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a global financial group

Unofficial Translation

This translation is for the convenience of those unfamiliar with the Thai language.
Please refer to the Thai text for the official version.

Form 56-1

Bank of Ayudhya Public Company Limited

Annual Registration Statement 2017

As of December 31, 2017

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Bank of Ayudhya Public Company Limited

Part 1

Business Operation

1. Business Operation Policy and Outlook

Outlook for the Business

Bank of Ayudhya Public Company Limited (“Krungsri”) officially opened its doors on April 1, 1945, finding immediate public favor, growing rapidly, and eventually listed on the Stock Exchange of Thailand September 26, 1977. Krungsri has grown steadily to the present day: As of December 31, 2017 Krungsri boasted total registered capital of 75,741 million baht and 73,558 million baht in paid-up capital.

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

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

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

Vision, Mission and Core Values for Year 2017

Mission:

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

Vision:

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

Core Values:

- **Customer Centricity:** We put our customers first, understanding and anticipating their needs and expectations and responding with best solutions.
- **Integrity:** We are fair and professional, inspiring trust and work with transparency, legalism, and ethics.
- **Team Spirit:** We work together as a team for the benefit of our customers and Krungsri with open hearts and open minds to reach our goals.
- **Passion for Excellence:** We are committed to instill in ourselves the expectation of excellence in delivering our work and services.
- **Embracing Changes:** We intend to do better every day by opening ourselves to changes and new experiences that will fairly benefit Krungsri and our customers.
- **Global Awareness:** We challenge ourselves as a valued member of a global financial group, supporting the growth of our customers both within and outside of Thailand.

Krungsri's Strategy

Medium-Term Business Plan

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

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

The MTBP serves as a roadmap for our goal by clarifying our actions against short and long term themes for each financial group function and ensuring group-wide alignment.

Key Strategic Themes of Medium-Term Business Plan (2015-2017)

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

1. Grow Assets
2. Increase Non-interest Income, and
3. Reduce Cost of Funds

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

1. Strengthen Internal Controls
2. Align Robust Processes
3. Operate Productively and Efficiently, and
4. Ensure Talent Management along with a Great Working Environment

Core Business Strategies & Management Platform Strategies

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

9 Core Business Strategies

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

5 Management Platform Strategies

1. Enhance Financial Management
2. Enhance Risk Management
3. Best-in-Class Legal, Compliance, and Fraud Management

4. Enhance Operational Excellence/Best-in-Class IT Platform, and
5. OneKrungsri HR Platform

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

Progress of Medium-Term Business Plan (2015-2017)

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

Introducing Second Medium-Term Business Plan (2018-2020)

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

1. Lead by Innovation: Think “Digital First”
2. Enhance Customer Experience to become a Main Bank
3. Enhance Retail and Commercial Banking Platforms, and achieve Sustainable Growth

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

Business Outlook

Background

Krungsri was officially opened for service on April 1, 1945 and listed on the Stock Exchange of Thailand on September 26, 1977. Our steady growth has continued up until present. As of December 31, 2017, the Bank had a total registered capital of THB 75,741,437.470 and paid-up capital of THB 73,557,617,730.

In 2007, General Electric (“GE”) Group by GE Capital International Holdings Corporation (“GECIH”) purchased 2,000 million new ordinary shares of Krungsri at the price of THB 16 per share or 34.92 percent of all issued shares (5,726,945,606 ordinary shares) so GE Group became Krungsri’s business partner. Therefore, 2007 was the year of strengthening Krungsri infrastructure. The integration of complementary strengths from two organizations creates competitive advantages, drives growth and allows Krungsri to be ready to compete with leading banks in the country and across the region. Krungsri also applied GE global standard of corporate governance to ensure that we are a strong financial institution in terms of both capital and management, meeting the international standards. Additionally, Krungsri also applied the Sales Force Effectiveness (SFE) model, LEAN process and “Customer-Centricity” model to improve the overall service.

In September 2012, GE Group informed the Securities and Exchange Commission that they sold 461,635,000 ordinary shares held by GECIH or amounting to 7.60 percent of all issued shares (6,074,143,747 ordinary shares) through the private placement on the Stock Exchange of Thailand. Consequently, GECIH held 1,538,365,000 ordinary shares or amounting to 25.33 percent of all issued shares (6,074,143,747 ordinary shares).

In 2013, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) launched a voluntary tender offer (“VTO”) for Krungsri’s all ordinary shares i.e. 6,074,143,747 shares at THB 39 per share which the purchase period commenced from November 7 to December 13, 2013 (only business days) and GECIH sold its 1,538,365,000 ordinary shares or 25.33 percent of all issued shares under the same VTO arrangement (at the tender offer price) and on December 18, 2013, Krungsri was informed by BTMU that the shareholders (including GECIH) expressed their intention to sell their 4,373,714,120 shares or 72.01 percent. As the result, BTMU become Krungsri’s major shareholder.

On January 5, 2015, Krungsri completed its integration with BTMU, Bangkok Branch by accepting the entire business transfer of BTMU, Bangkok Branch to Krungsri. In addition, Krungsri allotted the private placement of 1,281,618,026 newly issued ordinary shares with the par value of

THB 10 per share to BTMU as consideration according to the resolution of Extraordinary General Meeting of Shareholders (“EGM”) No.1/2556 (2013) on October 31, 2013. Furthermore, Krungsri completed the registration of paid-up capital increase with the Department of Business Development, Ministry of Commerce on January 5, 2015, resulting to Krungsri’s existing paid-up capital at THB 73,557,617,730 or 7,355,761,773 issued shares and BTMU holds the total of 5,655,332,146 shares in Krungsri (76.88 percent of all issued shares).

This major development will leverage both Krungsri and BTMU’s complementary strengths to establish a unique position for Krungsri in the Thai banking industry. BTMU is a world-class financial institution with a business network covering more than 50 countries worldwide. The partnership will strengthen Krungsri’s leading position in the retail banking business in Thailand and across the region by providing access to a larger customer base. It will also significantly enhance the potential and capability of Krungsri’s corporate and SME banking businesses, particularly an opportunity to access to Japanese enterprises in Thailand and across ASEAN.

Significant Changes and Developments During the Past 3 Years

2015: Significant events of Krungsri can be summarized as follows:

- On January 5, 2015, Krungsri completed its integration with BTMU, Bangkok Branch by accepting the entire business transfer of BTMU, Bangkok Branch to Krungsri. In addition, Krungsri allotted the private placement of 1,281,618,026 newly issued ordinary shares with the par value of THB 10 per share to BTMU as consideration and/or exchange for the transfer of the business of BTMU, Bangkok Branch whereby BTMU made payment for these shares in kind by all assets of BTMU, Bangkok Branch according to the resolution of Extraordinary General Meeting of Shareholders (“EGM”) No.1/2556 (2013) on October 31, 2013. Furthermore, Krungsri completed the registration of paid-up capital increase with the Department of Business Development, Ministry of Commerce on January 5, 2015, resulting in at the present Krungsri’s paid-up capital becoming THB 73,557,617,730 or 7,355,761,773 issued shares and BTMU holds the total of 5,655,332,146 shares in Krungsri (76.88 percent of all issued shares).
- On April 22, 2015, Krungsri opened a representative office in Yangon, the Republic of the Union of Myanmar (the “Representative Office”) with an aim to support Krungsri’s corporate and SME clients in capturing business opportunities. The Representative Office provides in-depth information on trade and investment-related opportunities to both Thai and Myanmar business

operators including provides business matching services between business operators of Thailand and the Republic of the Union of Myanmar. With the cooperation of BTMU, Yangon Branch, the Representative Office is able to provide financial supports which are loan, international remittance and foreign exchange services to Krungsri customers.

- On September 29, 2015, Krungsri wrote off the investment in Siam Bangkok Port Ltd. (“company”)’s 600,000 ordinary shares or 10 percent of the company’s paid-up capital [at the value of THB 1 per share]. Krungsri obtained those shares from debt repayment by Siam Land & Sea Service Co., Ltd. under the Rehabilitation Plan of Siam Steel Group International Co., Ltd.

- On October 1, 2015, CFG Services Co., Ltd., one of Krungsri’s subsidiaries, changed its name to Ngern Tid Lor Co., Ltd. (“NTL”), with the same servicemark, tradename, product name and operations under brand “Srisawad Ngern Tid Lor” or “Ngern Tid Lor”.

2016: Significant events of Krungsri can be summarized as follows:

- On April 28, 2016, the Annual General Meeting of Shareholders No. 104 resolved to approve the followings:

- The acquisition and acceptance of business transfer of Krungsri Factoring Co., Ltd. (“KSF”) to Krungsri by means of Entire Business Transfer (“EBT”). The value of the transaction per all registered and paid-up shares is at THB 10.11 per share, nonetheless, this may be adjusted depending on the change in valuation of book value as of the closing date.

- The acquisition of all issued shares (100 percent) of Hattha Kaksekar Limited (“HKL”), one of the leading microfinance institutions in Cambodia from the existing shareholders, for a total consideration of USD 146.33 million (as of December 31, 2015) or estimated THB 5,282.58 million based on estimated equity book value of USD 56.41 million (as of December 31, 2015) or THB 2,036.26 million under the exchange rate: USD 1 equals to THB 36.10 as of January 27, 2016. (As of April 26, 2016 Exchange rate: USD 1 equals to THB 35.18). It is equivalent to an estimated price to equity book value of 2.59 times. The actual consideration is subject to one-to-one adjustment on the change in actual equity book value as of the closing date.

- On May 3, 2016, Siam Realty and Services Co., Ltd., one of Krungsri’s subsidiaries, changed its name to Siam Realty and Services Security Co., Ltd. (“SRS”).

- On September 13, 2016, Krungsri completed the acquisition of all issued shares (100 percent) of HKL, whereby the transaction was already approved by the National Bank of Cambodia,

the Bank of Thailand, and other relevant regulations in Cambodia, Thailand and other related countries. As the result, HKL is now Krungsri's subsidiary.

- On September 28, 2016, the Board of Directors Meeting No.9/2559 (2016) passed the resolution to increase additional USD 6 million paid-up capital of Krungsri Leasing Services Co., Ltd. ("KLS") via Ayudhya Capital Auto Lease PCL ("AYCAL") for expanding the business. As the result of the capital increase, the investment in KLS will be changed to the following proportion:

<u>Company</u>	<u>Total Investment</u>	<u>Percentage</u>
Ayudhya Capital Auto Lease PCL ("AYCAL")	USD 7,050,000	78.33
Ayudhya Capital Services Co., Ltd. ("AYCAP")	USD 1,050,000	11.67

- On December 29, 2016, Metro Designee Co., Ltd. ("METRO"), Krungsri's associated company, already completed the registration of liquidation with the Department of Business Development, Ministry of Commerce. Therefore, Krungsri wrote off its whole investment in METRO's 220 ordinary shares or 22 percent of all issued shares.

2017: Significant events of Krungsri can be summarized as follows:

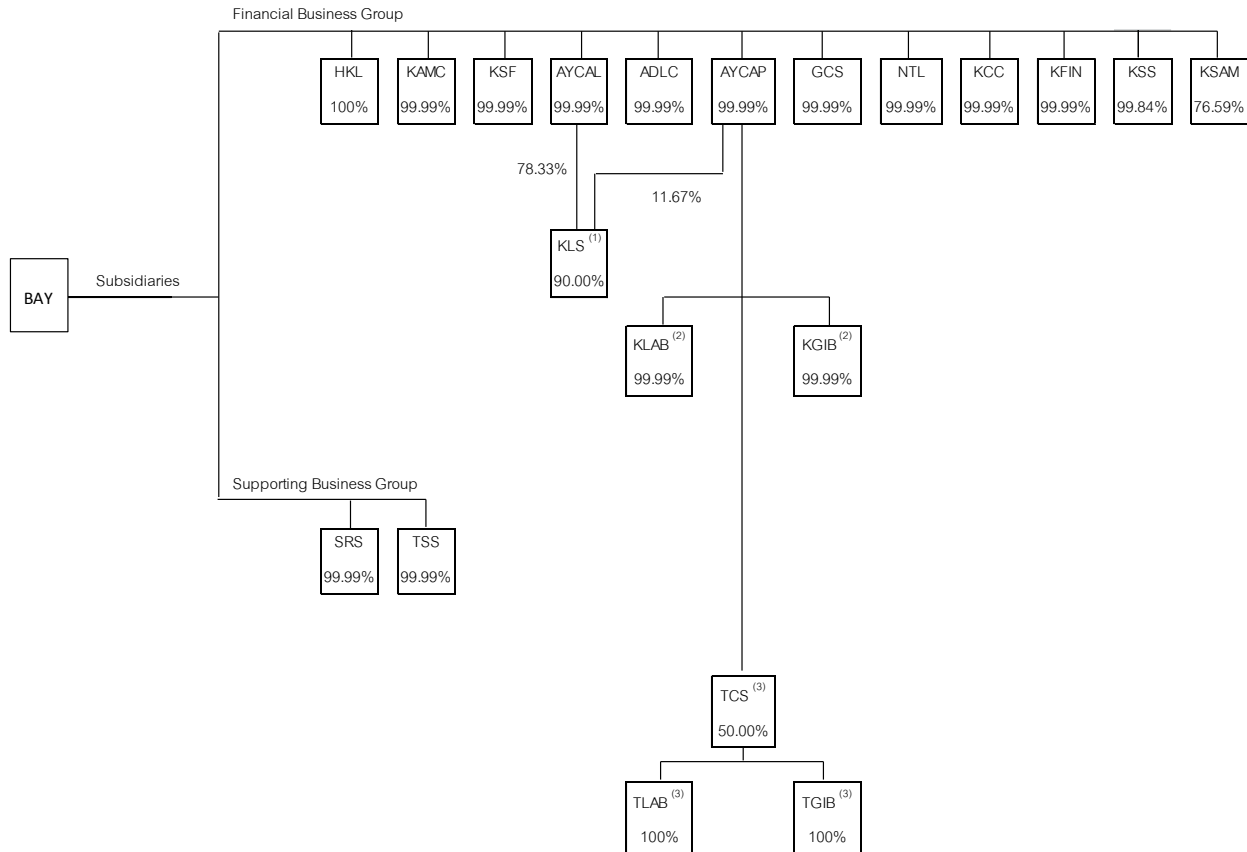
- On January 25, 2017, the Board of Directors Meeting No.1/2560 (2017) passed the resolution to change Krungsri's dividend payment policy to "The Bank will determine dividend payment by taking into consideration capital adequacy as the first priority and other factors including the actual operating results, returns to shareholders and regulatory requirements (with additional conditions)". The said dividend payment policy shall take effect from the next dividend payment onwards. The latest dividend payment prior to the aforesaid change is payment of the interim dividend in 2016.

- On March 27, 2017, Krungsri established a subsidiary namely Krungsri Finnovate Co., Ltd. ("KFIN") with a total registered capital of THB 200 million with 20 million ordinary shares at the par value of THB 10 per share and Krungsri holds 100 percent of the total shares. KFIN operates venture capital business under the regulatory and investment guideline as prescribed by the Bank of Thailand.

- On September 2, 2017, KFIN invested in Finnomena Co., Ltd. for 13.158 percent of total issued and paid-up shares with an investment value of THB 70 million for Financial Technology Business ("FinTech") and Robo – Advisor services.

Shareholding Structure and Business Operations of the Companies in Krungsri Group

Shareholding Structure



HKL = Hattha Kaksekar Limited

KAMC = Krungsri Ayudhya AMC Ltd.

KSF = Krungsri Factoring Co., Ltd.

AYCAL = Ayudhya Capital Auto Lease PCL

ADLC = Ayudhya Development Leasing Co., Ltd.

AYCAP = Ayudhya Capital Services Co., Ltd.

GCS = General Card Services Ltd.

NTL = Ngern Tid Lor Co., Ltd.

KCC = Krungsriayudhya Card Co., Ltd.

KFIN = Krungsri Innovate Co., Ltd.

KSS = Krungsri Securities PCL

KSAM = Krungsri Asset Management Co., Ltd.

KLS = Krungsri Leasing Services Co., Ltd.

SRS = Siam Realty and Services Security Co., Ltd.

TSS = Total Services Solutions PCL

KLAB = Krungsri Life Assurance Broker Ltd.

KGIB = Krungsri General Insurance Broker Ltd.

TCS = Tesco Card Services Ltd.

TLAB = Tesco Life Assurance Broker Ltd.

TGIB = Tesco General Insurance Broker Ltd.

Remark: (1) KLS is Krungsri's subsidiary where we indirectly holds 90.00 percent shares via AYCAL at 78.33 percent and AYCAP at 11.67 percent.

(2) KLAB and KGIB are Krungsri's subsidiaries where we indirectly holds 99.99 percent shares in each company via AYCAP.

(3) TCS, TLAB and TGIB are Krungsri's joint ventures where we indirectly holds 50.00 percent shares in each company via AYCAP.

Shareholding and Business Operations of Subsidiaries

Krungsri holds shares directly and indirectly in 17 subsidiaries and 3 joint ventures, as defined by the Securities and Exchange Commission, the information as of December 31, 2017 is as follows:

Company Name	Type of Business	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Krungsri's shareholding (Percentage)
Subsidiaries				
Financial Business Group				
1. Hattha Kaksekar Limited	Microfinance Deposit Taking Institution (MDI)	1,030.8	1,030.8	100.00
2. Krungsri Ayudhya AMC Ltd.	Purchase or accept the transfer of impaired assets (NPA and NPL) for management through debt restructuring and/or purchasing their collateral for disposal including undertake NPA maintenance to ensure they are in good condition and ready for sale.	2,700.0	2,700.0	99.99
3. Krungsri Factoring Co., Ltd.	Factoring	300.0	300.0	99.99
4. Ayudhya Development Leasing Co., Ltd.	Leasing and hire purchase	1,235.0	1,235.0	99.99
5. Ayudhya Capital Auto Lease PCL	Hire purchase for motorcycles and top up loans for existing customers and inventory financing for car dealers.	28,845.0	25,545.0	99.99
6. General Card Services Ltd.	Credit card and personal loan	2,458.0	2,458.0	99.99
7. Ayudhya Capital Services Co., Ltd.	Credit card and personal loan	5,925.0	5,925.0	99.99

Company Name	Type of Business	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Krungsri's shareholding (Percentage)
8. Ngern Tid Lor Co., Ltd.	Provide sale and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles as well as non-life insurance brokerages service	3,290.2	3,290.2	99.99
9. Krungsriayudhya Card Co., Ltd.	Credit card and personal loan	5,905.5	5,905.5	99.99
10. Krungsri Finnovate Co., Ltd.	Venture Capital	1,000.0	700.0	99.99
11. Krungsri Securities PCL	Securities business	1,350.0	1,350.0	99.84
12. Krungsri Asset Management Co., Ltd.	Asset management	350.0	350.0	76.59
13. Krungsri Leasing Services Co., Ltd. ^{1/}	Leasing/Hire purchase/Sales finance	288.5	288.5	90.00
Supporting Business				
14. Siam Realty and Services Security Co., Ltd.	Provide car rental and human resource service to Krungsri Group	100.0	100.0	99.99
15. Total Services Solutions PCL	Collection services	401.5	401.5	99.99
16. Krungsri Life Assurance Broker Ltd. ^{2/}	Life insurance broker	92.0	92.0	99.99
17. Krungsri General Insurance Broker Ltd. ^{2/}	Non-life insurance broker	92.0	92.0	99.99

Company Name	Type of Business	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Krungsri's shareholding (Percentage)
Joint Ventures				
18. Tesco Card Services Ltd.	Credit card and personal loan	2,080.0	2,080.0	50.0
19. Tesco Life Assurance Broker Ltd. ^{3/}	Providing life insurance products to customers of Tesco Card Services Ltd. and Tesco Lotus stores.	12.0	12.0	50.0
20. Tesco General Insurance Broker Ltd. ^{3/}	Providing non-life insurance products to customers of Tesco Lotus stores.	107.0	107.0	50.0

Remarks: ^{1/} Krungsri's subsidiary where we indirectly holds 90.00 percent shares via Ayudhya Capital Auto Lease PCL at 78.33 percent and Ayudhya Capital Services Co., Ltd. at 11.67 percent.

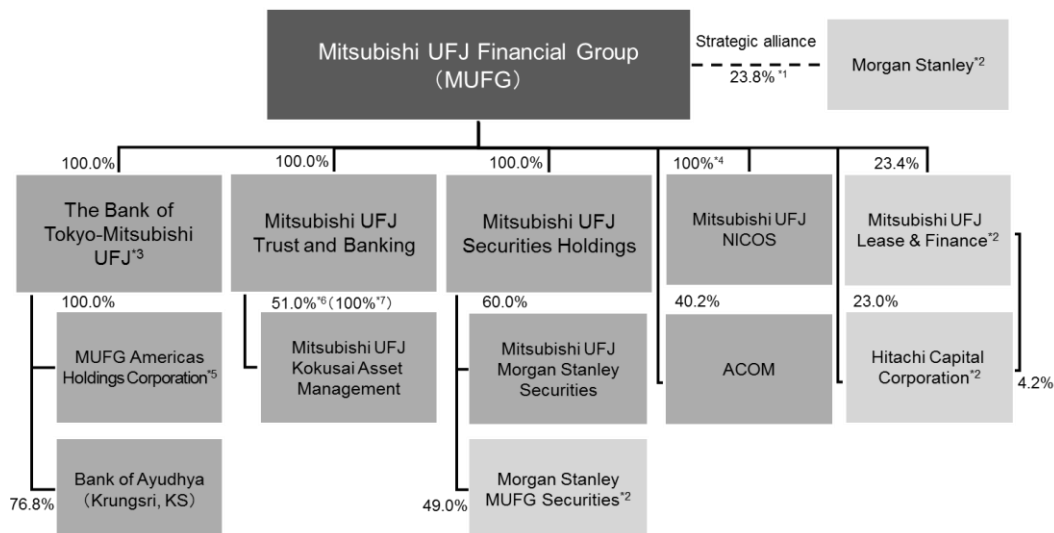
^{2/} Krungsri's subsidiaries where we indirectly holds 99.99 percent shares in each company via Ayudhya Capital Services Co., Ltd.

^{3/} Subsidiaries of Tesco Card Services Ltd.

Relationship with the Major Shareholders' Business Group

On July 2, 2013, the Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU") announced that it had signed a Share Tender Agreement with GE Capital International Holdings Corporation ("GECIH") to purchase Krungsri's ordinary shares held by GECIH. Under the agreement, BTMU was required to launch a Voluntary Tender Offer ("VTO") for Krungsri's all ordinary shares and GECIH would then tender its entire shareholding, representing 25.33 percent of all issued shares, to BTMU. Following the above, in September 2013, Krungsri entered into Branch Purchase Agreement with BTMU in which Krungsri would accept the transfer of the business of BTMU, Bangkok Branch and integrate Krungsri and BTMU, Bangkok Branch within a year after the completion of VTO. In late December 2013, after the successful completion of the VTO, BTMU replaced GECIH as the strategic shareholder of Krungsri. As of December 31, 2017, BTMU holds 76.88 percent of all issued shares, details appear in the topic "Significant Changes and Developments During the Past 3 Years".

These developments leverage both Krungsri's and BTMU's strength to establish a unique position for Krungsri in the Thai banking industry. BTMU is a world-class financial institution with a business network covering around 50 countries worldwide. The partnership strengthens Krungsri's leading position in the retail banking business in Thailand and across the region by providing access to a larger customer base. It also significantly enhances the scale and diversity of Krungsri's corporate and SME banking businesses, particularly with Japanese enterprises in Thailand and across ASEAN.



*1 Portion of voting rights held as of end September 2017

*2 Equity method affiliates

*3 Legal name will be changed to MUFG Bank, Ltd effective April 1, 2018

*4 MUFG acquired 100 percent ownership effective October 1, 2017

*5 The subsidiaries in U.S. such as MUFG Union Bank were reorganized under the intermediate holding company, to meet the U.S. regulation and further strengthen alignment across the U.S.

*6 Trust Bank will acquire the whole shares and formulate as a wholly owned subsidiary

*7 Portion of voting rights held by MUFG

Note: All percentage figures stand for voting right held at end March 2017

2. Types of Business

Income Structure of Krungsri and Subsidiaries

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

(Unit: Million Baht)

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

Krungsri and Subsidiaries

(Unit: Million Baht)

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

(Unit: Million Baht)

Income Structure	2017		2016		2015	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
9. Krungsri Securities PCL						
Total Interest Income	61	9.76	53	8.91	56	10.83
Total Non-Interest Income	564	90.24	542	91.09	461	89.17
Total	625	100.00	595	100.00	517	100.00
10. Siam Realty and Services Security Co., Ltd.						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	619	100.00	595	100.00	579	100.00
Total	619	100.00	595	100.00	579	100.00
11. Krungsri Asset Management Co., Ltd.						
Total Interest Income	38	1.02	24	0.82	31	1.07
Total Non-Interest Income	3,670	98.98	2,887	99.18	2,874	98.93
Total	3,708	100.00	2,911	100.00	2,905	100.00
12. Total Services Solutions PCL						
Total Interest Income	20	1.63	19	1.49	10	0.82
Total Non-Interest Income	1,208	98.37	1,253	98.51	1,213	99.18
Total	1,228	100.00	1,272	100.00	1,223	100.00
13. Ngern Tid Lor Co., Ltd.						
Total Interest Income	4,890	80.65	3,827	80.20	3,025	78.19
Total Non-Interest Income	1,173	19.35	945	19.80	844	21.81
Total	6,063	100.00	4,772	100.00	3,869	100.00
14. Krungsri General Insurance Broker Ltd.						
Total Interest Income	14	3.07	13	2.59	7	1.38
Total Non-Interest Income	442	96.93	488	97.41	500	98.62
Total	456	100.00	501	100.00	507	100.00
15. Krungsri Life Assurance Broker Ltd.						
Total Interest Income	11	3.12	10	2.75	6	1.65
Total Non-Interest Income	342	96.88	354	97.25	358	98.35
Total	353	100.00	364	100.00	364	100.00
16. Tesco Card Services Ltd.						
Total Interest Income	2,076	51.96	2,158	53.78	2,226	55.18
Total Non-Interest Income	1,919	48.04	1,855	46.22	1,808	44.82
Total	3,995	100.00	4,013	100.00	4,034	100.00

(Unit: Million Baht)

Income Structure	2017		2016		2015	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
17. Tesco General Insurance Broker Co., Ltd.^{2/}						
Total Interest Income	4	0.88	4	0.92	3	0.70
Total Non-Interest Income	450	99.12	431	99.08	428	99.30
Total	454	100.00	435	100.00	431	100.00
18. Tesco Life Assurance Broker Ltd.^{2/}						
Total Interest Income	1	3.45	1	3.70	1	4.35
Total Non-Interest Income	28	96.55	26	96.30	22	95.65
Total	29	100.00	27	100.00	23	100.00
19. Krungsri Leasing Services Co., Ltd.^{3/}						
Total Interest Income	434	96.44	131	87.33	27	77.14
Total Non-Interest Income	16	3.56	19	12.67	8	22.86
Total	450	100.00	150	100.00	35	100.00
20. Hattha Kaksekar Limited						
Total Interest Income	3,197	98.13	901	96.88	-	-
Total Non-Interest Income	61	1.87	29	3.12	-	-
Total	3,258	100.00	930	100.00	-	-
21. Krungsri Finnovate Co., Ltd.^{4/}						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

Remarks: Year 2017 data are unaudited financial statements.

^{1/} Krungsri's statement of profit or loss and other comprehensive income

^{2/} Subsidiaries of Tesco Card Services Co., Ltd.

^{3/} As at December 31, 2017 and 2016, indirectly holding via Ayudhya Capital Auto Lease PCL of 78.33 percent and 35 percent and Ayudhya Capital Services Co., Ltd. of 11.67 percent and 35 percent respectively.

^{4/} Krungsri invested on March 27, 2017 and immaterial financial information.

Nature of the Business

Commercial Banking

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

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

Corporate and Investment Banking Group

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

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

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

- Siam City Cement PCL (SCCC) – After granting a bridging loan to SCCC - to support acquiring cement firms in Sri Lanka and Vietnam in 2016, Krungsri continued to assist them in planning their capital structure and arranging long-term financing solutions. Krungsri's services included credit rating advisory, bond issuance in the amount of 13 billion baht, the largest ever issued by SCCC, and a rights offering advisory.

- Thai Union Group PCL (TU) – In addition to providing a bridging facility to support a strategic investment of TU - a global leader in seafood processed products - in the world's largest seafood restaurant chain in 2016, Krungsri continued to accommodate them by arranging long-term financing as a take-out solution for this bridging facility. Solutions included debenture issuance in the amount of 12 billion baht and loan syndication, with Krungsri acting as lead arranger.

- Global Power Synergy PCL (GPSC) – we received a mandate from GPSC – a power and utility flagship of PTT Group - for its first Thai baht debenture issuance with Krungsri acting as joint book runner and joint lead arranger.

- Sino-Pacific Trading (Thailand) Co., Ltd. (Sino) – Krungsri was appointed as merger and acquisition (M&A) advisor advising Sino - a distributor of confectionary and grocery products - in acquiring a chocolate factory in the Netherlands. In addition to advisory services, Krungsri provided a long-term financing to support this acquisition.

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

- IRPC PCL (IRPC) – Krungsri and IRPC - a leading petrochemical company in Southeast Asia - announced the successful deployment of Krungsri Blockchain's Interledger, marking Thailand's first real-time international funds transfer for oil trading transactions between IRPC and its foreign business partners, in Lao PDR. With this innovation transactions were completed within a few seconds versus at least one to three business days under the previous system. This breakthrough will not only improve risk management (as the impact of exchange rate volatility is minimized) but will also drive the Thai business sector toward faster expansion.

- Siam Global House PCL (Global House) – In a drive toward the National e-Payment Master Plan, Krungsri and Global House - a leading Thailand-based distributor of home construction

material and decorative products - joined forces to roll out an e-Payment solution allowing customers to make QR code payments at any Siam Global House branches nationwide with added convenience for retail store shoppers.

2018 Plan

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

Medium-Term Business Plan (2018-2020)

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

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

SME

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

SME Banking Group

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

Focusing on customer centricity, Krungsri serves customers with a wide range of products and services that fulfill their business and individual needs. We not only develop our own innovative solutions, but also collaborate with both the public and private sectors to drive the National e-Payment Master Plan under the Thailand 4.0 Model. Therefore Krungsri's Juristic PromptPay was launched to help transform Thailand from a cash-based society into a cashless one with the total registration of 2,888 accounts for SME-M and SME-S as of December 2017. Krungsri also participated in several programs collaborating with the government to support Thai SMEs, including Government Savings Bank soft loans and the Bank of Thailand's foreign exchange option for SMEs.

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

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

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

- Krungsri Business Connect (online market channel to reach corporate and SME customers) was launched in March 2017 to update customers with information of economics, Krungsri promotions, seminars, and special activities.
- Krungsri SME Index was introduced in March 2017.

- Krungsri Business Talk on Myanmar was held in March 2017 to emphasize the synergy between Krungsri and MUFG as a brand image of global strength.
- Krungsri Business Journey: The Opportunities in Myanmar was held in June 2017.
- Krungsri Business Forum CEO 4.0: Thinking Transformation was organized in September 2017 to provide the overview of Thailand's economy that supports business sector toward Thailand 4.0.
- Krungsri Business Journey: Life Care Business Opportunities was organized in September 2017 to bring Thai SME entrepreneurs to study aging-related businesses in Osaka, Japan.

2018 Plan

- Focus on business strategy “to be a main bank for SME customers” by:
 - Offering lending and financial transaction services including innovative working capital, trade finance, and supply chain solutions to improve the customer experience and enhance SME customer relationships
 - Offering lending facilities and financial advisory services as customers' main lending bank through knowledge-sharing and business-matching activities in both domestic and overseas markets, and
 - Handling both payment and collection transactions as customers' main operating bank using innovative solutions
- Sustain loan growth of SME-M and SME-S
- Continue to support SMEs to grow their businesses as this sector is critical for Thailand's economic innovation and digitalization strategies and as we continue to develop digital platforms for electronic payment services supporting the National e-Payment Master Plan

Medium-Term Business Plan (2018-2020)

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

- Become a main bank for SMEs through products and services and to reach this goal by leveraging our strength both domestic (linkage from strong JPC/MNC customer base to SMEs along

the value chain) and cross-border (with the MUFG global network enabling cross-border transactions).

- Move toward digitalization by embedding innovative technology in every business function and digitalizing products and processes to offer customers a beyond expectation experience.

The strategies to support our aspirations include:

- **Domestic:** leveraging the strength of the JPC/MNC, corporate, and investment banking portfolios to expand supply chain solutions covering other industries and to provide more financing for the existing supply chain to deepen relationships.

- **Cross-border:** leveraging “local expertise with global strength” and developing cross-border innovative products through Blockchain’s Interledger to capture Thai-Japan and Thai-China trade flows.

- Develop a cash management package to capture customer payment and collection flows leveraging national e-Payment.

- Focus on cross-selling to create non-interest incomes.
- Improve processes through digitalization to enhance the customer experience, and
- Provide marketing activities emphasizing on building lasting customer relationships and creating value added services using a variety of activities.

Business Banking Division

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

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

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

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

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

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

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

Medium-Term Business Plan (2018-2020)

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

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

Japanese Corporate and Multinational Corporate (JPC/MNC) Banking

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

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

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

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

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

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

Medium-Term Business Plan (2018-2020)

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

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

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

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

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

3. Synergistic marketing strategies: We seek to inaugurate 360-degree collaboration with MUFG and across the banking segment within Krungsri. By leveraging MUFG's global network

together with Krungsri's domestic and regional capabilities, we plan to enhance the JPC/MNC Banking business capacity and expand our contribution to Krungsri overall.

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

Global Market Group

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

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

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

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

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

large customer's Treasury Center operation in managing their foreign currency excess funds more efficiently.

In cooperation with the Ministry of Industry, the Office of Small and Medium Enterprises Promotion, the Export-Import Bank of Thailand, the Bank of Thailand, and the Thai Bankers' Association, the Global Markets Group worked relentlessly to support the national project called Foreign Exchange Risk Management for SMEs aiming to enhance local SME entrepreneurs' knowledge and experience in hedging foreign exchange exposure from using FX options.

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

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

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

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

Meanwhile, some adverse changes in market environment are anticipated to take place during the second medium-term business plan: for instance, higher interest rates, new regulations on

liquidity management such as the Basel III Net Stable Funding Ratio (NSFR) and new accounting rules under the IFRS9 standard. Enhancing ALM under these environments will thus be our key challenge.

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

Mortgage Loans

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

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

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

- **Customer-centric strategy:** We continued driving our business with a customer-centric strategy and delivering our brand promise to Make Life Simple, leading to our focus on Collaborating

for Customers – enhanced coordination between functions. In addition, we achieved better collaboration between branches and mortgage loan teams through joint Bangkok and provincial site visits to strengthen relationships with business operators and gather feedback contributing to our product and process improvement. Moreover, we also partnered with various leading property developers to extend services enabling us to better reach out to customers.

- **Improved loan approval process:** We developed an operating system facilitating different facets of internal data management such as sales management, marketing cost management, and project management. Our operating systems were also streamlined to eliminate redundancy in collateral valuation process and loan contract preparation, lowering turnaround time. We also introduced a credit underwriting program Retail Origination System (ROS), automating credit underwriting to reduce human error. The system was developed by establishing working groups for every function to jointly steer process engineering to improve critical points for each function so that we can offer tailor-made services that best suit customer needs.

- **More efficient services:** Krungsri places great importance on customer service. We promote understanding about mortgage loans for our customers. For example, we introduced a loan calculator for customers to aid in financial planning before buying a house. After a loan is approved, Krungsri makes a call to welcome the customer who will be informed of important mortgage loan information, including privileges for Krungsri customers. We also offer a digital channel to ease communication with customers, such as requesting an electronic mortgage interest payment certificate instead of one received by post.

- **Digitalizing for a better customer experience:** Krungsri places importance on the customer experience. We initiated a project enabling easier access to mortgage loans for customers by developing a web application for customers who want to buy a house but do not know where to start. According to survey results, customers feel that owning a house is difficult and causes many concerns. Realizing these concerns we created a user-friendly application for customers to calculate their borrowing power: this, however, depends on the accuracy of the input data customers provide.

Compared to the original target stipulated in the Medium-Term Business Plan, our performance was deemed a real breakthrough, as reflected in an ongoing robust increase in new loans from 36 billion baht in 2014 to 50 billion baht in 2015, and to 63.4 billion baht in 2016. As for

2017, our new loans totaled 56.8 billion baht, in line with our set target, yet representing a decrease from 2016 due to a lack of government stimulus measures.

Going forward, we estimate new loans in the range of 50 to 70 billion baht a year. However, Krungsri continues to apply strict loan approval criteria to maintain loan quality when acquiring qualified new loan accounts. Using this framework, our performance was recognized with the **Mortgage and Home Loan Product of the Year – Thailand** from the Asian Banking & Finance Retail Banking Awards 2017 for the second consecutive year. Two additional awards recognizing our success were the **Mortgage Product of the Year Award** from The Asian Banker Thailand Country Awards 2017 and the **Best Mortgage Offering Award** from the Retail Banker International Asia Trailblazer Awards 2017.

Krungsri Auto

Auto Finance Market

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

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

Success was seen in all business segments: new cars, used cars, refinancing, and motorcycles. Strong dealer relationships and improved end-to-end dealer experience as well as our expansion in key cities contributed largely to our success in the new-car segment, while trusted partners, well-balanced growth, and customer quality drove success in the used-car segment. In the refinancing segment, Car4Cash continued to be top-of-mind thanks to effective communication and customized programs for existing customers. For motorcycle financing Krungsri Auto established a nationwide network and expanded the number of dealers, focusing on quality services.

Awards

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

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

Seamless Digital Customer Experience

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

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

Online innovative products and services are created to improve digital customer touch points. For instance, www.krungsrimarket.com has been upgraded to a one-stop-service website for used car trading and loan services. Krungsri Auto's end-to-end digital touch point encompasses car4cash.com, a full-fledged online platform to support the Car4Cash business, and the online

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

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

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

Innovative Service

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

Strengthening Customer Relations

Krungsri Auto will employ several strategies to maintain growth momentum in the years ahead. Chief among them will be transforming the customer experience to customer engagement, which will require deploying all possible digital technology. For example, one-stop advisory solutions will be created to deliver a seamless customer experience. Krungsri Auto will provide an e-library to

serve as a single data source for our financial advisers. Our customers will be assisted by a chatbot and connectivity-API for product offerings.

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

Social Sustainability

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

- Krungsri Auto kicked off Krungsri Auto \$mart Finance in 2009 as a personal finance seminar for individuals and small community enterprises (2009-2012), enhancing business and financial management for small local entrepreneurs in border areas to prepare them for the ASEAN Economic Community (AEC) in 2014-2015. Transferring knowledge and skills for digital competency to small SMEs was the theme in 2016-2017 to enhance capabilities for responding to customer needs in the digital era.

- The Krungsri Auto Library was launched in 2010 to improve educational quality and provide a learning center and intelligence archive for children and communities: the goal is to encourage underprivileged children to pursue education in a sustainable way. To date 13 Krungsri auto libraries are open nationwide. Krungsri Auto is set to renovate all the libraries, with the first at the Baan Salao School in Buriram Province.

Krungsri Consumer

Credit Card and Personal Loans

Krungsri Consumer offers credit card, sales financing (merchandise installment financing), personal loans, and life and non-life insurance brokerage services. The Group's credit card portfolio includes: the Krungsri Credit Card; the Home Pro Credit Card; the AIA VISA Card; the Central The 1

Credit Card; the Simple Visa Card, the Tesco Lotus Visa Credit Card and the Krungsri First Choice Visa Card (3-in-1). Krungsri Consumer also leads the sales financing and personal loans sector, with the largest market share of 28 percent at year-end. The sales financing and personal loan business flagship brands are the Krungsri First Choice Card (2-in-1), the Central The 1 First Choice Card and the Krungsri First Choice Care Card.

2017 Business Overview

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

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

- Central Group, Thailand's leading retail business operator, operates over 5,000 outlets with leading brands in Thailand and overseas. Businesses include department stores (Central and Robinson), supermarkets and convenience stores (Tops Supermarket and FamilyMart), home appliance and materials outlets (Powerbuy, HomeWorks, and Thai Watsadu), restaurants (Ootoya and Pepper Lunch), hotels (Centara) and others. Krungsri Consumer has been entrusted by Central Group to continue serving as its main financial service provider, a testament to Krungsri Consumer's leadership and its expertise in the consumer finance industry which are expected to help the Krungsri Group expand its customer base substantially.
- Home Product Center PCL, the leading home-related and appliance retailers with 84 branches nationwide
- AIA Thailand, the largest life insurer in Thailand with more than 50,000 active agents
- Tesco Lotus, the largest hypermarket chain in Thailand with over 2,000 outlets nationwide
- Krungsri First Choice and installment loans, with a network of more than 21,000 key business partners.

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

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

- ***Customer-centric product and service development***

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

- **Central The 1 First Choice Card:** Launched in March 2017, Central The 1 First Choice Card is the first co-branded card for Krungsri First Choice and the Central Group, offering "0% Plan on Demand", with zero percent interest for two months on each purchase of Central Group products and services with minimum spending of 1,000 baht. The scheme helps customers save more money and gain numerous benefits anywhere, anytime. In addition, cardholders earn double points whenever they use the card at participating Central Group retail stores with no annual credit card fees for life.

- **The Krungsri First Choice Care Card:** Launched in September 2017, as the first cash credit and installment loan card in the personal loan sector, it serves all financial needs in one card allowing customers easier access to basic accident protection without extra expenses as well as no entrance and annual card fee. The Krungsri First Choice Care Card provides free accident protection for new members with a 100,000 baht insurance limit for 12 months after the approval date. Cardholders can receive medical expense reimbursement up to 3,000 baht per accident at Krungsri First Choice Care' network hospitals, with an unlimited number of accident claims each

year and no need to reserve. This scheme helps customers reduce their expenses amid the high cost of living.

- **Home Pro Financial Center:** Established in cooperation with Home Product Center PCL, Krungsri Credit Card Co., Ltd., and the subsidiaries of Krungsri, the Home Pro Financial Center offers various financial products, including home refinance loans and auto loans (Car for Cash). As an integrated financial solutions service center, helps card members to access their information, including credit limit, changing personal information with no need to contact to the call center. The HomePro Visa Platinum Credit Card has now expanded its financial centers to 11 HomePro branches, based on potential locations where customers need a variety of financial products.

- *Developing data analytics leveraging Big Data and Data Science*

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

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

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

As a data-driven organization, Krungsri Consumer has established the Data Science Team and carefully selected qualified employees with expertise in computer science,

mathematics, and statistics. This team has skills and experience in Big Data management and other technological knowledge for in-depth data analysis to benefit customers and the organization.

- ***Innovation development for service quality improvement***

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

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

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

- **Employee Mobile Application and Employee Intranet:** Krungsri Consumer has developed a mobile application and Intranet for more efficient internal communication and operations. Employees who are the key operation drivers then receive the company's news and direction as well as the latest product and service information more conveniently and rapidly at anytime and from anywhere. The systems also provide functions that increase operational convenience for contact lists, telephone numbers, and all employee email address, including online

requests such as leave requests using mobile applications with greater convenience for sales representatives and branch office employees.

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

- **Krungsri Consumer Premier Partner Program:** As a leader in sales finance service, Krungsri Consumer has worked closely with partners in providing sales finance and promotional campaigns. The company partners with OEMs, dealers, and retailers especially in electrical appliances, technology products, mobile phones, car accessories, beauty products and jewelry. In April 2017, Krungsri Consumer introduced “**Krungsri Consumer Premier Partner**” Program to strengthen relationships with its top partners in sales finance and services nationwide. The company partners with 50 leading companies in many market segments to explore and create business opportunities so as to grow the sales finance business and enhance business relationships with the partners.

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

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

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

- Promotion Search: All installment payment program information together with promotion codes are displayed on one page providing convenience and speed search. Krungsri Consumer is Thailand's first sales finance company to provide such centralized information. Shops can also search real-time for the information and can search by card. Interest and installment payment calculation tool is also available for convenience.

- Online Installment Transaction: Partner merchants can immediately search for the desired installment promotion program and complete online transactions via WEpartner. The highly secure system requires stringent customer information verification with customers confirming their purchases using OTP (One-Time Password) while the merchants use PIN codes to confirm transactions. The website also supports electronic signatures made through smartphones and tablets. The system automatically records electronic signatures, prepares sales summaries, and sends sales slips to customers via SMS or email. This has efficiently supported partners' businesses through convenient and speedy transaction on smartphone.

- Online Payment and Disbursement: Financial information and online invoicing can be done anywhere, anytime. Partner merchants can check financial information such as sales records with selected conditions including sales channels and types of cards under Krungsri Consumer, search for up to one year of sales history, and print sales slips, tax invoices and standard invoices. The system can also support e-Tax invoice in the future. Partner merchants can also cancel sales via all online installment payment channels. Partners' head offices can also track sales information for each branch or outlet.

- Merchant Profile: Partner merchants can check current information, shop locations, contact number of district managers in charge of specific shop, EDC installation status, and shop location and open hours updates. The website will send shop information to the center and other applications, enabling all Krungsri Consumer and Krungsri customers to access updated information in the future.

- Online Request: In addition to installment program searches and online installment transactions, WEpartner also allows partner merchants to change shop information and make online requests for sales promotion media. Other shops interested in joining Krungsri Consumer as new partner merchants can also apply and submit documents online.

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

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

- **Enhancing the Customer Experience Program:** As we prioritise customer satisfaction, Krungsri Consumer initiated a program to enhance the customer experience. In early 2017, the company organized a Customer Experience Management course to educate our employees on the importance of creating an impressive customer experience at every touch point, starting from the moment prospective customers show interest in card applications until they finally become customers. A Customer Experience Team was later established by bringing together representatives from different units and putting them in workshops. Krungsri Consumer introduced a pilot project to improve the customer experience by organizing workshops with partners to prepare service blueprints and customer journeys. The workshop allows all parties to explore customer pain points, feedback, and customer opinions. Brainstorming sessions were held to find solutions for service improvement which will result in improved customer satisfaction.

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

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

- **People Development and Training** — Krungsri Consumer believes that all employees are vital to our organization in our drive to achieve sustainable growth and to offer an impressive customer experience. Thus, Krungsri Consumer emphasizes continuous people development. **The Krungsri Consumer Academy** was established to support development of employees' knowledge and capability. A long-term learning plan, **SIMPLE Learning Journey**, comprises various domestic and international courses conducted by experts in various fields using various learning methods. Some courses under this long-term learning plan include customized courses to improve expertise in each field, leadership training for executives in the credit card and personal loan business, financial knowledge for the general public and employees, enhanced selling and service skills, and people development. The Krungsri Consumer Academy Training Center was also established in different regions while an online learning system was in place for easy access to learning for all employees regardless of their location or availability.

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

- **Innovation Culture**

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

brainstorm, share their ideas and opinions, and work together to experiment with innovations. These projects allow employees to work together to strengthen our innovation culture.

Awards and Accolades

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

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

- **The Krungsri Disbursement System** won a Thailand ICT Excellence Award 2017 for Core Process Improvement Projects at the Thailand ICT Management Forum & Thailand ICT Excellence Awards 2017. The Krungsri Disbursement System uses new technology to streamline work processes and reduce maintenance costs for payment systems.

- **Certificate, Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC).**

- **Thailand Enterprise Innovation Awards 2017** from Microsoft at the 13th Asia IoT Business Platform event recognizing the success of Krungsri Consumer’s Big Data Initiative.

- **Best Data Analytics Award and Best CRM Project in Thailand Award** at The Asian Banker: Thailand Country Awards 2017 organized by The Asian Banker for the success of Krungsri Consumer’s Big Data Initiative that significantly reduced the time required to prepare new marketing campaigns and increase customer relationship management efficiency.

- The Krungsri First Choice Credit Card received a **Silver Award for the Best Use of Content from the Festival of Media Asia Pacific 2017 (FOMA Awards 2017)** for its “I Want Mother’s Day Too” campaign.

- Krungsri First Choice was recognized as **Thailand’s Most Social Power Brand 2017 (Personal Finance)** by BrandAge magazine and Thoth Zocial Co., Ltd.

- Central The 1 Card received the **Best Co-Brand Card in Thailand 2017 Award** from the MasterCard Innovation Forum 2017 held in Singapore.

Social Responsibility

With our commitment to be socially responsible, Krungsri Consumer adheres strongly to its “**Responsible Lender**” policy. During the approval process the company pays importance to the customer’s debt payment ability and an appropriate credit limit based on our risk management guidelines. It organized lectures on personal finance management for employees, students, and outsiders to promote financial knowledge. In 2017 Krungsri Consumer introduced the “**Money Matters**” Program to educate the general public on personal finance management and to inspire and enable the younger generation to embrace financial planning and discipline. The Money Matters Program comprises two activities. First, an activity to educate the public, especially first jobbers - on general personal finance knowledge and implemented through Krungsri Consumer’s website, online channels, and social media. Second, the “**Money Matters – U Contest**”, a media contest to campaign for financial literacy among third and fourth-year university students nationwide. The contest raises awareness and encourages the younger generation to practice financial discipline and to reduce household debt problem in the future. This activity also allows Krungsri Consumer to communicate directly with the young generation who will be the future of the country.

Microfinance

Ngern Tid Lor

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

Ngern Tid Lor emphasizes its higher standards for title loans. The business serves as an accessible, fair, transparent and responsible source of financing to the under-banked Thais, offering them better choices in times of financial difficulty. All Ngern Tid Lor’s operations are guided by the vision “Everything we do, we strive to empower people and enrich lives. We believe that access to

fair, transparent, and responsible financial services is everyone's right." This is reflected through its range of products and services that create opportunities for its customers who often lack access to formal financing.

In 2017, Ngern Tid Lor achieved its target to expand its customer base by 25 percent, offering opportunities to more than 340,000 customers with total outstanding receivables of 26,400 million baht, or 26 percent growth over 2016. Ngern Tid Lor added 115 branches in 2017 totaling of 593 branches to provide a nationwide service network, creating opportunities for greater access to fair and transparent financial services for its customers.

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

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

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

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

In 2018 Ngern Tid Lor will continue to offer access to fair, transparent and responsible financial services to its customers. It delivers financial betterment by offering relevant products and services that are simple to understand, convenient, and fast through its committed employees.

The company offers title loan services for all types of vehicles for under-banked Thais to gain access to a high standard source of financing, as well as non-life insurance brokerage services to make insurance affordable to reduce financial vulnerability for its customers for unforeseen events.

Hattha Kaksekar Limited (HKL)

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

Through extensive experience in financial services HKL has a remarkable track record. As of December their loan portfolio grew by 30 percent to USD 577 million from USD 445 million in 2016. The company boasts an extensive distribution network across the country with more than 168 branch offices and the largest ATM network of 123 terminals to provide direct services to both rural and urban customers. With prudent credit assessment to ensure sustainable portfolio growth the non-performing loan ratio was well controlled at 1.10 percent — one of the best in the microfinance institution industry. The company boasts an impressive customer base of 200,000 across loan and deposit products, making HKL a dominant market leader in the Cambodian financial industry.

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

- Refresh the corporate brand

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

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

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

Retail and Commercial Banking Products

Deposits

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

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

In 2017 we strengthened our Jad Hai savings account value for customers by adding two more operating account features: PromptPay and QR Payment for greater convenience, security,

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

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

Medium-Term Business Plan (2018-2020)

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

Investment

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

Krungsri introduced 16 new funds in 2017: one mixed fund; two equity funds; two long-term equity funds (LTF); three retirement mutual funds (RMF); and eight foreign investment funds to provide customers with a variety of choices, enabling them to diversify their portfolios and enhance their return on investment. The investment trend in offshore investment dominated net inflows throughout 2017, led by income-generating funds which had the highest organic growth. Moreover, among the 16 funds, the mixed fund named Krungsri Happy Life Fund is the most popular and has become our recent flagship fund. It is specially designed to meet the needs of low-risk investors seeking stable returns from fixed-income instruments and enhanced yield with slight exposure in equities. The fund was raised to 3.5 billion baht during the initial public offering (IPO) period with continuous fund flows to date.

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

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

Krungsri Exclusive

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

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

Krungsri PRIME

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

Total assets under management (AUM) for this customer segment comprises 24 percent of the total AUM for all Krungsri retail customers.

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

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

Debit Card

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

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

Money Transfer and ATM Channel Service

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

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

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

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

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

Krungsri Western Union

With the Krungsri Western Union business, we aspire to become the country's leader in Western Union money transfers. We focus on electronic money transfers via ABMT (Account-Based Money Transfer). Customers can make transactions themselves around the clock using ATMs or Krungsri Online and are not required to visit branches or exchange booths.

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

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

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

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

Bancassurance

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

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

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

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

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

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

In April 2017, the Bank of Thailand established a working group to examine the quality of Bancassurance sales. The results of our bank were satisfactory, with the regulator recognizing our compliance as an example of best practices for other banks. For staff development we have arranged need-based-selling training courses to ensure that our people truly understand customer insight and can offer the right products to the right customers. At the same time, Krungsri plans to broaden their knowledge so that they can become comprehensive financial planners.

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

1. *Customer centricity and experience:* We designed our customer campaigns to customize by segmentation. We will create more value propositions and special privileges to maximize customer satisfaction going forward.

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

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

Asset Management

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

2017 Achievements

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

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

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

- **Asset Management Company of the Year, Thailand 2017** from The Asset Magazine (Hong Kong)

- **Fund of the Year Award 2017** from Money & Banking Magazine in two categories: Retirement Mutual Fund (for Krungsri Cash RMF: KFCASHRMF) and global asset management funds (for Krungsri Collective Global Income Fund: KF-CINCOME), and
- **The Asian Banker Promising Young Banker** in Thailand Award was awarded to Ms. Siriporn Sinacharoen, Managing Director of Krungsri Asset Management Co., Ltd.. Given by The Asian Banker Magazine (Singapore), the award recognized her outstanding achievement as a next-generation leader playing a pivotal role in successfully leading the company from 2014 through 2016.

Medium-Term Business Plan (2015-2017) Performance

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

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

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

Products, Services, and New Work Processes

New fund launches

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

- **Mixed Funds**

- *Krungsri Happy Life Fund (KFHAPPY)*

The fund invests at least 75 percent of its NAV in both onshore and offshore debt instruments in both the public and private sectors to establish security and maintain consistent returns. It also seeks to increase the potential for generating higher returns by investing between 0 percent and 25 percent of the NAV in equities, property funds, REITs, and infrastructure funds. In addition, the fund managers' team adjusts the investment proportion for all market conditions so as to broaden opportunities for better returns.

Risk level 5: Moderate to High

- **Equity Funds**

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

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

Risk level 6: High risk; dividends payable for KFTSTAR-D

- *Krungsri Thai Equity CG Fund (KFTHAICG)*

This fund promotes the principle of good corporate governance in Thai society, focusing on investing at least 80 percent of its NAV in corporate equities of companies with four-star G ratings from the Thai Institute of Directors that are certified members of Thailand's Private Sector Collective Action Coalition Against Corruption, and that place importance on good

corporate governance. The fund seeks to achieve sustainable growth and to generate returns higher than the market benchmark. The company donated 40 percent of its fund management fees to organizations that promote good corporate governance in Thailand, anti-corruption organizations, and other related organizations.

Risk level 6: High risk

- **Foreign Investment Funds**

- Krungsri Global Technology Equity Fund (KF-GTECH)

The fund focuses on investing in shares of leading technology companies showing high growth potential from new technologies such as artificial intelligence (AI) and big data, investing at least 80 percent of its NAV in a foreign master fund called the T. Rowe Price Funds SICAV - Global Technology Equity Fund.

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

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

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

Risk level 6: High risk; fully-hedged

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

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

Risk level 6: High risk; fully-hedged

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

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

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

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

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

Risk level 6: High risk; fully-hedged

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

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

Risk level 5: Moderate to High; fully-hedged

- Krungsri India Equity Fund (KF-INDIA)

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

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

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

- Krungsri Thai All Stars Dividend LTF (KFLTFSTARD)

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

Risk level 6: High risk; dividends payable

- Krungsri Thai All Stars Equity RMF (KFSTARRMF)

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

Risk level 6: High risk

- Krungsri Happy Life RMF (KFHAPPYRMF)

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

Risk level 5: Moderate to High risk

- Krungsri Global Technology Equity RMF (KFGTECHRMF)

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

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

- Krungsri Greater China Equity Hedged FX RMF (KFCHINARMF)

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

Risk level 7: High risk; fully-hedged

New Services

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

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

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

New Work Processes

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

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

- *Wealth Management System*: We developed the Wealth Management System

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

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

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

The 2018 Plan

- *Sustainable Business Growth*

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

1. *Superb fund performance*: We aim to deliver effective investments with consistently high returns not only on equity funds but also on other types of funds — especially foreign investment funds (FIFs). We continue to offer these to investors to broaden their investment opportunities covering various types of assets and to maximize potential return through efficient asset allocation.

