at 100 percent of the difference between the book value of loans and the present value of expected cash flows from the disposals of collateral as to the practice stipulated by the BoT.

3) Collateral using for calculating the present value of expected cash flows from disposals are such as immovable properties and leasehold rights (e.g. the present value of the expected cash flows from disposals of immovable properties which are collateral of debtors under the litigation process equal to 62.03 percent of the appraisal value and the present value of the expected cash flows from disposals of immovable properties which are collateral of debtors under the public auction process equal to 66.38 percent of the appraisal value). Other types of collateral are calculated by using the valuation rate stipulated by the BoT.

4) Collateral valuation has been conducted according to the BoT's regulations relating to types of collateral, valuation methodology, valuation frequency, and values of collateral that could be deductible from loans balances before provisioning as follows:

- As for normal and special mention categories, the underlying collateral is required to reappraise or revalue on a 3-year basis excluding collateral of credit lines of housing loans and other loans in the charge of retail business and network support team, will be reappraised or revalued when changed to sub-standard, doubtful and doubtful of loss, as well as the collateral which have been reappraised or revalued over the past 3 years.

- As for sub-standard, doubtful and doubtful of loss categories are required to reappraise or revalue collaterals by using the methods stipulated by the BoT. Immovable properties collaterals are required to reappraise or revalue on a 3-year basis as minimum. In case of near cash collateral such as marketable securities, is required to reappraise or revalue at the end of the accounting period.

Bad debts written-off and bad debts recovered are either deducted from or added to the allowance for doubtful accounts, whichever the case may be. The Bank defines debt write off guidelines which any debtors classified as doubtful of loss are written off at the underlying value of irrecoverable provision in line with the BoT's debt write off regulations.

3.9 Troubled Debt Restructuring and Losses on Troubled Debt Restructuring (TDR)

The Bank's debt restructuring methodology includes the reduction of principal and/or accrued interest receivables already recorded as revenue, interest rate reduction, debt-equity conversion or debt-convertible securities conversion, repayment period extension, debt type modification, grace period permission for principal and/or interest, collateral assets transfers, noncollateral assets transfers, and assets transfers with buy back contracts.

Losses arising from debt restructuring are determined as follows:

1) In case of relaxation of the debt repayment conditions without reducing of principal and accrued interest receivables prior to troubled debt, the present value of expected cash flow received is discounted by using the interest rate under the conditions specified in the TDR contract. Where such interest rate is lower than financial cost rate, the financial cost rate will be used instead. If the present value computed is lower than the book value (the principal amount plus accrued interest receivables included in the outstanding balance of restructured debt), an allowance for losses on troubled debt restructuring will be fully recognized in the statements of profit or loss and other comprehensive income for the relevant period.

The component of financial costs features the weighted average cost of deposits and borrowings, contributions to the BoT and the Deposit Protection Agency (DPA), and expenses incurred to maintain liquidity.

2) In case of debt repayment through the transfer of assets, financial instruments or debtors' equity from debt-equity conversion, the Bank has entirely written off. Losses on debt restructuring are charged to the statements of profit or loss and other comprehensive income instantly upon the transfer of assets considering together with the original allowance for doubtful accounts. Thus, the value of transferred assets shall be recorded not higher than the book value of the debt plus accrued interest receivables entitled by the Bank.

In case of partial debt repayment through the transfer of assets, financial instruments or debtors' equity from debt-equity conversion, the Bank's will follow no. 2) in the first place. For the remaining amount of debt, if there is the relaxation of the repayment condition, the Bank will follow no. 1).

3.10 Properties for Sale

Properties for sale are immovable and movable properties which are stated at lower of cost or market value less allowance for impairment (if any). Losses on impairment or reversal of losses on impairment are recognized as other operating expenses or income in the statements of profit or loss and other comprehensive income. Gains or losses on disposals of those properties after deducting selling expenses are recognized as other operating income or expenses in the statements of profit or loss and other comprehensive income.

The Bank has followed the BoT's Notification No. SOR NOR SOR.20/2558 dated December 4, 2015, regarding Regulations on Accounting of Financial Institutions Section 1, Accounting for the Sales of Foreclosed Assets, SOR NOR SOR.5/2559 dated June 10, 2016, regarding Regulations on Assets Classification and Provision of Financial Institutions, SOR NOR SOR.22/2552 dated December 11, 2009, regarding Immovable Properties for Sale, and SOR NOR SOR.23/2552 dated December 11, 2009, regarding the Rules of the Purchase and Holding of Immovable Properties Used as Premises for the Business or as Facilities for its Officers and Employees of Financial Institutions.

According to the BoT's Policy No. THOR POR THOR. PHOR NOR SOR. (23) WOR.745/2559 dated June 10, 2016, regarding Delivery Policy of Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, the properties for sale in the amount exceeding Baht 50 million are appraised by the external appraisers, and the amount of not exceeding Baht 50 million are considered to appraise by internal or external appraisers depending on the Bank.

3.11 Land, Premises, Equipment, and Depreciation

Land is presented at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Land is revalued on a 3-5 year basis by independent appraisers in accordance with the BoT's regulations. In case that revaluation result decreased or decreased more than surplus on land revaluation which had been recognized in equity, the Bank will recognize deficit in the statements of profit or loss and other comprehensive income. In case that revaluation result increased, the Bank will recognize surplus through appraisal surplus on assets in equity. Except for the case that the Bank revalued decreased on land and already recognized loss in the statements of profit or loss and other comprehensive income, the Bank will recognize only surplus amounts that excess of the deficit amounts used to recognized of such land.

Depreciation of premises is calculated on the straight-line basis over their useful lives. Since April 1, 2012, depreciation of premises is calculated on the straight-line basis over their residual useful lives not over 50 years which appraised by independent expert appraisers. Before April 1, 2012, depreciation of premises is calculated on the straight-line basis over their useful lives of 20 years.

Depreciation of equipment is calculated on the straight-line basis over their useful lives of 5 years. Equipment with an acquisition cost not exceeding Baht 3,000 is charged directly to expense in the period of acquisition. The amounts of those transactions have no significant affect to the Bank's financial statements.

Depreciation method, useful lives, and residual value are annually reviewed.

Depreciation of premises and equipment in foreign countries is at the legal rates applicable in each locality.

3.12 Intangible Assets

Intangible assets, comprising software, licenses, and computer system development costs, are presented at cost net accumulated amortization and allowance for impairment (if any). Amortization is calculated by the straight-line basis and recognized as expense in the statements of profit or loss and other comprehensive income. Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

3.13 Deferred Tax Assets or Liabilities

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding taxes basis used in the computation of taxable profit (tax base). The Bank recognized deferred tax assets arising from such temporary differences to the extent that it is probable that taxable profit will be available against those temporary differences could be utilized. The carrying amounts of deferred tax assets are reviewed at each reporting date and shall be reduced to the extent that the tax benefit will be realized.

The Bank and its subsidiaries recognize deferred tax in the statements of profit or loss and other comprehensive income, except for the extent that relates to items recognized in equity, shall be recognized directly in equity.

The Bank and its subsidiaries calculate amounts of deferred tax assets and liabilities by using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.14 Leaseholds

Leaseholds, which are included in other assets, are stated at cost less accumulated amortization. Amortization charge is calculated by the straight-line basis over the lease period between 3 - 30 years and recognized as expense in the statements of profit or loss and other comprehensive income.

3.15 Impairment of Assets

For outstanding balances of assets as at the end of period, the Bank and its subsidiaries review the impairment of assets by items when there is an indication that the book value of those assets is higher than the expected recoverable amounts. As such, losses on impairment will be realized as other operating expenses. The reversal of losses on impairment will be recorded only when there is an indication that such impairment no longer exists or shown at a declining balance, if any, and reversed to other operating income in the statements of profit or loss and other comprehensive income. Except for the case that reversal of the revalued increased of the same assets that used to be recognized in equity, when impairment occurred latterly it will be recognized in equity.

3.16 Foreign Currency Translation

3.16.1 Presentation Currency

The consolidated and the Bank's financial statements are presented in Baht.

3.16.2 Foreign Currency Translation

Items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the transaction dates. Balances of monetary assets and liabilities are translated by using the reference exchange rates of BoT as at the reporting date. Balances of non-monetary assets and liabilities are translated by using the exchange rates prevailing at the transaction dates or exchange rates at the date when the fair value was measured.

Gains or losses on foreign currency exchange and foreign currency translation are presented in the statements of profit or loss and other comprehensive income as gains (losses) on tradings and foreign exchange transactions, net.

3.16.3 Foreign Currency Translation of Foreign Branches' Financial Statements

Items on the foreign branches' statements of financial position are translated into Baht by using the reference exchange rates of BoT as at the reporting date. The statements of profit or loss and other comprehensive income are translated into Baht by using the exchange rate prevailing at the transaction dates or average exchange rates of that accounting period.

Gains or losses on translation of foreign branches' financial statements are presented in equity through other comprehensive income.

3.17 Employees Benefit

3.17.1 Employees Provident Fund

The Bank established a Provident Fund under the Provident Fund Act B.E. 2530 (1987) and entered to the registered fund approved by the Ministry of Finance in June 25, 1992. The Provident Fund is managed by an external fund manager.

Permanent employees of the Bank are entitled to apply for membership according to the registered KTB Provident Fund regulations. Employees could opt to contribute to the Fund at the rate of either 3, 6, 10, 12 or 15 percent of their basic salaries while the Bank's supplemental contribution is at 10 percent of each employees' basic salary.

3.17.2 Defined Benefit Plan

The Bank and its subsidiaries have defined benefit plan to pay their employees under the employment agreements. The estimate of employee benefits obligations are calculated by using the actuarial techniques called the Projected Unit Credit Method. This method uses statistical data as a factor to estimate the present value of expected future payments and discounts by using market yields on high quality corporate bonds with the approximate maturity of those obligations. The estimate amount is shown in a part of the provisions. The actuarial gains (losses) are recognized in other comprehensive income and transferred immediately to the retained earnings.

3.18 Unclaimed Balances

Unclaimed balances remaining dormancy for over 10 years are taken to other operating income at the end of the accounting period.

3.19 Income Taxes

Income taxes comprise of current tax and deferred tax.

Current tax is the amount expected to be paid to the tax authorities by calculating from taxable profit for the period under Revenue Code.

3.20 Earnings per Share

Basic earnings per share are calculated by dividing the net income by the number of weighted-average ordinary shares.

Diluted earnings per share are calculated by dividing the net income after deducting non-cumulative preferred dividend declared during the period by the number of weighted-average ordinary shares.

3.21 Provisions

The BoT's Notification No. SOR NOR SOR.5/2559 dated June 10, 2016, regarding Regulations on Assets Classification and Provision of Financial Institutions prescribed regulations to set aside provisions for off-the statements of financial position obligations in conformity with TAS 37 (revised 2015): Provisions, Contingent Liabilities and Contingent Assets. The Bank is required to set aside provisions for off-the statements of financial position obligations when satisfied all of the following criteria:

1) Off-the statements of financial position obligations classified as substandard, doubtful, doubtful of loss, and loss.

2) Off-the statements of financial position obligations which the Bank should recognize provisions according to TAS 37 (revised 2015), paragraph 14 when satisfied all of the following criteria:

2.1) A present obligation (a legal or a constructive obligation) resulting from past events could be a legal or a constructive obligation.

2.2) It is possibly certain that there will be a future outflow of resources embodying economic benefit to settle such obligation and

2.3) An estimate of obligation can be reliably made.

3) Off-the statements of financial position obligations engage in high credit risk such as guarantees on borrowings, aval to bills or irrevocable obligations whereby the Credit Conversion Factor stipulated by the BoT in calculating Capital Fund to be maintained is equal to 1.0.

3.22 Customer Loyalty Programme

The Bank and its subsidiaries have customer loyalty programme by offering reward points to customer together with services entitling customers to redeem those reward points to gifts or discount in the future. The Bank and its subsidiaries also allocate rewards or accrued rewards to the points by referring from fair value of accumulated points. Then, they are recognized to deferred revenue under "other liabilities" in the statements of financial position and shall be recognized to fees and service income when customers redeem.

3.23 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank and its subsidiaries have considered fair value of individual financial instrument. Fair value of financial instruments are quoted price (unadjusted) for similar assets or liabilities in active markets that the Bank and its subsidiaries are able to access. In case of there is no quoted price in active markets, the Bank and its subsidiaries will use general accepted valuation technique by maximizing observable inputs and minimizing unobservable inputs in commonly used models or the Bank's models. Those models are approved by the management and also regularly reviewed and updated.

4. RISK MANAGEMENT

4.1 The Bank's Risk Information

Credit Risk

Credit risk is the risk that a counterparty or borrower fails to comply with conditions and covenants as stated in the mutual agreement or the deterioration of assets' quality resulting in non-repayment debts as set out in the loan contract and an adverse effect over the Bank's income and capital funds. The assets on the statements of financial position, net of allowance for doubtful accounts, represent the Bank's credit risk exposure.

The Bank concerns about the contingent credit risk as well as the credit quality, the appropriateness of borrowing objectives and repayment ability of the borrower. The Bank focuses on a credit expansion to both existing and new customers with high potentiality, low risks, and high yield. Moreover, the Bank shall closely evaluate and follow up situations both inside and outside country continually. The Bank also assesses the risks that may impact on solvency of the debtors in the Bank's loan portfolios. Then, the Bank classifies risk level, in order to notice credit department and set the loan policy guideline to prevent the debtors become NPLs. Moreover, the Bank has regularly improved credit risk management by reviewing/adjusting credit policies and other policies related to the credit risk management for the purpose of complying with economic situation and the Bank's business operation as well as being in consonant with risk management guidance prescribed by the BoT. These adaptive policies shall be practicable with credit offering in order to be flexible in the operation and consistent with the international standards.

The Bank develops Industry Rating and Business Alert (Outlook) report to set Industry Direction & Supply Chain for the credit consideration in order to increase efficiency in credit management.

The Bank manages credit risk management of the companies in financial business group of the Bank under the BoT's regulations. The credit risk management policies and guidelines of those companies are also reviewed/improved annually and/or when significantly changed event occurs and affects credit risk management.

The Bank monitors and reports risk management results with the intention to control credit risk to be in compliance with the Bank's risk management plan, the BoT's supervision policy and other regulators' rules. The risk management results reports are normally submitted to the Risk Management Committee and the Audit Committee at least once a month and to the Board of Directors at least quarterly.

To follow up and manage the quality of credit, the Bank closely monitors the customers whose credits are approved in order to ensure that they are in comply with the terms and conditions of loan agreements by carrying out NPLs reduction project. The watch list debtors with weak performance will be monitored and controlled to prevent such loans becomes NPLs. However, in case those debtors become NPLs, the measure for debt restructuring shall be set up together with legal process. With this regards, the NPLs reduction project shall help stipulating the implementation plan to become clearer and more effective for the NPLs problem solving. Thus, the regular progress shall be reported regularly in order to expedite debt repayment with minimum loss.

In assessing the adequacy of provision as prescribed by the BoT, the Bank is required to examine the accuracy and completeness of loan classification, debt-restructuring and collateral data as type and value of collateral. Such associated data potentially has significant impacts on the allowance for doubtful accounts of the Bank.

According to assets written-off, the Bank has policy to write off any assets classified as doubtful of loss with 100 percent provision; however, the Bank still closely follow up uncollectible amounts or taken legal proceedings to the final action.

The credit review is established to ensure the compliance with standard operation procedures in relation to credit approval and debt restructuring. In addition, the qualitative assessment for loan and other related assets are conducted for loan classification as prescribed by the BoT.

Market Risk

Market risk is the risk that the Bank may affected by changes in value of position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank monitors and controls the market risk in the trading book and banking book portfolio by comparing the existing risks with the approved risk limits/indicators, conducting the approval processes for the breach of the limits/indicators and reporting to the executives and the Risk Management Committee regularly.

Interest Rate Risk

Interest rate risk is the risk that income or capital is adversely affected by changes in interest rate of the asset, liability and off-the statements of financial position items which are Rate Sensitive Items. These may have negative impact on Net Interest Income, Economic Value, market values of Trading Account, and other income and expenses related to interest rate.

The Bank's significant financial assets and liabilities classified by periods of interest rate repricing are as follows:

(Million Baht)

December 31, 2016

	Call to 1 month	1-3 Months	3-12 Months	Over 1 year	Non-interest Bearing	NPLs	Total
Financial assets							
Interbank and money market items	381,469.53	16,399.42	5,895.40	0.77	29,039.39	-	432,804.51
Investments*	728.69	12,369.71	28,540.11	154,407.53	19,397.74	-	215,443.78
Loans to customers	1,406,749.48	174,714.37	122,088.65	45,912.51	992.25	86,785.96	1,837,243.22
Total financial assets	1,788,947.70	203,483.50	156,524.16	200,320.81	49,429.38	86,785.96	2,485,491.51
Financial liabilities							
Deposits	1,308,356.19	191,314.47	241,422.93	141,076.31	92,987.77	-	1,975,157.67
Interbank and money market items	114,295.70	28,628.75	15,731.38	30,615.07	4,440.10	-	193,711.00
Debt issued and borrowings	0.70	5,155.00	15,133.32	58,978.84	-	-	79,267.86
Total financial liabilities	1,422,652.59	225,098.22	272,287.63	230,670.22	97,427.87	-	2,248,136.53

(Million Baht)

December 31, 2015

	Call to 1 month	1-3 Months	3-12 Months	Over 1 year	Non-interest Bearing	NPLs	Total
Financial assets							
Interbank and money market items	353,893.03	10,380.88	8,035.81	-	25,873.83	-	398,183.55
Investments*	8,787.92	11,291.77	68,253.29	124,972.38	18,023.21	-	231,328.57
Loans to customers	1,448,573.83	194,391.89	195,389.95	58,728.12	896.08	71,847.55	1,969,827.42
Total financial assets	1,811,254.78	216,064.54	271,679.05	183,700.50	44,793.12	71,847.55	2,599,339.54
Financial liabilities							
Deposits	1,246,235.20	265,233.11	310,565.94	188,003.99	127,408.25	-	2,137,446.49
Interbank and money market items	108,511.19	10,522.16	6,185.35	47,566.12	4,916.38	-	177,701.20
Debt issued and borrowings	1,441.87	-	7,368.78	78,127.32	-	-	86,937.97
Total financial liabilities	1,356,188.26	275,755.27	324,120.07	313,697.43	132,324.63	-	2,402,085.66

* Included investments in subsidiaries and associates (excluded trading securities, allowance for revaluation and impairment).

Foreign Exchange Rate Risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility giving adverse impact on income or capital due to having foreign currency transactions or having assets or liabilities in foreign currency, when converting all items on the Bank's financial statements to local currency, the book values decrease including decline of income or loss incurred from foreign exchange trading.

Equity Securities Price Risk

Equity securities price risk is the risk that income or capital is negatively affected by changes in equity securities prices. However, the Bank focuses on investing in potential securities which have growth performance and have opportunities to generate bank's return.

Commodity Price Risk

This is the risk that income or capital is adversely affected by changes in commodity price. The Bank conducts commodity derivative transactions to accommodate customer hedging of risk. The Bank eliminates those risk exposures by doing back-to-back transactions.

The Bank's Market Risk Management Structure and Supervision

The Bank has designated the Board of Directors and Risk Management Committee to formulate policy and market risk limit as follows:

Board of Directors

Board of Directors are responsible for the approval of market risk management policy and the limitation acceptance or threshold of Bank in order to control risk exposure that affects to the market risk and decentralized to relevant committees or responsible departments to supervise as appropriate.

Risk Management Committee - RMC

RMC is responsible for the determination of risk management policy to the Board of Directors, controlling, monitoring, assessing the result of risk management and supervising that the risk management policy and guidelines set by the Bank and the regulators have been implemented and observed.

The Bank has designated the Market Risk Management Department, an independent business unit from front office, to supervision risk in order to create transparency and efficiency. Moreover, it conforms to the BoT's market risk supervision regulations and the Bank's market risk management policy. Besides, the Market Risk Management Department is responsible to follow up and supervise market risk not exceeding the limit specified by the Bank. Then, it reports to top-level executives and RMC.

The Bank has set the risk management policy to be in line with the Bank's strategy and the BoT's market risk supervision regulations.

For transactions in trading accounts, the Bank set the maximum acceptable risk limit such as investment value/position, maximum loss, including statistic risk measurement namely Value at Risk (VaR) and Sensitivity for the trading book portfolio. The Bank also regularly assesses market value and conducts stress testing for both trading book portfolio and banking book portfolio. Besides, the Bank prepares Product Programme while enhancing applications and tools used in risk assessment and control for higher efficiency capable of accommodate more complex transactions.

The Bank regularly monitors the interest rate risk in the banking book portfolio by simulating the net interest income change and economic value change. The Bank also regularly conduct stress testing and closely monitor whenever there are some changes in the interest rate market movement that affects the bank significantly.

Market Risk Management Structure and Supervision of the Financial Business Group

The Bank has supervision of risk management of the financial business group and prescribes policy of risk management of the financial business group. The policy was approved by the Board of Directors determining the subsidiaries within the financial business group to complete all aspects of risk management in accordance with risk management policy which defines the organization chart that support the efficiency of risk management, including the determining of clearly authorization. The policy also determines the subsidiaries to complete and efficiently follow the monitoring process and internal control system by identifying, measuring, monitoring and controlling risk under the guideline prescribed in the risk management policy of the financial business group. Moreover, the subsidiaries are required to prepare their market risk management report and relating information for submission to the Bank in order that the Bank can monitor market risk and risk level of companies in the financial business group and assess effect to the Bank's capital.

The Bank's financial business group has decentralized risk management that means companies within the financial business group manage their own risk and the Bank will consider and comment the companies' key market risk indicators as appropriate.

Liquidity Risk

Liquidity risk is the risk that the Bank fails to repay liabilities or contingencies on due date because of inability to liquidate assets into cash or having insufficient funds or acquiring funds at a higher unacceptable cost thus affecting income and capital funds at present and in the future.

The Bank's Liquidity Risk Management Structure and Supervision

The Bank has designated the Board of Directors, Risk Management Committee, Assets and Liabilities Management Committee to prescribe policy and strategy of liquidity risk management as follows:

Board of Directors

Board of Directors is responsible for the approval of liquidity risk management policy, liquidity management plan and liquidity emergency plan and to approve the Bank's acceptable limit or trigger of liquidity risk.

Risk Management Committee - RMC

RMC is responsible for the determination of risk management policy to the Board of Directors, controlling, monitoring, assessing the result of risk management and supervising that the risk management policy and guidelines set by the Bank and the regulators have been implemented. RMC also submitted the operational report to the Audit Committee for acknowledgement and/or for considering on monthly basis and report to the Board of Directors for acknowledgement and/or for considering on quarterly basis.

Assets and Liabilities Management Committee – ALCO

ALCO is responsible for the determination of strategy to manage the Bank's assets, liabilities, and capital to be appropriate. ALCO monitors various external factors affecting the Bank's liquidity, specifies strategy to manage liquidity and interest rate risk and submits ALCO report to the Board of Executive Directors for acknowledgement and/or for considering.

Liquidity Risk Management Structure and Supervision of the Financial Business Group

The Bank has supervision of risk management of the financial business group and prescribes policy of risk management of the financial business group. The policy was approved by the Board of Directors determining the subsidiaries within the financial business group to complete all aspects of risk management in accordance with risk management policy which defines the organization chart that supports the efficiency of risk management, including the determining of clearly authorization. The policy also determines the subsidiaries to complete and efficiently follow the monitoring process and internal control system by identifying, measuring, monitoring and controlling risk under the guideline prescribed in the risk management policy of the financial business group. Moreover, the group is required to prepare liquidity position report and relating information for submission to the Bank in order that the Bank can monitor liquidity position and risk level of companies in the financial business group and assess effect to the Bank's liquidity.

The Bank's financial business group has decentralized risk management that means companies within the financial business group manage their own risk and the Bank will consider supporting their liquidity as appropriate.

Structure of Sources and Uses of Funds

Liquidity risk is the significant risk of commercial banks. The Bank's liquidity risk factors are the structure of sources and uses of funds. The Bank's sources of funds are from short-term deposits mostly less than one year including saving deposits, while uses of funds for lending have maturity date longer than the deposits. Therefore, the Bank's liquidity risk stems from asset to cash turning period not matching with liability's maturity date. Besides, cost of fund that higher than acceptable limit could affect to the Bank's income and capital at present and in the future.

Thus, liquidity risk management process of the Bank is liquidity trend analysis by estimating the Bank's liquidity status and Net high-quality liquid assets to net liquidity gap ratio in order to evaluate the sufficiency of liquidity assets that supported short-term capital demand. The Bank also assigns the trigger to control liquidity risk and consistency report risk to the Risk Management Committee, the executive officers, and related parties.

Liquidity Risk Management Tools

Liquidity risk management tools are presented in several reports related to the Bank's liquidity to top-level executives and relating departments in order to efficiently apply to use of liquidity risk management.

- The Bank prepares liquidity risk report to determine liquidity risk on a daily and monthly basis by comparing with the approved risk limit/indicators to manage and control the risk level to the prescribed limit.

- Net liquidity position report is prepared on a daily basis in the first 14 calendar days to present daily details by showing estimated cash inflow and outflow information adjusted according to customer behavior, preceding cash flow model together with future trend considerations adhere to realistic and conservative principles.
- Liquidity gap report presents estimates of future cash flows determined in accordance with the customer behavior assumptions in normal situation.
- Daily financial position report presents the Bank's liquid assets in terms of balance amount of daily average deposits with the BoT. The BoT's regulation requires maintaining sum of the average daily deposit balance and the average daily cash balance at the cash inventory management center not less than 1 percent of total customers' deposit and other specified borrowings. Moreover, the report demonstrates high quality liquid assets in each asset category reserved as an operating liquidity for the Bank's normal operations.
- Liquidity coverage ratio (LCR) Report is reported to the Risk Management Committee and the Assets and Liabilities Management Committee on a monthly basis in accordance with BoT's regulations. LCR is the liquidity risk measurement standard that aims to ensure that a bank has an adequate stock of unencumbered high quality liquid assets (HQLA) which consists of cash or assets that can be converted into cash at little or no loss of value in private markets to meet its liquidity needs for a 30 calendar day liquidity stress scenario.
- Simulation liquidity risk stress testing report is submitted to the Risk Management Committee on a quarterly basis.

Liquidity Risk Stress Testing

The Bank sets quarterly liquidity risk stress testing in conformity with the Bank's stress testing policy by using the 3 situations which are (1) Institution-specific crisis (2) Market-wide crisis and (3) Combination of both. Each situation is based on assumptions such as withdrawing customers' deposit in different proportion, declining in the market liquidity of assets, decreasing in ability to reach large-sized sources of funds. The Bank also prepares contingency plan to support crisis by considering to stress test result of each model situation. The contingency plan is set warning triggers of liquidity crisis in order that the Bank can reduce negative impact from liquidity problems that may occur with reasonable expenses/costs.

Liquidity Assets

As at December 31, 2016, the Bank's liquidity assets are totaling to Baht 29,235.90 million or 1.45 percent of average deposits and borrowing. Since 2016, the BoT specifies assets which can be liquidity assets, those comprised of current accounts deposited at the BoT and cash at Cash Center Banks. Moreover, it requires commercial banks to maintain average liquidity assets not less than 1 percent of average deposits and borrowings.

As at December 31, 2015, the Bank's liquidity assets are totaling to Baht 484,510.87 million or 22.24 percent of average deposits and borrowings. The BoT requires commercial banks to maintain average liquidity assets not less than 6 percent of average deposits and borrowings.

Sources and Uses of Funds

Sources and uses of funds as at December 31, 2016, the Bank and its subsidiaries' major sources of funds were deposits accounting for 73.34 percent of total funds. Other significant sources of funds included net interbank and money market items (liabilities) of 7.55 percent, debt issued and borrowings of 4.49 percent, and equity of 10.38 percent.

The Bank and its subsidiaries' uses of funds were loans to customers 70.80 percent of total uses of funds. Other significant uses of funds included net interbank and money market items (assets) of 16.05 percent and net investments of 9.01 percent.

	December 31, 2016	December 31, 2015
Sources of Funds		
Deposits	73.34%	75.85%
Interbank and money market items, net	7.55%	6.90%
Debt issued and borrowings	4.49%	4.13%
Equity	10.38%	8.89%
Uses of Funds		
Loans to customers	70.80%	72.01%
Interbank and money market items, net	16.05%	14.11%
Investments, net	9.01%	9.30%

Loans to Deposits Ratio

On the consolidated financial statements as at December 31, 2016, the Bank has loans to deposits ratio of 96.54 percent which has decreased from 94.94 percent as at December 31, 2015.

Loans to deposits ratio on the Bank's financial statements as at December 31, 2016 is 93.01 percent which has increased from 92.15 percent as at December 31, 2015. As a result of the reduction of the reduction of deposits decreasing 7.59 percent more than loans decreasing 6.73 percent from the end of the year 2015.

Considering to the loans to deposits ratio including bills of exchange on the Bank's financial statements as at December 31, 2016 is 92.64 percent which has increased from 91.86 percent as at December 31, 2015. As a result of the reduction of deposits including bills of exchange decreasing 7.51 percent more than loans decreasing 6.73 percent from the end of the year 2015.

	December 31, 2016	December 31, 2015
Loans to deposits ratio (Consolidated financial statements)	96.54%	94.94%
Loans to deposits ratio (The Bank's financial statements)	93.01%	92.15%
Loans to deposits ratio including bills of exchange (The Bank's financial statements)	92.64%	91.86%

As at December 31, 2016 and 2015, the Bank's financial assets and liabilities are classified by remaining maturity as follows:

(Million Baht)

	December 31, 2016					
	Less than 1 Month	1-3 Months	Over 3 Months upto 1 Year	Over 1 Year	No Maturity	Total
Financial Assets						
Interbank and money market items, net	275,764.56	31,422.10	101,101.20	23,062.35	-	431,350.21
Investments, net*	-	-	58,816.44	167,876.71	10,664.59	237,357.74
Loans to customers	108,331.06	107,014.75	406,560.75	1,215,336.66	-	1,837,243.22
Total financial assets	384,095.62	138,436.85	566,478.39	1,406,275.72	10,664.59	2,505,951.17
Financial Liabilities						
Deposits	1,400,390.45	191,792.42	238,958.82	144,015.98	-	1,975,157.67
Interbank and money market items, net	118,730.17	26,837.34	17,528.31	30,615.18	-	193,711.00
Debt issued and borrowings	0.70	5,155.00	15,133.32	58,978.84	-	79,267.86
Total financial liabilities	1,519,121.32	223,784.76	271,620.45	233,610.00	-	2,248,136.53

* Included investments in subsidiaries and associates.

(Million Baht)

December 31, 2015

	Less than 1 Month	1-3 Months	Over 3 Months upto 1 Year	Over 1 Year	No Maturity	Total
Financial Assets						
Interbank and money market items, net	218,787.84	35,654.20	108,535.89	34,083.45	-	397,061.38
Investments, net*	-	-	109,921.54	136,889.52	10,664.59	257,475.65
Loans to customers	92,767.13	120,327.69	439,568.97	1,317,163.63	-	1,969,827.42
Total financial assets	311,554.97	155,981.89	658,026.40	1,488,136.60	10,664.59	2,624,364.45
Financial Liabilities						
Deposits	1,371,936.02	265,834.18	308,943.22	190,733.07	-	2,137,446.49
Interbank and money market items, net	113,039.23	8,787.65	6,190.61	49,683.71	-	177,701.20
Debt issued and borrowings	1.87	-	7,368.78	79,567.32	-	86,937.97
Total financial liabilities	1,484,977.12	274,621.83	322,502.61	319,984.10	-	2,402,085.66

* Included investments in subsidiaries and associates.

4.2 Fair Value of Financial Instruments

(Million Baht)

Consolidated Financial Statements

December 31, 2016

December 31, 2015

	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Cash	72,106.42	72,106.42	71,470.11	71,470.11
Interbank and money market items, net	431,638.41	431,638.41	397,357.97	397,357.97
Derivative assets	30,063.05	30,063.05	34,039.14	34,039.14
Investments, net*	242,265.22	242,878.39	261,732.04	262,413.73
Loans to customers and accrued interest receivables, net	1,798,578.14	1,798,578.14	1,947,384.82	1,947,384.82
Total financial assets	2,574,651.24	2,575,264.41	2,711,984.08	2,712,665.77
Financial Liabilities				
Deposits	1,972,403.53	1,972,403.53	2,135,498.51	2,135,498.51
Interbank and money market items, net	203,166.31	200,340.39	194,242.84	194,261.31
Liabilities payable on demand	5,082.47	5,082.47	6,121.12	6,121.12
Derivative liabilities	31,516.69	31,516.69	37,232.57	37,232.57
Debt issued and borrowings	120,690.86	113,974.42	116,240.46	117,766.15
Total financial liabilities	2,332,859.86	2,323,317.50	2,489,335.50	2,490,879.66

* Included investments in subsidiaries and associates.

(Million Baht)

The Bank's Financial Statements

December 31, 2016

December 31, 2015

Book Value

Fair Value

Book Value

Fair Value

Financial Assets

Cash	71,929.87	71,929.87	71,294.41	71,294.41
Interbank and money market items, net	431,350.21	431,350.21	397,061.38	397,061.38
Derivative assets	30,084.83	30,084.83	34,088.51	34,088.51
Investments, net*	237,357.74	263,440.26	257,475.65	277,728.05
Loans to customers and accrued interest receivables, net	1,738,973.35	1,738,973.35	1,897,770.78	1,897,770.78
Total financial assets	2,509,696.00	2,535,778.52	2,657,690.73	2,677,943.13

Financial Liabilities

Deposits	1,975,157.67	1,975,157.67	2,137,446.49	2,137,446.49
Interbank and money market items, net	193,711.00	190,885.08	177,701.20	177,719.67
Liabilities payable on demand	5,082.47	5,082.47	6,121.12	6,121.12
Derivative liabilities	31,516.69	31,516.69	37,234.79	37,234.79
Debt issued and borrowings	79,267.86	72,551.42	86,937.97	88,463.66
Total financial liabilities	2,284,735.69	2,275,193.33	2,445,441.57	2,446,985.73

*Included investments in subsidiaries and associates.

