



A member of  MUFG
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 2016

As of December 31, 2016

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Bank of Ayudhya Public Company Limited

Part 1

Business Operation

1. Business Operation Policy and Outlook

Bank of Ayudhya Public Company Limited (“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 financial group and one of the world’s largest financial groups.

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

Throughout 2016 we made considerable progress in delivering our strategic priorities including progress on our Mid-Term Business Plan, synergy with MUFG, and regional expansion. In addition, as banking becomes more digitized, shaping the banking business landscape going forward, in 2016 Krungsri established the e-Business Division which will transform into the Digital Banking and Innovation Division in 2017.

Mission Vision and Core Values for Year 2016

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

During 2014, Krungsri created its first Mid-Term Business Plan – a strategic framework to guide Krungsri's business operations over the period between 2015 and 2017.

Our aspiration "To be a top-tier financial group in Thailand" is aligned with MUFG's vision to "Be the world's most trusted financial group". The plan includes strategies and initiatives to turn this aspiration into reality, and was created following the assessment of global and domestic developments, regulatory trends, and growth opportunity trends while accounting for their possible impact on Krungsri. The plan serves as the roadmap towards our goal while assuring group-wide alignment.

Key Strategic Themes

Our plan identified three key strategic themes:

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 the Krungsri Group. Therefore, in addition to the three business-related key strategic themes, we have 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.

These Key Strategic Themes will be the center of our business strategy, going forward.

Core Business Strategies & Management Platform Strategies

Under these Key Strategic Themes, we have identified 9 Core Business Strategies and 5 Management Platform Strategies as follows:

Core Business Strategies

1. Maintain Leading Position in Consumer/Auto Hire Purchase
2. Become a Tier 1 Mortgage Player
3. Core Banking Strategy
4. Enhance 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

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. Enhance OneKrungsri HR Platform

To carry out these strategies, each business unit established targets and plans to help transform their efforts into tangible results. Details of these targets and plans vary with each business unit, while we strive for alignment across the Group.

Mid-Term Business Plan Progress

We run our PDCA (Plan-Do-Check-Action) cycle against these strategies and initiatives under the Mid-Term Business Plan to confirm that we are in line with the plan, and we consider adjustments and take action based on our progress and market conditions. 2016 saw a challenging environment for the banking industry, but we believe we have navigated our organization successfully through this. We were able to achieve significant progress on each initiative as reflected in our financial performance. 2017 will be the third and last year of our first Mid-Term Business Plan. We will continue our efforts to assure further progress on our strategies and initiatives while also formulating our mid-term plan for 2018–2020 to continuously meet the expectations of our various stakeholders.

Customer Centricity – Collaboration for Customers

Our Mid-Term Business Plan includes some transformative initiatives, but customers will always remain at the center of our business strategy and initiatives – Customer Centricity. We collaborate for our customers as OneKrungsri, which entails collaboration not only among front, middle, and back offices, but also between branches and Group subsidiaries. We also strive to combine the OneKrungsri and Make Life Simple philosophies to deliver integrated financial solutions that best match the needs of our customers.

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, 2016, the Bank had a total registered capital of THB 75,741 million and paid-up capital of THB 73,558 million.

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% 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 foundation. 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% 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 amounting to 25.33% 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% 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%. 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% 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

2014: Significant events of Krungsri can be summarized as follows:

- On October 1, 2014, Krungsri established Krungsri Auto Group by acquiring 1,250 employees from Ayudhya Capital Auto Lease PCL (“AYCAL”) to be under this Group, which enables us to enhance the competitiveness in providing more extensive range of financial services and products to all customer groups: retail customers, SME dealers, and corporate clients who would gain the maximum benefit from the comprehensive and seamless services offered by Krungsri in accordance with the philosophy and the spirit of OneKrungsri, as Krungsri derives greater synergies between Krungsri and BTMU.
- On November 3, 2014, AYCAL and Ayudhya Capital Services Co., Ltd. (“AYCAP”), the subsidiaries with 100% of all issued shares wholly owned by Krungsri, invested in Krungsri Leasing Services Co., Ltd. (“KLS”) in Loa PDR, operating the hire purchase, leasing and sales finance businesses with the total investment value of USD 2,100,000 under the following proportion:

<u>Company</u>	<u>Total Investment</u>	<u>Percent</u>
AYCAL	USD 1,050,000	35
AYCAP	USD 1,050,000	35

Therefore, KLS is considered as Krungsri’s subsidiary.

- On November 20, 2014, Ayudhya Total Solutions PCL (“AYTS”), one of Krungsri’s subsidiaries already completed the registration of liquidation with the Department of Business Development, Ministry of Commerce and the Bank of Thailand was completely informed thereof.

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% 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 in the country. 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% 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 Ngen Tid Lor Co., Ltd., with the same servicemark, tradename, product name and operations under brand “Srisawad Ngen Tid Lor” or “Ngen 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%) 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.

- On September 13, 2016, Krungsri completed the acquisition of all issued shares (100%) 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.

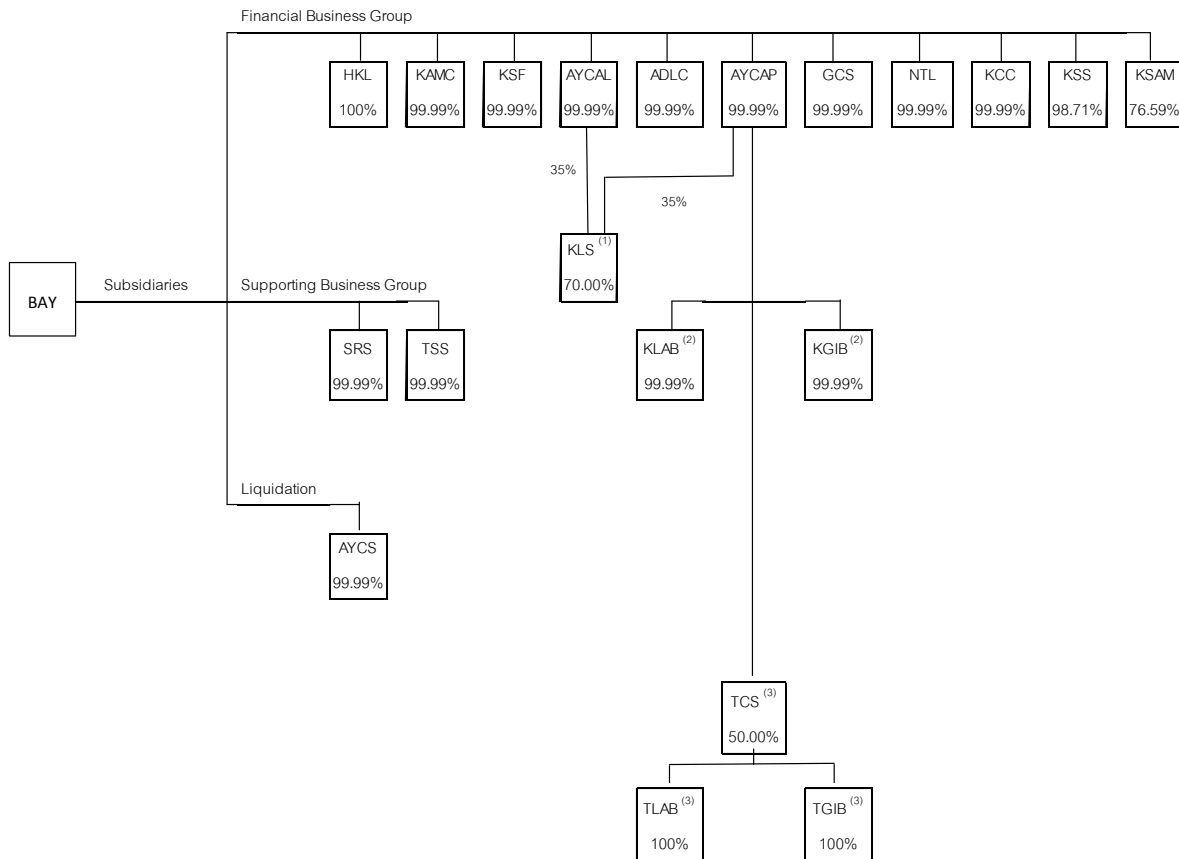
- On September 28, 2016, the Board of Directors Meeting No.9/2559 (2016) passed the resolution to increase additional USD 6 million paid-up capital of KLS via AYCAL for expanding the business. As the result of the capital increase, the investment in KLS will be changed to the following proportion:

<u>Company</u>	<u>Total Investment</u>	<u>Percent</u>
AYCAL	USD 7,050,000	78.33
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% of all issued shares.