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

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

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

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

Securities Business

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

Market conditions and competitive environment

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

The hefty gains in the SET Index that hit a 24-year high were attributed to robust economic fundamentals, with Thailand's GDP growing 3.4 percent in the first quarter and accelerating to 3.9 percent in the second quarter and 4.3 percent in the third quarter — the highest growth rate in 18 quarters and 4.0 percent in the fourth quarter — on the back of solid growth in exports and tourism. Thai exports rose to an all-time high of USD 236,694 million in 2017, or increased by 9.9 percent- the highest growth rate in six years on a recovering global economy — particularly economies of key trading partners such as China and US. The tourism sector also grew robustly, foreign tourist arrivals in 2017 were projected to achieve the government's target of 35.4 million, up 8.8 percent from 2016. Moreover, the Thai economy was also bolstered by recovering private investment after years of declines.

In addition to positive economic factors, Thai stock market sentiment was also bolstered substantially by an easier political environment after the prime minister signaled that a general election could be held in 2018. Consequently, investor confidence in the Thai economy and a clearer political outlook had been restored and triggered investment recovery in the second half of 2017. Average daily turnover in the latter half of 2017 surged to 49,671 million baht from 44,199 million baht in the first half. Blue chips in the energy, petrochemical, banking, and information & communication technology (ICT) sectors led gains while speculative buying in mid-caps and small-caps also picked up — especially sectors with specific positive themes, such as auto plays on car sales recovery and exports following the expiration of first-car scheme, industrial estates on EEC policy announcements, media shares on news of the National Broadcasting and Telecommunication Commission's reduced digital TV license fees, and tourism plays sector on continuing increases in foreign tourist arrivals.

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

Key 2017 initiatives and achievements

- *Strong commitment to providing superior customer service*

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

- *Consumer-Centric and Digital Initiatives*

Improving the customer experience with improved online services: To further improve the customer experience, satisfaction, and communication we have upgraded our IT infrastructure and developed centralized customer management (CCM) system to reduce the account-opening process turnaround time from two days to one day for more convenient deposit and collateral transfers, as well as a better customer experience with Know Your Customer (KYC), Client Due Diligence (CDD), and Suitability updates. Customers can also now use bill payment systems to transfer funds in real time using Krungsri Online and the Krungsri Mobile Application.

New website enhancements and mobile-tablet applications: We have revamped our website to make it more user-friendly and customer-centric. In addition to securities accounts, customers can now see their mutual fund and private fund statements online through our website. The company launched its first mobile and tablet application, Krungsri Stock Expert, enabling customers to receive company information, stock trading data, fundamental and technical analyses,

our awarding-winning research, and capital market updates through this new application in collaboration with Stock Radar, our preferred partner for mobile application enhancements.

New research website access and portal enhancements: As part of our enhanced research distribution we have improved and expanded our research website to incorporate research from Krungsri and MUFG for various customer groups: retail; high-networth; and institutional. Apart from daily emails, these customers can access our securities research database and search for past research.

Online mutual fund portfolio information: Customers can access their online mutual fund accounts with KSS. We are currently the main selling agent for 18 asset management companies in Thailand and are truly an open architecture platform for wealth management.

KSS-MUFG Collaboration

- Supporting Morgan Stanley businesses in Thailand: Through the efforts of the KSS-MUFG partnership we worked together to increase Krungsri Group's business with Morgan Stanley and to support their businesses more efficiently and effectively.
- Thai corporate roadshow support for the MUFG Securities Group: KSS has also conducted non-deal roadshows with MUFG Morgan Stanley Securities in Tokyo. Companies that we have taken to meet with Japanese investors include large listed companies such as Thai Oil PCL, Indorama Ventures PCL, Krung Thai Card PCL, IRPC PCL, Central Pattana PCL, Intouch Holdings PCL, Gunkul Engineering PCL, Kiatnakin Bank PCL, and Star Petroleum Refining PCL.

Branch and subsidiary collaboration

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

Collaborating between front, middle, and back offices

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

2018 Plans and Aspirations

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

- Enhanced Product and Service Capabilities IT solutions: KSS is redesigning systems to provide new products for distribution and sales, including developing new IT programs to help enhance key brokerage capabilities. The new systems include developing a new private fund and selling-agent program, offshore referral processes and procedures, and using new digital technologies to help facilitate faster and more convenient fund transfers.

- Revitalizing the Investment Banking Business: In 2017 KSS began to further develop and strengthen its investment banking business with full long-term support from Krungsri. KSS has pursued investment banking deals in the market and as a result has been appointed as a co-lead underwriter in the AIM Industrial Growth Freehold and Leasehold Real Estate Investment Trust (AIMIRT): This is the first co-lead underwriter real estate investment trust (REIT) deal for KSS in more than ten years. KSS has also been more active in an underwriting syndicate for equity initial public offerings (IPOs) in 2017. We participated the underwriting of a total of 12 newly listed companies on the Thai stock exchange, including the largest IPO underwriting deal of the year, Gulf Energy Development PCL, with an expected market capitalization of more than 900 billion baht.

KSS plans to further develop the IB business in 2018 and aims to become the sole lead underwriter for at least one potential listed company deal and a co-lead underwriter for others. KSS

also plans to maintain its role as an active group syndicate underwriter in the market, while expanding its financial advisory role in coordination with Krungsri.

Marketing and Customer Relationship Management

Marketing and Branding

Effective Approach to Marketing

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

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

Unique Brand Positioning

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

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

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

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

Customer Relationship Management

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

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

Corporate Strategy and Planning Group

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

Infrastructure Development

- Finance and Risk Management Program and IFRS9 Standard Compliance: Krungsri has developed new technology to enhance operational and analytical aspects of finance and risk

management as well as adjusting the finance and accounting system to comply with the IFRS9 Standard, expected to be completed ahead of the national timeline in 2018.

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

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

Customer Centricity

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

Customer Journey Map Creation and CX Design

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

Customer Segmentation

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

The Branches

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

Preparing for the Future

- *Adapting to the Digital World*

Our Medium-Term Business Plan (2018 - 2020) has been developed to cope with these challenging times for the financial and banking sector. Newly developed technologies will be continuously introduced to the market, while new players will escalate both competitiveness and partnerships in this sector. To maintain our position we are studying these changes, building up business connections, and choosing the best technological tools to improve our services.

- *Agility*

The waterfall model sequential design process for software engineering is no longer an appropriate approach for our software development, so the Agility model was introduced in 2017 to boost the capabilities of our people in the customer experience, user experience and user interface fields and to reform bank procedures by deploying the Agility model as part of our Medium-Term Business Plan (2018-2020).

National e-Payment

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

Mortgage and Personal Loans Revamp

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

JPC/MNC and Corporate Customers

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

Distribution Group

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

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

In 2017 the Distribution Group initiated Five Core Pillars as the main working strategy under the second Medium-Term Business Plan (2018-2020): 1) enhancing the customer experience through

digital processes and platforms for innovative products; 2) efficiently and sustainably growing; 3) focusing on employees' capabilities and interests; 4) collaborating with and leveraging the Krungsri-MUFG network and our business partners; and 5) maintaining our loyalty and transparency in compliance and operational risk management. Each of these core pillars leads to new initiatives as well as improved work processes and procedures.

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

Although commercial bank branch closings outnumbered new branches in 2017, Krungsri launched five new branches. By year-end we had a total of 700 branches, with 663 full-service branches and 37 branches offering auto leasing services. Also launched were 302 ATMs. Thus by year-end we offered as many as 6,550 ATMs and 92 currency exchange booths as we strive to serve all our valued customers' needs. In collaboration with our subsidiaries Krungsri Auto and Ngern Tid Lor we also launched branch offices where customers can access all banking services plus Krungsri Auto and Ngern Tid Lor services.

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

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

Information Technology Group

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

To serve new generations of customers we continue to invest in and improve our online and mobile banking channels. In 2017 we launched a new version of our Krungsri Mobile Application (KMA) using a user-centric design. The redesigned application is equipped with more advanced

features such as QR payment, real-time mutual fund portfolio management, and PromptPay. We also plan to roll out online account-opening and digital lending after seeking approval from regulatory authorities.

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

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

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

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

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

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

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

As part of infrastructure development to support the National e-Payment service (the government’s initiative related to Thailand 4.0) and the Financial Sector Master Plan Phase III Krungsri launched systems to support any ID registration, PromptPay, and Thai QR Code Payment under the Bank of Thailand’s regulatory sandbox. We plan to continue developing the systems to support a variety of e-Payment services namely Request-To-Pay, e-Tax and e-Receipt, capital market, and ISO20022 compliance.

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

A new wave of technologies and innovation on data and machine learning (ML) is revolutionizing the way we manage, control, and distribute cash. To leverage the investment in building the enterprise data warehouse with Teradata, we continued with the building of data

scientist resources and big data management, data virtualization and advanced data analytics for credit cards and ATM transactions to improve efficiency.

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

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

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

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

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

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

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

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

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

The FinTech Act and Digital ID, expected to come into force in 2018, will change the banking landscape. As a result, we are actively focusing on developing platforms to fully support the digital banking business with a wide range of services such as e-KYC, e-Signature, and open banking platforms with application program interfaces (APIs). We established functional units responsible for researching and developing new technologies such as artificial intelligence (AI), machine learning, and blockchain to change the way we offer services to customers. In 2017, we studied and conducted experiments on Robotic Process Automation (RPA) — a promising technology currently employed by leading global financial institutions to improve operational efficiency, save costs, and enhance the customer experience.

In the new Medium-Term Business Plan (2018-2020) we will incorporate RPA into the Digital Roadmap to accelerate and drive operational efficiency improvements: People and Process are the key drivers for the next business plan emphasizing building employees' capabilities and improving internal processes. Moreover, Krungsri has drawn up a plan to promote new innovative knowledge

by adopting Agile and DevOps processes as tools to seamlessly blend digital banking with traditional banking.

Operations

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

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

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

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

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

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

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

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

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

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

The Operations Group has moved forward on implementing the integrated Center of Excellence (COE) plan, along with a Shared Services Center (SSC) focusing on Krungsri Group's customer services for greater standardization, flexibility, and efficiency in cost management. In 2017

we collaborated to set up the COE under a common professional standard for customer complaint management for Krungsri and our six major subsidiaries.

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

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

Human Resources Group

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

Talent Acquisition and Recruitment

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

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

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

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

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

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

Human Resources Development

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

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

Innovative Mindset Course Examples

- ***Building inspiration:*** Inspiring Your Innovative Thinking; Think Differently for Different Results; Creativity and Innovative Mindset

- **Developing positive change attitudes:** Working in the Digital Age; Driving Innovation for Leaders Workshop; Change for Growth; The Power of Change; Embracing Change

Knowledge for Innovative Organizations Course Examples

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

Critical Skills for Innovative Organizations Course Examples

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

Talent Management and Succession Planning

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

professional development opportunities in the global arena and thus help us retain talented employees.

Employee Engagement

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

Risk Management Group

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

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

Credit Risk

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

Enterprise-wide Risk

To support sustainable growth and align ourselves with global standards, we have established the "Enterprisewide Risk Management Framework (ERM)" to oversee and proactively manage material risks. ERM tools such as the Risk Appetite Framework, the Risk Map, the Heat Map, and key risk- identification procedures have been developed and implemented to dynamically

identify, assess, and monitor risks using an integrated approach. Under ERM, appropriate action can be taken to ensure that Krungsri Group's risk profile is aligned with our business plan and that risk management strategies are within our risk capacity.

Market Risk

In 2017 Krungsri continuously conducted forward-looking risk management to support business expansion with highpotential financial products and services to meet more complex and diverse customer demand under the acceptable market risk level, amid a surge in global financial volatility and tightening Bank of Thailand regulations. We have fully recognized the importance of current and future regulatory compliance and any potential monetary policy changes at home and abroad. In 2017 the central bank announced a regulation on the supervision of Domestic Systemically Important Banks (D-SIBs) and identified Krungsri as a member of this group. Krungsri maintains its capital at a level higher than the BOT's minimum requirement and is more than adequate to meet additional requirements under the D-SIB framework.

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

Liquidity Risk

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

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

Operational Risk

The Operational Risk Division works to ensure minimal impacts on Krungsri and our subsidiaries in the event of any failures due to internal and external factors or outages: the entire

Group regularly performs a Risk Control Self-Assessment, while key risk indicators developed for all departments are closely monitored. The process of reporting operational risk incidents is embedded in and implemented across Krungsri Group. Any significant incidents are systematically analyzed by our dedicated working group. A business continuity plan has also been devised and is regularly tested and updated.

Compliance Division

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

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

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

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

Industrial Situation and Competition

Thailand Commercial Banking in 2017 and the 2018 Outlook

- 2017 Sector Overview

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

In 2017, Loan growth was 4.4 percent, up from 2.0 percent a year earlier. Business sector loans grew 3.6 percent, mostly driven by 5.7 percent growth from SMEs. Retail banking grew 6.1 percent, driven by growth from every segment. Auto loans increased 8.4 percent, while housing loans grew 5.5 percent. Credit card outstanding balances rose 3.4 percent, while personal loans were up 5.7 percent.

The operating environment improved in the fourth quarter thanks to accelerated government investments, stimulus measures for low-income earners and farmers, and shopping tax incentives during the festive season at year-end. Apart from a personal income tax deduction stimulus measure for spending up to 15,000 baht from November 11 through December 3, 2017, the

government introduced a project to help farmers and offered loans during November through early 2018 designed to increase fund flows into the economy and boost consumer confidence going forward.

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

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

Despite an improving economic outlook Thai commercial banks saw a combined net profit of 187.3 billion baht in 2017, down 5.7 percent from 199 billion baht a year earlier mainly due to higher loan loss provisions to cushion for loan quality deterioration. This resulted in a lower return on assets (ROA) to 1.05 percent from 1.13 percent in 2016. The Thai banking sector boasted a strong capital position at 2,451 billion baht, up 88 billion baht from 2016, mostly from accumulated profits and subordinated bond issuance to raise Tier 2 capital and comply with Basel III requirements. As a result, the capital adequacy ratio increased to 18.2 percent, with the common equity Tier 1 ratio (CET1 ratio) rising to 15.6 percent and the Tier 2 ratio decreasing to 2.6 percent. The Thai banking system had sufficient liquidity to facilitate credit expansion with a liquidity coverage ratio (LCR) of 180.0 percent, up from 175.2 percent in 2016.

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

Commercial banks have prepared for financial technology (FinTech) in several ways such as setting up internal research and development teams to create new types of services and

investment in FinTech and startups using venture capital or business cooperation between banks and FinTech firms. For banks, FinTech is not only helping boost efficiency and reduce operating costs, but is also increasing competitiveness in domestic and overseas markets.

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

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

- **2018 Business Outlook**

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

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

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

However, Thai banks are still facing challenges in maintaining interest and fee income and controlling asset quality while domestic consumption is growing only moderately, with wage recovery still concentrated in export-oriented industries and in certain regions. Although consumer

confidence has improved, growth is likely to be gradual as farm income has yet to recover due to low agricultural prices, while SMEs might not fully benefit from the recovery. The sector's net interest and fee income may be affected by the launch of new financial technology (FinTech) products and fierce competition. As the financial sector landscape changes banks must be well-prepared for any potential regulatory changes for Basel III and accounting standards.

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

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

Competitive Capability

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

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

various national and international organizations as well as professional associations throughout 2017.

Corporate Governance Excellence

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

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

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

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

Our People

Krungsri strongly believes that our success and growth could not have been achieved without our most valuable assets – our people. Our Customer Centricity core value is the basis of our

business and we continually foster a culture that promotes teamwork, cultivates ethical behavior, and encourages our people to give their best efforts to serve our valued customers. Furthermore, we groom our people in various aspects to steer Krungsri toward becoming a leader locally, regionally, and globally.

Product and Services

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

Awards and Recognition

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

In 2017 Krungsri and its 16 subsidiaries were recertified as members of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC). Krungsri adheres strictly to the policy and guidelines on anti-corruption and countering bribery, reflecting our promise and commitment to

operate in a transparent, honest, and auditable manner. In this regard, Krungsri was among the first Thai commercial banks to be certified for compliance with the CAC.

Corporate Governance

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

Corporate Social Responsibility (CSR)

- Best Bank for Corporate Social Responsibility in Thailand from Asiamoney
- 2017 AMCHAM Corporate Social Responsibility Excellence Recognition (Gold level) (5th consecutive year) from American Chamber of Commerce in Thailand
- Listed in Thailand Sustainability Investment (THSI) 2017 (2nd consecutive year) by The Stock Exchange of Thailand (SET)
- Certificate of ESG100 Company from the Thaipat Institute
- 2017 Sustainability Report Award - Excellence from the Securities and Exchange Commission, the Thai Listed Companies Association, the CSR Club and the Thaipat Institute

Outstanding Performance and Management

- The Asset Best CEO in Banking and Finance for Mr. Noriaki Goto (2nd consecutive year) from The Asset
- The Asian Banker Promising Young Banker Awards 2017 for Ms. Siriporn Sinacharoen and Mr. Piyasak Ukritnukun from The Asian Banker

- Asset Management Company of the Year, Thailand 2017 from The Asset
- Microfinance Business of the Year from The Asian Banker

People

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

Digital and Innovation

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

Product Initiatives

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

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

Strategic Branding & Marketing

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

Arrangement of Products or Services

Source of Funds

Krungsri provides deposit services to general public whereby it is the most important source of funds for Krungsri. As at December 31, 2017, Krungsri had a deposit balance of 1,319,229 million baht or 63.2 percent, interbank and money market items of 13.4 percent, debt instruments and borrowings of 6.8 percent, shareholders equity of 10.8 percent and other sources of funds of 5.8 percent. Krungsri provides the following 2 types of the deposit services: non-interest bearing deposit i.e. current deposit and interest bearing deposit i.e. savings deposit and time deposit.

Capital Maintenance Ability

Krungsri maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite of Krungsri.

Krungsri maintains its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand which is in line with the Basel III. As at December 31, 2017, Krungsri has capital fund and capital adequacy ratio as follows:

	(Unit : Million Baht)	
	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital	191,926	167,531
Total Tier 1 capital	193,233	167,531
Total capital fund	252,169	219,033

	(Percentage)		
	BoT regulatory minimum requirement	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital/ Total risk weighted assets	5.75	12.56	11.97
Total Tier 1 capital/Total risk weighted assets	7.25	12.64	11.97
Total capital/Total risk weighted assets	9.75	16.50	15.65

Liquidity Management Policy

Krungsri realizes the liquidity management to be conformed to the Bank of Thailand's regulatory requirements, including the Liquidity Reserve Requirement which the cash under the Bank of Thailand criteria shall be maintained at the average of not less than 1 percent of the deposits and borrowings, includes bills of exchange or promissory notes, short-term borrowing from oversea and borrowings with embedded derivatives. As well, Liquidity Coverage Ratio (LCR) which shall be maintained not less than 70 percent in 2017 as set by the Bank of Thailand according to the amendment to the Bank of Thailand's regulations on liquidity risk supervision so that the Commercial Banks can have adequate liquidity to support short-term severe liquidity stress. Such LCR ratio will gradually increase by 10 percent each year to reach 100 percent in 2020. Krungsri is also now studying about an impact and getting ready for the matter regarding to maintenance of Net Stable Funding Ratio (NSFR) or source of fund for supporting medium and long term funding which is expected to be announced by the Bank of Thailand in 2018.

In addition, Krungsri considers the level of additional liquidity to be sufficient for normal business operations in order to ensure that Krungsri will be exposed to liquidity risk with the position well complied with the risk appetite approved by the Board of Directors.

Krungsri by the Asset and Liability Management Committee (ALCO) sets the liquidity management strategies by determining the appropriate level of liquidity for Krungsri. Moreover, ALCO also determines the guidelines and concepts of the management action triggers, which enable Krungsri to efficiently plan on funding and cost of funds management. Risk Management Committee (RMC) manages and controls liquidity risk in a manner consistent with policy, which is required for achieving all the aforesaid objectives.

Krungsri also has Policy for Liquidity Risk: Consolidated Supervision to be used as a guideline for formulating liquidity risk management policy for the subsidiaries.

Business Management of Subsidiaries

Krungsri AMC

Krungsri Ayudhya AMC Ltd.

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

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

Source of funds: Krungsri

Krungsri Factoring

Krungsri Factoring Co., Ltd.

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

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

Source of funds: Krungsri

Krungsri Leasing

Ayudhya Development Leasing Co., Ltd.

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

Market and competition: Only a few companies in Thailand concentrate on machinery and equipment leasing. Such leases are suitable primarily for companies with limited available banking resources where leasing is provided based on a lessee's operating cash flow as well as the liquidity

of the leased assets rather than property assets held as collateral. This allows us the flexibility needed to provide a financial package suited to the customers' needs with competitive terms and conditions.

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

Source of funds: Krungsri

Krungsri Auto

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

As Krungsri Auto is the market shaper, innovation is at the core of our operations. In 2016, a customer experience strategy was pushed forward through digitalization to meet the needs of customers in the digital era. By upgrading digital technology in 2017, Krungsri Auto has continually created innovative products and services by facilitating both dealers and customers while maintaining its market leadership in the automotive finance business.

Sources of funds: Primarily Krungsri and Ayudhya Capital Auto Lease PCL (AYCAL) debentures

Krungsri Consumer

Krungsriayudhya Card Co., Ltd.

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

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

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

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

1. Meeting cardholder demand — The company has been cooperating with partners and has added new partner brands in promotion campaigns. This expansion has covered key categories relevant to everyday life such as dining, shopping, petrol, and supermarkets. The company has also made inroads into new segments such as the auto industry that has recorded growth once again; sports and healthcare which are trending given today’s lifestyles. The company will focus heavily in three categories, namely dinning, travel, and online shopping to meet customer’ demand.

2. Using reward points model as value added measure — Loyalty card rewards have covered various categories registering significant growth in 2017 such as in the restaurant category. Cardholders can conveniently redeem reward points through seven channels – more than those offered by our competitors. In 2017 the company’s focus was on “On Spot Redemption” allowing customers to redeem rewards at various locations. KCC has also differentiated itself from others by offering and promoting the reward redemption on “UCHOOSE”, the lifestyle application. In the future, the company also plans to join hands with leading online partners in offering convenient point redemptions to create a better experience for all cardholders.

3. Easy, fast, convenient digital marketing — With UCHOOSE application, our credit card members can easily find favorite promotions and interesting locations-based privileges. The

customers can also easily register to join a promotion and track spending records, making it easier to participate in promotional activities and earn rewards. The company also uses online media such as bloggers to reach social communities in order to circulate promotional campaign benefits, in addition to launching online shopping campaigns with leading websites, online partners and startup groups. The aim is to ensure that important messages reach the new generation and that the company is well set for the growing e-commerce and the QR payment that will become the norms in the near future.

4. Customer centricity, CRM and big data management — With customers at the heart of the business and the growing role of CRM and big data management, the company can analyze customer behavior and communicate with them more effectively about privileges. The company can then respond well to card members based on their lifestyles.

Products

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

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

In addition, the company creates a value-for-money shopping experience at HomePro by allowing HomePro Visa Platinum cardholders to transfer reward points to their Home card. By so doing, they can enjoy discount of up to 20 percent on any purchase of electrical appliances which

participate in the promotional program in “The Power” department every Friday, these privileges have been well received and have boosted HomePro sales.

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

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

Source of funds: Krungsri

Ayudhya Capital Services Co., Ltd.

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

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

In 2008, to meet a growing demand for credit card features in addition to sales financing and personal loans with long payment periods, the Krungsri First Choice Visa Card was launched as a 3-in-1 card. The card targeted customers who met credit card criteria but who required greater liquidity through longer-term payments. It was well accepted across the Visa network for normal

credit card spending. In 2015, the Krungsri First Choice Visa Platinum was launched. Its core feature being the customer's ability to turn credit card transactions to zero percent, three-month installment payments with one phone call. Customers also enjoy buy one, get one free promotions offered by partners such as Major Cineplex and Blu O Rhythm & Bowl.

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

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

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

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

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

entitled to payment for accident-related expense. The maximum coverage is 3,000 baht per accident regardless of the number of accidents during the period and customers do not need to pay with their own money first. The insurance program certainly helps ease the financial burden of customers at a time when economic inflation is rather high.

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

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

Awards and recognition

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

Source of funds: Krungsri

General Card Services Co., Ltd.

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

Type of service: The company launched Central The 1 Credit Card in March 2017, the first and only co-brand lifestyle credit card. The card is the only one that allows highest and fastest way to earn The 1 Card Points and accesses to other benefits from over 5,000 branches of businesses under Central Group through The 1 Card Loyalty Platform. The facilities included department stores (Central and Robinson), supermarkets (Tops Supermarket and Family Mart), shops selling home appliances and construction materials (Powerbuy, HomeWorks and Thai Watsadu), restaurants (Ootoya, Pepper Lunch etc.), hotels (Centara) and many more. The benefits and privileges also cover those provided by Krungsri Consumer outside Central Group, including restaurants, travel, zero percent installment plans, and etc. The combination of benefits provided by the two leading partners makes the Central The 1 Credit Card the best of Central Group and the best of Krungsri too.

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

- ***Central The 1 REDZ Credit Card*** - Its Lifestyle Code or T1 means the "Thriving One".
- ***Central The 1 LUXE Credit Card*** - Its Lifestyle Code or T1 means the "Truthful One".
- ***Central The 1 BLACK Credit Card*** - Its Lifestyle Code or T1 means the "Timeless One".

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



Central The 1 REDZ Credit Card



Central The 1 LUXE Credit Card



Central The 1 BLACK Credit Card



Central The 1 THE BLACK Credit Card

Central The 1 Credit Card Exclusive Privileges

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

Central The 1 Personal Loan is an innovative personal loan product that provides our customers with greater flexibility and convenience. Existing customers can now withdraw cash from

any Krungsri ATM nationwide, under the approved cash loan credit limit without the need to submit additional documents to apply for the loan. Central The 1 Personal Loan also offers ongoing special campaigns such as low APR, zero-percent interest for three months and many more.

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

Tesco Card Services Ltd.

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

The Tesco Visa credit card aims to be the top-of-mind choice for Tesco Lotus customers by rewarding their loyalty with great everyday benefits. Customers earn rewards everywhere they shop, with up to 3.5 percent off their shopping trips to Tesco, together with zero percent finance offers on electrical purchases and up to 3 percent cashback at Esso service stations nationwide. Cardholders can also enjoy interest free payment options on Tesco Insurance products.

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

Source of funds: Shareholders (Ayudhya Capital Services Co., Ltd. and Ek-Chai Distribution System Co., Ltd.)

Tesco General Insurance Broker Limited

Type of service: The company offers a range of auto, accident and health insurance products at 190 Tesco Lotus locations nationwide, or through their call center and website.

Partnering with well-known and trusted insurance providers, they offer simple, rewarding and easy to apply for products - giving great value and easy payment options.

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

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

Tesco Life Assurance Broker Limited

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

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

Krungsri General Insurance Broker Limited

Type of service: Established as a non-life insurance broker in May 29, 2007, the company changed its name from Quality General Insurance Broker to Krungsri General Insurance Broker in November 22, 2011 and provides personal accident, health insurance, travelling insurance and auto insurance to General Card Services Co., Ltd., Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co., Ltd.'s customers.

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

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

Source of funds: Shareholders (Ayudhya Capital Services Co., Ltd.)

Krungsri Life Assurance Broker Limited

Type of service: Established as a life insurance broker in June 4, 2007, the company changed its name from Quality Life Assurance Broker to Krungsri Life Assurance Broker to align itself with the Krungsri Group in November 22, 2011. The company's main business is to introduce life, personal accident, health, and payment-protection insurance to the customers of General Card Services Ltd., Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co., Ltd.

In 2017, the company has been continuing growing as driven by a broader product range, new insurance partners, and a customer-segmentation strategy. The company introduced customers to a range of endowments, term-life products, and retirement plans, as well as IPD and OPD health insurance plans from selected life insurance partners. They also focused on customer analytics to develop appropriate products for specific customer segments.

Source of funds: Shareholders (Ayudhya Capital Services Co., Ltd.)

Total Services Solutions PCL

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

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

Strategies for business growth: To accommodate an expanding customer base, the company is planning to intensify manpower and skill development, as well as to upgrade its equipment and office space to achievement maximum operational efficiency. In 2017, the company introduced a new technology related to database management tools, or 'big data' which can effectively analyze customer behaviors and information such as the ability or intention to repay their

debts. Big data also helps identify best times and channels to contact customers analytical information to the adjustment of the debt collection strategy for maximum efficiency. Additionally, it helps financially troubled customers manage their debts and allows the company to maintain its good standards of services continuously.

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

Source of funds: Krungsri

Krungsri Leasing Services Co., Ltd. (Lao PDR)

The company is a joint venture between Ayudhya Capital Services Co., Ltd., Ayudhya Capital Auto Lease PCL and Unity Capital Co., Ltd.. The company has started an auto hire purchase and sales financing business under the brand “Krungsri Leasing” since December 9, 2014 in Lao PDR. The company’s business has grown significantly over the past three years. In 2017, the company expanded to major cities in the country, including Vientiane, Champasak, Savannakhet, Xieng Khouang and Bolikhamxay provinces. As of December 2017, the company has more than 8,500 new customers, growing 120 percent over the same period the previous year and with new loan growth of 150 percent from 2016. Over the next three years, the company plans to expand its coverage to key areas throughout the country and to launch new products and services to meet growing market demand.

To support business growth and the new branch expansion in Lao PDR, the company has adopted new technology to increase efficiency in business operations and customer service focusing on three key areas: payment services, internal operational process improvement and

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

The company is proud to be the first leasing company in Laos offering fast and secure application processes with our main priority to focus on customers' data security. The company utilized technology to improve the internal operational process. The "iBuddy", an application of Krungsri had been implemented earlier in 2017. The application enables company to improve turnaround time of application process from sales personnel to credit operation team and enhances the security of customers' personal information. Photographs must be taken through Krungsri's application only. But photos are not stored locally and will be automatically removed from the application to prevent personal information being used by others.

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

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

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

Source of funds: Krungsri

Krungsri Microfinance

Ngern Tid Lor Co., Ltd.

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

Source of funds: Krungsri and Ngern Tid Lor debentures

Krungsri Securities

Krungsri Securities PCL

Type of service: Brokerage services for listed securities.

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

Investment banking: Krungsri Securities provides financial advisory and underwriting services covering all aspects of finance, including fund-raising (both capital and loans), financial reorganization, debt restructuring, mergers and acquisitions, feasibility studies, business value estimations, and transactions per the Securities and Exchange Commission and the Stock Exchange of Thailand regulations.

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

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

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

Source of funds: Krungsri

Krungsri Asset Management

Krungsri Asset Management Co., Ltd.

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

Source of funds: The company

Krungsri Finnovate

Krungsri Finnovate Co., Ltd.

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

Source of funds: Krungsri

Krungsri Services

Siam Realty and Services Security Co., Ltd.

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

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

Source of funds: Krungsri

Hattha Kaksekar Limited

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

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

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

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

Source of funds: The company

3. Risk Factors

Key Risk Factors and Our Management

Enterprise-Wide Risk Management

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

Enterprise-wide Risk Management Framework (ERM)

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

- **The Risk Appetite Framework** is an overall risk governance framework including policies, procedures, controls, and systems through which risk appetite is established, communicated, and monitored. It is meant to ensure that Krungsri Group has clear guidelines for appropriate risk levels that we can accept based on our risk capacity and business strategies.
- **The Risk Map** was developed to identify potential risk events with material impact on Krungsri Group's business or risk profiles.
- **The Heat Map** was implemented to measure and monitor the current risk status of key risk areas in an integrated manner using key risk indicators.
- **Top Risks** are significant risks identified through the Heat Map and the Risk Map that warrant closer monitoring and require action plans within a reasonable timeframe to prevent or mitigate such risks.

The Internal Capital Adequacy Assessment Process (ICAAP) Integration

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

regularly and are overseen by the Capital Management Subcommittee where timely, effective action plans can be deployed.

Organization and Structure

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

Significant Risks

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

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

Credit Risk Management

Objective

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

Principles

To manage such risks we have developed efficient credit risk management compatible with international standards based on a commitment to maintain a balance between the business and its credit underwriters to ensure transparency and establish checks and balances between credit officers and relationship managers. These two stakeholders have a common purpose: to promote new quality credit growth and maintain existing loans effectively.

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

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

Credit Risk Control

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

- **Commercial Risk Control:** The Commercial Credit Risk Management Division manages borrower credit risk through our internal credit risk rating framework that has been enhanced continuously to meet MUFG's high standards. We currently classify business customers into two main groups based on their characteristics and size: Thai Global and JPC/MNC as one

group and Thai corporates and SMEs as the other. With such classifications we can measure the probability of default (PD), loss given default (LGD), and exposure at default (EAD) more accurately and can better address unique characteristics for customers of various sizes. Krungsri assesses the credit quality of its Thai Global and JPC/MNC customers and assigns risk ratings based on a MUFG credit rating model, while using our internally developed model for Thai corporates and SMEs.

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

Model development to comply with IFRS9 is in place following the main principles and protocols of regulators (e.g. the Japanese Financial Services Agency, the Bank of Thailand). We have collaborated with MUFG to establish a new credit rating framework to better reflect Krungsri's actual credit risks by leveraging MUFG expertise and know-how. Continuous model validation and adjustment along with systems development and enhancement are in place to support credit risk control in an ever-changing environment so that our risk management practices are of the highest international standards with our goal of becoming a truly globalized bank.

- **Consumer Credit Risk Control:** The Consumer Credit Risk Management Division establishes product program criteria approved by delegated authorities such as the Risk Management Committee. Credit approval decisions and line assignments are based on application scorecards and credit bureau reports. Where applicable, line enhancements are based on behavior

score and risk grade. Underwriting is carried out based on approved criteria and is managed by the Consumer Credit Risk Management Division; past-due management is centralized and is managed by a separate unit. Procedures are automated. The three models we use were incorporated into our automated system in 2014. These models have helped us to further strengthen our portfolio management and are a major step toward complying with the Advanced Internal Ratings-Based Approach (AIRB), while the Expected Credit Loss Model is under development for the International Financial Reporting Standards (IFRS) compliance in the future.

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

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

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

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

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

- **Counterparty Credit Risk:** Counterparty credit risk is associated with default by counterparties related primarily to derivative contracts. Krungsri counterparties are normally

customers that need to square their positions and minimize their risk exposure. To mitigate risk arising from customer transactions, we may partially or fully hedge our risk exposure through offsetting agreements with other counterparties – mostly other banks. To determine each counterparty's credit risk limit we use the same approval and criteria as for other credit risks and closely monitor counterparty credit status for aggregate exposure, credit equivalent amounts, and credit valuation adjustments – information that is promptly and regularly reported to senior management. To mitigate exposure to counterparty credit risk we enter into an ISDA credit support annex (CSA) with most of these counterparties: this requires cash collateral or highly liquid securities should the fair market value of any contract exceed the risk threshold.

- **Credit Risk Management and Review:** We rigorously monitor and review customer and portfolio risk in these ways:

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

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

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

- **Stress Testing:** The Risk Management Group conducts stress tests based on our stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on Krungsri's capital. Stress test results are reported to the Capital Management

Subcommittee, the Risk Management Committee, and the Board of Directors. We have strategies and action plans in place to prevent any adverse effects. In addition, Krungsri's stress test complies with both local (Bank of Thailand) and Japanese (Japanese Financial Services Agency) regulatory requirements as well as MUFG global requirements.

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

All subsidiaries maintain independent risk organizations headed by senior risk executives. Krungsri's Chief Risk Officer supervises subsidiary risk management activities. These subsidiary risk management units must: comply with our overall risk management strategy; ensure sufficient capacity with the required risk-related infrastructure; and comply with our risk-appetite objectives and reporting requirements. All product, policy, and procedural changes must be approved by the Chief Risk Officer and the Risk Management Committee.

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

Market Risk Management

To maintain forward-looking risk management that supports products with high market potential amid more complex customer demand, a surge in global financial market volatility and tightened Bank of Thailand's regulations and guidelines.

Market Risk

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

Trading Book

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

- **Interest Rate Risk Management:** Interest rate risk management refers to loss affecting income and/or shareholder equity due to interest rate changes that can be on- or off-balance sheet in the trading book. Krungsri manages interest rate risk exposure from debt instruments and derivatives in the trading book position according to the size and complexity of transactions under the trading book policy framework and in accordance with Bank of Thailand's regulations.
- **Foreign Exchange Risk Management:** Foreign exchange risk refers to loss affecting income and/or shareholder equity due to exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities. Krungsri's policy is to limit our net foreign currency position. Most foreign currency transactions are services provided to our customers.
- **Price Risk Management:** Price risk refers to loss affecting income and/or shareholder equity due to equity price movements. Krungsri's policy is to invest in equity securities for medium- to long-term investment. Under best practices for price risk management, equity issuers' qualifications must be assessed.

Banking Book

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

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

- **Repricing Risk:** This is the primary and most frequent form of interest rate risk that we may encounter. Repricing risk arises from timing differences in the maturity (for fixed rates) and repricing (for floating rates) of Krungsri's assets, liabilities, and off-balance-sheet (OBS) positions. Such repricing mismatches can expose our income and underlying economic value to unanticipated fluctuations as interest rates change.
- **Yield Curve Risk:** This refers to the risk from changes in the slope and shape of the yield curve. Krungsri encounters yield curve risk when unanticipated shifts of the yield curve create adverse effects on our earnings or underlying economic value. In practice, since banks are usually negatively gapped, the risk is that the yield curve unexpectedly becomes inverted that is, short-term interest rates become higher than long-term rates.
- **Basis Risk:** Basis risk arises from an imperfect correlation in adjusting rates earned and rates paid on different instruments with otherwise similar repricing characteristics. When interest rates change, these differences can lead to unexpected changes in our cash flow and earnings spread between assets, liabilities, and off balance sheet (OBS) instruments of similar maturity or repricing frequency. An example would be prime pegged loans funded by interbank deposits. Where prime rate changes lag interbank rate changes, the spread between the two index rates may change.
- **Option risk:** Particular importance is option risk, where behavioral maturity differs from contractual maturity: for example, an option granted to customers to withdraw deposits or prepay loans at anytime.

Market Risk Governance

Principle

To achieve sustainable growth and returns for shareholders. Krungsri has put in place a robust risk management framework by monitoring and mitigating market risk under the risk appetite approved by the Board of Directors. We also review the risk policies and limits framework to ensure that they are commensurate with the scope, volume, and complexity of transactions. We have also adopted the ICAAP and ERM concepts to determine market risk – one of the key components of

KRIs and merging the ICAAP into the ERM process. With this framework, we assess all material risks to develop comprehensive risk management guidelines and maintain sufficient capital for both normal and stressed business conditions. In addition, Krungsri emphasizes the importance of current and future regulatory compliance. In 2017 the Bank of Thailand introduced new regulations on the supervision of Domestic Systemically Important Banks (D-SIBs) to promote financial stability, with Krungsri being designated as a member of this group. Given this, we need to comply with additional capital requirements as well as other supervisory requirements. Presently, Krungsri's capital funds are maintained at a level far higher than the Bank of Thailand's minimum requirements and are sufficient to meet additional D-SIBs requirements.

Governance Structure

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

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

Market Risk Management Framework

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

Measurement

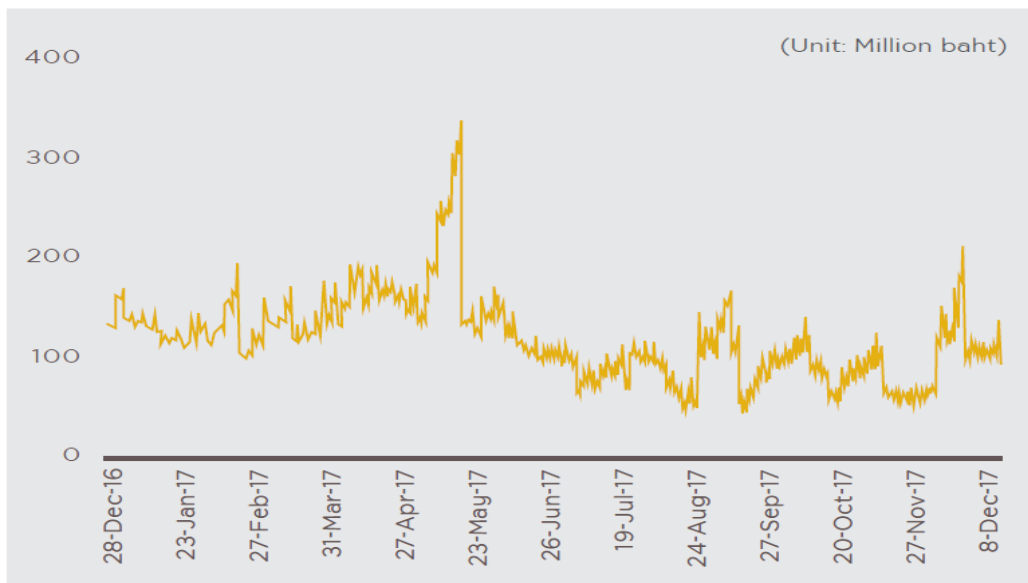
Krungsri continues to enhance market risk measurement to align with new international frameworks for market risk capital requirements and interest risk management in the banking book issued by the Basel Committee on Banking Supervision (BCBS) such as the Fundamental Review of the Trading Book (FRTB) and Interest Rate Risk in the Banking Book (IRRBB) with continuous, strong MUFG support and knowledge-sharing. In 2017 many projects especially the ongoing development were initiated to enhance risk measurement tools including the IT system, work process efficiency, and employee expertise to comply with revised and new regulatory reporting standards, while also keeping up with our peers and maximizing our treasury product potential, amid more complex customer demands.

2017 Trading Book Transaction Risks

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

Global Financial Market Volatility and Risk Management in 2017: The Thai economy continued to face ongoing major external risks ongoing since 2016. Uncertainty in global politics and US Federal Reserve Bank interest rate hikes triggered turbulence in the global money market, capital infows and lower long-term government bond yields. More active front office position trading exposing Krungsri to market risk has been closely monitored, with timely reporting to the management and related committees. These practices were adopted to ensure that we remain within our market risk appetite.

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

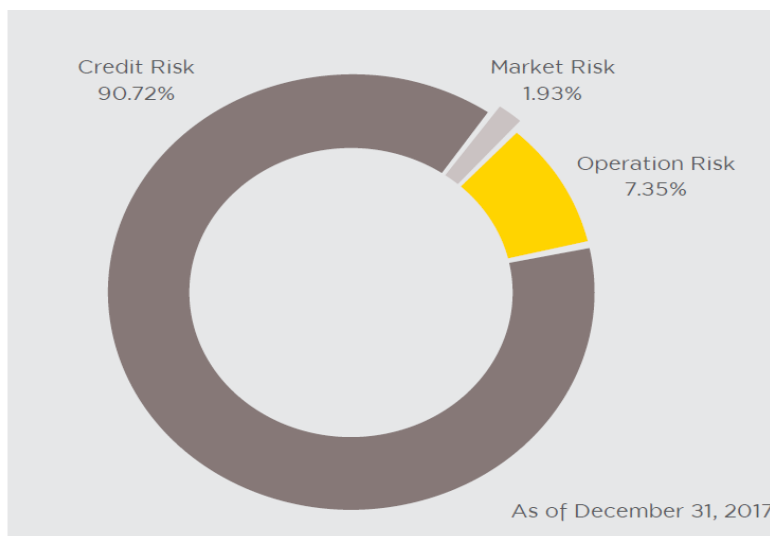


Krungsri's aggregate 2017 market risk was well within acceptable levels. The VaR for a 10-day holding period at the 99 percent confidence level of the trading book averaged 90.04 million baht.

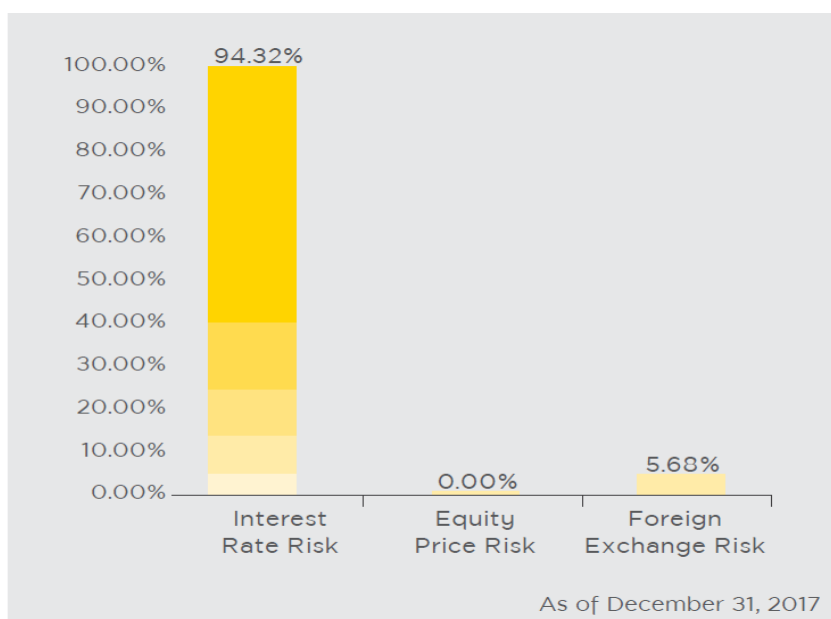
Market Risk Capital Requirement

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

Financial Business Group: Minimum Market Risk Capital Requirement



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



2017 Banking Book Transaction Risks

- Managing Interest Rate Risk in the Banking Book

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

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

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

- Krungsri Group Net Interest Income Sensitivity and 2017 Repricing Gap Profile

Our net interest income sensitivity over the next 12 months has been simulated and reported to the management and related committees to ensure that interest rate risk is within the risk appetite approved by the Board of Directors. Results of Krungsri Group's interest rate risk assessment and repricing mismatch (assuming a 1 percent increase in interest rates of all types of assets, liabilities, and off-balance sheet items at their different repricing periods) are shown below:

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

Unit: Million baht

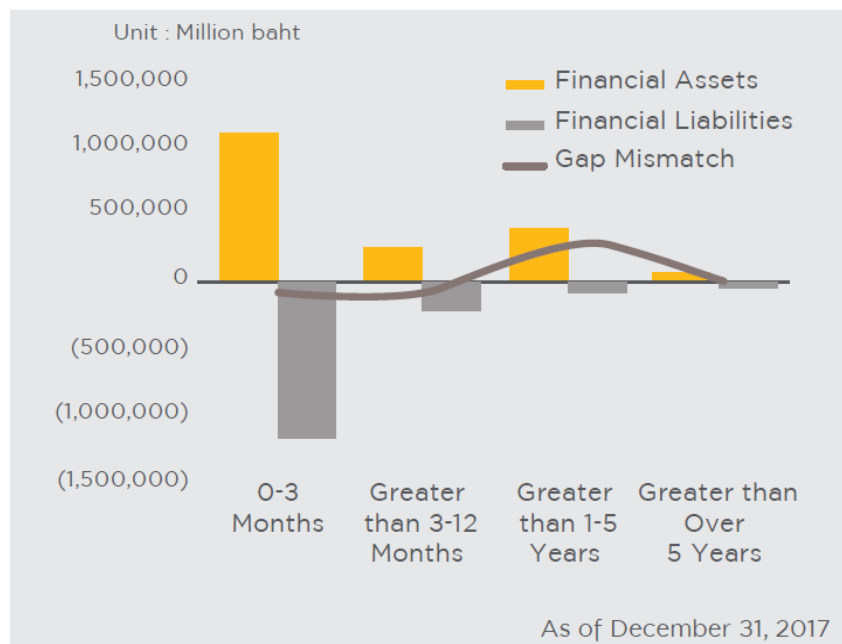
Currency	As of December 31, 2017
THB	-419.25
Other Foreign Currencies	-469.04
Total Impact	-888.29
% of Total Net Interest Income	-1.220%

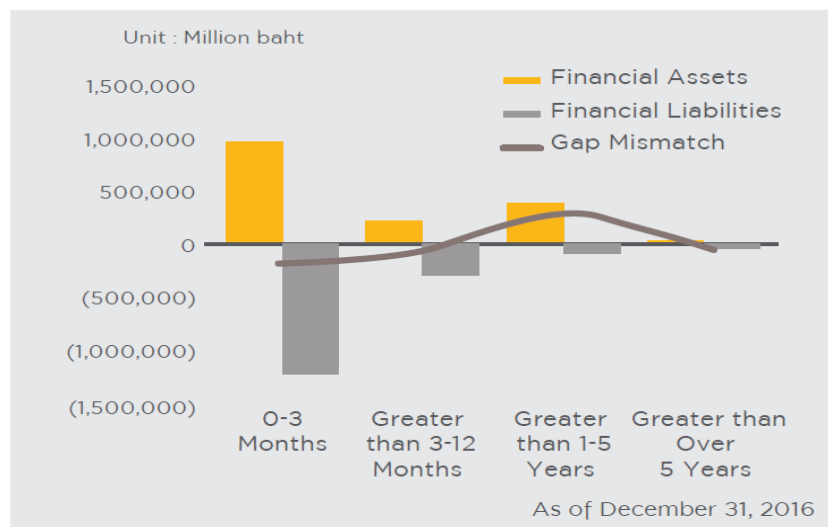
Impact on Financial Business Group's Economic Value of Equity (Economic Value Perspective)

Unit: Million baht

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

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





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

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

Liquidity Risk Management

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

Liquidity Risk

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

Liquidity Risk Governance

Principles

Krungsri's liquidity management uses qualitative and quantitative approaches to ensure appropriate risk diversification. Krungsri recognizes the importance of regulatory compliance and emphasizes managing and controlling liquidity risk consistent with our risk appetite and reasonable operating costs, while complying with Bank of Thailand's guidelines on the Liquidity Coverage Ratio (LCR) since January 1, 2016. Preparations are made to comply with the Bank of Thailand's potential guidelines on Net Stable Funding Ratio (NSFR) although they remain under the central bank's

consideration. In addition, Krungsri established emergency contingency plans and effective excess liquidity management commensurate with the current economic situation. We seek to ensure that adequate cash and other liquid assets are available for both Krungsri's and our subsidiaries' business operations.

Governance Structure

Our risk governance structure comprises three important components:

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

Liquidity Risk Management Framework

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



Measurement

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

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

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

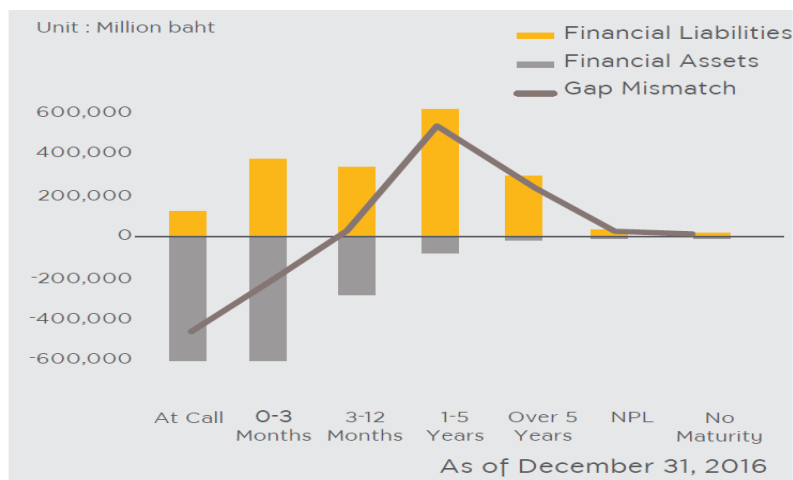
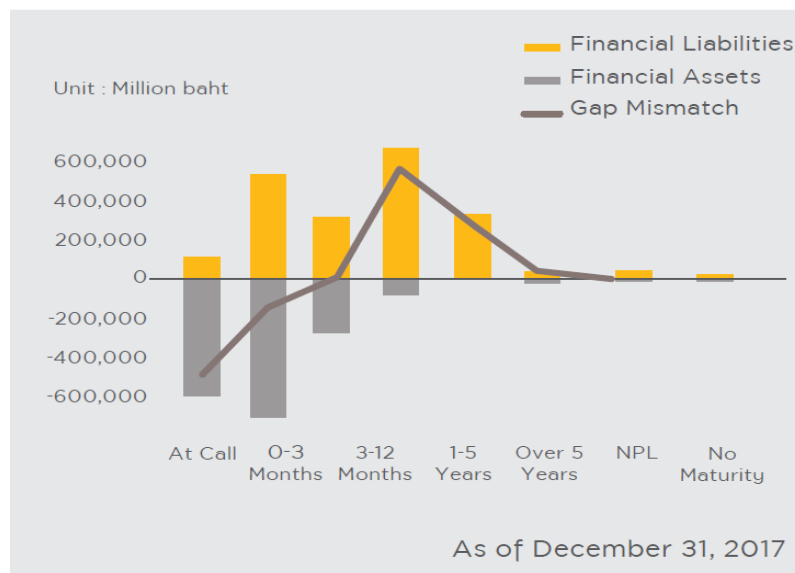
Government policy moved forward in developing the financial sector with new innovative industry - Thailand 4.0 and the digital economy – introducing the national e-Payment system using the PromptPay service jointly provided by all commercial banks. Furthermore, the emergence of a new generation of financial technology – FinTech – resulted in a complete ecosystem of supporting structures including the banking system. Challenges have arisen from the shift in depositors' behavior and more intense competition resulting from the transition to the digital economy, technological advancements, and the emergence of FinTech companies. To brace for future technological developments in the financial market and changing consumer behavior in the digital economy, Krungsri is dedicated to maintaining our competitiveness for both banking and non-banking businesses while advancing our presence in new markets. In March 2017, Krungsri established Krungsri Finnovate Co., Ltd. to sharpen our competitive advantages and forge partnerships to jointly innovate new financial products and services.

2017 Risk Factors and Liquidity Risk Management

Krungsri's aggregate liquidity risk has been relatively low considering our liquidity cushion to support maturity mismatches per the liquidity gap report and huge capital infows in the domestic

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

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



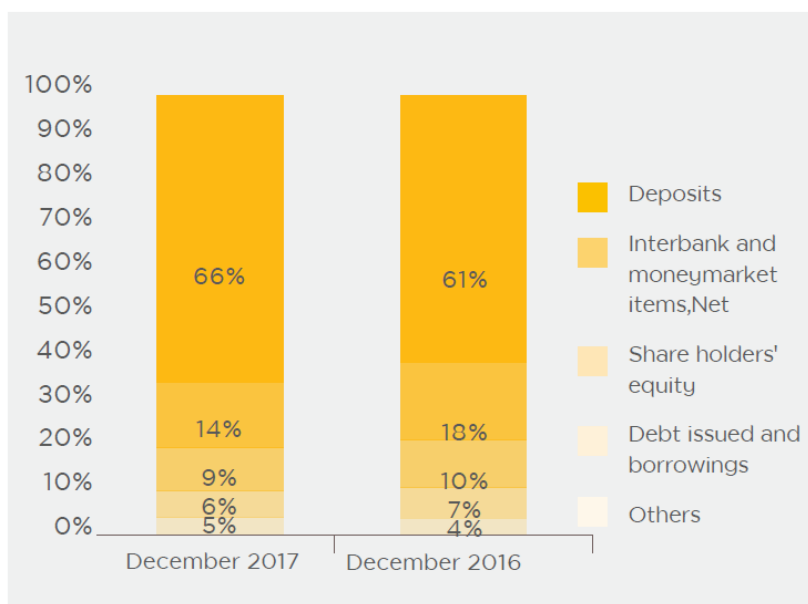
Financial assets: interbank and money market items, investments, and loans to customers

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

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

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

Financial Business Group Funding Sources



Operational Risk Management

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

Key risk factors can arise from: misconduct by internal or external parties; flawed procedural design or internal controls; non-compliance with laws or regulations; system collapse or inadequate systems that may lead to data corruption; system errors; security breaches; and system failures. The

risk factors from external events such as political crises, pandemics, flooding, and other environmental impacts are uncontrollable.

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

Principles

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

Organization and Structure

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

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

Operational Risk Management Framework and Tools

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

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

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

All departments are responsible for reporting operational risk incidents that result in direct and indirect losses beyond a certain threshold, including near-miss and non-financial impact events to the Operational Risk Management Division. Krungsri established a Significant Incident Management Working Group: For significant incidents a root cause is analyzed and raised through working group discussion to ensure effective preventive measures and root-cause analysis and to leverage lessons learned from significant operational risk incidents to others business units.

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

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

A risk-reporting process is in place within Krungsri Group, with all units and subsidiaries accountable for reporting their operational risks such as RCSA, KRI, and data loss to the Operational

Risk Management Division for analysis. The operational risk profiles and performance reports of Krungsri Group are then prepared and regularly reported to the Risk Management Committee and the Board of Directors in order to detect early changes in key operational risks within Krungsri Group and to drive decision-making process.

Capital Requirements

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

Krungsri Operational Risk Minimum Capital Requirements

as of December 31, 2017 and December 31, 2016

Unit: Million baht

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

The Risk Management Group

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

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

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

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

Risk Management Structure

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

The authority and responsibilities of those involved in managing risk are allocated to seven entities:

- **Board of Directors:** The Board of Directors defines our risk appetite, delegating approval authority for loan applications with specified amounts and credit risk ratings to the Credit Committee through the Executive Committee.
- **Credit Committee:** The Credit Committee comprises senior executives from the Risk Management Group as well as senior executives from relevant functions.
- **Risk Management Committee:** Primary responsibilities:
 - Approving and recommending to the Board of Directors integrated risk management policies and procedures for Krungsri Group
 - Reviewing Krungsri Group portfolio quality
 - Reviewing key market and operational risks, operational losses (such as fraud), as well as related systems and human error, and
 - Ensuring that Krungsri risk management methodologies are followed.