4.3 Statutory Capital Fund

As at December 31, 2016 and 2015, the Bank calculated capital fund based on Basel III framework of the BoT. Since 2016, BoT required commercial banks registered in Thailand to maintain a capital conservation buffer in addition the tier 1 capital fund ratios until completion of the increment to more than 2.5 percent of total risk weighted assets. It could be gradually increase and maintain the conservation buffer more than 0.625 percent per annum, beginning on January 1, 2016 onward until reaching full amounts on January 1, 2019.

Capital Fund Ratios to Risk Weighted Assets

	2016	2015
	BoT regulatory minimum requirement	BoT regulatory minimum requirement
Tier 1 capital fund ratios - equity	5.125	4.5
Tier 1 capital fund ratios	6.625	6.0
Total capital fund ratios	9.125	8.5

The Bank also maintained capital fund and capital fund ratios to risk weighted assets in accordance with the BoT's regulations as follows:

(Million Baht)

	Financial Business Group	
	December 31, 2016	December 31, 2015
Tier 1 capital fund - equity		
Paid-up share capital	72,005.04	72,005.04
Premium on share capital	20,833.74	20,833.74
Legal reserve	7,200.50	7,200.50
Net income after appropriation	140,137.84	121,607.68
Other components of equity	17,049.51	8,818.54
Deduction items from Tier 1 capital fund - equity	(8,938.83)	(9,974.19)
Tier 1 capital fund - financial instruments	1,036.48	8,856.95
Total tier 1 capital fund	249,324.28	229,348.26
Tier 2 capital fund		
Long-term subordinated debt	52,098.48	52,098.48
Allowance for assets classified as pass	21,783.56	23,397.47
Total tier 2 capital fund	73,882.04	75,495.95
Total capital fund	323,206.32	304,844.21

(Million Baht)

The Bank's Financial Statements

December 31, 2016

December 31, 2015

Tier 1 capital fund - equity

Paid-up share capital	72,005.04	72,005.04
Premium on share capital	20,833.74	20,833.74
Legal reserve	7,200.50	7,200.50
Net income after appropriation	134,179.80	117,518.67
Other components of equity	14,019.78	6,928.34
Deduction items from Tier 1 capital fund - equity	(4,984.63)	(6,840.30)

Tier 1 capital fund - financial instruments

- 7,445.97

Total tier 1 capital fund

243,254.23 225,091.96

Tier 2 capital fund

Long-term subordinated debt	52,098.48	52,098.48
Allowance for assets classified as pass	20,995.59	22,430.16

Total tier 2 capital fund

73,094.07 74,528.64

Total capital fund

316,348.30 299,620.60

Capital Fund Ratios to Risk Weighted Assets

Financial Business Group

The Bank's Financial Statements

December 31,
2016December 31,
2015December 31,
2016December 31,
2015

Tier 1 capital fund ratios - equity	12.75	10.74	12.96	11.06
Tier 1 capital fund ratios	12.81	11.17	12.96	11.43
Total capital fund ratios	16.60	14.85	16.85	15.22

The Bank discloses information about capital maintenance of the Bank and financial business group under the BoT's notifications on disclosure of capital maintenance for commercial banks and disclosure of capital maintenance for financial business group.

Channel of disclosure www.ktb.co.th>Investor Relations>Financial Information>Pillar III Disclosures

Date of disclosure April 30, 2017

Information as at December 31, 2016

5. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Thai financial reporting standards, requires managements to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from such estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected. Information about significant areas at estimation uncertainty and assumptions in applying accounting policies has significant effects on the amount recognized in the financial statements.

6. SUPPLEMENTARY INFORMATION

6.1 Supplementary Information of Cash Flows

Significant non-cash items for the years ended December 31, 2016 and 2015 are as follows:

	(Million Baht)			
	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Increase (Decrease) in revaluation surplus on				
available-for-sale investments net income tax expenses	5,162.87	(1,758.59)	5,379.51	(2,758.29)
Increase in properties for sale from loan payment	12,179.94	2,770.45	12,179.94	2,770.45

6.2 Interbank and Money Market Items, Net (Assets)

(Million Baht)

Consolidated Financial Statements						
December 31, 2016			December 31, 2015			
Demand	Time	Total	Demand	Time	Total	
6.2.1 Domestic Items						
Bank of Thailand and Financial Institutions						
Development Fund	21,401.88	171,800.40	193,202.28	12,322.73	160,000.35	172,323.08
Commercial banks	297.79	34,841.55	35,139.34	273.95	12,369.72	12,643.67
Special purpose financial institutions	21.34	32,017.82	32,039.16	30.17	5,462.65	5,492.82
Other financial institutions	92.54	130,922.44	131,014.98	38.53	148,271.87	148,310.40
Total	21,813.55	369,582.21	391,395.76	12,665.38	326,104.59	338,769.97
<u>Add</u> Accrued interest receivables	-	281.06	281.06	-	319.10	319.10
<u>Less</u> Allowance for doubtful accounts	(1.00)	(1,756.18)	(1,757.18)	(0.27)	(1,423.82)	(1,424.09)
Total domestic items	21,812.55	368,107.09	389,919.64	12,665.11	324,999.87	337,664.98
6.2.2 Foreign Items						
US Dollar	9,929.93	24,715.74	34,645.67	7,054.90	40,334.93	47,389.83
Japanese Yen	3,032.45	-	3,032.45	8,394.50	-	8,394.50
Euro	263.14	-	263.14	211.56	-	211.56
Other currencies	1,670.22	2,085.46	3,755.68	1,844.95	1,869.33	3,714.28
Total	14,895.74	26,801.20	41,696.94	17,505.91	42,204.26	59,710.17
<u>Add</u> Accrued interest receivables	0.23	250.94	251.17	0.07	279.63	279.70
<u>Less</u> Deferred revenue	-	(1.33)	(1.33)	-	(1.01)	(1.01)
Allowance for doubtful accounts	-	(228.01)	(228.01)	-	(295.87)	(295.87)
Total foreign items	14,895.97	26,822.80	41,718.77	17,505.98	42,187.01	59,692.99
Total domestic and foreign items	36,708.52	394,929.89	431,638.41	30,171.09	367,186.88	397,357.97

(Million Baht)

The Bank's Financial Statements

December 31, 2016

December 31, 2015

Demand

Time

Total

Demand

Time

Total

6.2.1 Domestic Items

Bank of Thailand and Financial Institutions

Development Fund

21,401.88 171,800.40 193,202.28 12,322.73 160,000.35 172,323.08

Commercial banks

30.93 34,841.55 34,872.48 7.53 12,369.72 12,377.25

Special purpose financial institutions

- 32,017.82 32,017.82 - 5,462.65 5,462.65

Other financial institutions

92.54 130,922.44 131,014.98 38.53 148,271.87 148,310.40

Total

21,525.35 369,582.21 391,107.56 12,368.79 326,104.59 338,473.38

Add Accrued interest receivables

- 281.06 281.06 - 319.10 319.10

Less Allowance for doubtful accounts

(1.00) (1,756.18) (1,757.18) (0.27) (1,423.82) (1,424.09)

Total domestic items

21,524.35 368,107.09 389,631.44 12,368.52 324,999.87 337,368.39

6.2.2 Foreign Items

US Dollar

9,929.93 24,715.74 34,645.67 7,054.90 40,334.93 47,389.83

Japanese Yen

3,032.45 - 3,032.45 8,394.50 - 8,394.50

Euro

263.14 - 263.14 211.56 - 211.56

Other currencies

1,670.22 2,085.46 3,755.68 1,844.95 1,869.33 3,714.28

Total

14,895.74 26,801.20 41,696.94 17,505.91 42,204.26 59,710.17

Add Accrued interest receivables

0.23 250.94 251.17 0.07 279.63 279.70

Less Deferred revenue

- (1.33) (1.33) - (1.01) (1.01)

Allowance for doubtful accounts

- (228.01) (228.01) - (295.87) (295.87)

Total foreign items

14,895.97 26,822.80 41,718.77 17,505.98 42,187.01 59,692.99

Total domestic and foreign items

36,420.32 394,929.89 431,350.21 29,874.50 367,186.88 397,061.38

6.3 Derivatives Held for Trading

The Fair Values and the Notional Amounts Classified by Type of Risk

(Million Baht)

Type of Risk	Consolidated Financial Statements					
	December 31, 2016			December 31, 2015		
	Fair Value		Notional Amounts	Fair Value		Notional Amounts
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	22,954.07	24,803.64	1,821,487.20	26,687.47	30,064.91	1,655,572.33
Interest rate	4,088.77	3,676.02	945,244.59	4,466.88	4,244.51	729,036.66
Others	3,020.21	3,037.03	81,077.83	2,884.79	2,923.15	91,132.79
Total	30,063.05	31,516.69	2,847,809.62	34,039.14	37,232.57	2,475,741.78

(Million Baht)

Type of Risk	The Bank's Financial Statements					
	December 31, 2016			December 31, 2015		
	Fair Value		Notional Amounts	Fair Value		Notional Amounts
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	22,954.06	24,803.64	1,821,487.20	26,687.63	30,067.13	1,655,818.68
Interest rate	4,110.56	3,676.02	947,082.35	4,516.09	4,244.51	732,469.36
Others	3,020.21	3,037.03	81,077.83	2,884.79	2,923.15	91,132.79
Total	30,084.83	31,516.69	2,849,647.38	34,088.51	37,234.79	2,479,420.83

The Proportion of Derivative Transactions Classified by Type of Counterparty based on the Notional Amounts

Type of Risk	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Proportion	Proportion	Proportion	Proportion
Financial institutions	80.85%	77.59%	80.80%	77.47%
Financial business group	0.11%	0.12%	0.17%	0.27%
Third parties	19.04%	22.29%	19.03%	22.26%
Total	100.00%	100.00%	100.00%	100.00%

6.4 Investments, Net

(Million Baht)

Consolidated Financial Statements							
December 31, 2016				December 31, 2015			
Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value

6.4.1 Trading Securities

Government & state enterprise securities	15,217.38	13.51	(20.36)	15,210.53	21,474.55	17.48	(0.10)	21,491.93
Private enterprise debt securities	1,893.86	0.44	(1.71)	1,892.59	2,028.49	0.93	(0.68)	2,028.74
Foreign debt securities	-	-	-	-	4,758.06	0.35	-	4,758.41
Domestic marketable equity securities	-	-	-	-	0.03	-	-	0.03
Total	17,111.24	13.95	(22.07)	17,103.12	28,261.13	18.76	(0.78)	28,279.11
Add (Less) Allowance for revaluation	(8.12)				17.98			
Total	17,103.12			17,103.12	28,279.11			28,279.11

6.4.2 Available-for-Sale Securities

Government & state enterprise securities	69,758.38	5.83	(757.37)	69,006.84	82,686.81	24.95	(1,144.17)	81,567.59
Private enterprise debt securities	3,819.54	9.37	(36.83)	3,792.08	2,834.93	24.69	(0.38)	2,859.24
Foreign debt securities	20,332.82	3.16	(39.06)	20,296.92	2,580.28	0.86	(4.63)	2,576.51
Domestic marketable equity securities	4,979.29	7,772.83	(169.89)	12,582.23	5,015.82	1,322.63	(209.58)	6,128.87
Foreign marketable equity securities	542.01	20.78	-	562.79	542.01	66.26	-	608.27
Total	99,432.04	7,811.97	(1,003.15)	106,240.86	93,659.85	1,439.39	(1,358.76)	93,740.48
Add Allowance for revaluation	6,809.00				84.62			
Less Allowance for impairment	(0.18)				(3.99)			
Total	106,240.86			106,240.86	93,740.48			93,740.48

6.4.3 Held-to-Maturity Debt Securities

Government & state enterprise securities	86,837.65	1,796.89	(1,257.08)	87,377.46	106,180.23	2,527.01	(2,098.25)	106,608.99
Private enterprise debt securities	2,692.12	73.25	(35.87)	2,729.50	3,147.52	82.19	(36.02)	3,193.69
Foreign debt securities	13,261.61	0.12	-	13,261.73	15,174.40	-	-	15,174.40
Total	102,791.38	1,870.26	(1,292.95)	103,368.69	124,502.15	2,609.20	(2,134.27)	124,977.08
Less Allowance for impairment	(35.87)				(206.76)			
Total	102,755.51			103,368.69	124,295.39			124,977.08

6.4.4 General Investments

Domestic non-marketable equity securities	1,966.33	-	(1,182.88)	783.45	1,900.07	-	(1,207.13)	692.94
Foreign non-marketable equity securities	70.73	-	-	70.73	73.74	-	-	73.74
Others	0.90	-	-	0.90	-	-	-	-
Total	2,037.96	-	(1,182.88)	855.08	1,973.81	-	(1,207.13)	766.68
Less Allowance for impairment	(1,182.88)				(1,207.13)			
Total	855.08			855.08	766.68			766.68
Total investments, net	226,954.57			227,567.75	247,081.66			247,763.35

(Million Baht)

The Bank's Financial Statements

December 31, 2016

December 31, 2015

Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
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6.4.1 Trading Securities

Government & state enterprise securities	15,217.38	13.51	(20.36)	15,210.53	21,474.55	17.48	(0.10)	21,491.93
Private enterprise debt securities	1,913.39	0.44	(1.71)	1,912.12	2,028.49	0.93	(0.68)	2,028.74
Foreign debt securities	-	-	-	-	4,758.06	0.35	-	4,758.41
Domestic marketable equity securities	-	-	-	-	0.03	-	-	0.03
Total	17,130.77	13.95	(22.07)	17,122.65	28,261.13	18.76	(0.78)	28,279.11
Add (Less) Allowance for revaluation	(8.12)				17.98			
Total	17,122.65			17,122.65	28,279.11			28,279.11

6.4.2 Available-for-Sale Securities

Government & state enterprise securities	69,758.38	5.83	(757.37)	69,006.84	82,686.81	24.95	(1,144.17)	81,567.59
Private enterprise debt securities	3,819.54	9.37	(36.83)	3,792.08	2,834.93	24.69	(0.38)	2,859.24
Foreign debt securities	20,332.82	3.16	(39.06)	20,296.92	2,580.28	0.86	(4.63)	2,576.51
Domestic marketable equity securities	4,979.29	7,772.83	(169.89)	12,582.23	5,015.82	1,322.63	(209.58)	6,128.87
Foreign marketable equity securities	542.01	20.78	-	562.79	542.01	66.26	-	608.27
Total	99,432.04	7,811.97	(1,003.15)	106,240.86	93,659.85	1,439.39	(1,358.76)	93,740.48
Add Allowance for revaluation	6,809.00				84.62			
Less Allowance for impairment	(0.18)				(3.99)			
Total	106,240.86			106,240.86	93,740.48			93,740.48

6.4.3 Held-to-Maturity Debt Securities

Government & state enterprise securities	86,556.74	1,796.89	(1,257.01)	87,096.62	105,909.68	2,526.24	(2,098.25)	106,337.67
Private enterprise debt securities	2,692.12	73.25	(35.87)	2,729.50	3,147.52	82.19	(36.02)	3,193.69
Foreign debt securities	13,261.61	0.12	-	13,261.73	15,174.40	-	-	15,174.40
Total	102,510.47	1,870.26	(1,292.88)	103,087.85	124,231.60	2,608.43	(2,134.27)	124,705.76
Less Allowance for impairment	(35.87)				(206.76)			
Total	102,474.60			103,087.85	124,024.84			124,705.76

6.4.4 General Investments

Domestic non-marketable equity securities	1,966.28	-	(1,182.88)	783.40	1,900.02	-	(1,207.13)	692.89
Foreign non-marketable equity securities	70.73	-	-	70.73	73.74	-	-	73.74
Others	0.90	-	-	0.90	-	-	-	-
Total	2,037.91	-	(1,182.88)	855.03	1,973.76	-	(1,207.13)	766.63
Less Allowance for impairment	(1,182.88)				(1,207.13)			
Total	855.03			855.03	766.63			766.63
Total investments, net	226,693.14			227,306.39	246,811.06			247,491.98

As at December 31, 2015, held-to-maturity debt securities in government and state enterprise securities included promissory notes issued by the Thai Asset Management Corporation (TAMC) paid for the transfer of the Bank's impaired assets of Baht 2,653.48 million already due in 2011. Such promissory notes were offset with losses on impaired assets management on December 16, 2016 (Note 6.35).

As at December 31, 2016 and 2015, general investments which are domestic non-marketable equity securities of Baht 1,966.28 million and Baht 1,900.02 million respectively, included investments in the Islamic Bank of Thailand of Baht 1,048.15 million which the Bank reserved the full amount of allowance for impairment.

As at December 31, 2016 and 2015, the Bank had investments in foreign securities affected by foreign exchange rate, resulting in a decrease of the carrying amount of Baht 86.94 million and an increase of Baht 756.39 million, respectively.

In addition, the Bank has acquired the investments in other securities, whereby the Bank holds for equal to or over 10 percent of the paid-up capital, classified into industrial sector and stated at their fair value as follows:

	(Million Baht)	
	Consolidated and The Bank's Financial Statements	
	December 31, 2016	December 31, 2015
Manufacturing	1.00	1.00
Public utilities and services	1,737.48	1,364.87
Others	23.11	23.11
Total	1,761.59	1,388.98

6.4.5 As at December 31, 2016, the Bank has investments in 2 listed companies in which their financial position and performance fall under SET's delisted criteria, cost of Baht 0.10 million which are reserved full amount of allowance for impairment.

6.5 Investments in Subsidiaries and Associates, Net

6.5.1 The Bank's Financial Statements

(Million Baht)

Name of Company	Type of Business	Type of Shares	December 31, 2016		
			Percentages of Shareholdings	Investments (Cost Method)	Dividend
Subsidiaries					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	15.00
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	205.80
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	205.00
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	13.00
KTB Leasing Co., Ltd.*	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Capital Holding Co., Ltd.**	Holding	Ordinary	100.00	1.00	-
KTB Advisory Co., Ltd.	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	20.00
Krungthai Card Pcl.***	Credit Card Business	Ordinary	49.45	1,994.60	414.38
Total				4,716.50	873.18
Less Allowance for impairment****				(798.77)	
Total				3,917.73	873.18
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	1,875.00
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	158.40
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	34.20
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	138.63
Total				6,746.86	2,206.23
Investments in subsidiaries and associates, net				10,664.59	3,079.41

* Under consideration of business restructuring plan.

** Registered as the business dissolution on December 18, 2014 and withdraw from the financial business group.

*** The Bank has entity control.

**** Allowance for impairment in subsidiaries occurs from cost higher than book value.

(Million Baht)

Name of Company	Type of Business	Type of Shares	December 31, 2015		
			Percentages of Shareholdings	Investments (Cost Method)	Dividend
Subsidiaries					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	-
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	159.95
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	150.00
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	-
KTB Leasing Co., Ltd.*	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Capital Holding Co., Ltd.**	Holding	Ordinary	100.00	1.00	-
KTB Advisory Co., Ltd.	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	9.64
Krungthai Card Pcl.***	Credit Card Business	Ordinary	49.45	1,994.60	350.63
Total				4,716.50	670.22
Less Allowance for impairment****				(798.77)	
Total				3,917.73	670.22
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	2,100.00
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	158.40
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	37.48
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	217.67
Total				6,746.86	2,513.55
Investments in subsidiaries and associates, net				10,664.59	3,183.77

* Under consideration of business restructuring plan.

** Registered as the business dissolution on December 18, 2014 and withdraw from the financial business group.

*** The Bank has entity control.

**** Allowance for impairment in subsidiaries occurs from cost higher than book value.

6.5.2 The Consolidated Financial Statements

(Million Baht)

Name of Company	Type of Business	Type of Shares	December 31, 2016		
			Percentages of Shareholdings	Investments (Cost Method)	Investments (Equity Method)
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	593.57	10,893.64
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	971.30	2,614.41
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	577.29
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	1,225.31
Total investments in associates, net				2,721.14	15,310.65

(Million Baht)

Name of Company	Type of Business	Type of Shares	December 31, 2015		
			Percentages of Shareholdings	Investments (Cost Method)	Investments (Equity Method)
Associates					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	593.57	10,636.05
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	971.30	2,320.28
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	530.21
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	1,163.83
Total investments in associates, net				2,721.14	14,650.37

Investments in associates are accounted in the consolidated financial statements using the equity method based on financial information from unaudited/unreviewed financial statements of the associates.

6.5.3 Financial Positions and Operations of Associates

(Million Baht)

Name of Company	Consolidated Financial Statements					
	December 31, 2016			December 31, 2015		
	"Unaudited"			"Audited"		
	Total Assets	Total Liabilities	Shareholders' Equity	Total Assets	Total Liabilities	Shareholders' Equity
Krung Thai IBJ Leasing Co., Ltd.	9,030.96	7,852.81	1,178.15	7,372.60	6,291.02	1,081.58
KT Zmico Securities Co., Ltd.	10,721.52	8,270.91	2,450.61	6,390.20	4,052.89	2,337.31
Krungthai Panich Insurance Pcl.	8,846.23	3,036.44	5,809.79	8,457.42	3,334.69	5,122.73
Krungthai-AXA Life Insurance Pcl.	201,044.95	179,257.67	21,787.28	170,559.77	149,293.22	21,266.55
	229,643.66	198,417.83	31,225.83	192,779.99	162,971.82	29,808.17

(Million Baht)

Name of Company	Consolidated Financial Statements			
	December 31, 2016		December 31, 2015	
	"Unaudited"		"Audited"	
	Total Income	Net Profit (Loss)	Total Income	Net Profit (Loss)
Krung Thai IBJ Leasing Co., Ltd.	729.36	166.37	520.97	139.66
KT Zmico Securities Co., Ltd.	2,074.98	405.44	1,676.18	208.29
Krungthai Panich Insurance Pcl.	2,943.91	600.02	3,038.55	586.68
Krungthai-AXA Life Insurance Pcl.	62,962.01	5,114.65	60,603.11	5,163.15
	68,710.26	6,286.48	65,838.81	6,097.78

6.6 Loans to Customers and Accrued Interest Receivables, Net

6.6.1 Classified by Type of Loans

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Overdrafts	170,948.74	169,685.27	170,948.74	169,685.27
Loans	1,294,499.04	1,365,738.42	1,258,147.90	1,352,350.50
Bills	398,860.88	438,972.98	406,420.88	446,452.97
Hire purchase receivables	33,065.85	46,299.18	4.54	19.65
Financial lease receivables	7,742.24	9,659.13	-	-
Others	2,705.20	2,895.50	1,721.16	1,319.03
<u>Less</u> Deferred revenue	(3,733.25)	(5,810.00)	(122.92)	(165.76)
Total loans to customers net of deferred revenue	1,904,088.70	2,027,440.48	1,837,120.30	1,969,661.66
<u>Add</u> Accrued interest receivables	5,270.68	5,900.90	4,774.56	5,462.81
Total loans to customers net of deferred revenue, plus accrued interest receivables	1,909,359.38	2,033,341.38	1,841,894.86	1,975,124.47
<u>Less</u> Allowance for doubtful accounts				
1. Minimum reserve under BoT's regulations				
Individual approach	(84,302.74)	(57,979.33)	(82,639.69)	(55,397.83)
Collective approach	(4,010.43)	(3,957.69)	-	-
2. Excess allowance	(22,406.45)	(23,886.91)	(20,220.20)	(21,823.23)
<u>Less</u> Revaluation allowance for debt restructuring	(61.62)	(132.63)	(61.62)	(132.63)
Total loans to customers, net	1,798,578.14	1,947,384.82	1,738,973.35	1,897,770.78

As at December 31, 2016 and 2015, the Bank's other loans of Baht 1,721.16 million and Baht 1,319.03 million included debts resulting from the Bank's liabilities under acceptances or guarantees of Baht 1,646.99 million and Baht 1,267.36 million, respectively.

6.6.2 Classified by Currency and Customer's Residence

(Million Baht)

Consolidated Financial Statements						
December 31, 2016			December 31, 2015			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Thai Baht	1,792,770.33	5.80	1,792,776.13	1,915,145.64	10.60	1,915,156.24
US Dollar	69,582.56	31,510.69	101,093.25	74,085.50	25,364.65	99,450.15
Other currencies	10,147.36	71.96	10,219.32	12,770.04	64.05	12,834.09
Total	1,872,500.25	31,588.45	1,904,088.70	2,002,001.18	25,439.30	2,027,440.48

(Million Baht)

The Bank's Financial Statements						
December 31, 2016			December 31, 2015			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Thai Baht	1,725,801.93	5.80	1,725,807.73	1,857,366.82	10.60	1,857,377.42
US Dollar	69,582.56	31,510.69	101,093.25	74,085.50	25,364.65	99,450.15
Other currencies	10,147.36	71.96	10,219.32	12,770.04	64.05	12,834.09
Total	1,805,531.85	31,588.45	1,837,120.30	1,944,222.36	25,439.30	1,969,661.66

6.6.3 Classified by Business Types and Loan Classification

(Million Baht)

Consolidated Financial Statements						
December 31, 2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	38,500.32	709.91	201.63	522.77	864.72	40,799.35
Manufacturing and commercial	500,018.36	34,910.32	5,311.79	6,436.80	27,527.34	574,204.61
Real estate and construction	109,088.22	7,104.43	718.16	1,853.40	8,416.61	127,180.82
Public utilities and services	237,383.95	15,281.84	2,568.43	2,998.21	5,768.78	264,001.21
Housing loans	338,321.25	6,211.63	3,214.09	3,000.13	11,022.30	361,769.40
Others	519,569.43	5,860.81	2,137.74	2,205.41	6,359.92	536,133.31
Total	1,742,881.53	70,078.94	14,151.84	17,016.72	59,959.67	1,904,088.70

(Million Baht)

Consolidated Financial Statements						
December 31, 2015						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	38,533.31	328.68	198.68	238.77	782.30	40,081.74
Manufacturing and commercial	521,107.19	22,775.14	10,108.58	9,557.61	14,169.30	577,717.82
Real estate and construction	131,323.46	3,933.13	608.96	1,768.97	9,195.34	146,829.86
Public utilities and services	373,817.33	12,848.17	2,416.66	1,882.45	3,756.51	394,721.12
Housing loans	364,053.73	5,267.53	3,157.94	3,260.85	6,210.28	381,950.33
Others	470,399.45	6,682.40	2,231.18	2,295.18	4,531.40	486,139.61
Total	1,899,234.47	51,835.05	18,722.00	19,003.83	38,645.13	2,027,440.48

(Million Baht)

The Bank's Financial Statements

December 31, 2016

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	37,725.14	673.65	198.41	499.38	844.23	39,940.81
Manufacturing and commercial	493,212.56	34,444.13	5,163.22	6,276.31	27,235.31	566,331.53
Real estate and construction	106,526.91	6,995.96	625.33	1,800.39	8,320.79	124,269.38
Public utilities and services	230,984.42	14,956.64	1,959.66	2,794.07	5,665.26	256,360.05
Housing loans	338,321.25	6,211.63	3,214.09	3,000.13	11,022.30	361,769.40
Others	476,992.51	3,289.55	1,684.47	1,967.06	4,515.54	488,449.13
Total	1,683,762.79	66,571.56	12,845.18	16,337.34	57,603.43	1,837,120.30

(Million Baht)

The Bank's Financial Statements

December 31, 2015

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	37,488.74	261.70	178.47	232.25	776.90	38,938.06
Manufacturing and commercial	511,970.19	22,543.13	9,979.76	9,414.77	14,043.50	567,951.35
Real estate and construction	128,255.51	3,772.54	561.89	1,700.62	9,158.73	143,449.29
Public utilities and services	364,973.07	12,688.35	2,317.76	1,806.56	3,720.15	385,505.89
Housing loans	364,053.73	5,267.53	3,157.94	3,260.85	6,210.28	381,950.33
Others	443,259.40	3,280.21	1,540.76	1,899.02	1,887.35	451,866.74
Total	1,850,000.64	47,813.46	17,736.58	18,314.07	35,796.91	1,969,661.66

6.6.4 Classified by Loan Classification

(Million Baht)

Consolidated Financial Statements				
December 31, 2016				
	Loans and Accrued Interest Receivables	Net Amount Used for Set aside the Allowance for Doubtful Accounts ¹	% Used for Set aside the Allowance for Doubtful Accounts ²	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,747,553.39	887,489.96	1	16,062.69
Special mention	70,527.65	27,223.69	2	21,790.10
Substandard	14,156.39	6,714.81	100	6,784.86
Doubtful	17,059.06	8,778.08	100	9,059.46
Doubtful of loss	60,062.89	27,194.77	100	34,616.06
2. Excess allowance				22,406.45
Total	1,909,359.38	957,401.31		110,719.62

(Million Baht)

Consolidated Financial Statements				
December 31, 2015				
	Loans and Accrued Interest Receivables	Net Amount Used for Set aside the Allowance for Doubtful Accounts ¹	% Used for Set aside the Allowance for Doubtful Accounts ²	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,904,474.38	911,787.92	1	15,163.11
Special mention	52,246.00	24,455.63	2	11,014.83
Substandard	18,724.70	8,962.59	100	8,975.04
Doubtful	19,083.34	9,696.14	100	9,715.25
Doubtful of loss	38,812.96	12,461.90	100	17,068.79
2. Excess allowance				23,886.91
Total	2,033,341.38	967,364.18		85,823.93

¹ Net amount used for set aside the allowance for doubtful accounts represents outstanding amount of principal excluding accrued interest receivables after deducted collateral, or debts after deducted the present value of expected cash flows from debtors, or present value of expected cash flows from sale of collateral.

² Included loss rate net of recovery.

(Million Baht)

The Bank's Financial Statements

December 31, 2016

	Loans and Accrued Interest Receivables	Net Amount Used for Set aside the Allowance for Doubtful Accounts ¹	% Used for Set aside the Allowance for Doubtful Accounts ²	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,687,953.47	858,559.84	1	14,126.11
Special mention	67,008.34	25,605.38	2	21,232.11
Substandard	12,845.26	6,138.19	100	6,208.25
Doubtful	16,337.39	8,442.16	100	8,723.54
Doubtful of loss	57,750.40	24,928.40	100	32,349.68
2. Excess allowance				20,220.20
Total	1,841,894.86	923,673.97		102,859.89

(Million Baht)

The Bank's Financial Statements

December 31, 2015

	Loans and Accrued Interest Receivables	Net Amount Used for Set aside the Allowance for Doubtful Accounts ¹	% Used for Set aside the Allowance for Doubtful Accounts ²	Allowance for Doubtful Accounts
1. Minimum reserve under BoT's regulations				
Normal	1,854,818.37	904,151.53	1	13,190.30
Special mention	48,212.45	22,878.69	2	10,240.94
Substandard	17,736.65	8,400.72	100	8,413.17
Doubtful	18,393.58	9,313.53	100	9,332.64
Doubtful of loss	35,963.42	9,613.89	100	14,220.78
2. Excess allowance				21,823.23
Total	1,975,124.47	954,358.36		77,221.06

¹ Net amount used for set aside the allowance for doubtful accounts represents outstanding amount of principal excluding accrued interest receivables after deducted collateral, or debts after deducted the present value of expected cash flows from debtors, or present value of expected cash flows from sale of collateral.

² Included loss rate net of recovery.

6.6.5 Non-Performing Loans (NPLs)

As at December 31, 2016 and 2015, the Bank and its subsidiaries had NPLs classified by the BoT's notifications as substandard, doubtful, doubtful of loss, and loss. Those are included loans that are interbank and money market items but excluded accrued interest receivables.

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
NPLs before deducting allowance for doubtful accounts	91,128.23	76,370.98	86,785.96	71,847.55
NPLs percentage of total loans	3.97	3.20	3.89	3.09
NPLs after deducting allowance for doubtful accounts	40,757.88	40,611.90	39,591.50	39,880.96
NPLs percentage of net loans	1.81	1.73	1.81	1.74

For the years ended December 31, 2016 and 2015, impaired loans have been written off both principal and accrued interest receivables of Baht 1,508.74 million and Baht 17,326.10 million, respectively.

6.6.6 Non-Accrual Loans based on the Accrual Basis

As at December 31, 2016 and 2015, the Bank and its subsidiaries have non-accrual loans based on the accrual basis and comply with the BoT's regulations as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Non-accrual loans	91,128.23	76,370.98	86,785.96	71,847.55
Percentage of total loans	3.97	3.20	3.89	3.09

6.6.7 Loans to Potential Delisted Companies

As at December 31, 2016 and 2015, the Bank has loans and accrued interest receivables to 3 potential delisted companies of Baht 10,855.55 million, accrued interest receivables of Baht 0.09 million, totaling to Baht 10,855.64 million which an allowance for doubtful accounts of Baht 7,643.52 million. Moreover, there are 2 potential delisted companies of Baht 163.85 million, accrued interest receivables of Baht 0.03 million, totaling to Baht 163.88 million, respectively.

6.6.8 Troubled Debt Restructuring (TDR)

For the years ended December 31, 2016 and 2015, the original loan value of the 11,662 and 10,072 troubled debt restructuring cases are Baht 59,910.77 million and Baht 41,422.74 million. The repayment for related interest and principal are Baht 27,350.82 million and Baht 18,030.40 million, whereas extended lending increased by Baht 42,374.69 million and Baht 40,716.61 million. Bad debts from troubled debt restructuring are Baht 23.66 million and Baht 25.73 million, respectively.

TDR For the years ended December 31, 2016 is set out as follows:

(Million Baht)

Troubled Debt Restructuring Methods	The Bank's Financial Statements			
	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Transfers of assets	25	731.47	Land & Premises	716.59
Change of repayment conditions	544	15,396.92		
Debt restructuring in various forms	11,093	43,782.38		
	11,662	59,910.77		

As at December 31, 2016, the Bank has outstanding balance of loans to restructured debts for 34,314 cases of Baht 124,053.72 million, of which 9,348 cases of Baht 11,645.62 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the years ended December 31, 2016, the Bank restructured debts of 11,996 cases which the debts before restructuring were Baht 61,406.17 million.

TDR For the years ended December 31, 2015 is set out as follows:

(Million Baht)

Troubled Debt Restructuring Methods	The Bank's Financial Statements			
	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Transfers of assets	43	1,484.12	Land & Premises	1,468.82
Change of repayment conditions	813	18,972.40		
Debt restructuring in various forms	9,216	20,966.22		
	10,072	41,422.74		

As at December 31, 2015 the Bank has outstanding balance of loans to restructured debts for 29,241 cases of Baht 103,262.54 million, of which 2,969 cases of Baht 9,117.39 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the year ended December 31, 2015, the Bank restructured debts of 10,560 cases which the debts before restructuring were Baht 43,871 million.