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.

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.

AYCS = Ayudhya Card Services Co., 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 70.00% shares via AYCAL at 35% and AYCAP at 35%.

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

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

Shareholding and Business Operations of Companies in the Krungsri Group

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, 2016 is as follows:

Company Name	Type of Business	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Krungsri's shareholding (%)
Subsidiaries				
Financial Business Group				
1. Hattha Kaksekar Limited	Microfinance Deposit Taking Institution (MDI)	237.3	237.3	100.00
2. Krungsri Ayudhya AMC Ltd.	Purchase or accept the transfer of impaired assets (NPL and NPA) 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
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 Securities PCL	Securities business	600.0	600.0	98.71
11. Krungsri Asset Management Co., Ltd.	Asset management	350.0	350.0	76.59

Company Name	Type of Business	Registered Capital (THB Million)	Paid-up Capital (THB Million)	Krungsri's shareholding (%)
12. Krungsri Leasing Services Co., Ltd. ^{1/}	Leasing/Hire purchase/Sales finance	92.77	92.77	70.00
Supporting Business				
13. Siam Realty and Services Security Co., Ltd. (Formerly Siam Realty and Services Co., Ltd.)	Provide car rental and human resource service to Krungsri and affiliated companies	100.0	100.0	99.99
14. Total Services Solutions PCL	Collection services	401.5	401.5	99.99
15. Krungsri Life Assurance Broker Ltd. ^{2/}	Life insurance broker	92.0	92.0	99.99
16. Krungsri General Insurance Broker Ltd. ^{2/}	Non-life insurance broker	92.0	92.0	99.99
Under Dissolution and Liquidation Process				
17. Ayudhya Card Services Co., Ltd.	Credit card and personal loan	180.0	180.0	99.99
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 Tesco Card Services Ltd. and Tesco Lotus stores customers.	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 70.00% shares via Ayudhya Capital Auto Lease PCL at 35% and Ayudhya Capital Services Co., Ltd. at 35%.

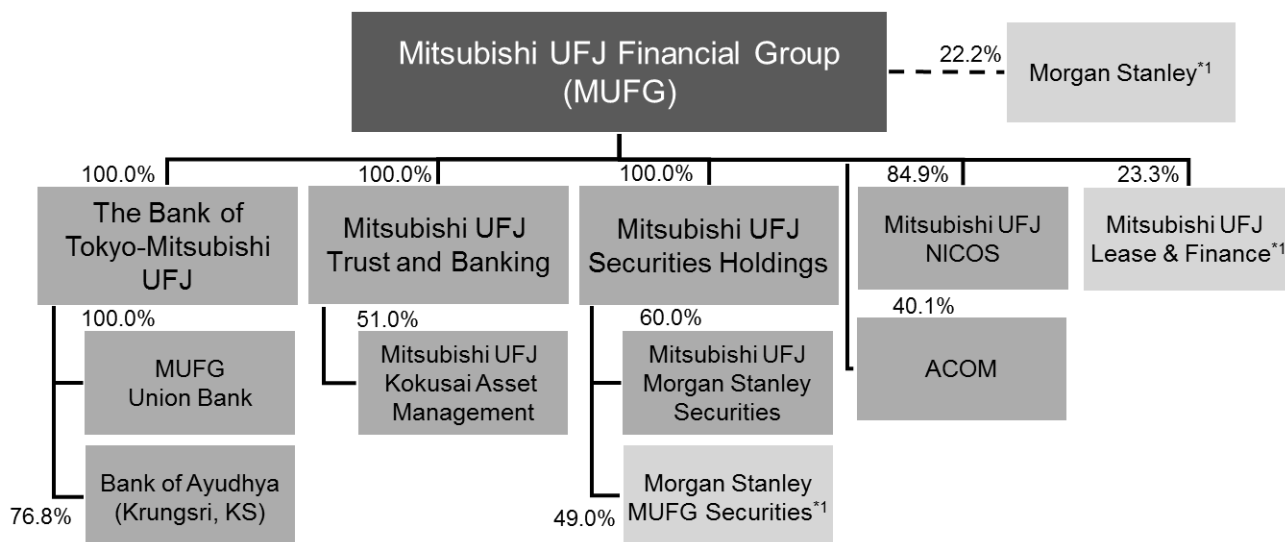
^{2/} Krungsri's subsidiary where we indirectly holds 99.99% shares in each company via Ayudhya Capital Services Co., Ltd.

^{3/} A subsidiary 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% 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, 2016, BTMU holds 76.88% 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 Equity method affiliates

Note: All percentage figures stand for voting right held at the end of March 2016.

2. Types of Business

Income Structure of Krungsri, Subsidiaries and Joint Ventures

For 2016 operating performance, Krungsri, subsidiaries and joint ventures had interest income and non-interest income at a ratio of 70.78% and 29.22%, respectively. Interest on loans constituted the largest proportion representing 46.53% of total income. Details are as follows:

Income Structure	(Unit: THB Million)					
	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
Interest Income						
Interest on loans	56,483	46.53	55,279	48.57	49,688	48.79
Interest on interbank and money market items	2,833	2.33	2,806	2.46	2,598	2.55
Hire purchase and financial lease income	24,322	20.03	21,313	18.73	20,193	19.83
Investments and trading transactions	139	0.12	87	0.08	174	0.17
Investments in debts securities	2,148	1.77	2,462	2.16	1,956	1.92
Total Interest Income	85,925	70.78	81,947	72.00	74,609	73.26
Non Interest Income						
Fees and service income	24,142	19.88	22,670	19.92	19,192	18.84
Gain on tradings and FX transactions	3,905	3.22	3,216	2.83	1,574	1.55
Gain on investments	599	0.49	409	0.36	1,237	1.21
Share of profit from investment for using equity method	348	0.29	358	0.31	159	0.16
Dividend income	161	0.13	171	0.15	240	0.23
Bad debts recoveries	4,711	3.88	3,042	2.67	3,054	3.00
Other income	1,611	1.33	1,997	1.76	1,782	1.75
Total Non Interest Income	35,477	29.22	31,863	28.00	27,238	26.74
Total Income	121,402	100.00	113,810	100.00	101,847	100.00

Krungsri, Subsidiaries, Associated Companies and Joint Ventures

(Unit: THB Million)