- **Credit Portfolio Subcommittee:** The subcommittee's primary responsibility is to ensure solid portfolio management in accordance with Krungsri's policies and procedures by:
 - Monitoring our portfolio credit concentration, risk trends, and policies for dealing with specific industries
 - Considering credit policies for specific companies to avoid credit concentration, and
 - Considering the management and operation of country risks.
- **NPL/NPA/TDR Monitoring Subcommittee:** Primary responsibilities:
 - Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR
 - Supervising and following up on progress for these consistently to speed up debt restructuring and to prevent debt quality deterioration, and
 - Approving principles for bid pricing and participation at collateral auctions for legal execution purposes or asset sales.
- **Collateral Valuation Committee:** Primary responsibilities:
 - Establishing and reviewing policies and procedures for collateral valuation submitted with loan applications and foreclosed assets or auctioned properties in accordance with asset revaluation regulations
 - Overseeing and controlling internal property appraisers to ensure that they act with integrity and accuracy and follow Krungsri and Bank of Thailand procedures, and
 - Reviewing and approving asset valuation results from internal or independent property appraisers.
- **Capital Management Subcommittee:** Primary responsibilities:
 - Supervising capital management, ensuring alignment with applicable regulations, and that capital management corresponds to Krungsri's risk appetite and capital demand
 - Supervising, reviewing, and providing recommendations for stress testing used as a tool for risk management, and
 - Reviewing and approving capital allocation and assessing capital demand while adhering to the business plan and risk levels in both normal and crisis situations, and considering capital contingency plans whenever Krungsri's capital has changed significantly.

4. Operating Assets

Fixed Assets

Premises and Equipment

Book value of premises and equipment of Krungsri and its subsidiaries as at December 31, 2017 and 2016 are as follows:

(Unit : Million Baht)

Items	Type of Property Right	Contingent Liability	Value	
			2017	2016
Land				
Cost	Owner	None	4,306	4,307
Appraisal Increase	Owner	None	7,086	7,102
Premises				
Cost	Owner	None	7,505	7,344
Appraisal Increase	Owner	None	11,641	11,649
Equipment	Owner	None	16,322	15,859
Leasehold Improvement	Leasing	Leasing	3,892	3,582
Others	Owner	None	2,274	714
Total			53,026	50,557
<u>Less</u> Accumulated Depreciation			(26,502)	(25,213)
Allowance for Impairment			(123)	(123)
Net Premises and Equipment			26,401	25,221

Long-Term Lease Agreements

Krungsri and its subsidiaries have entered into land and/or building and equipment lease agreements for branch offices and operations. Krungsri and its subsidiaries are committed to pay the future rental and service fee as at December 31, 2017, as follows:

(Unit : Million Baht)

Type of Lease	Period	Rental and Service Fee
Land and/or premises and equipment	Within 1 year	1,278
	Greater than 1 – 5 years	1,349
	Greater than 5 years	218
Total		2,845

Loans to Customers and Investments

The important assets of Krungsri utilized for operating its business are loans to customers and investments. The asset management of Krungsri is as follows:

Assets Classification and Reserve for Allowance for Doubtful Debts

Krungsri has complied with the Bank of Thailand's practice requiring Krungsri to classify its assets and set aside the allowance for doubtful debts at the percentage prescribed for each debt classification in accordance with the Bank of Thailand's Notification Sor.Nor.Sor 5/2559 Re: Rules on Assets Classification and Reserve Provisioning of Financial Institutions dated June 10, 2016 which is effective from July 2, 2016.

The summary of assets in the types of loans to customers and accrued interest according to the assets classification of Krungsri and its subsidiaries in the consolidated financial statements as at December 31, 2017 and 2016 is shown below:

(Unit : Million Baht)

Items	2017		2016	
	Amount	Percentage	Amount	Percentage
Normal	1,462,823	94.11	1,359,936	93.61
Special mention	53,876	3.47	57,976	3.99
Substandard	11,279	0.73	12,564	0.87
Doubtful	7,021	0.45	5,876	0.40
Doubtful of loss	19,322	1.24	16,395	1.13
Total	1,554,321	100.00	1,452,747	100.00

Remark: Loans to customers and accrued interest after deduct deferred revenue are excluded interbank and money market items.

Criteria for Classification and Set Up Allowance for Doubtful Accounts

Allowance for doubtful accounts is determined through methods in accordance with the Bank of Thailand's regulations. Krungsri and its subsidiaries categorize their loan portfolios into six categories and determine the allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention is calculated based on the minimum percentage in accordance with the Bank of Thailand's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the

outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which excludes collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, Krungsri and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the Bank of Thailand's guidelines.

Allowance for doubtful accounts for hire-purchase receivables of Krungsri and its subsidiaries is calculated by the collective approach which classifies a group of loans having similar credit risk characteristics based on the historical loss experience of each loan category.

Krungsri and its subsidiaries also set up the allowance for doubtful debts in compliance with the Bank of Thailand's guidelines. As at December 31, 2017, Krungsri sets up provision of 55,841 million baht for the consolidated financial statements. Such allowance for doubtful accounts consisted of the allowance for doubtful accounts for loans to customers and accrued interest receivables, the allowance for doubtful accounts for interbank and money market items and the revaluation allowance for debt restructuring.

Non-Performing Loan Management

Non-performing loans of Krungsri and its subsidiaries including interbank and money market items as at December 31, 2017 and 2016 are as follows:

(Unit : Million Baht)

	2017	2016
Non-performing loans	37,622	34,834
Percentage of total loans	2.05	2.21
Non-performing loans, net	16,243	15,653
Percentage of total loans, net	0.90	1.00

Investment in Securities

Krungsri invests in various types of securities namely government bonds, Bank of Thailand bonds, state owned enterprise bonds guaranteed and non-guaranteed by the Ministry of Finance, and private-sector securities. Krungsri ensures effective management of securities investment, i.e. high benefits with acceptable risks, no impact on Krungsri's liquidity, and under the investment

policy which determines investment framework e.g. type of securities to be invested, investment limit, risk control, etc.

(1) Investment in Government Bonds, Bank of Thailand Bonds, and State Owned Enterprise Bonds and Risk Management

- *Investment in government bonds, Bank of Thailand bonds, or state owned enterprise bonds guaranteed by the Ministry of Finance*

Government bonds, Bank of Thailand bonds, or state owned enterprise bonds guaranteed by the Ministry of Finance are highly secured and liquid. The main objectives of investment are for liquidity management, to preserve as liquid assets in compliance with the Bank of Thailand's requirements, and to facilitate transactions made with the Bank of Thailand and other financial institutions/counterparties in the private sector.

Krungsri has risk management policy regarding the investment in debt instruments for investment portfolio. In implementing this policy, Krungsri diversifies investments into government bonds, Bank of Thailand bonds, and state owned enterprise bonds both guaranteed and non-guaranteed by the Ministry of Finance, in several issues and maturity dates. Interest rate risk is measured by PV01 while portfolio duration is adjusted according to the interest rate condition. Portfolio will be marked to market daily, and report is submitted to senior executives on a monthly basis. In addition, Krungsri has a system presenting the daily duration of the total investment portfolio and also monitors the interest rates closely on the daily basis in order to appropriately adjust investment portfolio. Krungsri rebalances investment portfolio from time to time in the viewpoint of interest rate risk management by considering the yield curve movement and interest rate outlook.

- *Investment in state owned enterprise bonds, non-guaranteed by the the Ministry of Finance*

Investment in state owned enterprise bonds, non-guaranteed by the Ministry of Finance shall be within the above framework and the investment limit for each juristic person as well as the investment period, which Krungsri has approved the credit facility or investment limit.

(2) Investment in Private-Sector Securities and Risk Management

The main objective of investment in private-sector securities is to gain expected yields, focusing low-to-medium risk securities. The investment portfolio is managed to accord the liquidity

management of Krungsri, focusing on medium-term and long-term investment in securities of sound basic factors.

(3) Setting up of Allowance for Impairment of Securities Investment

Krungsri is to set up an allowance for impairment of investment in securities in compliance with the Thai Accounting Standards No. 105 “Investment in Debt and Equity Securities”.

Investment in Subsidiaries

To be a leading regional financial institution with global reach, Krungsri committed responsibility to meeting the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking products and services to key target groups: Commercial Banking (Thai, Japanese, Multi-national corporations and SMEs) and retail customers. With that, we make it a rule to invest in such companies that provide related financial services, which include wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, microfinance and installment loans.

From regional strategy perspectives, we seek opportunities to invest in ASEAN region, especially those in CLMV area, in alignment with our aspiration to be ASEAN financial power house.

In terms of management, we have established regulatory mechanisms in place for supervising and overseeing the operation of subsidiaries across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In addition, we assign subsidiaries’ directors and executives to supervise business operations, plans and annual budgets, and to provide Krungsri with important information for approval before taking actions.

5. Legal Disputes

Krungsri has legal disputes with third parties, and a few of these cases are currently pending in court. However, it appeared that at the end of the latest accounting year, no case affected Krungsri's assets more than 5 percent of the shareholder's equity or significantly impacted our operation, or resulted from our usual business conduct.

6. General and Other Important Information

Krungsri Information

Name of company:	Bank of Ayudhya Public Company Limited
Registration number:	0107536001079
Business type:	Commercial bank
Head office address:	1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone:	0-2296-2000
Facsimile:	0-2683-1304
Krungsri Call Center:	1572
Website:	www.krungsri.com
Issued and Paid-up capital:	Number of share : 7,355,761,773 shares, Par value: 10 baht

Branch and Financial Services Centers:

• Number of branches in Thailand	700 branches
- Greater Bangkok and vicinity	299 branches
- Upcountry	401 branches
• Number of overseas branches outside Thailand	2 branches
• Foreign Currency Exchange Booths	92 booths
• Exclusive Banking Zones	39 centers

Subsidiaries and Companies that Krungsri Holds Shares of 10 percent but less than 20 percent of All Issued Shares

List of companies where Krungsri directly and indirectly hold 10 percent or more of paid-up capital, as of December 31, 2017 are as follows:

- Subsidiaries

	Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
			Share Type	No. of Shares	
1.	Hattha Kaksekar Ltd. 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia	Microfinance Deposit Taking Institution (MDI)	Ordinary	30,000,000	100.00
2.	Krungsri Ayudhya AMC Ltd. 1222 Bank of Ayudhya PCL Head Office, Floor 11, Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 0-2296-4100 Facsimile: 0-2683-1400	Asset management	Ordinary	270,000,003	99.99
3.	Krungsri Factoring Co., Ltd. 1222 Bank of Ayudhya PCL Head Office, Floor 19, Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 0-2208-2849 Facsimile: 0-2208-2858	Factoring	Ordinary	30,000,000	99.99
4.	Ayudhya Development Leasing Co., Ltd. 550 Krungsri Ploenchit Tower, Floor 14, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2208-2300 Facsimile: 0-2208-2274	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99

	Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
			Share Type	No. of Shares	
5.	Ayudhya Capital Auto Lease PCL 550 Krungsri Ploenchit Tower, Floor 16, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-6010, 0-2740-7400 Facsimile: 0-2627-8211	Finance (Auto Financing)	Ordinary	2,554,500,000	99.99
6.	Ngern Tid Lor Co., Ltd. 89/170 Moo 3, Juthamard Building, Floor 4, 5, 9 and 10 Vibhavadi Rangsit Road, Talad Bangkhen, Laksi, Bangkok 10210 Telephone: 0-2792-1888 Facsimile: 0-2792-1949	Finance (Auto Financing)	Ordinary Preferred	88,702,847 222,000	99.99
7.	Ayudhya Capital Services Co., Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8000	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	99.99
8.	General Card Services Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8111 Facsimile: 0-2627-8381	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	99.99
9.	Krungsriayudhya Card Co., Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2646-3000 Facsimile: 0-2646-3001	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	99.99
10.	Krungsri Life Assurance Broker Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8028 Facsimile: 0-2627-4117	Finance (Life Insurance Broker)	Ordinary	920,000	99.99

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
		Share Type	No. of Shares	
11. Krungsri General Insurance Broker Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8029 Facsimile: 0-2627-4117	Finance (Non-life Insurance Broker)	Ordinary	920,000	99.99
12. Total Services Solutions PCL 2/3 Moo 14, Bangna Tower B, Bangna-Trad Road, K.M.6.5, Bangkaew, Bangplee, Samutprakarn Telephone: 0-2714-5199 Facsimile: 0-2777-0009	Service (Collection)	Ordinary	160,599,822	99.99
13. Siam Realty and Services Security Co., Ltd. 1222 Bank of Ayudhya PCL Head Office (Tower C, Floor 5A), Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 0-2296-3435, 0-2296-2364 Facsimile: 0-2296-2369	Service	Ordinary	1,000,000	99.99
14. Krungsri Innovate Co., Ltd. 1222 Bank of Ayudhya PCL Head Office, Floor 10, Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 0-2646-3649	Service	Ordinary	100,000,000	99.99
15. Krungsri Securities PCL 898 Ploenchit Tower, Floor 3, Ploenchit Road, Pathumwan, Bangkok 10330 Telephone: 0-2659-7000 Facsimile: 0-2646-1100	Securities	Ordinary	135,000,000	99.84

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
		Share Type	No. of Shares	
16. Krungsri Asset Management Co., Ltd. 898 Ploenchit Tower, Floor 1-2 Zone A and Floor 12, 18 Zone B, Ploenchit Road, Pathumwan, Bangkok 10330 Telephone: 0-2657-5757 Facsimile: 0-2657-5777	Asset Management	Ordinary	3,500,000	76.59
17. Krungsri Leasing Services Co., Ltd. House No. 355, Nui 12 Khampheang Meung Road, Phonethan Village, Saysettha District, Vientiane Capital, Lao PDR.	Finance (Leasing/ Hire-Purchase/ Sales Finance)	Ordinary	2,736,000	90.00
18. Tesco Card Services Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8615	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
19. Tesco Life Assurance Broker Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8611	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
20. Tesco General Insurance Broker Ltd. 550 Krungsri Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8611	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00

• Companies in that Krungsri holds shares of 10 percent but less than 20 percent of its Paid-up Capital

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd. 111/1 Moo 1 Banchang, Phanatnikom, Chonburi 20140 Telephone: (038) 464-270-73	Furniture Manufacturer	Ordinary	95,000	10.00
2. Rent Trade and Service Co., Ltd. 888 Moo 9, Soi Roongcharoen, Lieb Klong Suvarnabhumi Road, Bangpla, Bangplee, Samutprakarn 10540 Telephone: 0-2130-0668 Facsimile: 0-2130-0689	Import and Distributors (Construction machinery)	Ordinary	1,500,000	10.00
3. Finnomena Co., Ltd. ^{1/} 99/37 Soi Bang Waek 17, Bang Waek, Phasi Charoen, Bangkok 10160 Telephone: 097-054-8730	Information Service Activities	Preferred	634,513	13.158

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

• Companies Acquired through Debt Restructuring Process

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (Percentage)
		Share Type	No. of Shares	
1. Lenso Phonecard Co., Ltd. 292 Srinakarin Road, Huamark, Bangkapi, Bangkok 10240 Telephone: 0-2351-8116 Facsimile: 0-2351-8009	International Line Public Phone Card	Ordinary	62,423,190	10.00
2. UMC Metals Ltd. 32/40 Sino-Thai Tower, Floor 16, Sukhumvit 21 Road (Asok), North Klongteoy, Vadhana, Bangkok 10110 Telephone: 0-2259-2942-5 Facsimile: 0-2259-2946	Manufacturing and Trading (Steel Rod)	Ordinary Preferred	95,000,000 50,000,000	10.00

Referral Parties

Name, office, telephone and facsimile of referral parties:

Registrar

- Ordinary shares : Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building,
Rachadapisek Road, Din Daeng, Bangkok 10400
Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Debenture No. 1/2016 : Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel: 0-2296-2833, 0-2296-4772 and 0-2296-5696
Fax: 0-2683-1389
- Subordinated Instrument No. 1/2017
- Subordinated Instrument No. 2/2017
- Long Term Debenture No. 1/2015 (1 tranche)
- Long Term Debenture No. 2/2015 (1 tranche)
- Long Term Debenture No. 1/2016 (1 tranche)
- Long Term Debenture No. 2/2016 (2 tranches)
- Long Term Debenture No. 3/2016 (2 tranches)
- Long Term Debenture No. 1/2017 (1 tranche)
- Long Term Debenture No. 2/2017 (1 tranche)

Debenture Holder Representative

- Subordinated Instrument No. 1/2016 : None
- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Long Term Debenture No. 1/2015 (1 tranche) : None
- Long Term Debenture No. 2/2015 (1 tranche) : None
- Long Term Debenture No. 1/2016 (1 tranche) : None
- Long Term Debenture No. 2/2016 (2 tranches) : None
- Long Term Debenture No. 3/2016 (2 tranches) : None
- Long Term Debenture No. 1/2017 (1 tranche) : None
- Long Term Debenture No. 2/2017 (1 tranche) : None

Auditors : Mr. Permsak Wongphatcharakorn Certified Public Accountant Registered No. 3427
Mr. Niti Jungnitirundr Certified Public Accountant Registered No. 3809
Mr. Chavala Tienprasertkit Certified Public Accountant Registered No. 4301

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
11/1 AIA Building, Sathon Tower, Floor 23 - 27, South Sathon Road,
Yan Nawa, Sathon, Bangkok 10120
Tel : 0-2034-0000
Fax : 0-2034-0100

Legal Advisors : Mr. Kanok Indrambarya
Mr. Chotechuong Thapvongse
Pol. Gen. Ajiravid Subarnbhesaj

Bank of Ayudhya PCL
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Tel : 0-2296-3872 and 0-2296-3882, Fax : 0-2683-1436

Credit Ratings

Krungsri's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings and TRIS Rating as of December 31, 2017 are shown in the table below.

1. Moody's Investors Service	
Bank Deposits	
Long Term	Baa1
Short Term	Prime-2
Debt	
Long Term - Senior Debt	Baa1
Debt and Deposit Rating Outlook	Stable
Baseline Credit Assessment (BCA)	Ba1
2. Standard and Poor's	
Issuer Credit Rating (ICR)	
Long Term	BBB+
Short Term	A-2
Foreign Currency	
Long Term - Senior Debt	BBB+
Short Term	A-2
Stand-alone Credit Profile (SACP)	bb+
Outlook	Stable
3. Fitch Ratings	
International Rating (Foreign Currency)	
Long Term	A-
Subordinated Debt	BBB+
Short Term	F2
Viability Rating	bbb
Support	1
Outlook	Stable
National Ratings	
Long Term – Debenture	AAA (tha)
Subordinated Debt	AA+ (tha)
Short Term	F1+ (tha)
Outlook	Stable
4. TRIS Rating	
National Ratings	
Company Rating	AAA
Issue Rating (subordinated)	AA+
Outlook	Stable

2017 Key Performance Targets

Consolidated	2016	2017	2017 Targets	
Loan Growth (Net)	+145.4 bn +11.2%	+101.5 bn +7.0%	6-8%	✓
NPLs Ratio	2.21%	2.05%	< 2.5%	✓
Deposit Mix: Savings and Current	53%	45%	> 50%	~
Loan Mix : Retail	44%	47%	~ 40%	✓
Loan/Deposit+B/E+Debenture	117%	110%	n.d.	-
NIM	3.74%	3.74%	~ 3.7%	✓
Non-interest Income Growth* (YoY)	11.7%	8.3%	5.0%+	✓
Cost to Income Ratio	47.1%	48.0%	< 50%	✓
Provisions	147 bps	149 bps	~ 140 bps	~
Loan Loss Coverage	143%	148%	140%+	✓
CAR (Bank Only)	14.16%	15.65%	n.d.	-

* Net fees income + Non-interest and non-fees income



Bank of Ayudhya Public Company Limited

Part 2

Management and Corporate Governance

7. Information on Securities and Shareholders

Number of Registered and Paid-up Capital

Registered capital	As of December 31, 2017: 75,741,437,470 baht
	Number of shares: 7,574,143,747 Par value: 10.00 baht
Paid-up capital	As of December 31, 2017: 73,557,617,730 baht
	Number of shares: 7,355,761,773 Par value: 10.00 baht

Shareholders

As of the latest closing date on September 8, 2017. The list of the shareholders holding the ordinary shares over 0.5 percent of the total shares (7,355,761,773 issued and paid-up ordinary shares at the par value of THB 10 per share) is as follows:

Item	Shareholder Name	Number of Shares	Percentage of Total Shares
1.	The Bank of Tokyo-Mitsubishi UFJ, Ltd. BAY Account	5,655,332,146	76.88
2.	Stronghold Assets Company Limited	166,536,980	2.26
3.	The Great Luck Equity Company Limited	166,478,940	2.26
4.	GL Asset Company Limited	166,414,640	2.26
5.	BBTV Satelvision Company Limited	166,151,114	2.26
6.	BBTV Asset Management Company Limited	163,112,900	2.22
7.	Bangkok Broadcasting & T.V. Company Limited	160,789,220	2.19
8.	Mahakij Holdings Company Limited	158,726,810	2.16
9.	Tun Rung Rueng Company Limited	157,889,440	2.15
10.	Super Assets Company Limited	51,421,714	0.70
11.	C.K.R Company Limited	48,528,834	0.66
	Other Shareholders	294,379,035	4.00
	TOTAL	7,355,761,773	100.00

Remark: During the year, the investors can access the up-to-date information at www.krungsri.com under the heading - Investor Relations > General Information > Shareholder Structure

Krungsri Obligations on Share Issuance in the Future

-None-

Debt Instruments or Convertible Securities

(Unit: Million Baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2017
Long Term Bonds (Non – Collaterals)				
1. Subordinated Instrument No.1/2016 (BAY272A) Amount: 10,000.00 Issue date: August 11, 2016 Debenture Rating (Fitch): AA+ Agent: None	3.50%	February 11, 2027 (10.5 years)	-	10,000.00
2. Subordinated Instrument No.1/2017 (BAY27NA) Amount: 17,007.00 Issue date: May 24, 2017 Debenture Rating (Fitch): AA+ Agent: None	3.90%	November 24, 2027 (10.5 years)	-	17,007.00
3. Subordinated Instrument No.2/2017 (BAY27NB) Amount: 14,978.00 Issue date: November 17, 2017 Debenture Rating (Fitch): AA+ Agent: None	3.40%	November 17, 2027 (10 years)	-	14,978.00
4. Debenture No.1/2015 Series 2 (BAY182A) Amount: 4,000.00 Issue date: February 27, 2015 Debenture Rating (Fitch): AAA Agent: None	2.89%	February 27, 2018 (3 years)	-	4,000.00
5. Debenture No.2/2015 Series 2 (BAY189A) Amount: 7,000.00 Issue date: September 30, 2015 Debenture Rating (Fitch): AAA Agent: None	2.25%	September 30, 2018 (3 years)	-	7,000.00
6. Debenture No.1/2016 (BAY193A) Amount: 12,000.00 Issue date: February 29, 2016 Debenture Rating (Fitch): AAA Agent: None	1.86%	March 1, 2019 (3 years)	-	12,000.00
7. Debenture No.2/2016 Series 1 (BAY186A) Amount: 5,000.00 Issue date: June 24, 2016 Debenture Rating (Fitch): AAA Agent: None	1.89%	June 24, 2018 (2 years)	-	5,000.00

(Unit: Million Baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2017
8. Debenture No.2/2016 Series 2 (BAY196A) Amount: 7,000.00 Issue date: June 24, 2016 Debenture Rating (Fitch): AAA Agent: None	1.96%	June 24, 2019 (3 years)	-	7,000.00
9. Debenture No.3/2016 Series 1 (BAY180A) Amount: 9,000.00 Issue date: October 27, 2016 Debenture Rating (Fitch): AAA Agent: None	1.94%	October 27, 2018 (2 years)	-	9,000.00
10. Debenture No.3/2016 Series 2 (BAY190A) Amount: 6,000.00 Issue date: October 27, 2016 Debenture Rating (Fitch): AAA Agent: None	2.09%	October 27, 2019 (3 years)	-	6,000.00
11. Debenture No.1/2017 Series 2 (BAY203A) Amount: 10,000.00 Issue date: March 29, 2017 Debenture Rating (Fitch): AAA Agent: None	2.25%	March 29, 2020 (3 years)	-	10,000.00
12. Debenture No.2/2017 Series 2 (BAY20NA) Amount: 10,000.00 Issue date: November 3, 2017 Debenture Rating (Fitch): AAA Agent: None	1.85%	November 3, 2020 (3 years)	-	10,000.00
Other Debt Instruments (Non – Collaterals) (Issued in 2017)				
1. Bill of Exchange Major Investment Amount: 437,155.36 Issue date: January 4 - September 29, 2017 Debenture Rating (Fitch): AAA Agent: None	0.50% - 1.25%	Depending on the date of purchase (not over 270 days)	-	0.00

Remarks:

- Thailand Securities Depository Co., Ltd. is the Registrar for Krungsri's ordinary share.
- Securities Services Operations Department is the Registrar for Krungsri's Debenture.
- Treasury and Capital Market Operations Department is the Registrar for Krungsri's Bill of Exchange.

Debentures redeemed during 2017

(Unit : Million Baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collaterals)			
1. Subordinated Debenture No. 1/2012 (BAY22NA)	14,843.60	November 7, 2012	November 7, 2017
2. Debenture No. 1/2015 Series 1 (BAY172A)	4,000.00	February 27, 2015	February 27, 2017
3. Debenture No. 1/2014 Series 2 (BAY174A)	5,500.00	April 4, 2014	April 4, 2017
4. Debenture No. 2/2015 Series 1 (BAY179A)	8,000.00	September 30, 2015	September 30, 2017
Other Debt Instruments (Non-Collaterals) (Issued in 2017)			
1. Bill of Exchange, Major Investment	437,155.36	January 4 – September 29, 2017	Depending on the date of purchase (2 – 186 days)

Dividend Payout Policy

Krungsri's Dividend Payout Policy

Krungsri will determine dividend payment by taking into consideration capital adequacy as the first priority and other factors including the actual operating results, returns to shareholders and regulatory requirements (with additional conditions).

The dividend payment shall be in compliance with Article 41 of the Bank's Articles of Association, that states "Dividends shall not be paid from other sources than profits. The company shall allocate a portion of its net annual profit as reserve not less than that specified by the Laws. The profits remaining thereafter may be allocated as reserves of various kinds, as the Board of Directors may deem proper, and after approval from the shareholders' meeting.

The Bank may from time to time pay shareholders interim dividends if the Board of Directors considers it appropriate given the Bank's consolidated profitability levels. The payment of interim dividends shall be reported to the shareholders at the next general meeting of shareholders.

Dividends shall be paid within the period prescribed by the Law, beginning from the date that the dividend resolution is passed by the general meeting of the shareholders or by the Board of Directors. A written notice shall also be sent to shareholders and dividend payment announcements shall be published in a newspaper."

Krungsri's dividend payments are subject to regulatory requirements and the Bank of Thailand notification No. SorNorSor. 20/2558 Re: Guidelines on Accounting of Financial institutions section 8 of dividend Policy dated December 4, 2015 which stipulate that financial institutions should not pay dividends from unrealized gains, no real cash inflow, and profit from non-true sales transactions.

Our Subsidiaries' Dividend Payout Policy

All dividend payments by the Bank's subsidiaries must be approved by a resolution of the shareholders at a general shareholder meeting and must be in compliance with relevant rules and regulations.

The subsidiaries may from time to time pay shareholders interim dividends if their Board of Directors considers it appropriate given profitability levels.

In each case, the company must allocate not less than one-twentieth of its net profits as reserves until the total amount allocated is equal to or more than one-tenth of the company's registered capital.

8. Management Structure

Board of Directors

Members of the Board of Directors

As of December 31, 2017, the Board of Directors consists of 12 directors as below:

Name - Surname	Position
Non-Executive Directors	
1. Mr. Veraphan Teepsuwan	Chairman
2. Mr. Takayoshi Futae	Vice-Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
3. Mr. Takeshi Ogasawara	Director / Risk and Compliance Committee Member
4. Mr. Hirotake Taguchi	Director
5. Miss Nopporn Tirawattanagool	Director (Authorized Signatory) / Nomination and Remuneration Committee Member / Risk and Compliance Committee Member
Independent Directors	
6. Mr. Karun Kittisataporn	Independent Director / Chairman of the Nomination and Remuneration Committee
7. Miss Potjanee Thanavarant	Independent Director / Chairman of the Audit Committee
8. Mr. Virat Phairatphiboon	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
9. Mr. Phong-adul Kristnaraj	Independent Director / Audit Committee Member / Chairman of the Risk and Compliance Committee
Executive Directors	
10. Mr. Noriaki Goto	Director (Authorized Signatory) / Chairman of the Executive Committee
11. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
12. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

Mrs. Thidarat Sethavaravichit serves as the Secretary to the Board of Directors.

Remark: The last updated profile of directors are detailed in Attachment 1.

The directors authorized to sign on behalf of Krungsri are that Mr. Takayoshi Futae and Mr. Noriaki Goto jointly sign and affix the Company's seal; or either Mr. Takayoshi Futae or Mr. Noriaki Goto co-sign with either Miss Nopporn Tirawattanagool or Mr. Pornsanong Tuchinda or Miss Daungdao Wongpanitkrit, a total of two directors, jointly sign and affix the Company's seal.

Meetings of the Board of Directors

In 2017, there were a total of 12 meetings as scheduled in advance with details below:

Members of the Board of Directors	Number of Meetings Attended / Total Number of Meetings Held				
	Board of Directors	Nomination and Remuneration Committee	Audit Committee	Risk and Compliance Committee	Executive Committee
Non-Executive Directors					
1. Mr. Veraphan Teepsuwan	12/12				
2. Mr. Takayoshi Futae	12/12	13/15			
3. Mr. Takeshi Ogasawara	9/12			8/12	
4. Mr. Hirotake Taguchi	10/12				
5. Miss Nopporn Tirawattanagool	12/12	15/15		12/12	
Independent Directors					
6. Mr. Karun Kittisataporn	12/12	14/15			
7. Miss Potjanee Thanavarant	12/12		23/23		
8. Mr. Virat Phairatphiboon	12/12	15/15	23/23		
9. Mr. Phong-adul Kristnaraj	12/12		23/23	12/12	
Executive Directors					
10. Mr. Noriaki Goto	12/12				41/42
11. Mr. Pornsanong Tuchinda	11/12				36/42
12. Miss Duangdao Wongpanitkrit	12/12				40/42

Additionally in 2017, 2 meetings of non-executive directors were held: on May 24 and November 22, 2017.

Executives (as defined by the Capital Market Supervisory Board and Krungsri)

Members of the Executives

As of December 31, 2017, the Executives as defined by the Capital Market Supervisory Board and Krungsri are President and Chief Executive Officer, Head and Deputy Head of Commercial Banking, Head and Deputy Head of Retail and Consumer Banking, Head and Deputy Head of JPC/MNC Banking, Chief and Deputy Chief Information and Operations Officer, Head of Group/Chief Officer and Deputy Head of Group/Deputy Chief Officer, Executive Vice President and above under the Office of the President and Chief Executive Officer and Vice President or equivalent position and above of Finance and Accounting Group/Division, totally 71 persons as listed below:

Name - Surname	Position
1. Mr. Noriaki Goto	President and Chief Executive Officer
2. Mr. Pornsanong Tuchinda ^{1/}	Head of Commercial Banking
3. Miss Duangdao Wongpanitkrit	Chief Financial Officer
4. Mr. Sudargo (Dan) Harsono	Head of Retail and Consumer Banking
5. Mr. Masaaki Suzuki ^{1/}	Head of JPC/MNC Banking
6. Mrs. Voranuch Dejakaisaya	Chief Information and Operations Officer
7. Miss Phawana Niemloy	General Counsel
8. Miss Puntipa Hannoraseth ^{1/}	Head of Audit Group
9. Mr. Chandrashekar Subramanian Krishoolndmangalam	Chief Risk Officer
10. Mr. Rohit Khanna	Head of Corporate Strategy and Planning Group
11. Mr. Tak Bunnag	Head of Global Markets Group
12. Mr. Sayam Prasitsirigu	Head of SME Banking Group
13. Mr. Phonganant Thanattrai	Head of Retail Banking and Distribution Group
14. Mr. Pairote Cheunkrut	Head of Krungsri Auto Group
15. Mr. Thakorn Piyapan	Head of Krungsri Consumer Group
16. Mr. Wittapon Jawjit	Head of Human Resources Group
17. Mr. Nuttawit Boonyawat	First Executive Vice President, Office of the President and Chief Executive Officer
18. Mr. Yoichiro Tsukamoto	Deputy Head of JPC/MNC Banking
19. Mr. Kazuhiro Sudo	Deputy Head of Commercial Banking

Name - Surname	Position
20. Mr. Tsutomu Kamagata	Deputy Head of Retail and Consumer Banking
21. Mr. Kenji Fukaya ^{2/}	Chief Credit Officer
22. Mr. Suratun Kongton ^{1/}	Head of Corporate and Investment Banking Group
23. Mr. Dharittee Kritsernvong	Head of Information Technology Group
24. Mrs. Katchariya Chongpaisansakul	Co-Head of Operations Group
25. Mr. Wirote Chuenratanakul	Co-Head of Operations Group
26. Mr. Yuzo Nakada	Deputy Chief Financial Officer
27. Mr. Hironori Okada	Deputy Chief Risk Officer
28. Mr. Takehiko Iwamoto	Deputy Head of Global Markets Group
29. Miss Suwanna Jakraworavudh	Executive Vice President, Office of the President and Chief Executive Officer
30. Mr. Udomkarn Udomsab	Executive Vice President, Office of the President and Chief Executive Officer
31. Mrs. Kittiya Srisanit	Executive Vice President, Office of the President and Chief Executive Officer
32. Miss Siriporn Sinacharoen	Executive Vice President, Office of the President and Chief Executive Officer
33. Mr. Somwang Toraktrakul	Executive Vice President, Office of the President and Chief Executive Officer
34. Mr. Congsin Congcar	Executive Vice President / Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group
35. Miss Pisara Pattanasiri	Executive Vice President / Head of Financial Planning and Analysis Division / Acting Head of Financial Planning and Analysis - Consolidation and Reporting Department, Finance Group
36. Mr. Kriangsak Jongsukkgiparnich	Executive Vice President, Head of Accounting Division / Acting Head of Operational Controllershship Department, Finance Group

Name - Surname	Position
37. Miss Jiraporn Popairoj	Senior Vice President, Head of Financial Governance Risk and Compliance Division / Acting Head of Internal Control Department / Acting Head of Related Party Transaction and Insourcing/Outsourcing Department / Acting Head of Financial Compliance and Control Department, Finance Group
38. Mrs. Varabhorn Achakornlak	Senior Vice President, Head of Procurement Department, Finance Group
39. Miss Pornnapa Patarasatienkul	Senior Vice President, Head of Financial Planning and Analysis – Commercial Department / Acting Head of Corporate Financial Planning and Analysis Section, Finance Group
40. Mrs. Akanit Mattison	Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group
41. Mr. Khomson Adunwitthayakorn	Senior Vice President, Head of Accounting and Control Department, Finance Group
42. Mr. Jamorn Phianphrom	Senior Vice President, Head of Tax and Disbursement Department, Finance Group
43. Mrs. Orawan Julapol	Senior Vice President, Head of Financial Reporting Department / Acting Head of Basel Reporting Section, Finance Group
44. Miss Sukanda Thawilwang	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group
45. Miss Wimol Sivarorosakul	Senior Vice President, Financial Liaison and Planning Department, Finance Group
46. Mr. Montien Jangsutimon	Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group

Name - Surname	Position
47. Mr. Shoji Oishi	Senior Vice President, Head of Financial Liaison and Planning Department, Finance Group
48. Mr. Vatchara Pumnoi	Senior Vice President, Head of Krungsri Auto Controllershship Department
49. Mr. Teerasak Nimnaparo	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department
50. Miss Soamkulaya Pinkayan	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department
51. Miss Siriporn Sribooncharoen	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group
52. Mrs. Samanporn Chantanahom	Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group
53. Mrs. Kamoltip Jittimaporn	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllershship Department, Finance Group
54. Miss Rattaporn Pornprasit	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group
55. Miss Benjawan Surachutikarn	Vice President, Head of Foreign Business Accounting Department, Finance Group
56. Mrs. Anantaya Padanupong	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group
57. Mr. Takashi Kanai	Vice President, Head of Foreign Financial Reporting Department, Finance Group
58. Miss Thatsaphin Cholsuwat	Vice President, Head of Finance System Management Section, Operational Controllershship Department, Finance Group
59. Miss Sunan Pimsawang	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group

Name - Surname	Position
60. Miss Porntip Undamrongkarn	Vice President, Foreign Financial Reporting Department, Finance Group
61. Miss Thitiporn Kittipiyakul	Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group
62. Mr. Vichai Kolsonvoravattanakul	Vice President, Head of Finance Center Point of Contact (CPC) – Bank Initiative Support Section, Operational Controllership Department, Finance Group
63. Mrs. Suchavalee Srisarakorn	Vice President, Finance Group
64. Mr. Suwit Eurpiyachart	Vice President, Finance Group
65. Miss Ananya Nopkhun	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group
66. Mr. Suphawut Kitkuakosol	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group
67. Mrs. Tatsawan Dumrisomkul	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllership Department
68. Miss Thanawan Santananont	Vice President, Head of Krungsri Auto Procurement Section
69. Miss Chanida Kwansanerthechin	Vice President, Head of Krungsri Auto Tax Controllership Section
70. Miss Chavakorn Chavalerdpanyakul	Vice President, Head of Krungsri Auto Financial Planning and Analysis - Product Section, Krungsri Auto Financial Planning and Analysis Department
71. Miss Sujinda Ninatkiattikul	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department
Remark	^{1/} Position is changed according to organizational restructuring, effective January 1, 2018 ^{2/} Employment with Krungsri is ended, effective January 3, 2018

Newly Appointed Executives after December 31, 2017 in the total of 3 persons are as follows:

Name - Surname	Position
1. Mr. Yoshio Ueyama ^{1/}	Chief Credit Officer
2. Mr. Piti Krasaesian ^{2/}	Deputy Chief Credit Officer
3. Miss Napaporn Teerakittiwattana ^{3/}	Senior Vice President, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group

Remark: ^{1/} Effective January 3, 2018

^{2/} Effective January 1, 2018

^{3/} Effective January 8, 2018

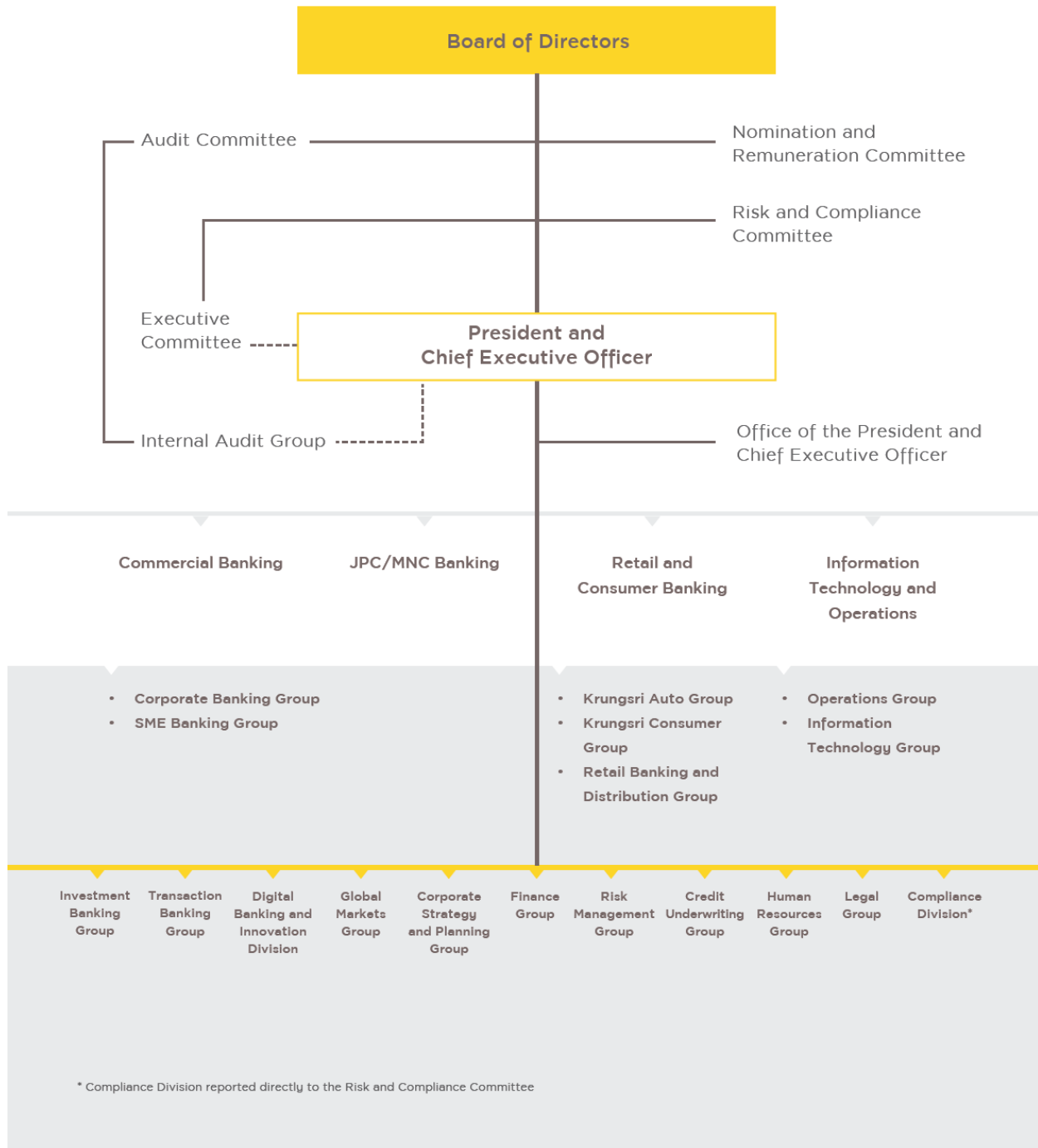
Additional Executives as defined by Krungsri

On January 16, 2018, two additional levels of executive i.e. the Bank's executives who serve as Managing Director of the companies in Krungsri Group and Senior Vice President and above under the Office of the President and CEO were defined by Krungsri to be the executives under the definition of the Capital Market Supervisory Board and Krungsri. At present, additional executives are as follows:

Name – Surname	Position
1. Mr. Chatchawan Permsukjarusap	Senior Vice President, Office of the President and CEO
2. Mr. Sam Tanskul	Senior Vice President, Head of FinTech/Startup Section, Innovation Department
3. Mr. Okart Supamornpun	Senior Vice President, Office of the President and CEO
4. Mr. Siriyot Pronanunt	Senior Vice President, Office of the President and CEO

The last updated profile of executives are detailed in Attachment 1.

Organization Structure (As of January 1, 2018)



Corporate Secretary

Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of the Corporate Secretariat Department, has been appointed as Corporate Secretary and Secretary to the Board of Directors, effective July 1, 2008. The qualifications, duties and responsibilities of Corporate Secretary are detailed in Attachment 1.

Remuneration of Directors and Executives (as defined by the Capital Market Supervisory Board and Krungsri)

Remuneration of Directors: Krungsri has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

Remuneration of executives: Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

Remuneration in 2017: Remuneration paid by the Bank in 2017 to directors and executives is as per the following details:

● Cash remuneration

(1) Total directors' remuneration (retainer fee, pension and attendance fee) of the 12 directors amounts to 52,130,133.40 baht. Details of the remuneration paid to each director are as follows:

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension				
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan ^{1/} - Chairman of the Board of Directors	2,658,933.33	1,185,066.67	1,654,266.67	-	-	-	5,498,266.67

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension				
2. Mr. Takayoshi Futae - Vice Chairman - Member of the Nomination and Remuneration Committee	2,941,733.33	1,418,800.00	1,486,933.33	-	793,600.00	-	6,641,066.66
3. Mr. Takeshi Ogasawara - Member of the Risk and Compliance Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	-	793,600.00	5,470,800.01
4. Mr. Hirotake Taguchi	2,360,666.67	1,134,266.67	1,182,266.67	-	-	-	4,677,200.01
5. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	793,600.00	793,600.00	6,264,400.01
Independent Directors							
6. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	2,360,666.67	1,134,266.67	1,182,266.67	-	829,600.00	-	5,506,800.01
7. Mr. Virat Phairatphiboon - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	2,360,666.67	1,134,266.67	1,182,266.67	793,600.00	793,600.00	-	6,264,400.01
8. Ms. Potjanee Thanavarant - Chairman of the Audit Committee	2,360,666.67	1,134,266.67	1,182,266.67	829,600.00	-	-	5,506,800.01
9. Mr. Phong-adul Kristnaraj - Chairman of the Risk and Compliance Committee - Member of the Audit Committee	2,360,666.67	1,134,266.67	1,182,266.67	793,600.00	-	829,600.00	6,300,400.01

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Pension				
Executive Directors *							
10. Mr. Noriaki Goto	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remark: * Executive directors are not entitled to remuneration paid to directors.

^{1/} Waived the right to receive directors' remuneration of 3 months, i.e. February, August and September 2017, and contributed the amount for various purposes such as donation to support construction of Siriraj Hospital's new building, donated for Krungsri's annual Kathin merit-making ceremony.

(2) The Executive Committee does not receive any remuneration.

(3) The total executives' remuneration paid in 2017 in the form of salary and bonus to the executives as defined by the Capital Market Supervisory Board and Krungsri, i.e. President and Chief Executive Officer, Head and Deputy Head of Commercial Banking, Head and Deputy Head of Retail and Consumer Banking, Head and Deputy Head of JPC/MNC Banking, Chief and Deputy Chief Information and Operations Officer, Head of Group/Chief Officer and Deputy Head of Group/Deputy Chief Officer, and Executive Vice President and above under the Office of the President and CEO and Finance and Accounting Group/Division totaling 39 persons, amounts to 441,214,702.54 baht.

Remark: - 2 new executives joined Krungsri during the year.

- 3 executives resigned from Krungsri during the year.

● Other remuneration

Contribution to the provident fund for executives (3) amounts to 17,905,030.46 baht
Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.

Personnel

Number of Employees

As of December 31, 2017 Krungsri has a total number of 15,019 employees, classified into the following functional groups:

	No. of employees (person)
Executives (Executive Vice President and above)	87
Commercial Banking	24
Corporate and Investment Banking Group	153
SME Banking Group	497
Commercial Banking Planning Division	79
Commercial Credit Analysis Division	206
Commercial Credit Products Division	20
Auto Dealer Division	15
Commercial Credit Control Department	33
JPC/MNC Banking	415
Retail and Consumer Banking	7
Krungsri Auto Group	1,669
Krungsri Consumer Group	31
Retail Banking and Distribution Group	8,088
Retail Marketing Division	20
Information Technology and Operations	2
Operations Group	1,112
Information Technology Group	443
IT Security Division	35
IT Service Governance Management Division	44
IT Strategic and Program Management Office Division	33
Operations and IT Support Division	54
Office of the President and Chief Executive Officer	4
Audit Group	199
Global Markets Group	113
Corporate Strategy and Planning Group	329

	No. of employees (person)
Finance Group	157
Risk Management Group	216
Credit Underwriting Group	441
Human Resources Group	175
Legal Group	221
Digital Banking and Innovation Division	43
Compliance Division	54

Change in the Number of Employees

In 2017, the number of employees of Krungsri increased by approximately 1.64 percent when compared to the previous year. There is no significant matter relating to labor dispute during the past 3 years.

Employee Remuneration

The total remuneration of 15,019 employees in 2017 was THB 12,795,600,056.32 million, consisting of salary, bonus, cost of living allowance, and provident fund contribution.

Krungsri had determined remuneration and welfare policies as follows:

- Krungsri would provide fair and competitive remunerations compared with those of other banks or leading companies based on Krungsri's criteria and the remuneration survey results from country leading firms in human resources consultation.
- Krungsri would provide the welfares in line with the employees' requirements such as annual leave, life and health insurance, provident fund, and employee scholarships.

Employee Learning and Development

Krungsri continuously strives for the development of our employees' capabilities with sustainable growth, social responsibility and responding to the customers' need in order to achieve becoming the leading global financial institution. Human Resources Group has consistently improved Krungsri's employee learning and development plan to drive an organization to effectively respond to the business requirements for future growth.

2017 was the learning year of all employees, many Krungsri Learning Programs were created to build professional excellence to employees. In addition, Krungsri Customer Centricity Training Roadmap was initiated with the main objective of building knowledge and understanding to thoughtfully exercise Krungsri's one of core values, namely "Customer Centricity" to consistently deliver our services and commitments to customers, to enhance ability of understanding customers' need and expectation and to strongly maintain long-term relationship with customers that will lead us to becoming an Customer Centric Organization.

Human Resources Group has continuously paid attention to development of our leadership quality and high potential employees to increase Krungsri's overall capabilities and performance through Krungsri's Leadership Programs. Krungsri also increases the employees' potential for participating in global arena by providing an opportunity for employees to join various programs which are conducted by companies in MUFG/BTMU group through blended learning solutions such as lecture class, discussion and sharing knowledge among colleagues and on-the-job training in abroad of the Global Rotation Program (GRTP).

Human Resources Group by Learning and Development team achieved improving employees' learning services by constantly providing various learning categories to meet various needs and to facilitate employees for greater convenience in accessing each learning programs as part of the underlying concept for better services because all employees are our valuable customers. Krungsri Learning Companion (KLC) developed and implemented by Human Resources Group and other related Group is a modern learning management system with Cloud Computing technology which was implemented to support employees' learning experience. Through KLC, employees are able to search for interesting training courses, register or learn training courses via online system anywhere and anytime by their computer, notebook or mobile devices i.e. smartphone and tablet. Importantly, Krungsri Learning Center was established to continuously improve learning effectiveness and employees' learning and development in response to business requirements that will accelerate us for growth.

9. Corporate Governance

Compliance with Good Corporate Governance Principles

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

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

Additionally, to encourage transparency of Krungsri's business operations as well as its accountability to the stakeholders, Krungsri drew up “**The Spirit & The Letter**” (“S&L”), outlining key principles of integrity under applicable laws and good corporate governance, and stating matters to be acknowledged, taken and aware by the employees as well as the punitive measures in case of violation. Krungsri disseminates S&L on its website and requires all employees to sign for acknowledgement and compliance on an annual basis. Krungsri also arranges activities to enhance

knowledge and understanding of S&L such as an annual S&L Week and the appointment of each business function's Compliance Champion to serve as a conduit for communications, knowledge sharing and enhancement of understanding on compliance issues including rules and regulations, policies and procedures or corporate governance requirements stipulated by Krungsri for the employees in each particular function.

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

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

From the assessment, most of Krungsri's operations are in compliance with good corporate governance criteria stipulated by related regulatory bodies. However, there are a few criteria that the Board of Directors has scrutinized and found that they are sensitive issues with complexity whereby actions should be slow down and further study of potential impacts should be conducted by the assigned departments and reported to the Board of Directors for re-consideration. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure

good corporate governance. The explanation and reason of not applying were also recorded in the Minutes of the Board of Directors Meeting.

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

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

Section 1 Shareholders' Rights

1.1 Policy on and Protection of Shareholders' Rights

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

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

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

1.2 Meetings of Shareholders

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

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

on meetings of shareholders, voting procedure and method, including a map of the venue are also provided.

- Krungsri neither added any agenda nor changed any significant information without prior notice to the shareholders.

- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the AGM. In case a shareholder wishes the other person to present at the meeting on his/her behalf, he/she can use the proxy form to express his/her voting. Krungsri also provided duty stamps. Moreover, Krungsri clearly indicated a list of required documents and procedures with uncomplicated conditions for proxy appointment. The Chairman of the Board and two independent directors were nominated as options for the shareholders to appoint as their proxies whereby their brief profiles were also provided.

- Krungsri appropriately supported and facilitated all shareholders including institutional shareholders in exercising their rights to participate in and vote or authorizing a proxy to participate in the meeting and vote on their behalf. The AGM was organized at Krungsri's Head Office which is convenient to travel to and Krungsri did not make any attempt to obstruct opportunities for the shareholders to communicate with each other.

- The officers of the Public and Investor Relations Department are assigned to coordinate, provide information and answer questions from the investors and shareholders.

- For the agenda on election of directors, votings were made on individual director being nominated whereby their brief profiles i.e. name-surname, age, educational background and working experiences separated by listed and non-listed companies were provided, besides the information on selection criteria and procedures, type of directors and shareholding of Krungsri's securities. For those being nominated for re-election, the number of Board meetings they attended in the previous year, appointment date and other relevant and necessary information being useful for the shareholders' consideration are also shown. In addition, before consideration of this agenda, the directors who retired by rotation and were nominated for re-election left the meeting room and returned to the meeting only when subsequent agendas arose, so that the shareholders could discuss and cast their votes independently. In casting votes, ballots from all participating shareholders were collected.

- For the agenda on directors' remuneration, the amount and each type of remuneration i.e. remuneration, attendance fee and other annual compensation as well as

remuneration for the committee members reporting to the Board of Directors, along with the policy and criteria for consideration of payments were specified.

- For the agenda on auditor appointment and auditor fee, details of nominated auditor(s) to be appointed/reappointed, including companies they are working for, their experiences, competence, independence, number of years serving as Krungsri's auditor, audit and non-audit fees and other relevant and necessary information as per the regulations of the regulators were provided for the shareholders' consideration.

- For the agenda on annual dividend payment, the dividend payment policy, the payout rate and the proposed dividend amount with a comparison to those of the past 5 years along with the date of payment, rationale and other supporting information for consideration were stated.

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

- For the registration and vote-count process, Krungsri used the standardized barcode system which is able to calculate and demonstrate accurate and instant result [Remark: operated by Inventtech Systems (Thailand) Co., Ltd., which provides service to listed companies via Thailand Securities Depository Co., Ltd. ("TSD")]. The shareholders are able to register for participation at least 2 hours prior to the meeting time. To save participants' time and for their convenience, Krungsri has arranged for 14 registration counters separated into 12 counters for ordinary and juristic persons and 2 counters for mutual funds and custodians.

The shareholders who attended the AGM in person were able to register by presenting either their ID cards, civil servant/state enterprise officer ID cards, driving licenses or passports. After the AGM was duly convened, the shareholders were entitled to register to exercise their rights to vote on the agendas for which resolutions had not yet been passed. The shareholders who had already registered received ballots to exercise their voting rights on each agenda.

- Those attending the AGM included the Chairman of the Board, the President and Chief Executive Officer and the chairman of every committee reporting to the Board of Directors. The latter comprised the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Risk and Compliance Committee and the Chairman of the Executive Committee together with Krungsri's senior executives, auditor, representatives from Allen & Overy (Thailand) Co., Ltd., the law firm serving as the meeting's inspector to ensure

transparency and compliance with laws and the Bank's Articles of Association, as well as a delegate from the Thai Investors Association, whom Krungsri invited to join the AGM as an observer. The Chairman of the Board introduced these persons to the AGM one by one and invited the shareholders who wish to observe the vote-count in agenda 8: The election of directors but it appeared that there was no volunteered shareholder.

- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating, both in person and by proxy, in the AGM and explained the criteria and procedures for meeting, vote casting and vote counting. Before voting on each agenda, the shareholders were entitled to express their opinions or raise questions about the agenda under discussion or about Krungsri independently. After the vote counting, the results including approval, disapproval and abstention in each agenda were announced to the meeting.

- Currently, Krungsri has one type of share i.e. common share. One share is equal to one vote and a majority vote is required unless otherwise specified by law. The shareholders with special conflicts of interest on any agendas were not entitled to vote on such agendas, except for agenda of the election of directors. For this agenda, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.

- For Krungsri's shareholding structure, none of the directors hold more than 25 percent of the registered and paid-up common shares.

- Krungsri video taped the entire meeting and separated the file into video clips of each agenda for dissemination on Krungsri's website.

- On the same day of the AGM, Krungsri conveyed a summary of the meeting resolutions and the voting results on each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels. The results of the vote were posted on Krungsri's website on the following working day. Additionally, Krungsri sent the notice on appointment of director as proxy and the thank-you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.

- Krungsri prepared accurate, complete and comprehensive minutes of the AGM, with the name list and titles of the directors and the senior executives who attended and did not attend the meeting. The minutes also specified that Krungsri has invited the inspector, the observer from the Thai Investors Association and the volunteered shareholder to witness the vote-count, as well as

method of vote casting and vote-count which has been presented before starting the meeting, use of ballots, details of each agenda, opinions of the Board of Directors on each agenda, opportunity to raise inquiries and comments, questions and answers, valuable observations and suggestions of the shareholders, meeting resolutions on an item-by-item basis together with the voting results for each agenda which clearly separated into approval, disapproval or abstention. The Minutes were presented to the Chairman of the Board and all members of the Audit Committee for review before submitting to the Chairman of the Board for sign off and then sending to the relevant government authorities within 14 days after the AGM date. Furthermore, the Minutes were also disseminated on Krungsri's website.