6.6.9 Financial Lease Receivables (Including Hire Purchase Receivables and Financial Lease Receivables)

(Million Baht)

Consolidated Financial Statements								
December 31, 2016					December 31, 2015			
Amount Due of the Contract					Amount Due of the Contract			
Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total		Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total
Gross investment of leases payment	19,392.43	20,973.33	442.33	40,808.09	21,986.09	33,062.60	909.62	55,958.31
<u>Less</u> Unearned financial income				(3,611.89)				(5,649.36)
Present value of minimum leases payment				37,196.20				50,308.95
<u>Less</u> Allowance for doubtful accounts				(1,863.93)				(2,001.53)
Financial lease receivables, net				<u>35,332.27</u>				<u>48,307.42</u>

(Million Baht)

The Bank's Financial Statements								
December 31, 2016					December 31, 2015			
Amount Due of the Contract					Amount Due of the Contract			
Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total		Not Over 1 Year	Over 1 - 5 Years	Over 5 Years	Total
Gross investment of leases payment	4.54	-	-	4.54	14.16	5.49	-	19.65
<u>Less</u> Unearned financial income				(0.55)				(2.05)
Present value of minimum leases payment				3.99				17.60
<u>Less</u> Allowance for doubtful accounts				(2.98)				(3.49)
Financial lease receivables, net				<u>1.01</u>				<u>14.11</u>

6.7 Allowance for Doubtful Accounts

(Million Baht)

	Consolidated Financial Statements						
	December 31, 2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Allowance in Excess of BoT's Regulations	Total
Beginning balances	15,163.11	11,014.83	8,975.04	9,715.25	17,068.79	23,886.91	85,823.93
Doubtful accounts	1,214.02	11,611.67	2,164.53	(196.86)	19,950.18	(1,480.46)	33,263.08
Allowance for doubtful accounts							
transferred from (to) allowance for							
debt restructuring revaluation	130.50	(59.49)	-	-	-	-	71.01
Bad debt recovered	-	-	-	-	1,279.89	-	1,279.89
Bad debt written-off	(205.66)	(750.96)	(4,354.71)	(458.93)	(2,903.77)	-	(8,674.03)
Others	(239.28)	(25.95)	-	-	(779.03)	-	(1,044.26)
Ending balances	16,062.69	21,790.10	6,784.86	9,059.46	34,616.06	22,406.45	110,719.62

(Million Baht)

Consolidated Financial Statements							
December 31, 2015							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Allowance in Excess of BoT's Regulations	Total
Beginning balances	11,942.23	12,545.24	6,583.96	5,137.47	14,983.97	24,714.56	75,907.43
Allowance for doubtful accounts	3,070.51	(986.26)	6,425.44	4,907.87	17,822.99	(827.65)	30,412.90
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	(19.41)	-	(19.41)
Bad debt recovered	-	-	-	-	1,947.41	-	1,947.41
Bad debt written-off	(156.71)	(544.15)	(4,034.36)	(330.09)	(17,718.39)	-	(22,783.70)
Others	307.08	-	-	-	52.22	-	359.30
Ending balances	15,163.11	11,014.83	8,975.04	9,715.25	17,068.79	23,886.91	85,823.93

(Million Baht)

The Bank's Financial Statements

December 31, 2016

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Allowance in Excess of BoT's Regulations	Total
Beginning balances	13,190.30	10,240.94	8,413.17	9,332.64	14,220.78	21,823.23	77,221.06
Allowance for doubtful accounts	1,044.59	11,076.61	(2,204.92)	(609.10)	19,295.85	(1,603.03)	27,000.00
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	130.50	(59.49)	-	-	-	-	71.01
Bad debt recovered	-	-	-	-	1,120.82	-	1,120.82
Bad debt written-off	-	-	-	-	(1,508.74)	-	(1,508.74)
Others	(239.28)	(25.95)	-	-	(779.03)	-	(1,044.26)
Ending balances	14,126.11	21,232.11	6,208.25	8,723.54	32,349.68	20,220.20	102,859.89

(Million Baht)

The Bank's Financial Statements

December 31, 2015

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Allowance in Excess of BoT's Regulations	Total
Beginning balances	10,229.75	11,805.67	5,942.23	4,775.24	12,814.80	22,801.99	68,369.68
Allowance for doubtful accounts	2,653.47	(1,564.73)	2,470.94	4,557.40	16,861.68	(978.76)	24,000.00
Allowance for doubtful accounts transferred from (to) allowance for debt restructuring revaluation	-	-	-	-	(19.41)	-	(19.41)
Bad debt recovered	-	-	-	-	1,837.59	-	1,837.59
Bad debt written-off	-	-	-	-	(17,326.10)	-	(17,326.10)
Others	307.08	-	-	-	52.22	-	359.30
Ending balances	13,190.30	10,240.94	8,413.17	9,332.64	14,220.78	21,823.23	77,221.06

For the years ended December 31, 2016, the Bank has set aside allowance for doubtful accounts on a monthly basis of Baht 1,000 million and also set aside an additional of Baht 15,000 million, totaling to Baht 27,000 million.

For the year ended December 31, 2015, the Bank has set aside allowance for doubtful accounts on a monthly basis of Baht 700 million and also set aside an additional of Baht 15,600 million, totaling to Baht 24,000 million.

6.8 Revaluation Allowance for Debt Restructuring

(Million Baht)

	Consolidated and the Bank's Financial Statements	
	December 31, 2016	December 31, 2015
Beginning balances	132.63	113.22
Transfer from (to) allowance for doubtful accounts	(71.01)	19.41
Ending balances	61.62	132.63

The revaluation allowance for debt restructuring was transferred from allowance for doubtful accounts for restructured debtors, and transferred to allowance for doubtful accounts when the debtors failed to comply with the new troubled debt restructuring agreement.

The revaluation allowance for debt restructuring has not been amortized and recognized as income upon receipt of debt repayment but transferred to allowance for doubtful accounts instead as the restructured debts may again become non-performing.

6.9 Properties for Sale, Net

(Million Baht)

Type of Properties for Sale	Consolidated Financial Statements							
	December 31, 2016				December 31, 2015			
	Beginning Balances	Additions	Disposals	Ending Balances	Beginning Balances	Additions	Disposals	Ending Balances
Assets from debt repayment								
Immovable properties								
Appraised by external appraisers	29,363.28	14,723.95	6,959.05	37,128.18	28,609.54	4,423.90	3,670.16	29,363.28
Appraised by internal appraisers	846.42	1,934.10	3,122.24	(341.72)	1,675.61	1,818.75	2,647.94	846.42
Movable properties	318.75	575.10	617.00	276.85	539.28	983.89	1,204.42	318.75
Total	30,528.45	17,233.15	10,698.29	37,063.31	30,824.43	7,226.54	7,522.52	30,528.45
Others (closed branches)	46.19	-	3.88	42.31	41.37	4.82	-	46.19
Properties for sale in transit	422.08	454.06	422.08	454.06	944.21	417.25	939.38	422.08
Total	30,996.72	17,687.21	11,124.25	37,559.68	31,810.01	7,648.61	8,461.90	30,996.72
Less Allowance for impairment	(988.58)	(827.47)	-	(1,816.05)	(1,076.74)	-	(88.16)	(988.58)
Properties for sale, net	30,008.14	16,859.74	11,124.25	35,743.63	30,733.27	7,648.61	8,373.74	30,008.14

(Million Baht)

Type of Properties for Sale	The Bank's Financial Statements							
	December 31, 2016				December 31, 2015			
	Beginning Balances	Additions	Disposals	Ending Balances	Beginning Balances	Additions	Disposals	Ending Balances
Assets from debt repayment								
Immovable properties								
Appraised by external appraisers	29,363.28	14,723.95	6,959.05	37,128.18	28,609.54	4,423.90	3,670.16	29,363.28
Appraised by internal appraisers	846.42	1,934.10	3,122.24	(341.72)	1,675.61	1,818.75	2,647.94	846.42
Movable properties	110.60	-	-	110.60	110.60	-	-	110.60
Total	30,320.30	16,658.05	10,081.29	36,897.06	30,395.75	6,242.65	6,318.10	30,320.30
Others (closed branches)	46.19	-	3.88	42.31	41.37	4.82	-	46.19
Properties for sale in transit	422.08	454.06	422.08	454.06	944.21	417.25	939.38	422.08
Total	30,788.57	17,112.11	10,507.25	37,393.43	31,381.33	6,664.72	7,257.48	30,788.57
Less Allowance for impairment	(878.71)	(846.17)	-	(1,724.88)	(894.72)	-	(16.01)	(878.71)
Properties for sale, net	29,909.86	16,265.94	10,507.25	35,668.55	30,486.61	6,664.72	7,241.47	29,909.86

The consolidated and the Bank's financial statements as at December 31, 2016 and 2015, there are an increase in immovable properties for sale appraised by external appraisers of Baht 14,723.95 million and Baht 4,423.90 million. Such immovable properties are included items changed from internal appraisers to external appraisers of Baht 3,046.12 million and Baht 2,539.95 million, respectively.

As at December 31, 2016 and 2015, the Bank's allowance for impairment of properties for sale has decreased Baht 846.17 million and Baht 16.01 million, respectively, from additional or reversal of loss on impairment.

For the years ended December 31, 2016 and 2015, the Bank generated gains on sale of properties for sale of Baht 1,023.03 million and Baht 738.26 million, respectively (before deduction of selling expenses of Baht 539.36 million and Baht 319.32 million, respectively).

6.10 Premises and Equipment, Net

Premises and equipment as at December 31, 2016 and 2015 are as follows:

(Million Baht)

Consolidated Financial Statements										
December 31, 2016										
	Cost				Accumulated Depreciation				Allowance for Impairment	Premises and Equipment, Net
	Beginning Balances	Additions / Transfer in	Disposals / Transfer out	Ending Balances	Beginning Balances	Depreciation	Disposals	Ending Balances		
Land										
Historical cost	9,179.93	57.41	-	9,237.34	-	-	-	-	919.40	8,317.94
Revaluation Surplus *	7,931.15	10,459.17	7,931.15	10,459.17	-	-	-	-	-	10,459.17
Premises	10,720.20	1,212.88	14.22	11,918.86	7,342.93	876.16	13.59	8,205.50	-	3,713.36
Equipment	24,713.36	1,543.36	4,219.46	22,037.26	17,579.19	2,083.08	1,950.29	17,711.98	-	4,325.28
Others	354.90	873.43	281.83	946.50	-	525.50	75.91	449.59	-	496.91
Total	52,899.54	14,146.25	12,446.66	54,599.13	24,922.12	3,484.74	2,039.79	26,367.07	919.40	27,312.66

* The Bank revalues its land in 2016.

(Million Baht)

Consolidated Financial Statements

December 31, 2015

	Cost				Accumulated Depreciation				Allowance for Impairment	Premises and Equipment, Net
	Beginning Balances	Additions / Transfer in	Disposals / Transfer out	Ending Balances	Beginning Balances	Depreciation	Disposals	Ending Balances		
Land										
Historical cost	9,180.60	1.13	1.80	9,179.93	-	-	-	-	1,622.89	7,557.04
Revaluation Surplus*	7,934.55	-	3.40	7,931.15	-	-	-	-	-	7,931.15
Premises	10,641.16	99.22	20.18	10,720.20	7,183.63	174.60	15.30	7,342.93	-	3,377.27
Equipment	24,128.21	1,448.56	863.41	24,713.36	15,527.91	2,644.99	593.71	17,579.19	-	7,134.17
Others	565.68	128.75	339.53	354.90	-	-	-	-	-	354.90
Total	52,450.20	1,677.66	1,228.32	52,899.54	22,711.54	2,819.59	609.01	24,922.12	1,622.89	26,354.53

** The Bank revalues its land in 2011.

(Million Baht)

The Bank's Financial Statements

December 31, 2016

	Cost				Accumulated Depreciation				Allowance for Impairment	Premises and Equipment, Net
	Beginning Balances	Additions / Transfer in	Disposals / Transfer out	Ending Balances	Beginning Balances	Depreciation	Disposals	Ending Balances		
Land										
Historical cost	9,396.87	57.41	-	9,454.28	-	-	-	-	919.40	8,534.88
Revaluation Surplus*	7,931.15	10,459.17	7,931.15	10,459.17	-	-	-	-	-	10,459.17
Premises	9,696.54	1,188.92	0.79	10,884.67	6,605.64	827.24	0.77	7,432.11	-	3,452.56
Equipment	11,856.59	1,055.22	159.09	12,752.72	9,569.44	852.87	60.74	10,361.57	-	2,391.15
Others	293.67	748.20	191.03	850.84	-	525.50	75.91	449.59	-	401.25
Total	39,174.82	13,508.92	8,282.06	44,401.68	16,175.08	2,205.61	137.42	18,243.27	919.40	25,239.01

* The Bank revalues its land in 2016.

(Million Baht)

The Bank's Financial Statements

December 31, 2015

	Cost				Accumulated Depreciation				Allowance for Impairment	Premises and Equipment, Net
	Beginning Balances	Additions / Transfer in	Disposals / Transfer out	Ending Balances	Beginning Balances	Depreciation	Disposals	Ending Balances		
Land										
Historical cost	9,397.54	1.13	1.80	9,396.87	-	-	-	-	1,622.89	7,773.98
Revaluation Surplus*	7,934.55	-	3.40	7,931.15	-	-	-	-	-	7,931.15
Premises	9,697.41	1.15	2.02	9,696.54	6,495.74	110.57	0.67	6,605.64	-	3,090.90
Equipment	10,945.38	972.38	61.17	11,856.59	8,640.04	988.77	59.37	9,569.44	-	2,287.15
Others	343.13	7.99	57.45	293.67	-	-	-	-	-	293.67
Total	38,318.01	982.65	125.84	39,174.82	15,135.78	1,099.34	60.04	16,175.08	1,622.89	21,376.85

** The Bank revalues its land in 2011.

In 2016, The Bank revalued the land used for the Bank's operation by independent appraisers to estimate fair value of land to ensure that the book value of land is similar to fair value on the financial statement presentation date. As at December 31, 2016, the revaluation surplus amounting to Baht 10,459.17 million occurred from difference between the appraisal value which conducted in 2016 and the book value. The Bank has reversed full amount of the appraisal surplus occurred in 2014 which was recorded in the previous period.

As at December 31, 2016 and 2015, the allowance for impairment is as follows:

(Million Baht)

	December 31, 2016	December 31, 2015
Beginning balances	1,622.89	1,622.89
Add Allowance for impairment	(703.49)	-
Ending balances	919.40	1,622.89

6.11 Other Intangible Assets, Net

(Million Baht)

Consolidated Financial Statements										
December 31, 2016										
Cost				Accumulated Amortization				Allowance for Impairment	Intangible Assets, Net	
Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances			
Software licenses	5,949.85	403.78	3.41	6,350.22	3,338.81	564.35	3.37	3,899.79	-	2,450.43
Other licenses	9.14	0.45	-	9.59	8.42	0.42	-	8.84	-	0.75
Development cost	4,058.56	198.70	41.84	4,215.42	2,298.38	309.87	41.84	2,566.41	-	1,649.01
Partial payment of intangible assets	498.64	244.00	358.48	384.16	-	-	-	-	273.45	110.71
Total	10,516.19	846.93	403.73	10,959.39	5,645.61	874.64	45.21	6,475.04	273.45	4,210.90

(Million Baht)

Consolidated Financial Statements										
December 31, 2015										
Cost				Accumulated Amortization				Allowance for Impairment	Intangible Assets, Net	
Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances			
Software licenses	5,852.09	398.87	301.11	5,949.85	3,064.24	575.68	301.11	3,338.81	-	2,611.04
Other licenses	8.80	0.34	-	9.14	7.90	0.52	-	8.42	-	0.72
Development cost	3,217.35	841.21	-	4,058.56	2,003.41	294.97	-	2,298.38	-	1,760.18
Partial payment of intangible assets	989.24	354.90	845.50	498.64	-	-	-	-	298.98	199.66
Total	10,067.48	1,595.32	1,146.61	10,516.19	5,075.55	871.17	301.11	5,645.61	298.98	4,571.60

(Million Baht)

The Bank's Financial Statements

December 31, 2016

	Cost				Accumulated Amortization				Intangible Assets, Net
	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	
Software licenses	732.70	72.52	1.28	803.94	387.20	73.24	1.24	459.20	344.74
Other licenses	5.12	-	-	5.12	4.90	0.05	-	4.95	0.17
Development cost	779.94	-	41.84	738.10	254.99	61.88	41.84	275.03	463.07
Partial payment of intangible assets	26.70	36.04	-	62.74	-	-	-	-	62.74
Total	1,544.46	108.56	43.12	1,609.90	647.09	135.17	43.08	739.18	870.72

(Million Baht)

The Bank's Financial Statements

December 31, 2015

	Cost				Accumulated Amortization				Intangible Assets, Net
	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	Beginning Balances	Additions	Decrease/ Disposals	Ending Balances	
Software licenses	709.15	23.55	-	732.70	318.09	69.11	-	387.20	345.50
Other licenses	5.03	0.09	-	5.12	4.77	0.13	-	4.90	0.22
Development cost	273.20	506.74	-	779.94	214.85	40.14	-	254.99	524.95
Partial payment of intangible assets	455.74	-	429.04	26.70	-	-	-	-	26.70
Total	1,443.12	530.38	429.04	1,544.46	537.71	109.38	-	647.09	897.37

6.12 Deferred Tax Assets and Deferred Tax Liabilities

Deferred tax assets and deferred tax liabilities as at December 31, 2016 and 2015 are as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Deferred Tax Assets	4,496.46	6,996.11	2,321.67	5,020.58
Deferred Tax Liabilities	-	-	-	-
Net	4,496.46	6,996.11	2,321.67	5,020.58

Movements in deferred tax assets and deferred tax liabilities during the period/year are as follows:

(Million Baht)

	Consolidated Financial Statements			
	January 1, 2016	Charged / credited to:		December 31, 2016
		Profit / Loss	Other Comprehensive Income	
Deferred Tax Assets				
Investments	570.34	(36.54)	(70.36)	463.44
Investments in subsidiaries and associates	159.75	-	-	159.75
Loans to customers and accrued interest receivables, net	3,665.58	(37.46)	-	3,628.12
Properties for sale	198.61	164.60	-	363.21
Premises and equipment	363.09	(157.34)	-	205.75
Provisions	4,138.61	(1,482.21)	187.32	2,843.72
Guarantee deposit under financial lease	51.37	(0.34)	-	51.03
Others	542.55	721.24	-	1,263.79
Total	9,689.90	(828.05)	116.96	8,978.81
Deferred Tax Liabilities				
Investments	291.63	(0.96)	1,274.52	1,565.19
Premises and equipment	1,812.76	48.26	505.60	2,366.62
Loans to customers and accrued interest receivables, net	589.40	(38.86)	-	550.54
Total	2,693.79	8.44	1,780.12	4,482.35
Net	6,996.11	(836.49)	(1,663.16)	4,496.46

(Million Baht)

Consolidated Financial Statements

	January 1, 2015	Adjust to Brought Forward Retained Earnings	Charged / credited to:		December 31, 2015
			Profit / Loss	Other Comprehensive Income	
Deferred Tax Assets					
Investments	696.43	-	(209.68)	83.59	570.34
Investments in subsidiaries and associates	-	-	159.75	-	159.75
Loans to customers and accrued interest receivables, net	3,110.27	-	555.31	-	3,665.58
Properties for sale	215.35	-	(16.74)	-	198.61
Premises and equipment	372.66	-	(9.57)	-	363.09
Provisions	3,926.51	49.38	119.89	42.83	4,138.61
Guarantee deposit under financial lease	79.72	-	(28.35)	-	51.37
Others	522.85	-	19.70	-	542.55
Total	8,923.79	49.38	590.31	126.42	9,689.90
Deferred Tax Liabilities					
Investments	897.45	-	0.16	(605.98)	291.63
Premises and equipment	1,763.55	-	49.89	(0.68)	1,812.76
Loans to customers and accrued interest receivables, net	572.72	-	16.68	-	589.40
Total	3,233.72	-	66.73	(606.66)	2,693.79
Net	5,690.07	49.38	523.58	733.08	6,996.11

(Million Baht)

The Bank's Financial Statements

	January 1, 2016	Charged / credited to:		December 31, 2016
		Profit / Loss	Other Comprehensive Income	
Deferred Tax Assets				
Investments	570.34	(36.54)	(70.36)	463.44
Investments in subsidiaries and assoicates	159.75	-	-	159.75
Loans to customers and accrued interest receivables, net	1,896.89	(154.52)	-	1,742.37
Properties for sale	175.74	169.23	-	344.97
Premises and equipment	324.58	(140.70)	-	183.88
Provisions	3,523.60	(1,525.87)	169.94	2,167.67
Others	471.58	719.82	-	1,191.40
Total	7,122.48	(968.58)	99.58	6,253.48
Deferred Tax Liabilities				
Investments	291.63	(0.96)	1,274.52	1,565.19
Premises and equipment	1,810.27	50.75	505.60	2,366.62
Total	2,101.90	49.79	1,780.12	3,931.81
Net	5,020.58	(1,018.37)	(1,680.54)	2,321.67

(Million Baht)

The Bank's Financial Statements

	January 1, 2015	Adjust to Brought Forward Retained Earnings	Charged / credited to:		December 31, 2015
			Profit / Loss	Other Comprehensive Income	
Deferred Tax Assets					
Investments	696.43	-	(209.68)	83.59	570.34
Investments in subsidiaries and associates	-	-	159.75	-	159.75
Loans to customers and accrued interest receivables, net	1,552.69	-	344.20	-	1,896.89
Properties for sale	178.94	-	(3.20)	-	175.74
Premises and equipment	324.58	-	-	-	324.58
Provisions	3,332.71	49.38	73.09	68.42	3,523.60
Others	459.23	-	12.35	-	471.58
Total	6,544.58	49.38	376.51	152.01	7,122.48
Deferred Tax Liabilities					
Investments	897.45	-	0.16	(605.98)	291.63
Premises and equipment	1,755.00	-	55.95	(0.68)	1,810.27
Total	2,652.45	-	56.11	(606.66)	2,101.90
Net	3,892.13	49.38	320.40	758.67	5,020.58

6.13 Other Assets, Net

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Prepaid expenses	995.99	1,451.82	801.04	1,117.84
Account receivables - Revenue Department	1,557.49	1,684.10	31.44	223.73
Leaseholds	97.05	372.18	97.05	372.18
Suspense account debtors	3,003.57	2,552.89	2,995.84	2,535.45
Collateral under Credit Support Annex Contract and Cash Margin Debtors	5,763.60	4,249.29	5,763.60	4,249.29
Interbranch transactions	2,632.19	4,974.55	2,632.19	4,974.55
Settlement account between the Bank and other financial institutions	520.31	364.49	520.31	364.49
Sundry assets	6,533.02	3,253.70	6,464.78	3,545.88
Total	21,103.22	18,903.02	19,306.25	17,383.41
Less Allowance for impairment	(2,394.04)	(2,338.25)	(2,361.14)	(2,312.03)
Total other assets, net	18,709.18	16,564.77	16,945.11	15,071.38

As at December 31, 2016 and 2015, sundry assets are included default debtors from convertible preferred shares contracts of Baht 997.87 million with the same amounts of allowance for impairment (Note 6.38.1).

6.14 Deposits

6.14.1 Classified by Type of Deposits

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Demand deposits	92,573.87	126,974.44	92,938.84	127,359.29
Savings deposits	1,221,291.66	1,147,811.07	1,223,083.61	1,149,177.49
Time deposits	658,538.00	860,713.00	659,135.22	860,909.71
Total	1,972,403.53	2,135,498.51	1,975,157.67	2,137,446.49

6.14.2 Classified by Currency and Residence of Depositors

(Million Baht)

Consolidated Financial Statements						
December 31, 2016			December 31, 2015			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Thai Baht	1,915,115.62	12,614.53	1,927,730.15	2,077,113.18	12,651.98	2,089,765.16
US Dollar	29,266.68	8,508.15	37,774.83	34,453.95	4,593.56	39,047.51
Other currencies	4,102.08	2,796.47	6,898.55	4,302.77	2,383.07	6,685.84
Total	1,948,484.38	23,919.15	1,972,403.53	2,115,869.90	19,628.61	2,135,498.51

(Million Baht)

The Bank's Financial Statements						
December 31, 2016			December 31, 2015			
Domestic	Foreign	Total	Domestic	Foreign	Total	
Thai Baht	1,917,869.76	12,614.53	1,930,484.29	2,079,061.16	12,651.98	2,091,713.14
US Dollar	29,266.68	8,508.15	37,774.83	34,453.95	4,593.56	39,047.51
Other currencies	4,102.08	2,796.47	6,898.55	4,302.77	2,383.07	6,685.84
Total	1,951,238.52	23,919.15	1,975,157.67	2,117,817.88	19,628.61	2,137,446.49

6.15 Interbank and Money Market Items (Liabilities)

(Million Baht)

Consolidated Financial Statements					
December 31, 2016			December 31, 2015		
Demand	Time	Total	Demand	Time	Total

6.15.1 Domestic Items

Bank of Thailand and Financial Institutions

Development Fund	673.39	45,890.96	46,564.35	530.48	44,749.81	45,280.29
Commercial banks	239.67	80,448.42	80,688.09	317.21	50,275.41	50,592.62
Special purpose financial institutions	454.40	18,445.28	18,899.68	500.16	17,062.25	17,562.41
Other financial institutions	24,597.01	29,011.47	53,608.48	19,022.27	34,944.01	53,966.28
Total domestic items	25,964.47	173,796.13	199,760.60	20,370.12	147,031.48	167,401.60

6.15.2 Foreign Items

US Dollar	932.85	2,189.25	3,122.10	1,232.03	24,926.36	26,158.39
Euro	154.81	-	154.81	225.14	-	225.14
Other currencies	128.80	-	128.80	457.71	-	457.71
Total foreign items	1,216.46	2,189.25	3,405.71	1,914.88	24,926.36	26,841.24
Total domestic and foreign items	27,180.93	175,985.38	203,166.31	22,285.00	171,957.84	194,242.84

(Million Baht)

The Bank's Financial Statements

December 31, 2016

December 31, 2015

Demand

Time

Total

Demand

Time

Total

6.15.1 Domestic Items

Bank of Thailand and Financial Institutions

Development Fund

673.39

45,890.96

46,564.35

530.48

44,749.81

45,280.29

Commercial banks

239.67

76,000.09

76,239.76

317.21

40,715.09

41,032.30

Special purpose financial institutions

454.40

18,095.28

18,549.68

500.16

17,062.25

17,562.41

Other financial institutions

24,786.87

24,164.63

48,951.50

19,134.80

27,850.16

46,984.96

Total domestic items

26,154.33

164,150.96

190,305.29

20,482.65

130,377.31

150,859.96

6.15.2 Foreign Items

US Dollar

932.85

2,189.25

3,122.10

1,232.03

24,926.36

26,158.39

Euro

154.81

-

154.81

225.14

-

225.14

Other currencies

128.80

-

128.80

457.71

-

457.71

Total foreign items

1,216.46

2,189.25

3,405.71

1,914.88

24,926.36

26,841.24

Total domestic and foreign items

27,370.79

166,340.21

193,711.00

22,397.53

155,303.67

177,701.20

6.16 Debt Issued and Borrowings classified by type of debts and sources of fund as follows:

(Million Baht)

				Consolidated Financial Statements					
Currency	Interest Rate (%)	Maturity Date	December 31, 2016			December 31, 2015			
			Domestic	Foreign	Total	Domestic	Foreign	Total	
Long term bonds									
2012	Baht	-	-	-	-	1,000.00	-	1,000.00	
2013	Baht	4.80-5.00	2017-2018	5,800.00	-	5,800.00	10,000.00	-	10,000.00
2013 (EMTN Programme)	USD	2.25	2018	-	17,902.78	17,902.78	-	18,024.07	18,024.07
2014	Baht	3.60-4.30	2017-2018	8,230.00	-	8,230.00	8,630.00	-	8,630.00
2015	Baht	2.12-4.00	2017-2025	9,393.00	-	9,393.00	9,593.00	-	9,593.00
2016	Baht	1.88-3.85	2018-2026	18,000.00	-	18,000.00	-	-	-
KTB subordinated debentures									
No.1/2012	Baht	4.50	2022	5,155.00	-	5,155.00	5,155.00	-	5,155.00
No.2/2012	Baht	4.60	2022	15,133.32	-	15,133.32	15,133.32	-	15,133.32
No.1/2014 (EMTN Programme)	USD	5.20	2024	-	25,081.46	25,081.46	-	25,261.98	25,261.98
No.1/2015	MYR	5.10	2025	-	7,989.60	7,989.60	-	8,427.95	8,427.95
- Hybrid debt capital instruments	Baht/USD	-		-	-	-	1,440.00	6,838.78	8,278.78
Bill of exchange (B/E)									
Short term*	Baht	-	2012	0.70	-	0.70	80.19	-	80.19
Long term	Baht	2.56-7.18	2018-2036	8,005.00	-	8,005.00	6,655.00	-	6,655.00
Others	Baht			-	-	-	1.17	-	1.17
Total				69,717.02	50,973.84	120,690.86	57,687.68	58,552.78	116,240.46

* Short term bill of exchange (B/E) is included a maturity B/E but its holder is still not redeemable.

(Million Baht)

The Bank's Financial Statements									
	Currency	Interest Rate (%)	Maturity Date	December 31, 2016			December 31, 2015		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Long term bonds									
2013 (EMTN Programme)	USD	2.25	2018	-	17,902.78	17,902.78	-	18,024.07	18,024.07
KTb subordinated debentures									
No.1/2012	Baht	4.50	2022	5,155.00	-	5,155.00	5,155.00	-	5,155.00
No.2/2012	Baht	4.60	2022	15,133.32	-	15,133.32	15,133.32	-	15,133.32
No.1/2014 (EMTN Programme)	USD	5.20	2024	-	25,081.46	25,081.46	-	25,261.98	25,261.98
No.1/2015	MYR	5.10	2025	-	7,989.60	7,989.60	-	8,427.95	8,427.95
- Hybrid debt capital instruments	Baht/USD	-		-	-	-	1,440.00	6,838.78	8,278.78
Bill of exchange (B/E)									
Short term*	Baht	-	2012	0.70	-	0.70	0.70	-	0.70
Long term	Baht	2.56-7.18	2018-2036	8,005.00	-	8,005.00	6,655.00	-	6,655.00
Others	Baht			-	-	-	1.17	-	1.17
Total				28,294.02	50,973.84	79,267.86	28,385.19	58,552.78	86,937.97

* Short term bill of exchange (B/E) is included a maturity B/E but its holder is still not redeemable.

Bonds under Euro Medium Term Note Programme (EMTN Programme) in an amount of USD 2,500 Million

On March 11, 2013, the Bank issued USD 500 million of unsecured unsubordinated debentures, with a maturity of 5.5 years at a fixed coupon of 2.25 percent per annum. The interest payment is semiannually on 11st of March and September of each year, over the time to maturity.

On June 26, 2014, the Bank issued and offered USD 700 million of subordinated debentures in accordance with Basel III (Subordinated Tier 2), with a maturity of 10.5 years at a fixed coupon of 5.20 percent per annum for the first 5.5 years. After that the interest will equal to 5-year US Treasury Rate plus margin 3.535 percent per annum. The interest payment is semiannually on 26th of June and December of each year, over the time to maturity.

Subordinated Debentures

The Bank may be granted the right to redeem the debentures prior to their maturities, on 5th anniversary of the issued date or on any interest-payment date after 5th anniversary date, except for subordinated debentures under EMTN Programme which can be redeemed prior to their maturities, on 5.5th anniversary of the issued date or on any interest-payment date after 5.5th anniversary date.

Subordinated Debentures under Malaysian Ringgit Medium Term Note Programme in an amount of MYR 5,000 Million

On July 6, 2015, the Bank issued and offered MYR 1,000 million of subordinated debentures in accordance with Basel III (Subordinated Tier 2), with a maturity of 10 years at a coupon of 5.10 percent per annum. The Bank may be granted the right to redeem the debentures prior to their maturities, on 5th anniversary of the issued date.

Hybrid Debt Capital Instruments

Hybrid debt capital instruments of non-cumulative interest, non-interest payment in the year that there is no profit, non-fixed repayment period as tier 1 capital (Hybrid Tier 1) which comprised of USD Currency of USD 189.50 million and Baht currency of Baht 1,440 million. The first date that the Bank could be granted the right to redeem is October 10, 2016 and November 28, 2016, respectively, or any interest-payment date after the first date that the Bank could be granted the right to redeem. Nonetheless, the Bank has already redeemed those hybrid debt capital instruments in the year 2016.

6.17 Provisions

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Defined benefit plan	10,776.99	10,391.04	9,795.64	9,609.72
Loss from NPLs transferred to TAMC (Note 6.35)	-	3,461.48	-	3,461.48
Contingent liabilities from being sued	335.91	538.01	335.91	538.01
Other contingent liabilities	39.38	34.16	31.87	25.53
Total provisions	11,152.28	14,424.69	10,163.42	13,634.74

Defined Benefit Plan

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Defined benefit plan				
Beginning balances	10,391.04	10,257.28	9,609.72	9,466.48
Current service costs	565.65	576.25	465.14	464.10
Interest costs	496.46	476.70	457.63	442.90
Employee benefits paid during the period	(1,612.77)	(1,133.34)	(1,586.55)	(1,105.86)
Actuarial losses (gains) on defined benefit plans				
(Note 6.34)				
- from changes in demographic assumptions	(4.76)	70.50	(14.74)	67.61
- from changes in financial assumptions	941.37	143.65	864.44	274.49
Total defined benefit plan	10,776.99	10,391.04	9,795.64	9,609.72

The Principal Actuarial Assumptions

	December 31, 2016	December 31, 2015
Average discount rate	2.75% - 4.34%	3.59% - 5.12%
Average future salary increase rate	4.00% - 7.50%	6.00% - 7.50%
Average turnover rate	0.11% - 30.00%	0.11% - 17.26%
Retirement age	55 - 60 years	50 - 60 years

Sensitivity Analysis of Principal Actuarial Assumptions

Defined benefit plan of the Bank and its subsidiaries are sensitive to changes in assumptions used for calculation. The actuarial assumptions may change based on changes in market conditions, changes in inflation condition including demographic changes in the defined benefit plan. The following table shows the effect of changes in each key assumption. The change in each assumption occurs separately.