Income Structure	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
1. Bank of Ayudhya PCL^{1/}						
Total Interest Income	59,792	69.75	57,427	72.37	49,117	68.39
Total Non-Interest Income	25,930	30.25	21,923	27.63	22,705	31.61
Total	85,772	100.00	79,350	100.00	71,822	100.00
2. Krungsri Ayudhya AMC Ltd.						
Total Interest Income	103	22.69	98	22.07	124	12.04
Total Non-Interest Income	351	77.31	346	77.93	906	87.96
Total	454	100.00	444	100.00	1,030	100.00
3. Ayudhya Development Leasing Co., Ltd.						
Total Interest Income	281	86.73	345	73.25	496	91.68
Total Non-Interest Income	43	13.27	126	26.75	45	8.32
Total	324	100.00	471	100.00	541	100.00
4. Krungsri Factoring Co., Ltd.						
Total Interest Income	2	66.67	2	33.33	2	66.67
Total Non-Interest Income	1	33.33	4	66.67	1	33.33
Total	3	100.00	6	100.00	3	100.00
5. Ayudhya Capital Auto Lease PCL						
Total Interest Income	9,414	71.94	11,664	75.78	15,499	79.19
Total Non-Interest Income	3,672	28.06	3,728	24.22	4,072	20.81
Total	13,086	100.00	15,392	100.00	19,571	100.00
6. Ayudhya Capital Services Co., Ltd.						
Total Interest Income	8,895	64.99	8,191	65.38	7,557	62.27
Total Non-Interest Income	4,792	35.01	4,337	34.62	4,578	37.73
Total	13,687	100.00	12,528	100.00	12,135	100.00
7. General Card Services Ltd.						
Total Interest Income	2,273	59.64	2,193	60.87	2,101	62.62
Total Non-Interest Income	1,538	40.36	1,410	39.13	1,254	37.38
Total	3,811	100.00	3,603	100.00	3,355	100.00
8. Krungsriayudhya Card Co., Ltd.						
Total Interest Income	4,575	55.03	4,486	56.39	4,346	59.67
Total Non-Interest Income	3,739	44.97	3,469	43.61	2,937	40.33
Total	8,314	100.00	7,955	100.00	7,283	100.00

(Unit: THB Million)

Income Structure	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
9. Krungsri Securities PCL						
Total Interest Income	53	8.91	56	10.83	55	9.82
Total Non-Interest Income	542	91.09	461	89.17	505	90.18
Total	595	100.00	517	100.00	560	100.00
10. Siam Realty and Services Security Co., Ltd. (Formerly Siam Realty and Services Co., Ltd.)						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	595	100.00	579	100.00	563	100.00
Total	595	100.00	579	100.00	563	100.00
11. Krungsri Asset Management Co., Ltd.						
Total Interest Income	24	0.82	31	1.07	31	1.54
Total Non-Interest Income	2,887	99.18	2,874	98.93	1,985	98.46
Total	2,911	100.00	2,905	100.00	2,016	100.00
12. Total Services Solutions PCL						
Total Interest Income	19	1.49	10	0.82	15	1.28
Total Non-Interest Income	1,253	98.51	1,213	99.18	1,161	98.72
Total	1,272	100.00	1,223	100.00	1,176	100.00
13. Ngern Tid Lor Co., Ltd.						
Total Interest Income	3,827	80.20	3,025	78.19	2,499	78.86
Total Non-Interest Income	945	19.80	844	21.81	670	21.14
Total	4,772	100.00	3,869	100.00	3,169	100.00
14. Krungsri General Insurance Broker Ltd.						
Total Interest Income	13	2.59	7	1.38	13	0.42
Total Non-Interest Income	488	97.41	500	98.62	479	99.58
Total	501	100.00	507	100.00	481	100.00
15. Krungsri Life Assurance Broker Ltd.						
Total Interest Income	10	2.75	6	1.65	1	0.26
Total Non-Interest Income	354	97.25	358	98.35	381	99.74
Total	364	100.00	364	100.00	382	100.00
16. Tesco Card Services Ltd.						
Total Interest Income	2,518	53.78	2,226	55.18	2,347	60.01
Total Non-Interest Income	1,855	46.22	1,808	44.82	1,564	39.99
Total	4,013	100.00	4,034	100.00	3,911	100.00
17. Tesco General Insurance Broker Co., Ltd.^{2/}						
Total Interest Income	4	0.92	3	0.70	2	0.52
Total Non-Interest Income	431	99.08	428	99.30	382	99.48
Total	435	100.00	431	100.00	384	100.00

(Unit: THB Million)

Income Structure	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
18. Tesco Life Assurance Broker Ltd.^{2/}						
Total Interest Income	1	3.70	1	4.35	-	-
Total Non-Interest Income	26	96.30	22	95.65	57	100.00
Total	27	100.00	23	100.00	57	100.00
19. Krungsri Leasing Services Co., Ltd.^{3/}						
Total Interest Income	131	87.33	27	77.14	-	-
Total Non-Interest Income	19	12.67	8	22.86	-	-
Total	150	100.00	35	100.00	-	-
20. Hattha Kaksekar Limited						
Total Interest Income	901	96.88	-	-	-	-
Total Non-Interest Income	29	3.12	-	-	-	-
Total	930	100.00	-	-	-	-

Companies under Dissolution and Liquidation Process

(Unit: THB Million)

Income Structure	2016		2015		2014	
	Amount	%	Amount	%	Amount	%
1. Ayudhya Card Services Co., Ltd.						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

Remarks: Year 2016 data are unaudited financial statements.

Metro Designee Co., Ltd. completed liquidation and registered with the Ministry of Commerce on December 29, 2016

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

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

^{3/} Indirectly holding via Ayudhya Capital Auto Lease PCL of 35% and Ayudhya Capital Services Co., Ltd. of 35%.

Nature of the Business

Commercial Banking

Krungsri Commercial Banking serves large Thai corporates and SMEs in various industries. Our Commercial Banking comprises both Corporate and Investment Banking Group and SME Banking Group under the same umbrella, allowing us to better serve their businesses by employing our customer-centric approach.

In 2016, Krungsri Commercial Banking became more proficient in serving our customers' needs as we gained better insights into and a deeper understanding of our customers. Krungsri's aspiration to be the most trusted bank in the commercial market is embedded in our core strategies by offering our customers "Total Financial Solutions" and by supporting their business expansions through the synergy between Krungsri and MUFG, business advisory, business matching, and customer relationship management.

Furthermore, the strong collaborative framework between internal business units and across MUFG/BTMU allows us to anticipate our customers' needs and work with them to expand their onshore and offshore businesses.

Customer centricity is one of Krungsri's core values. Our aspiration to **provide "total financial solutions"** and **"business expansion opportunities"** for both corporates and SME is being achieved through various activities:

- **Knowledge seminar:** This event includes professional speakers from various fields and our MUFG partners from around the world providing knowledge and insights on issues that benefit our customers, for example, economic analysis and offshore business opportunities. In 2016, we organized the seminar:
 - **"Krungsri Business Talk: CLMV Opportunity"** for SME customers recognizing Krungsri's strong overseas network and partners who provided advice and financial support for CLMV business expansion.
 - Krungsri also broadened corporate and SME customer perspectives on Thailand and the global economic outlook by organizing a large business oriented seminar **"Krungsri Business Forum 2016: Thailand's Opportunities"**.
 - **"Krungsri Leadership Academy Wave 6"**, a training course tailored to help young business successors and new-generation leaders keep abreast of the highly competitive and volatile business environment in the digital age, was conducted to steer their businesses toward sustainable success. The program uses a holistic approach to teach with the combined knowledge and expertise of Krungsri, Assumption University (ABAC), and the National Institute of Development

Administration (NIDA). It also offers extensive networking along with opportunities to exchange business-related ideas and knowledge for customers.