Section 2 Equal Treatment to the Shareholders

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

2.1 Treatment to the Shareholders in the Meeting of Shareholders

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

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

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

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

- All of Krungsri' directors, executives and employees are required to strictly abide by the relevant laws, directives and policies as well as code of conduct and ethics of Krungsri. It is prohibited to use Krungsri's inside information or undisclosed information to the public for personal or others' benefits.
- The use of inside information for stock trading is prohibited, illegal and contradicts the principles governing conflicts of interest. All of Krungsri' directors, executives and employees must comply with the relevant laws and regulations as well as the law governing financial institution business and the law on securities and exchange.
- This policy must be conveyed to all Krungsri' directors, executives and employees for their acknowledgement and compliance. At any time Krungsri is going to disclose any important financial data to the public, a blackout period will be announced to prohibit any trading of Krungsri's shares by Krungsri's directors, executives and employees for 3 business days both before and after notification to the Stock Exchange of Thailand. In addition, for those shares acquired during the term of office of directors, executives and employees including their related persons such as spouse and minor children, the sale or transfer can be made after the first three months of the acquisition unless permitted by the President and Chief Executive Officer or other designated persons.
- Directors and executives of Krungsri including their spouses or cohabitating couple and minor children as specified by law and Krungsri itself must report any changes of their holding of Krungsri's securities due to any purchase, sale, transfer or acceptance of a transfer within 3 business days after the date of purchase, sell, transfer or acceptance of a transfer of Krungsri's securities to the Securities and Exchange Commission and to the Board of Directors for acknowledgement. In 2017, there were no cases of insider trading committed by Krungsri' directors, executives and employees.
- All employees shall manage non-disclosure information appropriately. Any disclosure of such information shall only be made on a "need-to-know" basis in order for the recipients to properly discharge their job responsibilities.
- All employees shall avoid any direct and indirect action that may be a conflict of interest and well handle any conflict situations in normal business. Misusing resources or image of Krungsri is also prohibited. These are to ensure fair treatment for customers.

2.3 Transactions between Krungsri or Its Subsidiaries and Stakeholders

- Krungsri has neither violated nor failed to comply with the criteria for related party transactions as well as sale and purchase of assets.

- Krungsri' directors and executives with conflicts of interest will abstain from consideration and voting on any transactions between Krungsri or its subsidiaries and any related party having either actual or potential conflicts of interest.

- Transactions are normally executed fairly under an arms' length basis and shall be considered and approved by the authorized person and/or the Board of Directors according to the type and value of the transaction.

- The Audit Committee will provide opinions relating to the necessity of such transactions and the propriety of the pricing as well as consider the disclosure of any transaction that may incur a conflict of interest to ensure its accuracy, adequacy and transparency.

- In case of a related party transaction requiring approval from a meeting of shareholders, Krungsri will disclose details and rationale of the transaction as well as opinions of the Board of Directors to the shareholders before making the transaction.

- For transactions undertaken in 2017, Krungsri showed all details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Related Party Transactions". The details showed that such transactions were Krungsri's normal business activities, made at the market value on an arm's length basis.

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

- Directors and senior executives of Krungsri are obligated to provide reports on their own and any other related persons' conflict of interest relating to the management of Krungsri or its subsidiaries in terms of holding of position, shareholding and transaction, which the reporting procedures are clearly established. The reports shall be delivered to the Chairman of the Audit Committee and the Chairman of the Board for acknowledgement, respectively.

- In any meeting of the Board of Directors, directors who have related interest in any agenda do not participate in consideration and have no right to vote. However, for the agenda that directors may have potential stake, such directors would refrain from participating in consideration and abstain from voting. This is recorded in the minutes of the meeting.

- Krungsri establishes a policy prohibiting granting of any loan, loan-like transaction or debt guarantee to its directors, senior executives and other related persons, except loans granted in

the form of credit card or loan as a part of welfare loan in compliance with the regulations of the Bank of Thailand.

Section 3 Roles of Stakeholders

3.1 Treatment to the Stakeholders

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

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

- **Shareholders:** Krungsri equally gives priority and has respect for all shareholders' rights and also provides its shareholders with opportunities to consider any important issues and provide comments or suggestions from which the useful ones will be applied for improvement of business operations to drive growth and better performance, which would lead to appropriate returns to the shareholders in the long term. Significant information are normally disclosed to the shareholders in a correct and adequate manner with transparency and accountability. In addition, Krungsri provides assistance to the shareholders to fully exercise their rights.

- **Board of Directors:** Krungsri provides opportunities for all directors to fully perform their duties independently including expressing opinions and giving recommendations to the Management on Krungsri's operations. In this regard, the Corporate Secretariat Department is to ensure that the Board of Directors' activities are accurate and adequacy according to the Principles and laws. In addition, Krungsri provides each director with a Directors' Handbook, in which the content has been regularly updated and, on a quarterly basis, information of training courses organized by the Thai Institute of Directors Association (IOD) as well as any other appropriate courses for their time allocation to participate.

- **Executives:** Krungsri provides opportunities for executives to perform their duties independently without any intervention under their assigned roles and responsibilities. Moreover, Krungsri also provides them with training courses in various areas on a regular basis for their personnel development and career path.

- **Employees:** Krungsri recognizes that its employees at all levels are valuable resources and key drivers of business success. Krungsri therefore defines appropriate policies for enhancing the employees' effective duties performance by providing good working environment and proper remuneration and welfares as well as skill and competency development for their career path opportunity, details can be summarized as follows:

- Providing employees with appropriate and fair remuneration in accordance with their performance as measured against goals and key performance indicators under Balanced Scorecard applicable throughout the organization by taking into account Krungsri's performances in both short and long terms. Such remuneration is comparable to those of peers.

- Providing welfare higher than what is required by laws, which includes other forms of benefits for the purpose of retaining employees and creating inducement for them to add more value to Krungsri and the shareholders in a long run. For example, establishing a provident fund for its employees, to which Krungsri is obliged to make partial contributions, so that employees have savings to use in the event that they retire, resign, become disabled, or for use as insurance for their families in the case of death. In addition, Krungsri communicates the information regarding the benefits to which the employees are entitled via various channels such as by email and organizing training program in order to enhance employees' good knowledge and understanding about the provident fund, the benefits that they will receive, the fund's investment policy, and the risks associated with the investment. In 2018, Krungsri plans to change the investment policy from a "single fund with one investment policy" approach to a "single fund with multiple investment policy" approach. As a result, employees will have the freedom to choose their desired investment policy or investment plan (Employee's Choice) by taking into consideration their age level, the returns and the level of risk which best meet their needs.

- Providing other welfare benefits to meet employees' potential needs which might have in the future. These aim to help unburden employees so that they can work free of stress. Welfare benefits are divided into three major categories: "financial aid", "health and insurance", and "employee loans". Details are conveyed to employees for their acknowledgement via the Employee

Handbook and the Krungsri People online system in order to realize benefits of their own and families.

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

- Krungsri is strongly determined to develop its employees' excellence by designing and developing learning programs to encourage their understanding and advancement to be in line with Krungsri's Vision and Mission. Above all, the programs respond to the development needs of individual employees. The emphasis is on the variety of courses and learning models, which must respond sufficiently to the employees' needs through the Krungsri Learning Companion or KLC, a new learning management approach. In this respect, Cloud Computing Technology is employed in learning and personnel development activities. This provides employees with facilities and opportunities to access a wider range of knowledge as well as the latest information on training "anywhere and anytime" which employees are convenient. In order to drive its business toward success more effectively, Krungsri encourages knowledge sharing in every business entity as well as a self-learning culture. In 2017, all employees participated in various training courses in an average of 60.66 hours per person.

- Apart from aiming to foster excellence among its personnel by encouraging employees to express themselves through Krungsri Core Values and showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed

learning programs that support its employees to be good citizens, including being responsible to consumers, participating in the development of their communities and society, and preserving environment. Examples of these programs such as Krungsri ... Preserve the World, the Good Corporate Governance courses, etc.

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

Krungsri has stipulated the stringent measures for safeguarding the customers’ personal information to prevent any violation of the customers’ personal information rights, details of which are stated in the Employee Handbook. The measures require that the customers’ information or secrets must not be disclosed, unless required by laws or authorized in writing by the customers, and the use of the customers’ information for its own benefit is prohibited. In this regard, every employees and executives must study S&L every 2 years via the Krungsri Learning Companion (KLC). S&L is a part of the Code of Conduct that focuses on honesty under the scope of laws and the Principles, which is intended to enhance transparency and responsibility to the stakeholders in carrying out Krungsri’s business. Krungsri also arranges training programs which extend knowledge and understanding of “Customer Centricity” value to employees in order to strengthen and enhance their variety of skills as well as competencies in efficiently responding the customers’ need and expectation. The training programs are, for examples, Krungsri Service Plus on how to deliver an impressive customer experience, Industry Knowledge, Total Solution Sales Strategy and Cash Management Product.

Krungsri encourages the customers to share their opinions for further improvement of its services. Krungsri assesses the customers’ satisfaction and also designates a clear target by providing a customer satisfaction survey form, the results of which will be analyzed to develop and improve the quality of services provided by its employees. Moreover, the customers can file any

complaints or make recommendations to Krungsri via several channels: Call Center at 1572; E-mail: webmaster@krungsri.com; Krungsri's website under the heading "Contact Us"

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

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

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

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

Krungsri has stipulated a comprehensive managerial structure for business operation and has outlined a clear strategy on capital management for the organization's stability and strength to ensure that Krungsri will not fall into any financial difficulty that would eventually result in its inability to repay debts. Krungsri's liquidity management enables it to repay debts on time according

to their maturity periods as well as to be ready to repay debts in an emergency situation. This managerial structure will ensure that Krungsri is capable of repaying its debts even when it has to confront a liquidity crisis. In case that Krungsri is unable to comply with the agreed conditions, it will notify its creditors in advance in order that they can jointly consider the issues and find potential solutions.

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

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to follow a policy on compliance with the competition laws without any exception. Punitive measures will be imposed in case of violation since Krungsri has a clear intention to prevent any unfair competition. Furthermore, Krungsri's employees must treat its business competitors in line with international principles under the scope of laws relating to business competition, while also adhering to the rules of fair competition impartially.

Krungsri cooperates in any activities beneficial to the overall business to prevent any impact to the commercial banking system. Moreover, Krungsri promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. For example, Krungsri neither seeks any confidential information in a dishonest or inappropriate manner nor makes any accusations or disparaging comments. In addition, Krungsri also cooperates to reduce the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in Sustainability Report.

On March 28, 2017, Krungsri signed MOU and declared its cooperation in establishing the Banking Industry Code of Conduct which aims to build commercial banking standard practices in operating business with morality and to ensure that the customers are provided fair services and accurate information of products before making decision. The Banking Industry Code of Conduct is also established in accordance with the 5-year strategic plan of the Thai Bankers Association and based on three primary principles which are integrity, fairness and accountability to shareholders. Currently, Krungsri operations are in line with the principles of the Banking Industry Code of Conduct.

- **Responsibility to the Society and Environment:** Krungsri takes into account the importance of embedding awareness of responsibility for a sustainable advancement and the

growth of society as a whole to all its employees. This is because sustainability is a fundamental element for Krungsri to accomplish its mission, which is “To be a leading regional financial institution with global reach, committed responsibly to meeting the needs of our customers and serving society through sustainable growth”. Krungsri has translated this concept into concrete actions through socially responsible business practices (so called CSR-in-process) and various social activities (so called CSR-after-process). As well, as one of the biggest commercial banks in Thailand, Krungsri strives for achievement of the mission to be a responsible financial service provider which emphasizes on 3 dimensions of sustainability development as follows:

- Economic sustainability: Krungsri aligns business strategies with the economic outlook and maintaining a well-balanced portfolio while serving as our customers’ trusted business partner and financial advisor;
- Social sustainability: Krungsri improves financial services access and enhancing financial literacy among Thai people and continuously engaging the Krungsri Group’s employees in community development initiatives and valued CSR activities;
- Environmental sustainability: Krungsri places importance on minimizing the negative impact to our environment through implementation of green initiatives within Krungsri business and through our prudent support of customers’ eco-friendly initiatives.

Krungsri has established Policy for Social Contribution and Project Formulation as a basic framework in providing financial support and contributions to CSR activities as well as created a procedure of CSR operations on behalf of Krungsri or its subsidiaries to ensure that social contribution / donations is performed and benefit the society and in line with the said policy. Krungsri defines the CSR activities into 4 categories:

1. Creating sustainable value: focusing on employees’ and executives’ understanding of CSR and sustainability. In addition, it focuses on practices regarding a long-term engagement with stakeholders as well as conducting sustainability reporting in order to evaluate corporate sustainability performance and raise awareness among stakeholders.
2. Giving back to the community: focusing on community engagement, for areas surrounding Krungsri’s operational sites and society at large through three social projects/activities.
 - (1) Financial literacy and education support e.g. providing financial knowledge, educational facilities and equipment support

(2) Social and community development e.g. breast cancer campaign, blood drive activity and disaster support. With respect to community development, Krungsri organizes activities in connection with its potential, expertise and resources as financial service provider, for example, Krungsri Financial Literacy Project which was initiated in 2015. As part of the project, employees acting as representatives from each group help senior elementary school students (grade 4 -6) learn how to save and spend money wisely through recreational activities and equip them with financial knowledge and savings discipline since childhood. The project has been on-going until the present. Krungsri continuously monitors and assesses the progress of the project. This project not only uses the potential of Krungsri's personnel, as financial service providers, for the benefit of the society, but also fosters both community engagement and employee engagement.

(3) Art, cultural and traditional support e.g. historical site preservation

3. Preserving environment: focusing on cultivation of employees' habit and conscience on preserving environment through environmental projects/activities along with promotion of environmental impact minimization throughout our operational process.

4. Providing financial support: focusing on financial support and social aids in various cases, e.g. scholarships, disaster relief, donations to public benefit organizations, etc.

Krungsri has also established CSR Committee which President and Chief Executive Officer has been appointed as the Chairman. Its responsibilities are to formulate Krungsri Group's corporate social responsibility policy, direction, and framework in alignment with the concept of sustainable development; including to supervise compliance with the action plan; to provide recommendations to improve Krungsri Group's performance related to corporate social responsibility measures to ensure alignment with corporate social responsibility guidelines, recommendations and rules prescribed by supervisory bodies at national and global levels. In addition, the committee shall report its performance to the Executive Committee and the Board of Directors on regular basis.

In addition, Krungsri has made the sustainable development report (SD report) under Global Reporting Initiative (GRI) framework in separation from the annual report. Information on material sustainability issues is disclosed in accordance with the GRI international reporting standard which covers to the impacts from economic, environmental and social operations. Those issues will be identified, prioritized, validated and reviewed by Corporate Social Responsibility Department and CSR Committee every year.

Krungsri has established the Policy for Efficient Resource Utilization for Environmental Protection in order to encourage environmental protection and conservation of nature by requiring the efficient use of resources for its operations, and the use of eco-friendly resources. The materials used will be made from eco-friendly manufacturing processes and materials. In addition, Krungsri encourages the employees to recognize and to participate in the use of resources in a manner that maximizes their efficiency, and also established measures for achieving concrete results. These measures are, for example: electricity saving measures (e.g. energy-saving lighting and control of in-office temperature); and environmental measures (e.g. use of recycled water and eco-friendly air conditioners). Furthermore, Krungsri promotes the employees' understanding of the efficient use of resources and organizes energy conservation projects in which its employees participate, so as to ensure effectiveness. Krungsri also requires that the executives shall be responsible for the management and control of operation of the relevant sector within the appropriate costs of operations considering the circumstances.

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

Krungsri provides training through Krungsri Learning Companion (KLC) available for its employees to apply to improve their knowledge about sustainable development including economic, social and environmental sustainability. Krungsri also encourages employees to participate in various projects/activities for society organized by Krungsri. Details of the CSR activities are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic "Social Responsibility" and Sustainability Report.

3.2 Adherence to Human Rights

Krungsri adheres to the international human rights principles and is bound by any laws concerning freedom of association, privacy, working time, wages and working hours, as well as non-discrimination of employment. Krungsri is determined to create an environment with attention paid to all employees wherever Krungsri operates its business. In this regard, Krungsri has determined

appropriate policies of employment, compensation and welfare including rules and guidelines on fair employment. Krungsri not only complies with the law declaring a strong intention for not violating the human rights, but also promotes a culture of mutual respect.

It is required that directors, executives and employees must respect and comply with the principles of human rights; and have no support to human rights violation. This is deemed as one of the good governance principles. Appropriate welfare to the employees; safe workplaces and environment; compliance with the relevant laws and regulations regarding the environment, health and safety; creation of working environment with non-discrimination, and protection of employees' information are all in place.

Krungsri conducts surveys to sound out employees' opinions on Krungsri via the Voice of Krungsri (VOK). Those opinions have been used in determining operating plan for further improvement of Krungsri.

3.3 Non-violation of Intellectual Properties or Copyright

Krungsri has clear policies and guidelines on non-violation of intellectual properties or copyright stated in S&L which prohibits its employees from using intellectual properties of other people without authorization e.g. copyright, patent, trademark, software or other proprietary data. This is to ensure non-violation of other people's rights and compliance with laws.

3.4 Anti-fraud and Anti-Corruption, and Bribery Prohibition

Krungsri explicitly commits itself to continuously improving anti-fraud and anti-corruption measures. Krungsri realizes that being an organization with transparent operations and no involvement with fraud and corruption will help building confidence among all stakeholders and this is also in line with the Principles. Details of Krungsri Group's policies and programs relating to anti-fraud and anti-corruption are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic "Anti-Corruption and Counter Bribery" and Sustainability Report.

Krungsri establishes Policy for Anti-Corruption and Anti-Corruption Program whereby processes of warning and reporting, whistleblowing, and protecting the whistleblowers are initiated. In this connection, Krungsri provides the employees and outsiders with easy-to-access whistleblowing channels where they can trust and have no risk in requesting for consultation, guidance, and whistleblowing. When a suspect issue is reported, an investigation shall be made by fraud and corruption investigation committee which is set up to conduct an investigation, provide

solution and feedback as well as report its findings to the senior executives, the Audit Committee and the Board of Directors.

To ensure effectiveness and efficiency of the anti-fraud, anti-corruption and anti-bribery, Krungsri has established various measures such as formulating policies and regulations relating to giving or receiving gift and entertainment, providing knowledge and support to employees in order to create awareness of the importance of anti-fraud and anti-corruption. In this regard, Krungsri has arranged for 4 compulsory courses via Krungsri Learning Companion (KLC) i.e. Good Corporate Governance Principles (CG); The Spirit & The Letter (S&L) covering anti-fraud and anti-corruption (CAC), Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and Gift and Entertainment.

In addition, reports on compliance with anti-fraud and anti-corruption measures shall be submitted to the Audit Committee, the Risk and Compliance Committee and the Board of Directors at least on an annual basis. The efficiency of the applied measures shall be reviewed at least once every 2 years. Furthermore, Krungsri shall apply for the re-certification of its participation as a member of the Thailand's Private Sector Collective Action Against Corruption (CAC) of the CAC Council every 3 years and requires all employees to sign for acknowledgement of and compliance with related policies and guidelines on an annual basis. In 2017, Krungsri participated in the Anti-Corruption Day with the Anti-Corruption Organization of Thailand (ACT) in order to demonstrate its support for anti-corruption, same as every year.

3.5 Receipt of Complaints by and Communication Channels with

The Board of Directors sets up the following communication channels to ensure that all stakeholders can contact with Krungsri to ask for information, to complain in case their rights are violated, or to undertake whistleblowing conveniently and quickly:

- Whistleblowing on unlawful actions or violation of the code of conduct, incompleteness of financial data, internal control system and other matters can be made to the Audit Committee through:

- Mail to

Chairman of the Audit Committee (Miss Potjanee Thanavaranit), or

Audit Committee Member (Mr. Virat Phairatphiboon), or

Audit Committee Member (Mr. Phong-adul Kristnaraj), or

Secretary to the Audit Committee (Miss Puntipa Hannoraseth)

and send to

Bank of Ayudhya PCL, Head Office

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

- E-mail: audit.committee@krungsri.com
- Krungsri's website under the heading "About Us", sub-heading "Receipt of Complaints"
- Whistleblowing or other enquiries can be made via
 - Call Center at 1572
 - E-mail: webmaster@krungsri.com
 - Krungsri's website under the heading "Contact Us"

As for Krungsri's employees, apart from the above-mentioned channels, they can file complaints, suspect issue regarding integrity or any whistleblowing of wrongdoing or violation of the policies, rules and regulations of Krungsri via 4 channels as follows:

1. Ombudspersons: Miss Ladawan Kongkruapun and Mrs. Thidarat Sethavaravichit, Krungsri executives who are accepted by employees and executives in terms of integrity, honesty, ethics and non-discrimination behavior;
2. Branch Operational Risk Management Department;
3. Human Resources Group;
4. Audit Committee.

Krungsri provides clear procedure and system on receiving complaints where a whistleblower may or may not give his/her name. Complaints including whistleblower's information will be treated confidential which cannot be accessed by unrelated persons and, if necessary, shall be disclosed to responsible person(s) having duty to seek a solution only.

Complaints received will be recorded and solved under appropriate procedures without delay. The findings will also be reported to the executives or the Board of Directors, as the case may be.

Krungsri strictly prohibits any counteraction against the whistleblower or intervention in the problem-solving process. Any counteractions will result in a supreme disciplinary punishment, including termination of employment.

In 2017 and earlier years, Krungsri had not been under any investigation by any regulator for failure to disclose information regarding significant incidents within the period designated by such regulators.

Section 4 Disclosure of Information and Transparency

4.1 Shareholding Structure

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

4.2 Information Disclosure

Krungsri is aware of the importance of information disclosure concerning both financial and general matters to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby they must be disclosed in both Thai and English via easy accessible channels with a correct, adequate, transparent, rapid, timely and equal manner and in compliance with the relevant laws and regulations of the government's authorities. Krungsri regularly updates important information so that they are always up-to-date.

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

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

- Information to be disclosed to the investors, analysts, fund managers and other parties must be those permitted and/or already disclosed to public and investors through the Stock Exchange of Thailand and the Securities and Exchange Commission;
- Krungsri will not disclose any sensitive information that may affect its reputation to the investors, analysts, fund managers and other parties, unless otherwise authorized by senior executives or until the actions in relation to such issue are complete. The information will be thoroughly and equitably disclosed to the stakeholders, investors, analysts, fund managers and other parties;

- As regards information disclosure on unusual securities trading, Krungsri shall comply with the regulations prescribed by the Stock Exchange of Thailand and the Securities and Exchange Commission and/or other relevant authorities. Such information to be disclosed to the investors, analysts, fund managers and other parties shall be the same as those already disclosed to the Stock Exchange of Thailand and the Securities and Exchange Commission and/or other relevant authorities;
- Any disclosure of unjustified-solicit information such as those being persuasive, convincing or propagandist for marketing purposes on sale of products and services including those containing unsubstantiated wordings that create a sense of superiority over others, must be approved by Regulatory Compliance Department and/or General Counsel.
- Any person preparing, involving in, or knowing unrevealed information is not allowed to disclose and convey the same to any person closely related to him/her or other persons without permission by the authorized person, and such information shall be treated confidential until the permission is granted and/or such information is already reported to the Stock Exchange of Thailand;
- Disclosure channels to the public must be suitable to each group of stakeholders, and in compliance with the rules applicable to each channel;
- Information to be disclosed by means of presentation at any press conference or analysis meeting must be reviewed and endorsed by Chief Financial Officer, related Head of Group/Chief Officer and/or President and Chief Executive Officer;
- The Public and Investor Relations Department shall be responsible for monitoring and verifying the information disclosed via analyst reviews of securities companies, asset management companies, and other institutions relating to investments. If the information is found incorrect, the Public and Investor Relations Department, with the approval from Chief Financial Officer, shall make a clarification and provide correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsriportal.net;
- President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to the investors, analysts, fund managers and other parties. If there is any question being under the responsibilities of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by President and

Chief Executive Officer. Krungsri spokesperson must complete communications training to ensure credibility and effectiveness of the communication;

- The Public and Investor Relations Department shall be the center for handling interview requests and information from the investors, analysts, fund managers and other parties and proposing to Chief Financial Officer for consideration on giving interviews and approval of disclosed information;

- Disclosure of information pertaining to incidents having impact on reputation and credibility of Krungsri such as corruption, critical complaint, court decision, theft and severe disaster happened with the employees or Krungsri shall be handled by the Public and Investor Relations Department with approvals from President and Chief Executive Officer, Chief Financial Officer and the General Counsel prior to disclosure to the public;

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

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

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

1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand, Thai Institute of Directors Association including the Banking Industry Code of Conduct of Thai Bankers' Association in 5 core sections: shareholders' rights; equal treatment to the shareholders; roles of stakeholders; disclosure of information and transparency; and responsibilities of the Board of Directors;

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

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

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

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

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

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

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

Krungsri's financial statements including financial information being shown in the annual report of Krungsri are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, practiced on a regular basis including rational estimation methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's real financial status and performance, which are beneficial to the shareholders and general investors. The 2017 financial statements were certified with an unqualified opinion by an independent auditor.

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

measured customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Scores (NPS) on annual basis for the purpose of tracking the interests and preferences of the customers towards Krungsri brand. It is expected that NPS can be used as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2017, Krungsri's NPS score is at 62. In addition, operating performance and success of each business function are assessed each year; in 2017, the market shares of products are as follows: 30 percent for personal loan, 16 for credit card business, 26 percent for hire-purchase facility, 5 percent for SME business, and 12 percent for corporate business.

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

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

7. The important risk factors that may affect Krungsri's business operations including credit risk, market risk, liquidity risk, and operational risk. Nature of each type of risk and risk management for controlling are also specified.

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

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

10. The names of directors as of December 31, 2017 totaling 12 directors consisting of 5 non-executive directors, 4 independent directors and 3 executive directors.

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

12. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of the committees reporting to the Board of Directors i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Risk and

Compliance Committee will receive higher remuneration corresponding to the additional work. The remuneration is disclosed on an individual basis.

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

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

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

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

17. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the Board of Directors. The directors and executives with conflict of interest will not join the consideration and vote on any transaction between Krungsri or its subsidiaries and any related party or the one that may have potential conflict of interest in the future. Krungsri discloses the related party transactions executed each year.

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

19. Krungsri makes a report of the Board of Directors' responsibility for financial reporting whereby the Board of Directors is responsible for Krungsri's financial statements and consolidated financial statements of Krungsri and its subsidiaries, as well as the financial information that appears in the annual report which has been prepared in accordance with the Financial

Reporting Standards. Krungsri always selects appropriate accounting policies together with justified projection in the preparation of the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements which have been audited with unqualified opinion by an independent auditor. Krungsri financial statements therefore reflect actual financial position and performance which is beneficial to the shareholders and general investors.

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

- **Information Disclosed on Krungsri's Website:** Krungsri takes into account the importance of information disclosure in accordance with the Principles. Its information disclosure is carried out correctly, adequately, equally, transparently, rapidly, in a timely manner, and in compliance with the relevant laws and regulations. Krungsri discloses important information on its website both Thai and English e.g. the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the Board of Directors, the committees reporting to the Board of Directors and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

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

Krungsri reviews and assesses the effectiveness of the disclosure process on a regular basis. In 2017 and the previous years, Krungsri has never received any execution or complaint from the Securities and Exchange Commission or the Stock Exchange of Thailand due to its failure to disclose any information in compliance with regulations.

4.3 The Unit to Foster Relationships with the Investors and Stakeholders

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

- **Establishment of the Public and Investor Relations Department:** Krungsri established the Investor Relations Department in 2002. Its core mission is to manage work and activities relating to investor relations, particularly the disclosure of financial information and non-financial information of Krungsri under the Principles and the guideline for disclosure of information which are in line with the policies relating to information disclosure and relevant laws. In addition, it is also responsible for the disclosure of information relating to Krungsri Group which includes comparison on financial performance and position, current operations, and competitiveness. In 2017, Krungsri consolidated the Public Relations Department and Investor Relations Department into one department namely the Public and Investor Relations Department for more efficiency.

Contact Information:

The Public and Investor Relations Department

Bank of Ayudhya PCL, Head Office, Floor 7

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

Tel.: 0-2296-2977

Fax: 0-2683-1341

E-mail: irgroup@krungsri.com

- **Major Stakeholders:** include the shareholders, investors, employees, securities analysts and credit rating agencies, both domestic and abroad.

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

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

The participants in the investor relations activities throughout 2017 included President and Chief Executive Officer, Chief Financial Officer, Head of Corporate Strategy and Planning Group, Executive Vice President of Corporate Communications Division.

The Public and Investor Relations Department continues to organize investor relations activities continually, including meetings with the investors and analysts, participating in domestic and international conferences, and meeting one-on-one with the investors/analysts. The activities reflect the interest of the investors, securities analysts and analysts from credit rating agencies in Krungsri as the leader in retail banking and as a member of MUFG.

• In 2017, Krungsri's executives and the Public and Investor Relations Department disclosed information via various activities, such as:

- President and Chief Executive Officer gave an interview to the Nikkei concerning Krungsri's success in performance and business plan. The Nikkei is the leading business newspaper in Japan which its Thailand office serves as its news center for the Asian region.

- President and Chief Executive Officer gave an interview to Prachachat Turakij business newspaper, ASEAN 100 special edition published in the 2017 under the topic "Digital Transformation... The Evolution of Business!" for business persons and investors to learn about guidelines on reforming and handling with future changes in consumer behaviors. Krungsri was ranked among the top 100 companies in ASEAN categorized by the highest volume of profits, earnings and assets of listed companies in the Stock Exchange.

- President and Chief Executive Officer gave a special interview to The Banker Magazine;

- President and Chief Executive Officer gave a special interview to Asiamoney and Euromoney magazines;

- President and Chief Executive Officer gave a special interview to The Nation;

- President and Chief Executive Officer gave an opening speech to the "Thailand Economic Outlook 2018: An Era of Business Transformation" seminar organized by Krungthepturakij newspaper and Krungsri Securities PCL;

- The Public and Investor Relations Department gave lectures to and participated in discussions on Krungsri's operations with the senior executives of Rastriya Banijya Bank (Nepal) and Small & Medium Industrial Development (Republic of the Union of Myanmar);

- The Public and Investor Relations Department gave lectures on Thailand's economic situation, commercial banking system and Krungsri's business outlook to the students from Monywa University (Republic of the Union of Myanmar);

- The Public and Investor Relations Department gave lectures to participants from the Asian Institute of Technology (AIT) on Krungsri's business outlook, Small and Medium Enterprise (SME) in Thailand, the challenges and opportunities, including Krungsri's strategies for allocating funds to SME businesses.

- The Public and Investor Relations Department took the analysts and investors on Site Visit to automobile sales agencies and microfinance business for first-hand experience of both businesses in Thailand.

Major investor relations activities in 2017 can be summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits with investors/analysts	15	47	80
Participation in domestic conferences/meetings with domestic investors*	27	107	124
Meetings with securities analysts**	1	29	36
Meeting with credit rating agencies for Krungsri Group**	4	4	15
Site Visit	4	10	106
Press conference	13	487	643
Press release on financial position of Krungsri	4	-	-

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

** Chief Financial Officer and Chief Risk Officer participated.

• **Information Reported to the Board of Directors and Senior Executives of Krungsri:**

Aside from providing services to the stakeholders who are outsiders as mentioned above, the Public and Investor Relations Department follows up Krungsri's operating performance and other factors relating to Krungsri's business operations to be regularly reported to the Board of Directors and senior executives, and also reports comments and viewpoints of securities analysts, important developments that may have an impact on Krungsri's stock price, analysis and reports of appropriate shareholding structure. In addition, the investor relations activities (participation in

meetings with local and foreign investors) and activities plan are reported to the Board of Directors by the Public and Investors Relations on a quarterly basis.

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

In addition, the Public and Investor Relations Department provides historical financial information on a quarterly basis, which is regularly updated so that the investors and persons who are interested in Krungsri's financial information can download from Krungsri's website under the topic "Investor Relations" (<http://www.krungsri.com/bank/InvestorRelations/FinancialInformationAndReports/KrungsriTimeseriesSheet.html>).

The Public and Investor Relations Department regularly delivers information, operating performance reports and other important developments of Krungsri to the investors continuously, so that they are constantly aware of any important information and developments of Krungsri. In addition, communication channel with a contact person is disseminated on Krungsri's website.

The Public and Investor Relations Department's roles and responsibilities on information disclosure, support, relationship development, as well as building confidence among the shareholders, investors and analysts are to ensure that Krungsri's stock price reflects its fair value in the long term, and creating investors' confidence.

In 2017, the Public and Investor Relations Department won the "Best Investor Relations Company (Thailand)" from the Corporate Governance Asia Magazine for 4 consecutive years. The award reflects its excellence in adequate, correct, and transparent communication capability, and the investor relations activities.

Section 5 Responsibilities of the Board of Directors

- The Board of Directors initiated and established the Principles to serve as the policy and guidelines for supervision of business operations as well as set up its roles and responsibilities. The Principles were reviewed by the committees overseeing corporate governance before submitting to the Board of Directors for approval, and then were disseminated to all employees and on Krungsri's website. In addition, the Principles have been communicated to the subsidiaries on an annual basis

for adaptation in alignment with their nature of businesses which will help strengthen Krungsri Group's operating performance under good corporate governance.

- To ensure the appropriateness of the Principles towards changing of business circumstances and situations, the Board of Directors has assigned Legal Group to review these Principles every year or without delay if there is any significant change before further proposing to the committees overseeing corporate governance and the Board of Directors for approval respectively.

- The Board of Directors has established The Spirit and The Letter (S&L), which serves as the Code of Conduct and has been announced throughout the organization and posted on Krungsri's website. S&L serves as policy on integrity applying to all directors, executives and employees of Krungsri who must understand and follow regularly in both literally and in its spirit of integrity. The supervisors shall have duties on knowledge and information sharing about the Code of Conduct to the employees and monitoring to ensure that all employees are aware that the business performance is not important than ethical behavior and compliance with Krungsri's policy, and in case of any violation, Krungsri will impose disciplinary actions which may include employment termination.

- To ensure that every employee in the organization has knowledge and understanding on the Principles and the Code of Conduct as well as can perform duty correctly and appropriately, compulsory course via Krungsri Learning Companion has been developed. Every employee must complete such course every 2 years or when there is any significant update of the content thereof. The participants must pass tests with not less than 70 percent score. Those who fail to meet the criteria must re-study and re-take the test until they meet the designated benchmark.

- The Board of Directors clearly determines Krungsri vision and mission, which are announced to all employees for acknowledgement and to be upheld as guidelines for accomplishing their work as targeted. The Board of Directors will review these vision, mission and core values on an annual basis to correspond with any circumstance changes. In 2017, The Board of Directors has made the review and resolved that the Krungsri's vision, mission and core values shall remain unchanged.

- Krungsri separated the roles and responsibilities of the Board of Directors and the management. The Board of Directors undertakes the fiduciary duties of overseeing the management. In addition, Krungsri clearly stipulates the approval authority of the Board of Directors

in respect of significant matters, such as the important policies for the Krungsri Group's operations, the annual operating plan and budget. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Roles and Responsibilities of the Board of Directors".

- The Board of Directors has approved the Mid-Term Business Plan which is a strategic framework formulated as guidelines for business operations over the period of 2018 – 2020 and shall review the plan on an annual basis to ensure correspondence to prevailing conditions as well as monitor its implementation by the management. In this regard, the management is responsible for reporting its actual performance versus plan to the Board of Directors for acknowledgement on a monthly basis.

- The Board of Directors prepares the report on the Board of Directors' Responsibility for Financial Reporting and discloses in the annual report in order to enhance shareholders' and investors' confidence that the report reflects the financial status as well as actual performance of Krungsri.

5.1 Board of Directors

- The Board of Directors comprises 12 directors: 5 non-executive directors; 4 independent directors (including one woman); and 3 executive directors. The Board of Directors plays an important role in establishing policies, directions and strategies for business operations, and overseeing and inspecting operations to ensure transparency and compliance with laws. It is also responsible for corporate governance to ensure overall maximum benefits of Krungsri and its shareholders.

- In selection of the directors, apart from individual qualifications and other prerequisites as stipulated in relevant laws and regulations, the Articles of Association, which are in line with international good corporate governance principles, the Board diversity in terms of special skills that Krungsri may be lacking, expertise, gender and specialized proficiency beneficial to Krungsri, for example in economics, business administration, accounting, international trade, computer and laws, are also taken into account. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Selection and Appointment of Directors and Senior Executives".

- Krungsri clearly identifies the definition of the independent director that he/she must be independent from the management and major shareholders. More stringent criterion on shareholding is also applied.
- Details of director selection and appointment criteria are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic “Selection and Appointment of Directors and Senior Executives”.
- Currently, the Board of Directors consists of qualified persons with experiences in commercial banking and related businesses at the national and international levels as well as experiences in management of governmental organizations. No executive director is serving as a director of other listed companies.
- The Chairman of the Board is a non-executive director, therefore performs his duties independently. Furthermore, he is not President and Chief Executive Officer and their roles and responsibilities are clearly separated. The Chairman of the Board plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated directions and strategies. Krungsri discloses details of roles and responsibilities of the Chairman of the Board in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading “Roles and Responsibilities of the Chairman of the Board”.

5.2 Term of Offices of Directors, President and Chief Executive Officer and Senior Executives of Krungsri

The Board of Directors has specified that a director may hold the position(s) of chairman, executive director or authorized signatory director of other companies but no more than 3 business groups, in compliance with the criteria stipulated by the Bank of Thailand in order to ensure that the directors have sufficient time to perform their duties in Krungsri. In addition, the Board of Directors meeting No. 10/2560 (2017) held on October 20, 2017 had set a guideline that after October 2017, directors being appointed or elected are able to hold directorship of not more than 5 listed companies in any stock markets (including the Bank).

Moreover, President and Chief Executive Officer and senior executives can serve as committee members or directors in the subsidiaries, but not more than 6 committees or boards, except in case of necessity.

5.3 Board of Directors Meetings

- A Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each monthly meeting stipulated in advance for the whole year. In case of necessity or urgency, an extraordinary meeting may be called from time to time as determined by the Chairman of the Board.

- The Chairman of the Board and President and Chief Executive Officer have the duty to jointly consider matters to be included in the agenda of Board of Directors meetings. However, other directors including independent directors also have opportunities to review and may provide opinion (if any) on the agenda items before delivering a notification of each meeting to all directors. In this regard, the directors may propose agendas to the meeting by informing the Chairman of the Board, President and Chief Executive Officer or the Corporate Secretary.

- The Corporate Secretary has a duty to dispatch the notification of the meeting together with the agendas and supporting documents by means of E-document to the directors for consideration and study at least 7 days prior to the meeting date. If the directors require additional information or documents, they can make their requests to the executive directors or the Corporate Secretary.

- Every director is obligated to attend every Board of Directors meeting, unless he/she has imperative business such as a meeting with a government agency, an overseas business trip, or has fallen ill. In 2017, every director attended at least 75 percent of all meetings. However, in average the directors attended 95.83 percent of all meetings.

- A meeting requires not less than half of all directors to constitute a quorum and a resolution of the meeting shall be passed by majority of vote. In case of tied vote, the Chairman shall have an additional vote as the casting vote. In compliance with the good corporate governance guideline, a minimum quorum of at least two-thirds for board decisions at the time of voting is required.

- Each Board of Directors' meeting takes an average of 4 hours. The Chairman of the Board provides an opportunity for all directors to make inquiries, suggestions and to debate and express their opinions on issues fully and independently to ensure prudent discretion. The senior executives and officers responsible for each issue discussed are also invited to answer questions, receive suggestions and observations made by the Board of Directors.

- The minutes of the meeting clearly and adequately identify in detail the date and time that the meeting is declared open and close, lists of absent and present directors, summary of the agendas, issues discussed and recommendations of the Board of Directors, including explanations by the management, and resolutions of the Board of Directors. The minutes of the meeting are signed by the chairman of the meeting and the minutes taker. In addition, any director having conflict of interest in any agenda does not join the consideration and voting on such particular agenda. In this regard, the Corporate Secretary normally checks information on conflict of interest and notifies all directors prior to the meeting as well as records in the minutes of the meeting.

- After the minutes of the meeting are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the minutes of the meeting to the relevant internal and external units within the prescribed time and safe-keeping the same in the form of hard copy and soft file for the purpose of reference and verification. Any amendment to the minutes of the meeting cannot be made without the approval from the Board of Directors meeting.

- The Board of Directors encourages the non-executive directors to organize meetings among themselves to independently discuss various issues without the presence of the management and to report a summary of their opinions to President and Chief Executive Officer for acknowledgement. In 2017, 2 meetings of non-executive directors were held on May 24, 2017 and November 22, 2017.

5.4 Board of Directors Self-Assessment

- Krungsri stipulates that the Board of Directors' performance be evaluated annually to ensure that the duties of the Board of Directors are in accordance with the Principles and reflect the effectiveness and productivity of the Board of Directors and the management. In addition, the evaluation gives the Board of Directors an opportunity to review its performance, problems and any obstacles encountered during the previous year for further improvement. Criteria and procedures are as follows:

- **Criteria:** The Board of Directors self-assessment form is adopted from the guidelines of the Stock Exchange of Thailand in order to suit the characteristics and structure of the Board of Directors. The assessment form is proposed to the Nomination and Remuneration Committee for consideration before delivering to individual directors for assessment. The assessment form covers 6 major issues as follows:

1. Structure and characteristics of the board;
2. Roles and responsibilities of the board;
3. Board meetings;
4. The board's performance of duties;
5. Relationship with management;
6. Self-development of directors and executives.

- **Procedures:** The Corporate Secretariat Department will send the assessment form to every director in November of each year as well as gather and summarize the assessment results for submission to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement and discussion as well as giving observations and recommendations for further improvement, which the Management can apply to enhance the effectiveness of the operations and bring ultimate benefits.

- The overall assessment result is at the score of 3.78 out of 4.00.

In 2017, the committees reporting to the Board of Directors have assessed their performance as a whole i.e. the Audit Committee, the Risk and Compliance Committee, and the Executive Committee.

5.5 Remuneration of Directors and Executives of Krungsri

- Krungsri has established policy on remuneration of the directors to ensure that the remuneration is appropriate and commensurate with the responsibilities of directors as well as comparable to the same industry benchmark. In this regard, the Nomination and Remuneration Committee is responsible for proposing to the shareholder meeting through the Board of Directors for approval on the remuneration of the directors and members of committees reporting to the Board of Directors on an annual basis.

- The remuneration is based on the type of director i.e. non-executive director, independent director and executive director. The remuneration structure consists of a retainer fee, attendance fee and other annual compensation, including directors' remuneration as members of the committees reporting to the Board of Directors.

- The Board of Directors (except the executive directors) shall approve the remuneration of President and Chief Executive Officer and senior executives of Krungsri under the guideline and policy stipulated by the Board of Directors, which shall be in line with Krungsri's performance, short-term and long-term targets as well as KPI result from each individual

performance. Krungsri stipulates a fair, reasonable and incentivizing remuneration in order to retain proficient employees as well as create long-time value added for the shareholders. Nonetheless, the executive who also serves as a member of the committees reporting to the Board of Directors, a member of the committees in the executives level, or a director in any Krungsri's subsidiaries, does not receive additional remuneration.

- Krungsri discloses related details of remuneration in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Remuneration for Directors and Executives".

5.6 Board of Directors and Executives Development

- Krungsri holds orientation for every new director where senior executives who are responsible for each core business group of Krungsri e.g. Head of Commercial Banking, Chief Financial Officer, General Counsel, Head of Human Resources Group and Chief Risk Officer will present summary of Krungsri's businesses, various areas of its operations, laws that directors should be aware of, and other related information. The documentations including Directors Manual are prepared for each director as the information for performing his/her duties.

- The Board of Directors has policy that encourages the directors to continuously develop their knowledge, and to attend seminars and training courses relevant to their work, organized by Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand and other local and international training institutes. Krungsri will subsidize all the expenses including those of In-house training courses. In 2017, there were 9 directors attending training courses as follows:

Name	Training Courses/Seminars
1. Mr. Veraphan Teepsuwan	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.
2. Miss Nopporn Tirawattanagool	- National Director Conference 2017 "Steering Governance in a Changing World", Thai Institute of Directors Association - Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.

Name	Training Courses/Seminars
3. Mr. Karun Kittisataporn	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - Director Briefing "Sleeping Giants of Succession", Thai Institute of Directors Association - Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
4. Miss Potjanee Thanavarant	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
5. Mr. Phong-adul Kristnaraj	- Successful Formulation & Execution of Strategy (SFE 29/2017), Thai Institute of Directors Association - Seminar in the topic of "Legal Update: Criminal Liabilities of Directors", Thai Institute of Directors Association - PwC Consulting's Seminar "Smart Approach for Cyber security for Thailand 4.0", PwC Thailand - Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - The Audit Committee's Role in Compliance and Ethical Culture Oversight, Thai Institute of Directors Association - Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand
6. Mr. Virat Phairatphiboon	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd.
7. Mr. Noriaki Goto	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - Seminar on "Cybersecurity Resilience Knowledge", Bank of Thailand

Name	Training Courses/Seminars
8. Mr. Pornsanong Tuchinda	- Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - Seminar on “Cybersecurity Resilience Knowledge”, Bank of Thailand
9. Miss Duangdao Wongpanitkrit	- Boards Matters and Trends (BMT 2/2017), Thai Institute of Directors Association - Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association - Strategic IT Governance (for non-IT), ACIS Professional Center Co., Ltd. - Seminar on “Cybersecurity Resilience Knowledge”, Bank of Thailand

Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic “Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)”.

- In each quarter, the Corporate Secretary gathers information on available training courses organized by IOD and delivers it to the directors in advance so that they can plan their schedules for the courses. In this regard, the Corporate Secretary will organize the training registration process and other relevant activities. Books containing details on the roles and duties of directors are also available for the purpose of further research and study.

- The Board of Directors encourages executives, the Corporate Secretary and other employees whose work relates to corporate governance to continuously attend seminars and training courses relevant to their work not only external training courses but also those via Krungsri Learning Companion system (KLC) e.g. Good Corporate Governance, The Spirit & The Letter and IT Security policy, which can be accessed via computer, mobile phone or tablet connected to internet.

5.7 Succession Plan and Executives Development Plan

- The Nomination and Remuneration Committee is responsible for approval of succession plans for senior executives to ensure that Krungsri has a plan and is well prepared in terms of personnel substitution for the position deemed vital to business operation. In case of a vacancy, a qualified successor can be appointed immediately without interruption and appropriately.

- Krungsri prepares succession plans and specific training and development plans by considering the employees at the executive level of Krungsri Group, who achieve outstanding performance and show potential to be developed as higher-level of roles and responsibilities. Head of Human Resources Group is responsible for reporting performance results under succession plan and executive development plan to the Board of Directors on an annual basis.

- Krungsri's succession plan is divided into 4 levels as follows:
 1. those who are ready now;
 2. those who will be ready to move up to a new position within 1-2 years (Successors);
 3. those who will be ready within 2-5 years (Future Successors);
 4. those who will be ready, which may be develop more than 5 years (Successors in Pipeline). Krungsri also designates emergency candidates in case of any immediate change or emergency in an executive position. This is to also wait for readiness of the successor.

Krungsri makes career plans for successors based on analysis of roles and responsibilities, necessity and has a training and development plan to promote employees' self-development in line with the competency based management concept. In addition, Krungsri encourages every employee to plan the individual development plan emphasizing development of vital skills and knowledge useful for their work. Krungsri also focused on developing leadership capability in alignment with 6 areas of Krungsri Leadership Competency. Krungsri expects that its successors receive continual development of the knowledge and skills necessary for their performance, including qualifications and competency for being leader.

5.8 Performance Assessment of President and Chief Executive Officer

Krungsri has conducted performance assessment of President and Chief Executive Officer on a regular basis whereby its criteria, guideline, objective and performance result are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, goal, strategy and long-term benefits.

The Board of Directors (except the executive directors) shall assess performance of President and Chief Executive Officer, and that the result will be used for considering bonus payment and annual compensation increment. Assessment criteria and result are normally communicated to President and Chief Executive Officer.

5.9 Committees Reporting to the Board of Directors and other Sub-committees

- The Board of Directors appoints the committees reporting to the Board of Directors i.e. the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee and the Executive Committee, with clearly specified roles and responsibilities in order to assist in performing duties. Each member's background and qualification, composition of the committee, number of meetings and individual statistics on meeting attendance are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Management Structure" and "Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)".

- Other committees in the executive level are also appointed to filter related matters before submitting to the Board of Directors such as Risk Management Committee and Compliance Committee. Composition, qualifications, roles and responsibilities of each committee are specified in respective charters.

5.10 Reporting of the Audit Committee

- The Audit Committee reports its performance and provide opinions on various matters as assigned by the Board of Directors in the Audit Committee's minutes of meetings on a regular basis.

- The Audit Committee reports on revisions of financial reports, internal control and risk management systems, compliance with regulations. The Audit Committee considers related party transactions or transactions which may deem to be a conflict of interest. The Audit Committee's duties include consideration, selection and nomination of independent individuals to be appointed as auditors; or determination to terminate the employment of auditor. Moreover, the Audit Committee

reports its members' opinions of overall business operations. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Report of the Audit Committee".

- In 2017, there were a total of 12 Audit Committee meetings and 11 special meetings of Audit Committee.

5.11 Internal Control and Internal Audit Systems

- Krungsri has established a clear internal audit system in line with the international practice, Three Lines of Defense which comprises the business unit, compliance unit and internal audit unit. These three units cooperate via working procedures stipulated for each level.

- Krungsri has established an independent unit reporting to the Audit Committee i.e. Internal Audit being responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and reporting to the Audit Committee and the Board of Directors for acknowledgement. In this regard, the Board of Directors appointed Miss Puntipa Hannoraseth, Head of Audit Group, to be responsible for audit work. Also, any appointment, transfer, termination of employment, remuneration and annual merit review will be considered and approved by the Audit Committee of Krungsri.

- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Internal Control and Risk Management".

5.12 The Risk and Compliance Committee

- The Board of Directors appointed the Risk and Compliance Committee to review and assess the overall risk management policies as well as other significant types of risk before proposing to the Board of Directors.

- The Risk and Compliance Committee has the duties to review and assess the compliance policies and determine the roles and responsibilities and scope of the Risk Management Group and the Compliance Division and conduct an evaluation of the Chief Compliance Officer. Should there be any improvement needed on the implementation of Risk and Compliance-related policies, the Risk and Compliance Committee must review and report to the Board of Directors. A report of non-compliance cases must be made to the Audit Committee for acknowledgement. The Risk and Compliance Committee must monitor the implementation of integrated risk management strategies and compliance policies to ensure coverage, effectiveness and appropriateness, provide

recommendations on good corporate governance, code of conduct and The Spirit & The Letter, and perform any other tasks as assigned by the Board of Directors.

5.13 Risk Management

- The Board of Directors appoints the Risk Management Committee to manage and supervise Krungsri's overall risk management in compliance with Good Corporate Governance Principles. The Risk Management Committee is responsible for approving and giving advice and recommendations to the Board of Directors for consideration of policies and regulations relating to risk management. The Risk Management Committee reviews and assesses policies and regulations related to integrated risk management for the improvement of Krungsri's overall risk management to be more effective.

- The Risk Management Committee defines levels of Key Risk and Key Risk Indicator (KRI) appetite and set strategies that correspond to Krungsri's overall risk management policies. Enterprise Wide Risk Management Department is responsible for managing those through the Policy for Enterprise Wide Risk Management by means of assessing, monitoring and ensuring appropriate risk level. Enterprise Wide Risk Management Framework tools such as Risk Appetite, Risk Map, Heat Map, and key risk identification procedures to identify, assess, and monitor risks using an integrated approach i.e. strategic, credit, market and operational risk which covers Information Technology Risk and Cyber Risk are already in place. Moreover, an assessment and monitor of KRI, summary report on IT Incident Management including action plan and any other risks that could affect the reputation of Krungsri Group are summarized in the Enterprise Wide Risk report which shall be reported to Risk Management Committee, Executive Committee, Risk and Compliance Committee and the Board of Directors respectively.

- The Risk Management Committee is responsible for setting the working scope of loan portfolio management and review overall loan portfolio quality of Krungsri Group.

- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topic "Risk Factors" and the Annual Report (Form 56-2) under the topic "Risk Factors and Risk Management".

5.14 Corporate Secretary

The selection of the Corporate Secretary is based on appropriate qualifications, direct work experiences and graduation in laws.

The Board of Directors appointed Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of Corporate Secretariat Department, as Corporate Secretary and act as Secretary to the Board of Directors and Secretary to the Executive Committee, with the main responsibilities as follows:

1. Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;
2. Ensure that various activities of the Board of Directors are in compliance with relevant laws, rules and regulations;
3. Organize meetings of shareholders and Board of Directors meetings and prepare minutes of meetings in compliance with laws and the Bank's Articles of Association, including follow up of matters arising from meeting resolutions;
4. Advise the Board of Directors on relevant legal issues, rules and the Bank's Articles of Association that it has to know in performing its duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate with secretaries of the committees reporting to the Board of Directors.

Krungsri encourages the Corporate Secretary to take related training courses beneficial to the performance of duties, which are organized by IOD and other agencies, e.g. Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP) and Corporate Governance for Executives (CGE). In addition, the Corporate Secretary was assigned to attend seminars on "The Demanding and Changing Role of the Corporate Secretaries" and "Enhancing Good Corporate Governance based on CGR Scorecard", apart from field trips to learn more about corporate secretary tasks domestically and abroad for gaining more experience. In 2017, the Corporate Secretary attended a training course namely Master Class "Corporate Governance and Director Duties Excellence 2017".

5.15 Others

Moreover, Krungsri conducts matters in compliance with the good corporate governance principles by:

- There has not been any case involving accusations due to misconduct or violation of the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand;
- There has not been any case on fraud or violation of moral standards;
- There has not been any case of a non-executive director resigning for a reason relating to Krungsri's corporate governance;
- There has not been any case of defamation as a consequence of the failure of the Board of Directors to perform its supervisory duty;
- There have not been any case of the director or senior executive of Krungsri, who have worked for or been a partner of the outside audit company, providing its services to Krungsri during the past 2 years.

Board of Directors and Committees Reporting to the Board of Directors

Krungsri's management structure consists of the Board of Directors and 4 committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks. Krungsri's operations are divided into 2 parts based on the responsibilities, namely business units and support units.

Roles and Responsibilities

The roles and responsibilities of the Board of Directors and the management are clearly separated to ensure that Krungsri's operations are carried out in compliance with law and consistent with the business code of conduct and Good Corporate Governance Principles.

Currently, the Chairman of the Board is not the same person as the President and Chief Executive Officer and their responsibilities are clearly separated.

The Chairman of the Board is not an independent director, but his performance of duties is independent from the management and the major shareholders, focusing mainly on the benefits of Krungsri and its shareholders.

Board of Directors

The Board of Directors consists of 12 directors, i.e. 5 non-executive directors, 4 independent directors, and 3 executive directors.

- **Structure and Composition**

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties. The Board of Directors shall consist of not less than 3 independent directors or at least one third of the all directors, whichever is higher. Not less than half of all directors shall have domiciles in Thailand.

- **Qualifications**

The Board of Directors comprises the members with directorship qualifications for financial institutions as required by law. In addition, they shall have expertise, extensive knowledge and experience as prescribed, and have comprehensive understanding on their roles and responsibilities as well as nature of business, and be able to devote their time for performance as directors, and be appointed under prescribed nomination process.

- **Term of Office**

The directors' term of office is clearly specified in the Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992) that an every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of 3, the number nearest to one-third shall retire.

Furthermore, the internal procedure is stipulated that a director shall retire when reaching the age of 72 years. If a director reaches the age of 72 years while holding the directorship position, the director is allowed to hold the office until the end of the term of office. If a director has yet not reached the age of 72 years at the time of nominating for election, the director may be re-elected for another term.

Besides, for the case of Mr. Veraphan Teepsuwan who has reached 72 years old, the Bank of Tokyo–Mitsubishi UFJ, Ltd. (“BTMU”), the major shareholder of Krungsri has proposed to the Board of Directors and the Annual General Meeting of Shareholders No.102 and No.105 respectively to consider re-electing Mr. Veraphan Teepsuwan as the director for a special case, and they have agreed as proposed.

- **Roles and Responsibilities of the Chairman of the Board**

1. Ensure proper structure of the Board of Directors, including oversee and monitor their performance is balanced in terms of corporate governance and achieving key objectives and goal of the organization.

2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.

3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.

4. Preside over the Board of Directors meetings, oversee the allocation time for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or recommendations in order to exercise due consideration before casting their votes freely.

5. Encourage the non-executive directors to have meetings without presence of executive directors.

6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow a sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.

7. Encourage the directors to attend seminars and training courses relating to their duties and good corporate governance for knowledge development.

8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as to ensure that the directors perform their duties in line with Good Corporate Governance Principles.

9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage the awareness and compliance among the directors, executives and all employees.

10. Be a role model to promote good relationship between the executive and non-executive directors, and between the Board of Directors and the management.

- **Roles and Responsibilities of the Board of Directors**

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of the Group as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Group's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Group.
3. Duty of Obedience, which requires a director to comply with the laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.

In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies.
2. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.
3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanism over the Group's policies and operations is in place, and promote comprehensive and correct understanding on the same.
4. Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.
5. Consider and approve the annual business plan and budget proposed by the management.
6. Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.

7. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.

8. Ensure the establishment of the policy relating to prevention of use of insider information and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.

9. Ensure the establishment of the policy and control mechanism relating to risk management with regular reviews, and support Risk Management Committee in performing efficient and professional duties with independence from business units.

10. Ensure the establishment and communication of the policy and program relating to anti-fraud and anti-corruption.

11. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.