(Million Baht)

Increase (Decrease) in Defined Benefit Plan		
	Consolidated Financial Statements	The Bank's Financial Statements
	December 31, 2016	December 31, 2016
Average discount rate		
Increase of 1%	(1,008.35)	(890.52)
Decrease of 1%	1,182.41	1,041.66
Average future salary increase rate		
Increase of 1%	870.09	751.62
Decrease of 1%	(761.55)	(658.15)
Average turnover rate		
Increase of 1%	(120.43)	(99.86)
Decrease of 1%	121.57	99.86

Maturity Profile of Defined Benefit Plan

The following table provides information on the weighted average duration of the defined benefit plan and the maturity analysis of benefit payments calculated based on the defined benefit plan expected to be paid in the future in the undiscounted form.

(Years)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Weighted average duration of the defined benefit plan	21	20	20	19

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Maturity analysis of benefits expected to be paid				
Amount expected to be paid within 12 months	594.24	589.96	568.12	577.09
Amount expected to be paid between 1 to 2 years	535.90	635.80	499.08	605.60
Amount expected to be paid between 2 to 5 years	2,528.36	2,559.94	2,381.31	2,395.94
Amount expected to be paid between 5 to 10 years	6,365.81	6,359.08	5,884.33	5,893.69
Amount expected to be paid between 10 to 15 years	6,183.08	7,297.45	5,355.01	6,416.66
Amount expected to be paid between 15 to 25 years	8,419.47	9,096.31	5,540.87	6,288.35
Amount expected to be paid over 25 years	16,086.32	14,147.01	14,378.20	12,494.22

6.18 Other Liabilities comprise the followings:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Accrued interest expenses	4,125.33	5,422.75	3,849.37	5,174.08
Accrued expenses	14,339.86	13,335.15	12,663.39	11,880.67
Suspense account creditors	2,955.41	1,411.62	4,148.10	2,722.99
Tax payables	3,132.80	3,732.43	2,510.59	3,200.57
Deferred revenue for reward points	2,640.55	2,492.87	152.82	126.30
Cheque in transit	5,020.70	6,360.49	5,020.70	6,360.49
Sundry liabilities	12,604.27	13,454.61	9,631.46	10,532.69
Total	44,818.92	46,209.92	37,976.43	39,997.79

6.19 Share Capital

6.19.1 Ordinary Shares

As at December 31, 2016 and 2015, the Bank's authorized share capital and issued and paid-up share capital are 13,976,061,250 shares.

6.19.2 Preferred Shares

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

6.19.3 The Bank is the state enterprise; its major shareholder is the Financial Institutions Development Fund (FIDF). As at December 31, 2016, FIDF holds 7,696,248,833 shares or 55.05 percent of paid-up ordinary and preferred shares.

6.20 Legal Reserve

According to the Public Limited Company Act, the Bank is required to appropriate net profit of the year as legal reserve which is not less than 5 percent after deducting accumulated losses brought forward (if any) until legal reserve reaches an amount not less than 10 percent of authorized share capital. The Bank also set aside full amount of legal reserve.

6.21 The Appropriation of 2015 Net Profit and Dividend Payment

On April 29, 2016, the 23rd Annual General Shareholders' Meeting passed the resolution to approve the appropriation of 2015 net profit of Baht 26,473.75 million. On April 10, 2015, the 22nd Annual General Shareholders' Meeting passed the resolution to approve the appropriation of 2014 net profit of Baht 31,855.31 million and dividend payment as follows:

	(Million Baht)	
	Net Profit of 2015	Net Profit of 2014
Dividend - preferred shares (@ Baht 0.9145 and Baht 1.0545)	5.03	5.80
Dividend - ordinary shares (@ Baht 0.76 and Baht 0.90)	10,621.81	12,578.46
Net profit carried forward	15,846.91	19,271.05

6.22 Obligations and Contingent Liabilities

6.22.1 Contingent Liabilities

(Million Baht)

Consolidated and the Bank's Financial Statements		
	December 31, 2016	December 31, 2015
Avals to bills	8,111.97	6,696.00
Guarantees of loans	11.03	6,432.23
Liability under unmatured import bills	4,756.16	-
Letters of credit	40,407.40	37,029.06
Other contingencies		
Unused credit line of overdraft	156,429.94	162,475.49
Other guarantees	160,273.58	143,210.15
Total	369,990.08	355,842.93

Besides the contingent liabilities mentioned above, as at December 31, 2016 and 2015, the Bank has material contingent liabilities owing to prosecutions of Baht 6,962.26 million and Baht 10,451.50 million, respectively. Such prosecutions comprised of the completed cases in the civil court and the cases proceedings in the Appeal Court and the Supreme Court.

As at December 31, 2016 and 2015, the Bank has set aside provisions of Baht 335.91 million and Baht 538.01 million, respectively, for estimated losses from such cases.

6.22.2 Obligations under Long-Terms Leased

The Bank has obligations arising from lease agreements. The amounts due are classified as follows:

(Million Baht)

Period	December 31, 2016				December 31, 2015			
	Within 1 year	Over 1 to 5 years	Over 5 years	Total	Within 1 year	Over 1 to 5 years	Over 5 years	Total
Land and/or Premises	560.25	480.54	60.37	1,101.16	575.11	528.17	70.77	1,174.05
Vehicles	374.79	671.74	-	1,046.53	367.22	679.83	-	1,047.05
Facsimile/Copy machine	0.62	1.13	-	1.75	2.78	1.89	-	4.67
Total	935.66	1,153.41	60.37	2,149.44	945.11	1,209.89	70.77	2,225.77

6.23 Assets with Obligations and Restrictions

(Million Baht)

Consolidated and the Bank's Financial Statements

December 31, 2016

December 31, 2015

Government and state enterprise bonds pledged as collateral

Court collateral

102.65

134.87

Repurchase agreements

58,139.64

33,183.96

Properties for sale (debtor is granted the right to buy back or first

right for this portion)

12,911.62

4,961.70

Total

71,153.91

38,280.53

6.24 Related Party Transactions

6.24.1 As at December 31, 2016 and 2015, loans to the Bank's executives (First Vice President and above) are Baht 106.35 million and Baht 93.03 million. The average outstanding balances of such loans at month end are Baht 98.12 million and Baht 91.66 million, respectively.

The loans outstanding as at December 31, 2016 and 2015 to close family of the Bank's executives mentioned above are Baht 29.51 million and Baht 14.59 million, respectively.

6.24.2 Loans and Obligations

The balances of loans and obligations to related companies under normal pricing policies, as at December 31, 2016 and 2015 are as follows:

	(Million Baht)			
	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Loans				
Related parties which the Bank totally held from				
10 to 20 percent of their paid-up capital	0.43	0.31	0.43	0.31
Related parties which the Bank acquired equal				
10 to 20 to or over 10 percent of their paid-up capital from TDR	106.39	110.41	106.39	110.41
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	9.09	8.16
KTB Computer Services Co., Ltd.	-	-	3,080.72	3,942.86
KTB Leasing Co., Ltd.	-	-	36,815.11	50,826.10
Krung Thai Asset Management Pcl.	-	-	0.05	0.05
Krungthai Card Pcl.	-	-	0.66	0.62
Less Allowance for doubtful accounts	-	-	(399.06)	(547.78)
Total	-	-	39,506.57	54,230.01
Associates				
Krung Thai IBJ Leasing Co., Ltd.	0.09	0.07	0.09	0.07
KT Zmico Securities Co., Ltd.	2,568.94	1,080.18	2,568.94	1,080.18
Krungthai Panich Insurance Pcl.	0.63	0.23	0.63	0.23
Less Allowance for doubtful accounts	(25.70)	(10.80)	(25.70)	(10.80)
Total	2,543.96	1,069.68	2,543.96	1,069.68
Other parties related with directors or key managements	5,017.89	25,450.35	5,017.89	25,450.35
Less Allowance for doubtful accounts	(45.32)	(205.35)	(45.32)	(205.35)
Total	4,972.57	25,245.00	4,972.57	25,245.00

(Million Baht)

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December 31, 2016

December 31, 2015

December 31, 2016

December 31, 2015

Obligations

Related parties which the Bank totally held from

10 to 20 percent of their paid-up capital

14.30

29.19

14.30

29.19

Related parties which the Bank acquired equal

to or over 10 percent of their paid-up capital from TDR

0.29

0.29

0.29

0.29

Subsidiaries

KTB General Services and Security Co., Ltd.

-

-

43.40

29.20

KTB Computer Services Co., Ltd.

-

-

4.55

4.55

KTB Leasing Co., Ltd.

-

-

1,061.20

1,450.60

Krungthai Card Pcl.

-

-

2.29

2.30

Associates

Krung Thai IBJ Leasing Co., Ltd.

3.30

1.39

3.30

1.39

Other parties related with directors or key managements

4,191.87

210.16

4,191.87

210.16

6.24.3 Deposits and Borrowings

The balances of deposits and borrowings to related companies under normal pricing policies, as at December 31, 2016 and 2015 are as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Deposits				
Subsidiaries				
KTB Law Co., Ltd.	-	-	549.52	311.48
KTB General Services and Security Co., Ltd.	-	-	677.24	643.87
KTB Computer Services Co., Ltd.	-	-	177.22	13.75
KTB Leasing Co., Ltd.	-	-	274.78	85.99
KTB Capital Holding Co., Ltd.	-	-	252.86	249.30
KTB Advisory Co., Ltd.	-	-	36.89	53.58
Krungthai Card Pcl.	-	-	785.63	590.00
Associates				
Krung Thai IBJ Leasing Co., Ltd.	23.26	40.56	23.26	40.56
KT Zmico Securities Co., Ltd.	36.24	40.69	36.24	40.69
Krungthai Panich Insurance Pcl.	42.36	24.38	42.36	24.38
Krungthai-AXA Life Insurance Pcl.	1,627.83	770.70	1,627.83	770.70
Other parties related with directors or key managements	24,522.80	17,340.91	24,522.80	17,340.91
Borrowings				
Associates				
Krungthai-AXA Life Insurance Pcl.	3,250.00	2,730.00	3,250.00	2,730.00

6.24.4 Income and Expenses

The Bank has significant income and expenses with related parties as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Interest Income				
Subsidiaries				
KTB Computer Services Co., Ltd.	-	-	140.93	137.60
KTB Leasing Co., Ltd.	-	-	1,408.15	1,835.32
Krungthai Card Pcl.	-	-	15.52	9.36
Associates				
Krung Thai IBJ Leasing Co., Ltd.	0.01	-	0.01	-
KT Zmico Securities Co., Ltd.	30.80	12.89	30.80	12.89
Interest Expenses				
Subsidiaries				
KTB Law Co., Ltd.	-	-	2.10	1.19
KTB General Services and Security Co., Ltd.	-	-	5.05	6.63
KTB Computer Services Co., Ltd.	-	-	0.51	0.62
KTB Leasing Co., Ltd.	-	-	0.90	0.56
Krung Thai Asset Management Pcl.	-	-	0.44	0.45
KTB Capital Holding Co., Ltd.	-	-	0.94	1.05
KTB Advisory Co., Ltd.	-	-	0.17	0.35
Krungthai Card Pcl.	-	-	2.41	-
Associates				
KT Zmico Securities Co., Ltd.	5.44	20.61	5.44	20.61

(Million Baht)

Consolidated Financial Statements

The Bank's Financial Statements

December 31,
2016December 31,
2015December 31,
2016December 31,
2015

Other Income

Subsidiaries

KTB Law Co., Ltd.	-	-	0.21	0.10
KTB General Services and Security Co., Ltd.	-	-	4.40	3.51
KTB Computer Services Co., Ltd.	-	-	0.16	0.16
KTB Leasing Co., Ltd.	-	-	38.28	34.24
Krung Thai Asset Management Pcl.	-	-	301.78	206.97
KTB Advisory Co., Ltd.	-	-	0.01	0.02
Krungthai Card Pcl.	-	-	240.29	189.15

Associates

Krung Thai IBJ Leasing Co., Ltd.	34.20	37.48	34.20	37.48
KT Zmico Securities Co., Ltd.	179.55	237.38	179.55	237.38
Krungthai Panich Insurance Pcl.	158.62	158.62	158.62	158.62
Krungthai-AXA Life Insurance Pcl.	3,614.05	4,351.26	3,614.05	4,351.26

Other Expenses

Subsidiaries

KTB Law Co., Ltd.	-	-	995.00	757.43
KTB General Services and Security Co., Ltd.	-	-	2,379.83	2,367.51
KTB Computer Services Co., Ltd.	-	-	3,484.36	3,832.45
KTB Leasing Co., Ltd.	-	-	117.22	297.56
Krungthai Card Pcl.	-	-	22.08	54.10

Associates

Krung Thai IBJ Leasing Co., Ltd.	150.42	-	150.42	-
KT Zmico Securities Co., Ltd.	1.74	3.27	1.74	3.27

6.24.5 The Bank has no compensations or other benefits, both monetary and non-monetary given to directors and executives beyond the general benefits made as usual as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Short-term employee benefits	1,078.36	1,038.50	710.59	637.86
Post-employment benefits	35.00	31.42	14.28	14.68
Total	1,113.36	1,069.92	724.87	652.54

6.24.6 Intercompany Trading Transactions

Subsidiaries

1) KTB Computer Services Co., Ltd. has been designated mainly to provide information technology (IT) services to various work units in the Bank. Service offers consist of introducing IT to the Bank's business operation and modernizing the existing systems in line with the Bank's requirement, rendering system control and maintenance system software development, offering preliminary consultancy service and organizing training in various applications of IT and techniques. The Bank incurs service charges on a cost plus method for the years ended December 31, 2016 and 2015 of Baht 3,361.60 million and Baht 3,699.56 million, respectively.

Since 2003, the GFMS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. The Bank and the Office of GFMS attached to the Secretariat of the Prime Minister have unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursement associated to the investments on the GFMS project on September 22, 2005. Further, the Bank has signed the hiring contract for the implementation and maintenance with the Office of GFMS. The Bank incurs service charges for the years ended December 31, 2016 and 2015 of Baht 122.76 million and Baht 132.88 million, respectively.

2) The Bank has operated student loans in subjects of public relations, policy, regulation, loan payment, documents filling, loan notification, loans status, including loan collection, claim for payment, and prosecution for the Student Loans Fund. KTB Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurs service charges for the years ended December 31, 2016 and 2015 of Baht 887.01 million and Baht 666.39 million, respectively.

3) Krungthai Card Pcl. has been designated from the Bank to collect debts. This service charge incurred for the years ended December 31, 2016 and 2015 of Baht 13.72 million and Baht 49.33 million, respectively.

4) The Bank incurs service charges on its subsidiaries (including service charges mentioned in No.1) to 3)) for the years ended December 31, 2016 and 2015 of Baht 6,980.25 million and Baht 7,309.24 million, respectively, at the agreed-upon rate.

5) The Bank generates fees income from service contracts for the years ended December 31, 2016 and 2015 of Baht 561.69 million and Baht 452.32 million, respectively.

6) The Bank generates premises rental income from subsidiaries for the years ended December 31, 2016 and 2015 of Baht 15.93 million and Baht 15.92 million, respectively, at the agreed-upon rate.

Intercompany Considerations

Intercompany income and expenses are based on the agreed-upon rate and the amount specified in the contract, whereas cost plus system has been applicable to some certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

Associates

1) The Bank generates premises rental income from associates for the years ended December 31, 2016 and 2015 at the amount of Baht 0.63 million and Baht 0.61 million, respectively, at the agreed-upon rate.

2) The Bank generates fees income from supportive service contracts for the years ended December 31, 2016 and 2015 of Baht 1,741.31 million and Baht 2,254.87 million, respectively, at the agreed-upon rate.

6.25 Significant Financial Position and Operations Classified by Domestic and Foreign Business Segment

6.25.1 Financial Position Classified by Business Segment

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2016			December 31, 2015		
	Domestic Business Segment	Foreign Branches Business Segment	Total	Domestic Business Segment	Foreign Branches Business Segment	Total
Total assets	2,629,042.23	64,197.67	2,693,239.90	2,747,981.67	68,667.78	2,816,649.45
Interbank and money market items, net	400,746.90	30,891.51	431,638.41	357,256.69	40,101.28	397,357.97
Investments, net*	240,694.29	1,570.93	242,265.22	258,635.41	3,096.63	261,732.04
Loans to customers and						
accrued interest receivables, net	1,767,185.68	31,392.46	1,798,578.14	1,922,240.18	25,144.64	1,947,384.82
Deposits	1,966,527.15	5,876.38	1,972,403.53	2,130,163.24	5,335.27	2,135,498.51
Interbank and money market items, net	200,961.02	2,205.29	203,166.31	192,156.66	2,086.18	194,242.84
Debt issued and borrowings	69,717.02	50,973.84	120,690.86	57,687.68	58,552.78	116,240.46

* Included investments in subsidiaries and associates.

(Million Baht)

The Bank's Financial Statements						
	December 31, 2016			December 31, 2015		
	Domestic Business Segment	Foreign Branches Business Segment	Total	Domestic Business Segment	Foreign Branches Business Segment	Total
Total assets	2,554,394.51	64,197.67	2,618,592.18	2,681,259.86	68,667.78	2,749,927.64
Interbank and money market items, net	400,458.70	30,891.51	431,350.21	356,960.10	40,101.28	397,061.38
Investments, net*	235,786.81	1,570.93	237,357.74	254,379.02	3,096.63	257,475.65
Loans to customers and accrued interest receivables, net	1,707,580.89	31,392.46	1,738,973.35	1,872,626.14	25,144.64	1,897,770.78
Deposits	1,969,281.29	5,876.38	1,975,157.67	2,132,111.22	5,335.27	2,137,446.49
Interbank and money market items, net	191,505.71	2,205.29	193,711.00	175,615.02	2,086.18	177,701.20
Debt issued and borrowings	28,294.02	50,973.84	79,267.86	28,385.19	58,552.78	86,937.97

* Included investments in subsidiaries and associates.

The consolidated and the Bank's financial statements as at December 31, 2016 and 2015, has total assets before eliminating net interbranch transactions of Baht 3,794.24 million and Baht 1,319.81 million, respectively.

6.25.2 Operations Classified by Business Segment

(Million Baht)

Consolidated Financial Statements						
	December 31, 2016			December 31, 2015		
	Domestic Business Segment	Foreign Branches Business Segment	Total	Domestic Business Segment	Foreign Branches Business Segment	Total
Interest income	127,399.39	5,392.07	132,791.46	130,864.29	5,003.38	135,867.67
Interest expenses	(42,168.01)	(3,657.62)	(45,825.63)	(51,583.80)	(3,416.01)	(54,999.81)
Interest income, net	85,231.38	1,734.45	86,965.83	79,280.49	1,587.37	80,867.86
Fees and service income, net	21,944.65	97.34	22,041.99	21,134.18	209.23	21,343.41
Other operating income	15,557.89	102.10	15,659.99	14,344.78	51.32	14,396.10
Other operating expenses	(83,941.14)	(119.71)	(84,060.85)	(80,766.06)	(695.10)	(81,461.16)
Operating profit before income tax expenses	38,792.78	1,814.18	40,606.96	33,993.39	1,152.82	35,146.21

(Million Baht)

The Bank's Financial Statements						
	December 31, 2016			December 31, 2015		
	Domestic Business Segment	Foreign Branches Business Segment	Total	Domestic Business Segment	Foreign Branches Business Segment	Total
Interest income	114,426.84	5,392.07	119,818.91	118,898.03	5,003.38	123,901.41
Interest expenses	(40,688.15)	(3,657.62)	(44,345.77)	(49,920.58)	(3,416.01)	(53,336.59)
Interest income, net	73,738.69	1,734.45	75,473.14	68,977.45	1,587.37	70,564.82
Fees and service income, net	18,680.61	97.34	18,777.95	17,546.89	209.23	17,756.12
Other operating income	12,582.72	102.10	12,684.82	10,986.56	51.32	11,037.88
Other operating expenses	(70,569.62)	(119.71)	(70,689.33)	(67,198.36)	(695.10)	(67,893.46)
Operating profit before income tax expenses	34,432.40	1,814.18	36,246.58	30,312.54	1,152.82	31,465.36

The consolidated and the Bank's financial statements for the years ended December 31, 2016 and 2015, has total interest income and interest expenses before eliminating net interbranch transactions of Baht 3,561.57 million and Baht 3,342.34 million, respectively.

6.26 Operations Classified by Operating Segment

Segment Definition

The Bank is organized into segments for internal management which the Management Committee of each segment is the chief operating decision-maker (CODM). Three reportable segments have been divided based on customer types and nature of businesses:

- 1) Retail banking segment: develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through network branches nationwide.
- 2) Wholesale banking segment: provides credit facilities and financial services to corporate clients
- 3) Treasury and investment segment: controls the Bank's financial structure to appropriate to make profit from the Bank's equity investment, foreign currency exchange services, international business and excess liquidity, and also supervising overseas branches and companies in which the Bank has invested.

Other segments comprise of middle offices, back offices, subsidiaries and associates.

Accounting Procedures for Segment Reporting

In contrast to the accounting procedures for external reporting, the accounting procedures of the operating segments are based on the principle of Economic Value Management (EVM), whereby performance is measured based on segment economic profit (EP), as included in the internal management reports that are reviewed by the Bank's CODM. In accordance with the EVM concept, all business units are treated as profit centers, having internal service charge (ISC) between service providing unit and service receiving unit. Fund Transfer Pricing (FTP) concept is used to calculating value of fund for fund provider unit and cost of fund for fund user unit. Income and expenses are allocated according to ownership basis in order to calculate the economic profit.

(Million Baht)

Consolidated Financial Statements						
December 31, 2016						
	Retail Banking	Wholesale Banking	Treasury and Investment	Support and Others	Adjustments	Total
Total operating income	56,573.57	36,373.33	10,744.93	20,113.70	862.29 ¹	124,667.82
Total expenses (excluding bad debts, doubtful accounts and loss on impairment)	(36,785.44)	(19,599.95)	(4,788.37)	(12,550.30)	16,029.48 ^{1,2}	(57,694.58)
Bad debts, doubtful accounts and loss on impairment	(5,039.53)	(8,050.98)	(641.45)	(20,096.66)	399.24	(33,429.38)
Net profit (loss)	14,748.60	8,722.40	5,315.11	(12,533.26)	17,291.01	33,543.86
Segment assets	829,308.90	1,075,229.16	8,553.73	819,748.99	(43,395.13) ³	2,689,445.65
Segment liabilities	1,424,588.67	604,016.42	208,197.55	206,178.14	(32,682.07) ³	2,410,298.71

¹In the financial statements, certain gains are presented net of losses and shown either as gains under operating income or as losses under other operating expenses. However, these items from EVM data are predetermined as either income or expense regardless of whether they are gains or losses.

²Capital charge is recorded at each operating segment according to EVM concept, whereas, in the overall Bank's financial statements, capital charge is reversed.

³Assets and liabilities in the financial statements are ending balances while assets and liabilities from EVM data are average balances.

(Million Baht)

Consolidated Financial Statements

December 31, 2015

	Retail Banking	Wholesale Banking	Treasury and Investment	Support and Others	Adjustments	Total
Total operating income	54,099.82	36,702.91	10,708.59	15,093.39	2.66 ¹	116,607.37
Total expenses (excluding bad debts, doubtful accounts and loss on impairment)	(35,396.57)	(16,645.87)	(6,034.49)	(16,958.65)	18,511.19 ^{1,2}	(56,524.39)
Bad debts, doubtful accounts and loss on impairment	(5,133.42)	(21,325.25)	226.04	(4,309.03)	0.15	(30,541.51)
Net profit (loss)	13,569.83	(1,268.21)	4,900.14	(6,174.29)	18,514.00	29,541.47
Segment assets	857,059.94	1,178,327.23	145,539.44	634,263.81	139.23 ³	2,815,329.65
Segment liabilities	1,492,179.43	682,309.15	194,276.24	204,616.07	(8,348.57) ³	2,565,032.32

¹In the financial statements, certain gains are presented net of losses and shown either as gains under operating income or as losses under other operating expenses. However, these items from EVM data are predetermined as either income or expense regardless of whether they are gains or losses.

²Capital charge is recorded at each operating segment according to EVM concept, whereas, in the overall Bank's financial statements, capital charge is reversed.

³Assets and liabilities in the financial statements are ending balances while assets and liabilities from EVM data are average balances.

6.27 Interest Income

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Interbank and money market items	11,212.56	12,091.97	11,211.74	12,088.79
Investment and trading transactions	136.96	319.53	136.96	319.53
Investment in debt	4,585.02	4,962.77	4,580.89	4,957.94
Loans	110,297.76	111,437.93	100,286.12	103,151.38
Hire-purchase and finance lease	2,957.22	3,679.05	1.39	7.64
Others	40.37	34.07	40.25	33.78
Total interest income	129,229.89	132,525.32	116,257.35	120,559.06

6.28 Interest Expenses

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Deposits	24,770.33	33,761.82	24,782.41	33,772.23
Interbank and money market items	2,718.95	2,579.58	2,489.97	2,150.18
Contributions to Bank of Thailand (BoT)	9,451.72	9,842.51	9,451.72	9,842.51
Contributions to Deposit Protection Agency (DPA)	205.99	214.71	205.99	214.71
Debt issued				
Subordinated notes	4,726.24	4,716.16	3,487.91	3,567.17
B/E	334.77	497.56	334.23	423.39
Borrowings	29.01	27.27	6.65	8.14
Others	27.05	17.86	25.32	15.91
Total interest expenses	42,264.06	51,657.47	40,784.20	49,994.24

6.29 Fees and Service Income, Net

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Fees and service income				
Acceptance, aval and guarantee	1,786.33	1,902.19	1,786.33	1,902.19
Others	24,145.12	22,321.65	19,474.32	18,032.19
Total fees and service income	25,931.45	24,223.84	21,260.65	19,934.38
Fees and service expenses	(3,889.46)	(2,880.43)	(2,482.70)	(2,178.26)
Fees and service income, net	22,041.99	21,343.41	18,777.95	17,756.12

6.30 Gains on Tradings and Foreign Exchange Transactions, Net

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Gains (losses) on tradings and foreign exchange transactions				
Foreign currency and foreign currency related derivatives	4,488.76	3,766.22	4,488.75	3,766.22
Interest rate related derivatives	2,010.31	2,069.10	1,984.94	2,106.81
Debt securities	23.63	515.94	23.63	515.94
Equity securities	(2.40)	(11.05)	(2.40)	(11.05)
Others	307.21	360.41	307.21	360.41
Total gains on tradings and foreign exchange transactions, net	6,827.51	6,700.62	6,802.13	6,738.33

6.31 Gains (Losses) on Investments, Net

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Gains (losses) on sale of				
Available-for-sale securities	664.85	580.65	664.85	580.65
General investments	5.47	13.29	5.47	13.29
Total	670.32	593.94	670.32	593.94
Reverse (losses) on impairment of				
General investments	24.25	54.19	24.25	54.19
Investment in subsidiaries and associates	-	-	-	(798.77)
Total	24.25	54.19	24.25	(744.58)
Total gains (losses) on investments, net	694.57	648.13	694.57	(150.64)

6.32 Bad Debts, Doubtful Accounts, and Loss on Impairment

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Interbank and money market items	265.23	(307.09)	265.23	(307.09)
Available-for-sale debt securities	(3.69)	-	(3.69)	-
Held-to-maturity debt securities	(0.15)	(0.15)	(0.15)	(0.15)
Loans to customers	33,144.33	30,823.02	26,711.11	24,281.36
Loss from troubled debt restructuring	23.66	25.73	23.66	25.73
Total bad debts, doubtful accounts, and loss on impairment	33,429.38	30,541.51	26,996.16	23,999.85

6.33 Income Tax Expenses

The Bank has been conducting tax management under its tax management policy by carrying out tax payment, tax filing and tax benefit utilization correctly according to the regulations of law.

The Bank has considered tax effects both current and future of benefit from carrying amount of assets or settlement of carrying amount of liabilities. If there is reasonably possible that the Bank will get benefits from carrying amount of assets or settlement of carrying amount of liabilities, allowing the Bank to pay income tax increase (or decrease) in its tax base in the future. Such consideration is based on estimates, assumptions, law changes that may occurred, legal interpretation and past experience. In the future, if changes occur, which resulted in Bank to change its decision on the sufficiency of income tax payable, any changes in income tax payable will affect on income tax expenses in the period that the changes occur.

Income tax expenses recognized in profit or losses for the years ended December 31, 2016 and 2015 are as follows:

		(Million Baht)	
		Consolidated Financial Statements	The Bank's Financial Statements
		December 31, 2016	December 31, 2015
		December 31, 2016	December 31, 2015
Current tax			
Current period		6,226.61	6,128.32
Deferred tax			
Movement in temporary differences		836.49	(523.58)
Total		7,063.10	5,604.74

Reconciliation of effective tax rates for the years ended December 31, 2016 and 2015 are as follows:

(Million Baht)

Consolidated Financial Statements				
December 31, 2016		December 31, 2015		
Tax Rate	Amount	Tax Rate	Amount	
	40,606.96		35,146.21	Operating profit before income tax expenses
20.00%	8,121.39	20.00%	7,029.24	Income tax calculated statutory tax rates
	(1,058.29)		(1,424.50)	Tax effects of income and expenses
	7,063.10		5,604.74	that are not taxable and deductible for tax purposes, net
17.39%		15.95%		Total

(Million Baht)

The Bank's Financial Statements				
December 31, 2016		December 31, 2015		
Tax Rate	Amount	Tax Rate	Amount	
	36,246.58		31,465.36	Operating profit before income tax expenses
20.00%	7,249.32	20.00%	6,293.07	Income tax calculated statutory tax rates
	(970.53)		(1,301.46)	Tax effects of income and expenses
	6,278.79		4,991.61	that are not taxable and deductible for tax purposes, net
17.32%		15.86%		Total

6.34 Components of Other Comprehensive Income and Related Taxes

Components of other comprehensive income and related taxes for the years ended December 31, 2016 and 2015.

(Million Baht)

	Consolidated Financial Statements					
	December 31, 2016			December 31, 2015		
	Amount before tax	Tax (expense) benefit	Net amount after tax	Amount before tax	Tax (expense) benefit	Net amount after tax
Changes in revaluation surplus on assets	2,528.02	(505.60)	2,022.42	(3.40)	0.68	(2.72)
Gains (losses) on remeasuring available-for-sale investments	6,724.39	(1,344.88)	5,379.51	(3,447.86)	689.57	(2,758.29)
Gains (losses) arising from translating the financial statements of foreign operations	(79.91)	-	(79.91)	(38.41)	-	(38.41)
Actuarial gains (losses) on defined benefit plans* (Note 6.17)	(936.61)	187.32	(749.29)	(214.15)	42.83	(171.32)
Share of other comprehensive income from associates	(216.64)	-	(216.64)	999.71	-	999.71
Other comprehensive income	8,019.25	(1,663.16)	6,356.09	(2,704.11)	733.08	(1,971.03)

(Million Baht)

	The Bank's Financial Statements					
	December 31, 2016			December 31, 2015		
	Amount before tax	Tax (expense) benefit	Net amount after tax	Amount before tax	Tax (expense) benefit	Net amount after tax
Changes in revaluation surplus on assets	2,528.02	(505.60)	2,022.42	(3.40)	0.68	(2.72)
Gains (losses) on remeasuring available-for-sale investments	6,724.39	(1,344.88)	5,379.51	(3,447.86)	689.57	(2,758.29)
Gains (losses) arising from translating the financial statements of foreign operations	(79.91)	-	(79.91)	(38.41)	-	(38.41)
Actuarial gains (losses) on defined benefit plans* (Note 6.17)	(849.70)	169.94	(679.76)	(342.10)	68.42	(273.68)
Other comprehensive income	8,322.80	(1,680.54)	6,642.26	(3,831.77)	758.67	(3,073.10)

*Recorded in retained earnings

6.35 The Transfer of Non-Performing Loans to Thai Asset Management Corporation (TAMC)

TAMC was established under the Emergency Decree on Thai Asset Management Corporation B.E. 2544 (2001) with an objective to manage impaired assets of financial institutions by acquisition of impaired assets of financial institutions. The transfer price shall be equal to the value of assets held as collateral, with respect to such impaired assets, according to the appraisal criteria specified by the BoT. TAMC and the Bank agree to recognize and share profit or loss arising from the management of impaired assets at the end of the year 5th and 10th since July 1, 2001. When TAMC and the Bank confirmed amount paid for assets, TAMC shall issue non-transferable promissory notes, with 10 year maturity and avaled by the FIDF, to the Bank. TAMC may exercise the right to redeem these promissory notes before their maturities.

TAMC permanently dissolved its organization on June 8, 2013 and transferred all remaining assets to the Ministry of Finance, which has assigned the Director General of the Comptroller General's Department (CGD) to undertake pending tasks.

As at December 31, 2015, The Bank had provision for losses on impaired assets management transferred to TAMC in the amount of Baht 3,461.48 million. (The Bank has gradually set aside allowances for doubtful account at 15 percent of the transferred price. (Net outstanding transferred price owing to TAMC is Baht 17,743.18 million.) The management has considered to set aside more provisions in the year 2012 and on June 30, 2016 of Baht 800 million and Baht 600 million, respectively.) On December 2, 2016, the Bank received a notification letter informed amount of loss on impaired asset management at Baht 3,946.61 million.

The Bank has agreed to pay losses from impaired asset management of Baht 3,946.61 million by offsetting with the amount owing from TAMC which had net outstanding transferred price at Baht 2,653.48 million recorded in held-to-maturity debt securities as at December 31, 2016 (Note 6.4) including promissory note interest and deposit interest of Baht 451 million and deducted withholding tax of Baht 4.51 million, totaling to Baht 3,099.97 million. After offsetting the losses and the amount of promissory note, the Bank was required to pay Baht 846.64 million which the Bank has already made a payment to the Ministry of Finance on December 16, 2016.