- **Business matching:** Various business matching events were held exclusively for Krungsri's customers to create opportunities for SME to present their products and extend their channels to international markets. In addition to business matching events in Thailand, we also launched one in Lao PDR, "**Krungsri Business Journey: The Opportunity in Lao PDR**". This event resulted from studying customer needs and foreseeing ASEAN Economic Community (AEC) business expansion opportunities, then using the event to support Thai SME customers expanding into Lao PDR. The highlight of this business matching was giving buyers and sellers an upper hand when they conduct preliminary due diligence and negotiations directly while enhancing business partnership opportunities. Another large business-matching fair outside Japan held by BTMU was the "**Krungsri-MUFG Business Matching Fair 2016**". This business matching fair covered a wide range of industries, with numerous companies from Japan invited to meet Thai, Laos, and Vietnamese companies. We also continued to support our customers' business expansion online. Our online business matching allowed SME customers to connect with top retailers and trading companies such as Loxley Public Company Limited and CP All Public Company Limited.

2017 Commercial Banking Plan: The commercial banking priority will be to understand customer needs so that we can provide them with integrated solutions that best meet these needs, including onshore and offshore investment. With Krungsri's strength and the MUFG global network, our financial and non-financial services capability deliver solutions that best match customers' potential needs and help unlocking customers' opportunities. Furthermore, new products and services will continue to be developed to meet the changing business environment that is becoming more digitized. The Commercial Banking Group recognizes that the upcoming changes to the National e-Payment Master Plan will transform our customers' landscape for payment and collection. Nevertheless, this change will also give us opportunities to provide solutions that make life simpler for our corporate customers as they cope with the changing business environment.

We will continue to deepen these relationships and to cultivate strong teamwork between Krungsri and our customers as we believe in the power of collaboration towards common goals: business growth and opportunities. These synergies will help us achieve our goals as we aspire - to become the most trusted bank in the commercial banking business in the near future.

Corporate and Investment Banking Group

The Krungsri-MUFG synergy helps strengthen our business connections and makes global financial services available to customers in several areas such as offshore funding, project financing, and bridge-loan underwriting facilities. Krungsri also supports customers to expand their businesses into countries that are part of the MUFG global network and acts as a business partner. Following our remarkable success in supporting the Central Group to acquire 3 department stores in Germany in 2015, we also arranged the largest-ever asset acquisition for the Central Group to acquire Big C Vietnam. This acquisition was an important step in expanding the group's footprint in Asia and in becoming a leading multinational conglomerate. In addition, we supported Thai Union Group for international investment in US seafood restaurant chain Red Lobster which shall support the Group as global seafood business leader.

Domestically, despite gradual economic recovery, the Corporate and Investment Banking Group marked another successful year in alignment with our Mid-Term Business Plan. The Corporate Banking lending portfolios grew 8.0 percent in 2016 driven mainly by loan demand in transportation, retail, hospital, and construction materials. Krungsri's investment banking also provided advisory service for leading corporations in Thailand as well as various financial solutions, namely project finance, syndicated loans, debt market capital mobilization, and securitization.

SME Banking Group

Despite a challenging operating environment, our SME portfolio grew by 6.5 percent in 2016, underpinned by government policies such as the SME soft-loan program launched in July, with a 4.0 percent annual interest rate for seven years to be used for upgrading machines or renovating production facilities and large deals for medium-sized SME customers.

For smaller SME customers, our collaboration framework for branch managers, SME relationship managers, and Krungsri Exclusive relationship managers enabled them to effectively work together as one team, focusing on customer centricity. With this project rolling out nationwide in 2016, customers are better served with a wide range of products and services that fulfils their business and individual needs.

With our aspiration to genuinely understand SME customers, the supply chain financing products, along with process and methodology, continued to be developed to deliver our brand promise **"Make Life Simple"** to our customers. This also helped us continuously grow our SME portfolio. In 2016, we successfully provided our e-Payment service to IRPC Public Company Limited (IRPC) dealers. With Krungsri's commercial digital technology, connected to a global data network, the service will help IRPC's dealers make direct payments faster, more conveniently, and more

securely. Additionally, Krungsri Biz Online, an internet banking service to serve SME entrepreneurs' needs, has been implemented to help SME better manage all financial transactions around the clock via www.krungsribizonline.com.

Japanese Corporate and Multi-National Corporate (JPC/MNC) Banking

JPC/MNC Banking has made a strong start in serving the financial needs of Japanese corporations and multi-national corporations in Thailand. MUFG's global network and sophisticated financial services have created a close relationship between the parent companies and BTMU, enabling us to build a strong and trusting relationship with their group companies in Thailand as well. This is the strength of JPC/MNC Banking.

Throughout 2016, JPC/MNC Banking has comprehensively served our customers in these ways:

- **Business Matching:** Krungsri-MUFG Business Matching Fair 2016 was organized in Bangkok for the 3rd consecutive year jointly by Krungsri and BTMU, inviting not only Thai and Japanese customers but also customers from the MUFG network in CLMV countries. We also widened the scope of industries to healthcare, auto parts, and online and TV shopping industries. As a result, the 2016 fair set a new record with over 400 business matches in one day, making the largest business matching fair organized by MUFG outside Japan. Besides this business matching event, we actively matched up Thai companies with both Japanese and multinational corporates, and successfully brought in a number of businesses new to Thailand; for example, food and beverage, logistics, and digital businesses. With business matching activities, customers benefited from MUFG's network in expanding their business opportunities globally.

As a strategic member of MUFG, we used our strong MUFG group partnerships to support CLMV offshore investment. We helped customers increase business opportunities by bringing leading Thai firms to join the July MUFG Business Matching Fair in Hanoi with excellent collaboration between MUFG members including Krungsri, BTMU, and Vietnam's VietinBank. Approximately 100 companies participated, with more than 200 matches arranged in a single day. This was the first opportunity for Thai firms to participate in business matching in Vietnam. Moreover, apart from the hosting countries (Japan and Vietnam), Thailand was the only other country joining this event.

- **Business Link:** Business Link is Japan's largest annual business matching fair held by MUFG, helping companies of all sizes to meet and match. In February 2016, Krungsri helped customers grow business opportunities by bringing Thai firms to join Business Link in Nagoya.

- **Collaboration with Japanese Organizations:** In 2016, Krungsri and BTMU signed a Memorandum of Understanding (MOU) with three Japanese organizations: the Osaka Prefectural Government; the Yokohama Industrial Development Corporation; and the Japan External Trade Organization (JETRO) Bangkok Office to promote greater trade and investment ties between Thailand and Japan. Krungsri and BTMU are the first private organizations to achieve an official agreement with JETRO. Based on these MOUs, we have acted as facilitator and advisor to support Thai companies doing business in Japan while promoting Japan-Thailand trade and investment opportunities. Key business promotion events included our annual business matching fair as well as seminars to disseminate information and business consultation on opportunities both in Thailand and Japan.

- **Securitization:** As a comprehensive universal bank providing a wide range of products for corporates and retail customers in both local and international markets, we have, for example, been fulfilling the requirements of automobile manufacturers and their comprehensive value chains. To facilitate such businesses and provide better solutions, all related internal Krungsri functions collaborate closely. Consequently, in July 2016 we underwrote an asset-backed securities (ABS) transaction in Thailand with a Japanese corporate that became the largest-ever such transaction here – the result of 4 years of collaboration by various Krungsri and MUFG/BTMU departments. We believe this transaction will contribute to further developing the Thai capital market and that this can be leveraged for other captive financing customers who also seek opportunities for diversifying funding sources.