12. Monitor the Group's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.

13. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.

14. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with the Group's needs, stimulates business opportunities and performance, strengthens risk management, and supports the Group's objectives and key goals.

15. Ensure clear and transparent policy and procedures for selection and nomination of the directors, and determination of director remuneration which requires a meeting of shareholders' approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.

16. Ensure a proper mechanism for the nomination and remuneration of the President and Chief Executive Officer including senior executives, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.

17. Define clear roles and responsibilities of the President and Chief Executive Officer and the management and monitor their proper performance of duties.

18. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance.

19. Ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.

20. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws.

21. Ensure that the Group's business operations reflect the Group-wide implementation of environmental and social responsibility standards.

22. Ensure the defining, communication and fulfillment of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, executives and employees including Banking Industry Code of Conduct.

23. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.

24. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.

25. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.

26. Ensure the Group's creation of a mechanism for handling complaints and whistleblowing.

The Board of Directors' approval authority, in brief, is the approval of significant matters of the Group, the matters as stipulated by law, regulations of the regulators as well as Krungsri's Articles of Association and direction including the important policies for the Group's operations, the annual operating plan and budget as well as following up the management to ensure the efficient and effective implementation of those approved policies / plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer and/or change of positions of senior executives as well as the appointment of Krungsri's executives to serve as the directors of the companies in the Group.

- **Roles and Responsibilities of Executives**

Executives shall perform duties under the moral and ethical framework as follows:

1. Adhere to integrity, fairness, morality, responsibility and business ethics as well as perform duties and supervise the business with prudence and thoroughness for the best interest of the organization and stakeholders under principles and guidelines of Business Judgment Rule. In addition, executives must recognize and uphold the organization's interest with awareness on organizational matters and operations.
2. Play key roles on promoting good governance in order to enhance trust from shareholders, customers, supervision agencies and all stakeholders for the best interest of the organization, industrial sector and country.
3. Operate the business management in accordance with strategies, policies and plans approved by the Board of Directors.
4. Support the Board of Directors to formulate and review strategies, goals and operating plan; ensure the appropriateness and adequacy of Risk Management and internal control systems; define the management's authority to be in accordance with their responsibilities; set the policies relating to resource allocation, development and budgeting; monitor and evaluate the Group's operating performance and ensure the disclosure of important information, both financial and non-financial.
5. Fulfill the management's duties to ensure the appropriate and efficient implementation of the policies.

6. Strictly comply with policy and systems of risk management, realize any possible risks and protect the Group's interest as well as control any possible damage to be at acceptable level under efficient risk management.

7. Avoid any possible conflict of interest and if there is a conflict of interest, such conflict of interest shall be handled fairly without delay. Executives' transaction towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be mainly attentive.

- **Roles and Responsibilities of the President and Chief Executive Officer**

The President and Chief Executive Officer as the top executive of the Bank shall be responsible for performing duties as one of the directors and an executive, as well as the following duties as a leader of all executives:

1. Perform tasks assigned by the Board of Directors and committees reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies.

2. Monitor and control the Bank's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Bank and its subsidiaries as approved by the Board of Directors as well as compliance with applicable laws and regulations.

3. Report significant operating performance to the Board of Directors on regular basis.

4. Promote compliance with Good Corporate Governance Principles as well as highest standards of integrity, ethics and corporate social responsibility.

5. Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain capable management team to effectively perform duties according to the Bank's strategies and objectives.

6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf.

7. Seek business opportunities which are consistent with the Bank's vision and strategic direction.

Nomination and Remuneration Committee

- **Structure and Composition**

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than 3 non-executive directors (currently, 2 independent directors and 2 non-executive directors). Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Head of Human Resources Group shall act as the Secretary to the Committee by position.

- **Qualifications**

The Nomination and Remuneration Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their roles and responsibilities.

- **Term of Office**

The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

- **Scope of Authority and Responsibility**

1. Determine policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:

1.1 The policies, rules and procedures of nomination of directors, members of sub-committee and senior executives of the Bank at the level of Executive Vice President and above.

1.2 The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing director or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.

1.3 The policies, rules and procedures for payment of remuneration and other benefits to directors, sub-committee members and senior executives of the Bank at the level of Executive Vice President and above including directors, managing directors or persons holding

equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares.

2. Select and/or screen candidates for appointment to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:

2.1 Directors of the Bank

2.2 Members of the various sub-committees reporting to the Board of Directors

2.3 Senior executives at the level of Executive Vice President and above

2.4 Directors and managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares

3. Determine remuneration and other benefits commensurate with roles and responsibilities towards the Bank and/or companies in its financial business group comparable to other commercial banks based on the Bank's regulations.

3.1 Determine remuneration and other benefits for directors, members of the various sub-committees and senior executives of the Bank at the level of Executive Vice President and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.

3.2 Determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares for submission to the Board of Directors for consideration and approval.

3.3 Ensure that Bank directors, managing directors and directors of entities in which the Bank holds 50 percent or more of shares, and senior executives of the Bank at the level of Executive Vice President and above who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.

4. Ensure that the size and composition of the Board of Directors are suitable for the organization and modify them as appropriate in consideration of the changes in the environment. The Board of Directors shall, as a rule, be endowed with members who are knowledgeable, competent and experienced in a variety of fields.

5. Ensure that the evaluation of the performance is undertaken uniformly across all companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.

5.1 Consider performance evaluation guidelines and endorse performance evaluation forms prepared by the Bank for use in evaluating performance of duties of the entire Board of Directors.

5.2 Endorse performance evaluation guidelines, goals & objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares in order to consider the annual remuneration.

5.3 Consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

5.4 Consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

6. Develop a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for consideration and approval, Also, to consider and approve a succession plan for the various functional group heads.

7. Consider appropriateness of the Bank's organization chart restructuring at Division level and above.

8. Perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.

9. Disclose relevant policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.

10. The Committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.

- Names of Members and Meetings of the Nomination and Remuneration Committee

In 2017, there were a total of 15 meetings as scheduled in advance with details below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Karun Kittisataporn	Chairman	14/15
2. Mr. Virat Phairatphiboon	Member	15/15
3. Miss Nopporn Tirawattanagool	Member	15/15
4. Mr. Takayoshi Futae	Member	13/15

Secretary to the Nomination and Remuneration Committee is Mr. Wittapon Jawjit

Audit Committee

- Structure and Composition

The Board of Directors appoints the Audit Committee which consists of no less than 3 independent directors.

- Qualifications

The Audit Committee members shall have the qualifications as per regulations stipulated by the Capital Market Supervisory Board, and not being a director who has been assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiary company, associated company, same-level subsidiary company, major shareholders or control person of the Bank, and not being a director of listed companies which are subsidiary company or same-level subsidiary company.

The Audit Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities as well as the nature of business operations and risk management of the Bank and the companies in the financial business group ("the group companies"). Besides, at least 1 Audit Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

- Term of Office

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall

hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

- **Scope of Authority and Responsibility**

- **Financial Reports and External Auditor**

1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting ("ICFR") to ensure that internal controls and financial reporting preparation process was designed effectively, and the Bank's financial reports and any disclosed documents relating to the financial performance of the Bank and its group companies is accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.

2. Consider, select, propose the independent persons to the Board of Directors, candidates for appointment or termination of the external auditor, including their remunerations prior to submit to the Bank of Thailand for endorsement before proposing them to the shareholders' meeting of the Bank. Hold at least one meeting a year with the external auditor without the presence of management.

3. Review the process in relation to non-audit services from the auditor firm of the external auditor and give consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.

- **Internal Control, Risk Management System, Compliance System, and Internal Audit**

4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable, adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal, remuneration and annual merit review of the Head of Audit Group of the Bank.

5. Consider internal control, risk management, and compliance with relevant laws and regulations by considering minutes of meetings of Risk and Compliance Committee, Risk Management Committee, and Compliance Committee.

6. Consider and approve Internal Audit's plan as well as consider the Internal Audit Charter, Internal Audit Policy, and Policy for reviewing of credits, credit-like transactions and

contingent liabilities, and give consent to the amendment onto annual Credit Review Plan after being approved by the Bank's Board of Directors.

7. Ensure that relevant appropriate and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established the Audit Committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or concerned board of directors of the group companies.

8. Review and cooperate with the senior management and internal audit team in reviewing and examining irregular, errant or suspicious matters to establish corrective methods and finalize solutions to rectify such matters.

- Related Parties Transactions or Transactions that May Create Conflict of Interest

9. Consider the accuracy and completeness on the matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the disclosure of such information as necessary.

- Good Governance

10. Arrange for a procedure on receiving traces from the employee regarding the unqualified of financial statement report or other matters while ensuring to such employee the independence of investigation and monitoring appropriate actions to resolve such matter. Receive and consider complaint or other information from interested party and acknowledging the result of complaint resolution from the responsible department through internal audit team.

- Compliance with Regulatory Requirements

11. Oversee and monitor the operations, business undertaking or actions taken by the Bank to ensure compliance with Securities and Exchange Act, the Stock Exchange of Thailand regulations or laws, announcements and regulations pertaining to commercial banking business including internal policies and procedures.

- Others

12. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members

and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor under Section 89/25 of the Securities and Exchange Act within 30 days from the date they are notified by the external auditor. The further detail investigations shall be carried out as appropriate and report the result to the Bank's Board of Directors to rectify within appropriate timeline.

13. Consider inviting the management of internal control, risk management and compliance function for meeting as necessary to assure the appropriateness of internal control, risk management and compliance with relevant laws and regulations.

14. Prepare the Audit Committee's report and disclose the same in the Bank's Annual Report, comprising of at least the following information:

(1) Opinion on the accuracy, completeness and creditability of the Bank's financial report;

(2) Opinion on the adequacy of the internal control system;

(3) Opinion on the compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, or laws pertaining to commercial banking business;

(4) Opinion on the suitability of an external auditor;

(5) Opinion on the transactions that may lead to conflict of interest;

(6) The number of the Audit Committee meetings and the attendance of such meetings by each committee member;

(7) Opinion or overall observation of the Audit Committee from its performance of duties in accordance with its charter; and

(8) Other matters which, according to the Audit Committee's opinion, should be revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.

15. Where there is a material change in the composition or in the duties of the Audit Committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.

16. Ensure clear written announcement of the Audit Committee's scope of duties and any material change which may affect the Audit Committee's performance and disclose the same to the shareholders in the Bank's Annual Report.

17. Submit timely reports to the Board of Directors for remedial action upon the Audit Committee finding or suspects any misconduct in the following areas:

- Any transaction with conflict of interest.
- Any fraud or irregularity or material defect in the internal control system.
- Any breach of the Bank's rules and regulations, the Articles of Association as

well as laws governing the banking business.

If the Board of Directors or the senior management does not take remedial action within the timeline determined by the Audit Committee, the Audit Committee shall disclose such failure in the Annual Report and report to the Securities and Exchange Commission and the Bank of Thailand.

18. Obtain outside counsel or other professional advice as the committee deems appropriate.

19. Conduct annual performance assessment of the Audit Committee and report the assessment result to the Bank's Board of Directors.

20. Perform any other tasks as assigned by the Bank's Board of Directors as consented by the Audit Committee.

- **Names of Members and Meetings of the Audit Committee**

In 2017, there were a total of 23 meetings, i.e. 12 ordinary meetings and 11 special meetings, 2 out of 23 meetings were made with the external auditors without the management. Detailed are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Miss Potjanee Thanavarani	Chairman	23/23
2. Mr. Virat Phairatphiboon	Member	23/23
3. Mr. Phong-adul Kristnaraj	Member	23/23

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All the three members are competent and experienced in the review of Krungsri's financial statements.

Risk and Compliance Committee

- **Structure and Composition**

The Board of Directors appoints the Risk and Compliance Committee which consists of no less than a total of 3 non-executive directors. Chairman of the Risk and Compliance Committee shall be an independent director.

- **Qualifications**

The Risk and Compliance Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments to ensure benefits to the Bank and/or companies in the financial business group.

- **Term of Office**

The Risk and Compliance Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

- **Scope of Authority and Responsibilities**

1. Review, assess and propose to the Board of Directors, in timely manner, annual compliance report and a policy/policies for overall risk management which shall include major risks but not limited to credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk and compliance risks.

2. Determine and review compliance policies including seek approval on principles and practices for effective compliance measures, set Risk Management Group and Compliance Division's duties and scope of work commensurate to the complexity of commercial banking business and in accordance with this Charter.

3. Formulate and monitor implementation of strategies for integrated risk management and compliance policy to ensure coverage, effectiveness and appropriate level of the Bank's risk appetite.

4. Continuously review the adequacy of the overall risk management and compliance policy and system, the effectiveness of system and policy implementation in order to improve the level of awareness, control level and effectiveness of the same.

5. Review and regularly report to the Board of Directors on improvements needed to ensure effectiveness of the risk and compliance policy and measures and inform the Audit Committee on non-compliance issue for acknowledgement.

6. Review and monitor all pending/overdue issues from the Bank of Thailand, National Credit Bureau Co., Ltd., the Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance related issues to ensure that they are rectified per the specified timeline.

7. Evaluate the performance of Head of Compliance to ensure independency and prevent possible conflict of interest.

8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.

9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.

10. Conduct an annual performance assessment of the Risk and Compliance Committee and report the assessment result to the Board of Directors.

11. Perform any other tasks as assigned by the Board of Directors as agreed by Risk and Compliance Committee.

- **Names of Members and Meetings of the Risk and Compliance Committee**

In 2017, there were a total of 12 meetings as scheduled in advance with details below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Phong-adul Kristnaraj	Chairman	12/12
2. Miss Nopporn Tirawattanagool	Member	12/12
3. Mr. Takeshi Ogasawara	Member	8/12

Secretary to the Risk and Compliance Committee is Mr. Saengchart Wanichwatphibun

Executive Committee

- **Structure and Composition**

The Board of Directors appoints the Executive Committee consisting of no less than 11 members namely President and Chief Executive Officer as the Chairman of the Executive Committee, Head of Commercial Banking, Head of Retail and Consumer Banking, Head of JPC/MNC Banking, General Counsel, Chief Financial Officer, Chief Information and Operations Officer, Chief Risk Officer, Head of Corporate Strategy and Planning Group, Head of Global Markets Group, Head of Human Resources Group and other suitable executives.

- **Qualifications**

The Executive Committee members shall have extensive knowledge, capability, experience, and through understanding of their duties and responsibilities, with good judgment in acting for the benefit of the business.

- **Term of Office**

The term of office is 2 years or as per the directives of the appointment of the Executive Committee. In case of additional Executive Committee members, additional Executive Committee members have a term of office as per the directive of their appointments. In case of vacancy in the committee due to any reasons other than completion of term, the vacant seat shall be replaced by the new incumbent of such position for the remaining period. The member may be re-appointed to the Committee.

- **Scope of Authority and Responsibility**

1. Be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.

2. Be in charge of the Bank's business management to achieve the set goals, policies, strategies and business plans.

3. Assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.

4. Screen strategic plans, annual business plan, capital expenditure budgets, operational objectives and other project plans, including income/non-interest expenditure controls before submitting to the Board of Directors.

5. Assign the management committees and sub-committees to consider matters which occur from the Bank's ordinary operations.

6. Prepare reports as assigned by the Board of Directors.
7. Review policy and business plans prepared by the President and Chief Executive Officer, which have been reviewed by the Financial Management Committee and propose the business plans which have been review to the Board of Directors for approval.
8. Consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board of Directors.
9. Consider, approve and monitor the following operations:
 - 9.1 High cost investment.
 - 9.2 Launching of new product or cessation of providing service or adjustment of prices which have been approved.
 - 9.3 Go into business by capital investment, share investment, business partnership or contracts or agreements.
 - 9.4 Provision of credits or guarantee apart from the Bank's ordinary operations.
 - 9.5 Any actions resulting in property rights or right over the Bank's assets.
 - 9.6 Liability payment or liability payment before due date.
 - 9.7 Changes of remuneration or employee benefit policy.
 - 9.8 Changes of strategies relating to the provision of credit and acceptance of deposits.
 - 9.9 Credit limits opening and closing.
 - 9.10 Enter into agreements or the setting of policy relating to agreements with the departments monitoring the Bank's business operations in cases other than those which the Bank's high-level executives have been empowered to do.
 - 9.11 Credit requests and also relevant operations relating to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.
10. Monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.
11. Review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modern, up-to-date and correspond to the fast changing economic situation.

12. Have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the Committee may fulfill its objectives.

13. Have the authority to appoint and set the roles and responsibilities of sub-committees and/or individuals as deemed appropriate to assist the management of the Bank.

14. Undertake assignments from the Board of Directors.

15. Report the Bank's operations and various activities that have major implications to the Board of Directors.

16. Operate matters relating to the Bank's overall businesses or operations.

17. Monitor operations of the committees and sub-committees reporting to the Executive Committee.

18. Approve quarterly (reviewed) financial statements after review by the Audit Committee.

- **Names of Members and Meetings of the Executive Committee**

In 2017, there were a total of 42 meetings as scheduled in advance with details below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Noriaki Goto	Chairman	41/42
2. Mr. Pornsanong Tuchinda	Member	36/42
3. Mr. Sudargo (Dan) Harsono	Member	38/42
4. Mr. Masaaki Suzuki	Member	20/42
5. Miss Phawana Niemloy	Member	35/42
6. Miss Duangdao Wongpanitkrit	Member	40/42
7. Mrs. Voranuch Dejakaisaya ^{1/}	Member	36/42
8. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	40/42
9. Mr. Rohit Khanna	Member	35/42
10. Mr. Tak Bunnag	Member	39/42
11. Mr. Wittapon Jawjit ^{2/}	Member	34/39

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remark: ^{1/} Appointed as the Executive Committee member ex officio, effective on January 1, 2017.

^{2/} Appointed as the Executive Committee member ex officio, effective on February 1, 2017.

Selection and Appointment of Directors and Senior Executives

● Nomination of Directors

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which is suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors as follows:

• Qualifications of the Directors

1. A director shall have the following characteristics:

- (1) Demonstrate integrity and accountability.
- (2) Make decisions based on information (informed judgment).
- (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
- (4) Work in accordance with principles.
- (5) Spend sufficient time dedicating oneself to performing duties as a director.
- (6) Attentively perform duties within his/her scope of responsibilities.

2. A director shall have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, knowledge about banking industry, international trade, risk management, accounting and finance, organization and human resources management, and crisis management.

In addition to the aforementioned characteristics, knowledge and expertise, a director shall possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

• Method for the Nomination of Directors

1. Nomination

There are several methods stipulated by Krungsri for the nomination of appropriate persons to serve as a director such as (1) Nominated by a director, (2) Nominated by the NRC, (3) Nominated by an outsource firm hired by Krungsri, (4) Nominated by a minority shareholder.

2. Consideration process

The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/screening by taking into consideration of all required characteristics and

qualifications before passing to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

- **Voting on Election/Appointment of Directors:** There are 2 voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution such as election of new director to replace a director whose term of office expires and/or election of additional director (new director) will be in accordance with the procedures stipulated in the Bank's Articles of Association as follows:

- (1) Each shareholder shall have one vote for one share.

- (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.

- (3) The election of candidates is decided by a majority vote, and in the event of a tie votes, the Chairman of the meeting shall have the casting vote.

2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation which requires votes not less than three-quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors 3 months before Krungsri delivers the notification of annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the Stock Exchange of Thailand's system and the nomination criteria are disclosed on Krungsri's website.

- **Qualifications for Independent Directors**

Krungsri has established the following qualifications for independent directors which conform to the notification of Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank. Any shares held by related persons* must also be counted.

2. Within 2 years prior to the appointment, not being or having never been an executive director, contract staff, employee, salaried advisor or control person of the Bank, parent company, subsidiary company, associated company, same-level subsidiary company, major shareholder or control person of the Bank.

3. Having no family blood or legitimate registration relationship as father, mother, spouse, brother, sister, child and child's spouse with other director(s), any executive, major shareholder, control person or person nominated as a director, executive or control person of the Bank, subsidiary company or associated company.

4. Within 2 years prior to the appointment, not having or having never had business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank in the manner that may obstruct the independent discretion. Also, not being or having never been a principal shareholder or control person of those having business relationship with the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.

5. Within 2 years prior to the appointment, not being or having never been the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank including principal shareholder, control person or partnership of an audit firm which employed the auditor of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank.

6. Within 2 years prior to the appointment, not being or never been the professional service provider including legal advisor or financial advisor obtaining more than THB 2.0 million annual service fee from the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank, including a principal shareholder, control person or partnership of such professional firm.

7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder or other shareholder related to the major shareholder of the Bank.

8. Not operating any business which has the same nature as and is in competition with the business of the Bank, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of other company/partnership which operates the same

business and is in competition of the business of the Bank, subsidiary company or associated company.

9. Not having any other characteristics which may cause incapability to provide independent opinions relating to the business operation of the Group.

However, consideration of the above relationship period must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decision relating to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remark: * “Related person” as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:

- (a) a spouse of such person;
- (b) a minor child of such person;
- (c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;
- (d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities or a partner with limited liabilities holding shares in an aggregate number of more than thirty percent of the total number of shares of such limited partnership;
- (e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (g) a juristic person in which such person has managing authority as a representative of the juristic person.

- **Nomination of Senior Executives**

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

- **Qualifications of Executives**

1. Characteristics

- (1) Demonstrate integrity and accountability.

- (2) Make decisions based on informed judgment.

- (3) Be mature and stable, a good listener and willing to provide different and independent opinions.

- (4) Work in accordance with principles.

2. Have knowledge and expertise as well as experience relating to the banking industry.

3. Possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

- **Method for the Nomination/Promotion/Appointment of Executives at the Level of Executive Vice President and above**

Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.

Corporate Governance for Subsidiaries

Krungsri has regulatory mechanisms in place for supervising and overseeing the operation of subsidiaries across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, Krungsri assigns relevant executives as company directors within Krungsri's business group to supervise business operations, plans and annual budgets, and to provide Krungsri with important information for approval before action. Krungsri monitors the

operation of companies within the Krungsri Group through monthly operational reports submitted to Krungsri and reported to the Board of Directors.

Krungsri has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in Krungsri's financial business group. According to the procedures, Krungsri shall nominate qualified executives of Krungsri for appointment as directors of companies in the financial business group to ensure that the business operations of these companies are in alignment with Krungsri's business directions, strategies and policies as well as in compliance with relevant laws and regulations. In so doing, executives of Krungsri Group or external candidates who are fully qualified according to regulatory requirements will be nominated for consideration of suitability by the Nomination and Remuneration Committee.

If nominated candidates possess appropriate qualifications, the Nomination and Remuneration Committee will pass a resolution to propose the candidates to the Board of Directors for consideration and endorsement for further appointment/election as companies' directors. As for managing directors of companies in Krungsri's financial business group, after the Board of Directors grants endorsement, Secretary to the Nomination and Remuneration Committee shall prepare a letter to the Bank of Thailand to request endorsement for the appointment (only for appointment of managing directors of companies under solo consolidation). Secretary to the Nomination and Remuneration Committee shall inform companies in Krungsri's financial business group of the resolution of the Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further actions.

Roles and responsibilities are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the companies' code of conduct and good corporate governance principles. The directors of companies in Krungsri's financial group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and Krungsri's direction. In addition, directors must ensure the establishment of policies and procedures important for the companies' operations and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders.

Krungsri disclosed information regarding the related party transactions under section 7.23 of notes to the consolidated and Krungsri's financial statement for the year ended December 31, 2017.

Krungsri and its subsidiaries have transactions with related companies in which Krungsri and/or its subsidiaries hold the shares and/or have the same major shareholders and/or the director

or executive officer of Krungsri and/or its subsidiaries it has appointed as director of the entity. Such related party transactions are priced at an arm's length basis during the normal course of business of Krungsri and its subsidiaries with the same conditions as other customers. The allowance for doubtful accounts policy complies with the same Bank of Thailand regulations as those granted to other debtors. The details can be found in the Related Party Transactions Section.

Krungsri recognizes the importance of internal controls over Krungsri's financial business group. Each company is required to maintain an adequate internal control system. This should encompass the business functions unit, supervisory units and the internal audit function to ensure efficiency in promoting proper business operations in compliance with good governance principles. It also contributes to the risk management system and enables managers to formulate viable business strategies to achieve Krungsri's goals. Details can be found in the Internal Control and Internal Audit System Sections.

Insider Information Policy And Measures

Krungsri recognizes the importance of preventive measures on insider information strictly forbidden by law and has established written policies and measures to prevent the use of insider information. Krungsri also enforces strict disciplinary action and penalties on anyone who breaches these policies and measures, and such misconduct becomes a factor in evaluating employee performance through key performance indicators (KPIs) and affects employee promotion. Penalties include disgorging profits, liquidating holdings, and termination.

Therefore, Krungsri's executives and employees are required to electronically sign e-acceptances agreeing to adhere to these policies and to perform their duties by following The Spirit & The Letter (S&L), which covers prohibiting unlawful use of insider information and preventing conflicts of interest.

Krungsri also includes these policies and measures in S&L e-learning as a compulsory course where all employees have to complete relevant training and testing with a 75 percent minimum score and pass a refresher course every two years. In addition, Krungsri's executives and employees with access to insider-related information must disclose their securities trading details to Krungsri to determine whether they use non-public information to take advantage of any third party unlawfully. This is to ensure that Krungsri's preventive measures for illegal use of insider information are enforced.

As for any non-public financial information that may affect the share price, Krungsri does not allow its people, either executives or employees, to trade Krungsri's shares during three business days before and after announcing the financial performance data (a blackout period) so as not to affect the share price. Krungsri also prohibits the trading of Krungsri's shares by restricted persons to prevent insider trading. Further, employees and executives must hold Krungsri's shares for at least three months after purchase unless otherwise approved by the President and Chief Executives Officer or authorized persons.

With regard to information on customers, Krungsri has designated certain business units related to specific transactions to review possible conflicts of interest before building business relationships with customers. For incidents that could lead to conflicts of interest, related business units have to follow stipulated measures, such as setting up an "Information Wall" to prevent disclosures between parties that may result in one party gaining advantages or being disadvantaged from transactions, classifying customer documents as confidential information, and reviewing information transfers through electronic channels such as an email Control log.

More importantly, Krungsri strongly believes that sharing knowledge internally together with testing and implementing new technologies will raise employee awareness and lead to a compliance culture and compliance excellence. Moreover, in 2017 Krungsri reviewed and revised procedures for securities registered on watch lists and restricted lists making them applicable to all relevant business units under our new organizational structure. In addition, securities trading disclosure form was revised to strengthen the efficiency in preventing the unlawful use of insider information.

Auditor's Fee

Audit fees*

Krungsri and its subsidiaries paid audit fees as the following:

- To Krungsri and its subsidiaries' auditors of 26,754,085 baht.
- To auditing firms, individuals or businesses whom Krungsri and its subsidiaries' auditors

employed, USD 101,040.

Non-audit fees

Krungsri paid non-audit fees for services consisting of preparation of special reporting as required by Bank of Thailand, special audit etc., to:

Krungsri's auditors.

- In the past year, sum of 324,895 baht, and in the future, an additional sum of 702,000 baht will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Krungsri's auditors employed:

- In the past fiscal year, sum of 0 baht, and in the future, an additional sum of HKD 170,500 will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

10. Corporate Social Responsibility

With the mission ‘to be a leading regional financial institution with global reach, committed responsibly to meeting needs of customers and serving society through sustainable growth’, Krungsri firmly believes that sustainable business growth can only be achieved through community and societal engagement and contribution. Equally important, we are mindful of the impact our business has on all stakeholders, and duly take responsibility for this.

Our commitment to create shared value is upheld by employees across the Krungsri Group as demonstrated through our CSR-in-process practices and CSR-after-process activities.

As one of Thailand’s leading banks, Krungsri is determined to remain a responsible financial service provider, committed to promoting sustainable socioeconomic and environmental development and well-being.

In 2017, Krungsri Group continued standing on these four CSR pillars:

1. Creating sustainability value
2. Giving back to community
3. Preserving environment, and
4. Providing financial support.

These CSR initiatives underscore Krungsri’s leadership as a financial institution operating under the principle of good corporate governance and upholding responsibility toward society and all stakeholder groups. Krungsri follows the Stock Exchange of Thailand’s corporate social responsibility guidelines encompassing all economic, social, and environmental dimensions.

1. Good Supervision in Business Operations

Krungsri fully complies with the principles of good supervision in business operations concerning the roles, rights, and equitable treatment of shareholders, information disclosure and transparency, as well as the responsibility of the Board of Directors. Moreover, determined practice guidelines cover internal control systems, internal audit, and effective risk management measures including continuous monitoring and reporting, with measures for filing complaints about employees’ or other stakeholders’ unethical acts or misconduct that suggest wrongdoing. Krungsri has also adopted a code of conduct called The Spirit & The Letter and a manual on good

supervision in business operations, revised to align with the international standard framework, CG ASEAN Scorecard, including regulator guidelines from the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) for all executives and employees.

2. Fair Business Practices

Krungsri promotes fair competition and proper treatment of stakeholders and the supply chain, ranging from shareholders, business partners, counterparties, customers, competitors, and professional associations joined by Krungsri. To ensure the fair treatment of stakeholders, Krungsri advocates fair competition, promoting responsibility toward society as a business partner, and respect for intellectual property rights to create shared values.

In 2017, Krungsri won the Asia's ICON on Corporate Governance Award, recognizing our continuous corporate governance excellence for the sixth consecutive year (2012-2017) at the 12th Corporate Governance Asia Recognition Awards 2017 hosted by Corporate Governance Asia Magazine.

3. Anti-Corruption

Krungsri's anti-corruption policies include fraud risk management plans, anti-corruption practices, continuous supervision and monitoring of compliance with anti-corruption policies, whistleblowing, as well as employee training in anti-corruption practices in line with The Spirit & The Letter.

Krungsri has also developed anti-corruption policies and an anti-corruption program with guidelines for combating all forms of corruption and bribery – both direct and indirect. The policies and the program are also implemented as Krungsri regulations to be strictly applied in our business operations. Krungsri also formed an anti-corruption committee intended to effectively manage any corruption problems within the organization.

We also encourage our people to be well informed and to observe Krungsri's anti-corruption policies and practices. All Krungsri employees are required to attend training courses every two years: Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT); The Spirit & The Letter (S&L); Gifts & Entertainment (G&E); and Good Corporate Governance. These training courses are knowledge management for practical implementation of anti-corruption.

4. Respecting Human Rights

Respect for the human rights and dignity of all stakeholders is enshrined in Krungsri's values – fair and equitable treatment regardless of ethnicity, faith, gender, or age is the foundation of our human resources development and relations within the business. We treat all stakeholder groups fairly and equitably; business practices that violate human rights are prohibited. Equal service for every customer is encouraged: for example, specially designed buildings with facilities for the disabled or physically challenged are provided.

Moreover, Krungsri realizes the importance of children's rights aligned with business principles as per the Children's Rights and Business Principles (CRBP) set out by UNICEF. A child care facility is provided on the 12th floor of the Head Office.

Krungsri also provides a procedure for stakeholders who may wish to file human rights violation complaints via our Call Center 1572 or our internal channels for employees.

5. Fair Labor Practices

Krungsri respects and observes fair labor practices by honoring employment rights according to the principles of human rights and fundamental rights at work, offering proper working conditions with a non-discrimination and respectful working environment, social protection, health protection, and including work place safety. Furthermore, the Safety, Occupational Health and Environment Committee was established composing of employees and executives according to the ratio stipulated by law. We also provide proper employee welfare, safe working conditions, compliance with environmental laws and regulations, and hygiene. Annual health check-up is offered for employees every year as well as an infirmary where professional medics can administer primary care to the ill. Moreover, for the first time in 2017, the 'Happy Heart Center' was launched to provide psychological and consultation services as we realized how the mental health can significantly impact the physical health of our employees.

We encourage our people to maintain good health by arranging evening yoga and aerobic classes for interested employees. The spacious Krungsri Fitness Center on the 10th floor at the Head Office offers various exercise equipment, shower rooms, and locker room facilities. In addition, fitness trainers and nutritionists are available to provide personal consultancy to achieve desired results safely. We installed a registration system for employees to track their progress and exercise records for each session. The service is offered during three periods: morning (6.30-9.00

hrs.), noon (11.00-13.30 hrs.), and evening (17.00-21.00 hrs.). In addition to good health, our employees saved money as they did not have to pay for personal fitness training elsewhere.

Voice of Krungsri (VOK) is an employee communication channel that conducts an annual survey on employee engagement within the organization, allowing every employee to suggest how the working environment can be improved to achieve optimum working conditions. The survey results are processed by the Human Resources Group to improve the working environment and employee welfare, and serve as a channel for our key stakeholders to voice their opinions. In addition, employees' freedom to establish the Labor Union of Bank of Ayudhya reflects our respect for employee rights and freedoms.

Employees can make inquiries about welfare and benefits, file complaints, or inform the Human Resources Group of rights and working-condition issues through the internal channel (HR Service 5577) anytime during office hour (8.30-17.30 hrs.).

6. Responsibility towards Consumers

Customer Centricity is one of our core values and is vital in our business operations to ensure that we offer suitable financial products and excellent services. Customer centricity has helped Krungsri's business continuously meet customer demand and comply with regulations including the rules set by the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, the Office of the Insurance Commission, and the Office of the Consumer Protection Board.

In addition to providing customers with suitable financial products, Krungsri operates its business in a fair manner and values complete and accurate disclosure of product information to consumers, including product characteristics, risks, details, and key conditions so that consumers can make sound decisions.

7. Social and Community Development

Krungsri continues to demonstrate its responsibility toward society under the concept 'Simple to Share' through its various activities and initiatives. To accentuate its leadership as a financial institution, Krungsri focuses on promoting financial literacy for individuals and communities, understanding that this can lay a solid foundation for a stable life and thus a strong, sustainable society.

Krungsri's CSR success is grounded on cooperation from all groups of employees which started with the 'Krungsri Volunteers' initiative. The Group takes pride in its employees' remarkable contribution to the CSR activities conducted year-round. On February 14, 2017, Krungsri held the second consecutive CSR Open House event under the theme 'Live Community, Give Community' to raise employee awareness of sustained social development. Announced at the event were the Group's CSR 4 Pillars designated for: 1) Creating sustainability value; 2) Giving back to community; 3) Preserving environment; and 4) Providing financial support. Employees were invited to sign up as Krungsri volunteers to support all 4 pillars of Krungsri's CSR practices.

Krungsri volunteers would obtain the CSR Volunteer Hour – an employee key performance indicator (KPI) . Krungsri executives' KPIs include encouraging subordinates to contribute at least eight CSR volunteer hours a year.

Giving back to Society

Financial Literacy and Educational Support

- **Krungsri Financial Literacy Project: Simple to Learn** - With the continuous success of 'the Krungsri Financial Literacy Project' under the theme "Simple to Learn", Krungsri aims to maintain its role as a responsible financial institution by taking part in social development. In 2017, it has been a great honor for Krungsri that Her Royal Highness Princess Maha Chakri Sirindhorn granted an audience to Krungsri people while she graciously presided over the official opening of Insi Asa Ban Huay Nam Kuen Border Patrol Police School, Wawi Sub-district, Mae Saruay District, Chiang Rai Province, on August 3. Also, at the event Mr. Phong-adul Kristnaraj, Krungsri's Independent Director, gave a briefing on background and progress of Krungsri Financial Literacy Project to Her Royal Highness.

Krungsri Financial Literacy Project is the project wherein Krungsri volunteers share financial knowledge to primary school students year 4-6 under the theme of 'Simple to Learn'. In this regard, on July 20, 2017, Krungsri volunteers organized such activity for students at Insi Asa Ban Huay Nam Kuen Border Patrol Police School. Apart from providing financial knowledge for youths, this activity saw the first cooperation among three parties, namely Siam City Cement PLC, the main sponsor of the school construction; Bangkok Broadcasting & TV Co., Ltd. (BBTV Channel 7) , the main sponsor of the school library renovation and computer room construction; and Krungsri, the financial knowledge provider for the school's students.

Thanks to the cooperation of Krungsri employees across the Group, allowing an increase in the number of participating schools to 95 in 26 provinces by year-end. The project received participation from employees across the Group who volunteered to teach financial basics to 5,174 students. Apart from sharing financial knowledge, Krungsri's contribution to the participating schools also included activities intended as service to the school and recreational activities to make learning fun and effective. Overall, 7,530 employees were engaged in the project.

- **Life Roll Onward' Project:** As a leading financial institution with a strong competitive edge in the retail segment, Krungsri places importance on financial inclusion together with financial and debt-management knowledge to propel both society and the organization forward together.

Ngern Tid Lor (NTL) realizes its duty in creating shared value (CSV) between the business and society through providing financial knowledge for low-income communities, vendors, industrial workers as well as NTL's employees. Since 2015, the project 'Life Roll Onward' was initiated as a financial literacy project recruiting NTL employees as training volunteers. The participating employees can contribute to the society as well as learn of the living of local communities, creating understanding and reflecting the importance of providing fair and transparent financial opportunities for people in the communities sustainably. At present, the project has conducted a total of 16 sessions with more than 585 participants and over 247 NTL employees serving as coaches. NTL plans to continue this program in the future, providing financial knowledge opportunities for the communities continuously.

- **More Trust More Gain Workshop:** Hattha Kaksekar Limited (HKL) has conducted financial education workshops for university students to help pave their career path and plan their finance. The project aims to promote student understanding of financial products and services usage as well as to instill wise financial management. In 2017, the program received participation from a total of 923 students in 7 universities.

- **Krungsri's Library for Kids Project:** The Krungsri Auto Library Project was launched in 2010 to improve educational quality and provide a learning center and intelligence archive for children and communities. The goal is to encourage disadvantaged children to pursue education in a sustainable way. To date thirteen Krungsri Auto libraries have been delivered nationwide. For the 2017-2018 plan, Krungsri Auto set to renovate all the delivered libraries by adding more book and modern materials such as computers, Wi-Fi routers, and smart televisions, including improving the

surrounding landscape for 12 schools. In 2017, the renovation project was carried out at six schools altogether, including Baan Sala School in Buriram Province, Wicha Wadi School in Nakhon Sawan Province, Wat Plak Chamao Community School in Songkhla Province, Ban Khlong Ta Man School in Prachinburi Province, Ban Na Ang School in Udon Thani Province, and Ban Wang Yao School in Prachuap Khiri Khan Province. The project has benefited 670 students.

- **Krungsri Consumer Library Renovation at Ban Nong Phak Nok, Saraburi Province:**

Krungsri Consumer also gave back to communities by promoting educational development and opportunities for youths in remote areas in order to ensure equitable education for those children, enabling them to access knowledge like the children in urban areas. Krungsri Consumer initiated a project to renovate libraries as well as donate books and textbooks. On 25 November 2017, a total of 110 Krungsri Consumer executives and volunteers renovated the library at Ban Nong Phak Nok School in Saraburi Province.

Community Development

- **Krungsri Breast Cancer Awareness:** Breast cancer is the second most common type of cancer diagnosed among Thai women. Mindful of this, Krungsri has joined the Thanyarak Foundation under the patronage of HRH the Princess Mother to provide free breast cancer screenings to disadvantaged women residing along Rama III Road and in the Yan Nawa District where the Group's Head Office is located. Mobile mammograms have been provided since 2010 and have benefited 2,336 women through the years.

In 2017, Krungsri volunteers facilitated the mammogram service for the communities in the vicinity of the Head Office with 100 participants of low-income women. In addition, Krungsri also donated 500,000 baht to cover these breast cancer screening costs in 2017.

- **Giving More...Receiving More:** Krungsri, in collaboration with the Red Cross Society's National Blood Center, has been organizing blood donation drives since 2007. In 2017, Krungsri exceeded its goal to acquire one million cc of blood donated by employees in commemoration of its tenth collaboration with the National Blood Center. By the end of 2017, Krungsri organized 13 blood donation drives at 12 provincial branches and four drives at the Rama III Head Office, receiving a total of 1,068,700 cc of blood from 2,677 donors.

Arts, Culture, and Traditions Support

- **Krungsri Cultural Heritage Preservation:** Krungsri joined up with the Department of Fine Arts to help preserve the unique culture and ancient sites in Phra Nakhon Si Ayutthaya Province, the home province of Krungsri. Krungsri has supported the preservation of historic arts and sites in the province in the form of funds for architectural restoration and landscape improvement activities which saw generous participation from Krungsri volunteers.

Every year we invite Krungsri volunteers to take part in this cultural heritage preservation by helping to conserve the Ayutthaya Historical Park temples. Along with the conservation work, unwanted plants are removed to prevent damage to the ancient buildings – the country’s valuable heritage. These conservation activities took place seven times, with 657 volunteers participating at six sites:

1. Wat Jao Ya, on March 25, 2017 and September 16, 2017
2. Wat Jong Krom, on May 20, 2017
3. Wat Phra Ngam, on June 24, 2017
4. Wat Takrai, on July 22, 2017
5. Wat Choeng Tha, on August 26, 2017
6. Wat Phraya Man, on September 30, 2017

In 2017, Krungsri Group united to preserve the historical buildings at Wat Choeng Tha, believed to be the temple where King Taksin the Great of Thon Buri Kingdom had ordained as a novice monk. Krungsri Group raised fund through our annual Kathin Robe presentation ceremony and provided financial support of 5,722,232.40 baht for the conservation work.

Financial Support

Scholarships

As education is crucial for national development, Krungsri has been continually promoting and supporting education among Thai youth through various scholarship initiatives. The year of 2017 was particularly special as “Krungsri Foundation” was officially established on January 16, 2017. 2017, thus, was the first time Krungsri granted scholarships through the operations of Krungsri Foundation, which include:

- **72 Years, 72 Scholarships:** To celebrate the Group's 72nd anniversary on April 1 in addition to an alms-giving ceremony and employee service awards, the Group, for the eight consecutive year, granted scholarships to underprivileged children who demonstrated academic and personal merit. Awarded were children under the care of seven organizations: the Sri Sangwan School for Disabled Children; the Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother; the Pakkret Home for Children with Disabilities; the Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen; the Maharaj Home for Boys; the Setsatian School for the Deaf under the Royal Patronage of HRH Crown Prince Maha Vajiralongkorn; the Rajvithi Home for Girls; and the Foundation for Slum Child Care under the Royal Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra.

A total of 72 scholarships worth 5,000 baht each, or 360,000 baht total was granted in a ceremony. For 2017, Krungsri granted scholarships through the operations of Krungsri Foundation to boost engagement from all parties. Held on March 31, 2017, the scholarship presentation ceremony was presided by Mr. Veraphan Teepsuwan, Chairman of the Board of Directors and Chairman of Krungsri Foundation.

- **National Youth Day Scholarships:** On National Youth Day, Krungsri, through Krungsri Foundation, granted 107,000 baht worth of scholarships to 15 students with academic and personal merit under the care of the Mahamek Home for Boys. The Group has continued the scholarship program for 32 years, providing underprivileged children an opportunity to receive education through the university level.

- **Ruamchit Normklao Foundation (for Children and Youth) under Her Majesty's Royal Patronage:** Krungsri, together with Ruamchit Normklao Foundation (for Children and Youth) under Her Majesty's Royal Patronage, established a permanent fund since 1983. In 2017, Krungsri Foundation on behalf of Krungsri donated 50,000 baht to the foundation to extend education assistance for youths.

Furthermore, Krungsri Group also supported scholarships for youths through various other projects and activities, for instance:

- 100,000 baht financial support granted to Thai-Nichi Institute of Technology
- 170,000 baht scholarships for the financially challenged students of the Faculty of Commerce and Accountancy, Chulalongkorn University, by Krungsri Consumer

- 100,000 baht scholarships through financial institutions in Lao PDR by Krungsri's Vientiane and Savannakhet branches

Other Community Development Activities

Apart from our continued support for multiple CSR initiatives, in 2017 Krungsri supported various social development projects and activities of the organization and other foundations, for example:

- 12,888,600 baht donation for the extension construction project of Chulabhorn Hospital
- 2,500,000 baht donation to the Mae Fah Luang Foundation Under Royal Patronage by Krungsri, Krungsri Auto, and Ngern Tid Lor
- 1,000,000 baht donation for the restoration of Japanese Village in Phra Nakhon Si Ayutthaya Province of the Thai-Japanese Association
- 929,000 baht donation for public benefits to Wat Pa Na Kham Noi, Udon Thani Province, by Krungsri Auto
- 300,153 baht donated by employees of Ngern Tid Lor for public benefits to Wat Phra That Pang Mu, Mae Hong Son Province, and matched with the same amount by the company
- 250,000 baht donation for the "Royal Tribute: One Million and Five Hundred Thousand Paces Run (Chiang Mai – Bangkok route)" project
- 200,000 baht donation to the Foundation of the 50th Anniversary Mahavajiralongkorn Hospital
- 1,980,000 baht and 12,706,144.84 baht (including the budget from archaeological restoration of Wat Choeng Tha) donations from Krungsri and its employees to support annual Kathin Robe presentation ceremonies held at nine temples consisting of Wat Chotikul Suwannaram in Chiang Mai, Wat Amphawan in Bangkok, Wat Pho Si Sattanak in Udon Thani, Wat Tha It in Nonthaburi, Wat Nong Krabok in Rayong, Wat Rong Khe in Samut Sakhon, Wat Par Sri Boon Reung in Nakhon Ratchasima, Wat Samae Khao Charoen Rat Sattharam in Chachoengsao, and Wat Choeng Tha in Phra Nakhon Si Ayutthaya

Fundraising

Krungsri assisted charitable organizations by giving them free space to hold fundraising activities at our Rama III Head Office. Throughout 2017, various organizations have received generous support from Krungsri employees through these:

- 297,593 baht proceed from the 'Following HM the Queen's Royalsteps in Supporting Thai Arts and Crafts' fair
- 159,500 baht proceed from the donation and sale of products of the Operation Smile Thailand Foundation
- 142,950 baht proceed from donation activities for Pan Kan Shop to provide scholarships for youths of Yuvabadhana Foundation
- 100,000 baht proceed from polo shirt sales to aid the Southern flood victims, donated to the First Army Area by Krungsri Consumer
- 100,000 baht proceed from polo shirt sales and 200,000 baht donation, granted as scholarships to students in three southern provinces by Krungsri Consumer
- Other fundraising programs and activities organized by external parties were also welcomed throughout the year, including sales of Love Earth tote, glass set, and bag by Thai Red Cross Society; sales of Mother's Day jasmine flower by the National Council on Social Welfare of Thailand; sales of Baan Cheun flowers by the Foundation for the Welfare of the Mentally Retarded of Thailand; and so on.

8. Environmental Conservation

In-process Environmental Management Approach

- **Shred 2 Share Project:** As a financial service provider, our use of resources such as office supplies and utilities is a significant portion of our operating expense, but we also realize the importance of conserving resources and mitigating our environmental impact. Thus we collaborated with InfoZafe under SCG Paper, Thailand's first provider of comprehensive information security service, in the Shred2Share campaign to help reduce resource consumption through paper recycling. The campaign reinforces a green culture which contributes to long-term energy conservation. Krungsri has participated in this campaign for eight consecutive years. Performance regarding paper recycling of January – December 2017 is illustrated in the table.

Shred2Share campaign by InfoZafe	2560
Paper recycled	260.87 tons
CO2 emission reduction	67,825.53 kg.
Coal reduction	28,695.84 kg.
Water saved	13,043.56 m ³

Remarks: Combined data from Krungsri and Krungsri Auto

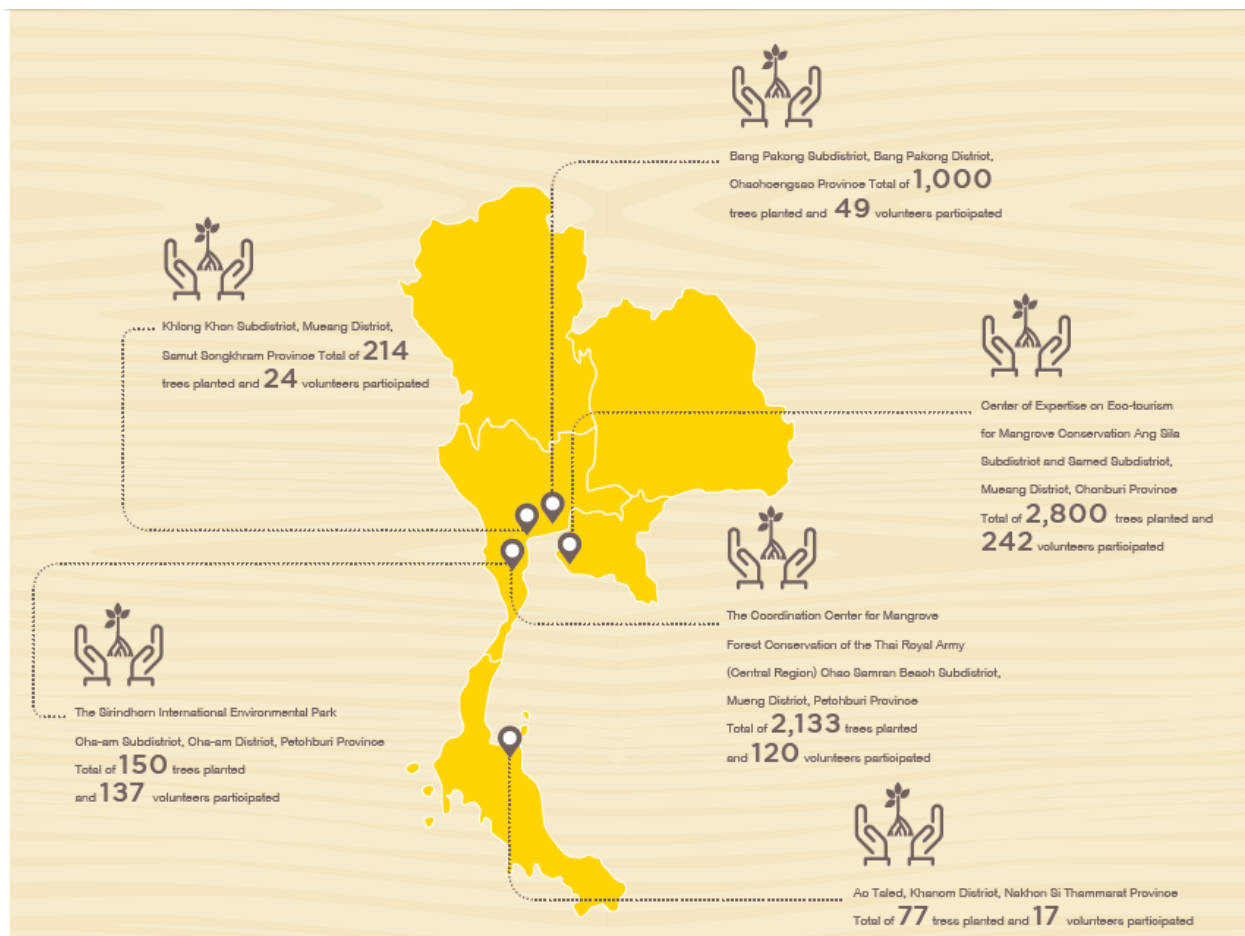
- **Energy and Water Conservation** Krungsri's Central Administration Division established an energy management committee responsible for monitoring and assessing the organization's energy consumption. In 2017, our energy consumption slightly increased by 1.27 percent due to a strategic decision to relocate the IT backup center to the Rama III Head Office, more overtime working hours, and a 24-hour operations of wastewater treatment. Nevertheless, we were able to decrease water consumption by 8.96 percent.



After-process Environmental and Natural Resources Conservation Activity

Krungsri also promotes environmental conservation awareness and habits among our employees through various voluntary activities, particularly those in the areas of forest and natural resources conservation, including mangrove plantation and check dam building projects. The environmental conservation activities held throughout 2017 were organized by the organization as well as initiated by the staff with the sense of environmental accountability.

- **Mangrove Forest Planting and Upstream Forest and Landscape Improvement:** Realizing the magnificent ecological values of mangrove forests, Krungsri volunteers have held a number of mangrove forest conservation activities in 2017 with a total of 5,933 mangrove trees planted in various locations.



- Check Dams:** At the end of each year, Krungsri people unite to preserve the environment by building check dams for the forests in northern Thailand. In November 2017, a team of over 300 executives and volunteers from Krungsri and Krungsri Group, namely Ayudhya Capital Auto Lease PLC and Ngern Tid Lor Co., Ltd., as well as Phatra Securities PCL and the Bank of Thailand, built a total of 34 check dams to maintain moisture and fertility in the forest for the 16-rai (2.56-hectare) area of Ban Pa Yang Musoe and Ban Huai Pu Mai villages in the Doi Tung Development Project (Royal Working Area), Chiang Rai Province. Since 2009, Krungsri has presented over 8 million baht of financial support to the Mae Fah Luang Foundation under Royal Patronage and contributed to the building of a total of 633 check dams. These check dams can help slow the velocity of runoff from watersheds, resulting in retention of soil sediments. This fertilizes the soil, allowing trees to thrive while soil moisture also acts as an insulator against forest fires.

Furthermore, the Corporate Social Responsibility Department along with other functional units, subsidiaries, and employee clubs of Krungsri also organized check dam building activities.

- **Upstream Forests, Wild Animals, and Biodiversity:** Krungsri contributed further in supporting environmental conservation through activities promoting biodiversity, reforesting upstream lands, raising seedlings, preserving food sources for wild animals, and nursing land and marine life. Most activities were initiated by employees themselves, reflecting Krungsri people's strong conscience in fostering a sustainable society and environment. Below are example activities.

- Building 60 reservoirs to store water for wild animals during droughts at 15 points around the Khao Somphot non-hunting area, Chai Badan District, Lopburi Province;
- Restoring the coastal ecosystem by planting 1,110 coral branches in Sattahip District, Chonburi Province; and
- Raising seedlings at the Siri Charoenwat Forest Plantation Project, Sattahip District, Chonburi Province.

9. Innovation and Disclosure of Innovative CSR Practices

With 'Embracing Change' as one of our core values, Krungsri is committed to developing new technology and innovation to ensure readiness for fast-changing conditions. The Group has also adapted to customers' changing behavior and demand by launching a digital banking service through three channels: SMS Banking; Internet Banking; and Mobile Banking. All these electronic channels are aimed at greater customer convenience, lower transaction costs, and reduced pollution thanks to paperless operations.

In 2017, Krungsri Mobile Application (KMA) has been modified as more efficient innovation offering financial services to meet with satisfaction of our key stakeholder, the 'customers.' Equipped with artificial intelligence (AI) and machine learning, the KMA platform will soon serve as a chatbot answering customer queries through text and voice responses, offering more satisfaction and convenience for customers.

In addition, the robo advisor technology has been adopted to boost customer service efficiency particularly investment advisory service. Appropriate investment advisory service based on solutions provided by this innovation will be used for greater staff efficiency in offering this service. Furthermore, the end-to-end digital lending, set to launch in the near future through KMA,

will offer customer convenience in loan application, loan follow-ups, money receiving, as well as virtual card, viewing statement on a real-time basis. Such financial innovation development not only creates customer experience, but also benefits the society in providing thorough, quick, and easier financial access to capital and services for customers and the public. This counts as a key sustainability for a financial service provider in support of sustainable economic system development.

To embrace the National e-Payment policy, Krungsri has developed the QR code system for its payment service used at Krungsri's cafeteria for innovative experience for Krungsri staff through Krungsri Di-Wallet application. Additionally, a QR code reader (Scan to Pay) has already been embedded as a feature of the KMA menu. Krungsri is currently developing a mobile application to enable payment and funds transfer for merchants through a common QR code standard. Other application features will also be included in response to merchants' demand.

Moving forward, Krungsri aspires to build an innovation culture aiming to encounter changes from the side of competition as well as from the side of contribution to society. The Group is focusing on financial technology (FinTech) development to simplify financial transactions while ensuring that our services are still provided responsibly.

10. Sustainability Reporting

In 2017, Krungsri produced its fourth sustainability development report, referencing the Global Reporting Initiative (GRI) for Financial Service Sector Disclosure under G4 covenants independent of the Krungsri Annual Report to communicate to stakeholders the principles and procedures for promoting sustainable development via three major dimensions: economic sustainability, social responsibility, and environmental responsibility. This was our commitment to social responsibility and reaffirms our transparency and adherence to the principles of good corporate governance. The report is available at:

<https://www.krungsri.com/bank/en/Other/CSR/sustainability-development-reports.html> or



Collective Action Coalition Against Corruption (CAC)

In June, Krungsri was recertified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption. This confirms our determination to prioritize countering all forms of corruption and bribery in accordance with our written Anti-Corruption and Anti-Bribery Policy and Program which serve as business practices guidelines for measurable sustainability.

All Krungsri Group directors, executives, and employees must sign and observe a binding agreement to adhere to our anti-corruption efforts, with disciplinary action for employees who violate these provisions. Moreover, Krungsri, through the Compliance Division, promotes easily accessible whistleblowing channels through internal news and messages. Employees are informed of the ways they can give leads to ombudspersons upon finding fraud or non-compliance with our policies, regulations, or requirements. Whistleblowers are protected and any retaliation against them is considered a violation of Krungsri's policy, meaning that those who retaliate are also subject to disciplinary action. More importantly, we investigate whistleblower leads to determine how issues can be rectified and reported the to Senior Executives, the Audit Committee, the Risk and Compliance Committee, as well as the Board of Directors.