6.36 Fair Value of Financial Instruments

Financial assets and financial liabilities instruments carried at fair value classified by levels of valuation as follows:

(Million Baht)

Consolidated Financial Statements								
December 31, 2016					December 31, 2015			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Derivative assets	-	30,063.05	-	30,063.05	-	34,039.14	-	34,039.14
Trading investments	-	17,103.12	-	17,103.12	4,758.45	23,520.67	-	28,279.12
Available-for-sale investments	32,883.94	73,356.92	-	106,240.86	6,737.13	87,003.34	-	93,740.47
Total financial assets	32,883.94	120,523.09	-	153,407.03	11,495.58	144,563.15	-	156,058.73
Financial Liabilities								
Derivative liabilities	-	31,516.69	-	31,516.69	-	37,232.57	-	37,232.57
Total financial liabilities	-	31,516.69	-	31,516.69	-	37,232.57	-	37,232.57

(Million Baht)

The Bank's Financial Statements								
December 31, 2016				December 31, 2015				
Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial Assets								
Derivative assets	-	30,084.83	-	30,084.83	-	34,088.51	-	34,088.51
Trading investments	-	17,122.65	-	17,122.65	4,758.45	23,520.67	-	28,279.12
Available-for-sale investments	32,883.94	73,356.92	-	106,240.86	6,737.13	87,003.34	-	93,740.47
Total financial assets	32,883.94	120,564.40	-	153,448.34	11,495.58	144,612.52	-	156,108.10
Financial Liabilities								
Derivative liabilities	-	31,516.69	-	31,516.69	-	37,234.79	-	37,234.79
Total financial liabilities	-	31,516.69	-	31,516.69	-	37,234.79	-	37,234.79

There is no transfer between level 1 and 2 of the fair value hierarchy in the period.

Fair Value Hierarchy

Fair value hierarchy of the above assets and liabilities instruments depends on differences of data inputs in valuation which determined as follows:

- Level 1 - quoted market price (unadjusted) in active markets for identical assets or liabilities that the Bank can access at the measurement date.
- Level 2 - other directly or indirectly observable inputs for those assets and liabilities besides quoted market price in level 1.
- Level 3 - unobservable inputs for those assets and liabilities.

Valuation Techniques for Level 2

Fair value of derivatives is calculated by using valuation techniques included discounted cash flow model and option pricing model commonly used by market participants. Data used in the valuation is the observable input from reliable institutions, such as interest rates, currency rates, and volatilities.

Fair value of domestic debt securities is calculated by using the published price in the Thai Bond Market Association (ThaiBMA), while fair value of foreign debt securities calculated by using market price evaluated by reliable institutions.

Besides, the Bank has valuation adjustment using valuation techniques in order to reflect Credit Valuation Adjustment (CVA) by considering from credit spread and simulation that counterparties might be default.

6.37 Operation and Risk Management Policies within the Financial Business Group

The BoT's Notification No. SOR NOR SOR.6/2553 dated June 18, 2010, regarding the Consolidated Supervision Policy requires the Bank to disclose the operation and risk management policies within the financial business group as follows:

The operation and risk management within the financial business group are prepared as regulations to supervise the operation within the financial conglomerate, including the Bank and 11 companies within the financial business group (Note 6.5), in terms of common standards and procedures which conform to the BoT's consolidated supervision policy. The policies are approved by the Bank's board of directors and reviewed at least once a year. The policies also include operations, rules and regulations of business transactions, ratio of business transactions within the financial business group, and other related operating procedures. The operations within the group are conducted in the same manner as public operations and follow the Bank's corporate governance.

In case of the Bank having business transactions with a company within the financial business group as it is the Bank's sector, the Bank will follow the BoT's relenting regulations.

6.38 Others

6.38.1 The Bank has a debtor prosecuted to the Supreme Court's Criminal Division for Holders of Political Positions by the Office of the Attorney General. The Supreme Court issued the order of acceptance on July 25, 2012. This debtor has granted credit limit on December 9, 2003 of Baht 9,900 million which has been drawn down of Baht 8,368.73 million. As at December 31, 2016, the arrears are totally the drawn amount including accrued interest. The Bank also set aside full amount of allowance for doubtful accounts as the prescription of BoT's regulations. Moreover, such case is related to accrued receivables from default debtors from convertible preferred shares contracts recorded in other assets of Baht 997.87 million with full amount of allowance for impairment. The Supreme Court's Criminal Division for Holders of Political Positions has already judged this suit on August 26, 2015. Moreover, the Bank submitted the letter to the Office of the Attorney General to designate the Department of Legal Execution, the Office of the Attorney General as the Bank's legal executioner. In January 2016, the Office of the Attorney General filed a complaint to the Supreme Court to nominate the executing officers. The Supreme Court has nominated executing officers accordingly. The Bank also provided them the result of property investigation of all debtors in accordance with the court judgment. On October 5, 2016 the attorneys of the Department of Special Litigation arranged a meeting for representatives from the Bank of Thailand, the Anti-money Laundering Office and the Bank to consider the problems regarding execution of the Supreme Court's order. They will coordinate and exchange information. And each will utilize its authority by the law and the Supreme Court's order for legal execution towards the defendants, most importantly for the Bank's benefits. Currently, the Bank has approved hiring a law firm to provide consult, guideline, procedure, priority of the order and proper means to execute this case, auction and administration of the properties that were used as guarantee so that the Bank earns maximum profits. Now the Bank has appointed a meeting between the law firm, the Bank's representatives, and the attorneys of Department of Special Litigation to further discuss the execution procedures.

6.38.2 In 2010, the Bank lend a company of USD 95.67 million (Baht 2,884.61 million) pledged an investment in ordinary shares of a foreign financial institution as collateral. Although such shares equaled to 50 percent of its authorized shares capital, are on the Bank's behalf, but the Bank has no influences over this invested financial institution. The Bank has already received full loan repayment under this contract since July, 2011, but not yet transferred those ordinary shares as collateral back to the company because the company need to find a financial institution to be a new investor first.

6.38.3 On October 12, 2016, the Bank is considering the principle of closing a certain foreign branch. It is currently following the process of branch closing and preparing a business continuity plan. Assets, liabilities and operating performances of the branch do not have a material effect on the Bank's financial statements.

6.39 Approval of the Financial Statements

These financial statements have been authorized to issue by the Board of Directors on February 28, 2017.

General Information and Other Major Information

1. Company Information

Name of Company	:	Krung Thai Bank Public Company Limited
Registration Number	:	0107537000882 (formerly Bor.Mor.Jor.335) The Bank registered its transformation to public limited company on March 24, 1994
Business Type	:	Commercial Banking
Head Office	:	Building 1 35 Sukhumvit Road, Klong Toey Nua Subdistrict, Wattana District, Bangkok 10110 Tel. : +662 255-2222 Fax. : +662 255-9391-3 Building 2 10 Sukhumvit Road, Klong Toey Subdistrict, Klong Toey District, Bangkok 10110 Tel. : +662 208-7000, 8000 Fax. : +662 255-9391
KTB Call Center	:	+662 111-1111 (available 24 hours)
Website	:	www.ktb.co.th

2. Bank's Shares

2.1 Number and Type of the Total Shares issued

As at December 31, 2016

Bank's registered and paid-up capital	amounted to	72,005,040,437.50	Baht	classified into
Ordinary shares	amounted to	13,976,061,250	shares	at THB 5.15 per share
Preferred shares	amounted to	5,500,000	shares	at THB 5.15 per share
Total		13,981,561,250	shares	

2.2 Debt Instruments or Convertible Securities

Issuance Date	Type of Debt Instruments	Credit Rating	Outstanding	Period	Redemption Date
Mar. 2012	Subordinated Debenture no.1/2012	AA (tha)	THB 5,155 million	10 yrs.	Mar. 2022 (Call option in 5 th year)
Nov. 2012	Subordinated Debenture no.2/2012	AA (tha)	THB 15,133 million	10 yrs.	Nov. 2022 (Call option in 5 th year)
Mar. 2013	Unsecured Unsubordinated Debenture under Euro Medium Term Note Programme	BBB (Fitch Ratings) Baa1 (Moody's) BBB (S&P)	USD 500 million	5.5 yrs.	Sep. 2018
Jun. 2014	Subordinated Debentures in accordance with Basel III (Subordinated Tier 2) under Euro Medium Term Note Programme	BBB- (Fitch Ratings)	USD 700 million	10.5 yrs.	Dec. 2024 (Call option in 5.5 th year)
Jul. 2015	Subordinated Debentures in accordance with Basel III (Subordinated Tier 2) under Malaysian Ringgit Medium Term Note Programme	AA2 (RAM Berhad)	MYR 1,000 million	10 yrs.	Jul. 2025 (Call option in 5 th year)
End of Dec. 2016	Bill of Exchange (Short-term and Long-term)	-	THB 8,006 million	-	Depend on the date of purchase

3. Companies in which Krung Thai Bank holds 10 percent or more of the total shares issued

As at December 31, 2016

Name and Head Office's Address	Type of Business	Total Shares Issued	No. of Shares Invested	Percentage of Shareholding	Type of Share
Life / Non-Life Insurance					
1. Krungthai Panich Insurance Pcl. 1122 KPI Tower, New Phetchaburi Rd., Makasun, Rajathevi, Bangkok 10400 Tel. : +662 624-1111 Fax. : +662 624-1234	Non-Life Insurance	11,000,000	4,950,000	45.00	Ordinary
2. Dhipaya Insurance Pcl. 63/2 Rama IX Rd., Huay Khwang, Bangkok 10310 Tel. : +662 239-2200 Fax. : +662 239-2049	Non-Life Insurance	300,000,000	33,459,400	11.15	Ordinary
3. Krungthai-AXA Life Insurance Pcl. 9 G Tower Grand Rama 9, 1 st , 20 th -27 th Fl., Rama 9 Rd., Huaykwang, Bangkok 10310 Tel. : 1159	Life Insurance	135,500,000	67,750,000	50.00	Ordinary

Name and Head Office's Address	Type of Business	Total Shares Issued	No. of Shares Invested	Percentage of Shareholding	Type of Share
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Hire Purchase / Leasing

4. KTB Leasing Co., Ltd. 20 Suan Mali Tower, 6 th -8 th Fl., Yukol 2 Rd., Wat Debsirin, Pom Prap Sattru Phai, Bangkok 10100 Tel. : +662 299-3800 Fax. : +662 299-3801-2	Hire Purchase	100,000,000	99,999,993	100.00	Ordinary
5. Krung Thai IBJ Leasing Co., Ltd. 161 Nantawan Bldg., 18 th Fl., Rajadamri Rd., Lumpini, Pathumwan, Bangkok 10330 Tel. : +662 651-8120 Fax. : +662 254-6118	Hire Purchase	10,000,000	4,899,998	49.00	Ordinary

Credit Card

6. Krungthai Card Pcl. 591 UBC II Bldg., 14 th Fl., Sukhumvit Rd., Klong Ton Nua, Wattana, Bangkok 10110 Tel. : +662 665-5000 Fax. : +662 661-7721	Credit Card	257,833,407	127,500,000	49.45	Ordinary
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Securities / Financial Consultant

7. Krung Thai Asset Management Pcl. 195 Empire Tower., 32 nd Fl., South Sathorn Rd., Yannawa, Sathorn, Bangkok 10120 Tel. : +662 686-6100 Fax. : +662 670-0430	Asset Management	20,000,000	19,999,986	100.00	Ordinary
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Name and Head Office's Address	Type of Business	Total Shares Issued	No. of Shares Invested	Percentage of Shareholding	Type of Share
8. KTB Advisory Co., Ltd. 35 Nana Nua Bldg., Sukhumvit Rd., Klong Toey Nua, Wattana, Bangkok 10110 Tel. : +662 208-3047 Fax. : +662 256-8659	Financial Consultant	4,000,000	3,999,997	100.00	Ordinary
9. KT ZMICO Securities Co., Ltd. 287 Liberty Square Bldg., 8 th , 15 th -17 th , 19 th , 21 th Fl., Silom Rd., Bang Rak, Bangkok 10500 Tel. : +662 695-5000 Fax : +662 695-5173	Securities	259,127,200	129,563,600	50.00	Ordinary

Services

10. KTB Law Co., Ltd. 191/50-53,55, 21 CTI Tower, 18 th -19 th , 27 th Fl., Ratchadapisek Rd., Klong Toey, Bangkok 10110 Tel. : +662 261-3739 Fax. : +662 261-3748-50	Legal Services	300,000	299,993	100.00	Ordinary
11. KTB General Services and Security Co., Ltd. 96/12 Soi. Ladprao 106 (Boon-Udom 1), Ladprao Rd., Wang Thong Lang, Bangkok 10310 Tel. : +662 791-9800-1 Fax. : +662 935-3706	General Services	1,400,000	1,399,990	100.00	Ordinary

Name and Head Office's Address	Type of Business	Total Shares Issued	No. of Shares Invested	Percentage of Shareholding	Type of Share
12. KTB Computer Services Co., Ltd. 22/1 Sawai Brown 2 Bldg., Soi Sukhumvit 1, Sukhumvit Rd., Klong Toey Nua, Wattana, Bangkok 10110 Tel. : +662 251-8199 Fax. : +662 251-8198	IT Services	13,000,000	12,999,994	100.00	Ordinary

Others

13. Metro Designee Co., Ltd. 189 Rama IX Rd., Huaykwang, Bangkok 10320	Special Purpose Vehicle (SPV)	1,000	390	39.00	Ordinary
14. National ITMX Co., Ltd. 5/13 Moo 3, Klong Kluea, Pak Kret, Nonthaburi, 11120 Tel. : +662 558-7555 Fax. : +662 558-7566	Interbank Transaction Management	500,000	100,300	20.06	Ordinary
15. Suvarnabhumi Airport Hotel Co., Ltd. 999 Moo 1 Suvarnabhumi Airport Hotel Bldg., Nongprue, Bang Phli, Samut Prakarn 10540 Tel. : +662 131-1042-4 Fax. : +662 131-1189	Hotel	10,177,800	1,017,780	10.00	Ordinary
16. Saraburi New Industrial City Co., Ltd. 123 Thai Life Insurance Bldg., 12 th Fl., Ratchadapisek Rd., Huaykwang, Bangkok 10400 Tel. : +662 246-9487 Fax. : +662 246-9819	Industrial Estate	25,000,000	2,500,000	10.00	Ordinary

Name and Head Office's Address	Type of Business	Total Shares Issued	No. of Shares Invested	Percentage of Shareholding	Type of Share
17. Alphatec Electronics Pcl. (Contact Office of the Liquidator) 889 Thai CC Tower, 14 th Fl., North Sathorn Rd., Sathorn, Bangkok 10120	Electronics Components Manufacturing	2,642	806	30.51	Ordinary
18. Manager Media Group Pcl. 98/3-10 Phra-Athit Rd., Chana Songkram, Phra Nakorn, Bangkok 10200 Tel. : +662 629-4488 Fax. : +662 629-4469	Publishing	129,354,620	20,814,928	16.09	Ordinary
19. Kung Pei San Food Products Pcl. 43 Tanasarn Tower, Chiangmai Rd., Khlong San, Bangkok 10600 Tel. : +662 863-3288 Fax. : +662-437-8123	Producing and Selling Tinned Foods	50,048,999	6,214,500	12.42	Ordinary

4. Other References

- Securities Registrar

Thailand Securities Depository Co., Ltd.

93 Ratchadapisek Rd., Dindaeng, Bangkok
10400

Tel. : +662 009-9000

SET Contact Center : +662 009-9999

Fax. : +662 009-9991

E-mail : SETContactCenter@set.or.th

- Debenture Holder Agent and Debenture Registrar

- > Subordinated debenture, No.1/2012

Redemption in 2022

- > Subordinated debenture, No.2/2012

Redemption in 2022

TMB Public Company Limited (Registrar)

Registrar and Paying Agent,

Security and Fund Support Operation Department

3000 Head Office Bldg., 5A Fl.,

Phahonyothin Rd., Chomphon, Chatuchak,
Bangkok 10900

Tel. : +662 299-1824, +662 299-1830,

+662 299-1825

Fax. : +662 242-3270

**Bank of Ayudhya Public Company Limited
(Debenture Holder Agent)**

Security Service Department

1222 17th Fl., Rama III Rd.,

Bang Phongphang, Yan Nawa, Bangkok 10120

Tel. : +662 296-3582

Fax. : +662 683-1298

- > Euro Medium Term Note Programme consists of
Unsecured Unsubordinated Debentures amounting
to USD 500 million and Subordinated Debentures
in accordance with Basel III (Subordinated Tier 2)
amounting to USD 700 million

**The Bank of New York Mellon (Luxembourg)
S.A. (Registrar for other financial instruments
excluding CMU note)**

2-4 rue Eugène Ruppert,

Vertigo Building, Polaris,

L-2453, Luxembourg

**The Bank of New York Mellon, Hong Kong branch
(Registrar for CMU note)**

Level 24, Three Pacific Place,

Queen's Road East,

Hong Kong

- > Malaysian Ringgit Medium Term Note Programme consists of Subordinated Debentures in accordance with Basel III (Subordinated Tier 2) amounting to MYR 1,000 million.

- Auditor

- Legal Advisors

**The Bank of New York Mellon, London branch
(Debenture Holder Agent)**

One Canada Square, 40th Floor,
London E14 5AL,
United Kingdom

CIMB Investment Bank Berhad (Facility Agent)

Level 21, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral,
50470 Kuala Lumpur

**CIMB Commerce Trustee Berhad
(Debenture Holder Agent)**

Level 21, Menara CIMB,
Jalan Stesen Sentral 2,
Kuala Lumpur Sentral
50470 Kuala Lumpur

Office of the Auditor General of Thailand

Rama VI Rd., Sam Sen Nai,
Phaya Thai, Bangkok 10400
Tel. : +662 271-8000
Fax. : +662 618-5790

**Legal Affairs Department,
Compliance & Procedures Sector,
Compliance & Legal Management Group,**

Krung Thai Bank Pcl.
35 Nana Nua Bldg. 13th Fl., Sukhumvit Rd.,
Klong Toey Nua, Wattana, Bangkok 10110
Tel. : +662 208-3350-72
Fax. : +662 256-8028

KTB Law Co., Ltd.

191/50-53, 21 CTI Tower 18th-19th, 24th Fl.,
Ratchadapisek Rd., Klong Toey,
Klong Toey, Bangkok 10110
Tel. : +662 261-3739
Fax. : +662 261-3748-50

5. Credit Ratings of the Bank

December 2016

December 2015

● Standard & Poor's

• Long-term/Short-term	BBB / A-2	BBB / A-2
• Outlook	Stable	Stable
• Stand-Alone Credit Profile (SACP)	bb+	bb+

● Moody's Investors Service

• Long-term/Short-term	Baa1 / P-2	Baa1 / P-2
• Outlook	Stable	Stable
• Baseline Credit Assessment (BCA)	ba1	ba1

● Fitch Ratings

Foreign Currency Credit Ratings

• Long-term/Short-term	BBB / F3	BBB / F3
• Outlook	Stable	Stable
• Viability Rating	bbb-	bbb-
• Subordinated Debt (USD)	BBB-	BBB-

National Credit Ratings

• Long-term/Short-term	AA+(tha) / F1+ (tha)	AA+(tha) / F1+ (tha)
• Outlook	Stable	Stable
• Subordinated Debt	AA(tha)	AA(tha)

Banking Network

Domestic Branches:

1,213 Branches as at January 31, 2017 Working hours: Mon.-Fri. 8.30-16.30 hrs.

(except specific branches indicated in the bracket)

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Bangkok (285 Branches)			Big C Bangpakok	+662-428-7713-4	+662-428-7715
Administrative Court	+662-143-9874, 7832	+662-143-9875	(Mon-Sun 10.00-19.00 hrs.)		
AIA Capital Center	+662-248-1156-7	+662-248-1158	Big C Chaengwattana	+662-574-3603-4	+662-574-3605
(Mon-Fri 9.30-17.30 hrs.)			(Mon-Sun 11.00-19.00 hrs.)		
All Seasons Place	+662-252-8380-1	+662-252-8382	Big C Kallapapreuk	+662-416-7032-3	+662-416-7034
(Mon-Fri 9.00-17.00 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
Asawann Mall Samsaen	+662-636-9784-5	+662-636-9782	Big C Ladprao 2	+662-511-4330, 4336	+662-511-4295
(Mon-Sun 11.00-19.00 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
Asok	+662-664-1600-5	+662-260-1365	Big C National Housing Rama 2	+662-451-5029-30	+662-451-5031
Asok-Dindaeng Road	+662-246-0735-7, +662-641-7488	+662-248-0134	(Mon-Sun 10.30-19.30 hrs.)		
Avenue Ratchayothin	+662-512-3546-7	+662-512-3548	Big C On Nuch	+662-311-5671-2	+662-311-5673
(Mon-Sun 11.00-20.00 hrs.)			(Mon-Sun 10.30 - 19.30 hrs.)		
Baiyoke Center	+662-251-7237-8	+662-251-7239	Big C Petchkasem 2	+662-421-2941-2	+662-421-2943
(Mon-Sun 9.00-18.00 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
BAM	+662-236-6223-4	+662-236-6225	Big C Prachauthit	+662-463-0884-5	+662-463-0886
Bang Bon	+662-416-0090-3	+662-416-0094	(Mon-Sun 10.00-19.00 hrs.)		
Bang Chan	+662-517-1223-5	+662-518-2001	Big C Rama 4	+662-258-9300-1	+662-258-9302
Bang Khun Non	+662-435-1893-5	+662-435-8006	(Mon-Sun 10.30-19.30 hrs.)		
Bang Khun Thian	+662-416-3015, 3315-6	+662-415-3015	Big C Sai Mai	+662-197-5325-6	+662-197-5327
Bang Plad (Sub)	+662-424-3678, 9028	+662-424-9313	(Mon-Sun 11.00-19.00 hrs.)		
Bangkok Airport	+662-535-2468	+662-535-2445	Big C Saphankwai	+662-615-4080-1	+662-615-4082
Bangkok Bus Terminal	+662-537-9097-8	+662-537-9075	(Mon-Sun 10.30-19.30 hrs.)		
(Chatuchak)			Big C Sukhaphiban 3	+662-540-4958-9	+662-540-4960
(Mon-Sun 08.30-17.30 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
Bangkok Bus Terminal (Thanon	+662-894-6015-6	+662-894-6017	Bobae	+662-280-6255-6	+662-280-6257
Borommaratchachonnani)			(Mon-Sun 8.30-16.30 hrs.)		
(Mon-Sun 10.00-19.00 hrs.)			C.P. Tower	+662-236-4702-3	+662-236-4704
Bangkok Metropolitan	+662-226-3879	+662-226-3879	(Mon-Fri 9.00-17.00 hrs.)		
Administration			CAT Bang Rak	+662-233-6149-50	+662-233-6151
Bangkok Metropolitan	+662-245-5174-5	+662-245-5176	Central Bangna Tower	+662-361-0993-4	+662-361-0995
Administration 2			(Mon-Sun 11.00-20.00 hrs.)		
Bangkok Christian College	+662-236-8695-6	+662-236-8697	Central Festival East Ville	+662-2553-6204-5,	+662-553-6206
Banglampu	+662-281-6121, +662-282-8436	+662-281-6120	(Mon-Sun 11.00-20.00 hrs.)	+669-1773-8600	
Bangpo	+662-585-3562-3	+662-585-3564	Central Ladprao	+662-541-1637-8	+662-541-1639
Bangyikhan	+662-434-4895, 7157	+662-435-3681	(Mon-Sun 11.00-20.00 hrs.)		
Bang Rak	+662-234-6975-6	+662-234-6977	Central Pinklao	+662-884-9000-7	+662-884-9011
Big C Bangna	+662-398-5175-6	+662-398-5177	(Mon-Sun 10.00-19.00 hrs.)		
(Mon-Sun 10.30-19.30 hrs.)			Central Plaza Grand Rama 9	+662-160-3895-6	+662-160-3897
			(Mon-Sun 11.00-20.00 hrs.)		
			Central Plaza Rama II	+662-872-4025-6	+662-872-4027
			(Mon-Sun 11.00-20.00 hrs.)		

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Central Rama 3 (Mon-Sun 11.00-20.00 hrs.)	+662-673-7112, 4	+662-673-7113	Government Pharmaceutical Organization	+662-354-8892-3	+662-354-8890
Central World Plaza (Mon-Sun 10.30-20.00 hrs.)	+662-646-1062-3	+662-646-1064	Green Place (Thanon Chan 43) (Mon-Sun 10.00-19.00 hrs.)	+662-307-8507-8	+662-307-8509
Century (Mon-Sun 11.00-20.00 hrs.)	+662-245-7358	+662-245-7359	Head Office Building 2 (Sukhumvit Soi 2)	+662-208-8443-4	+662-256-8615
Chaeng Wattana	+662-574-4197-8	+662-574-5778	Hua Takhe (Lad Krabang)	+662-326-6244, +662-739-1575-6	+662-326-6243
Chamchuri Square (Mon-Sun 10.00-19.00 hrs.)	+662-160-5122-5	+662-160-5129	Huamark Town Center (Mon-Sun 10.30-19.30 hrs.)	+662-718-7641, 7643	+662-718-7722
Chan Road	+662-213-2233, +662-286-2095-7	+662-287-1738	I'm Park Chula (Mon-Sun 10.00-19.00 hrs.)	+662-214-4615-6	+662-214-4617
Charansanitwongse 13	+662-411-1288-90	+662-411-4027	Imperial World Ladprao (Mon-Sun 11.00-19.00 hrs.)	+662-530-1815-6	+662-530-1817
Charoen Nakhon Road	+662-438-9551-3	+662-438-7600	If Square Laksi (Mon-Sun 11.00-19.00 hrs.)	+662-576-0527-8	+662-576-0528
Charoen Krung 93 (Mon-Fri 11.00-19.00 hrs.)	+662-291-3575-6	+662-291-3577	J.J.Mall (Chatuchak) (Mon-Sun 11.00-19.00 hrs.)	+662-265-9063-4	+662-265-9046
Charoen Krung Pracharak Hospital	+662-291-8041-2	+662-291-8855	Kao San Road	+662-281-1987, 2301, 3345, +662-282-8507-8	+662-282-8506
Chinnakhet Soi 2/42	+662-591-4710-1	+662-591-4712	Kasetsart University Bang Khen	+662-579-9810-1	+662-579-9808
Chokchai 4 Soi 22	+662-530-2571, 3616	+662-530-2572	Khlong Sam Wa Khu Bon 5	+662-548-0517-8 +662-510-5934-5	+662-548-0510 +662-510-5936
Communication Authority of Thailand	+662-506-4024-5	+662-574-2937	King Mongkut's Institute of Technology Ladkrabang	+662-326-4700-1	+662-326-4702
Criminal Court	+662-541-2870-1	+662-541-2872	Klang Hospital	+662-224-9938-9	+662-224-9921
Crystal Design Center (Mon-Sun 11.00-19.00 hrs.)	+662-102-2485-6	+662-102-2487	KPI Tower	+662-252-9690-1	+662-252-9692
Department of Industrial Work	+662-354-4334-5	+662-354-4336	Krasuang Sueksathikan Krungkasem	+662-282-3132, 5457 +662-223-2431-2, +662-225-9697-8	+662-282-5458 +662-223-2430
Department of Land Transport	+662-272-4315-6	+662-272-4317	Lad Krabang Industrial Estate	+662-326-0545-6	+662-326-0547
Department of Special Investigation	+662-575-0602-3	+662-575-0604	Ladplakhao 41 Ladprao 102	+662-570-7020, 7116-7 +662-530-4092, 4243, 4885	+662-570-7223 +662-530-6252
Dindang	+662-692-6351-3, 6373-5	+662-692-6350	Ladprao 130/1 Ladprao 33	+662-731-3123-4 +662-511-2739, 3316, +662-512-1326, 1879, +662-513-9430	+662-375-6647 +662-513-9432
Ekamai	+662-381-4052-4, +662-390-1921	+662-391-2950	Ladprao 71 Lak Si	+662-538-4041, 4102 +662-522-7690-2	+662-538-4130 +662-522-7693
Energy Complex	+662-537-0363-4	+662-537-0365	Legal Execution Department	+662-424-4737-8	+662-424-4739
Exchange Tower (Mon-Fri 10.30-18.30 hrs.)	+662-261-5274	+662-260-3047			
Fasion Island (Mon-Sun 11.00-19.00 hrs.)	+662-947-5236-7	+662-947-5238			
Fortune Town (Mon-Sun 11.00-19.00 hrs.)	+662-641-1081-2	+662-641-1083			
Government House	+662-282-0275, 0478	+662-282-0472			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Liberty Square (Mon-Fri 9.30-17.30 hrs.)	+662-233-6722-3	+662-233-6724	Palladium World Shopping (Pratunam) (Mon-Sun 9.00-18.00 hrs.)	+662-250-6326-7	+662-250-6328
Mahanak	+662-225-5611-4	+662-225-5615	Panya Ramindra (Mon-Sun 11.00-19.00 hrs.)	+662-508-7390-1	+662-508-7392
Major Tower (Thong Lo Soi 10)	+662-392-7347-8	+662-392-7349	Paradise Park (Mon-Sun 10.30-19.30 hrs.)	+662-746-0907-9	+662-746-0620
Marketing Organization For Farmers (Chatuchak) (Mon-Sun 10.00-19.00 hrs.)	+662-270-0260-3	+662-270-0794	Park Village Rama 2 (Mon-Fri 10.00-18.00 hrs.)	+662-415-7738-9	+662-415-7740
Marro Charansanitwong (Mon-Sun 10.00-19.00 hrs.)	+662-411-3657-8	+662-411-3659	Pathum Wan	+662-215-0051-3	+662-215-7717
Maxvalu Nawamin (Mon-Sun 11.00-19.00 hrs.)	+662-510-0754-5	+662-510-0756	Petroleum Authority Phahonyothin 39	+662-537-8006-9	+662-936-2471
MBK Center (Mon-Sun 11.00-20.00 hrs.)	+662-686-3945-6	+662-686-3947		+662-561-1725-6, 3458, 4849	+662-561-1724
Meenburi	+662-918-8880-4	+662-918-8885	Phahonyothin 40	+662-561-3702-3	+662-561-3704
Metropolitan Waterworks	+662-503-9474, 9907	+662-503-9930	Phahonyothin 62/1	+662-532-2910-1	+662-532-2912
Ministry of Finance	+662-273-9665-6	+662-273-9955	Phattanakran 31/1	+662-318-0130-1	+662-318-0132
Ministry of Labour	+662-247-7763, 8030	+662-247-8072	Phatthanakan 17	+662-319-3910-1, 7881	+662-319-7958
Muangthong Building (Yaowaraj)	+662-224-6371-2	+662-224-6387	Phatthanakan 65	+662-322-8549-51	+662-322-8552
N Mark Plaza (Mon-Sun 11.00-19.00 hrs.)	+662-375-4220-1	+662-375-6518	Phetkasam 29 (Phasi Charoen)	+662-458-0778-9	+662-467-5456
Nananua Office	+662-208-4205-6, 4230-2, 4241, 4246	+662-256-8425 ,8696, 8473	Phetkasem 66/1 (Bangkaenua)	+662-421-9753-5	+662-421-0372
Nanglingee Road	+662-213-2181-2, +662-678-8411-3	+662-678-8414	Phetkasem 77/2 (Nong Khaem)	+662-444-2783-5	+662-444-2786
Nanta-Uttayan Royal Thai Navy	+662-418-5100-1	+662-418-5102	Phetkasem 81	+662-487-5760-1	+662-487-5762
National Assembly	+662-243-6107, +662-244-1479, +662-282-6911	+662-280-3682	Phetkasem 84 (Bangkae)	+662-454-2100, 3737-8, +662-455-2047	+662-454-2102
National Housing Authority	+662-374-1450, 1466	+662-374-1670	Phutthamonthon Sai 2	+662-448-2371-2	+662-448-2373
Nawamin Road	+662-375-2844-6	+662-375-1154	Pleamary Mall Watcharaphol (Mon-Sun 11.00-19.00 hrs.)	+662-136-8090-1	+662-136-8092
Nawamin City Avenue (Mon-Sun 11.00-19.00 hrs.)	+662-907-1485-6	+662-907-1648	Ploenchit Metropolitan Electricity	+662-251-9114-6	+662-255-2989
New Phetchaburi Road	+662-314-5580-7	+662-314-5588	Police General Hospital	+662-250-1452-3	+662-250-1454
Ngamdophli	+662-287-4379-80	+662-287-4381	Port Authority of Thailand	+662-350-2389-90	+662-350-2391
Nongchok	+662-548-3241-2	+662-548-3243	Prachaniwet	+662-591-1742	+662-591-3947
Nuan Chan 25	+662-184-2742-3	+662-184-2747	Pracharaj Road	+662-911-3105-8	+662-585-4010
OIC.(Ratchada Phisak Road)	+662-513-8280-1	+662-513-8250	Prachautis Road (Toongkru)	+662-428-8813-4	+662-428-8815
On Nuch	+662-322-8932-4	+662-322-8933	Prachautit	+662-934-7416, 7418-20	+662-934-7417
Pakklong Talad	+662-226-6350-2	+662-221-7552	Pradipat 13	+662-618-4855-8	+662-270-0056
			Pradipat 16	+662-278-1612-3	+662-279-6395
			Prakanong	+662-391-1961, +662-392-9173	+662-390-0150
			Prannok	+662-411-5590-2	+662-411-5593
			Praram 3-Soi 7	+662-291-0756-7	+662-291-0758
			Provincial Electricity Authority	+662-591-6314	+662-591-3141