- **Retail products:** Having a large number of Japanese and multi-national corporations operating in Thailand as customers of Krungsri provides an opportunity for us to offer various retail banking products such as payroll account, auto hire purchase, mortgage, and unsecured loans to employees of these companies. We successfully provided over 23,000 payroll account services with major JPC/MNC customers in 2016.

Global Markets Group

2016 was the year that the Global Markets Group emphasized applying one of Krungsri's core values with a customer centric approach to not only provide our clients with best solutions, but to also expand our product and service coverage to serve a broader range of fast-moving customer needs. Extensive collaboration remains one of our key tools to achieve this.

In alliance with BTMU's Global Markets Division, the Global Markets Group delivered effective, tailor-made risk management solutions to our clients in a wide range of areas such as project finance, merger-and-acquisition financing, securitization, and leasing finance. Throughout 2016, we continued our efforts to help clients overcome business obstacles, support them to meet their hedging requirements, and achieve their financial goals.

In addition, the Global Markets Group extended collaboration with Krungsri's subsidiaries to better serve customer needs. For instance, the group successfully collaborated with Ayudhya Development Leasing Company Limited to provide cost-effective funding alternatives with hedging solutions to the client and collaborated with Krungsri Securities PCL to expand its service for foreign investment flows from offshore clients.

With MUFG's strong product capabilities and global reach, the Global Markets Group has partnered with MUFG Securities EMEA PCL who has extensive expertise and capabilities in sourcing foreign assets, including bonds and structured notes, to provide our clients with a vast range of investment alternatives across all major asset classes in foreign exchange, interest rates, credit, and equity. Internally the group has been working with the Investment Product Management Team to deliver offshore investment products to Krungsri Exclusive (KSE) clients.

Furthermore, BTMU's strong global network facilitated Krungsri's mission to serve customer needs in emerging currencies hedging. With close BTMU collaboration in 2016, the Global Markets Group expanded the emerging currencies market to meet our client demands for cross-border investment and trade flows in emerging countries. Along with increasing new currency needs in tandem with the recent ASEAN establishment of the AEC, we continue to establish strong emerging-currency platforms and expand our product line-up to ensure good coverage and capability to accommodate such demands.

As the renminbi (RMB) became the eight most-traded currency in the world in 2016, the Global Markets Group collaborated with MUFG affiliates, Bank of Tokyo-Mitsubishi UFJ (China) and Bank of Tokyo Mitsubishi UFJ (Hong Kong) to organize a seminar on **"Chinese Yuan – Your New Trade Currency"** in July to share with our clients the prospects for RMB Internationalization.

Finally, in an increasingly dynamic market landscape, our Global Markets Analysis Section's comprehensive collaboration with the macroeconomic team at Krungsri Research along with BTMU-MUFG's global research expertise continued to enrich our analytical perspectives. The country-specific and in-depth knowledge across major and emerging markets we received from our extensive network has helped us maintain the top position in the local market in providing outlook and analysis for major currencies such as the yen, the euro, the pound sterling, and the renminbi.

This strong, active alliance gives us a consistent house view and enables us to proactively serve customers' needs beyond expectations.

All in all, through these extensive collaborations across organizations within MUFG, our Global Markets Group provided clients with one-stop financial market solutions using our in-depth market analysis. This helped empower them to globally expand their businesses and investments with cost-effective and professional risk management.

Mortgage Loans

2016 was another year when mortgage loans grew per our Mid-Term Business Plan. We recorded strong mortgage loan growth of 22.6 percent, with new loan booking recorded at THB 60 billion - an increase of 20 percent over 2015. This notable growth was fuelled by consumers speeding up their purchase and transfer of housing between January and April 2016 when the government's stimulus measures on property expired. This, coupled with Krungsri's strategies in partnering with top developers, including top local developers in the key economic provinces and innovative campaigns (5-year and 7-year fixed-rate mortgages), supported our mortgage-loan growth through year-end.

Mortgage loans are among Krungsri's core products. They underwent several improvements and modifications, namely the processes and service teams, to align our procedures with our customer centric strategy. These included focusing on collaborating for customers, improving the loan approval process, and increasing the efficiency of our services:

- **Focusing on collaborating for customers:** We continue driving our business with a customer-centric strategy and delivering our brand promise to "Make Life Simple", which led to our focus on "Collaborating for Customers" — enhanced coordination between functions. With this in mind, we reached out to collaborate with Corporate Banking and JPC/MNC Banking to organize business matching between well-known Japanese property developers interested in joint investment with leading domestic property developers. This led to improving services we could provide to leading Thai property developers. In addition, we achieved better collaboration between branches and mortgage loan teams through joint site visits in Bangkok and in the provinces to strengthen relationships with business operators and gather feedback which contributes to our product and process improvement.

- **Improving the loan approval process:** Our business process improvement has been divided into short-term and long-term phases. In the short-term, we developed an operating system facilitating different facets of internal data management such as sales management, marketing cost management, and project management. Developing this particular management system was

affirmed by the Core Process Improvement Award from the Thailand ICT Excellence Awards 2016. Our operating systems were also streamlined to eliminate redundancy in the collateral-valuation process and loan-contract preparation aimed at lowering turnaround time. Thus, by the time the property sector stimulus measures ended in April 2016, Krungsri managed to remain competitive in the mortgage loan business as reflected in new loans booked, which exceeded our target. For long-term improvement, Krungsri plans to improve the business continuously by introducing a credit underwriting pilot program called the “Retail Origination System” (ROS) and establishing working groups for every function to jointly steer process engineering. This is to improve critical points for each function so that we can offer tailor made services that best suit our customers’ needs.

- **Increasing efficiency of services:** Krungsri places great importance on customer service. We promoted understanding about mortgage loans among customers. Krungsri introduced a loan calculator for customers to aid financial planning before buying a house. After a customer buys a house, Krungsri offers a welcome call service where a phone call is made to welcome the customer, who will be informed of important mortgage-loan information, including the privileges for a Krungsri customer.

2016 marked the midpoint in our journey for the Mid-Term Business Plan. Compared to the original target, our performance was deemed breakthrough growth as reflected in the robust increase in new loans booked from THB 36 billion in 2014 to THB 50 billion in 2015, and THB 60 billion in 2016. Going forward, we estimate robust new loan bookings in the range of THB 50 billion to THB 70 billion a year. However, Krungsri continues to apply strict loan approval criteria to maintain loan quality while acquiring qualified new loan accounts. Using this framework, our performance was recognized with **Mortgage Product of the Year (Thailand)** from the Asian Banking and Finance Awards 2016.

Krungsri Auto

Market and Competition: 2016 was another challenging year for the auto finance industry. Nevertheless, Krungsri Auto achieved its loan growth target. Despite lackluster domestic car sales, Krungsri Auto moved ahead with robust infrastructure, innovative thinking, and marketing campaigns throughout the year. Krungsri Auto has maintained its leading position in the industry and developed innovative products and services for an optimal customer experience across all touch points. In 2016, Krungsri Auto pushed forward with a Customer Experience strategy focusing on digitization to develop products, services, and marketing campaigns to meet their needs by

integrating social media and online channels to provide easier and more convenient access to our products and services.

Krungsri Auto was also able to leverage the strength of our corporate customer base with MUFG/BTMU by offering automotive financial solutions to original equipment manufacturers (OEM) and major dealers using BTMU's network. Moreover, we have supported marketing campaigns and offered hire-purchase service for new cars.