In addition, Krungsri requires employees and executives to be trained to conduct business in line with our guidelines by enrolling them in a compulsory e-learning course, which must be repeated every two years. Krungsri has also been promoting anti-corruption campaigns in the form of short films, posters, and staff activities, all of which aim to underline the importance of performing duties with integrity, transparency, and auditability — the key principles of a comprehensive anti-corruption program.

Krungsri Group's executives and employees participate regularly in national anti-corruption events for the betterment of society. In September, the Anti-Corruption Organization of Thailand organized Anti-Corruption Day 2017 under the topic "New Government, Same Corruption?" at the Centara Grand and Bangkok Convention Centre: Our people joined the Thai Bankers' Association, the Thai Institute of Directors Association, and other top-tier Thai organizations as part of the social forces, driving, creating, and expanding the country's anti-corruption network. In December, Krungsri Group took part in International Anti-Corruption Day (Thailand) under the topic "Thais Have Zero Tolerance for Corruption". The event was initiated by the government and organized by the Anti-Corruption Organization of Thailand together with the Office of the National Anti- Corruption commission, Office of Public Sector Anti- Corruption Commission, including public, state-owned enterprise, private, and social partnerships at IMPACT Arena, Exhibition and Convention Center.

11. Internal Control and Risk Management

Internal Control Systems

Krungsri recognizes the importance of internal controls and has adopted the Three Lines of Defense model — an international governance standard involving the business functions, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that we practice good governance and apply effective internal control principles based on the COSO (the Treadway Commission's Committee of Sponsoring Organizations) Internal Control Integrated Framework consisting of five key components:

- **Control Environment:** The organizational structure is aligned with Krungsri's business operations; duties are segregated to achieve checks and balances; scope of authority is clearly defined; and integrity and professionalism are emphasized.
- **Risk Assessment:** Opportunities and impacts associated with possible incidents that affect achieving our goals are assessed to determine risk management and control measures.



- **Control Activities:** Krungsri has established well-defined policies and procedures, effective resource maintenance and utilization processes, segregation of duties, and operations reviews.
- **Information and Communication:** Krungsri has implemented information and communication systems that ensure timely responses as well as reliable and accurate financial records and reporting.
- **Monitoring Activities:** Continuous monitoring and assessments are conducted to ensure effective, appropriate risk management.

Krungsri complies with the Sarbanes-Oxley Act (SOX), including US-SOX of the United States and J-SOX of Japan. The SOX laws include applying COSO internal control principles focusing on internal control over the financial reporting process. The Internal Audit Group is

responsible for conducting reviews to ensure that financial reporting process internal controls are effective.

Internal Audit Function

The internal audit function assesses the adequacy and appropriateness of internal controls for operational processes and work systems, and for Krungsri Group as well as outsourced activities. Internal Audit performs its duties independently and reports directly to the Audit Committee comprising independent directors. (Internal auditors are not involved in our day-to-day business operations.)

The Nature of Audit Work

Internal audit systematically evaluates and supports the adequacy and effectiveness of good corporate governance, risk management, and internal controls to give us reasonable assurance that they operate effectively to achieve our objectives and goals.

Internal Audit Group Responsibilities and Goals

The Internal Audit Group continuously enhances our audit methodology efficiency to meet international audit standards, emphasizing five key areas:

1. Assurance service
2. Consulting service
3. Personnel development
4. Audit quality control and improvement and,
5. Added Value

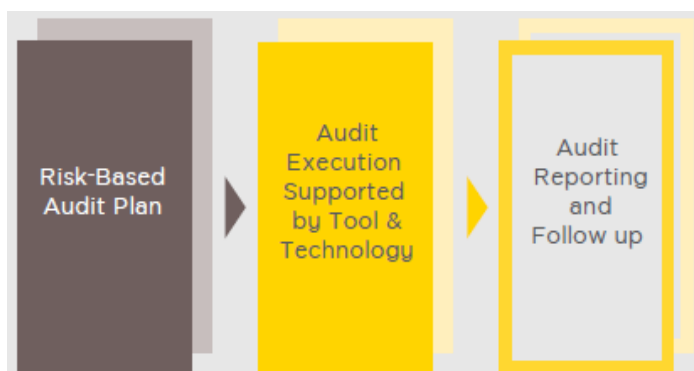


1. Assurance Service

1.1 Annual audit plan

This plan is formulated using a risk-based approach where opinions of senior executives and external auditors are considered and approved by the Audit Committee. The audit plan is reviewed and amended during the year in response to new or changing risks. Also, MUFG risk

assessment guidelines are shared with the Internal Audit Group and adapted to improve our risk assessment approach. The Internal Audit Group also organizes meetings to jointly discuss and follow up on emerging risks using this information to regularly amend the plan.



1.2 Audit process and supporting IT systems

We have adopted an integrated audit approach, incorporating IT auditing with operational auditing to improve efficiency. Data audits or computer-assisted audit techniques (CAATs) are also integrated with operational audits to reduce sampling risks and facilitate analyzing potential irregularities from emerging risks and new products. Auditing software is also used to manage auditing processes, including audit planning, resource allocation, audit data recording and archiving, and audit issue tracking. The Internal Audit Group analyzes the root causes of audit issues to better rectify them and has also improved audit methodology to meet global standards by adapting various audit practices leveraged from MUFG'S Internal Audit and Credit Examination Division.

1.3 Audit report presentation and audit tracking

The results of internal control reviews are directly reported to executives of audited functional units and relevant business units to jointly improve operations and rectify flaws according to the determined timeframe: the internal audit function is required to monitor how these flaws are rectified in response to audit recommendations and report the results to senior executives and the Audit Committee monthly. Audit issue follow-up is done using our electronic audit tracking system, enabling audited parties to report on progress and retrieve reports in various formats from the system at anytime for greater efficiency.

2. Consulting Service

In addition to annual audits, the Internal Audit Group also advises on implementing internal controls for other bank business units. An Audit Buddy Line project has been established to offer advice or answers to internal control inquiries. Also, the Internal Audit Group has developed a cooperative relationship with the Branch Operational Risk Management Department and the Fraud Management Division — considered the second line of defense — to continually monitor risks arising from Krungsri operations.

3. Personnel Development

In cooperation with the Human Resources Learning and Development Department, the Internal Audit Group developed a competency model and a career path for auditors to ensure alignment with the Internal Audit Group's vision and mission and with international standards to evaluate their competency, enhance their capabilities, and to develop an annual training roadmap. Audit officers are given in-house and professional training, including professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, IT system knowledge, fraud risk, audit methodology, and our newly revised professional principles. In 2017 candidates for Certified Internal Auditor (CIA) certification underwent a training course with guidelines on how to prepare themselves for all three parts of this exam. Knowledge tests (e-quizes) covering new rules and regulations have regularly been given through online tests. In addition, the internal audit function continuously develops self-learning (e-learning) courses specifically designed for audit officers to facilitate convenience in accessing educational materials. Audit officers are given opportunities to propose projects that improve audit-related operations. External consultants are hired to jointly perform audits to share knowledge with audit officers. In 2017 a total of 86 Krungsri's audit officers received 133 audit certificates.

4. Audit Quality Control and Improvement

To control and improve audit quality, the Internal Audit Group has employed several approaches such as supervisor evaluation of each audit task, including a post-audit satisfaction e-Survey to gather opinions of key stakeholders. Furthermore, audit quality is regularly reviewed by an independent functional unit: The Internal Audit Group arranges this external quality assessment every five years performed by an external consulting firm. The latest assessment was conducted in

2014 and found that our audit operations complied with international audit standards. As a subsidiary of MUFG, a peer review was conducted by their Internal Audit and Credit Examination Division to regularly provide recommendations on our audit practices as well.

5. Added Value

To achieve our business target using good governance and effective internal control principles, the Internal Audit Group developed an e-learning program, Internal Control Framework under COSO Principles, as a basic training course to be completed every two years by all employees on the principles, background, and importance of internal control. In addition, the Internal Audit Group launched the Control Black Belt (CBB) project for the second consecutive year to enhance internal control effectiveness. This is to ensure that it can be used as a key strategic approach to achieve its target by developing competency for participants from other functional units. The Internal Audit Group added an ongoing monitoring process in 2017 to continuously monitor risks relating to operations and business units. This monitoring data is used to support proactive auditing, allowing prompt, timely responses to significant risks. For example, the Internal Audit Group participated in our important digital technology-based projects to support financial services, including a project using blockchain technology for international funds transfers, through advice on web application security. The Internal Audit Group also joined the National e-Payment project to offer advice on IT internal control.

Head of Internal Audit Function

At present, Internal Audit Function is headed by Ms. Puntipa Hannoraseth, Head of Audit Group.

Appointment, transfer, employment termination, remuneration determination and annual merit consideration of the Head of Internal Audit Function are considered and endorsed by the Audit Committee. Detail of Head of Internal Audit Function appears in Attachment 3.

Compliance Function

The details of Compliance function appear in the topic “Types of Business”, sub-topic “Compliance Division”.

Head of Compliance Function

At present, Compliance Function is headed by Mr. Saengchart Wanichwatphibun, Chief Compliance Officer. Detail of Head of Compliance Function appears in Attachment 3.

Risk Management Function

Krungsri's risks including risk management structure and responsible persons appear in the topic "Risk Factors".

Head of Risk Management Function

At present, Risk Management Function is headed by Mr. Chandrashekar Subramanian Krishoolndmangalam, Chief Risk Officer. Detail of Head of Risk Management Function appears in Attachment 1.

12. Related Party Transactions

Krungsri disclosed information regarding the related party transactions under section 7.23 of notes to the Consolidated and Krungsri's financial statements for the year ended December 31, 2017 and 2016.

Krungsri and its subsidiaries had business transactions with subsidiaries, joint ventures and related companies, which Krungsri and/or its subsidiaries hold the shares and/or have the same major shareholders or the director or executive officer of Krungsri and/or its subsidiaries is appointed as director of that related companies. Such related party transactions are priced on an arm's length basis in the normal course of business of Krungsri and its subsidiaries with the same conditions as other customers and in compliance with the allowance for doubtful accounts policy. In this regard, Krungsri and its subsidiaries have complied with the Bank of Thailand's regulations in the same manner of other debtors.

Necessity and Justification for the Transactions

These related party transactions were necessary and justified in order to generate maximum benefits to Krungsri. Loans, deposits and contingent liabilities with executives from the level of executive vice presidents and above and vice presidents or equivalent positions and above in finance and accounting division as well as loans to related businesses having joint shareholding or directors in common with Krungsri are considered as part of our normal business.

Approval Process of Related Party Transactions

All of Krungsri's related party transactions on loans are part of its normal business and, as such, are subject to our normal loan approval procedures which the authorization of the amount of credit approval is clearly determined, based on type of customers. Executives with related interest shall not participate in the approval process.

Other significant related party transactions are approved by the Financial Management Committee, Audit Committee, Executive Committee and/or the Board of Directors, based on the transaction type and value, so as to ensure that they are necessary and justified in order to generate maximum benefits to Krungsri.

Policies and Prospects for Related Party Transactions

Krungsri's policies and prospects for related party transactions in the future will remain unchanged from the previous years. Such transactions will continue to be considered as part of Krungsri's normal business which are under an arm's length basis with the same conditions as other customers.

Major Related Party Transactions with Individuals or Related Business Entities

The related party transactions i.e. related companies, transaction type and value are summarized as follows:

Summary of Major Related Party Transaction with Individuals or Related Business Entities

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
1	Aberdeen Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	89.4	65.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C
2	AGC Technology Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	51.9	39.1	-	-	-	-	-	-	-	0.1	0.2	9.7	-	-	C	C
3	Agrex (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	8.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
4	AIT Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	2.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
5	Aiya (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.1	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
6	Alpha Capital Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	185.5	265.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B
7	Altech Asia Pacific Co., Ltd.	-	-	-	-	-	-	0.1	1.0	-	-	18.8	32.7	-	-	-	-	-	-	-	-	-	-	11.9	24.5	C	C
8	Amada Miyachi (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	45.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
9	Anderson Mori & Tomotsune (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
10	Asahi Kokusai Technion (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.4	2.6	-	-	-	-	-	-	-	-	5.9	6.8	-	-	C	C
11	B B T V Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	48.5	47.5	-	-	-	-	-	-	0.1	0.1	7.4	7.4	-	-	A, B	A,B
12	Banco de Tokyo-Mitsubishi UFJ Brasil S/A	-	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	C	C
13	Bangkok Broadcasting & T.V. Co., Ltd.	-	-	-	-	-	-	0.1	-	-	-	98.3	251.4	-	-	-	-	-	-	3.3	4.2	1,128.0	1,715.5	10.4	-	A,B	A,B
14	Bangkok BTMU Ltd.	-	-	-	-	-	-	-	-	-	-	272.7	30.3	-	-	-	240.0	-	-	-	0.1	-	-	-	-	C	C
15	Bangkok Capital Venture Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
16	Bangkok Mitsubishi UFJ Lease Co., Ltd.	-	-	2,433.3	2,370.1	4.4	5.1	179.3	17.8	-	-	36.7	45.2	-	-	-	-	49.8	122.2	-	-	-	-	5,684.4	3,640.5	C	C
17	BBTV Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	14.3	20.8	-	-	-	-	-	-	-	-	-	-	-	-	A,B	B
18	BBTV New Media Co., Ltd.	-	-	-	-	-	-	-	-	-	-	7.3	53.9	-	-	-	-	-	-	-	-	-	-	-	-	B	B
19	BBTV Productions Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.6	7.6	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
20	BBTV Satelevision Co., Ltd.	-	-	-	-	-	-	-	-	-	-	11.4	13.5	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
21	Belle Assets Co., Ltd.	-	-	-	-	-	-	-	-	-	-	11.2	10.5	-	-	-	-	-	-	-	-	-	-	-	-	B	B
22	Belle Development Ltd.	-	-	-	-	-	-	-	-	-	-	3.9	3.9	-	-	-	-	-	-	-	-	-	-	-	-	B	A,B
23	Ben Decs Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.0	1.6	-	-	-	-	-	-	-	-	-	-	-	-	A	A
24	BOT Lease (Thailand) Co., Ltd. [Formerly, BTMU Leasing (Thailand) Co., Ltd.]	-	-	600.0	694.0	0.7	0.9	176.3	31.2	-	-	63.2	25.4	-	-	-	-	-	13.3	-	-	-	-	3,680.7	2,771.3	C	C
25	B-Quik Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
26	BTMU Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	856.1	27.4	-	-	-	750.0	-	-	0.5	0.2	-	-	-	-	C	C
27	BTMU Participation (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	165.0	22.5	-	-	-	104.0	-	-	-	-	-	-	-	-	C	C
28	C.K.R. Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.1	0.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
29	Canon Marketing (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	5.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
30	Chiyoda (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	25.7	109.9	-	-	-	-	-	-	-	0.1	-	-	-	-	C	C
31	CKS Holding Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.8	2.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
32	Conwood Co., Ltd.	-	-	410.0	638.5	0.1	0.1	33.1	115.9	-	-	15.4	21.5	-	-	-	-	-	-	-	-	0.7	3.9	932.2	1,370.1	B	B
33	Cyber Venture Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.1	0.9	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
34	Daiki Engineering Thai Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.6	0.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
35	Daiko Shokai (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	2.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
36	Dherakupt International Law Office Ltd.	-	-	-	-	-	-	-	-	-	-	1.6	4.4	-	-	-	-	-	-	-	-	-	-	-	-	B	B
37	D-Net Solution Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	A	A
38	Don Qui (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	3.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
39	Eastern Star Real Estate PCL	-	-	315.6	-	0.2	-	-	-	-	-	118.7	56.6	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
40	Eastern Star Resort Co., Ltd.	-	-	-	-	-	-	-	-	-	-	5.5	2.9	-	-	-	-	-	-	-	-	-	-	-	-	B	B
41	Easy Buy PCL	-	-	3,156.6	2,853.6	19.6	19.2	229.4	32.0	-	-	31.9	54.3	-	-	-	-	-	96.7	-	-	-	-	7,619.3	7,859.6	C	C
42	Ek-Chai Distribution System Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	500.0	-	-	-	-	-	-	-	-	-	-	-	-	A	A
43	Excell Assets Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.9	24.9	-	-	-	-	-	-	-	-	-	-	-	-	A	A

(Unit : Million Baht)

	Related Companies	Interbank and Money Market		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*		
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
44	Exclusive Senior Care International Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.6	2.8	-	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
45	Federal Air Services Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A	
46	Federal Aviation Co., Ltd.	-	-	0.4	1.9	-	-	-	-	-	-	0.8	0.7	-	-	-	-	-	-	-	-	2.3	4.5	-	-	A	A	
47	Federal Travel International Co., Ltd.	-	-	-	-	-	-	-	-	-	-	94.6	-	-	-	-	-	-	-	1.6	-	47.6	-	-	-	A	A	
48	Fujichemi Co., Ltd.	-	-	-	-	-	-	-	1.5	-	-	0.6	10.9	-	-	-	-	-	-	-	-	-	-	41.0	33.8	C	C	
49	G Land Property Management Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B	
50	GL Assets Co., Ltd.	-	-	-	-	-	-	-	-	-	-	12.3	20.5	-	-	-	-	-	-	-	-	0.3	0.3	-	-	A,B	A,B	
51	Grand Canal Land PCL	-	-	-	-	-	-	-	-	-	-	6.0	3.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B	
52	Grand Fortune Ltd.	-	-	-	-	-	-	-	-	-	-	17.3	18.1	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B	
53	Grand Lam Luang Co., Ltd.	-	-	-	-	-	-	-	-	-	-	23.6	8.7	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B	
54	Great Fortune Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	51.4	55.7	-	-	-	-	-	-	0.2	0.2	-	11.0	-	-	B	B	
55	Home Sukhumvit Co., Ltd.	-	-	-	-	-	-	-	-	-	-	3.7	10.3	-	-	-	-	-	-	-	-	-	-	-	-	A	A	
56	Horkos (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.7	7.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
57	IKO Thompson Asia Co., Ltd.	-	-	-	-	-	-	-	-	-	-	20.5	16.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
58	Insee Digital Co., Ltd.	-	-	-	-	-	-	-	-	-	-	143.6	176.0	-	-	-	-	-	-	-	-	-	-	-	-	B	B	
59	Insee Eco Cycle Co., Ltd.	-	-	-	-	-	-	-	-	-	-	78.0	82.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B	
60	Insee Super Block Co., Ltd.	-	-	-	-	-	-	-	-	-	-	14.4	41.5	-	-	-	-	-	-	-	-	3.2	3.2	-	-	B	B	
61	Iriso Electronics (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	52.8	48.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
62	ISID South East Asia (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
63	ITBC Business Consultant Group Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B	
64	Iwatani Gas And Machinery (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	0.3	C	C	
65	Japan Automatic Machine (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	16.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
66	Japan Electrical Testing Laboratory (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	3.9	4.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C	
67	JBCC (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.5	2.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C	

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
68	JCI (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.4	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
69	K R & Associates Co., Ltd.	-	-	-	-	-	-	-	-	-	-	9.4	4.0	-	-	-	-	-	-	-	-	-	-	-	-	B	B
70	K R O Co., Ltd.	-	-	-	-	-	-	-	-	-	-	36.3	51.4	-	-	-	-	-	-	-	-	3.0	3.0	-	-	C	C
71	K. Group Co., Ltd.	-	-	-	-	-	-	-	-	-	-	76.4	99.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
72	K.S. Fortune Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.2	0.6	-	-	-	-	-	-	-	-	-	-	-	-	A	A
73	Kao Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
74	Kawata (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	19.0	10.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
75	Khao Kheow Country Club Co., Ltd.	-	-	-	-	-	-	-	-	-	-	12.0	15.0	-	-	-	-	-	-	-	-	1.1	1.1	-	-	A,B	A,B
76	Kinokuniya Book Stores (Thailand) Co., Ltd.	-	-	-	-	-	-	0.1	0.4	-	-	55.7	27.7	-	-	-	-	-	-	-	-	-	-	8.8	17.7	C	C
77	Kose (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.2	0.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
78	Kumon (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.5	0.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
79	Kyudenko (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
80	Lanna Resources PCL	-	-	-	-	-	-	-	-	-	-	103.4	152.1	-	-	-	-	-	-	-	0.1	-	-	-	-	B	B
81	Leonian (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	12.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
82	Mahakij Holding Co., Ltd.	-	-	-	-	-	-	-	-	-	-	13.9	12.7	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
83	Management Solutions Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
84	Marubeni Software And Technology (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	12.0	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
85	Maruha Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.3	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
86	Maruka Machinery (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	12.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C
87	Mazak (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	28.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
88	Media Now Co., Ltd.	-	-	-	-	-	-	-	-	-	-	49.2	48.5	-	-	-	-	-	-	-	-	-	-	-	-	B	B
89	Media Studio Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1,099.1	1,157.6	-	-	-	-	-	-	0.7	0.8	-	-	-	-	B	B
90	Meiji (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	71.6	59.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
91	Meiko Trans (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	28.0	17.4	-	-	-	-	-	-	-	-	2.0	2.0	-	-	C	C
92	Metal Studio Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	A	A

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
93	Mitsubishi Chemical (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	71.1	60.1	-	-	-	-	-	-	-	-	3.4	3.8	-	-	C	C
94	Mitsubishi Logistics (Thailand) Co., Ltd.	-	-	30.0	15.0	-	-	-	-	-	-	39.0	32.4	-	-	-	-	-	-	-	-	2.4	2.4	-	-	C	C
95	Mitsubishi UFJ Securities (HK), Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	C	C
96	Mitsubishi UFJ Securities, London	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	C	C
97	Mitsubishi UFJ Trust and Banking Corporation	-	-	-	-	-	-	-	-	-	-	-	-	0.2	0.4	-	-	-	-	-	-	-	-	-	-	C	C
98	Mitsui Seiki (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	6.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
99	MUFG BANK (EUROPE) N.V.BRASSEL BRANCH	-	-	-	-	-	-	-	-	-	-	-	-	1.2	-	-	-	-	-	-	-	-	-	-	-	C	C
100	MUFG BANK (EUROPE) N.V.PRAGUE BRANCH	-	-	-	-	-	-	-	-	-	-	-	-	2.1	-	-	-	-	-	-	-	-	-	-	-	C	C
101	MUL (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.5	3.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
102	Nadex (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	1.6	38.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
103	Nagase (Siam) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
104	Nichidai Asia Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.6	12.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
105	Nihon Kohnetsu (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
106	Nissan Trading (Thailand) Co., Ltd.	-	-	30.0	30.0	-	-	-	-	-	-	9.4	7.6	-	-	-	-	0.2	0.8	-	-	-	-	200.6	200.9	C	C
107	OMI Weighing Machine (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
108	Omori (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.4	15.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
109	OSP (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
110	OTC Daihen Bangkok Co., Ltd.	-	-	-	-	-	-	-	-	-	-	23.5	27.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
111	Parker International Corporation (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	-	178.4	-	-	-	-	-	-	0.1	-	4.5	-	-	-	C	C
112	Pattaya Grand Village Co., Ltd.	-	-	-	-	-	-	-	-	-	-	3.9	9.1	-	-	-	-	-	-	-	-	-	-	-	-	A	A
113	PCL Planner Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.3	4.3	-	-	-	-	-	-	-	-	1.0	1.0	-	-	C	C

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
114	Phahol 8 Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.6	2.5	-	-	-	-	-	-	-	-	-	-	-	-	A	A
115	Phokeethra Resort & Spa Co., Ltd.	-	-	-	-	-	-	-	-	-	-	6.2	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
116	Ploenchit Capital Ltd.	-	-	-	-	-	-	-	-	-	-	6.2	28.9	-	-	-	-	-	-	-	-	4.4	4.5	-	-	B	B
117	Pola Cosmetics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	26.7	26.6	-	-	-	-	-	-	0.1	-	-	-	-	-	C	C
118	PPNS Associate Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
119	Ratanaraks Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.7	0.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
120	Razorfish&Partner Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B
121	Rubycon International (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	29.9	24.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
122	Ryokosha (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.2	1.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
123	Ryosho Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.6	2.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
124	Sanko (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	2.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
125	Sankyo International Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.3	1.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
126	Sato Auto-Id (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	117.8	114.4	-	-	-	-	-	-	-	-	4.5	4.5	-	-	C	C
127	Sato Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	7.8	6.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
128	Seastar Properties Ltd.	-	-	-	-	-	-	-	-	-	-	-	14.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
129	Sekisui Plant (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	5.1	5.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
130	Shinko Microelectronics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	6.6	7.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
131	Siam City Cement PCL	-	-	-	-	-	-	-	-	-	-	206.9	1,160.1	-	-	-	-	-	36.6	0.2	0.3	215.7	358.0	-	7,536.5	A,B	A,B
132	Siam City Cement Trading Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.0	-	-	-	-	-	-	-	-	-	-	-	-	-	B	B
133	Siam City Concrete Co., Ltd.	-	-	-	10,469.3	-	12.4	-	-	-	-	210.4	294.0	-	-	-	-	-	86.8	0.1	0.1	13.4	6.4	-	5,127.0	B	B
134	Siam City Power Co., Ltd.	-	-	-	-	-	-	-	-	-	-	60.2	-	-	-	-	-	-	-	-	-	-	-	-	-	B	B

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
135	Siam Marubeni International Co., Ltd.	-	-	-	-	-	-	-	-	-	-	7.2	6.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
136	Siam Purimongkol Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.9	1.2	-	-	-	-	-	-	-	-	0.7	0.7	-	-	A,B	A,B
137	Siamreal Estate Development Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.7	16.5	-	-	-	-	-	-	-	-	-	-	-	-	A	A
138	Solar - Lunar Co., Ltd.	-	-	-	-	-	-	-	-	-	-	3.4	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
139	Sri Ayudhya Capital PCL	-	-	-	-	-	-	-	-	-	-	196.3	53.7	-	-	-	-	-	-	0.2	0.3	-	-	-	-	A,B,D	A,B,D
140	Sri Ayudhya General Insurance PCL	-	-	-	-	-	-	-	-	-	-	467.2	340.1	-	-	-	-	-	-	1.4	1.1	-	-	-	-	B	B
141	Sterling Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.1	0.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
142	Stronghold Assets Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.5	13.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
143	Sunrise Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.8	2.6	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
144	Super Assets Co., Ltd.	-	-	-	-	-	-	-	-	-	-	54.8	59.2	-	-	-	-	-	-	0.1	0.1	8.1	8.1	-	-	A,B	A,B
145	Suzuyo (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	99.3	87.3	-	-	-	-	-	-	-	-	1.1	1.1	-	-	C	C
146	Tak Thai Trading Ltd.	-	-	-	-	-	-	-	-	-	-	11.8	11.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
147	Takebishi (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.8	18.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
148	Techno Polymer (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	57.6	78.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
149	Thai Agro Energy PCL	-	-	752.4	1,057.7	0.2	0.2	-	-	-	-	9.5	2.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
150	Thai Fukuda Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	12.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
151	Thai Nakorn Patana Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
152	Thai Semcon Co., Ltd.	-	-	-	-	-	-	-	-	-	-	59.1	53.1	-	-	-	-	-	-	-	-	12.5	4.6	-	-	C	C
153	Thai Takenaka International Ltd.	-	-	-	-	-	-	-	-	-	-	1,677.4	999.5	-	-	-	-	-	-	0.3	0.8	0.8	0.8	-	-	C	C
154	Thai Toda Corporation Ltd.	-	-	-	-	-	-	-	-	-	-	-	173.8	-	-	-	-	-	-	-	0.2	-	1.1	-	-	C	C
155	Thai Yazaki Network Service Co., Ltd.	-	-	-	-	-	-	-	-	-	-	21.9	21.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
156	Thanasup Leasing and finance Co., Ltd.	-	-	-	11.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
157	The Bangkok Lighters Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
158	The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Canada Branch	-	3.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
159	The Bank of Tokyo-Mitsubishi UFJ, Ltd. - China Branch	4.1	9.0	-	-	-	-	-	-	-	-	-	-	9.3	10.6	-	-	-	-	-	-	-	-	-	-	C	C
160	The Bank of Tokyo-Mitsubishi UFJ, Ltd. - Malaysia Branch	-	-	-	-	-	-	-	-	-	-	-	-	82.2	143.5	-	-	-	-	-	-	-	-	-	-	C	C
161	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Holland) N.V.	-	-	-	-	-	-	-	-	-	-	-	-	76.4	108.1	-	-	-	-	-	-	-	-	-	-	C	C
162	The Great Luck Equity Co., Ltd.	-	-	-	-	-	-	-	-	-	-	25.4	30.8	-	-	-	-	-	-	-	-	-	-	-	-	B	B
163	The Thai Nishimatsu Construction Co., Ltd.	-	-	-	-	-	-	-	-	-	-	23.0	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
164	The Thai Tapioca Flour Produce Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.6	1.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
165	TISI (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.1	20.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
166	TNP Health Care Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.0	-	-	-	-	-	-	-	-	-	-	-	-	-	A	
167	Toho Jigyo (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	11.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
168	Toko Electronics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
169	Tonson Property Co., Ltd.	-	-	-	-	-	-	-	-	-	-	6.6	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
170	Towa Denki (Thai) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	42.4	36.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C
171	Toyota Auto Body Thailand Co., Ltd.	-	-	-	-	-	-	-	-	-	-	657.3	1,193.0	-	-	-	-	-	-	0.1	0.5	-	-	-	-	C	C
172	Toyota Body Service Co., Ltd.	-	-	-	-	-	-	-	-	-	-	2.7	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
173	Trancy Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	12.0	30.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
174	Treasure Factory (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
175	TSK Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	2.5	0.7	-	-	608.0	120.8	-	-	-	-	-	-	0.6	0.1	0.8	0.1	130.9	14.8	C	C
176	Tun Rungrueng Co., Ltd.	-	-	-	-	-	-	-	-	-	-	10.6	11.9	-	-	-	-	-	-	-	-	-	-	-	-	B	B
177	TV Digital HR Co., Ltd.	-	-	-	-	-	-	-	-	-	-	8.4	8.3	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A, B
178	V&V Bangkok Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	A	A
179	V-Cube (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	0.4	2.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : Million Baht)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Total Other Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Total Other Liabilities		Contingent Liabilities		Derivative (Notional Amount)		Relationship*	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
180	Yamashita Tech (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-	6.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
181	Yushin Precision Equipment (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	-	4.3	13.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C

Remarks:

Relationship*

A = Director and/or executive of Krungsri and/or its subsidiaries is appointed as director of the entity and/or hold shares totally equal or greater than 20%.

B = Bangkok Broadcasting & T.V. Co., Ltd and/or its related persons hold shares totally equal or greater than 20%.

C = BTMU Group and/or its related persons hold shares totally equal or greater than 20%.

D = Krungsri and/or its related persons hold shares totally equal or greater than 20%.



Bank of Ayudhya Public Company Limited

Part 3

Financial Status and Operating Performance

13. Key Financial Information

Summary of the Audit Report

The auditor is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. by Mr. Permsak Wongpatcharapakorn, who audited the financial statements for the years 2015 - 2017, have expressed an unqualified audit opinion in the audit reports.

Summary of Consolidated Financial Statements

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Financial Position

As at December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Assets			
Cash	38,244,197	36,142,429	33,689,886
Interbank and money market items, net	330,797,381	200,283,418	194,094,463
Claims on security	47,134,759	13,838,550	-
Derivatives assets	14,561,586	29,117,399	35,657,181
Investments, net	83,934,465	131,781,831	110,026,901
Investments in subsidiaries and joint ventures, net	2,222,431	1,919,378	1,575,581
Loans to customers and accrued interest receivables, net			
Loans to customers	1,619,357,880	1,506,222,326	1,353,558,616
Accrued interest receivables	3,916,985	3,864,375	3,572,495
Total loans to customers and accrued interest receivables	1,623,274,865	1,510,086,701	1,357,131,111
Less Deferred revenue	(68,953,805)	(57,340,352)	(50,104,606)
Less Allowance for doubtful accounts	(54,172,854)	(48,273,619)	(43,218,108)
Less Revaluation allowance for debt restructuring	(1,302,828)	(1,187,903)	(1,725,739)
Net loans and accrued interest receivables	1,498,845,378	1,403,284,827	1,262,082,658
Customers' liability under acceptance	500,108	476,024	558,322
Properties for sale, net	3,684,841	4,256,248	5,049,764
Premises and equipment, net	26,401,168	25,221,074	20,993,113
Goodwill and other intangible assets, net	16,756,121	16,698,596	14,477,378
Deferred tax assets	4,823,047	4,713,693	5,369,190
Accounts receivable for investments	1,315,317	52,668	1,036,546
Other assets, net	19,551,268	15,402,070	20,905,527
Total assets	2,088,772,067	1,883,188,205	1,705,516,510

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Liabilities and Equity			
Deposits	1,319,228,951	1,108,287,927	1,046,289,670
Interbank and money market items, net	279,720,847	314,399,699	275,059,500
Liability payable on demand	6,296,314	4,176,569	3,210,983
Liability to deliver security	47,134,759	13,838,550	-
Derivatives liabilities	15,723,571	20,581,038	26,692,658
Debt issued and borrowings	142,866,150	160,325,732	108,120,551
Bank's liability under acceptance	500,108	476,024	558,322
Provisions	7,467,766	7,333,340	6,758,757
Deferred tax liabilities	106,529	456,479	32,179
Accounts payable for investments	1,587,891	65,526	1,118,197
Other liabilities	42,151,955	44,479,313	46,927,975
Total liabilities	1,862,784,841	1,674,420,197	1,514,768,792
Equity			
Share capital			
Authorized share capital			
7,574,143,747 ordinary shares of 10 baht each	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital			
7,355,761,773 ordinary shares of 10 baht each	73,557,618	73,557,618	73,557,618
Premium on ordinary shares	52,878,749	52,878,749	52,878,749
Other reserves	3,496,606	4,062,842	1,981,132
Retained earnings			
Appropriated			
Legal reserve	5,006,800	4,371,800	3,584,800
Unappropriated	90,190,736	73,308,328	58,352,894
Total Bank's equity	225,130,509	208,179,337	190,355,193
Non-controlling interest	856,717	588,671	392,525
Total equity	225,987,226	208,768,008	190,747,718
Total liabilities and equity	2,088,772,067	1,883,188,205	1,705,516,510

Bank of Ayudhya Public Company Limited and Subsidiaries
Statements of Profit or Loss and Other Comprehensive Income
For the Years ended December 31,

(Unit: Thousand Baht)

Consolidated Financial Statements			
	2017	2016	2015
Interest income	94,997,812	85,924,554	81,946,689
Interest expenses	26,463,003	23,947,857	25,596,345
Interest income, net	68,534,809	61,976,697	56,350,344
Fees and service income	26,340,619	24,141,661	22,670,208
Fees and service expenses	6,665,529	5,967,022	5,440,602
Fees and service income, net	19,675,090	18,174,639	17,229,606
Gains on trading and foreign exchange transactions, net	4,233,207	3,904,876	3,215,541
Gains on investments, net	895,933	598,512	409,042
Share of profit from investment using equity method	301,603	347,617	358,241
Dividend income	194,826	161,010	170,908
Bad debts recoveries	5,161,214	4,710,949	3,042,248
Gains on sale properties for sale	516,064	629,237	995,968
Other operating income	967,236	983,262	1,001,184
Total operating income	100,479,982	91,486,799	82,773,082
Other operating expenses			
Employee's expenses	24,437,909	21,333,840	18,914,085
Directors' remuneration	57,775	49,003	48,242
Premises and equipment expenses	8,248,116	7,355,727	6,830,942
Taxes and duties	2,605,339	2,544,174	2,548,037
Others	12,860,814	11,797,235	10,605,817
Total other operating expenses	48,209,953	43,079,979	38,947,123
Impairment loss of loans and debt securities	22,970,491	21,314,536	20,185,840
Profit from operating before income tax expenses	29,299,538	27,092,284	23,640,119
Income tax expenses	5,738,988	5,408,596	4,787,816
Net Profit	23,560,550	21,683,688	18,852,303

Bank of Ayudhya Public Company Limited and Subsidiaries
Statements of Profit or Loss and Other Comprehensive Income (Continued)
For the Years ended December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Gain (loss) on remeasuring available-for-sale investments	162,971	(241,898)	6,251
Gain (loss) arising from translating the financial statements of a foreign operation	(527,143)	120,297	3,896
Income tax relating to components of other comprehensive income	68,589	24,307	(1,250)
Items that will not be reclassified subsequently to profit or loss:			
Changes in assets revaluation surplus	-	3,047,249	-
Actuarial gain (loss) on defined benefit plans	378,329	(41,964)	(289,131)
Share of other comprehensive income of joint venture	1,449	(3,815)	(108)
Income tax relating to components of other comprehensive income	(75,666)	(601,028)	57,840
Total other comprehensive income, net	8,529	2,303,148	(222,502)
Total comprehensive income	23,569,079	23,986,836	18,629,801
Net profit attributable			
Owners of the Bank	23,209,271	21,404,034	18,634,185
Non-controlling interest	351,279	279,654	218,118
	23,560,550	21,683,688	18,852,303
Total comprehensive income attributable			
Owners of the Bank	23,220,052	23,708,754	18,410,036
Non-controlling interest	349,027	278,082	219,765
	23,569,079	23,986,836	18,629,801
Earnings per share of owners of the Bank			
Basic earnings per share (baht)	3.16	2.91	2.54
Weighted average number of ordinary shares (Shares)	7,355,761,773	7,355,761,773	7,341,716,644

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows

For the Years ended December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Cash flows from operating activities			
Income from operating before income tax expenses	29,299,538	27,092,284	23,640,119
Adjustments to reconcile income to cash received (paid)			
from operating activities:			
Depreciation and amortization	3,887,437	3,657,044	3,351,530
Interest expenses from finance lease	1,299	1,818	2,461
Impairment loss on loans and debt securities	22,970,491	21,314,536	20,185,840
(Gain) loss on translation in foreign currencies	(13,872,500)	566,751	8,269,182
Share of profit from investment using equity method	(301,603)	(347,617)	(358,241)
Gain on investments	(895,933)	(598,512)	(409,042)
Increase (decrease) in discount on investments	114,378	(251,178)	267,555
Gain on sales of properties for sale	(516,064)	(629,237)	(995,968)
(Gain) loss on sales of premises and equipment	12,292	2,047	(42,491)
Loss on impairment of properties for sale (reversal)	481,011	433,237	(301,248)
Loss on impairment of premises and equipment (reversal)	132	(90,223)	2,477
Loss on impairment of other assets (reversal)	105,088	(133,577)	(107,848)
Increase in other reserves	86,834	574,583	945,319
Interest income, net	(68,534,809)	(61,976,697)	(56,350,344)
Income tax refunded	-	-	69,906
Interest received	94,930,634	92,038,652	86,588,989
Interest paid	(26,076,307)	(23,118,153)	(25,494,321)
Dividend income	(194,826)	(161,010)	(170,908)
Dividends received	198,339	156,718	172,288
Increase in other accrued expenses	1,065,296	498,712	1,144,441
Income tax paid	(5,436,105)	(5,258,575)	(5,047,861)
Income from operations before changes in operating assets and liabilities	37,324,622	53,771,603	55,361,835

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the Years ended December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Cash flows from operating activities (Continued)			
(Increase) decrease in operating assets			
Interbank and money market items	(132,802,223)	(1,755,863)	5,706,011
Derivatives assets	14,918,292	6,547,471	(10,199,157)
Current investments - securities for trading	275,604	565,225	5,417,357
Loans to customers	(132,833,393)	(161,448,578)	(82,689,635)
Properties for sale	8,696,473	5,720,513	9,165,437
Other assets	(4,543,475)	8,183,653	(7,635,071)
Increase (decrease) in operating liabilities			
Deposits	215,417,046	51,803,007	59,292,461
Interbank and money market items	(15,574,105)	39,471,597	(7,856,059)
Liability payable on demand	2,292,117	1,037,924	694,150
Derivatives liabilities	(6,563,416)	(6,097,209)	8,718,898
Other liabilities	(4,160,288)	(3,957,188)	10,773,928
Net cash from operating activities	(17,552,746)	(6,157,845)	46,750,155
Cash flows from investing activities			
Proceeds from sales of Investments in securities	129,361,447	134,758,647	76,302,565
Cash paid for purchases of investments in securities	(80,581,297)	(156,540,725)	(48,465,058)
Cash paid for investment in subsidiaries	(15,528)	(4,961,638)	-
Proceeds from sales of premises and equipment	78,792	82,909	229,028
Cash paid for purchases of premises and equipment	(3,926,441)	(3,748,891)	(2,973,558)
Cash paid for purchases of other assets	(1,094,420)	(946,119)	(1,228,882)
Net cash from investing activities	43,822,553	(31,355,817)	23,864,095

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the Years ended December 31,

(Unit: Thousand Baht)

	Consolidated Financial Statements		
	2017	2016	2015
Cash flows from financing activities			
Proceeds from debts issued and borrowings	279,104,267	337,942,874	251,940,430
Cash paid for repayment of debts issued and borrowings	(296,555,730)	(290,443,999)	(315,315,979)
Proceeds from business combination	-	-	71,767
Cash paid for repayment of liabilities under finance lease agreements	(21,316)	(20,097)	(26,141)
Dividend payment	(6,334,333)	(5,966,546)	(6,171,385)
Net cash from financing activities	(23,807,112)	41,512,232	(69,501,308)
Total	2,462,695	3,998,570	1,112,942
Gain (loss) arising from translating the financial statements of a foreign operation	(278,541)	120,297	2,727
Effect of exchange rate change on cash	(59,987)	(10,141)	154,402
Net increase in cash and cash equivalents	2,124,167	4,108,726	1,270,071
Cash and cash equivalents as at January 1,	39,576,980	35,468,254	34,198,183
Cash and cash equivalents as at December 31,	41,701,147	39,576,980	35,468,254

Important Financial Ratio

Bank of Ayudhya Public Company Limited and Subsidiaries

Ratio Analysis

(Unit: Percentage)

	2017	2016	2015
<u>Profitability Ratio</u>			
Gross Profit Margin Ratio	70.55	70.51	67.90
Net Profit Ratio	17.37	17.63	16.37
Return on Equity Ratio	10.71	10.74	11.59
Interest Income Ratio	5.19	5.19	6.04
Interest Expense Ratio	1.59	1.59	2.08
Interest Rate Spread ⁽¹⁾	3.60	3.60	3.96
Return on Investment Ratio	3.34	2.77	4.02
<u>Efficiency Ratio</u>			
Net Interest Income to Assets	3.45	3.45	3.86
Return on Assets	1.17	1.19	1.28
Asset Turnover (times)	0.07	0.07	0.08
<u>Financial Policy Ratio</u>			
Debt to Equity (times)	8.24	8.02	7.94
Lending to Borrowings	106.04	114.21	112.91
Loan to Deposit Ratio	117.52	130.73	124.58
Deposit to Total Liabilities Ratio	70.82	66.19	69.07
Dividend Payment Ratio ⁽²⁾	26.94	29.21	31.58
Total Capital / Total Risk Weighted Assets	15.65	14.16	13.63
<u>Asset Quality Ratio</u>			
Allowance for Doubtful Accounts to Total Loan and Accrued Interests ⁽³⁾	3.49	3.32	3.31
Bad Debt written off to Total Loan ⁽⁴⁾	0.96	1.02	1.18
Non-Performing Loan to Total Loan	2.05	2.21	2.36
Accrued Interest Income to Total Loan	0.25	0.27	0.27

Remarks:

⁽¹⁾ Interest Rate Spread = Interest Income Ratio - Interest Expense Ratio

⁽²⁾ Dividend Payment Ratio = Dividend Payment / Net Profit attributable to Owners of the Bank

⁽³⁾ Allowance for Doubtful Accounts to Total Loan and Accrued Interests = Allowance for Doubtful Accounts / Total Loan and Accrued Interests

⁽⁴⁾ Bad Debt to Total Loan = Bad Debt Written Off / Total Loan

14. Management Discussion and Analysis

Management Discussion and Analysis (MD&A)

Executive Summary

Krungsri delivered a record net profit of 23,209 million baht in 2017, representing an 8.4 percent, or 1,805 million baht increase from 2016. The increase in net profit was attributed to higher net interest income, driven by loan growth, and solid performance in non-interest and non-fees income, and net fees and service income.

As at the end of December 2017, total loans outstanding reached 1,550,404 million baht, an increase of 101,522 million baht, or 7.0 percent from 2016. For the year, the retail segment was the key driver with a robust growth of 12.8 percent underscored by a broad-based expansion in auto hire purchase, mortgage as well as credit cards and personal loan businesses. Corporate and SME loans grew by 2.3 percent and 2.4 percent, respectively.

Deposits totaled 1,319,229 million baht, an increase of 210,941 million baht, or 19.0 percent, from December 2016, strengthening Krungsri's liquidity position in anticipation of stronger loan demand.

Non-interest income increased by 8.3 percent from 2016, driven by fee and service income, net of card-related, wealth & fund management and securities, and hire purchase businesses, as well as gains on non-interest income, trading and foreign exchange transactions and gains on investment.

Non-Performing Loans (NPLs) ratio improved from 2.21 percent in 2016 to 2.05 percent in 2017, the lowest level since the Asian Financial Crisis. In 2017, Krungsri sold 2,858 million baht of NPLs.

Our loan loss reserves stood at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements improved to 149.4 percent. The coverage ratio also improved to 148.4 percent from 143.3 percent at the end of 2016.

Corresponding to the higher net profit, earnings per share (EPS) rose to 3.16 baht in 2017, compared to 2.91 baht in 2016.

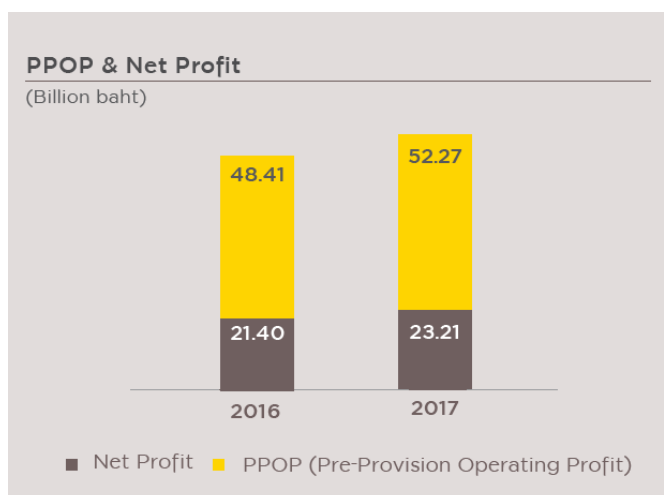
In 2018, the Thai economy is forecast to grow steadily and become more broad-based with GDP growth of 4.0 percent. A sustained growth in the export and tourism sectors together with the

intended acceleration of infrastructure investments will provide key catalysts for loan growth. With a favorable operating environment together with our strategic executions under the new Medium-Term Business Plan (2018-2020), we target a loan growth of 6-8 percent for the year.

Summary of Financial Performance and Status: Key 2017 deliverables:

- **Loan Growth:** Increased by 7.0 percent, or 101,522 million baht, compared to December 2016, driven by a broad-based expansion in the retail segment.
- **Deposit Growth:** Strongly grew by 19.0 percent, or 210,941 million baht, compared to December 2016 mainly driven by an increase in time deposit, strengthening Krungsri's liquidity position in anticipation of stronger loan demand.
- **Net Profit:** Recorded at 23,209 million baht, representing an 8.4 percent increase over 2016.
- **Net Interest Margin (NIM):** Recorded at 3.74 percent, unchanged from 2016.
- **Non-Interest Income:** Increased by 8.3 percent from 2016, mainly driven by an increase in net fees and service income, gains on trading and foreign exchange transactions net, and gains on investment.
- **Cost to Income Ratio:** Recorded at 48.0 percent, increased from 47.1 percent in 2016.
- **Non-Performing Loans (NPLs) Ratio:** Improved to 2.05 percent, compared to 2.21 percent in December 2016.
- **Coverage Ratio:** Recorded at a strong level of 148.4 percent.
- **Capital Adequacy Ratio:** Recorded at 15.65 percent, compared to 14.16 percent in December 2016.

In 2017, operating profit was 52,270 million baht, representing an increase of 3,863 million baht, or 8.0 percent from 2016, driven by higher net interest income, supported by loan expansion, together with a solid performance in non-interest and non-fees income, and net fees and service income.



Net profit increased to 23,209 million baht in 2017, representing an 8.4 percent, or 1,805 million baht increase over 2016, largely attributed to higher operating profits.

Statements of Profit or Loss and Other Comprehensive Income

(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
Interest Income	94,998	85,925	9,073	10.6
Interest Expense	26,463	23,948	2,515	10.5
Interest Income, Net	68,535	61,977	6,558	10.6
Fees and Service Income	26,341	24,142	2,199	9.1
Fees and Service Expense	6,666	5,967	699	11.7
Fees and Service Income, Net	19,675	18,175	1,500	8.3
Non-interest and Non-fees Income	12,270	11,335	935	8.2
Other Operating Expenses	48,210	43,080	5,130	11.9
Pre-Provision Operating Profit (PPOP)	52,270	48,407	3,863	8.0
Impairment Loss of Loan and Debt Securities	22,970	21,314	1,656	7.8
Income Tax Expense	5,739	5,409	330	6.1
Net Profit	23,561	21,684	1,877	8.7
Other Comprehensive Income, Net	8	2,303	(2,295)	(99.7)
Total Comprehensive Income	23,569	23,987	(418)	(1.7)
Net Profit Attributable to				
Owners of the Bank	23,209	21,404	1,805	8.4
Non-Controlling Interest	352	280	72	25.7
Net Profit	23,561	21,684	1,877	8.7
Total Comprehensive Income Attributable to				
Owners of the Bank	23,220	23,709	(489)	(2.1)
Non-Controlling Interest	349	278	71	25.5
Total Comprehensive Income	23,569	23,987	(418)	(1.7)
Earning Per Share (Baht)	3.16	2.91	0.25	8.6

Financial Performance

Net Interest Income

(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
INTEREST INCOME				
Interest on loans	61,095	56,483	4,612	8.2
Interest on interbank and money market items	3,425	2,833	592	20.9
Hire purchase and financial lease income	28,209	24,322	3,887	16.0
Investments and trading transactions	81	139	(58)	(41.7)
Investments in debt securities	2,188	2,148	40	1.9
Total Interest Income	94,998	85,925	9,073	10.6
INTEREST EXPENSE				
Interest on deposits	12,628	12,450	178	1.4
Interest on interbank and money market items	3,959	3,202	757	23.6
Interest on borrowings	4,079	3,052	1,027	33.7
Contributions to Financial Institution Development Fund and Deposit Protection Agency	5,751	5,222	529	10.1
Borrowing fee expenses	28	7	21	300.0
Other interest expenses	18	15	3	20.0
Total Interest Expenses	26,463	23,948	2,515	10.5
Interest Income, Net	68,535	61,977	6,558	10.6
Net Interest Margin	3.74%	3.74%		
Yield on Earning Assets	5.19%	5.19%		
Cost of Funds	1.60%	1.59%		

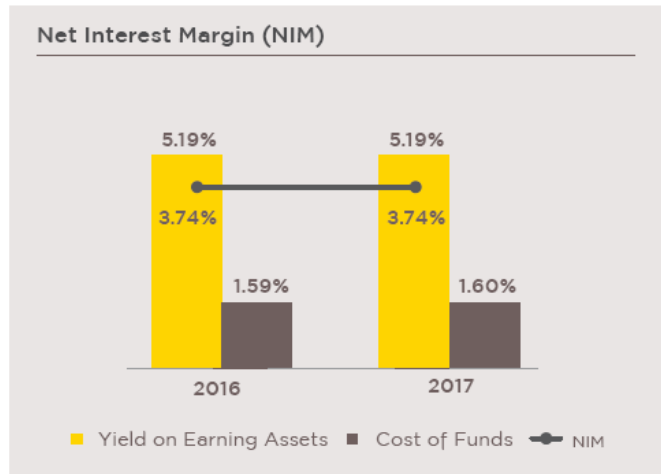
For 2017, interest income was recorded at 94,998 million baht, representing an increase of 9,073 million baht or 10.6 percent, compared to 2016, driven by an increase in interest on loans as well as hire purchase and financial lease income, resulting primarily from loan portfolio expansion. Interest expenses were recorded at 26,463 million baht, representing an increase of 2,515 million baht or 10.5 percent, driven by an increase in:

- 1) Interest on borrowings of 1,027 million baht or 33.7 percent, mainly from higher volume of debentures and issuances of two tranches of subordinated debentures of 17,007 million baht in May 2017 (with a tenor of 10.5 years at an interest rate of 3.9 percent) and 14,978 million baht in November 2017 (with a tenor of 10 years at an interest rate of 3.4 percent), offset by early redemption of subordinated debentures of 14,844 million baht in November 2017 (with a tenor of 10 years at an interest rate of 4.7 percent)
- 2) Interest on interbank and money market items of 757 million baht or 23.6 percent and
- 3) Contributions to Financial Institutional Development Fund (FIDF) and Deposit Protection Agency (DPA) of 529 million baht or 10.1 percent, as a result of strong deposits mobilization.

Consequently, net interest income was recorded at 68,535 million baht, an increase of 6,558 million baht or 10.6 percent from 2016.

Notwithstanding the lending rate cut in May 2017, overall yield on earning assets was maintained at 5.19 percent, reflecting a larger component of high yield segments.

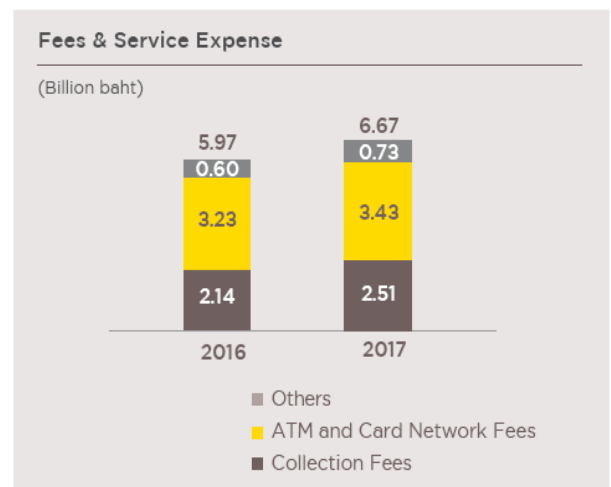
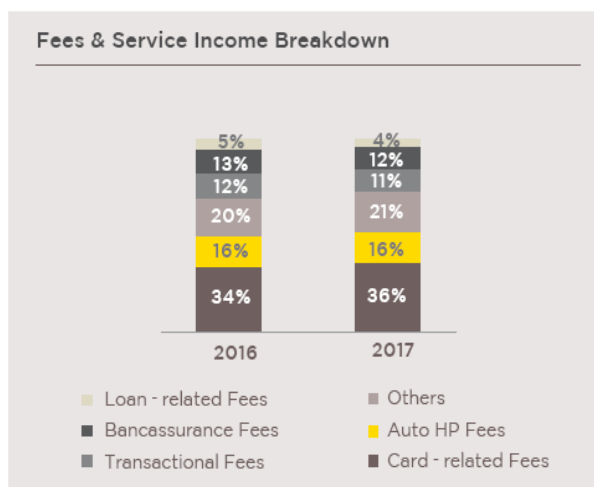
Underlining our effective funding management, our cost of funds slightly increased to 1.60 percent from 1.59 percent in 2016, despite a robust growth of deposit with a higher mix of time deposits. NIM therefore recorded at 3.74 percent in 2017, unchanged from 2016 and outperforming the Bank's full year guidance of 3.70 percent.



Net Fees and Service Income

(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	537	501	36	7.2
Other fees and service income	25,804	23,641	2,163	9.1
Fees and service income	26,341	24,142	2,199	9.1
Fees and service expense	6,666	5,967	699	11.7
Fees and service income, net	19,675	18,175	1,500	8.3



Net fees and service income in 2017 was 19,675 million baht, increased by 1,500 million baht or 8.3 percent compared to 2016. Fees and service income increased by 2,199 million baht or 9.1 percent. The increase in fees and service income was mainly driven by a significant increase of 1,205 million baht or 14.7 percent in card-related fees, an increase of 793 million baht or 23.5 percent in wealth & fund management and securities-related fees - mirroring the capital market conditions in 2H/17 and an increase of hire purchase fees of 533 million baht or 14.2 percent. Meanwhile, loan-related fees and bancassurance fees decreased by 8.5 percent and 5.5 percent respectively. Fees and service expenses increased 699 million baht or 11.7 percent, mainly due to an increase in expense relating to card business, wealth & fund management & securities-related activities and collection fee expenses.

Non-interest and Non-fees Income

(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
Gains (losses) on trading and foreign exchange transactions	4,233	3,905	328	8.4
Gains (losses) on investments	896	598	298	49.8
Share of profit (loss) from investment for using equity method	302	348	(46)	(13.2)
Bad debt recoveries	5,161	4,711	450	9.6
Other operating income	1,678	1,773	(95)	(5.4)
Total Non-interest and Non-fees Income	12,270	11,335	935	8.2

Total non-interest and non-fees income increased by 935 million baht or 8.2 percent, driven primarily by an increase in bad debt recoveries of 450 million baht, gains on trading and foreign exchange transactions of 328 million baht and gains on investments of 298 million baht, offset by a decrease in other operating income of 95 million baht - mainly from a decrease in gains on sales of properties for sale of 113 million baht offsetting by an increase in dividend income of 34 million baht.