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Pure Place	+662-372-3517-8	+662-372-3519	Seacon Bangkake	+662-454-8085-7	+662-454-8084
Ramkhamhaeng 110			(Mon-Sun 10.30-19.30 hrs.)		
(Mon-Sun 10.00-19.00 hrs.)			Seacon Square	+662-138-5690-1	+662-138-5689
Q.House Lumpini	+662-343-8828-9	+662-343-8830	(Mon-Sun 10.30-19.30 hrs.)		
(Mon-Fri 9.00-17.30 hrs.)			Securities And Exchange	+662-272-2489-90	+662-272-2491
Qiss Mall (Kluaynamthai)	+662-339-3851-2	+662-339-3853	Commission		
(Mon-Fri 9.00-17.00 hrs.)			Seri Thai 47	+662-375-1653,	+662-375-1644
Queen Sirikit National	+662-229-4235-9	+662-229-4234	1836, 1954		
Convention Center			Sermmit Tower	+662-258-7022-3,	+662-260-2698
Queen Sirikit National	+662-354-3806-7	+662-354-3808		+662-260-2697-8	
Institute of Child Healt			Si Ayutthaya Road	+662-246-7774-6,	+662-246-2855
Rachadapisek-Huaikhwang	+662-276-0096-100	+662-276-0101		+662-247-9256-8	
Rajathevi	+662-215-8080-5	+662-215-8084	Si Nakarin	+662-379-3241-2	+662-379-3243
Rajawongse	+662-222-2171-8	+662-222-9881	Si Nakarin Km.9	+662-721-8010-3	+662-721-8014
Rajchawat	+662-241-4204-5	+662-241-4206	Siam Square	+662-251-1476,	+662-254-8686
Rama 4 Road	+662-249-3178,	+662-249-3350		+662-252-1479,	
	3184, 3316			4070, 7291	
Rama 9 Soi 13	+662-717-0121-3	+662-717-0125	Siam Paragon	+662-129-4831-4	+662-129-4835
Ramindra Km.4	+662-510-6630-1	+662-509-0386	(Mon-Sun 10.30-19.30 hrs.)		
Raminthra Km. 2	+662-971-6167-70	+662-552-6029	Sieng Somboon Town Center	+662-540-7931-2	+662-540-7933
Raminthra Km.10	+662-518-1112-5	+662-517-5375	(Meenburi)		
Ramkhamhaeng 65	+662-318-6130-1	+662-318-6121	Silom	+662-233-2383-4,	+662-231-5695,
(FBT Building)				+662-235-8153-4	+662-237-5920
(Mon-Sun 11.00-19.00 hrs.)			Siyaek Bankhaek	+662-465-7048,	+662-466-1989
Rattana Bundit University	+662-187-0854-5	+662-187-0856		+662-466-1650	
(Soi Ladprao 107)			Siyaek Praya Sri	+662-221-8570,	+662-222-9252
Revenue Department	+662-617-2566-7	+662-617-2568		+662-222-2206, 3670	
Saint Louis Soi 3	+662-212-2318,	+662-212-7981	Siyaek Saphan Krungthon	+662-423-0530-1,	+662-435-0423
	3379, 5702			+662-433-6197-8	
Sampeng	+662-221-8666-7	+662-221-0375	Siyake Arun Amarin	+662-433-0619,	+662-433-0620
Samsen Road	+662-241-5836-7	+662-241-5838		+662-435-3508, 3510	
(Vajira Hospital)			Siyake Rajawongse	+662-221-1193-4,	+662-222-6368
Samyod	+662-222-1171-4	+662-225-9276,		+662-222-2580	
		+662-226-1372	Soi Arlee	+662-271-2570-3,	+662-271-2579
Sanphawut	+662-361-1765-8	+662-361-1769	(Mon-Fri 10.30-19.30 hrs.,	2575-6	
Saphan Kasatsuek	+662-214-4147, 4846	+662-214-1826	Sat-Sun 9.30-18.30 hrs.)		
Saphan Khao	+662-282-2463-4,	+662-282-0786	Sports Authority of Thailand	+662-314-7240-1	+662-314-7242
	5007-8		(Huamark)		
Saphanmai	+662-551-0545-7,	+662-521-1300	(Mon-Fri 9.00-17.00 hrs.)		
	+662-972-5792-3		Srinakharinwirot University	+662-259-5491-2	+662-259-5493
Sathorn Road	+662-670-1700-4	+662-670-1705	Prasarnmit		
Sathupradit	+662-295-4921-3	+662-295-4924	Sriwara Town In Town	+662-530-3375-6	+662-530-3371

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Sriyan	+662-243-3738-40	+662-243-2863	Tesco Lotus Bangkai	+662-454-9613-4	+662-454-9645
Strong Prapa	+662-566-4388, 4474	+662-566-4472	(Mon-Sun 10.30-19.30 hrs.)		
Suanmali	+662-621-6501-4	+662-223-7759, +662-621-6570	Tesco Lotus Ladprao 101	+662-370-3276-7	+662-370-3278
			(Mon-Sun 10.30-18.30 hrs.)		
Suanphak Road (Talaadkrungnon)	+662-448-8264-5	+662-448-8266	Tesco Lotus Lak Si	+662-521-5890-1	+662-521-5892
(Mon-Fri 9.00-17.00 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
Suanplu	+662-286-2626, +662-287-1252, 4556	+662-287-1489	Tesco Lotus Pinklao	+662-433-8884-5	+662-433-8886
			(Mon-Sun 11.00-19.00 hrs.)		
Sukhaphiban 3 Road	+662-728-5523-6	+662-729-5424	Tesco Lotus Rama 1	+662-214-2821-2	+662-214-2823
(Mon-Sun 9.00-17.00 hrs.)			(Mon-Sun 10.30-19.30 hrs.)		
Sukhumvit 22	+662-663-7001-2	+662-663-7003	Tesco Lotus Wanghin	+662-570-8201-2	+662-570-8203
Sukhumvit 33	+662-259-7995-6	+662-259-7994	(Mon-Sun 10.30-19.30 hrs.)		
Sukhumvit 47	+662-261-6480-1	+662-258-0511	Tha Tien	+662-222-0198-9	+662-221-8483
(Mon-Sun 9.00-17.00 hrs.)			Thadindaeng	+662-437-2979, 5278, 7429	+662-437-4491
Sukhumvit 64	+662-311-4706, 4710, 6069	+662-331-6067	Thai Air Ways International	+662-512-2008, +662-545-2069	+662-512-2154
Sukhumvit 71	+662-381-2603-5	+662-381-2602			
Sukhumvit 77	+662-333-0440-1	+662-311-6701	Thailand Post	+662-573-8748-9	+662-573-8750
Sukhumvit 93	+662-311-4216, 4514, +662-332-5219-21	+662-331-6667	Thammasat University	+662-222-5207	+662-222-5194
Sun Towers	+662-273-8101	+662-273-8102	Tha Prachan		
Surawongse	+662-233-0953, 4977, +662-234-7837-8	+662-237-6596	Thanon Suksawat	+662-468-6860-1, +662-476-3824, 4027	+662-468-5255
Sutthisanwinitchai	+662-276-9351-3	+662-276-9354	Thanon Watcharaphol	+662-519-8500, 8604	+662-519-8639
Taksin Road	+662-438-0023-4	+662-438-2625	Thanon Bangkhunthian- Chaitalay	+662-464-5550-1	+662-464-5552
Talad Noi	+662-236-4866-7	+662-233-8875	Thanon Kheha Romklao	+662-329-9738	+662-329-9739
Talad Plu	+662-466-2464, 7342, 9395, +662-472-7019	+662-466-7345	Thanon Ramkhamhaeng 2	+662-316-7493-4	+662-316-7495
			Thanon Romklao (Sub)	+662-909-8266-7	+662-909-8268
Talad Huai Khwang	+662-275-2221, 2306, 2385, 2554, 2518, 2588	+662-275-2503	Thanonnawamin 161 (Sahafarms)	+662-509-5402-3	+662-509-4791
			(Mon-Sun 10.00-18.00 hrs.)		
Talad Mai Don Mueang	+662-565-9180-1	+662-565-9182	Thapra	+662-457-8208-9, +662-467-4224, 4292, +662-868-2330-1	+662-457-2344
Talad Wongsakorn	+662-533-3275, 3379	+662-533-3243			
Tanam Rajawongse	+662-221-1284, 4624, 8368, +662-222-1584	+662-225-9708	The Customs Department	+662-249-9310-2	+662-249-9313
Tanon Fuangnakhon	+662-221-1832, 4330, 9211	+662-224-3996	The Circle Ratchapreuk	+662-863-8766	+662-863-8767
			(Mon-Sun 10.30-19.30 hrs.)		
Tanon Kanchana Phisek (Bangwaek)	+662-449-6013-4	+662-449-6015	The Government Complex Commemorating (Tower A)	+662-143-8966-8	+662-143-8969
Tanon Mahachai	+662-222-9444	+662-225-3965	The Government Complex Commemorating (Tower B)	+662-143-8961-4	+662-143-8965
Tao Poon	+662-585-1312, 2198	+662-585-8075	The Krungdeh Co-Operative Store Ltd. (Ekamai)	+662-391-9861-3	+662-391-9860
Tesco Lotus Bangkokpi	+662-375-6058, 6513, 6622, 6653	+662-375-6849	(Mon-Sun 10.00-19.00 hrs.)		

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
The Mall Bangkae (Mon-Sun 10.30-19.30 hrs.)	+662-454-9201-2	+662-454-9203	Yan Nawa	+662-211-0156, 3300, +662-213-0300-1	+662-211-9989
The Mall Bangkokpi (Mon-Sun 10.30-19.30 hrs.)	+662-363-3476-7	+662-363-3478	Yaowaraj	+662-222-0131-6	+662-225-9275
The Mall Bangkokpi 2 (Mon-Sun 10.30-19.30 hrs.)	+662-363-3583-4	+662-363-3585	Yingcharoen Market (Mon-Sun 9.00-18.00 hrs.)	+662-521-1494-5	+662-521-1496
The Mall Thapra (Mon-Sun 11.00-20.00 hrs.)	+662-477-7300-1	+662-477-7307	Zuellig House (Mon-Fri 8.30-17.30 hrs.)	+662-235-6292-3	+662-235-6294
The Nine Rama 9 Road (Mon-Sun 10.00-19.00 hrs.)	+662-314-6249-50	+662-314-6251	Bangkok Vicinity (124 Branches)		
The Paseo (Lad Krabang) (Mon-Sun 11.00-19.00 hrs.)	+662-346-4195-6	+662-346-4197	Nakhon Pathom (21 Branches)		
The Platinum Fashion Mall (Mon-Sun 10.00-19.00 hrs.)	+662-121-8271-2	+662-121-8273	Bang Len	+663-439-1032-3	+663-439-1034
The Promenade (Fashion Island 2) (Mon-Sun 10.00-19.00 hrs.)	+662-130-4275-6, +669-6846-6078	+662-130-4277	Big C Nakhonpathom (Mon-Sun 10.00-19.00 hrs.)	+663-425-1755	+663-425-1780
The Thai Chamber of Commerce	+662-225-6780-1	+662-225-6782	Central Pkaza Salaya (Mon-Sun 11.00-20.00 hrs.)	+662-429-6951-2	+662-429-6953
Thewet	+662-281-1332, 3937	+662-281-1127	Dontum	+663-438-2011-2	+663-438-2013
Thonburi-Paktho	+662-428-6362-3	+662-427-6550	Kamphaeng Saen	+663-435-1434-6	+663-435-1632
Thong Lo	+662-381-3508, 3867	+662-381-3868	Mahidol University	+662-441-5497-8	+662-441-5499
TOT (Cheang Wattana)	+662-574-1289, 9410	+662-574-9412	Nakhon Chaisi	+663-433-1113-6	+663-433-2163
Tourism Authority of Thailand	+662-250-1504	+662-250-1503	Nakhon Pathom	+663-425-0770-2	+663-425-3956
Udomsuk	+662-399-1168-9, 1351	+662-399-1375	Nakhon Pathom Rajabhat University	+663-426-1133-4	+663-426-1135
Victory Memorial	+662-298-0016-20	+662-298-0884	Om Yai	+662-420-4980-1, 5183	+662-420-4983
Victory Mall (Mon-Sun 11.00-20.00 hrs.)	+662-245-2692-3	+662-245-2694	Phrapratone	+663-429-3052-3	+663-439-5052
Viphavadi-Rangsit 5	+662-272-2214-5, 2241-2, 2484	+662-272-2386	Phutthamonthon Sai 5	+662-420-8771-2	+662-420-8773
Viphavadi-Rangsit 64	+662-521-6085-6	+662-521-6087	Prapatomjedee	+663-425-4297-8	+663-425-4237
Vorachak	+662-221-4578, +662-223-2311, 2496, +662-225-2395	+662-221-5878	Salaya	+662-441-4451-2	+662-441-4450
Vue Charoennakhon (Mon-Fri 10.00-18.00 hrs.)	+662-861-1450-1	+662-861-1452	Sam Phran	+663-432-2900-2	+663-432-3155
Wannasorn Building (Mon-Fri 11.00-19.00 hrs. Sat-Sun 8.30-16.30 hrs.)	+662-306-0878-80	+662-306-0881	Silpakorn University Sanam	+663-427-2507, +663-427-2508	+663-427-2509
Wisut Kasat Road	+662-281-7476, 7483	+662-280-1874	Chandra Palace Campus	+663-425-4533-6	+663-425-4240
Wong Sawang	+662-913-2347-9	+662-913-2346	Siyaek Sanamchan	+663-439-3710-1	+663-439-3712
Wongsawang Town Center (Mon-Sun 10.30-19.30 hrs.)	+662-913-9716-9	+662-913-9720	Taladnam Donwai	+663-433-9456	+663-433-9576
			Tesco Lotus Nakhon Chaisi (Mon-Sun 10.00-19.00 hrs.)	+663-425-9751-2	+663-425-9753
			Tesco Lotus Nakhonpathom (Mon-Sun 10.00-19.00 hrs.)	+662-482-2130-1	+662-482-2132
			Nonthaburi (34 Branches)		
			Bang Bua Thong	+662-571-7668-9, +662-924-1031-3	+662-571-7667
			Bang Krui	+662-447-0652-4	+662-447-1554
			Bangkrui Electricity Generating	+662-436-5950	+662-433-4663

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Center Point (Bang Yai) (Mon-Sun 11.00-19.00 hrs.)	+662-594-0507-9	+662-594-0506	Tesco Lotus Rattanaatibet (Mon-Sun 10.00-19.00 hrs.)	+662-580-9653-4	+662-580-9655
Central Plaza Chaengwattana (Mon-Sun 11.00-19.00 hrs.)	+662-193-8106-7	+662-193-8108	Thai Lotto Center	+662-589-6905-6	+662-589-6944
Central Plaza Rattanaathibech (Mon-Sun 10.30-19.30 hrs.)	+662-526-0336-7	+662-526-0338	The Crystal Ratchapruek (Mon-Sun 11.00-19.00 hrs.)	+662-102-5694-5	+662-102-5696
Central Plaza Westgate (Mon-Sun 11.00-20.00 hrs.)	+662-194-2907-8	+662-194-2909	The Government	+662-951-3688-9	+662-951-3690
Ministry of Commerce	+662-547-5941-2	+662-547-5943	Lottery Office		
Ministry of Public Health Tiwanon	+662-580-7000	+662-580-2538	The Mall Ngamwongwan (Mon-Sun 10.30-19.30 hrs.)	+662-550-1226-7	+662-550-1228
Muang Thong Thani	+662-503-4311, 4893-4	+662-503-4899	The Walk Ratchaphruek (Mon-Sun 10.30-19.30 hrs.)	+662-489-6980-1	+662-489-6982
Ngamwongwan	+662-580-1594, +662-591-6180-1	+662-589-8855	Tiwanon 3	+662-591-5525-7, 8228	+662-580-2254
Nonthaburi Municipality	+662-580-2028-9	+662-580-2022	Pathum Thani (27 Branches)		
Nonthaburi	+662-525-0421, 0447, 0775, +662-527-1037, 1148, 1274	+662-525-0857	Amphoe Sam Khok	+662-593-1381-3	+662-593-1380
Office of Civil Service	+662-525-4727-8	+662-525-4729	Big C Rungsit Klong 6 (Mon-Sun 10.30-19.30 hrs.)	+662-577-4150-1	+662-577-4240
Comission			Big C Lum Luk Ka (Klong 5) (Mon-Sun 11.00-19.00 hrs.)	+662-152-7671-2	+662-152-7673
Pak Kret	+662-583-8616-7, +662-584-3157-8	+662-583-8618	Future Park Rangsit (Mon-Sun 11.00-19.00 hrs.)	+662-567-3607, 4498	+662-567-5019
Pantip Plaza Ngamwongwan (Mon-Sun 10.30-19.30 hrs.)	+662-953-6280-1	+662-953-6276	Klongluang (Mon-Sun 8.30-17.30 hrs.)	+662-524-2141-2	+662-524-2143
Ratanathibet	+662-591-3598, 8363	+662-591-3599	Lat Lum Kaew (Yak Noppawong)	+662-194-5564-5	+662-194-5563
Robinson Sri Saman (Mon-Sun 10.30-19.30 hrs.)	+662-501-5926-7	+662-501-5928	Navanakorn Industrial (Mon-Fri 9.30-17.30 hrs.)	+662-529-6333	+662-529-6335
Social Security Office	+662-526-1337-8	+662-526-1322	Pathum Thani	+662-581-2245-6, 4640, 6228, 6490, 6675	+662-581-1465
Software Park Building	+662-584-1319	+662-584-1039	Phithaksanti (Talad Pathumthani)	+662-581-6331-3	+662-581-4055
Ta Nam Pakkret	+662-584-0669, 1032	+662-584-1258	Poonsap Market (Mon-Sun 10.00-19.00 hrs.)	+662-581-4260-1	+662-581-4362
Talad Klang Bangyai (Mon-Sun 9.00-18.00 hrs.)	+662-595-0597, 0703-4	+662-595-0719	Pure Place Rungsit Klong 2 (Mon-Sun 10.00-19.00 hrs.)	+662-549-9238	+662-549-8233
Talad Pra Pin 3 (Tanon Kanchanaphisek) (Mon-Sun 10.00-19.00 hrs.)	+662-595-5031-2	+662-595-5033	Rangsit Municipality	+662-567-1816-7	+662-567-1819
Talad Ruamjai (Muang Thong Thani) (Mon-Sun 11.00-19.00 hrs.)	+662-980-6069-70	+662-980-6071	Rung Sit	+662-567-1001-5	+662-531-3450
Talad Tha It	+662-595-8513-4	+662-595-8098	Rungsit-Nakhonnayok Klong 3 (Mon-Sun 8.30-17.30 hrs.)	+662-569-6933, 6973	+662-569-7466
Tanam Nonthaburi	+662-525-0683, 0931, 0957	+662-525-1139	Rungsit-Nakhonnayok Klong 4	+662-990-9939-42	+662-533-1543
Tanon Kanchana Phisek (Bangyai) (Mon-Sun 10.30-19.30 hrs.)	+662-459-2281-2	+662-459-2280	Rungsit-Nakhonnayok Klong 6	+662-577-5827, 5853	+662-577-5933
			Rangsit-Nakhonnayok Klong 11	+662-546-1239-40	+662-546-1241
			Saphan Nonthaburi	+662-156-9113	+662-156-9114
			Talad Simummueng	+662-531-5111-3	+662-531-7245

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Talad Nana Charoen (Lum Luk Ka Klong 2) (Mon-Sun 9.00-18.00 hrs.)	+662-592-4493-4	+662-592-4483	Operation Center Thai Airways International Public Company Limited (Sub)	+662-134-1920-1	+662-134-1922
Talad Tai (Mon-Sun 8.30-16.30 hrs.)	+662-529-2022, 4206-7	+662-529-4786	Pak Nam	+662-387-0704, +662-389-0993-7	+662-387-0705
Tesco Lotus Lam Luk Ka (Klong 2) (Mon-Sun 10.30-19.30 hrs.)	+662-191-1577-8	+662-191-1579	Phra Pradaeng	+662-462-5000, 7988, +662-463-3722, 2273, 2506, +662-464-1457-8	+662-463-3721
Tesco Lotus Navanakorn (Mon-Sun 10.30-19.30 hrs.)	+662-529-2883-4	+662-529-5172	Puchao Saming Phrai Road	+662-384-2757-9	+662-394-0955
Thammasat University Rangsit Center	+662-564-3377	+662-564-3378	Robinson Samutprakan (Mon-Sun 10.30-19.30 hrs.)	+662-174-2802-3	+662-174-2804
Valaya Alongkorn Rajabhat University	+662-520-3140, 3196	+662-520-3188	Samrong	+662-384-4974, +662-394-1157	+662-384-4448
Zeer Rangsit (Mon-Sun 11.00-19.00 hrs.)	+662-992-6373-4	+662-992-6375	Samut Prakan	+662-389-1161	+662-387-1182
Zpell Future Park Rangsit (Mon-Sun 11.00-20.00 hrs.)	+662-150-9168-9	+662-150-9170	Si Nakarin Km.14	+662-385-8167	+662-385-8292
Samut Prakarn (29 Branches)			Srisamut Road	+662-175-8894, +662-387-1003, +662-389-5970, +662-389-5970, +662-702-8207	+662-387-1002
Airport Operating Building	+662-134-1923-4	+662-134-1925	Talad Nhamdaeng	+662-385-1205-6	+662-385-1207
Airport Rail Link	+662-134-1926-7	+662-134-1918	Tepharak	+662-394-4750, 6839-40	+662-394-0720
Supvarnabhumi (Mon-Sun 9.00-18.00 hrs.)			Tesco Lotus Bangpoo (Mon-Sun 10.30-19.30 hrs.)	+662-710-9067-8	+662-710-9069
Bang Kru	+662-462-7860-2	+662-817-8819	Tesco Lotus Si Nakarin (Mon-Sun 10.30-19.30 hrs.)	+662-759-9267-8	+662-759-9269
Bang Poo	+662-395-3047, 4599, +662-703-8093-4	+662-395-3048	Thanon Phraeksa	+662-382-6712-3	+662-382-6714
Bang Bo	+662-708-5504	+662-708-5505	Samut Sakorn (13 Branches)		
Bangphli	+662-316-1935-6	+662-316-1938	Ban Pheo	+663-448-1173, +663-485-0684	+663-448-1364
Bangpla	+662-312-1722-3	+662-312-1724	Big C Mahachai (Mon-Sun 10.30-19.30 hrs.)	+663-444-2855-6	+663-444-2857
Big C Bangphli (Mon-Sun 10.30-19.30 hrs.)	+662-312-2732	+662-312-2733	Krathum Baen	+663-447-1926-7, +663-484-6713	+663-447-1928
Big C Samrong 2 (Mon-Sun 10.30-19.30 hrs.)	+662-380-2657-8	+662-380-2659	Krok Krak	+663-442-5184-5	+663-442-5186
Big C Samutprakan (Mon-Sun 10.30-19.30 hrs.)	+662-395-4190	+662-395-4191	Phanthai Norasing (Rama 2 Km.17)	+663-487-2031-2	+663-487-2033
Free Zone Building	+662-134-1929-30	+662-134-1931	Phetkasem 91 (Omnoi)	+662-420-5454-5	+662-420-5456
Suvarnabhumi Airport			Pho Chae (Sub)	+663-449-1481-2	+663-449-1483
Imperial World Samrong (Mon-Sun 10.30-19.30 hrs.)	+662-183-0758-9	+662-183-0760	Phutthamonthon Sai 4 (Mon-Fri 10.00-18.00 hrs.)	+662-420-5023-4	+662-420-5025
Market Village Suvarnabhumi (Mon-Sun 10.30-19.30 hrs.)	+662-316-6724-5	+662-316-6726	Porto Chino Rama 2 (Mon-Sun 11.00-19.00 hrs.)	+663-411-0852-3	+663-411-0854
Mega Bangna (Mon-Sun 10.30-19.30 hrs.)	+662-105-1824-5	+662-105-1826			
Mueang Mai Bang Phli	+662-315-2284-5	+662-315-2286			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Samut Sakhon	+663-441-1186, 1788, +663-442-1601, 4795, 5170, 8180	+663-442-1600	Khok Samrong	+663-644-1239, 1723	+663-644-1160
Samutsakhon City Hall	+663-441-3515-7	+663-441-3517	Lamnrai	+663-646-1044, +663-663-0797-8	+663-646-1043
Talad Mahachai (Mon-Sat 8.30-16.30 hrs.)	+663-481-0257-8, 0762	+663-442-7702	Lop Buri	+663-641-1204-5	+663-642-0955
Thanon Settakit 1	+663-444-8154-5	+663-444-8156	Phatthananihom	+663-663-9313-4	+663-649-1506
Central Region (170 Branches)			Tesco Lotus Sing Buri (Mon-Sun 10.30-19.30 hrs.)	+663-651-2953-4	+663-651-1999
Ang Thong (4 Branches)			Tha Wung	+663-662-2038-9	+663-662-2040
Ang Thong	+663-561-1720-1	+663-561-1665	Thepsatri Rajabhat University	+663-642-5311-2	+663-642-6905
Pa Mok	+663-566-1329, 1429	+663-566-1323	Vichayen Road	+663-661-7953-4	+663-661-8836
Pho Thong	+663-569-1352-3	+663-569-1351	Wong Wien Srakaew	+663-641-3678, +663-642-0082	+663-641-3723
Wisetchaichan	+663-563-1740-1	+663-563-1742	Phetchaburi (6 Branches)		
Chainat (4 Branches)			Cha-Am	+663-247-1600	+663-247-1601
Chai Nat	+665-641-2406-7	+665-641-1107	Phetchaburi	+663-242-5501, 5516	+663-242-8229
(Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)			(Mon-Sat 8.30-16.30 hrs.)		
Hankha	+665-645-1099-101	+665-645-1269	Phetchaburi City Hall	+663-240-1033, 1044	+663-240-1055
Sankha Buri	+665-648-1061-2	+665-648-1006	Phra Nakhonkiri	+663-242-4229	+663-242-7099
Wat Sing	+665-646-1320-1	+665-646-1317	Silpakorn University	+663-259-4130-1	+663-259-4132
Kanchanaburi (12 Branches)			Phetchaburi IT Campus		
Bophloi	+663-462-8492-4	+663-462-8495	Tha Yang	+663-246-1551-3	+663-246-1552
Kanchanaburi	+663-451-2889-90	+663-451-4518	Phranakhon Si Ayutthaya (15 Branches)		
Kanchanaburi City Hall	+663-451-2803-4	+663-451-2805	Ayutthaya Government Center	+663-534-5684, 5755	+663-534-5901
Robinson Kanchanaburi (Mon-Sun 10.30-19.30 hrs.)	+663-460-3356-7	+663-460-3358	Ayutthapark Shopping Complex	+663-580-1216, 1229, 1230	+663-580-1204
Saengchuto Road	+663-451-1292	+663-451-6768	Ayutthaya	+663-521-1483-4	+663-524-1266
Sai Yok	+663-463-4263	+663-463-4266	Bang Pa-In	+663-522-1025-7	+663-522-1028
Sungkhavuri	+663-459-5198, 5345, 5507	+663-459-5601	Big C Ayutthaya (Mon-Sun 10.00-19.00 hrs.)	+663-574-7150-1	+663-574-7149
Talad Phasuk Kanchanaburi (Mon-Sun 9.30-18.30 hrs.)	+663-451-5934-5	+663-451-5936	Phachi	+663-531-1089	+663-531-1389
Tha Maka	+663-454-3310, 3312, +663-464-0682	+663-454-3311	Phak Hai	+663-539-1458-9	+663-539-1457
Tha Muang	+663-461-1441, 1891	+663-461-1890	Phra Nakorn Si	+663-532-3017-8	+663-532-3019
Tharua Phrathaen	+663-456-2767, +663-456-2177	+663-456-2877	Ayutthaya Hospital		
Thong Pha Phum	+663-459-9065-6, 9537-8	+663-459-9100	Pratunam Phra In	+663-536-1334-6	+663-536-2006
Lop Buri (12 Branches)			Rojana	+663-524-3289, 3389, 3489, 3829	+663-532-2921
Ban Mi	+663-647-1239	+663-647-1360	Rojana Industrial Park	+663-533-0888-9	+663-533-0890
Big C Lop Buri 1 (Mon-Sun 10.00-19.00 hrs.)	+663-644-6150-1	+663-644-6152	Sena	+663-520-1289, +663-521-7169-70	+663-520-1089
Khao Phra Ngam	+663-648-6615	+663-648-6651	Talad Hua Raw	+663-525-2365-6, 2699	+663-525-2368
			Talad Wang Noi	+663-527-1321-2	+663-527-1323
			Tha Rua	+663-534-1189, 1989	+663-534-1990

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Prachuap Khiri Khan (10 Branches)			Samut Songkhram (2 Branches)		
Bang Saphan	+663-269-2254-5	+663-269-2263	Maeklong	+663-471-6352-3	+663-471-6351
Chumchon Eangnam (Hua Hin)	+663-251-2936-7	+663-251-2938	(Mon-Sat 8.30-16.30 hrs.)		
Hua Hin	+663-251-1307, 1812, 2053	+663-251-1242	Samut Songkhram	+663-471-1166, 1199	+663-472-3834
Hua Hin Market Village (Mon-Sun 11.00-19.00 hrs.)	+663-252-6192-3	+663-252-6242	Saraburi (13 Branches)		
Kui Buri	+663-268-1195, 1585, 1646	+663-268-1546	Hin Kong	+663-633-7854, +663-637-9493, +663-633-7411-2	+663-637-9494
Prachuap Khiri Khan	+663-255-1140, +663-260-2366, +663-261-1171, 1353, 1372	+663-261-1575	Kaeng Khoi	+663-624-8284-6	+663-624-8287
Pran Buri	+663-262-1444, 1664	+663-254-2366	Muak Lek	+663-634-5640-1	+663-634-5642
Talad Chat - Chai (Hua Hin)	+663-251-3208-9	+663-251-3300	Na Phra Lan	+663-634-7192-3, +663-635-1193	+663-635-1192
Tesco Lotus Prachuap Khirikhan (Mon-Sun 10.00-19.00 hrs.)	+663-265-2282-3	+663-265-2284	Nong Khae	+663-632-6452, +663-637-1374	+663-637-1324
Tesco Lotus Pranburi (Mon-Sun 10.00-19.00 hrs.)	+663-282-5803-4	+663-282-5805	Nong Zang	+663-639-9239-40	+663-639-9237
Ratchaburi (15 Branches)			Pakpreaw	+663-621-2507, +663-631-2543	+663-622-2580
Ban Pong	+663-221-1044	+663-221-1891	Phra Phutthabat	+663-626-6090-1	+663-626-6092
Big C Ban Pong (Mon-Sun 10.00-19.00 hrs.)	+663-220-1363-4	+663-220-1365	Robinson Saraburi (Mon-Sun 10.30-19.30 hrs.)	+663-635-1491-2	+663-635-1493
Big C Ratchaburi (Mon-Sun 10.00-19.00 hrs.)	+663-233-2787-8	+663-233-2789	Sao Hai	+663-633-2037, +663-673-1686	+663-673-1685
Chom Bung	+663-236-2350-1	+663-226-1300	Sara Buri	+663-622-2093-6, 2098-9	+663-622-2700
Damnoen Saduak	+663-224-1500-2	+663-225-4133	Sara Buri City Hall	+663-623-1136-7	+663-623-1138
Damnoen Saduak Floating (Mon-Fri 8.30-16.30 hrs. Sat-Sun 8.30-14.30 hrs.)	+663-224-1542-3	+663-224-1544	Thalan	+663-628-1427	+663-628-1334
Kraiphet Road	+663-232-2049	+663-232-5590	Sing Buri (2 Branches)		
Pak Tho	+663-228-1479	+663-228-1480	In Buri	+663-658-1476-8	+663-658-1331
Pho Tharam	+663-274-7581-2	+663-274-7583	Sing Buri	+663-651-1004, 1115, 2032, 2581, +663-652-2717	+663-651-1006
Rachaburi City Hall	+663-232-5947	+663-235-0006	Suphan Buri (12 Branches)		
Ratchaburi	+663-233-7146	+663-232-1737	Dan Chang	+663-550-9503-4	+663-559-5367
Si Suriyawong	+663-232-3394-5, 6721, +663-232-1648	+663-232-3393	Doem Bang Nang Buat	+663-557-8742	+663-557-8748
Suan Phung	+663-236-4262-3	+663-236-4264	Don Chedi	+663-559-1301-3	+663-559-1304
Talad Srimuang (Ratchaburi) (Mon-Sun 8.30-16.30 hrs.)	+663-233-2138-9	+663-233-2140	Phraphanvasa Road	+663-552-3475	+663-552-3722
Tanon Khatha Thorn	+663-232-5948	+663-231-4262	PTT. Wat Palelai	+663-545-0131-2	+663-545-0133
			Robinson Suphanburi (Mon-Sun 10.30-19.30 hrs.)	+663-545-4381-2	+663-545-4383
			Si Prachan	+663-558-1984-5	+663-558-2595
			Suphanburi Government Centre	+663-553-5060-3	+663-553-5064
			Song Phi Nong	+663-553-1395, 1454	+663-553-1453
			Sam Chuk	+663-557-1033, 1755	+663-557-1022
			Suphan Buri	+663-552-3042, 5202-5	+663-552-3315
			U-Thong	+663-555-1927-8	+663-555-1929

Branch Name	Telephone	Fax.
Northern Region (180 Branches)		
Chiang Mai (40 Branches)		
Big C Chiang Mai (Mon-Sun 10.30-19.30 hrs.)	+665-324-6709-10	+665-324-6791
Big C Hang Dong (Mon-Sun 10.30-19.30 hrs.)	+665-344-7809-10	+665-344-7811
Big C Hangdong 2 (Mon-Sun 10.00-19.00 hrs.)	+665-344-2921-2	+665-344-2923
Bo Sang	+665-333-8289, 8389	+665-333-8376
Central Airport Plaza Chiang Mai (Mon-Sun 11.00-19.00 hrs.)	+665-327-9337	+665-327-9676
Central Festival Chiang Mai (Mon-Sun 11.00-19.00 hrs.)	+665-328-8783-4	+665-328-8785
Chaiprakarn	+665-345-7002-3	+665-345-7004
Changklan Road	+665-327-2093-5, 3276	+665-381-8368
Changpuak Road (Chiang Mai) (Mon-Fri 8.30-16.30 hrs.)	+665-322-6916-7	+665-322-6918
Chiang Dao	+665-345-5237-9, +665-338-8599-600	+665-345-5147
Chiang Mai	+665-324-5250-1	+665-324-8868
Chiang Mai Government Center	+665-311-2812-3	+665-311-2814
Chiangmai University	+665-322-3191	+665-322-3172
Chom Thong	+665-334-1351, +665-382-6840	+665-334-1350
Doi Saket	+665-329-1993-4	+665-329-1996
Fang	+665-345-1481-3	+665-345-2006
Hang Dong	+665-344-1097-8	+665-344-1096
Hot	+665-346-1244-5	+665-346-1246
Huai Kaew Road (Sub)	+665-322-5808-9	+665-322-5810
Kad Suan Kaew Shopping Center (Mon-Sun 10.30-19.30 hrs.)	+665-322-3254, 3268	+665-322-5807
Khuang Sing	+665-340-9545-7	+665-340-9548
Mae Joe	+665-335-3431-3	+665-335-3430
Mae Rim	+665-329-7221, 7223, 7969, 8401	+665-329-7222
Mae Ai	+665-345-9318-9	+665-345-9320
Mee Choke Plaza (Chiang Mai) (Mon-Fri 10.00-18.00 hrs.)	+665-323-0058-9	+665-323-0060