Krungsri Auto focused on strengthening relationships with car manufacturers, used-car dealers, and motorcycle dealers around the country by introducing innovations to sustain growth, together with an expanded portfolio of over 1,900 new-car dealers, 5,900 used-car dealers, and 1,500 motorcycle dealers. Krungsri Auto has operated in Lao PDR through Krungsri Leasing Services Co., Ltd, a joint venture owned by a Krungsri Group affiliate and a local company, to provide automotive and personal finance options to Lao PDR customers. Krungsri Auto continues looking forward to expansion possibilities in these markets. At the end of 2016, Krungsri Auto had achieved THB 134 billion in new loans, a 7 percent increase from the previous year, and total assets of THB 279 billion, a 10 percent increase from 2015. Consequently, Krungsri Auto remained the market leader as a total automotive financial solutions provider and the frontrunner in used-car financing, secured auto-loans (Car for Cash), and motorcycle financing.

TRIS Rating Company Limited upgraded the company rating of Ayudhya Capital Auto Lease Public Company Limited (AYCAL) to AA with a "Stable" outlook". The rating truly reflected that AYCAL, a strategic subsidiary of Bank of Ayudhya Public Company Limited, had strong and stable performance in managing its motorcycle finance portfolio, enhancing Krungsri's integrated automotive financing provider position.

Awards and Recognitions: In 2016, Krungsri Auto remained customers' top-of-mind brand, with several awards from various organizations including:

- The Superbrands Award from the Superbrands Thailand Council for five consecutive times (2011-2012, 2013, 2014, 2015, and 2016), highlighting Krungsri Auto as customers' top-of-mind brand, with Krungsri Auto being the only automotive finance provider in Thailand receiving this award.
- The Best Auto Leasing Award from Grand Prix International for 3 consecutive years (2014-2016), in recognition of the best auto loan service in all customer segments.
- Thailand's Most Admired Brand Award from Brand Age Magazine for 4 consecutive years (2013-2016) - for the best brand in automotive finance and Car for Cash for auto loan category.

- The Automotive Lending Initiative of the Year Award from Asian Banking and Finance in recognition of Krungsri Auto's initiative in automotive refinancing, with launch of www.car4cash.com
- The Efma Accenture Global Distribution & Marketing Innovation Awards in "Digital Marketing" category, in recognition of "Big Daddy Form" on www.krungsrimarket.com for the world's entertaining loan application form.
- The Midas Awards 2016 for 2 Gold and 3 Silver medals in recognition of "Big Daddy Form" on www.krungsri.com

Innovative Services: In the 2nd quarter of 2016, Krungsri Auto elevated digitized customer experience through its online channel offering an interactive electronic application, available through www.car4cash.com and www.krungsrimarket.com to cater to customers in the digital era. This latest online service strengthens the company's market-shaper position by emphasizing its digital marketing strategy that better serves digital consumer needs.

Preferred Brand: Customer accessibility is the priority under Krungsri Auto's digital marketing strategy. Integrated marketing communication channels are deployed to present products and services, while advertising campaigns and promotions are tailored to meet target customers' needs and lifestyles. The products, services, campaigns, and promotions reach customers through various online and offline channels. For example, the Krungsri Auto Facebook Page is a tool to satisfying customers with speedy responses to enquiries; KrungsriAutoTV via YouTube displays high-quality advertising video content; the Krungsri Auto Call Center handles inbound and outbound calls; Krungsrimarket.com answers the needs of used-car buyers and sellers; and Krungsri Big Bike offers innovative loan services for big-bike customers. These channels not only match customer needs, but also reinvigorate the brand engagement.

Corporate Social Responsibility: Krungsri Auto places great emphasis on responsibility to all stakeholders such as customers, dealers, and society using our "Responsible Lending" approach. Krungsri Auto has continued the following social contribution campaigns.

- **Krungsri Auto \$mart Finance** is one of our flagship corporate social responsibility projects. Started in 2009, the project aims at educating entrepreneurs on financial literacy and financial management. The project offered a seminar on personal finance for individuals and small community enterprises (2009-2012), then moved on to enhance business and financial management for small local entrepreneurs in border areas to prepare them for the AEC in 2014-2015. The focus

for 2016 was on small SME in need of new knowledge on digital competency. In the digital era, they need to learn how to respond to customers' needs. "Krungsri Auto \$mart Finance: Digitized Small SME" was kicked off in Ayutthaya Province.

- **Krungsri Auto Library** was launched in 2010 to improve educational quality and provide a learning center and intelligence archive for children and the community. Krungsri Auto has to date presented a total of 13 Krungsri Auto libraries nationwide.

- **"LET'sponsible"** is a new initiative that encourages individual responsibility for the general public. During the past 2 years, more than 14 LET'sponsible short films have been produced and shown on the KrungsriAutoTV YouTube channel to inspire and instill a sense of responsibility about the importance of good citizenship in society.

Krungsri Consumer

Credit Cards and Personal Loans: Krungsri Consumer offers credit cards, sales financing (merchandise instalment financing), personal loan businesses, and insurance brokerage services. The Group's credit card portfolio includes: the Krungsri Credit Card; the HomePro Credit Card; the AIA Credit Card; the Central Credit Card; the Simple Credit Card; the Tesco Credit Card; and the First Choice Credit Card (3-in-1). Krungsri Consumer also leads the sales financing and personal loans sector, with a market share of 25 percent at year-end 2016. The sales financing and personal loan business flagship brands are the First Choice Card (2-in-1) and the Power Buy Card.

Despite challenging operating environment in 2016, Krungsri Consumer achieved its business expansion target and continues to lead the market. Our combined customer portfolio stood at 7.8 million accounts with total customer spending of THB 319 billion. The value of our assets rose by 5.5 percent, while our non-performing loans (NPLs) were lower than the industry average.

Krungsri Consumer also continued to forge strong strategic partnerships with leading businesses, including:

- Central Department Store, Thailand's first and largest department store chain. Krungsri Consumer has been entrusted by Central Retail Corporation Limited to continue its service as the main financial service provider for another eight years, a testament to Krungsri Consumer's leadership and its expertise in the consumer finance industry which is expected to help Krungsri Group expand its customer base substantially.

- Home Product Center, a leader in retail DIY home improvement stores with 80 branches.

- AIA Thailand, the largest life insurer in Thailand with more than 50,000 active agents.
- Tesco Lotus, a leading hypermarket chain with 1,978 branches nationwide.

- Power Buy, a leading distributor of electrical appliances with 90 branches nationwide.
- Krungsri First Choice and Krungsri Installment Loans, with a network of more than 18,000 key business partners.

As a customer-centric organization, Krungsri Consumer has earned its longstanding success through its commitment to offer product and service excellence to benefit our customers. By leveraging the strengths of all business functions within the Krungsri Group, the company continues to innovate to offer a higher level of product and service capabilities, maximize the efficiency of its business processes, and adopt new digital technologies to help improve the customer experience. All of these reflect our commitment to delivering customer-centric products and services and thus ensure that Krungsri Consumer continues to be a preferred consumer finance brand in the mind of customers with the following methods:

- **Collaborating to offer greater product capabilities using customer segmentation**
 - **Krungsri JCB Platinum Card:** exclusive benefits for the ultimate Japanese-related experience

With an increasing number of Thais travelling to Japan every year, Japanese culture and product preferences have an enormous impact on Thai everyday life: in February 2016 Krungsriayudhya Card Company Limited partnered with JCB International Company Limited (JCBI) to introduce the Krungsri JCB Platinum Card. The launch of this co-branded credit card, reflecting our focus on optimal customer experience.