Other Operating Expenses

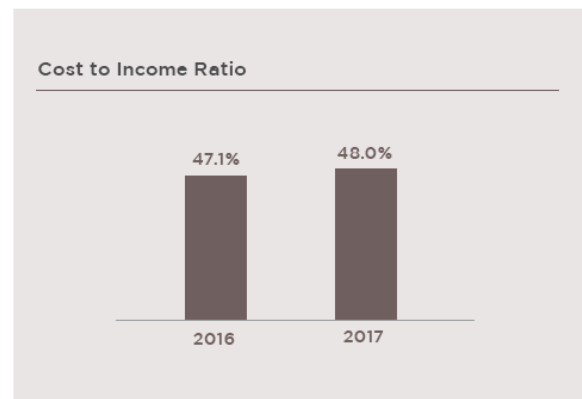
(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
Employee expenses	24,438	21,334	3,104	14.5
Premises and equipment expenses	8,248	7,356	892	12.1
Taxes and duties	2,605	2,544	61	2.4
Directors' remuneration	58	49	9	18.4
Other expenses	12,861	11,797	1,064	9.0
Total Other Operating Expenses	48,210	43,080	5,130	11.9

For 2017, total other operating expenses increased by 5,130 million baht or 11.9 percent from 2016 largely driven by an increase in employee expenses of 3,104 million baht or 14.5 percent mainly due to an increase in annual merit increase, staff promotions, and number of employees of Krungsri Group which increased by 7.8 percent from 2016. Other expenses increased

by 1,064 million baht or 9.0 percent mainly from marketing promotion expenses of 566 million baht corresponding to the growing retail business volume, and an increase in IT expenses of 210 million baht.

In 2017, the cost-to-income ratio recorded at 48.0 percent, an increase from 47.1 percent in 2016.



Impairment Loss on Loans and Debt Securities

(Unit : Million Baht)

Consolidated	2017	2016	Change YoY	
			Million baht	%
Impairment loss on debt instrument (reversal)	(50)	0	(50)	-
Bad debt and doubtful accounts	21,508	20,528	980	4.8
Loss on debt restructuring	1,512	786	726	92.4
Total impairment loss of loan and debt securities	22,970	21,314	1,656	7.8

Loan loss provision in 2017 amounted to 22,970 million baht, an increase of 1,656 million baht or 7.8 percent, from 2016, corresponding to a higher loan volume in 2017.

As of December 31, 2017, total loan loss reserves recorded at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements, representing 149.4 percent of the requirements. Consequently, the loan loss coverage ratio improved to 148.4 percent from 143.3 percent at the end of December 2016.

Financial Status

Statement of Financial Position

(Unit : Million Baht)

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
<u>ASSETS</u>				
Cash	38,244	36,142	2,102	5.8
Interbank and money market items, net	330,797	200,283	130,514	65.2
Investments, net	83,934	131,782	(47,848)	(36.3)
Investments in subsidiaries and joint ventures, net	2,222	1,919	303	15.8
Loans to customers	1,619,358	1,506,222	113,136	7.5
Accrued interest receivable	3,917	3,865	52	1.3
Deferred revenue	(68,954)	(57,340)	(11,614)	(20.3)
Allowance for doubtful accounts	(54,173)	(48,274)	(5,899)	(12.2)
Revaluation allowance for debt restructuring	(1,303)	(1,188)	(115)	(9.7)
Properties for sale, net	3,685	4,256	(571)	(13.4)
Others	131,045	105,521	25,524	24.2
TOTAL ASSETS	2,088,772	1,883,188	205,584	10.9
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Deposits	1,319,229	1,108,288	210,941	19.0
Interbank and money market items, net	279,721	314,400	(34,679)	(11.0)
Debt issued and borrowings	142,866	160,326	(17,460)	(10.9)
Others	120,969	91,406	29,563	32.3
TOTAL LIABILITIES	1,862,785	1,674,420	188,365	11.2
Issued and paid-up share capital	73,558	73,558	-	-
Retained earning	95,198	77,680	17,518	22.6
Others	57,231	57,530	(299)	(0.5)
TOTAL SHAREHOLDERS' EQUITY	225,987	208,768	17,219	8.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,088,772	1,883,188	205,584	10.9
Book value per share (Baht)	30.72	28.38	2.34	8.2

As of December 31, 2017, total assets reached 2,088,772 million baht, representing an increase of 205,584 million baht, or 10.9 percent, from December 2016. Key items are as follows:

- Net interbank and money market items increased by 130,514 million baht or 65.2 percent, driven by an increase in repurchase agreements of 172,358 million baht, offset by a decrease in deposits with financial institution of 20,765 million baht and loans to financial institution of 21,078 million baht.
- Total loans (net of deferred revenue) increased by 101,522 million baht or 7.0 percent.
- Other assets increased by 25,524 million baht or 24.2 percent, mainly owing to an increase in claim on securities of 33,296 million baht, offset by a decrease in derivative assets of 14,556 million baht.
- Net investments decreased by 47,848 million baht or 36.3 percent, mainly from a decrease in the Available for Sale (AFS) portfolio.

As of December 31, 2017, total liabilities stood at 1,862,785 million baht, representing an increase of 188,365 million baht or 11.2 percent, from December 2016. Key items are as follows:

- Deposits increased by 210,941 million baht or 19.0 percent, largely driven by time deposits with maturity of less than one year.
- Net interbank and money market items decreased by 34,679 million baht or 11.0 percent, mainly due to a decrease in financial institution loans of 30,682 million baht.
- Debt issued and borrowings decreased by 17,460 million baht or 10.9 percent, driven by a decrease in bills of exchange of 41,809 million baht, offset by net issuance of Krungsri Group's subordinated debentures of 17,058 million baht and debentures of 7,050 million baht.

Total shareholders' equity rose to 225,987 million baht, reflecting an increase of 17,219 million baht or 8.2 percent, from December 2016 due to an increase in equity holders' net income of 23,209 million baht for 2017, which was partially offset by dividends paid of 6,252 million baht.

Book value per share as of December 31, 2017 increased by 8.2 percent to 30.72 baht from 28.38 baht at the end of December 2016.

Loans to Customers

Loans by segment

(Unit : Million Baht)

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Corporate	601,797	588,167	13,630	2.3
- Thai corporate	431,136	426,445	4,691	1.1
- International corporate (JPC/MNC)	170,661	161,722	8,939	5.5
SMEs	220,627	215,549	5,078	2.4
Retail	727,980	645,166	82,814	12.8
- Hire purchase	336,627	292,268	44,359	15.2
- Mortgage	217,098	196,385	20,713	10.5
- Credit cards and personal loans	157,400	141,625	15,775	11.1
- HKL personal loans	16,855	14,888	1,967	13.2
Total *	1,550,404	1,448,882	101,522	7.0

* Loans to customers net of deferred revenue

As of December 31, 2017, total outstanding loans (net of deferred revenue) stood at 1,550,404 million baht, an increase of 101,522 million baht or 7.0 percent from December 2016.

In 2017, the retail segment was the key growth driver with a robust growth of 12.8 percent underscored by a broad-based expansion in auto hire purchase, mortgage, as well as credit cards and personal loans. Corporate and SME loans grew by 2.3 percent and 2.4 percent respectively.

As a result of substantial growth in the retail segment, the proportion of retail loan as of end of December 2017 represented 47.0 percent of our total loan portfolio, while commercial loan (Corporate and SME) represented the remaining 53.0 percent.

Details of loan performance by segment are as follows:

Corporate loans: grew by 2.3 percent in 2017. Thai Corporate loans increased by 1.1 percent. International corporate loans increased by 5.5 percent, mirroring the improvement of global economic conditions.

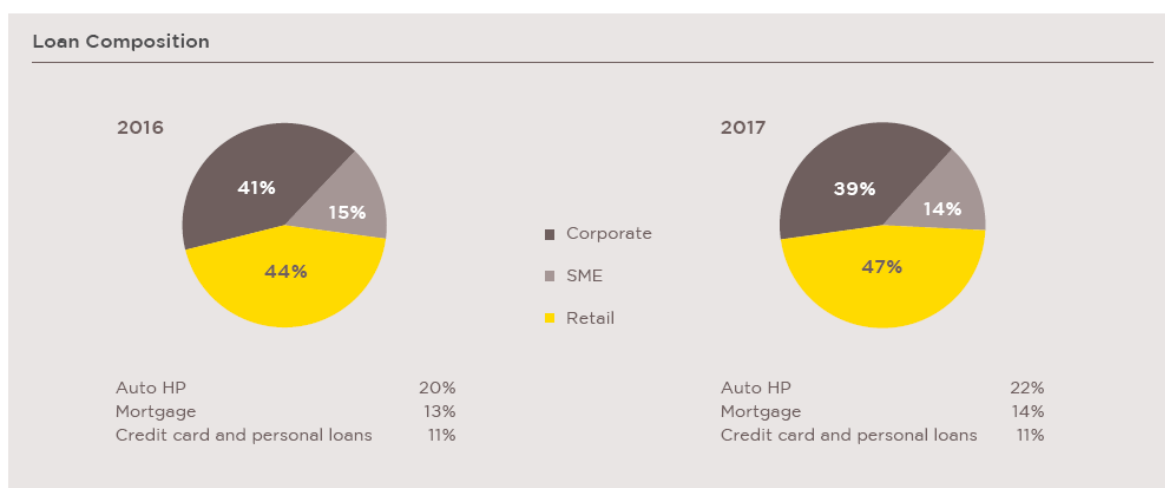
SME loans: grew by 2.4 percent in 2017. The growth of SME loans was driven by medium- and small-sized SMEs mainly from the expansion of trade finance loan and supply chain solutions.

Auto hire purchase loans: recorded a 15.2 percent growth in 2017. The robust performance in auto hire purchase loans was broad-based, comprising new car, used car, refinancing (Car4Cash), and motorcycle portfolios, mirroring not only improved domestic car sales but also Krungsri Auto's

strong partnerships with auto dealers and manufacturers, as well as enhanced service channels through digital platforms.

Mortgage loans: grew by 10.5 percent in 2017. The growth of mortgage loans amid the slightly cooling property market condition was supported by Krungsri's strategic focus on services efficiency enhancement and employment of digital platforms to improve customer experience.

Credit cards and personal loans: grew by 11.1 percent in 2017, largely attributed to a strong growth of 10.2 percent in 4Q/17, attributed to improved domestic confidence, seasonal year-end spending pattern, and tax break measures for year-end shopping.



Loan classification and provision

(Unit : Million Baht)

Consolidated	Dec. 31, 2017		Dec. 31, 2016		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,462,823	11,863	1,359,936	10,426	102,887	1,437
Special mention	53,876	2,998	57,976	3,100	(4,100)	(102)
Substandard	11,279	5,938	12,564	7,254	(1,285)	(1,316)
Doubtful	7,021	3,902	5,876	2,388	1,145	1,514
Doubtful of loss	19,322	11,020	16,395	9,050	2,927	1,970
Total	1,554,321	35,721	1,452,747	32,218	101,574	3,503
Surplus reserve		18,452		16,056		2,396
Total	1,554,321	54,173	1,452,747	48,274	101,574	5,899

Non-performing loans

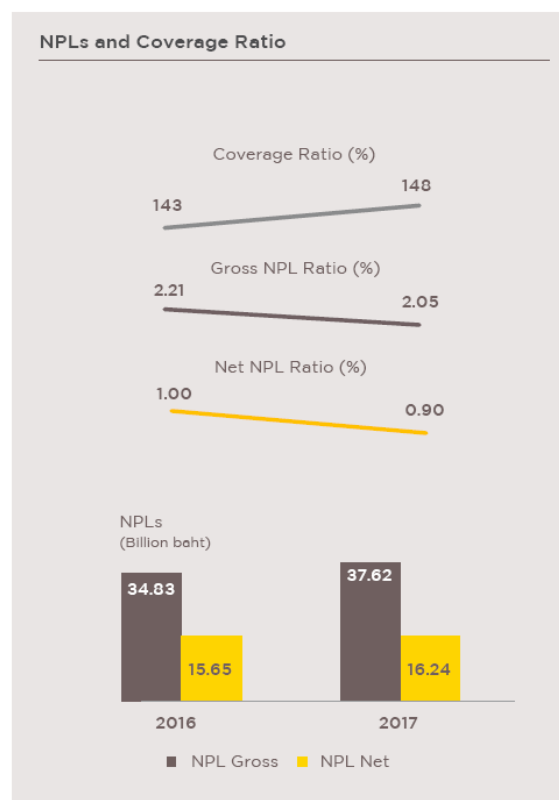
(Unit : Million Baht)

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Non-performing loans (Net)	16,243	15,653	590	3.8
Non-performing loans (Gross)	37,622	34,834	2,788	8.0
Loans loss reserves (LLR)	55,841	49,900	5,941	11.9
Coverage ratio	148.4%	143.3%	5.1%	3.6
BOT requirement	37,389	33,844	3,545	10.5
Actual/Required LLR	149.4%	147.4%	2.0%	1.4

As of December 31, 2017, gross NPLs stood at 37,622 million baht, an increase of 2,788 million baht or 8.0 percent, from 34,834 million baht at the end of 2016. The gross NPL ratio improved to 2.05 percent at the end of 2017, compared to 2.21 percent at the end of 2016.

In 2017, Krungsri sold two tranches of NPLs to third parties in 2Q/17 and 4Q/17, reducing outstanding NPLs by 2,858 million baht.

As of December 31, 2017, loan loss reserves stood at 55,841 million baht, with an excess of 18,452 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 149.4 percent. The coverage ratio also improved to 148.4 percent from 143.3 percent at the end of 2016.



Investment in Securities

As of December 31, 2017, Krungsri Group had investments in government securities with a book value of 52,202 million baht for the primary purpose of meeting the Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of 31,732 million baht.

Funding Structure

(Unit : Million Baht)

Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Current	36,798	33,173	3,625	10.9
Savings	550,962	550,757	205	0.0
Time	731,469	524,358	207,111	39.5
< 6 Months	341,517	188,335	153,182	81.3
6 Months and < 1 Year	285,292	260,313	24,979	9.6
1 Year and over 1 Year	104,660	75,710	28,950	38.2
Total Deposit	1,319,229	1,108,288	210,941	19.0
B/E	8	41,817	(41,809)	(100.0)
Debentures	96,325	89,275	7,050	7.9
Total Funding	1,415,562	1,239,380	176,182	14.2

As of December 31, 2017, overall funding for Krungsri, including deposits, bills of exchange and debentures, increased by 176,182 million baht or 14.2 percent, from December 2016.

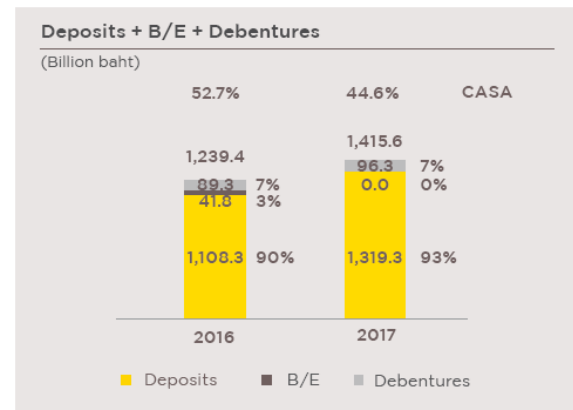
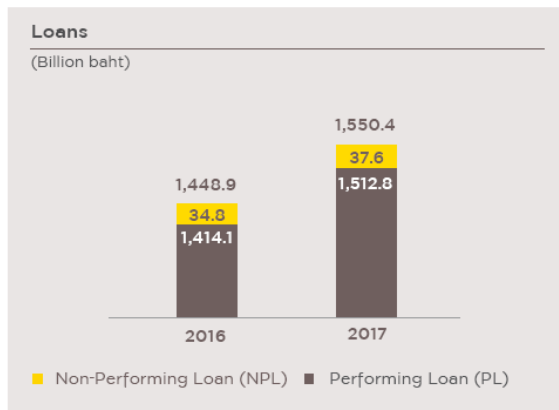
Deposits totaled 1,319,229 million baht, an increase of 210,941 million baht or 19.0 percent, from December 2016, strengthening Krungsri's liquidity position in anticipation of stronger loan demand. The growth of deposits largely resulted from time deposits with maturity less than one year of 178,161 million baht.

The proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 44.6 percent, compared to 52.7 percent in December 2016.

Bills of exchange (B/E) totaled 8 million baht, a significant decrease of 41,809 million baht, or 100.0 percent, from December 2016, reflecting Krungsri's deliberated effort in shifting to deposits to accommodate customers' requirements.

Debentures stood at 96,325 million baht as at the end of December 2017. The increase of 7,050 million baht or 7.9 percent from December 2016 was driven largely by the net issuance of Krungsri Group's debentures.

Consequently, the loan to deposit ratio and the loan to deposit plus bills of exchange and debentures ratio in 2017 improved to 118 percent and 110 percent, respectively.



	2016	2017
L/D	131%	118%
L/D + B/E + Debentures	117%	110%

Contingencies

(Unit : Million Baht)

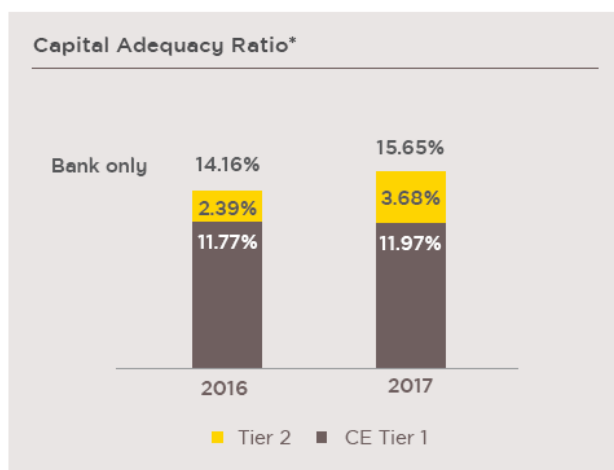
Consolidated	Dec. 31, 2017	Dec. 31, 2016	Change	
			Million baht	%
Avals to bills and Guarantees of loans	3,005	1,565	1,440	92.0
Liability under unmatured import bills	1,437	1,601	(164)	(10.2)
Letters of credit	7,744	8,425	(681)	(8.1)
Other contingencies	100,010	110,105	(10,095)	(9.2)
Total	112,196	121,696	(9,500)	(7.8)

Krungsri Group's contingencies as of December 31, 2017 totaled 112,196 million baht, a decrease of 9,500 million baht or 7.8 percent, from December 31, 2016. The decrease was driven mainly by a decrease in other contingencies of 10,095 million baht, mainly from unused overdraft limit.

Statutory Capital

As of December 31, 2017, Krungsri's capital increased to 219,033 million baht, equivalent to 15.65 percent of risk-weighted assets, compared to 14.16 percent in December 2016. The improvement in the capital adequacy ratio was largely attributed to the net issuance of Krungsri's subordinated debentures totaling 17,141 million baht in 2017 in support of Krungsri's business growth plan.

The Bank of Thailand has adopted a supervisory framework for Domestic Systemically Important Banks (D-SIBs) by requiring qualified banks to maintain a higher capital to better absorb losses from their operations. Krungsri has been identified as a D-SIB and is required to maintain an additional 1 percent of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5 percent on January 1, 2019 and 1 percent on January 1, 2020.



* The BOT requires the Bank to maintain a minimum CAR at 8.5% and gradually increases the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.5% by January 1, 2019.

Billion baht	Dec. 31, 2016	Dec. 31, 2017
CE Tier 1	158.83	167.53
Tier 2	32.26	51.50
Total Capital	191.09	219.03



Bank of Ayudhya Public Company Limited

Certification of Information Accuracy

Certification of Information Accuracy

It is hereby certified that the information in this annual registration statement has been carefully reviewed and that the information provided herein is accurate and complete, unfalse, not misrepresented and completely disclosed in all material aspects. In addition, it is also certifies that:

(1) Financial statements and financial data summarized in the annual registration statement present accurate and complete information in material aspects concerning the financial position, operating results and cash flow of the Bank and its subsidiaries;

(2) The effective system of information disclosure to ensure disclosure of accurate and complete information in material aspects of the Bank and its subsidiaries has been created and implemented; and

(3) The effective internal control system has been created and implemented. The auditor and the Audit Committee have been informed by the Bank of the information on evaluation of the internal control system as of December 31, 2017, which covered the deficiency and important change of the internal control system and any wrongdoings which may affect the financial statements of the Bank and its subsidiaries.

To evidence that this document is the same set as that certified the accuracy by the Bank, Mrs. Thidarat Sethavaravichit has been assigned to countersign every page of this document. If the signature of Mrs. Thidarat Sethavaravichit does not appear on any document, it shall be deemed that such particular document has not yet been certified of the accuracy.

Names	Position	Signatures
1. Mr. Noriaki Goto [Company Seal]	Director	- Noriaki Goto -
2. Mr. Ponsanong Tuchinda	Director	- Ponsanong Tuchinda -

Authorized Person

Names	Position	Signatures
Mrs. Thidarat Sethavaravichit	Corporate Secretary	- Thidarat Sethavaravichit -



Bank of Ayudhya Public Company Limited

Attachment 1

Details of Directors, Executives, Persons with Managerial Authority
and Corporate Secretary

Details of Directors, Executives, Persons with Managerial Authority and Corporate Secretary

(As defined by the Capital Market Supervisory Board and Krungsri)

● Board of Directors

Mr. Veraphan Teepsuwan

Chairman

Age : 76 years

Nationality : Thai

Education and training :

- MBA., Northeastern University, USA
- Bachelor of Economics, Boston University, USA
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Role of the Chairman Program (RCP), Year 2008

Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 3, 2007 – Present	Chairman

- Positions in other listed companies (2 companies) :

2002 – Present	Chairman	Sri Ayudhya Capital PCL
2003 – Present	Vice Chairman	Eastern Star Real Estate PCL

- Positions in non-listed companies/organizations (1 company) :

Jan 16 2017 – Present	Chairman	Krungsri Foundation

Work experiences (in the last 5 years) :

Nov 2006 – Apr 2017	Chairman	Siam City Cement PCL
Sep 2010 – Dec 2016	Director	Exclusive Senior Care International Co., Ltd.
1983 – Mar 2014	Director	Bangkok Broadcasting & T.V. Co., Ltd.

Years of directorship : 11 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) :

- 253,861 ordinary shares or 0.0035% of the total voting shares (shareholding is unchanged when compared to that from every closing date for suspension of share transfer during the previous year)

Family relationship with directors and executives : None



Mr. Takayoshi Futae

Vice-Chairman (Authorized Signatory)

Nomination and Remuneration Committee Member

Age : 56 years

Nationality : Japanese

Education and training :

- Master of Business Administration, The University of Chicago, Booth School of Business
- Bachelor of Arts in Economics, Osaka University, Japan

Training and seminar held by Thai Institute of Directors Association (IOD) : None

Current positions :

- Positions in Bank of Ayudhya PCL :

May 1, 2016 – Present	Vice-Chairman (Authorized Signatory)
May 1, 2016 – Present	Nomination and Remuneration Committee Member

- Positions in other listed companies : None

- Positions in non-listed companies/organizations (2 companies) :

May 2016 – Present	Managing Executive Officer, Chief Executive Officer for Asia & Oceania	The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Tokyo, Japan)
Apr 2016 - Present	Director	Security Bank Corporation, Makati, Philippines

Work experiences (in the last 5 years) :

May 2014 – May 2016	Managing Executive Officer in charge of Japanese Credit	The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Tokyo, Japan)
May 2011 – May 2014	Executive Officer and General Manager, Corporate Banking Credit Division	

Years of directorship : 1 year 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None



Mr. Takeshi Ogasawara

Director

Risk and Compliance Committee Member

Age : 64 years

Nationality : Japanese

Education and training :

- Bachelor of Law (LL.B.), Faculty of Law, Kyoto University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016

Training and seminar held by Thai Institute of Directors Association (IOD) : None

Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Jan 2, 2014 – Present	Director

- Positions in other listed companies : None

- Positions in non-listed companies/organizations (2 companies) :

Jun 28, 2017 – Present	Chairman & Representative Director	Misonoza Inc. Nagoya, Japan
Jun 28, 2016 – Present	Advisor	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Work experiences (in the last 5 years) :

May 2012 – Jun 27, 2016	Deputy President, Central Region of Japan	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
May 2011 – May 2012	Senior Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning, non-Japanese Credit	
Jan 2, 2014 – Jan 4, 2015	Compliance Review Committee Member	Bank of Ayudhya PCL

Years of directorship : 4 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None



Mr. Hirotake Taguchi

Director

Age : 50 years

Nationality : Japanese

Education and training :

- Bachelor of Economics, The University of Tokyo, Japan
- Certificate of the Executive Education program, Columbia University Graduate School of Business, USA, Year 2011
 - General Management Leadership Program
 - Customer Centricity
 - Strategic Marketing Management
- Certificate in Business Excellence, Columbia Business School, USA, Year 2011

Training and seminar held by Thai Institute of Directors Association (IOD) : None

Current positions :

Positions in Bank of Ayudhya PCL :

Jul 27, 2016 – Present Director

Positions in other listed companies : None

Positions in non-listed companies/organizations (2 companies) :

May 2016 – Present	General Manager, Retail Business Promotion Planning Division	Mitsubishi UFJ Financial Group, Inc.

May 2016 – Present	General Manager, Retail Business Promotion Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Work experiences (in the last 5 years) :

May 2015 – May 2016	General Manager, Retail Banking Planning Division, Asian Retail Banking Strategy Office	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Nov 2011 – Feb 2012	Senior Manager, Global Planning Division	

Mar 2013 – May 2015	General Manager, Corporate Planning Division (Secondment)	JCB Co., Ltd.

Feb 2012 – Mar 2013	Senior Manager (for planning business strategy in EMEA), Planning Division for Europe Middle East, and Africa	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (London, United Kingdom)

Years of directorship : 1 year 5 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None



Miss Nopporn Tirawattanagool

Director (Authorized Signatory)

Nomination and Remuneration Committee Member

Risk and Compliance Committee Member

Age : 63 years

Nationality : Thai

Education and training :

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP), Year 2003
- Role of the Compensation Committee (RCC), Year 2009
- Audit Committee Program (ACP), Year 2010
- Director Certification Program (DCP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Program for Corporate Leaders (RCL), Year 2015
- National Director Conference 2017 "Steering Governance in a Changing World", Year 2017

Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 1, 2015 – Present	Risk and Compliance Committee Member
Jan 2, 2014 – Present	Director (Authorized Signatory)
Apr 28, 2010 – Present	Nomination and Remuneration Committee Member

- Positions in other listed companies (4 companies) :

Apr 20, 2016 – Present	Director	Grand Canal Land PCL
Oct 17, 2014 – Present	Director	Srivichaivejvivat PCL
Jul 22, 2014 – Present	Director of Nomination and Compensation Committee	Siam City Cement PCL
Jul 22, 2014 – Present	Director of Governance, Risk and Compliance Committee	
Apr 2012 – Present	Director	



- Positions in other listed companies (4 companies) : (Cont')

May 14, 2013 – Present	Nomination and Remuneration Committee Member	Sri Ayudhya Capital PCL
Apr 22, 2013 – Present	Director	

- Positions in non-listed companies/organizations (22 companies) :

Apr 19, 2017 – Present	Director (Authorized Signatory)	BBTV Asset Management Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory)	Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory)	Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory)	Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory)	Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director	Bangkok Broadcasting & TV Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory)	BBTV Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory)	GL Asset Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory)	Mahakij Holdings Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory)	BBTV Productions Co., Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory)	BBTV Alliance Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory)	BBTV Bond Street Building Ltd.
Aug 2012 – Present	Director (Authorized Signatory)	ITBC Business Consultant Group Co., Ltd.
Apr 2011 – Present	Director (Authorized Signatory)	Exclusive Senior Care International Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory)	BBTV International Holdings Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory)	Sunrise Equity Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory)	BBTV Equity Co., Ltd.

Work experiences (in the last 5 years) :

May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory)	Grand Canal Land PCL
Apr 8, 2010 – Jan 1, 2014	Director	Bank of Ayudhya PCL

Years of directorship : 7 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Mr. Karun Kittisataporn

Independent Director

Chairman of the Nomination and Remuneration Committee

Age : 70 years

Nationality : Thai



Education and training :

- MA., (International Trade), Syracuse University, NY, USA (USAID Scholarship)
- BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)
- Degree from the National Defense College Class 8, (Joint State - Private Sector)
- Certificate of Commercial Policy Course, GATT, Geneva
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2009
- Financial Statements for Directors (FSD), Year 2009
- Financial Institutions Governance Program (FGP), Year 2011
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Monitoring the Internal Audit Function (MIA), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Briefing "Sleeping Giants of Succession", Year 2017
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017

Current positions :

- Positions in Bank of Ayudhya PCL :

Apr 9, 2008 – Present	Independent Director
Apr 9, 2008 – Present	Chairman of the Nomination and Remuneration Committee

- Positions in other listed companies (3 companies) :

Nov 1, 2017 – Present	Risk Management Committee	Khon Kaen Sugar Industry PCL
	Member	
Sep 2017 – Present	Chairman of the Nomination and Remuneration Committee	Member
Feb 2010 – Present	Independent Director	

- Positions in other listed companies (3 companies) : (Cont')

Apr 2015 – Present	Chairman of the Nomination and Remuneration Committee	Central Pattana PCL
Jan 2011 – Present	Audit Committee Member	
Apr 2009 – Present	Independent Director	
Nov 2008 – Present	Audit Committee Member	Sahamit Machinery PCL

- Positions in non-listed companies/organizations (4 companies) :

Jan 16, 2017 – Present	Director	Krungsri Foundation
Jan 2017 – Present	Member	ASEAN Association – Thailand
Apr 28, 2016 – Present	Member	Committee on International Economic Policy
Nov 2006 – Present	Member of the Council of State	Office of the Council of State

Work experiences (in the last 5 years) :

Jun 26, 2013 – Oct 31, 2017	Corporate Governance Committee Member	Khon Kaen Sugar Industry PCL
Nov 2012 – Oct 31, 2017	Audit Committee Member	
Feb 2010 – Sep 2017	Nomination and Remuneration Committee Member	
May 2008 – Oct 2017	Chairman of the Executive Committee	The SUPPORT Arts and Crafts International Centre of Thailand (Public Organization)
Apr 2009 – Apr 2015	Nomination and Remuneration Committee Member	Central Pattana PCL
Aug 13 – Sep 2014	Election Committee Member	Election Committee for National Reform Council
Oct 2007– Sep 2014	Commissioner	Insurance Commission

Years of directorship : 9 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Miss Potjanee Thanavaranit

Independent Director

Chairman of the Audit Committee

Age : 71 years

Nationality : Thai



Education and training :

- MBA., Syracuse University, NY, USA (USAID Scholarship)
- Bachelor of Accountancy, Chulalongkorn University
- Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship)
- Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship)
- Certificate of Executive Development Program (EDP.1 Class 18), Institute of the Civil Service Commission
- Degree from the National Defense College, Class 42
- Certificate of Top Executive Program, Capital Market Academy, Class 8
- Certificate of Top Executive Program in Commerce and Trade, Commerce Academy, Class 3
- Certificate of Advanced Security Management Program, The National Defense College Association of Thailand, Class 2
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP), Year 2002
- Role of the Chairman Program (RCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2007
- Audit Committee Program (ACP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014
- Driving Company Success with IT Governance (ITG), Year 2016
- Audit Committee Forum "New Auditor's Report: What is it for you?", Year 2016

Current positions :

- Positions in Bank of Ayudhya PCL :

Apr 25, 2012 – Present	Chairman of the Audit Committee
Apr 8, 2010 – Present	Independent Director

- Positions in other listed companies (5 companies) :

Nov 14, 2017 – Present	Independent Director	Berli Jucker PCL
Nov 14, 2017 – Present	Chairman of Risk Management Committee	
May 2014 – Present	Chairman of the Remuneration Committee	Oishi Group PCL
May 2014 – Present	Chairman of the Good Corporate Governance Committee	
Feb 2009 – Present	Independent Director	
Feb 2009 – Present	Audit Committee Member	
Apr 2014 – Present	Audit Committee Member	Thai Reinsurance PCL
May 2007 – Present	Independent Director	
Apr 2007 – Present	Independent Director	Bangkok Insurance PCL
Apr 2007 – Present	Audit Committee Member	
2007 – Present	Chairman of the Board (Independent Director)	Univentures PCL
2007 – Present	Audit Committee Member	
2007 – Present	Chairman of the Compensation and Nomination Committee	

- Positions in non-listed companies/organizations (6 companies) :

Jan 31, 2018 – Present	Independent Director	Thai Beverage PCL (Listed in Singapore Exchange)
Jun 26, 2017 – Present	Vice-Chairman	Thai Institute of Directors Association
Mar 24, 2017 – Present	Qualified member of the Committee	Thai Investors Association
Jan 16, 2017 – Present	Director	Krungsri Foundation
2007 – Present	Qualified member of the Committee	The Federation of Thai Insurance Organization
Oct 2006 – Present	Member of the Council of State	Office of the Council of State

Work experiences (in the last 5 years) :

May 3, 2016 – Nov 13, 2017	Chairman of the Audit Committee	Big C Supercenter PCL
Apr 25, 2016 – Nov 13, 2017	Independent Director	
May 29 – Jun 25, 2017	Director	Thai Institute of Directors Association
Jun 2009 – Mar 21, 2016	Independent Director	Berli Jucker PCL
Oct 2, 2014 – Sep 6, 2015	Member of National Reform Council	National Reform Council

Work experiences (in the last 5 years) : (Cont')

Jun 2012 – Apr 2014	Nomination and Remuneration Committee Member	Thai Reinsurance PCL
Apr 2010 – Jul 2013	Director	BJC Logistics and Warehouse Co., Ltd.
Nov 2008 – Mar 2013	Chairman of the Audit and Evaluation Committee of Ministry of Commerce	Ministry of Commerce
Apr 28, 2010 – Apr 24, 2012	Audit Committee Member	Bank of Ayudhya PCL
Sep 2007 – Apr 2012	Member and Treasurer	Bhumirajanagarindra Kidney Foundation

Years of directorship : 7 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Mr. Virat Phairatphiboon

Independent Director

Audit Committee Member

Nomination and Remuneration Committee Member

Age : 69 years

Nationality : Thai

Education and training :

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP), Year 2002
- Audit Committee Program (ACP), Year 2004
- Role of the Compensation Committee (RCC), Year 2008
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014

Current positions :

- Positions in Bank of Ayudhya PCL :

Feb 21, 2007 – Present	Nomination and Remuneration Committee Member
May 21, 1999 – Present	Audit Committee Member
Dec 2, 1998 – Present	Independent Director

- Positions in other listed company (1 company) :

May 2012 – Present	Chairman of the Audit Committee	Tipco Foods PCL
2007– Present	Independent Director	

- Positions in non-listed companies/organizations : None

Work experiences (in the last 5 years) :

2007 – May 2012	Audit Committee Member	Tipco Foods PCL

Years of directorship : 19 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None



Mr. Phong-adul Kristnaraj

Independent Director

Audit Committee Member

Chairman of the Risk and Compliance Committee

Age : 67 years

Nationality : Thai

Education and training :

- MBA., Management, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Bachelor of Accountancy in Banking and Finance, Chulalongkorn University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on “Cyber Resilience Leadership”, Year 2017
- Seminar on “Roles of the Board of Directors of Listed Companies on Cyber Risk Mitigation, Challenges and Solutions”, Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP), Year 2012
- Audit Committee Program (ACP), Year 2013
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Financial Institutions Governance Program (FGP), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Committee Program (RMP), Year 2014
- Director Certification Program Update (DCPU), Year 2015
- How to Develop a Risk Management Plan (HRP), Year 2015
- Role of the Nomination and Governance Committee (RNG), Year 2015
- Role of the Chairman Program (RCP), Year 2016
- Financial Statements for Directors (FSD), Year 2016
- Driving Company Success with IT Governance (ITG), Year 2016
- National Director Conference 2016: “Enhancing Growth Through Governance in Family – Controlled Business”, Year 2016
- Audit Committee Forum “New Auditor’s Report: What is it for you?”, Year 2016
- Seminar in the topic of “Legal Update: Criminal Liabilities of Directors”, Year 2017
- Successful Formulation & Execution of Strategy (SFE), Year 2017
- Risk Management Program for Corporate Leaders (RCL) , Year 2018



Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 1, 2015 – Present	Chairman of the Risk and Compliance Committee
Apr 25, 2012 – Present	Audit Committee Member
Apr 24, 2012 – Present	Independent Director

- Positions in other listed companies : None

- Positions in non-listed companies/organizations (2 companies) :

Oct 2012 – Present	Audit Committee Member	Thai Public Broadcasting Service
2010 – Present	Advisor	Tangthanasin Co., Ltd.

Work experiences (in the last 5 years) :

Jun 24, 2013 – Jan 4, 2015	Chairman of the Compliance Review Committee	Bank of Ayudhya PCL
2010 – Apr 2012	Member of the Asset Management Working Team	Sukhumvit Asset Management Co., Ltd.

Years of directorship : 5 years 8 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Mr. Noriaki Goto

Director (Authorized Signatory)

President and Chief Executive Officer

Chairman of the Executive Committee

Age : 55 years

Nationality : Japanese

Education and training :

- Master of Business Administration, Graduate School of Business, The University of Chicago, USA
- Bachelor of Arts (Law), School of Law, Waseda University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Certification Program (DCP-English), Year 2015

Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 5, 2015 – Present	President and Chief Executive Officer
Jan 2, 2014 – Present	Director (Authorized Signatory)
Jan 2, 2014 – Present	Chairman of the Executive Committee

- Positions in other listed companies : None

- Positions in non-listed companies/organizations (1 company) :

Jan 16, 2017 – Present	Vice Chairman, Secretary and Treasurer	Krungsri Foundation

Work experiences (in the last 5 years) :

May 28, 2015 – Jun 23, 2016	Chairman	Krungsri Asset Management Co., Ltd.
May 14, 2014 – May 27, 2015	Director	
Jan 2, 2014 – Jan 4, 2015	Chief Executive Officer	Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Chairman of the Risk Management Committee	
Jan 2, 2014 – Jan 4, 2015	Advisor to the Compliance Review Committee	
Aug – Dec 2013	Executive Officer & General Manager, Global Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)



Work experiences (in the last 5 years) : (Cont')

Jul 2012 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division	Mitsubishi UFJ Financial Group Inc. (New York, USA)
Feb 2009 – Jun 2012	Executive Officer & General Manager, Corporate Governance Division for the U.S.	
Jul 2011 – Aug 2013	Executive Officer & General Manager, Americas Holdings Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
Oct 2010 – Aug 2013	Executive Officer & General Manager, Planning Division for the Americas	

Years of directorship : 4 years

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Mr. Pornsanong Tuchinda

Director (Authorized Signatory)

Head of Commercial Banking

Acting Head of Investment Banking Group

Senior Executive Vice President

Executive Committee Member



Age : 56 years

Nationality : Thai

Education and training :

- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA
- BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Director Accreditation Program (DAP), Year 2004
- Audit Committee Program (ACP), Year 2006
- Director Certification Program (DCP), Year 2008

Current positions :

- Positions in Bank of Ayudhya PCL :

Jan 1, 2018 – Present*	Acting Head of Investment Banking Group
Oct 1, 2015 – Present	Director (Authorized Signatory)
Jan 5, 2015 – Present	Head of Commercial Banking
Feb 24, 2010 – Present	Executive Committee Member
Jan 13, 2010 – Present	Senior Executive Vice President

Remark: * Last updated information as of January 1, 2018

- Positions in other listed companies : None
- Positions in non-listed companies/organizations : None

Work experiences (in the last 5 years) :

Dec 1, 2015 – Jan 31, 2017	Acting Head of Human Resources	Bank of Ayudhya PCL
	Group	
Dec 1, 2015 – Jan 31, 2017	Secretary to the Nomination and	
	Remuneration Committee	
Jul 1 – Dec 31, 2015	Acting Head of Corporate and	
	Investment Banking Group	

Work experiences (in the last 5 years) : (Cont')

Jan 5 – Jun 30, 2015	Acting Head of Corporate Banking Group	Bank of Ayudhya PCL
Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 1	
Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 3	
Jan 1, 2014 – Apr 1, 2015	Advisor to the Board of Directors	
Oct 1, 2012 – Jan 4, 2015	Head of Corporate Banking	
Jul 1, 2012 – Jan 4, 2015	Risk Management Committee Member	
Nov 11, 2013 – Jul 24, 2014	Acting Head of Transaction Banking Business	
Jan 2007 – Dec 31, 2013	Director	
Jul – Sep 2012	Acting Head of Corporate Banking	
Jan 2010 – Sep 2012	Head of Transformation	
Nov 2009 – Mar 15, 2015	Chairman (Authorized Signatory)	Krungsri Securities PCL
Mar 2010 – Jun 2014	Audit Committee Member	Focus Development
May 2008 – Jun 2014	Remuneration Committee Member	and Construction PCL
Mar 2005 – Jun 2014	Independent Director	

Years of directorship : 2 years 3 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

Miss Duangdao Wongpanitkrit

Director (Authorized Signatory)

Chief Financial Officer

First Executive Vice President, Finance Group

Executive Committee Member

Age : 48 years

Nationality : Thai

Education and training :

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017

Training and seminar held by Thai Institute of Directors Association (IOD) :

- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2013
- Risk Management Committee Program (RMP), Year 2013
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Boards Matters and Trends (BMT), Year 2017

Current positions :

- Positions in Bank of Ayudhya PCL :

Mar 28, 2016 – Present	Director (Authorized Signatory)
Apr 1, 2013 – Present	First Executive Vice President, Finance Group
Jan 1, 2013 – Present	Chief Financial Officer
Jan 1, 2013 – Present	Executive Committee Member

- Positions in other listed companies : None

- Positions in non-listed companies/organizations (4 companies) :

Mar 27, 2017 – Present	Director (Authorized Signatory)	Krungsri Innovate Co., Ltd.
Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
Nov 26, 2015 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
May 29, 2015 – Present	Director	Ngern Tid Lor Co., Ltd.



Work experiences (in the last 5 years) :

Nov 2009 – May 14, 2017	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
May 4, 2016 – May 4, 2017	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
Apr 21, 2015 – May 3, 2017	Director	Krungsri Ayudhya AMC Ltd.
Jan 2013 – Feb 29, 2016	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
Feb 1, 2013 – Jan 6, 2015	Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group	Bank of Ayudhya PCL
Jan 1, 2013 – Jan 4, 2015	Risk Management Committee Member	
Jan 1, 2013 – Jan 4, 2015	Compliance Review Committee Member	
Jun 2007 – Dec 31, 2012	Executive Vice President, Financial Planning and Analysis Division, Finance Group	
Apr 2009 – Jul 2013	Director (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
Apr 2009 – Jun 2012	Director	Ayudhya Total Solutions PCL

Years of directorship : 1 year 9 months

% Shareholding as of the latest record date on September 7, 2017 (including spouse and minor child) : None

Family relationship with directors and executives : None

● Executives and Persons with Managerial Authority of Krungsri

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Sudargo (Dan) Harsono Age 57 years - Head of Retail and Consumer Banking (Jul 1, 2015) - Senior Executive Vice President (Sep 1, 2015) - Executive Committee Member (Jul 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration in Finance and Marketing, Indiana University, Bloomington, IN, USA - Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) ● Director Certification Program (DCP-English), Year 2008	Sep 1, 2015 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Head of Retail and Consumer Banking	
		Jul 1, 2015 – Present	Executive Committee Member	
		Jul 1, 2015 – Jan 31, 2016	Acting Head of Personal Loan Division	
		Jan 7, 2015 – Jan 31, 2016	Acting Head of E-Business Division	
		Jul 1 – Dec 31, 2015	Acting Head of Krungsri Consumer Group	
		Jul 1 – Sep 30, 2015	Acting Head of Krungsri Auto Group	
		Aug 3, 2007 – Aug 31, 2015	First Executive Vice President	
		Jan 5 – Jun 30, 2015	Head of Marketing and Branding Group	
		Oct 1, 2013 – Jan 4, 2015	Head of Marketing and International Business Development	
		Apr 2010 – Sep 2013	Head of Marketing and Cross Sell	
		<u>Other Companies/ Organizations</u>		
		Sep 12, 2016 – Present	Chairman	Hattha Kaksekar Limited
		Jul 7, 2016 – Present	Chairman	Krungsri Asset Management Co., Ltd.
		Sep 28, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Securities PCL
		Sep 8, 2015 – Present	Chairman (Authorized Signatory)	Tesco Card Services Ltd.
		Sep 30, 2015 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		May 29 – Sep 29, 2015	Director	
		Nov 2009 – May 28, 2015	Chairman (Authorized Signatory)	
		Dec 24, 2015 – Present	Chairman (Authorized Signatory)	General Card Services Ltd.
		Dec 3 - 23, 2015	Chairman	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Sudargo (Dan) Harsono (Cont')		Feb 24 – Dec 2, 2015 Nov 2009 – Feb 23, 2015 Sep 29, 2014 – Present Aug 25, 2014 – Present Aug 25, 2014 – Present May 11 – Dec 30, 2015 Jan 2008 – Apr 23, 2015	Director Director (Authorized Signatory) Chairman (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director Director (Authorized Signatory)	General Card Services Ltd. Krungsri Leasing Services Co., Ltd. Dan Siam Co., Ltd. Sam Siam Co., Ltd. Krungsriayudhya Card Co., Ltd. Ayudhya Capital Auto Lease PCL
2. Mr. Masaaki Suzuki Age 52 years - Head of JPC/MNC Banking (Jul 13, 2015) - Acting Head of Transaction Banking Group (Jan 1, 2018) - Senior Executive Vice President (Jul 13, 2015) - Executive Committee Member (Jul 13, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Bachelor of Economics, Yokohama National University	Jan 1, 2018 – Present* Jul 13, 2015 – Present Jul 13, 2015 – Present Jul 13, 2015 – Present <u>Other Companies/ Organizations</u> Aug 2013 – Jul 12, 2015 Dec 2011 – Aug 2013	Acting Head of Transaction Banking Group Head of JPC/MNC Banking Senior Executive Vice President Executive Committee Member General Manager Osaka Corporate Banking Division No. 3 Deputy General Manager	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Osaka, Japan) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Singapore Branch
3. Mrs. Voranuch Dejakaisaya Age 57 years - Chief Information and Operations Officer (Jan 1, 2017) - First Executive Vice President (Jul 8, 2009) - Executive Committee Member (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2017 – Present Jan 1, 2017 – Present Jul 8, 2009 – Present Jan 1 – Dec 31, 2016 Jan 1 – Dec 31, 2016	Chief Information and Operations Officer Executive Committee Member First Executive Vice President Deputy Chief Information and Operations Officer Acting Head of IT Strategic and Program Management Office Division	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
3. Mrs. Voranuch Dejakaisaya (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006	Jan 7 – Dec 31, 2015 Jul 8, 2009 – Dec 31, 2015 <u>Other Companies/ Organizations</u> Mar 27, 2017 – Present Apr 21, 2015 – Present Apr 3, 2015 – Present Nov 2009 – Present Nov 2009 – Feb 12, 2015	Acting Head of IT Service Governance and Program Management Division Head of Information Technology Group Director Director Director Director (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL Krungsri Finnivate Co., Ltd. Ayudhya Capital Services Co., Ltd. Krungsri Securities PCL Total Services Solutions PCL General Card Services Ltd.
4. Miss Phawana Niemloy Age 58 years - General Counsel (May 18, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jun 27, 2007) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- LL.M., Harvard Law School, USA - Bachelor of Law (Gold Medal), Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006	May 18, 2007 – Present Jun 27, 2007 – Present Jan 3, 2007 – Present Jul 11, 2007 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Sep 2002 – Present	General Counsel Executive Committee Member First Executive Vice President Vice Chairman of the Compliance Review Committee Director Executive Director and Secretary to the Board	Bank of Ayudhya PCL Mae Fah Luang Foundation under Royal Patronage
5. Miss Puntipa Hannoraseth Age 49 years - Head of Internal Audit Group (Jan 1, 2018) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Accounting (1st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017	Jan 1, 2018 – Present* Apr 1, 2013 – Present Sep 16, 2010 – Present Apr 27, 2009 – Dec 31, 2017* Jan 7, 2015 – Apr 15, 2017 Jan 7 – May 6, 2015 Nov 2009 – Mar 31, 2013	Head of Internal Audit Group First Executive Vice President Secretary to the Audit Committee Head of Audit Group Acting Head of Internal Audit Division Acting Head of Credit Examination Division Executive Vice President	Bank of Ayudhya PCL

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Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years				
		Period	Position	Name of Companies / Organizations		
10. Mr. Phonganant Thanattrai Age 53 years - Head of Retail Banking and Distribution Group (Jan 1, 2017) - Acting Head of Provincial Branch Business Division (Jan 7, 2015) - First Executive Vice President (Apr 1, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2017 – Present	Head of Retail Banking and Distribution Group	Bank of Ayudhya PCL		
		Jan 7, 2015 – Present	Acting Head of Provincial Branch Business Division			
		Apr 1, 2012 – Present	First Executive Vice President			
		Jul 1, 2015 – Apr 30, 2017	Acting Head of Metropolitan Branch Business Division			
		Jul 1, 2015 – Dec 31, 2016	Head of Distribution Group			
		Jan 5 – Jun 30, 2015	Head of Retail Banking and Distribution Group			
		Nov 1, 2011 – Jan 4, 2015	Compliance Review Committee Member			
		Nov 1, 2011 – Jan 4, 2015	Head of Distribution			
		Nov 2011 – Mar 2012	Executive Vice President			
		<u>Other Companies/ Organizations</u>				
		Mar 23, 2017 – Present	Director (Authorized Signatory)		Krungsri Securities PCL	
		Apr 3 – Sep 15, 2015	Director			
		Mar 2, 2017 – Present	Director (Authorized Signatory)			Total Services Solutions PCL
		Apr 20, 2015 – Present	Director			
	Aug 4, 2014 – Mar 22, 2017	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.			
	Dec 2010 – Aug 3, 2014	Director				

11. Mr. Pairote Cheunkrut Age 52 years - Head of Krungsri Auto Group (Oct 1, 2015) - First Executive Vice President (Oct 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University	Oct 1, 2015 – Present	Head of Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	First Executive Vice President	
		Jan 5 – Sep 30, 2015	First Executive Vice President, Office of the President and CEO	
		Oct 1, 2014 – Jan 4, 2015	First Executive Vice President, Krungsri Auto Group	

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Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
12. Mr. Thakorn Piyapan (Cont')		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Nov 5, 2009 – Dec 31, 2015	Director (Authorized Signatory)	
		May 1, 2012 – Dec 31, 2015	Managing Director	
		Oct 6, 2015 – Present	Chairman (Authorized Signatory)	Total Services Solutions PCL
		May 12, 2015 – Present	Director (Authorized Signatory)	Tesco Card Services Ltd.
13. Mr. Wittapon Jawjit Age 47 years	- Master of Engineering, Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University - Training on "Organization Behavior", Mercer (USA) Inc., Year 2013 - Certificate of Completion "Situational Leadership", Slingshot Group Co., Ltd., Year 2016 - Certificate of Achievement "Managing a Multigenerational and Diverse Workforce", IEEE, Year 2016 - Training on "Managing People from a Global Perspective", Thunderbird School of Global Management, Year 2017 - Certificate of Achievement "M&A Professional Certificate Part 1 – Concepts and Theories: An Introduction", New York Institute of Finance, USA, Year 2016 - Honor Code Certificate of "FINANCEx: Personal Finance", Purdue University, Year 2016	Feb 1, 2017 – Present Feb 1, 2017 – Present Feb 1, 2017 – Present Feb 1, 2017 – Present 2014 – 2016 2014 – 2016 Mar 27, 2017 – Present 2010 – Present 2015 – 2016 2011 – 2013 2006 – 2013 2010 – 2013	Head of Human Resources Group Executive Committee Member Secretary to the Nomination and Remuneration Committee First Executive Vice President First Executive Vice President Head of Human Resource Management Group Director Director Director Chairman Managing Director Co-Managing Director	Bank of Ayudhya PCL Kiatnakin Phatra Financial Group Krungsri Innovate Co., Ltd. Human Resource Capability Development Institute, Federal of Thai Industries Kiatnakin Bank Foundation Marsh McLennan Company Group (Thailand) Mercer (Thailand) Ltd. Mercer (Philippines) Pte.
% Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-				

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
13. Mr. Wittapon Jawjit (Cont')	- Certificate of Achievement "FC201.1x: Introduction to Banking & Financial Markets - I", Indian Institute of Management Bangalore, India, Year 2016 - Certificate of Achievement "FC201.2x: Banking & Financial Markets: A Risk Management Perspective", Indian Institute of Management Bangalore, India, Year 2016 - Certificate of Achievement "FMAx: Financial Markets Analysis", the International Monetary Fund through edX., Year 2017 - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2014			
14. Mr. Nuttawit Boonyawat Age 55 years - First Executive Vice President, Office of the President and CEO (Jan 5, 2015) - Advisor to the President and CEO (Jan 5, 2015) % Shareholding^{1/} 0.0000% (1 share) Family Relationship with Directors and Executives -None-	- Master of Science, Abilene Christian University, USA - Bachelor of Arts (Economics), University of the Thai Chamber of Commerce - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2005	Jan 5, 2015 – Present Jan 5, 2015 – Present Nov 1, 2013 – Jan 4, 2015 Nov 1, 2010 – Oct 31, 2013 <u>Other Listed Companies</u> Apr 24, 2015 – Present Apr 28, 2014 – Present	First Executive Vice President, Office of the President and CEO Advisor to the President and CEO First Executive Vice President, Risk Management Group First Executive Vice President, Risk Management Group and Acting Department Manager, Collateral Valuation Department Director Executive Director Director Executive Director	Bank of Ayudhya PCL Eastern Star Real Estate PCL Matching Maximize Solution PCL