Branch Name	Telephone	Fax.
Nim City Daily (Chiang Mai) (Mon-Fri 10.00-18.00 hrs.)	+665-328-0670-1	+665-328-0672
Nimmanhemmin (Mon-Sun 11.00-20.00 hrs.)	+665-321-3877-8	+665-321-3879
Phra Sing	+665-328-3270	+665-328-3269
Pratu Chiang Mai	+665-327-4127-8	+665-327-4129
San Pa Khoi	+665-324-1110, 1854, 3188	+665-324-5405
Sanpatong	+665-331-1519-21	+665-331-1503
Saraphi	+665-332-5472-3	+665-332-5474
Siyaek Sanambin Chiang Mai	+665-328-0965-7	+665-328-0968
Siyake Nong Hoy	+665-380-0475-6, 0478	+665-380-0477
Sri Nakorn Pink	+665-323-4395, 4890, +665-325-1044-6	+665-325-1724
Sun Kumphaeng	+665-333-1993, 2311, 2628	+665-333-1994
Suthep Road	+665-327-8084, 8087	+665-327-8871
Tesco Lotus Chiang Mai Hang Dong (Mon-Sun 10.00-19.00 hrs.)	+665-328-0610-1	+665-328-0612
Tesco Lotus Mae Tang (Mon-Sun 10.00-19.00 hrs.)	+665-347-1292-3	+665-347-1294
Tha Pae	+665-325-2801-5	+665-323-2537
Chiang Rai (16 Branches)		
Chiang Khong	+665-379-1665	+665-379-1772
Big C Chiangrai (Mon-Sun 10.30-19.30 hrs.)	+665-315-3341-2	+665-315-3343
Central Plaza Chiang Rai (Mon-Sun 11.00-19.00 hrs.)	+665-317-9780-1	+665-317-9782
Chiang Rai	+665-374-4282-3	+665-371-1700
Chiang Saen	+665-365-0696-7	+665-365-0698
Chiang Rai City Hall	+665-317-7314-6	+665-317-7317
Denha (Chiangrai) (Mon-Sun 8.30-17.30 hrs.)	+665-371-8601, 603	+665-371-8604
Hayae Phokhun Mengrai	+665-371-7740-3	+665-371-9147
Mae Chan	+665-377-1940	+665-377-1939
Mae Sai (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.30-17.30 hrs.)	+665-364-1001, +665-373-1624-5	+665-373-1831
Phan	+665-372-1370-1	+665-372-1622
Talad Ban Du (Chiang Rai) (Mon-Sun 8.30-17.30 hrs.)	+665-317-5680-1	+665-317-5682

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Talad Pa Kor (Chiang Rai) (Mon-Sat 9.30-17.30 hrs.)	+665-360-0230-1	+665-360-0232	Mae Thar	+665-357-4322-5	+665-357-4821
Tesco Lotus Chiang Khong (Mon-Sun 10.00-19.00 hrs.)	+665-379-1973-4	+665-379-1984	Tesco Lotus Pasang (Mon-Sun 10.00-19.00 hrs.)	+665-352-1302-3	+665-352-1332
Thoeng	+665-379-5822-3	+665-379-5789	Mae Hong Son (4 Branches)		
Wiangpapao	+665-378-2175-6	+665-378-2177	Khun Yuam	+665-369-1043	+665-369-1033
Kamphaeng Phet (8 Branches)			Mae Hong Son (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+665-361-2049, 2399, 2744	+665-361-2219
Chakangrao	+665-571-1003, 1013, 1023	+665-571-4024	Mae Sariang	+665-362-1330, +665-368-1111, 1482	+665-368-1222
Kamphaeng Phet	+665-571-1007, 1117	+665-571-3567	Pai	+665-369-9028-9	+665-369-9030
Kamphaengphet	+665-570-5151-2	+665-570-5153	Nakorn Sawan (16 Branches)		
Government Center			Banphot Phisai	+665-627-9034, 9068	+665-627-9227
Khanu Worakabsaburi	+665-577-9074	+665-577-9014	Chumsaeng	+665-628-2103	+665-628-2218
Klong Khlung	+665-586-3114-6	+665-586-3113	Fairy Land (Nakhon Sawan) (Mon-Sun 10.00-19.00 hrs.)	+665-637-2122-3	+665-637-2124
Lan Krabu	+665-576-9117-9	+665-576-9174	Lat Yao	+665-627-1267	+665-627-1328
Phran Kra Tai	+665-577-5551	+665-577-5552	Matuli Road	+665-622-9904, 9885	+665-622-9853
Salokbat	+665-577-1100, 1200, 1300	+665-577-1491	Nakhon Sawan	+665-621-6281-3	+665-621-6284
Lampang (10 Branches)			Nakhon Sawan Rajabhat University	+665-688-2633-4	+665-688-2635
Central Plaza Lampang (Mon-Sun 11.00-20.00 hrs.)	+665-481-1843-4	+665-481-1845	Nongbua	+665-687-6031-2	+665-687-6033
Kelangnakorn	+665-423-0193-5	+665-423-0192	Pak Nam Pho	+665-622-1590, 7643	+665-622-1706
Lam Pang	+665-422-1276, 5074, 6275	+665-422-5748	Phayuha Khiri	+665-634-1502	+665-634-1455
Lampang Government Center	+665-426-5219-20	+665-426-5221	Sawanviti Road	+665-622-1628	+665-622-6790
Mae Mo	+665-425-5611-2, +665-482-2852	+665-482-2851	Tak Fa	+665-624-1074, 1178	+665-624-1177
Mae Tha	+665-428-9155	+665-428-9154	Takhli	+665-626-1556-7	+665-626-2500
Pratuchai	+665-422-3638	+665-422-5051	Tesco Lotus Nakhonsawan (Mon-Sun 10.00-19.00 hrs.)	+665-637-0258-9	+665-637-0260
Tesco Lotus Lampang (Mon-Sun 10.00-19.00 hrs.)	+665-423-0443-4	+665-423-0445	Tha Tako	+665-624-8727-8	+665-624-8729
Thoen	+665-429-1111, 1333, 1444	+665-429-1555	V-Square (Big C)	+665-637-2116-7	+665-637-2118
Wang Nua	+665-427-9118-9	+665-427-9117	Nakorn Sawan (Mon-Sun 10.00-19.00 hrs.)		
Lamphun (7 Branches)			Nan (5 Branches)		
Ban Hong	+665-359-1311	+665-359-1211	Big C Nan	+665-471-1231-2	+665-471-1233
Big C Lamphun (Mon-Sun 10.00-19.00 hrs.)	+665-358-2810-1	+665-358-2812	Nan (Mon-Sun 10.00-19.00 hrs.)	+665-471-0208, +665-477-2543-4	+665-471-0209
Lamphun	+665-351-0309, 1109, 1950	+665-351-1189	Pua	+665-4792-979-80	+665-4792-981
Li	+665-397-9333, 9555	+665-397-9455	Wiang Sa	+665-478-2052, 2055	+665-478-2076
Lumphun Industrial Estate	+665-358-1442	+665-358-1443	Nara Hypermart (Mon-Sun 10.00-19.00 hrs.)	+665-477-3163, 5134	+665-477-4056

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Phayao (7 Branches)					
Chiang Kham	+665-445-1800, 1965, 2096	+665-445-1675	Central Plaza Phitsanulok (Mon-Sun 11.00-20.00 hrs.)	+665-533-8500-1	+665-533-8502
Dok Kham Tai	+665-449-1478-9	+665-449-1476	Hayaek Khokmatoom	+665-530-2007-8, 2010	+665-530-2011
Phayao	+665-443-1032, 1733, 1992	+665-443-1802	Nakhon Thai	+665-538-9296-7	+665-538-9090
Phayao Government Center	+665-444-9723, 9725	+665-444-9726	Naresuan University (Mon-Fri 9.00-17.00 hrs.)	+665-522-7293-4	+665-522-7445
Pong	+665-449-7038	+665-449-7035	Phitsanulok	+665-523-0371-5, +665-524-2800	+665-524-2112
Tesco Lotus Chiang Khum (Mon-Sun 10.00-19.00 hrs.)	+665-445-4226-7	+665-445-4228	Phitsanulok City Hall	+665-525-9300, 400	+665-525-9567
University of Phayao	+665-446-6782-3	+665-446-6784	Phrom Phiram	+665-536-9111	+665-536-9112
Phetchabun (10 Branches)			Singhawat Road	+665-523-0721-4	+665-523-0723
Bueng Samphan	+665-673-2503-4	+665-673-2505	Tesco Lotus Phitsanulok (Mon-Sun 10.30-19.30 hrs.)	+665-533-0330-1	+665-533-0332
Chon Daen	+665-676-1275	+665-676-1277	Tesco Lotus Phitsanulok Thathong (Mon-Sun 10.00-19.00 hrs.)	+665-524-7444, 7755	+665-524-7833
Lom Sak	+665-670-1029, 2400	+665-670-1676	Topland Phitsanulok (Mon-Sun 10.30-19.30 hrs.)	+665-525-3601-2	+665-525-3603
Nong Phai	+665-678-1886-8	+665-678-1884	Wang Thong	+665-531-1314, 1317	+665-531-1231
Phetchabun	+665-671-1055, 1344, 1388	+665-671-1168	Phrae (5 Branches)		
Phetchabun Government Center	+665-672-5458-9	+665-672-5460	Big C Phrae (Mon-Sun 11.00-19.00 hrs.)	+665-453-2183-4	+665-453-2185
Phetcharoen Road	+665-671-1644-5	+665-671-1646	Long	+665-458-1452-4, 1666	+665-458-1456
Si Thep	+665-679-9717-8	+665-679-9719	Mark Four Plaza (Mon-Sun 9.30-18.30 hrs.)	+665-452-1580-1	+665-452-1584
Tesco Lotus Phetchabun (Mon-Sun 10.00-19.00 hrs.)	+665-671-1841-2	+665-671-1843	Phrae	+665-451-1630, +665-452-2941	+665-452-2928
Wichian Buri	+665-679-1316	+665-679-1318	Sungmen	+665-454-4448-9	+665-454-4688
Phichit (7 Branches)			Sukhothai (8 Branches)		
Bang Mun Nak	+665-663-1202-3, 1830, 1977	+665-663-1414	Big C Sukhothai (Mon-Sun 10.00-19.00 hrs.)	+665-561-6018-9	+665-561-6020
Phichit (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+665-661-1376	+665-661-1396	Kong Krailat	+665-569-1132-3	+665-569-1131
Pho Thale	+665-668-1022	+665-668-1024	Sawankhalok	+665-564-1422, 1681, 2252	+665-564-1539
Rajkasemutit	+665-665-1393	+665-665-1396	Si Nakhon	+665-565-2636, 2638	+665-565-2637
Sak Leg	+665-669-9128-9	+665-669-9130	Si Samrong	+665-562-8598, +665-568-1366-7	+665-568-1320
Taphan Hin	+665-662-1159, 1179, 2545	+665-662-1959	Sisatchanalai	+665-567-2465-6	+665-567-2467
Thap Klo	+665-664-1334	+665-664-1307	Sukhothai	+665-561-1299, 1383	+665-561-2921
Phitsanulok (16 Branches)			Sukhothai City Hall	+665-561-1667-8	+665-561-1616
Bang Rakam	+665-537-1227-8	+665-537-1148	Tak (10 Branches)		
Baromtrilokanart (Mon-Fri 9.00-17.00 hrs.)	+665-525-2221-2	+665-525-2311	Ban Tak	+665-559-1451-2	+665-559-1453
Big C Phitsanulok (Mon-Sun 10.30-19.30 hrs.)	+665-530-1777, 3875	+665-530-3856	Bumnet Narong	+665-559-3197-8	+665-559-3199
Buddhachinaraj Hospital Phitsanulok (Mon-Fri 9.00-17.00 hrs.)	+665-525-2800, 2678	+665-525-2679			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Mae Sot	+665-553-1006, 1193, 1600	+665-553-1436	Buri Ram	+664-461-1520, 3558-9	+664-461-3434
Mae Ramat	+665-558-1154-5	+665-558-1156	Buri Ram Government Center	+664-466-6677-8	+664-466-6679
Rim Ping	+665-551-1963-4	+665-551-1965	Buriram Hospital	+664-460-2083-4	+664-460-2085
Robinson Mae Sot (Mon-Sun 10.30-19.30 hrs.)	+665-553-0450-1	+665-553-0452	Krasang	+664-469-1020-1	+664-469-1382
Tak	+665-551-1116, 1423	+665-551-1597	Kumueng	+664-469-9001, 9121	+664-469-9123
Talad Phacharoen Maesot	+665-553-6120-1	+665-553-6116	Lahan Sai	+664-464-9212-3	+664-464-9214
Tesco Lotus Maesot (Mon-Sun 10.00-19.00 hrs.)	+665-550-6918-9	+665-550-6920	Lam Plaimat	+664-466-1208-9	+664-462-3121
Tesco Lotus Tak (Mon-Sun 10.00-19.00 hrs.)	+665-589-3374-5	+665-589-3376	Nangrong	+664-463-2105-7	+664-463-2104
Uthai Thani (4 Branches)			Nong Ki	+664-464-2026-7	+664-464-2028
Muang Prachanok (Uthai Thani) (Mon-Sun 8.30-16.30 hrs.)	+665-657-1674-5	+665-657-1672	Phutthaisong	+664-468-9203	+664-468-9201
Nong Chang	+665-653-1797-8	+665-653-1799	Prakhon Chai	+664-467-1117, 1434	+664-467-1391
Sawang Arom	+665-654-4126, +665-659-9001	+665-654-4127	Robinson Buriram (Mon-Sun 10.00-19.00 hrs.)	+664-460-0682-3	+664-460-0684
Uthai Thani	+665-651-1027, 1330	+665-651-2400	Satuk	+664-462-7415, +664-468-1283	+664-468-1282
Uttaradit (7 Branches)			Thani Road	+664-461-1233, 1560, 4270	+664-461-4306
Nam Pat	+665-548-1012, 1229	+665-548-1081	Chaiyaphum (10 Branches)		
Phichai	+665-542-1555, 1002	+665-542-1001	Bantant	+664-488-7109	+664-488-7132
Si Utra Road	+665-541-1285, 3860	+665-541-4692	Bumnet Narong	+664-485-9221-2	+664-485-9223
Tesco Lotus Uttaradit (Mon-Sun 10.00-19.00 hrs.)	+665-540-7422, +665-540-7593	+665-540-7424	Chaiyaphum	+664-482-1321-4	+664-482-1578
Tron	+665-582-5838	+665-582-5839	Chaiyaphum Government Center	+664-482-4882-3	+664-482-4884
Uttaradit	+665-540-7411, +665-544-4346	+665-540-7410	Chafturat	+664-485-2171-2	+664-485-2173
Uttaradit Rajabhat University	+665-541-6803-4	+665-541-6805	Harueithai Road (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+664-482-1799-800	+664-481-1325
Northeastern Region (228 Branches)			Kang Kraw	+664-488-2359, 2475	+664-488-2476
Amnat Charoen (3 Branch)			Nong Bua Rawe	+664-489-7225-6	+664-489-7112
Amnat Charoen	+664-551-1784	+664-551-1785	Nong Bua Daeng	+664-487-2361-2	+664-487-2365
Amnatcharoen City Hall (Mon-Sun 9.00-18.00 hrs.)	+664-552-3207-8	+664-552-3209	Pu Keaw	+664-486-1277	+664-486-1411
Pathumratchawongsa	+664-546-5166, 5182	+664-546-5184	Kalasin (8 Branches)		
Bung Kan (4 Branches)			Kalasin	+664-381-1731, 4880	+664-381-2232
Bung Kan	+664-249-1756-8	+664-249-1760	Kalasin City Hall	+664-381-3300-1	+664-381-3322
Phon Charoen	+664-248-7574-5	+664-248-7576	Kalasin Plaza (Mon-Sun 10.00-19.00 hrs.)	+664-381-5683	+664-381-5684
Seka	+664-248-9087-8	+664-248-9098	Khao Wong	+664-385-9353, 9355	+664-385-9359
Siyake Bungkan	+664-249-2015	+664-249-2017	Kuchinarai	+664-385-1312-4	+664-385-1052
Buri Ram (15 Branches)			Nong Kung Si	+664-388-1123-4	+664-388-1222
Big C Buri Ram (Mon-Sun 10.00-19.00 hrs.)	+664-469-0186-7	+664-469-0249	Somdet	+664-386-1917-8	+664-386-1919
			Yang Talat	+664-389-1486-7	+664-389-1488
			Khon Kaen (27 Branches)		
			Ban Phai	+664-327-2116, 2996	+664-327-2886

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Ban Thum	+664-325-5193-4	+664-325-5195	Loei City Hall	+664-281-5547-8	+664-281-5557
Big C Khon Kaen (Mon-Sun 10.30-19.30 hrs.)	+664-322-6012-3	+664-322-6014	Loei Rajabhat University	+664-284-5194-5	+664-284-5196
Central Plaza Khon Kaen (Mon-Fri 11.00-19.00 hrs. Sat-Sun 10.30-19.30 hrs.)	+664-328-8096-7	+664-328-8098	Tanon Ouaree (Mon-Sun 9.00-17.00 hrs.)	+664-281-1941	+664-281-1942
Chum Phae	+664-331-1119, 2017, 2252	+664-331-1139	Wangsaphung	+664-284-2157-8	+664-284-2159
Khon Kaen	+664-324-6837-40	+664-324-6838	Maha Sarakham (11 Branches)		
Khonkaen City Hall	+664-324-1826, 1836	+664-324-1846	Big C Mahasarakham (Mon-Sun 10.00-19.00 hrs.)	+664-399-5636-7	+664-399-5638
Khonkaen University (Mon-Sun 10.00-18.00 hrs.)	+664-320-4154-5	+664-320-4156	Borabu	+664-377-1451-2	+664-377-1113
Klangmuang Road	+664-332-1647-8	+664-332-1649	Chiang Yun	+664-378-1707-8	+664-378-1709
Kranuan	+664-325-1700-2	+664-325-2013	Hayae Mahasarakham University	+664-372-1125	+664-372-1625
Maliwal Road	+664-324-1605-6	+664-324-1607	Kosum Phisai	+664-376-1846	+664-376-1844
Mancha Khiri	+664-328-9241	+664-328-9243	Maha Sarakham	+664-371-1048, 1310	+664-372-1512
Mitraphap Road (Khonkaen) (Mon-Sun 10.00-18.00 hrs.)	+664-346-8703-4	+664-346-8705	Mahasarakham City Hall	+664-377-7934-5	+664-377-7936
Mordindaeng Khonkaen	+664-323-5978, +664-324-4461	+664-324-7044	Na Chuak	+664-377-9641, 9643	+664-377-9651
Muang Phon	+664-341-4273-4, 4915, 5784	+664-341-4275	Phayakkaphumphisai	+664-379-1401-2	+664-379-1112
Nam Phong	+664-347-3347-8	+664-347-3349	Sermthai Plaza (Mon-Sun 10.30-19.30 hrs.)	+664-397-0826	+664-397-0828
Nong Rua	+664-329-4013-4, 4119	+664-329-4118	Tha Khon Yang Mahasarakham (Mon-Fri 10.00-18.00 hrs.)	+664-397-0224-5	+664-397-0223
Nongsonghong	+664-349-1840, +664-349-1841	+664-349-1842	Mukdahan (5 Branches)		
North Eastern University	+664-327-1132-3	+664-327-1134	Khamcha-I	+664-269-1144	+664-269-1188
Phu Wiang	+664-329-1886-7	+664-329-1996	Mukdahan	+664-261-1507, +664-263-3420	+664-261-1508
Pratumuang (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-17.00 hrs.)	+664-327-1135-7	+664-322-2966	Mukdahan City Hall (Mon-Fri 10.00-18.00 hrs.)	+664-261-4923-4	+664-261-4980
Si Chan	+664-324-5634, 6604	+664-324-1865	Nikhom Kham Soi	+664-263-8312	+664-268-1075
Tesco Lotus Chumphae (Mon-Sun 10.00-19.00 hrs.)	+664-331-3400, 3444	+664-331-1500	Robinson Mukdahan (Mon-Sun 10.30-19.30 hrs.)	+664-267-2466-7	+664-267-2468
Tescolotus Khonkaen 2 (Mon-Sun 10.00-19.00 hrs.)	+664-391-1779-80	+664-391-1781	Nakhon Phanom (7 Branches)		
Thapra (Khon Kaen)	+664-326-1313-4	+664-326-1315	Big C Nakhon Phanom (Mon-Sun 10.00-19.00 hrs.)	+664-253-2781-2	+664-253-2780
Thungsang Road	+664-324-1795-6	+664-324-1797	Nakae	+664-257-1121-3	+664-257-1323
Ubol Ratana	+664-344-6002-4	+664-344-6005	Nakhon Phanom	+664-251-1110	+664-251-1571
Loei (7 Branches)			Nakhon Phanom City Hall	+664-251-2835-6	+664-251-2837
Chiangkan	+664-282-2114-5	+664-282-2113	Ranu Nakhon	+664-257-9126-7	+664-257-9124
Dan Sai	+664-289-1273, 1275	+664-289-1274	Sri Song Kham	+664-259-9714-15	+664-259-9716
Loei	+664-281-2650-1	+664-281-1728	That Phanom (Mon-Sun 9.00-18.00 hrs.)	+664-254-0250-1	+664-254-0268
			Nakhon Ratchasima (29 Branches)		
			Ampawan	+664-435-2589	+664-435-2590

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Big C Nakhonratchasima (Mon-Sun 10.30-19.30 hrs.)	+664-427-1037-8	+664-427-1039	Nong Bua Lumphu (5 Branches)		
Bua Yai	+664-446-1030-1	+664-446-1120	Na Klang	+664-235-9480, 9490	+664-235-9767
Changpuak Road	+664-424-3300	+664-424-1328	Nong Bua Lumphu (Mon-Sat 8.30-16.30 hrs.)	+664-231-2027-9	+664-231-2026
Nakhonratchasima			Nong Bua Lumphu	+664-231-3274-5	+664-231-3279
Chok Chai	+664-449-1701-3	+664-449-1704	Government Center		
Dan Khun Thot	+664-420-4034, 4698, +664-438-9428-9, 9492	+664-438-9258	Si Bun Ruang	+664-235-3641-2	+664-235-3643
Fort Suranari Hospital	+664-493-4123-4	+664-493-4125	Tesco Lotus Nong Bua Lumphu (Mon-Sun 10.00-19.00 hrs.)	+664-231-1800-1, +669-5372-5298	+664-231-1802
Hua Thale	+664-425-2517-8	+664-425-2519	Nong Khai (9 Branches)		
Jua Hua	+664-437-1035	+664-437-1158	Asawann Complex Nongkhai (Mon-Sun 10.30-19.30 hrs.)	+664-241-3927-8	+664-241-3926
Khonburi	+664-444-4024-5	+664-444-4026	Nong Khai	+664-242-0065-7	+664-242-0068
Klang Dong	+664-436-1638-9, 1686-7	+664-436-1688	Nong Khai Government Center (Mon-Fri 9.00-17.00 hrs.)	+664-242-2606-7	+664-242-2608
Mharat Hospital	+664-424-8585-6	+664-424-8587	Phonpisai	+664-247-1827-8	+664-247-1666
Nakhonratchasima			Si Chiang Mai	+664-245-1541, 1641	+664-245-1741
Mitraphap Road	+664-425-7470-3	+664-425-9067	Tesco Lotus Thabo (Mon-Sun 10.00-19.00 hrs.)	+664-243-2115, 2155	+664-243-2047
Nakhon Ratchasima (Mon-Fri 8.30-19.30 hrs. Sat-Sun 11.30-19.30 hrs.)	+664-425-4918-9, 6285-6	+664-425-7432	Tha Bo	+664-243-1793-4	+664-243-1796
Nakhon Ratchasima City Hall	+664-425-8865-6	+664-425-8868	Thai-Lao Friendship Bridge (Nong Khai) (Mon-Sun 9.00-18.00 hrs.)	+664-241-3097-8	+664-241-3099
Non Thai	+664-438-1212-3	+664-438-1214	Thasadej	+664-246-0024-6	+664-246-0028
Pak Chong	+664-431-1095, 1421	+664-431-1401	Roi Et (12 Branches)		
Pak Thong Chai	+664-444-1090, 1245	+664-444-1244	Big C Roi Et (Mon-Sun 10.00-19.00 hrs.)	+664-362-4809-10	+664-362-4811
Phimai	+664-492-8303-4	+664-492-8305	Bung Planchai	+664-352-0489	+664-352-0491
Phoklang Road	+664-424-4194, 4222, +664-425-3710	+664-424-4154	Kaset Wisai	+664-358-9590-1	+664-358-9592
Pra Thai	+664-447-9464-5	+664-447-9467	Nong Phok	+664-357-9179-80	+664-357-9099
Rajamangala University of Technology Isan	+664-425-4293-4	+664-425-4295	Phon Thong	+664-357-2325, 2335	+664-357-2345
Nakhonratchasima			Robinson Roi-Et (Mon-Sun 10.00-19.00 hrs.)	+664-354-0941-2	+664-354-0943
Samyaeak Pakthongchai	+664-422-2122-4	+664-422-2125	Roi-Et	+664-351-1135, 1153	+664-351-1992
Save One Market (Mon-Sun 11.30-19.30 hrs.)	+664-421-4646-7	+664-421-4648	Roi-Et City Hall	+664-351-9162, 9219	+664-351-9175
Si Khui	+664-441-1666, 1699, 2592	+664-441-1600	Selaphum	+664-355-1251-2	+664-355-1252
Soeng Sang	+664-445-7133-4	+664-445-7135	Suwannaphum	+664-358-1252-3	+664-358-1011
Suranaree University of Technology	+664-421-6124-5	+664-421-6126	Talad Haisoke	+664-352-2168-9	+664-351-3333
The Mall Nakhonratchasima (Mon-Fri 10.30-19.30 hrs. Sat-Sun 10.00-19.00 hrs.)	+664-424-5432, 5444	+664-424-5444	Tesco Lotus Roi Et (Mon-Sun 11.00-19.00 hrs.)	+664-351-9536, 9576	+664-351-9741
Wang Num Khiao	+664-422-8036-7	+664-422-8035			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Sakon Nakhon (9 Branches)			Wongwien Namphu (Surin)		
Akat Amnuai	+664-279-8123, 9252	+664-279-9251		+664-451-8312-3	+664-451-8314
Charoenmuang	+664-271-5089	+664-271-3391	Ubon Ratchathani (23 Branches)		
Kasetsart University	+664-275-4264-5	+664-275-4266	Aupparaj Road	+664-524-0381-2	+664-524-0384
Chalemphrakiat Sakon Nakhon			Big C Warin Chamrap	+664-585-4080-1	+664-585-4082
Nevada Multiplex	+664-271-6850-1	+664-271-6852	(Mon-Sun 10.00-19.00 hrs.)		
Sakonnakhon			Buntharik	+664-537-6005-7	+664-537-6008
(Mon-Sun 10.00-19.00 hrs.)			Central Plaza Ubonratchathani	+664-542-2487-8	+664-542-2489
Phang Khon	+664-277-1030, 1122-3	+664-277-1417	(Mon-Sun 10.30-19.30 hrs.)		
Robinson Sakon Nakhon	+664-297-1785-6	+664-297-1787	Chayangkul Road	+664-528-0157-9,	+664-531-3306
(Mon-Sun 10.00-19.00 hrs.)				+664-531-3304-5	
Sakon Nakhon	+664-271-1024,	+664-271-2938	Chongmek	+664-547-6242-3	+664-547-6264
	1231, 6421		Det Udom	+664-528-2457,	+664-528-2458
Sakon Nakhon Government	+664-271-3162-3	+664-271-3187		+664-536-1058-9	
Center			Khong Chiam	+664-535-1124-5	+664-535-1126
Sawang Daen Din	+664-272-1680-1	+664-272-1033	Khueang Nai	+664-542-3730-1	+664-542-3732
Si Sa Ket (12 Branches)			Sappasit Road	+664-524-0099, 4848-9	+664-524-2629
Big C Sisaket	+664-563-4252-3	+664-563-4254	Siyaek Kilosoon	+664-524-4790-4	+664-524-4792
(Mon-Sun 10.00-19.00 hrs.)			Sunee Tower Ubonratchathani	+664-531-1311-2	+664-531-1300
Kantharalak	+664-566-1245-6	+664-566-1730	(Mon-Sun 10.00-19.00 hrs.)		
Kanthararom	+664-565-1134-5	+664-565-1136	Talad Big C Ubon Ratchathani	+664-531-7944, 7955	+664-531-7366
Khukhan	+664-567-1297, 1475	+664-567-1755	(Mon-Sun 10.00-19.00 hrs.)		
Khun Han	+664-563-7498, 7605,	+664-567-9044	Taladsod Tessaban Muang	+664-532-4363-4	+664-532-4365
	+664-567-9042-3		Warinchamrap		
Rasi Salai	+664-568-2215-6	+664-568-2217	Tesco Lotus Det Udom	+664-536-2721	+664-536-2743
Si Sa Ket	+664-561-1115,	+664-561-3204	(Mon-Sun 10.00-19.00 hrs.)		
	1558, 2508, 2537		Tesco Lotus Piboonmangsan	+664-544-1676, 1797	+664-544-1763
Sisaket City Hall	+664-561-1288, 1314	+664-561-1663	(Mon-Sun 9.00-18.00 hrs.)		
Sisaket Hospital	+664-561-3675-6	+664-561-3677	Tesco Lotus Warinchamrap	+664-532-4854-5	+664-532-4856
Tepha Road	+664-562-2871-2	+664-562-2873	(Mon-Sun 10.00-19.00 hrs.)		
Tesco Lotus Khukhan	+664-567-1551-2	+664-567-1711	Trakan Phuet Phon	+664-548-2199, 2299	+664-548-2259
(Mon-Sun 10.00-19.00 hrs.)			Ubon Ratchathani	+664-531-4931-4	+664-531-4935
Uthumphon Phisai	+664-569-1199	+664-569-1198	Ubon Ratchathani University	+664-543-3097-8	+664-543-3099
Surin (10 Branches)			Ubon Ratchathani City Hall	+664-534-4572	+664-534-4573
Chom Phra	+664-458-1188-9	+664-458-1021	Warin Chamrap	+664-532-1894, 2841-3	+664-532-1613
Lukmuang Road	+664-451-9416, 9419	+664-451-9418	Yingcharoen Park	+664-547-4012	+664-547-4011
Prasat	+664-455-1308	+664-455-1309	(Mon-Sun 10.00-19.00 hrs.)		
Rattanaaburi	+664-459-9702-3	+664-459-9704	Udon Thani (16 Branches)		
Robinson Surin	+664-404-2735-6	+664-404-2737	Ban Phu	+664-228-1281-2	+664-228-1283
(Mon-Sun 10.00-19.00 hrs.)			Ban Dung	+664-227-3281-2	+664-227-3283
Sangkha	+664-457-1745, 1747	+664-457-1748	Big C Udon Thani	+664-212-8567, 8597	+664-212-8596
Si Khoraphum	+664-456-1323-4	+664-456-1322	(Mon-Sun 10.00-19.00 hrs.)		
Surin	+664-451-1021, 4567-8	+664-451-1423	Central Plaza Udon Thani	+664-224-9211-2	+664-224-9210
Surin Plaza	+664-471-4005-6	+664-471-4007	(Mon-Sun 11.00-19.00 hrs.)		
(Mon-Sun 10.00-19.00 hrs.)					