Featuring the concept the Ultimate J-Experience, the card offers exclusive benefits in Japanese related activities ranging from dining and traveling to shopping in both Thailand and Japan, targeting working adults aged around 25-40 who love the Japanese lifestyle. The company also offers various promotions with partner merchants for targeted customers' favourite brands. The results: strong growth both in new cardholders and spending. Since the launch through year-end 2016 the number of new cards issued exceeded 90,000.

- **Tao Kae Tan Jai Credit:** the first Krungsri Consumer's nano finance product

Tao Kae Tan Jai Credit was launched in September 2016. It targets small business owners who have operated businesses for at least one year with permanent business locations. Tao Kae Tan Jai's key differentiation point is its simple application process, "Easy approval without financial documents": customers can apply without any financial documents such as bank statements or guarantors with a maximum loan amount of THB 100,000.

Tao Kae Tan Jai supports small retail entrepreneurs to access working capital loans in the financial system in line with government policy. During the initial launch phase, the company operated in the Greater Bangkok Metropolitan Area and Chonburi Province as high-potential areas. The company plans to expand the service area in major provinces in each region in 2017.

- **“UP with Signature” Campaign:** exclusive privileges for premium customers

In 2016 Krungsriayudhya Card Company Limited relaunched a campaign called “UP with Signature” for Krungsri Exclusive Signature Credit Card and Krungsri Signature Credit Card members. Targeting premium customers with high incomes, the company revised the card’s core features and benefits to match the needs of the premium segment, with unique privileges, yet practical and more accessible for cardholders. Under a promotion called “UP Taste” with Krungsri Signature, the company has leveraged its strong partnership network in Japan to offer special privileges at a total of 50 upscale Japanese restaurants in both Thailand and Japan. The privileges include a maximum discount of 50 percent, complimentary dishes, and 5 times bonus points when spending with Krungsri Signature Card at participating restaurants. The promotion has been very popular among those who love premium Japanese cuisine.

- **Cross Border Promotion:** leveraging MUFG’s global network to offer special privileges

Krungsri Consumer has leveraged MUFG’s strong partnership network to promote international spending volumes through a promotion called the “Cross Border” campaign: The company partners with leading department stores in Japan to offer special discounts and privileges to our cardholders. The campaign has been very successful: In 2016 Krungsri Consumer increased the number of partners to more than forty merchants with more than two hundred locations in Hokkaido and Tokyo prefectures as well as Chubu and Kansai regions.

• **Introducing new technologies and innovations to enhance the customer experience:**

- **“UChoose”:** the credit card mobile application for everyone

In late 2016 Krungsri Consumer initiated a pilot project to introduce a new mobile application called “UChoose” for iOS mobile users to better serve all Krungsri Consumer Group cardholders. Designed as a one-stop service, the application offers a variety of functions including: checking spending transactions; checking and redeeming bonus points; registering to participate in promotional campaigns; and tracking spending under particular campaigns. With this mobile

application, customers can also apply for a new e-Pay credit card – a secured, convenient virtual card for online shopping –and can apply for a notification service to send an alert message for new spending transactions. The application is available for download for both iOS and Android mobile users in February, 2017.

- **Samsung Pay:** a new milestone in mobile payment technology

To allow our cardholders to enjoy greater convenience using the latest mobile payment service, Krungsri Consumer has partnered with Samsung to offer “Samsung Pay” for all Krungsri Consumer credit cards. To enjoy this service, Krungsri Consumer cardholders, whether Visa card or MasterCard, simply need to register Krungsri Consumer credit cards using the “Samsung Pay” application. Our customers can then use their compatible Samsung phones to make payments at participating stores worldwide. Payment can be made easily either by tapping or waving their compatible Samsung phones at contactless payment machines or by placing the phones next to the EDC (Electronic Data Capture) machines. To prevent fraud, Tokenization Security Technology has been deployed, changing a credit card number into a token for Samsung Pay transactions to ensure the highest security for our customers. The pilot project for Samsung Pay was implemented in December 2016.

- **Financial Technology and applications for optimal customer benefits**

In collaboration with RISE, an expert in startups and the first corporate accelerator in Thailand, Krungsri has launched the “Krungsri RISE Fintech Accelerator” in May 2016. The project reflects Krungsri’s vision of collaboration between the banking sector and the financial technology industry for optimal benefits to customers and consumers. Krungsri RISE expands the know-how and investment opportunities for financial technology innovation or FinTech startups and unleashes growth opportunities for financial digital business advancement. Following the success of Krungsri RISE, two FinTech teams from this program–ChomCHOB and Piggipo – partnered with Krungsri Consumer, allowing Krungsri Consumer’s customers to benefit from new technologies.

The ChomCHOB application allows users to consolidate all Thailand credit card reward points and convert them into ChomCHOB points which can then be used to purchase an extensive range of products and services. ChomCHOB has connected with Krungsri Consumer’s point-redemption system, with a number of ChomCHOB users rating Krungsri Consumer’s system positively as timely and convenient. The Piggipo application consolidates and summarizes credit card transactions from all cards in one single application, with payment due dates for each card, making it easier to track expenses and to efficiently manage credit card spending. Krungsri

Consumer is the first financial institution to connect API (Application programming interface) with Piggipo, allowing customers to check their transactions faster.

- **“My IVR”:** customized Interactive Voice Response (IVR) menu based on usage history

To enhance our service standard, Krungsri Consumer has introduced “Big Data” technology for customer data analytics. The project boasts various functions including “My IVR”, launched in September 2016. “My IVR” is a calculating function to customize the best IVR menu for each customer by analysing the customer’s IVR usage history. As a result, each customer will hear one’s own favorite IVR menu as the first announcement, instead of having to wait for the IVR system to start the standard announcement from “Press 1”. Consequently, waiting time for each call is shortened, with improved IVR efficiency, resulting in enhanced customer satisfaction.

- **Personalized Marketing:** right promotions communicated to individual customer

Our use of Big Data has brought in a new innovative technology called “Machine Learning” to promote our Personalized Marketing approach. Machine Learning is a mathematical and statistical algorithm to analyse customers’ spending histories and predict their preferences for various merchants. Thus only appropriate promotions are communicated to each customer. Consequently, customers do not receive unwanted promotions and messages. Machine Learning was introduced in November 2016.

- **Improving process efficiency**

- **Premium Inventory Management:** providing better customer service standards

The project centralizes gift inventory management, promotional items, and customer vouchers for all Krungsri Consumer product promotional campaigns to maximize efficiency and provide better service for our customers. Using a new IT system for premium inventory management, the project lessens the amount of manual work required and improves management efficiency. Key functions include: notification when stock lasts; an automated process for gift and promotional item delivery; and track-and-trace functions allowing customer service staff to track the progress of premium item deliveries and respond to customer enquiries. This new system helps ensure timely delivery of gifts and vouchers to customers, with higher customer satisfaction. Moreover, this also improves internal control with efficient accounting and inventory management.

- **Integrated Merchant Operations Management:** a more convenient service for merchant partners

With this project Krungsri Consumer has streamlined its merchant operations management using new technology and a single centralized working team and system. Documentation needed for new merchant applications was minimized, with a single contract used for all merchants who want to partner with us for any credit cards and personal loan products under Krungsri Consumer. A new system called “Integrated Merchant Operations Management” was developed to manage all processes related to new merchants and merchant database management. Turnaround time was cut from approximately two-to-four weeks to within three days, with faster, more convenient service for Krungsri Consumer partner merchants.

To deliver the best possible customer experience, all Krungsri Consumer and Krungsri Group business functions will continue to collaborate to further improve our product and service standards and maximize operational efficiency.