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Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
16. Mr. Kazuhiro Sudo (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018		<u>Other Companies/ Organizations</u> Apr 26, 2016 – Present Apr 18, 2016 – Apr, 2017 May 11, 2016 – Mar, 2017 Oct 2013 – Mar 2016 May 2012 – Oct 2013 Jul 2011 – May 2012	Director Director (Authorized Signatory) Director Chief Manager, Head of Global Subsidiary Banking Department, Global Corporate Banking Division Executive Director and Head of Planning Department, Corporate Banking Division for EMEA Senior Vice President and Head of Planning Department, European Business Division	Ayudhya Capital Auto Lease PCL Krungsri Securities PCL General Card Services Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
17. Mr. Tsutomu Kamagata Age 47 years - Deputy Head of Retail and Consumer Banking (May 1, 2016) - Executive Vice President (Mar 18, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Keio University, Japan	May 1, 2016 – Present Mar 18, 2016 – Present Mar 18 – Apr 30, 2016 <u>Other Companies/ Organizations</u> Nov 3, 2016 – Present May 4 – Nov 2, 2016 May 16, 2016 – Present May 11, 2016 – Present May 11, 2016 – Present May 11, 2016 – Present May 10, 2016 – Present Apr 26, 2016 – Present	Deputy Head of Retail and Consumer Banking Executive Vice President Executive Vice President, Retail and Commercial Banking Director (Authorized Signatory) Director Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd. Total Services Solutions PCL Ayudhya Capital Services Co., Ltd. Krungsriayudhya Card Co., Ltd. General Card Services Ltd. Ngern Tid Lor Co., Ltd. Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
17. Mr. Tsutomu Kamagata (Cont')		May 2013 – Mar 2016 May 2007 – May 2013	Chief Manager, Asian Retail Banking Strategy Office, Retail Banking Planning Division Manager, Senior Manager, Chief Manager Retail Affiliate Office, Retail Banking Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
18. Mr. Kenji Fukaya Age 49 years - Chief Credit Officer (Jul 1, 2015 – Jan 2, 2018) - Executive Vice President (Oct 1, 2014 – Jan 2, 2018) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Employment with Krungsri is ended, effective January 3, 2018	- Bachelor of Economics (Economics), Shiga University, Japan	Jul 1, 2015 – Jan 2, 2018* Oct 1, 2014 – Jan 2, 2018* Jan 5 – Jun 30, 2015 Jan 5 – Jun 30, 2015 Oct 1, 2014 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Dec 2012 – Oct 2014 Jul 2011 – Dec 2012	Chief Credit Officer Executive Vice President Deputy Chief Credit Officer Acting Chief Credit Officer Deputy Chief Risk Officer Deputy General Manager, International Credit Division (Singapore) Assistant General Manager, International Credit Division (Singapore)	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)
19. Mr. Suratun Kongton Age 51 years - Head of Corporate Banking Group (Jan 1, 2018) - Acting Head of Corporate Credit Analysis Division (Jan 1, 2018) - Executive Vice President (May 1, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Master of Public Administration University of Southern California, Los Angeles, California, USA - Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University	Jan 1, 2018 – Present* Jan 1, 2018 – Present* May 1, 2012 – Present Jan 1, 2016 – Dec 31, 2017* Jan 1 – Apr 30, 2016 Jul 1, 2015 – Apr 30, 2016 Jan 6 – Dec 31, 2015 Jan 5 – Feb 28, 2015 Jun 1, 2014 – Jan 5, 2015	Head of Corporate Banking Group Acting Head of Corporate Credit Analysis Division Executive Vice President Head of Corporate and Investment Banking Group Acting Head of Corporate Banking Division 2 Acting Head of Corporate Banking Department 7 Executive Vice President, Head of Corporate Banking Division 2 Acting Head of Corporate Banking Department 6 Acting Head of Corporate Banking Department 9	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
19. Mr. Suratun Kongton (Cont')		Jan 1, 2013 – Jan 5, 2015 May 1 – Dec 31, 2012 <u>Other Companies/ Organizations</u> May 4, 2017 – Present Apr 28, 2017 – Present Feb 13, 2015 – Present Jan 1, 2010– Apr 2012	Executive Vice President and Head of Corporate Banking Division 3 Executive Vice President and Head of Corporate Banking Division 2 Director Director Director (Authorized Signatory) Executive Director (Head of Corporate Banking and Treasury Services)	Bank of Ayudhya PCL Krungsri Security PCL General Card Services Ltd. Tumtumpai Co., Ltd. J.P. Morgan, Thailand
20. Mr. Dharithee Kritsernvong Age 53 years - Head of Information Technology Group (Jan 1, 2016) - Acting Head of IT Infrastructure and Operations Technology Division (Jan 1, 2016) - Executive Vice President (Jun 16, 2011) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science in Finance, Chulalongkorn University - Bachelor of Business Administration Program in Information System, Rajamangala University of Technology	Jan 1, 2016 – Present Jan 1, 2016 – Present Jun 16, 2011 – Present Jun 16, 2011 – Dec 31, 2015	Head of Information Technology Group Acting Head of IT Infrastructure and Operations Technology Division Executive Vice President Executive Vice President, IT Infrastructure and Operations Technology Division	Bank of Ayudhya PCL
21. Mrs. Katchariya Chongpaisansakul Age 58 years - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Apr 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Information System), West Coast University, USA - Bachelor of Economics (Finance), Chulalongkorn University	Jan 1, 2017 – Present April 1, 2014 – Present Jan 1 – Dec 31, 2016 Jan 1 – Jan 31, 2016 April 1, 2014 – Dec 31, 2015	Co-Head of Operations Group Executive Vice President Head of Operations Middle Office Group Acting Head of Credit Control Division Executive Vice President, Head of Credit Control Division	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
21. Mrs. Katchariya Chongpaisansakul (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program, Year 2012 • Development Risk Management Program, Year 2016	Jan 1, 2011– Mar 31, 2014	Senior Vice President, Head of Operations Processing and Customer Services Division	Bank of Ayudhya PCL
22. Mr. Wirote Chuenratanakul Age 50 years - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), National Institute Development Administration - Bachelor of Business Administration (Finance), Thammasat University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Year 2015	Jan 1, 2017 – Present Jan 5, 2015 – Present Jan 1 – Dec 31, 2016 Jan 5 – Dec 31, 2015 <u>Other Companies/ Organizations</u> Jul 1, 2014 – Jan 4, 2015 Feb 2009 – Jun 30, 2014	Co-Head of Operations Group Executive Vice President Head of Operations Back Office Group Executive Vice President, Head of Operations Control Division Deputy General Manager Assistant General Manager, Head of Operations Planning and Control	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
23. Mr. Yuzo Nakada Age 49 years - Deputy Chief Financial Officer (Mar 16, 2015) - Head of Corporate Planning Division, Corporate Strategy and Planning Group (Jul 1, 2015) - Executive Vice President (Mar 9, 2015)	- Master of Business Administration, Columbia University in the City of New York - Bachelor of Arts in Foreign Studies, Sophia University Tokyo, Japan	Jul 1, 2015 – Present Mar 16, 2015 – Present Mar 9, 2015 – Present Apr 3 – Jun 30, 2015 Mar 9 – Apr 2, 2015	Head of Corporate Planning Division, Corporate Strategy and Planning Group Deputy Chief Financial Officer Executive Vice President Head of Planning Division, Corporate Planning Group Executive Vice President - Planning Division, Corporate Planning Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
23. Mr. Yuzo Nakada (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies/ Organizations</u> Sep 2013 – Mar 2015 May 2012 – Sep 2013 Feb 2011 – May 2012	Chief Manager, Head of Planning, Krungsri Project Management Office, Global Planning Division Managing Director, Head of CIBA Planning, Investment Banking Division for the Americas (New York) Managing Director, Head of Alliance Strategy Office/ Planning Division for the Americas (New York)	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
24. Mr. Hironori Okada Age 51 years - Deputy Chief Risk Officer (Jan 1, 2014) - Executive Vice President (Jan 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Laws (Public Law) , University of Tokyo, Japan	Jan 1, 2014 – Present Jan 1, 2014 – Present Jan 7 – Jun 30, 2015 <u>Other Companies/ Organizations</u> May 2, 2014 – Present Apr 2010 – Dec 31, 2013	Deputy Chief Risk Officer Executive Vice President Acting Head of Commercial Credit Risk Management Division Director Chief Manager, Credit Policy and Planning Division	Bank of Ayudhya PCL Krungsri Ayudhya AMC Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
25. Mr. Takehiko Iwamoto Age 46 years - Deputy Head of Global Markets Group (Apr 2, 2017) - Head of Sales and Trading Division, Global Markets Group (Apr 2, 2017) - Executive Vice President (Jan 23, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2018	- Bachelor Degree in Economics, Waseda University	Apr 2, 2017 – Present Apr 2, 2017 – Present Jan 23, 2017 – Present Apr 2, 2017 – Dec 31, 2017* <u>Other Companies/ Organizations</u> Nov 2014 – Apr 2017	Deputy Head of Global Markets Group Head of Sales and Trading Division, Global Markets Group Executive Vice President Head of Corporate Treasury Division, Global Markets Group Chief Manager, Central Japan Marketing Department, Japanese Customer Marketing Office, Global Markets Marketing Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
25. Mr. Takehiko Iwamoto (Cont')		Apr 2012 – Nov 2014	Senior Manager, East Japan Marketing Department, Japanese Customer Marketing Office Global Markets Marketing Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		Oct 2007 – Apr 2012	Senior Manager, Market Sales and Trading Department	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
26. Miss Suwanna Jakraworavudh Age 57 years - Executive Vice President, Office of the President and CEO (Aug 19, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Veterinary Medicine, Chulalongkorn University	Aug 19, 2013 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1, 2012 – Aug 18, 2013	Executive Vice President, Process Improvement Project Delivery Division, Business Transformation Group	
		Mar 1, 2011 – Apr 30, 2012	Executive Vice President, Distribution Planning and Development Division, Distribution Group	
		<u>Other Companies/ Organizations</u> Aug 19, 2013 – Present	Executive Vice President, Head of Operations	Ayudhya Capital Services Co., Ltd.
27. Mr. Udomkarn Udomsab Age 42 years - Executive Vice President, Office of the President and CEO (Nov 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Case Western Reserve University, USA - Master of Science (Economics), University of Illinois at Urbana champaign, USA - Master of Arts (International Economics and Finance), Chulalongkorn University (International Program) - Bachelor of Science (Accounting), Thammasat University (International Program) - Certificate of Top Executive Program, Capital Market Academy, Class 22/2016 - Certificate of Thammasat Leadership Program (TLP), Class 10/2017	Nov 1, 2014 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Listed Companies</u> Dec 1, 2015 – Present	Advisor to the Board of Directors	Pylon PCL
		<u>Other Companies/ Organizations</u> Nov 1, 2014 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
		Nov 1, 2014 – Present	Managing Director	
		Aug 2013 – Oct 2014	Chief Business Development	CIMB Principal Asset Management Co., Ltd.
		Apr 2011 – Jul 2013	Senior Vice President, Head of Institutional Business and Investment Strategy Department	ING Asset Management Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
27. Mr. Udomkarn Udomsab (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2015 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015			
28. Mrs. Kittiya Srisanit Age 56 years - Executive Vice President, Office of the President and CEO (Oct 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Marymount University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Oct 1, 2015 – Present Oct 1, 2014 – Sep 30, 2015 <u>Other Companies/ Organizations</u> Jun 1, 2016 – Present Aug 2015 – Present Oct 1, 2015 – May 31, 2016 Jan 1, 2012 – Sep 30, 2014 Apr 2014 – Present Oct 2009 – Present	Executive Vice President, Office of the President and CEO Executive Vice President, Krungsri Auto Credit and Operations Management Division, Krungsri Auto Group Managing Director Director (Authorized Signatory) Acting Managing Director Executive Vice President, Credit and Operations Management Division Director (Authorized Signatory) Director	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL Krungsri Leasing Services Co., Ltd. Ngern Tid Lor Co., Ltd.
29. Miss Siriporn Sinacharoen Age 39 years - Executive Vice President, Office of the President and CEO (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), Columbia University, USA - Bachelor of Business Administration in Banking and Finance (1st Class Honors), Chulalongkorn University	Jan 1, 2016 – Present <u>Other Companies/ Organizations</u> Jan 4, 2016 – Present Jan 1, 2016 – Present May 2014 – Dec 2015 Jan 2008 – May 2014	Executive Vice President, Office of the President and CEO Director (Authorized Signatory) Managing Director Deputy Chief Investment Officer Head of Fixed-Income Asia	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd. Allianz Investment Management Singapore Pte. Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
29. Miss Siriporn Sinacharoen (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI), Year 2016			
30. Mr. Somwang Toraktrakul Age 49 years - Executive Vice President, Office of the President and CEO (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Business Management (Marketing), Royal Melbourne Institute of Technology, Australia	Jan 1, 2017 – Present May 1, – Dec 31, 2016 Oct 1, 2015 – Apr 30, 2016 Apr 1, 2012 – Sep 30, 2015 Jan 1, 2010 – Mar 31, 2012 <u>Other Companies/ Organizations</u> Jan 1, 2017 – Present Dec 30, 2016 – Present Aug 25, 2014 – Present Aug 25, 2014 – Present	Executive Vice President, Office of the President and CEO Executive Vice President, Head of Marketing Planning Division and Acting Head of Marketing Management Department Executive Vice President, Head of Marketing and Branding Division Executive Vice President, Marketing Planning Division Senior Vice President, Marketing Planning Division Managing Director Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL Krungsriayudhya Card Co., Ltd. Dan Siam Co., Ltd. Sam Siam Co., Ltd.
31. Mr. Congsin Congcar Age 47 Years - Executive Vice President (Oct 1, 2014) - Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group (Jul 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- SASIN Executive Program (SEP25 Alumni), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Commerce – Finance & Accounting, University of Alberta, Canada - Certificate of Executive Development Program, Cornell University, USA, Year 2017	Jan 1, 2017 – Present Oct 1, 2014 – Present Jul 1, 2015 – Dec 31, 2016 Jul 1, 2015 – Dec 31, 2016	Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group Executive Vice President Head of Krungsri Auto Strategic Division, Krungsri Auto Group Acting Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
31. Mr. Congsin Congcar (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2013	Oct 1, 2014 – Jun 30, 2015	Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u>		
		May 15, 2017 – Present	Director	Ayudhya Capital Services Co., Ltd.
		2009 – Sep 30, 2014	Chief Financial Officer	Ayudhya Capital Auto Lease PCL
32. Miss Pisara Pattanasiri Age 52 years - Executive Vice President (Jul 1, 2015) - Head of Financial Planning and Analysis Division, Finance Group (Jan 7, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 8, 2018	- MBA., Seattle University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	Jul 1, 2015 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Financial Planning and Analysis Division, Finance Group	
		Jan 1, 2016 – Jan 7, 2018*	Acting Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	
		Jan 7 – Dec 31, 2015	Acting Head of Financial Planning and Analysis Consolidation Department, Finance Group	
		Jan 7 – Jun 30, 2015	Senior Vice President	
		Mar 1, 2013 – Jan 6, 2015	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	
		Jun 2012 – Feb 28, 2013	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		Sep 2009 – Jun 2012	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u>		
		May 3, 2017 – Present	Director	Krungsri Ayudhya AMC Ltd.
		May 11, 2015 – Present	Director	Siam Realty and Services Security Co., Ltd.
		Apr 26, 2016 – Apr 17, 2017	Director	Ayudhya Capital Auto Lease PCL

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Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
34. Miss Jiraporn Popairoj (Cont')		Other Companies/ Organizations Jun 19, 2015 – Jun 22, 2016 Aug 24, 2015 – Jun 22, 2016 Jan 15 – Aug 12, 2015 Aug 4, 2014 – Jun 18, 2015 Aug 4, 2014 – Jan 14, 2015	Director (Authorized Signatory) Audit Committee Member Acting Chief Financial Officer Director Chairman of the Audit Committee	Krungsri Asset Management Co., Ltd.
35. Mrs. Varabhorn Achakornlak Age 53 years - Senior Vice President, Head of Procurement Department, Finance Group (Sep 16, 2010) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. International Business, Nova University, Florida, USA - Advance International Certificate PSCM (Purchasing & Supply Chain Management), International Trade Center, UNTAD/WTO - Advance Purchasing Research (IFPMM), The International Federation of Purchasing and Materials of Management, Salzburg, Austria	Sep 16, 2010 – Present	Senior Vice President, Head of Procurement Department, Finance Group	Bank of Ayudhya PCL
36. Miss Pornnapa Patarasatienkul Age 45 years - Senior Vice President, Head of Financial Planning and Analysis – Commercial Department, Finance Group (Jan 5, 2015) - Acting Head of Corporate Financial Planning and Analysis Section, Finance Group (May 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science (Finance), Thammasat University - Bachelor of Banking and Finance, Assumption University	May 1, 2016 – Present Jan 5, 2015 – Present Jun 18, 2012 – Jan 4, 2015	Acting Head of Corporate Financial Planning and Analysis Section, Finance Group Senior Vice President, Head of Financial Planning and Analysis – Commercial Department, Finance Group Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
36. Miss Pornnapa Patarasatienkul (Cont')		Mar – Jun 17, 2012	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
		Oct 2010 – Feb 2012	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jul 2011 – Apr 28, 2015	Director	Siam Realty and Services Security Co., Ltd.
37. Mrs. Akanit Mattison Age 44 years - Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Banking and Finance, Assumption University	Jan 5, 2015 – Present	Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group	Bank of Ayudhya PCL
		Jun 16, 2012 – Jan 4, 2015	Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u> Apr 2006 – Jun 2012	Senior Analyst, Financial Planning and Analysis Department, Finance Group	GE Capital, UK
38. Mr. Khomson Adunwitthayakorn Age 44 years - Senior Vice President, Head of Accounting and Control Department, Finance Group (Jul 1, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science (Finance), Chulalongkorn University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jul 1, 2013 – Present	Senior Vice President, Head of Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Mar – Jun 30, 2013	Senior Vice President and Manager, Accounting and Control Department, Finance Group	
		Sep 2010– Feb 2013	Vice President, Accounting and Control Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
39. Mr. Jamorn Phianphrom Age 56 years - Senior Vice President, Head of Tax and Disbursement Department, Finance Group (Mar 1, 2014) % Shareholding ^{1/} 0.0000% (2 shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Dhurakij Pundit University - BA., Chiangmai University - Diploma in Tax Law, Thammasat University	Mar 1, 2014 – Present Jul 1, 2013 – Feb 28, 2014 Sep 2010 – Jun 30, 2013	Senior Vice President, Head of Tax and Disbursement Department, Finance Group Vice President, Tax and Disbursement Department, Finance Group Vice President, Tax Management and Payment Verification Department, Finance Group	Bank of Ayudhya PCL
40. Mrs. Orawan Julapol Age 50 years - Senior Vice President, Head of Financial Reporting Department, Finance Group (Jul 1, 2015) - Acting Head of Basel Reporting Section, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science in Accounting, Thammasat University - Bachelor of Accounting, Thammasat University - Bachelor of Law, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 1, 2016 – Present Jul 1, 2015 – Present Jul 1, 2013 – Jun 30, 2015 Jun 2012 – Jun 30, 2013 <u>Other Companies/ Organizations</u> Jul 2009 – Jun 2012	Acting Head of Basel Reporting Section, Finance Group Senior Vice President, Head of Financial Reporting Department, Finance Group Vice President and Head of Financial Reporting Department, Finance Group Vice President, Data Management and Reporting Department, Finance Group Accounting Director	Bank of Ayudhya PCL Double A (1991) PCL
41. Miss Sukanda Thawilwang Age 43 years - Senior Vice President, Head of Financial Planning and Analysis - Global Markets Department, Finance Group (Jul 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University - Bachelor of Economics (International Program), Thammasat University	Jul 1, 2015 – Present Jan 5 – Jun 30, 2015 Sep 1, 2012 – Jan 4, 2015	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group Vice President and Head of Global Markets Financial Planning and Analysis Department, Finance Group Vice President, Treasury Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
41. Miss Sukanda Thawilwang (Cont')		<u>Other Companies/ Organizations</u> Jul 1997 – Aug 2012	Senior Manager (SVP), Business Finance Global Markets, Finance and Accounting Division	Standard Chartered Bank (Thai) PCL
42. Miss Wimol Sivarorosakul Age 56 years - Senior Vice President, Financial Liaison and Planning Department, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Thai Bankers Association Training School	Jan 1, 2016 – Present Jan 5 – Dec 31, 2015 <u>Other Companies/ Organizations</u> 2007 – Jan 4, 2015	Senior Vice President, Financial Liaison and Planning Department, Finance Group Senior Vice President and Head of Accounting Department (Bangkok Sathon Office), Finance Group Assistant General Manager, Accounting Department	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
43. Mr. Montien Jangsutimon Age 36 years - Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group (Mar 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand) - Diploma in Tax Law, Thammasat University	Mar 1, 2017 – Present Mar 1, 2014 – Feb 28, 2017 Mar 2011 – Feb 28, 2014	Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group First Assistant Vice President, Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
44. Mr. Shoji Oishi Age 48 years - Head of Financial Liaison and Planning Department, Finance Group (Apr 29, 2017) - Senior Vice President, Financial Liaison and Planning Department, Finance Group (Apr 10, 2017)	- Bachelor of Economics, Kyoto University	Apr 29, 2017 – Present Apr 10, 2017 – Present	Head of Financial Liaison and Planning Department, Finance Group Senior Vice President, Financial Liaison and Planning Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
44. Mr. Shoji Oishi (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies/ Organizations</u> May 2014 – Apr 2017 Feb 2010 – May 2014	Chief Manager, Financial Planning Division, Financial Accounting Office Director, Planning Division For the Americas, Controllers Group	The Bank of Tokyo - Mitsubishi UFJ, Ltd. (Tokyo, Japan)
45. Mr. Vatchara Pumnoi Age 50 years - Senior Vice President, Head of Krungsri Auto Controllershship Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Kasetsart University - Bachelor of Finance and Accounting (Accounting), Thammasat University	Jan 1, 2017 – Present Oct 1, 2014 – Dec 31, 2016 <u>Other Companies/ Organizations</u> Mar – Sep 30, 2014 Feb 2008 – Feb 2014	Senior Vice President, Head of Krungsri Auto Controllershship Department Senior Vice President, Head of Krungsri Auto Finance and Accounting - Controllershship Department Senior Vice President, Finance and Accounting Division Vice President, Finance and Accounting Division	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
46. Mr. Teerasak Nimnaparaj Age 42 years - Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance and Accounting), University of Illinois, Chicago, USA - Bachelor of Business Administration (Finance and Banking), Chulalongkorn University	Jan 1, 2017 – Present Jan 1, 2017 – Present Jan 1, 2017 – Present Nov 1, 2015 – Dec 31, 2016 Jul 1 – Oct 31, 2015	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
46. Mr. Teerasak Nimnaparaj (Cont')		Oct 1, 2014 – Jun 30, 2015	Vice President and Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting	Ayudhya Capital Auto Lease PCL
47. Miss Soamkulaya Pinkayan Age 39 years - Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance and Accounting), University of Iowa, USA - Bachelor of Public Administration, Faculty of Political Science, Chulalongkorn University	Jan 1, 2017 – Present	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL
		May 1 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	
		Mar 1 – Dec 31, 2016	Acting Head of Krungsri Auto Finance and Accounting – OPEX/ Branch Channel Section	
		Mar 1 – Apr 30, 2016	Senior Vice President, Krungsri Auto Strategic Division	
		Oct 1, 2014 – Feb 29, 2016	Vice President, Head of Krungsri Auto Finance and Accounting - OPEX/ Branch Channel Section	
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting – OPEX/ Branch Channel	Ayudhya Capital Auto Lease PCL
48. Miss Siriporn Sribooncharoen Age 44 years - Vice President, Head of SME Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MS. (Finance), Chulalongkorn University - BBA. (Finance), Assumption University	Jan 5, 2015 – Present	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL
		Nov 20, 2012 – Jan 4, 2015	Vice President, SME Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jun 2004 – Nov 2012	Vice President - FP&A Expense Management, Consumer Banking	Citibank N.A., Thailand

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
49. Mrs. Samanporn Chantanahom Age 56 years - Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MPA. (Public Administration), Southern University, USA - MS. (Economics), the National Institute of Development Administration - BA. (Economics), Thammasat University	Jan 1, 2016 – Present Mar 1, 2012 – Dec 31, 2015 Mar 2007 – Feb 28, 2012	Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group Vice President, Financial Planning and Analysis Consolidation Department, Finance Group First Assistant Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	Bank of Ayudhya PCL
50. Mrs. Kamoltip Jittimaporn Age 56 years - Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllership Department, Finance Group (Dec 1, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Computer), Cleveland State University, USA - Bachelor of Business Administration (Accounting), Thammasat University	Dec 1, 2013 – Present Jul – Nov 30, 2013 Oct 2012 – Jun 2013 Sep – Oct 2012 <u>Other Companies/ Organizations</u> Aug 2011 – Aug 2012	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllership Department, Finance Group Vice President and Section Manager, Finance System Management Section, Operational Controllership Department, Finance Group Vice President and Section Manager, Accounting Information System Section, Finance Group Vice President, Accounting and Control Department, Finance Group Senior Manager	Bank of Ayudhya PCL Wipro Technologies (Thailand) Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
51. Miss Rattaporn Pornprasit Age 42 years - Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Rector's Award for Academic Excellence Certification, Assumption University - MBA., Assumption University - BBA. (Finance), University of the Thai Chamber of Commerce	Jan 5, 2015 – Present Apr 18, 2013 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Jul 2012 – Apr 2013 Jul 2010 – Jul 2012	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group Senior Business Finance Manager Finance Manager (Alcon Division)	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL Novartis (Thailand) Ltd.
52. Miss Benjawan Surachutikarn Age 47 years - Vice President, Head of Foreign Business Accounting Department, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Cleveland State University, USA - Bachelor of Business Administration, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 1, 2016 – Present Aug 1, 2013 – Dec 31, 2015 <u>Other Companies/ Organizations</u> Oct 2006 – Jun 2013	Vice President, Head of Foreign Business Accounting Department, Finance Group Vice President and Head of Foreign Branch Financial Reporting Section, Financial Compliance Department, Finance Group Vice President, Financial Accounting Department	Bank of Ayudhya PCL Credit Agricole Corporate and Investment Bank, Bangkok Branch
53. Mrs. Anantaya Padanupong Age 40 years - Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Commerce in Accounting and Finance Macquarie University, Australia - Bachelor of Science (Accounting) Thammasat University	Jan 5, 2015 – Present Nov 16, 2013 – Jan 4, 2015	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group Vice President and Section Manager, Distribution Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
53. Mrs. Anantaya Padanupong (Cont')		<u>Other Companies/ Organizations</u> May – Nov 2013 Nov 2004 – Apr 2013	Vice President, Business Finance Business Finance Manager	United Overseas Bank (Thai) PCL Standard Chartered Bank (Thai) PCL
54. Mr. Takashi Kanai Age 50 years - Vice President, Head of Foreign Financial Reporting Department, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Faculty of Economics, Keio University, Japan	Jan 5, 2015 – Present Jan 2, 2014 – Jan 4, 2015 <u>Other Companies/ Organizations</u> Sep 2006 – Dec 2013	Vice President, Head of Foreign Financial Reporting Department, Finance Group Vice President, Finance Group Manager Financial Accounting Office, Corporate Planning Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
55. Miss Thatsaphin Cholsuwat Age 41 years - Vice President, Head of Finance System Management Section, Operational Controllershship Department, Finance Group (Feb 16, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Innovation in Management International program), Mahidol University - Bachelor of Science in Statistics (Business Information Technology) Faculty of Commerce and Accountancy, Chulalongkorn University	Feb 16, 2014 – Present <u>Other Companies/ Organizations</u> Aug 2010 – Feb 2014	Vice President, Head of Finance System Management Section, Operational Controllershship Department, Finance Group Principle Consultant	Bank of Ayudhya PCL Oracle Corporation (Thailand) Co., Ltd.
56. Miss Sunan Pimsawang Age 46 years - Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group (Mar 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. Bangkok University - Bachelor of Accounting, Rajamangala University of Technology Thanyaburi	Mar 1, 2014 – Present Jan 2012 – Feb 28, 2014	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group First Assistant Vice President, BOT Reporting Section, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
57. Miss Porntip Undamrongkarn Age 42 years - Vice President, Foreign Financial Reporting Department, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Accounting Thammasat University	Jan 5, 2015 – Present Aug 16, 2014 - Jan 4, 2015 <u>Other Companies / Organizations</u> Feb – Aug 15, 2014 Jan 2013 – Jan 2014 Jan 2009 – Dec 2012	Vice President, Foreign Financial Reporting Department, Finance Group Vice President, Accounting Division, Finance Group Core Banking Project – Lending Stream Lead Lending Operations Senior Manager Operations Support Senior Manager	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL
58. Miss Thitiporn Kittipiyakul Age 43 years - Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group (Dec 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Accounting), Kasetsart University - Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present Jan 5 – Nov 30, 2015 <u>Other Companies / Organizations</u> Apr 1, 2014 – Jan 4, 2015 2009 – Mar 30, 2014	Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group Vice President, Accounting Department (Bangkok Sathon Office), Finance Group Accounting Senior Manager Accounting Manager	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
59. Mr. Vichai Kolsonvoravattanukul Age 38 years - Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllershship Department, Finance Group (Mar 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accountancy, Chulalongkorn University - Bachelor of Business Administration (Accounting), Assumption University	Mar 1, 2015 – Present Mar 2011 – Feb 28, 2015	Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllershship Department, Finance Group First Assistant Vice President and Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllershship Department, Finance Group	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
60. Mrs. Suchavalee Srisarakorn Age 49 years - Vice President, Finance Group (Dec 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present	Vice President, Finance Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Dec 1, 2015 – Present	Senior Vice President, Head of Finance & Accounting, Finance & Accounting Department	Ayudhya Development Leasing Co., Ltd.
		Oct 2005 – Nov 30, 2015	Senior Vice President, Accounting and Finance Department, Support Division	KTB Leasing Co., Ltd.
61. Mr. Suwit Eurpiyachart Age 43 years - Vice President, Finance Group (Jul 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2018	- Master of Accountancy (Financial Accounting), Faculty of Commerce and Accountancy, Chulalongkorn University - Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University - Certified Public Accountant (CPA Thailand)	Jul 1, 2017 – Present	Vice President, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2016 – Jun 30, 2017	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jan 1, 2018 – Present*	Chief Financial Officer	Krungsri Asset Management Co., Ltd.
		Nov 1, 2016 – Dec 31, 2017	Acting Chief Financial Officer	
		Jan – Jun 2016	Vice President, Emerging Risk and Control Department, Local Regulatory and Balance Sheet Control Head	Citibank N.A., Thailand
		Jan 2012 – Dec 2015	Vice President, Operation & Technology Risk and Control Department, Balance Sheet Control Group, Head and Account Reconciliation Unit Head	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
62. Miss Ananya Nopkhun Age 41 years - Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jul 16, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), University of Technology Sydney, Australia - Bachelor of Business Administration (International Business Management), University of the Thai Chamber of Commerce	Jul 16, 2017 – Present	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Mar 2007 – Jul 2017	Senior Manager, Business Finance, Wholesale Banking	Standard Chartered Bank (Thai) PCL
63. Mr. Suphawut Kitkuakosol Age 38 years - Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group (Oct 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., (Business Administration), Chulalongkorn University - Bachelor of Laws (Business Laws), Chulalongkorn University - Bachelor of Accountancy (Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand)	Oct 1, 2017 – Present	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Sep 2013 - Sep 2017	Vice President, Head of Business Operational Risk, Retail Banking	Standard Chartered Bank (Thai) PCL
		Jul 2001 – Aug 2013	Senior Manager	PricewaterhouseCoopers ABAS Ltd.
64. Mrs. Tatsawan Dumrisomkul Age 45 years - Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Accounting, Bangkok University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department	Bank of Ayudhya PCL
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllershship Department	
		<u>Other Companies/ Organizations</u> Mar 1 – Sep 30, 2014 Jan 1, 2007 – Feb 28, 2014	Vice President, Finance and Accounting Division (Accounting) Assistant Vice President, Finance and Accounting Division (Accounting)	Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
65. Miss Thanawan Santananont Age 53 years - Vice President, Head of Krungsri Auto Procurement Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (English Program), Business Communication, University of the Thai Chamber of Commerce - Bachelor of Political Science (Public Administration), Thammasat University	Jan 1, 2017 – Present Oct 1, 2014 – Dec 31, 2016 <u>Other Companies/ Organizations</u> 2014 – Sep 30, 2014 2008 – 2013	Vice President, Head of Krungsri Auto Procurement Section Vice President, Head of Krungsri Auto Finance and Accounting - Sourcing Section, Controllershship Department Vice President, Finance and Accounting - Sourcing Assistant Vice President, Finance and Accounting Division – Sourcing	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
66. Miss Chanida Kwansanertthechin Age 47 years - Vice President, Head of Krungsri Auto Tax Controllershship Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Taxation, University of the Thai Chamber of Commerce - Bachelor of Finance and Accounting, University of the Thai Chamber of Commerce - Tax Auditor	Jan 1, 2017 – Present Oct 1, 2014 – Dec 31, 2016 <u>Other Companies/ Organizations</u> Feb 2007 – Sep 30, 2014	Vice President, Head of Krungsri Auto Tax Controllershship Section Vice President, Head of Krungsri Auto Finance and Accounting – Tax Controller Section Vice President, Finance and Accounting – Tax Controller Unit, Auto Business	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
67. Miss Chavakorn Chavalardpanyakul Age 42 years - Vice President, Head of Krungsri Auto Financial Planning and Analysis - Product Section, Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Finance) College of Management, Mahidol University - Bachelor of Administration Management (Accounting) Ramkhamhaeng University	Jan 1, 2017 – Present Mar 1, 2016 – Dec 31, 2016 Oct 1, 2014 – Feb 29, 2016	Vice President, Head of Krungsri Auto Financial Planning and Analysis – Product Section, Krungsri Auto Financial Planning and Analysis Department Vice President, Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department First Assistant Vice President, Krungsri Auto Finance and Accounting - Financial Planning and Product Analysis Department	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
67. Miss Chavakorn Chavalardpanyakul (Cont')		<u>Other Companies/ Organizations</u> Mar 1, 2012 – Sep 30, 2014 Mar 1, 2008 – Feb 28, 2012	Assistant Vice President Finance & Accounting - Financial Planning and Product Analysis Department Manager	Ayudhya Capital Auto Lease PCL
68. Miss Sujinda Ninatkiattikul Age 39 years - Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Industrial Engineering, Faculty of Engineering, Chulalongkorn University	Jan 1, 2017 – Present Oct 1, 2015 – Dec 31, 2016 Jun 1, 2011 – Sep 30, 2015	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department First Assistant Vice President, Krungsri Auto Quality and CE Strategy	Bank of Ayudhya PCL

Remark: ^{1/} Including spouse and minor child.

● Newly Appointed Executives after December 31, 2017 in the total of 3 persons are as follows:

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Yoshio Ueyama Age 45 years - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Hitotsubashi University, Japan	Jan 3, 2018 – Present Nov 6, 2017 – Present <u>Other Companies/ Organizations</u> Oct 2015 – Nov 2017 Oct 2011 – Oct 2015	Chief Credit Officer Executive Vice President Chief Manager, Head of Country Credit Team, Department No. 3, International Credit Division Senior Manager, Country Credit Team, Department No. 3, International Credit Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)
2. Mr. Piti Krasaesian Age 50 years - Deputy Chief Credit Officer (Jan 1, 2018) - Executive Vice President (May 1, 2016) % Shareholding ^{1/} 0.0001% (7,924 shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Xavier University - Bachelor of Business Administration (Marketing), Chulalongkorn University	Jan 1, 2018 – Present May 1, 2016 – Present May 1, 2016 – Dec 31, 2017 <u>Other Listed Companies</u> Jan 1, 2013 – Aug 31, 2014 Jan 1 – Dec 31, 2012	Deputy Chief Credit Officer Executive Vice President Head of Commercial Credit Analysis Division Commercial Banking Head of Business Banking – Upcountry Executive Vice President Head of Lending & Structured Products Executive Vice President	Bank of Ayudhya PCL TMB Bank PCL
3. Miss Napaporn Teerakittiwattana Age 49 years - Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 8, 2018) - Acting Head of Profitability Management Section, Financial Group (Jan 8, 2018) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. Assumption University - Bachelor of Accounting, Thammasat University	Jan 8, 2018 – Present Jan 8, 2018 – Present <u>Other Companies/ Organizations</u> Oct 2012 – Dec 2017	Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group Acting Head of Profitability Management Section, Financial Group Senior Manager, Head of CB CIB and GM, Finance and Control	Bank of Ayudhya PCL Standard Chartered Bank (Thai) PCL

Remark: ^{1/} Including spouse and minor child.

- **Additional Executives as defined by Krungsri effective as of January 16, 2018 in the total of 4 persons are as follows:**

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Chatchawan Permsukjarusap Age 37 years - Senior Vice President, Office of the President and CEO (Oct 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Engineering, University of Technology, Sydney - Bachelor of Engineering, Thammasat University	Oct 1, 2016 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jan 1 – Sep 30, 2016	Senior Vice President, Vientiane Branch, International Banking Department	
		Nov 1, 2014 – Dec 31, 2015	Senior Vice President, Vientiane Branch, International Business Development Department	
		Oct 1, 2013 – Oct 31, 2014	Senior Vice President, International Business Division	
		<u>Other Companies/ Organizations</u> Nov 1, 2016 – Present Oct 1, 2015 – Present	Managing Director Director (Authorized Signatory)	Krungsri Leasing Service Co., Ltd.
2. Mr. Sam Tanskul Age 37 years - Senior Vice President, Head of FinTech/Startup Section, Innovation Department (Apr 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Economics in Finance and Management, University of Bristol, UK - Bachelor of Business Administration in Banking and Finance, (Cum-Laude Honors), Assumption University - Academy of Business Creativity, Sripatum University	Apr 1, 2017 – Present	Senior Vice President, Head of FinTech/Startup Section, Innovation Department	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Apr 1, 2017 – Present	Senior Vice President, Head of Innovation & Fintech Department	Ayudhya Capital Services Co., Ltd.
		Apr 1, 2017 – Present	Managing Director	Krungsri Innovate Co., Ltd.
		Mar 27, 2017 – Present	Director (Authorized Signatory)	
		Apr 17, 2005 – Mar 31, 2017	Senior Vice President	Krungsri Ayudhya Card Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
3. Mr. Okart Supamornpun Age 47 years - Senior Vice President, Office of the President and CEO (Oct 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - Bachelor of Business Administration, Assumption University	Oct 1, 2017 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Oct 1, 2017 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Oct 1, 2017 – Present	Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Deputy Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Chief of Finance and Operation Officer	
		Jun – Oct 2013	Managing Director	Master Car Rental Co., Ltd.
4. Mr. Siriyot Pronanunt Age 43 years - Senior Vice President, Office of the President and CEO (Sep 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- LL.M., Case Western Reserve University, School of Law, USA - Bachelor of Laws, Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Feb 2010 – May 2013	Vice President, Business Strategy and Marketing	Kasikorn Factory and Equipment Co., Ltd.
		Sep 1, 2016 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1 – Aug 31, 2016	Senior Vice President, Head of Transactional Legal – Retail and Consumer Department	
		Mar 1, 2012 – Apr 30, 2016	Senior Vice President and Section Manager, Special Project Section	
		<u>Other Companies/ Organizations</u> 2009 – Present	Director	Ngern Tid Lor Co., Ltd.
		Sep 1, 2016 – Present	Head of Legal & Compliance Department	Ayudhya Capital Auto Lease PCL

Remark: ^{1/} Including spouse and minor child.

• **Corporate Secretary**

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mrs. Thidarat Sethavaravichit Age 48 years - Senior Vice President, Head of Corporate Secretariat Department (Jul 1, 2010) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) - Secretary to the Executive Committee (Jul 1, 2008) % Shareholding^{1/} 0.0000% (1,000 shares) Family Relationship with Directors and Executives -None-	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class “Corporate Governance and Director Duties Excellence 2017”, Singapore - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP), Year 2002 • Board Reporting Program (BRP), Year 2009 • Director Certification Program (DCP), Year 2012 • Corporate Governance for Executives (CGE), Year 2014	Jul 1, 2010 – Present Jul 1, 2008 – Present Jul 1, 2008 – Present Nov 2008 – Dec 2017	Senior Vice President, Head of Corporate Secretariat Department Corporate Secretary and Secretary to the Board of Directors Secretary to the Executive Committee Ombudsperson	Bank of Ayudhya PCL

Remark: ^{1/} Including spouse and minor child.

Roles and Responsibilities of the Corporate Secretary

1. Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;
2. Ensure that various activities of the Board of Directors are in compliance with relevant laws, rules and regulations;
3. Organize meetings of shareholders and Board of Directors, prepare minutes of those meetings in compliance with laws and the regulations and follow up matters arising from the meetings' resolutions;
4. Provide the Board of Directors with advice on relevant legal issues and the regulations to be aware of in performing their duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate with the secretaries to the Committees being appointed by the Board of Directors.

(2) Directors, Executives and Persons with Managerial Authority who hold the offices in the subsidiaries and related companies

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
1. Mr. Veraphan Teepsuwan	A1																					A1		A2							
2. Mr. Takayoshi Futae	A2																								C	A3					
3. Mr. Takeshi Ogasawara	A3																								D						
4. Mr. Hirotake Taguchi	A3																								C		C				
5. Miss Nopporn Tirawattanagool	A3																					A3	A3					A3			
6. Mr. Karun Kittisataporn	A4																														
7. Miss Potjaneer Thanavaranit	A4																														
8. Mr. Virat Phairatphiboon	A4																														
9. Mr. Phong-adul Kristnaraj	A4																														
10. Mr. Noriaki Goto	B																														
11. Mr. Pornsanong Tuchinda	A3 C																														
12. Miss Duangdao Wongpanitkrit	A3 C	A3			A3				A3		A3																				
13. Mr. Sudargo (Dan) Harsono	C	A1					A1		A1			A1	A1	A1					A1										A3		
14. Mr. Masaaki Suzuki	C																														
15. Mrs. Voranuch Dejakaisaya	C							A3			A3	A3				A3															
16. Miss Phawana Niemloy	C																														
17. Miss Puntipa Hannoraseth	C																														
18. Mr. Chandrashekar Subramanian Krishoolndmangalam	C	A3	A1	A3	A3	A3			A3																						

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
19. Mr. Rohit Khanna	C	A3									A3				A1																
20. Mr. Tak Bunnag	C																														
21. Mr. Sayam Prasitsirigul	C			A1	A1																										
22. Mr. Phonganant Thanattrai	C									A3		A3				A3															
23. Mr. Pairote Cheunkrut	C					A1								A3																	
24. Mr. Thakorn Piyapan	C						A1	A1		A1	A1					A1			A3												
25. Mr. Wittapon Jawjit	C										A3																				
26. Mr. Nuttawit Boonyawat	C D																								A3					A3	
27. Mr. Yoichiro Tsukamoto	C																														
28. Mr. Kazuhiro Sudo	C					A3																									
29. Mr. Tsutomu Kamagata	C					A3	A3	A3	A3	A3			A3			A3															
30. Mr. Kenji Fukaya	C																														
31. Mr. Suratun Kongton	C						A3					A3																			A3
32. Mr. Dharittee Kritsernvong	C																														
33. Mrs. Katchariya Chongpaisansakul	C																														
34. Mr. Wirote Chuenratanakul	C																														
35. Mr. Yuzo Nakada	C																														
36. Mr. Hironori Okada	C		A3																												
37. Mr. Takehiko Iwamoto	C																														
38. Miss Suwanna Jakraworavudh	C							C																							

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
39. Mr. Udomkarn Udomsab	C											B																			
40. Mrs. Kittiya Srisanit	C					B			A3					A3																	
41. Miss Siriporn Sinacharoen	C												B																		
42. Mr. Somwang Toraktrakul	C									B																			A3		
43. Mr. Congsin Congcar	C								A3																						
44. Miss Pisara Pattanasiri	C		A3												A3																
45. Mr. Kriangsak Jongsukkigparnich	C			A3																											
46. Miss Jiraporn Popairoj	C																														
47. Mrs. Varabhorn Achakornlak	C																														
48. Miss Pornnapa Patarasatienkul	C																														
49. Mrs. Akanit Mattison	C																														
50. Mr. Khomson Adunwitthayakorn	C																														
51. Mr. Jamorn Phianphrom	C																														
52. Mrs. Orawan Julapol	C																														
53. Miss Sukanda Thawilwang	C																														
54. Miss Wimol Sivarorosakul	C																														
55. Mr. Montien Jangsutimon	C																														
56. Mr. Shoji Oishi	C																														
57. Mr. Vatchara Pumnoi	C																														
58. Mr. Teerasak Nimnaparaj	C																														

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
59. Miss Soamkulaya Pinkayan	C																														
60. Miss Siriporn Sribooncharoen	C																														
61. Mrs. Samanporn Chantanahom	C																														
62. Mrs. Kamoltip Jittimaporn	C																														
63. Miss Rattaporn Pornprasit	C																														
64. Miss Benjawan Surachutikarn	C																														
65. Mrs. Anantaya Padanupong	C																														
66. Mr. Takashi Kanai	C																														
67. Miss Thatsaphin Cholsuwat	C																														
68. Miss Sunan Pimsawang	C																														
69. Miss Pornpip Undamrongkarn	C																														
70. Miss Thitiporn Kittipiyakul	C																														
71. Mr. Vichai Kolsonvoravattanakul	C																														
72. Mrs. Suchavalee Srisarakorn	C				C																										
73. Mr. Suwit Eurpiyachart	C												C																		
74. Miss Ananya Nopkhun	C																														
75. Mr. Suphawut Kitkuakosol	C																														
76. Mrs. Tatsawan Dumrisomkul	C																														
77. Miss Thanawan Santananont	C																														
78. Miss Chanida Kwansanerthechin	C																														

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
79. Miss Chavakorn Chavalerdpanyakul	C																														
80. Miss Sujinda Ninatkiattikul	C																														

Newly Appointed Executives as defined by the Capital Market Supervisory Board and Krungsri after December 31, 2017

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
1. Mr. Yoshio Ueyama	C																														
2. Mr. Piti Krasaesian	C																														
3. Miss Napaporn Teerakittiwattana	C																														

Additional executives as defined by Krungsri to be the executives under the definition of the Capital Market Supervisory Board and Krungsri, effective from January 16, 2018

List of Companies List of Name	Krungsri	Subsidiaries																				Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	1	2	3	4	5	6	7-30	31-32	33-37	38
1. Mr. Okart Supamornpun	C				B																										
2. Mr. Sam Tanskul	C							C			B																				
3. Mr. Chatchawan Permsukjarusap	C													B																	
4. Mr. Siriyot Pronanunt	C					C			A3																						

The last updated profiles of the Board of Directors and Executives are detailed in Attachment 1 (1).

- A1 = Chairman
A2 = Vice-Chairman
A3 = Director
A4 = Independent Director
B = President and Chief Executive Officer / Managing Director
C = Executive
D = Advisor

Subsidiaries

1. Hattha Kaksekar Limited
2. Krungsri Ayudhya AMC Ltd.
3. Krungsri Factoring Co., Ltd.
4. Ayudhya Development Leasing Co., Ltd.
5. Ayudhya Capital Auto Lease PCL
6. General Card Services Ltd.
7. Ayudhya Capital Services Co., Ltd.
8. Ngern Tid Lor Co., Ltd.
9. Krungsriayudhya Card Co., Ltd.
10. Krungsri Finnovate Co., Ltd.
11. Krungsri Securities PCL
12. Krungsri Asset Management Co., Ltd.
13. Krungsri Leasing Services Co., Ltd.
14. Siam Realty and Services Security Co., Ltd.
15. Total Services Solutions PCL
16. Krungsri Life Assurance Broker Ltd.
17. Krungsri General Insurance Broker Ltd.
18. Tesco Card Services Ltd.
19. Tesco Life Assurance Broker Ltd.
20. Tesco General Insurance Broker Ltd.

Related Companies

1. Sri Ayudhya Capital PCL
2. Siam City Cement PCL
3. Eastern Star Real Estate PCL
4. The Bank of Tokyo - Mitsubishi UFJ, Ltd. (Tokyo, Japan)
5. Security Bank Corporation, Makati, Philippines
6. Mitsubishi UFJ Financial Group, Inc.
7. Grand Canal Land PCL
8. Srivichaivejvivat PCL
9. BBTv Asset Management Co., Ltd.
10. CKS Holdings Co., Ltd.
11. Super Assets Co., Ltd.
12. C.K.R Co., Ltd.
13. The Bangkok Lighters Co., Ltd.
14. The Thai Tapioca Flour Produce Co., Ltd.
15. Cyber Venture Co., Ltd.
16. Khao Kheow Country Club Co., Ltd.
17. Siam Purimongkol Co., Ltd.
18. Grand Fortune Co., Ltd.
19. Bangkok Broadcasting & TV Co., Ltd.
20. BBTv Satelvision Co., Ltd.
21. GL Asset Co., Ltd.
22. Mahakij Holdings Co., Ltd.
23. BBTv Productions Co., Ltd.
24. BBTv Alliance Ltd.
25. BBTv Bond Street Building Ltd.
26. ITBC Business Consultant Group Co., Ltd.
27. Exclusive Senior Care International Co., Ltd.
28. BBTv International Holdings Co., Ltd.
29. Sunrise Equity Co., Ltd.
30. BBTv Equity Co., Ltd.
31. Dan Siam Co., Ltd.
32. Sam Siam Co., Ltd.
33. Matching Maximize Solution PCL
34. Home Sukhumvit Co., Ltd.
35. TV Digital HR Co., Ltd.
36. Grand Larn Luang Co., Ltd.
37. K.S. Fortune Co., Ltd.
38. Tum Tum Pai Co., Ltd.



Bank of Ayudhya Public Company Limited

Attachment 2

Details of Subsidiaries' Directors

Details of Subsidiaries' Directors

Krungsri has 17 subsidiaries. 16 companies do not have a significant implication because their revenues are not more than 10 percent of the total revenue shown in the consolidated Profit & Loss Statement of the latest fiscal year. Therefore, no list of directors of those companies shall be disclosed. However, one of these companies, Ayudhya Capital Services Co., Ltd., has a significant implication because its revenues are more than 10 percent of the total revenue shown in the consolidated Profit & Loss Statement of the latest fiscal year. The list of directors of its company and its positions in others subsidiaries are as follows:

Subsidiaries Directors	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
1. Mr. Thakorn Piyapan						x	x		x	x					x		
2. Ms. Nayanee Peaugkham							/						/				
3. Mr. Piyasak Ukritnukun	/				/		/	/									
4. Ms. Montira Arayangkoon							/										
5. Ms. Voranuch Dejakaisaya							/			/	/				/		
6. Mr. Tsutomu Kamagata					/	/	/	/	/			/			/		
7. Mr. Congsin Congcar							/										

Remarks: X = Chairman / = Director

Subsidiaries

1 = Hattha Kaksekar Limited

2 = Krungsri Ayudhya AMC Ltd.

3 = Krungsri Factoring Co., Ltd.

4 = Ayudhya Development Leasing Co., Ltd.

5 = Ayudhya Capital Auto Lease PCL

6 = General Card Services Ltd.

7 = Ayudhya Capital Services Co., Ltd.

8 = Ngern Tid Lor Co., Ltd.

9 = Krungsriayudhya Card Co., Ltd.

10 = Krungsri Finnovate Co., Ltd.

11 = Krungsri Securities PCL

12 = Krungsri Asset Management Co., Ltd.

13 = Krungsri Leasing Services Co., Ltd.

14 = Siam Realty and Services Security Co., Ltd.

15 = Total Services Solutions PCL

16 = Krungsri Life Assurance Broker Ltd.

17 = Krungsri General Insurance Broker Ltd.



Bank of Ayudhya Public Company Limited

Attachment 3

Details of Head of Internal Audit Function and Head of Compliance Function

Details of Head of Internal Audit Function and Head of Compliance Function

Head of Internal Audit Function

At present, Internal Audit Function is headed by Ms. Puntipa Hannoraseth, First Executive Vice President and Head of Internal Audit Group.

Academic degrees and certificates:

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (1st Class Honors), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Certified Internal Auditor (CIA), and
- Advanced Audit Committee Program Certificate

Relevant work experiences:

• Jan 2018 – Present	Head of Internal Audit Group	Bank of Ayudhya PCL
• Apr 2013 – Present	First Executive Vice President	
• Sep 2010 – Present, and Jan – Sep 2009	Secretary to the Audit Committee	
• Apr 2009 – Dec 2017	Head of Audit Group	
• Nov 2009 – Mar 2013	Executive Vice President	
• Apr – Sep 2009	Acting Manager, Audit Department	
• Jan – Apr 2009	Senior Vice President and Manager, Audit Department	
• 2007 – Dec 2008	Senior Vice President, Audit Department	

Certificate of training and seminar, Thai Institute of Directors Association (IOD)

- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR) Year 2010
- Company Secretary Program (CSP) Year 2009

Remark: Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

Head of Compliance Function

At present, Compliance Function is headed by Mr. Saengchart Wanichwatphibun, Chief Compliance Officer

Academic degrees and certificates:

- Master in Marketing (MIM8), Thammasat University
- Master of Applied Finance, Monash University, Melbourne, Australia
- Bachelor of Science, Business Administration, Option in Accounting, California State University of Los Angeles, USA

Relevant work experiences:

• Jul 2015 – Present	Chief Compliance Officer	Bank of Ayudhya PCL
• 2015 – Present	Risk and Compliance Committee Secretary Fraud Management Committee Member Data Governance Committee Member	
• 2007 – Present	Compliance Committee Member and Secretary Risk Management Committee Member	
• Aug 2007 – Jun 2015	Executive Vice President, Compliance Division	
• Nov 2008 – Aug 2015	Director	Siam Realty and Services Security Co., Ltd.
• May 2013 – Jul 2014	Director	Krungsri Asset Management Co., Ltd.
• Feb 2006 – Jul 2007	Head of Compliance	BNP Paribas
• Sep 2005 – Jan 2006	Assistant Vice President (Compliance)	GE Money Retail Bank
• Sep 1996 – Aug 2005	Senior Analyst	Bank of Thailand
• Jan 1995 – Aug 1996	Credit Officer	The Sakura Bank

Certificate of training and seminar, Thai Institute of Directors Association (IOD)

- Advanced Audit Committee Program (AACP) Year 2014
- Anti-Corruption for Executive Program (ACEP) Year 2013
- Director Accreditation Program (DAP) Year 2010

Training

- Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association, Year 2017
- Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association, Year 2015
- Future Leader for Future Business for EVP by Assumption University (ABAC), Year 2014
- Training Course for Head of Compliance (class 1) by The Securities and Exchange Commission (SEC) and Thai Banker Association (TBA), Year 2013
- Certified Compliance Officer by American Academy of Financial Management (AAFM), Year 2008

Duties and Responsibilities

- Oversee compliance related tasks, inclusive of Compliance Annual Plan, by means of implementing preventive and monitoring measures to ensure compliance within the realm of regulatory and internal compliance requirements.
- Assume the roles of member and Secretary to the Compliance Committee and Secretary to the Risk and Compliance Committee.



Bank of Ayudhya Public Company Limited

Attachment 4

Details of Appraised Value of Assets

Details of Appraised Value of Assets

-None-



Bank of Ayudhya Public Company Limited

Appendix

Report of the Audit Committee

Report of the Audit Committee

To: Shareholders
Bank of Ayudhya Public Company Limited

The Audit Committee of the Bank of Ayudhya Public Company Limited comprises 3 independent directors, who have sufficient knowledge and experience to reliably review the financial statement. The members of the Audit Committee are:

1. Ms. Potjanee Thanavarani	Chairman of the Audit Committee
2. Mr. Virat Phairatphiboon	Audit Committee Member
3. Mr. Phong-adul Kristnaraj	Audit Committee Member

Ms. Puntipa Hannoraseth, Head of Audit Group, serves as Secretary to the Audit Committee.

The Audit Committee performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors. In 2017, the Audit Committee held a total of 23 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee met with the external auditor for 2 meetings without participation of the management, and reported the results of each meeting to the Board of Directors for acknowledgement. The details of actions taken by the Audit Committee can be summarized as follows:

- **Financial reports**

The Audit Committee reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the Accounting Division to consider financial statements to ensure that financial reports of the Bank and its subsidiaries and any disclosed documents relating to the Bank's financial performance are accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and comply with accounting standards, practices, and the requirements of the Bank of Thailand and the Securities and Exchange Commission. The Audit Committee also held special meetings with the external auditor without participation of the management to enquire about independence in performing their duties and

expressing opinions, cooperation obtained from the Bank as well as issues that may result in significant loss or fraud. In 2017, the auditors did not have any material findings or reports of any suspicious behavior.

The Audit Committee has reviewed the financial statements of Bank of Ayudhya Public Company Limited and the consolidated financial statements for the year ended December 31, 2017 and is of the opinion that these financial statements are in accordance with Thai Financial Reporting Standards and with appropriate accuracy in significant essence and sufficient disclosure of information. The external auditor has expressed an opinion thereon as presented in their report to the Board of Directors and to shareholders. Also, the external auditor performed their duties and expressed their opinions independently.

- **Internal control system and internal audit**

The Audit Committee reviewed effectiveness and adequacy of internal control system by considering internal audit results of the Bank and the companies in the financial business group (the Bank and its group companies), internal control adequacy assessment result by using the internal control assessment form developed by the Securities and Exchange Commission under the concept of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), summary of fraud investigation reports as well as reviewing and monitoring of the Bank's and the group companies' findings identified by the regulatory authorities as well as the external auditor to consider the adequacy, appropriateness and effectiveness of the internal control system of the Bank and its group companies and ensure that root causes were determined, rectification actions and preventive measures were appropriately undertaken. The Bank has established the Internal Control over Financial Reporting process in order to ensure that internal controls and financial reporting preparation process were designed and implemented effectively.

For internal audit activities, the Audit committee considered the independence and adequacy of internal audit resources, considered and endorsed the revision of the Charter and the Audit Policy of the Audit Group before submission to the Board of Directors. It also approved Audit Group's mid-term business plan, staff development and training plan, and audit plans as well as revised audit plan, monitored monthly auditing activities, and regularly provided recommendations to the Audit Group.

The Audit Committee consented to the annual credit review plan prior to submission to the Board of Directors, considered credit review results and a follow-up on corrective actions undertaken by departments concerned. In this regard, the Audit Committee also enquired about findings identified from the review to ensure that the credit granting processes of the Bank and its group companies are appropriate.

The Audit Committee is of the opinion that internal control and internal audit systems of the Bank and its group companies are sufficient, appropriate, and continuously developed. Also, the Audit Committee is of the opinion that the Head of Audit Group has adequate and appropriate educational background, work experience, training to carry out its duties. An annual performance evaluation of the Head of Audit Group was considered.

- **Related party transactions or transactions that may create conflicts of interest**

The Audit Committee considered related party transactions or transactions that may create conflicts of interest to ensure that they are conducted on an arm's length basis and that relevant information is adequately and transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits, before submission to the Board of Directors.

The Audit Committee is of the opinion that related party transactions or transactions that may create conflicts of interest are rational and represent normal business undertakings.

- **Good governance**

The Audit Committee received complaint and acknowledged the result of complaint resolution from the responsible department.

The Audit Committee is of the opinion that complaint resolution management has been appropriately and transparently conducted.

- **Risk management**

The Audit Committee considered minutes of the Risk and Compliance Committee and minutes of the Risk Management Committee meetings regarding control, supervision, assessment, monitoring and management of the overall risks of the Bank.

The Audit Committee is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

- **Compliance with regulatory requirements**

The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business as well as the Bank's policies and procedures by considering results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Audit Group, the Bank of Thailand, and external auditor on a regular basis.

The Audit Committee is of the opinion that the Bank and its group companies have supervised and examined operations of its business units to ascertain that every business unit operates properly and is in compliance with relevant requirements and regulations.

- **External auditor**

The Audit Committee considered, selected and nominated the external auditor of the Bank and its group companies by taking into consideration the qualifications specified by the Bank of Thailand, the Securities and Exchange Commission, and the Stock Exchange of Thailand, whereby such auditor does not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and does not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered appropriateness of audit fee. In addition, the Audit Committee prudently considered the independence of external auditor in providing non-audit services.

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the external auditors of the Bank and its group companies for 2017, and has also considered audit fee as deemed appropriate. In this regard, the shareholders' meeting has already granted approval on auditor and the audit fee.

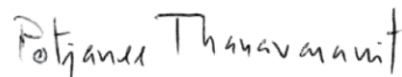
- Others

The Audit Committee Charter was reviewed and updated to be clearer and more comprehensive.

The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2017, the overall assessment result was excellent.

The Audit Committee performed its duties as specified in its Charter. Its performance adhered to prudence, independence, and transparency, provide constructive comments and recommendations for the equal benefit of stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statement of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has monitored changes so that it is well prepared to face potential risks that may arise in the future.



(Ms. Potjanee Thanavaranit)

Chairman of the Audit Committee