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Kumphawapi	+664-233-9784, 9788, 9855	+664-233-9856	Sanam Chai Khet	+663-859-7068, 7999	+663-859-7067
Kumphawapi Muangmai	+664-233-4903-4	+664-233-4905	Talad Burapha Bangwua (Mon-Fri 9.00-17.30 hrs.)	+663-853-8925-6	+663-853-8927
Markkaeng Road	+664-224-9701-3	+664-224-9704	Talad Suwintawong Plaza	+663-859-2441-2	+663-859-2443
Nonghan	+664-226-1124	+664-226-1121	Chachoengsao (Mon-Fri 9.00-17.30 hrs.)		
Talad Nong Bua	+664-224-4035	+664-224-7654	Tesco Lotus Bangpakong (Mon-Sun 10.00-19.00 hrs.)	+663-854-0041-2	+663-854-0043
Tesco Lotus Nadi Udonthani (Mon-Sun 10.00-19.00 hrs.)	+664-213-0559	+664-213-0560	Chanthaburi (12 Branches)		
Tukcom Landmark Udonthani (Mon-Sun 10.30-19.30 hrs.)	+664-224-7662	+664-224-7664	Chanthaburi	+663-931-1008, 1507, +663-932-2050	+663-932-1153
UD Town (Mon-Sun 10.00-19.00 hrs.)	+664-293-2956-7	+664-293-2958	Huai Saton	+663-943-7200-1	+663-943-7202
Udon Thani	+664-224-7755-7	+664-224-7758	Khlung	+663-944-1239-40	+663-944-1241
Udon Thani Rajabhat University	+664-224-1045-6	+664-224-1040	Na Yai Am	+663-937-1236-7	+663-937-1235
Udondusadee Road	+664-222-2490	+664-224-1768	Pleaw	+663-939-7225	+663-939-7222
Udonthani City Hall	+664-221-2172-3	+664-221-2174	Pong Nam Ron	+663-938-7106-8	+663-938-7109
Yasothon (6 Branches)			Pra Pok Klao Hospital	+663-932-4098-9	+663-932-4100
Big C Yasothon (Mon-Sun 10.00-19.00 hrs.)	+664-572-4517-8	+664-572-4519	Chantaburi		
Kham Khuaoen Kaeo	+664-579-1470-1	+664-579-1472	Robinson Chanthaburi (Mon-Sun 10.00-19.00 hrs.)	+663-930-3255-6	+663-930-3257
Kut Chum	+664-578-9416-7	+664-578-9114	Soydow	+663-938-1035, 1301	+663-938-1511
Loeng Noktha	+664-578-1171, 1374-5	+664-578-1172	Srirongmueng Road	+663-932-1188, 2116-7	+663-932-2052
Yasothon	+664-571-2684-5	+664-571-2215	Tanon Triratana	+663-932-5930-1	+663-931-3718
Yasothon City Hall	+664-571-4834-5	+664-571-4836	Tesco Lotus Chantaburi (Mon-Sun 10.00-19.00 hrs.)	+663-930-3414	+663-930-3415
Eastern Region (112 Branches)			Chon Buri (45 Branches)		
Chachoengsao (16 Branches)			Amata Nakorn Industrail Estate	+663-844-0518-9	+663-844-0520
Bang Khla	+663-854-1392-3, 1014	+663-882-7499	Ao Udom	+663-835-1357, 1620, 1665	+663-835-1679
Bang Nam Prieo	+663-858-1215-7	+663-858-1179	Ban Bung	+663-844-3006, 3498	+663-844-3005
Bang Pakong	+663-853-1211-2, 2088	+663-853-1213	Ban Kao-Panthong (Mon-Fri 10.00-18.00 hrs.)	+663-815-5402-3	+663-815-5404
Bangpakong Thermal Plant	+663-857-3574-5	+663-857-3805	Bang Pla Soi	+663-827-4093-5	+663-827-4092
Big C Chachoengsao 2 (Mon-Sun 10.00-19.00 hrs.)	+663-851-4676-7	+663-851-4668	Banglamung (Talad Naklua)	+663-841-6874-5	+663-841-6876
Chachoengsao	+663-898-1045-6, 1468-73	+663-898-1567	Bangphra	+663-835-8265-6	+663-835-8267
Chachoengsao City Hall	+663-851-3711-2	+663-851-3713	Bangsang	+663-839-4980-1	+663-839-4982
Mahachakapad Road	+663-851-4449	+663-851-2023	Big C Chonburi (Mon-Sun 10.00-19.00 hrs.)	+663-819-2150-1	+663-819-2210
Panich Road	+663-851-6691-3	+663-851-6694	Borwin (331 Road)	+663-834-6216-7	+663-834-6218
Phanom Sarakham	+663-855-1600-1, +663-883-6870, 7063	+663-855-1154	Central Center Pattaya Nua (Mon-Sun 11.00-19.00 hrs.)	+663-836-2547-8	+663-836-2574
Rajabhat Rajanagarindra University (Chachoengsao) (Mon-Sun 10.00-19.00 hrs.)	+663-851-1535-6	+663-851-1664	Central Festival Pattaya Beach (Mon-Sun 11.00-20.00 hrs.)	+663-804-3285-6	+663-804-3287
Robinson Chachoengsao (Mon-Sun 10.00-19.00 hrs.)	+663-856-4177-8	+663-856-4179			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Central Plaza Chonburi (Mon-Sun 10.30-19.30 hrs.)	+663-805-3637-8	+663-805-3639	Thanon Thepprasit (Pattaya) (Mon-Fri 9.00-17.00 hrs.)	+663-825-2445-6	+663-825-2447
Chalermthai Shopping Mall (Mon-Sun 10.00-19.00 hrs.)	+663-828-8496, 8638	+663-828-8696	Nakhon Nayok (4 Branches)		
Chon Buri	+663-827-3584-7	+663-827-3582	Ban Na	+663-738-1191, 1228-9	+663-738-1668
Chonburi City Hall	+663-828-7612-3	+663-828-7614	Nakhon Nayok	+663-731-1475-6, 2037	+663-731-1076
Chonburi Hospital	+663-828-8101-2	+663-828-8103	Nakhon Nayok City Hall	+663-731-1759-60	+663-731-1770
Harbor Mall Pattaya (Mon-Sun 10.00-19.00 hrs.)	+663-819-6495-6	+663-819-6497	Tesco Lotus Nakhon Nayok (Mon-Sun 10.30-19.30 hrs.)	+663-731-6737-8	+663-731-6739
Jadajamrong Road	+663-828-2456, +663-828-3457-8	+663-827-2458	Prachin Buri (8 Branches)		
Kao Talo (Pataya Soi 83)	+663-833-2616, 2665	+663-833-2636	304 Industrial Park (Klong Rang) (Mon-Fri 10.00-18.00 hrs.)	+663-727-4631-2	+663-727-4633
Ko Pho Chonburi	+663-820-9794	+663-820-9795	Big C Prachin Buri (Mon-Sun 10.30-19.30 hrs.)	+663-745-2129-30	+663-745-2131
Laemtong Bangsean (Mon-Sun 10.30-19.30 hrs.)	+663-815-3996-7	+663-815-3998	Big C Sri Maha Phot (Mon-Sun 11.00-19.00 hrs.)	+663-727-8725-6	+663-727-8727
Najomtien (Bann Amphur)	+663-823-5786-7	+663-823-5788	Kabin Buri	+663-729-8300-1	+663-729-8302
Noenplubwan (Pattaya Soi 53)	+663-840-6546-7	+663-840-6541	Prachin Buri	+663-721-1080, 2022, 3184	+663-721-1369
Nong Yai	+663-821-9472-3	+663-821-9471	Prachin Buri Government Center	+663-745-4034-5	+663-745-4036
Nongmon	+663-839-2059-60, 3141	+663-839-2058	Robinson Prachin Buri (Mon-Sun 11.00-19.00 hrs.)	+663-745-4785, 4787	+663-745-4786
Nongtumlueg	+663-820-6556-7	+663-820-6311	Talad Udomsuk Kabinburi (Mon-Fri 10.00-18.00 hrs.)	+663-745-5826, 28-9	+663-745-5612
Pacific Park Sriracha (Mon-Sun 11.00-19.00 hrs.)	+663-831-2152, 2154	+663-831-2085	Rayong (18 Branches)		
Pattaya (Sukumvit Road)	+663-842-7863, 7891	+663-842-7897	Ban Chang	+663-860-1680, 2684	+663-860-3256
Patthaya Klang	+663-842-8436	+663-842-3505	Ban Phe	+663-865-1541-3	+663-865-1540
Patthayatai	+663-842-5014-6, 9275-6	+663-842-3820	Ban Khai	+663-864-2463-4	+663-864-2465
Phan Thong	+663-845-2593-4	+663-845-2495	Big C Rayong (Mon-Sun 10.30-19.30 hrs.)	+663-862-1793, 1853	+663-862-1914
Phanat Nikhom	+663-846-1400, +663-847-3034	+663-847-3041	Central Plaza Rayong (Mon-Sun 10.30-19.30 hrs.)	+663-894-2616-7	+663-894-2618
Plutaluang	+663-824-5057-8	+663-824-5091	Klaeng	+663-867-1200, 1765-6	+663-867-1240
Prayasatja Road	+663-827-5871-2	+663-827-5873	Laemtong Shopping Plaza	+663-802-3792-3	+663-802-3794
Rong Po	+663-870-4240-1	+663-870-4242	Rayong (Mon-Sun 10.30-19.30 hrs.)		
Sahapat Industrialpark	+663-848-2929-30	+663-848-2932	Mabtapud	+663-860-7995-8	+663-860-7994
Samyake Angsila	+663-827-2471-3	+663-827-2475	Nikhom Phatthana (Rayong) (Mon-Fri 9.00-17.00 hrs.)	+663-863-7343-4	+663-863-7345
Sattahip	+663-843-8042-3	+663-843-8044	Pluak Daeng (Mon-Fri 10.00-18.00 hrs.)	+663-865-9977-8	+663-865-9979
Si Racha	+663-831-2002, 2854, +663-832-1661	+663-831-2001	Rayong	+663-861-1592, 3964-5	+663-861-1205
Talad Sriracha	+663-831-2200-1, +663-832-3224-5	+663-831-2202	Rayong Trade Centre	+663-801-1401-2	+663-801-1400
Tesco Lotus Banbung (Mon-Sun 10.00-19.00 hrs.)	+663-875-2160-1	+663-875-2162			
Tesco Lotus Amata Nakorn (Mon-Sun 10.00-19.00 hrs.)	+663-845-7363-4	+663-845-7365			
Tha Rua Laemchabang	+663-849-4320-2	+663-849-4324			

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Siam Eastern Industrial	+663-866-0046-7	+663-866-0048	Aonang	+667-569-5317-8	+667-569-5300
Star It Center (Mon-Sun 10.30-19.30 hrs.)	+663-861-3659-60	+663-861-3661	Khao Phanom	+667-568-9527-8	+667-568-9541
Tapong (Mon-Fri 10.00-18.00 hrs.)	+663-865-5105-6	+663-865-5107	Kho Lanta	+667-568-4315-6	+667-568-4317
Tesco Lotus Rayong (Mon-Sun 10.00-19.00 hrs.)	+663-862-4161, 4511	+663-862-4019	Klong Thom	+667-564-0502, +667-569-9038, 9054	+667-569-9039
Tha Pradu	+663-861-5180	+663-861-5181	Krabi	+667-561-1193-4, 2775-6	+667-561-2727
Wangchan	+663-888-8254-5	+663-866-6382	Lam Thap	+667-570-2209-10	+667-570-2211
 Srakaew (5 Branches)			Nua Khlong (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+667-569-1114-5	+667-569-1113
Aranyaprathet	+663-723-1031, 2576	+663-723-1331	Talat Kao	+667-566-3198-9	+667-566-3200
Srakaew (Mon-Fri 8.30-16.30 hrs.)	+663-724-1577, 2694-5	+663-724-1576	Tesco Lotus Krabi (Mon-Sun 10.30-19.30 hrs.)	+667-565-0740-1	+667-565-0742
Ta Phraya	+663-726-9114-5	+663-726-9116	 Nakhon Si Thammarat (24 Branches)		
Taladrongklua (Mon-Sun 10.00-18.00 hrs.)	+663-723-0372-3	+663-723-0374	Central Plaza	+667-539-2855-6	+667-539-2857
Watthana Nakhon	+663-726-1021, 1031	+663-726-1022	Nakhon Si Thammarat (Mon-Sun 10.30-19.30 hrs.)		
 Trad (5 Branches)			Cha Uat	+667-538-1344-6	+667-538-1348
Khlong Yai	+663-958-1243, 1245-6	+663-958-1244	Chandi	+667-548-6271-2	+667-548-6154
Ko Chang (Mon-Sun 10.00-19.00 hrs.)	+663-955-1621-2	+663-955-1623	Chawang	+667-548-1272	+667-548-1172
Santung	+663-959-9121-3	+663-959-9124	Chian Yai	+667-536-2484, 2486	+667-536-2485
Trad	+663-952-0541-4	+663-952-0545	Hornarika (Nakhon Si Thammarat)	+667-534-3051-2	+667-534-7860
Trat Consumer Store	+663-952-0353-4	+663-952-0355	Hua Sai	+667-538-9551-2	+667-538-9553
Cooperative (Mon-Sun 10.00-18.00 hrs.)			Khanom	+667-552-9441-2	+667-552-9100
 Southern Region (176 Branches)			Maharat Hospital	+667-534-2017-8	+667-534-2011
 Chumphon (10 Branches)			Nakhonsithummarat		
Big C Chumphon (Mon-Sun 10.00-19.00 hrs.)	+667-765-8754, 8764	+667-765-8647	Muangtong	+667-543-2040, 2059, 2089	+667-543-2131
Chumphon	+667-751-1158, 1887	+667-751-1889	Nakhon Si Thammarat	+667-534-2772, +667-535-6017, 6919	+667-534-1197
Chumphon Government Center	+667-765-8380-1	+667-765-8382	Nakorn Sri Thammarat	+667-535-7137-8	+667-535-7145
Lamae	+667-755-9227-8	+667-755-9229	City Hall		
Lung Suan	+667-754-1851	+667-754-1947	Pak Phanang	+667-551-7609, 7120-1	+667-551-7760
Map Ammarit	+667-765-6315	+667-765-6318	Robinson Ocean	+667-534-6331-2	+667-534-6331
Ocean Shopping Mall (Mon-Sun 10.30-19.30 hrs.)	+667-750-1957-8	+667-750-1959	Nakhon Si Thammarat (Mon-Sun 10.30-19.30 hrs.)		
Pathomphon	+667-753-4204-6	+667-753-4203	Ron Phibun	+667-544-2137-8	+667-544-2139
Sawi	+667-753-1276, 1500	+667-753-1275	Sichon	+667-553-5330-1	+667-553-5332
Thasae	+667-759-9468-9	+667-759-9470	Talad Hua It	+667-534-3015	+667-531-5826
 Krabi (10 Branches)			Taladkaset	+667-541-1311, 1565, 1998	+667-541-1411
Ao Luk	+667-561-9260	+667-561-9261			

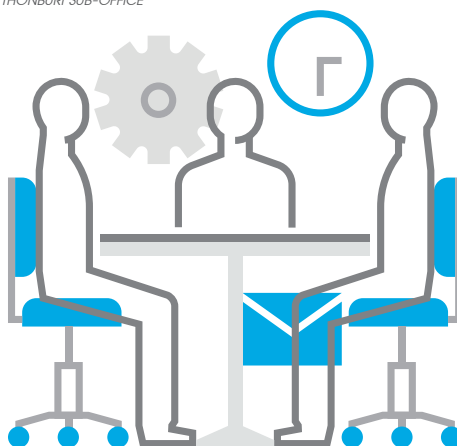
Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Tesco Lotus	+667-534-3752-3	+667-534-7832	Khuan Khanun	+667-468-1980-1	+667-468-1982
Nakhon Si Thammarat (Mon-Sun 10.00-19.00 hrs.)			Mae Khri	+667-469-5138-9	+667-463-3231
Tesco Lotus Thung Song (Mon-Sun 10.30-19.30 hrs.)	+667-542-1724-5	+667-542-1726	Pak Phayun	+667-469-9038	+667-469-9028
Tha Sala	+667-552-1453-4	+667-552-1455	Phatthalung	+667-461-1432, 3033	+667-461-2156
Thawang	+667-534-7334-6	+667-534-7338	Rames Road	+667-460-6660-1	+667-460-6662
Thung Song	+667-541-1200, +667-542-0688, 0787	+667-541-1601	Tesco Lotus Phatthalung (Mon-Sun 10.00-19.00 hrs.)	+667-460-6517-8	+667-460-6519
Thung Yai	+667-548-9127, 9171	+667-548-9132	Tesco Lotus Pa Phayom (Mon-Sun 9.30-17.30 hrs.)	+667-484-1141-2	+667-484-1143
Narathiwat (6 Branches)			Phuket (16 Branches)		
Naradhiwasrajanagarindra Hospital (Mon-Sun 9.00-15.00 hrs.)	+667-351-2893-4	+667-351-2895	Big C Kamala Phuket (Mon-Sun 10.00-19.00 hrs.)	+667-632-2406-7	+667-632-2408
Narathiwat (Mon-Sun 9.00-15.00 hrs.)	+667-351-1004, 1389	+667-351-2012	Central Festival Phuket (Mon-Sun 11.00-20.00 hrs.)	+667-624-8291-2	+667-624-8290
Narathiwat City Hall (Mon-Fri 9.00-15.00 hrs.)	+667-353-2688-9	+667-353-2690	Cherngthalay	+667-632-4537-8	+667-632-4539
Sungai Kolok (Mon-Fri 9.00-15.00 hrs.)	+667-361-2000	+667-361-4314	Hayaek Chalong	+667-638-4526-7	+667-638-4528
Tak Bai (Mon-Fri 9.00-15.00 hrs.)	+667-352-4375, +667-358-1262-3	+667-358-1261	Jungceiton Patong Phuket (Mon-Sun 11.00-20.00 hrs.)	+667-636-6057-8	+667-637-6059
Tanyongmas (Mon-Fri 9.00-15.00 hrs.)	+667-367-1002, 1113, 1393	+667-367-1451	Kathu (Mon-Fri 9.00-17.00 hrs.)	+667-632-2113-4	+667-632-2115
Pattani (4 Branches)			Patong (Mon-Fri 9.00-17.00 hrs.)	+667-634-4301-2	+667-634-4300
Big C Pattani (Mon-Sun 10.00-18.00 hrs.)	+667-331-2554	+667-331-2555	Phuket	+667-621-1158, 1351, 1893	+667-621-3598
Charoen Pradit (Mon-Fri 9.00-15.00 hrs.)	+667-333-2553-5	+667-333-5991	Rawai Phuket Rusda Road	+667-638-3519-20 +667-621-2397, +667-622-2519, 5116	+667-638-3533 +667-621-1586
Pattani (Mon-Fri 9.00-15.00 hrs.)	+667-333-3024-6	+667-333-1036	Sapam	+667-636-4024-5	+667-636-4026
Yarang (Mon-Fri 9.00-15.00 hrs.)	+667-335-2277, +667-343-9049	+667-343-9112	Talang	+667-631-3376-7	+667-631-3378
Phang Nga (6 Branches)			Tesco Lotus Phuket (Mon-Sun 10.30-19.30 hrs.)	+667-630-4320, 4332	+667-630-4375
Khao Lak	+667-648-5403	+667-648-5487	Thanon Sakdidech	+667-652-6656-7	+667-652-6658
Khok Kloi	+667-658-1110, 1111	+667-643-4754	Thanon Wirat Hongyok (Mon-Fri 10.00-18.00 hrs.)	+667-652-2161-2	+667-652-2164
Khura Buri	+667-649-1392	+667-649-1118	Thep Kasattri Road	+667-635-5284-6	+667-635-5288
Phang Nga (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+667-641-1365, 1565-6	+667-641-1810	Ranong (3 Branches)		
Takua Pa	+667-642-5283-4	+667-642-5286	Ranong	+667-781-1502, +667-782-3021	+667-781-1646
Talad Yanyao	+667-642-4762-3	+667-642-4764	Ranong Government Center Ruengraj Road (Mon-Sun 8.30-16.30 hrs.)	+667-780-0180-1 +667-781-1105, 1716, +667-782-3841	+667-780-0182 +667-781-1152
Phatthalung (8 Branches)			Satun (4 Branches)		
Khao Chaison	+667-469-1124	+667-469-1032	Khuan Ka Long	+667-479-7020-1	+667-479-7019
			La Ngu	+667-478-1984-5	+667-478-1986
			Satun	+667-472-1340-1	+667-472-1344

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Tesco Lotus Satun (Mon-Sun 10.00-19.00 hrs.) Songkhla (33 Branches)	+667-475-1082-3	+667-475-1084	Songkhla (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+667-431-1064, 1585, +667-432-4648	+667-432-3316
Banpru	+667-438-4897-8	+667-438-4899	Songkhla City Hall (Mon-Fri 9.00-17.00 hrs.)	+667-432-3186-7	+667-432-3188
Big C Extra Hatyai	+667-455-5463-4	+667-455-5465	Songkhla Hospital	+667-433-0175	+667-433-0177
Big C Hat Yai (Mon-Sun 10.00-19.00 hrs.)	+667-458-0913-4	+667-458-0915	Tanon Phetkasem (Hadyai)	+667-423-7742, 7960-1, 9086, +667-424-5854	+667-424-6634
Central Festival Hat Yai (Mon-Sun 11.00-20.00 hrs.)	+667-433-9935-6	+667-433-9937	Tesco Lotus Hat Yai (Mon-Sun 10.30-19.30 hrs.)	+667-422-3831-2	+667-422-3820
Chana (Mon-Fri 8.30-15.30 hrs.)	+667-420-7451-2	+667-420-7453	Tesco Lotus Sadao (Mon-Sun 10.00-19.00 hrs.)	+667-441-4300-1	+667-441-4302
Chung Loon (Mon-Fri 9.00-17.30 hrs.)	+667-455-7124-5	+667-455-7126	Tesco Lotus Songkhla (Mon-Sun 10.00-19.00 hrs.)	+667-430-7911-2	+667-430-7913
Had Yai Nai (Mon-Fri 8.30-16.30 hrs. Sat-Sun 9.00-15.00 hrs.)	+667-425-3001-4, 3717	+667-425-3719	Thanon Nakhon Nok Thung Lung	+667-431-5236-7 +667-429-1487, +667-447-1254-5	+667-431-5239 +667-429-1486
Hat Yai	+667-422-0704-5	+667-423-8235-6	Surat Thani (31 Branches)		
Hat Yai Hospital	+667-424-5388-9	+667-424-4667	Ban Na San	+667-734-1450, 1999	+667-034-1010
Kanjanavanit (Songkhla) (Mon-Fri 10.00-18.00 hrs.)	+667-455-8622-3	+667-455-8624	Bang Rak Samui	+667-744-7736-7	+667-744-7738
Khlong Ngae	+667-454-1668-9	+667-454-1667	Bang Sawan	+667-736-5100, 5111	+667-736-5200
Na Thawi (Mon-Fri 8.30-15.30 hrs.)	+667-437-1545, 1547-8	+667-437-1546	Bantakhun	+667-739-7425-6	+667-739-7427
Nipatutit 2	+667-422-0795, +667-423-9088-9	+667-424-6652	Big C Surat Thani (Mon-Sun 10.30-19.30 hrs.)	+667-760-0165-6	+667-760-0167
Padang Besar	+667-452-1616-7	+667-452-1615	Central (Mon-Sun 11.00-19.00 hrs.)	+667-741-0522-3	+667-741-0524
Poonnakan (Mor-Or. Hai Yai)	+667-450-0263-4	+667-450-0265	Central Plaza Suratthani (Mon-Sun 10.30-19.30 hrs.)	+667-748-9821-2	+667-748-9823
Raj Uthit	+667-425-8463-4	+667-425-8465	Chaiya	+667-743-1663-4	+667-743-1766
Rajamangala University of Technology Srivijaya (Mon-Sun 8.30-16.30 hrs.)	+667-430-7312	+667-430-7313	Chaweng (Mon-Fri 9.00-17.00 hrs.)	+667-748-4745-6	+667-748-4744
Rajyindee	+667-423-0481-2, 0498	+667-423-0499	Chonkasem Road	+667-720-6889-90	+667-720-6891
Ranot	+667-439-2440-1	+667-439-2442	Coliseum Cineplex Yala (Mon-Sun 10.30-19.30 hrs.)	+667-720-3545-6	+667-720-3547
Rattaphum	+667-438-8780-1	+667-438-8782	Don Sak	+667-737-1095	+667-737-1096
Sadao	+667-441-1007, 1955-6	+667-441-1957	Haadrin (Mon-Fri 10.00-18.00 hrs.)	+667-737-5033, 5233	+667-737-5569
Sathing Phra	+667-439-7115-6	+667-439-7044	Kanchanadit	+667-737-9439-40	+667-737-9417
Siam Nakarin Complex (Hatyai) (Mon-Sun 10.00-19.00 hrs.)	+667-422-1570-1	+667-422-1572	Khiri Ratthanikhom	+667-739-1074-5	+667-739-1019
Singha Nakhon	+667-433-1252, 1276, 1297	+667-433-1278	Khuntalae	+667-760-0826-7	+667-760-0828
			Ko Phangan	+667-737-7184, 7376	+667-737-7123
			Ko Samui	+667-742-1504-5	+667-742-1503

Branch Name	Telephone	Fax.	Branch Name	Telephone	Fax.
Lamai	+667-742-4569-70	+667-742-4600	Robinson Trang	+667-521-7827-8	+667-521-7830
Maenam	+667-742-7295-6	+667-742-7405	(Mon-Sun 10.30-19.30 hrs.)		
Phunphin	+667-731-1016, 1134, 1334	+667-731-1988	Sikao	+667-529-1064-5	+667-529-1036
Srivichai Road	+667-728-6002-3, 6442	+667-728-6001	Siriban Shopping Central	+667-521-4208-9	+667-521-4204
Surat Thani	+667-728-1829-30, 2923-4	+667-728-3964	Talad Muengtrang	+667-521-9871-2, +667-522-3435-6	+667-521-3023
Surat Thani Cooperative	+667-744-1091	+667-744-1116	Thab Thiang	+667-521-1482-4, +667-522-3142	+667-521-1485
Surat Thani City Hall	+667-728-9117, +667-728-6555	+667-728-9118	Thungyao	+667-520-8048-9	+667-520-8050
Suratthani Hospital	+667-720-4072-3	+667-720-4074	Trang	+667-521-8093, 8110	+667-521-1192
Talad Mai Road	+667-727-3967, +667-728-3042-3	+667-728-9042	Yan Ta Khao	+667-528-1194, 1198	+667-528-1196
Tesco Lotus Surat Thani (Mon-Sun 10.30-19.30 hrs.)	+667-720-6945-6	+667-720-6947	Yala (8 Branches)		
Tesco Lotus Wiengsa (Mon-Sun 10.00-19.00 hrs.)	+667-731-0510-1	+667-731-0512	Ban Nang Sata	+667-328-9422, 9080	+667-328-9363
Tha Chang	+667-738-9054	+667-738-9015	Betong	+667-323-1372, 2034	+667-324-5793
Viengsa	+667-736-3100-1	+667-736-2012	Coliseum Cineplex Yala	+667-321-3026-7	+667-321-3057
Trang (13 Branches)			Raman (Mon-Fri 9.00-15.00 hrs.)	+667-329-5101-2, 5295	+667-329-5024
Big C Trang	+667-558-1936-7	+667-558-1938	Siroros (Mon-Fri 9.00-15.00 hrs.)	+667-321-1749-51	+667-321-3732
(Mon-Sun 11.00-19.00 hrs.)			Sukyang Road	+667-323-0023-5	+667-323-0867
Huaiyot	+667-527-1746, 1846	+667-527-1840	(Mon-Fri 9.00-15.00 hrs.)		
Kantang	+667-525-1178, 1187	+667-525-1753	Yaha (Mon-Fri 9.00-15.00 hrs.)	+667-325-0358, +667-329-1034	+667-329-1209
Kapang	+667-528-6251-2, 6254	+667-528-6253	Yala (Mon-Fri 9.00-15.00 hrs.)	+667-321-2545, 2596-7	+667-321-3458
Nayong	+667-524-2464-5	+667-524-2466			

Note : There are 2 Sub-Offices located in Bangkok, namely

1. KING MONGKUT'S UNIVERSITY OF TECHNOLOGY THONBURI SUB-OFFICE
2. IT SQUARE LAKSI SUB-OFFICE



Business Office Centers (BOC)

79 Centers as at January 31, 2017

Opening hours: Mon.-Fri. 8.00 - 17.00 hrs.

Business Office Center Name	Telephone	Fax.
Bangkok and Vicinity: 22 Centers		
Bang Bon	+662-415-8125, 8130, 8171	+662-415-8014
Chaeng Wattana	+662-573-0367-8	+662-573-0381
Charoennakon Road	+662-437-6217, 6374, 6829, 6832, 9943	+662-437-6886
Ekamai	+662-382-1135-8, 1775-6	+662-382-1134
Lad Prao	+662-538-2803, 2831, 3847	+662-538-4175
Nana Nua	+662-208-3301-7	+662-256-8174
Nonthaburi	+662-580-7544, 7561, 7563	+662-580-7603
Om Noi	+662-420-5953-7	+662-420-9577
Pak Nam	+662-385-8620-3	+662-385-8625
Pathum Thani	+662-581-8455-6	+662-581-8458
Phathanakarn	+662-714-6473-9	+662-714-6470
Phra Pinklao	+662-435-0264, 0266, 8380, 8391, 8401	+662-435-8385
Rajawongse	+662-225-3423-9	+662-222-9208
Raminthra	+662-521-7617-22	+662-521-7613
Samyod	+662-225-3043-5	+662-222-2107
Si Nakarin	+662-320-2476-9	+662-320-2480
Sphan Khao	+662-280-1036-40, +662-281-1374, 1478, 1530	+662-281-0847
Suanmali	+662-223-5812, +662-225-3031, 3040-2	+662-225-3034
Suea Pa	+662-225-3043-5	+662-222-2107
Surawongse	+662-637-0572-7	+662-637-0578
Thepsirin	+662-225-3040-2	+662-225-3034
Wong Sawang	+662-556-1641-2	+662-556-1640
Central and Eastern Region: 17 Centers		
Ayutthaya	+663-534-5091-6	+663-534-5098
Chachoengsao	+663-882-4280-2	+663-882-4283
Chanthaburi	+663-934-0294-5	+663-934-0296
Chon Buri	+663-814-4070-2	+663-814-4075
Hua Hin	+663-242-3835-7	+663-242-3840
Kanchanaburi	+669-5368-2320	
Lop Buri	+663-641-4175-6	+663-641-4177
Nakhon Pathom	+663-439-5553, 5582, 5592-3	+663-439-5174
Phetchaburi	+663-242-3835-7	+663-242-3840
Prachin Buri	+663-721-4917, 4952, 4954	+663-721-4814
Ra Yong	+663-862-4983, 4989	+663-862-4986
Ratchaburi	+663-231-0957-8, 0977	+663-231-1022
Samut Sakhon	+663-442-1521, 2328, 4620	+663-442-5616
Saraburi	+663-633-2942-48	+663-633-2939
Si Racha	+663-832-4067	+663-831-4130
Srakaew	+663-742-1273, 1276	+663-742-1279
Suphan Buri	+663-552-5570-1	+663-552-5887

Business Office Center Name	Telephone	Fax.
Southern Region: 13 Centers		
Chumphon	+667-757-6807-8	+667-757-6809
Hat Yai	+667-423-9130, 9132, 9306	+667-423-4185
Ko Samui	+667-742-6154-6	+667-742-6199
Krabi	+667-562-3367, 3505	+667-562-3209
Nakhon Si Thammarat	+667-531-3669-75	+667-531-3676
Pattani	+667-322-2282-3, 5385-6	+667-322-2281
Phang Nga	+668-7496-4291, +668-1250-2033	+667-621-1250
Phuket	+667-623-2566-8	+667-623-2228
Songkhla	+667-431-1212, 3141	+667-431-3312
Surat Thani	+667-722-1648, 1661-3, 1696	+667-722-1660
Surat Thani 2	+667-722-1648, 1661-3, 1696	+667-722-1660
Trang	+667-521-7941-7	+667-521-7938
Yala	+667-322-2282-3, 5385-6	+667-322-2281
Northern Region: 13 Centers		
Chiang Mai	+665-340-9536-9, +665-322-6414-7	+665-340-9543
Chiang Rai	+665-374-8803-6	+665-374-8801
Kamphaeng Phet	+665-571-7025-7	+665-571-3093
Lam Pang	+665-423-0407, 0426, 0607	+665-423-0523
Mae Sot	+668-7849-9844	
Nakhon Sawan	+665-622-2400, 4219	+665-622-4593
Phetchabun	+668-4075-5919	
Phichit	+665-665-0670-1	+665-665-0672
Phitsanulok	+665-523-2460-5	+665-523-2469
Phrae	+669-6846-6132	+665-452-2928
Suthep Road	+665-328-1671-4	+665-328-1670
Uttaradit	+665-540-7420-1	+665-540-7423
Sukhothai	+665-561-0629, +669-6835-7080	
North-Eastern Region: 14 Centers		
Buri Ram	+664-461-8748-9	+664-461-8764
Chaiyaphum	+664-481-3515-7	+664-481-3524
Khon Kaen	+664-333-8419-24	+664-333-8418
Loei	+664-446-1876-3	
Maha Sarakham	+664-232-5127-9	
Mukdahan	+664-261-1075, 4587	+664-261-4593
Nakhon Ratchasima	+664-422-2114-20	+664-422-2113
Nong Khai	+669-6846-6137	
Roi-et	+664-351-6002-3, +664-352-0416-7	+664-352-0418
Sakon Nakhon	+664-273-3793-6	+664-273-3802
Si Sa Ket	+668-4075-6810	+664-561-3204
Surin	+664-452-1503-8	+664-452-1502
Ubon Ratchathani	+664-528-3027-33	+664-528-3034
Udon Thani	+664-232-5126-31	+664-232-5132

International Business Centers (IBC)

25 Centers as at January 31, 2017

Opening hours: Mon.- Fri. 8.00 - 17.00 hrs.

International Business Center Name	Telephone	Fax.
Bangkok and Vicinity: 15 Centers		
Ekamai	+662-382-1092-4	+662-382-1090
Nananua	+662-208-4318, 4320, 4325, 4366	+662-256-8695
Om Yai	+662-811-4323-5	+662-431-0156
Pak Nam	+662-389-3184, +662-395-0371-2	+662-389-2802
Phrapinklao	+662-884-6910-2	+662-884-6914
Rajawongse	+662-225-4507-14	+662-225-4506
Samut Prakan	+662-385-8473-4	+662-385-8464
Samut Sakhon	+663-441-3057-8	+663-441-3059
Samyod	+662-224-8931, 8933-5	+662-224-8929
Saphan Khao	+662-282-5151, 5153-4	+662-282-5152
Saphan Mai	+662-521-6340-2, 6345	+662-521-6343
Soi Arlee	+662-278-0107-8, 0146 ext. 201-204	+662-278-0147
Suan Mali	+662-223-7716-7, 7738, 7751, 9544	+662-225-3036, 3062
Surawongse	+662-233-3922-5	+662-233-3926-7
Wongsawang	+662-913-2660-2	+662-585-9469
Central Region: 1 Center		
Ayutthaya	+663-535-3671-3	+663-535-3674
Northern Region: 1 Center		
Chiang Mai	+665-321-6028, 6283	+665-321-4998
North-Eastern Region: 3 Centers		
Nakhon Ratchasima	+664-422-2742-3	+664-422-2740
Ubon Ratchathani	+664-524-0669, 0620	+664-524-0900
Udon Thani	+664-221-1879	+664-221-1897
Eastern Region: 1 Center		
Chon Buri	+663-835-2210-1	+663-835-2209
Southern Region: 4 Centers		
Hat Yai	+667-435-1571-5, 1577-80	+667-423-6045
Phuket	+667-623-2470-2	+667-623-2473
Suratthani	+667-731-1275	+667-731-1274
Trang	+669-5371-4682	

OVERSEAS OFFICES

8 Branches & 1 Representative Office as at January 31, 2017

Kunming Branch

Overseas Branch Manager : Mr. Kittipat Damrongpruttikul
Address : 19th Floor, Shun Cheng East Building,
No.11, Dong Feng West Road,
Kunming, Yunnan, China, 650032
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in Innovation

The information contained in this annual report, including the information regarding the Bank's current business operations, past results of operations, projections and prospects, is subject to change and may be amended or supplemented in the future without prior notice. Certain information in this annual report describes some of the significant risks or uncertainties that may affect the Bank's business operations, financial condition, results of operations as well as current risk management policy. However, some risks may be unknown to the Bank, and other risks, currently believed to be immaterial, may also impair our business operations, financial condition, results of operations and prospects, and could turn out to be material. Therefore, there can be no assurance that the Bank will be able to identify all the risks, nor can the Bank prevent all the risks that may affect our business operations, financial condition and results of operations from occurring. Furthermore, this annual report also contains forward-looking statements concerning analysis and other information (as well as the Bank's prospects, plans and business strategies). The Bank has based those forward-looking statements on the current view of the Bank with respect to future events, but it does not guarantee future results. The actual results in the future may differ materially from those anticipated in this annual report. Investors should consider the information carefully and must not place undue reliance on the forward-looking statements.

Hence, investors are cautioned to be particularly careful and exercise individual judgement in studying the Bank's information stated in this annual report.



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