Awards and Recognition: Our market-leading innovations and business strategies won Krungsri Consumer number of awards during the year, including:

- Consumer Finance Product of the Year from The Asian Banker’s International Excellence in Retail FS Awards 2016, for Krungsri Consumer
- Best Consumer Finance Product in Thailand from The Asian Banker- Thailand Country Awards 2016, for Krungsri Consumer
- Thailand ICT Excellence Award 2016 (Outstanding Achievement) in the Core Process Improvement Project Category from the Thailand Management Association, for Krungsri Consumer’s “Integrated Merchant Operations Management”
- Service Quality Performance Award for consumer Credit Issuers Chargeback Effectiveness-Fraud Category (National) from Visa, for Krungsri Consumer
- MAT Award-Bronze Award from the Marketing campaign’ for the “Krungsri First Choice-Zero Percent” Installment Plan on Demand” Campaign
- Top Thailand YouTube Ads Leaderboard and Sixth in Asia-Pacific: by Google from the “Mother’s Day Campaign” by Krungsri First Choice
- Top Thailand Facebook Posts (Social media content) in by Socialbakers Ltd – Facebook Marketing Partner “Mother’s Day Campaign” by Krungsri First Choice, and
- 2016 Thailand’s Most Social Power Brand: Ranked as the most popular brand with high customer engagement in personal finance (Credit card and loan card) category, and second in

the personal finance (Credit card, loan card, and auto loan) category from BrandAge Zocial Inc., for Krungsri First Choice.

Corporate Social Responsibility: Krungsri Consumer is committed to being a responsible lender: We uphold this commitment across our business undertakings. In addition to adopting credit assessment and prudent credit risk management policies in processing customer loan and credit card applications, we inspire people to be more financially responsible. We have organized several free seminars on personal finance management to promote a better understanding of financial literacy among our employees, university students, and the general public.

Employees are also encouraged to become volunteers in the company's corporate social responsibility initiatives that focus on education and environmental conservation, such as renovating libraries for schools and a reforestation program under which the company has planted 2,500 trees to mark the 84th birthday anniversary celebration of Her Majesty Queen Sirikit in 2016.

Microfinance:

Krungsri Microfinance by Ngern Tid Lor Company Limited (Ngern Tid Lor), the owner of the top-of-mind Ngern Tid Lor brand, is the leader in providing auto loan services using all types of automobiles as collateral, hire-purchase loans for used trucks, and nano-financing to underserved customer segments. In addition, Ngern Tid Lor is the largest branch-based, non-life insurance broker offering various insurance products such as motor insurance, personal accident, cancer insurance, and compulsory car insurance under the Road Victim Protection Act.

In 2016, Ngern Tid Lor's service upgrades included expanding its branches to 481 in line with its plan to achieve a nationwide service network. Service speed was enhanced; for example, auto loan service was streamlined from two hours to only 30 minutes while that of motorcycle loans was accelerated from 30 minutes to only 10 minutes, making it more convenient than ever for customers. In addition, Ngern Tid Lor formulated a policy to provide complimentary personal accident insurance (PA) to all motorcycle-loan applicants to lessen the burden on customers in case of accidents. Currently, More than 280,000 PA policies were distributed during the year. In addition, Ngern Tid Lor continued its efficient and yet flexible operations, a nationwide network, strong risk management practices, state-of-the-art IT systems, and quality financial services provided at affordable prices with convenience, respect, and dignity.

Ngern Tid Lor expanded its customer base by 26 percent in 2016, reaching out to 271,000 clients with total outstanding receivables of THB 20,979 million, or 24 percent growth over 2015. In

addition, non-life insurance saw continued growth at THB 439 million in 2016, or an increase of 66 percent.

Ngern Tid Lor's key goal in 2016 was to upgrade vehicle-for-cash in Thailand while delivering well-intentioned financial services. Mindful of this, the company began rebranding: a logo was introduced representing financial products that meet customer needs to increase brand awareness among customers and the general public. The design signifies speed, easy access, and reliability. The space in the center of the logo subtly conveys a ray of hope that sheds light on the path out of financial crisis and toward a new start for financially troubled customers. The logo consists of two revolving banknotes that serve to propel customers' lives forward, symbolizing how Ngern Tid Lor addresses customers' financial issues. The red denotes passion and speed of service, while the blue suggests reliability and the comfort of using Ngern Tid Lor services. The white suggests honesty and transparency. All these concepts were captured in the "Life Roll Onward" slogan.

Furthermore, Ngern Tid Lor branches countrywide were revamped to emphasize its higher standards for vehicle-for-cash business operators in Thailand. The business serves as a transparent financial resource for consumers, including the underbanked. Moreover, it should help to resolve the informal-loan issue and to offer customers better choices in times of financial difficulty. All Ngern Tid Lor's operations are guided by its 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."

Innovative Services: Other than above-the-line media (Publications, television, and radio), Ngern Tid Lor focused on brand-building through digital media in 2016 to establish brand awareness and brand engagement among a wider range of customers. Ngern Tid Lor now has a "Ngern Tid Lor" Facebook fanpage and was the first vehicle-for-cash service provider to launch a LINE official account under the name of @TIDLOR, including "Tid Lor" LINE stickers. These channels provide more convenient access for the target group to familiarize themselves with the Ngern Tid Lor brand and products. In addition, news and event updates were published using these media with positive feedback, with more than 150,000 fans following the "Ngern Tid Lor" Facebook fanpage and more than 10,000,000 friends added via LINE. In December 2016, Ngern Tid Lor introduced a 3-minute commercial under the concept of "New Life", expressing the intention of Ngern Tid Lor. This raised the bar of the auto loan commercial, with over 2 million views in just a week after the launch. The numbers testify to the company's success in communication and brand engagement with consumers.

In 2017 Ngern Tid Lor will continue to improve our customers' quality of life by offering fair and transparent financial products, a variety of affordable, non-life insurance products that meet customer needs, along with excellent customer service to ensure that "Ngern Tid Lor" secures a brand status trusted by customers nationwide.

Retail and Commercial Banking Products

Deposits: Through our two flagship deposit products Mee Tae Dai and Jad Hai Krungsri increased low-cost deposit or CASA balances and notably expanded the retail customer base in 2016. And in recognition of these innovative features we were voted **The Best Deposit Product in Thailand for 2016** by The Asian Banker.

Aiming to increase the number of SME customers opting for Krungsri as their primary bank, we launched SME package tailor made for the target group and received favourable feedbacks. Additionally, the Bank focused on customer management and offered the deposit products that suited to customers' needs such as short-term deposit for corporate customers.

We will continue our customer acquisition strategy in 2017 by focusing on market segmentation, innovative deposit products, and campaigns. Through our MUFG/BTMU partnership we plan to further penetrate the payroll segment of Japanese manufacturing, auto dealers, and supply chain businesses. And as the Bank plans to promote and motivate customers to use our digital platforms, we will offer various new products and services that respond to customer insight.

Investment: 2016 was another challenging year for investment globally given the market volatility and historically low interest rates, thus our key recommendations were to be highly diversified and to focus on stable, income-generating products. To help customers cope with these challenges we introduced four new funds: the Krungsri Global Equity Long Short Fund; the Krungsri Global Property Dividend Fund; the Krungsri Global Brands Equity Dividend Fund; and the Krungsri Global Smart Income Fund. The first fund protects portfolio downside risk using a long-short strategy; the others share similar objectives of providing a smooth income stream to investors.

As for customer services, we strongly emphasized appropriate, reliable investment recommendations: In collaboration with Krungsri Asset Management Company Limited, we initiated a new training curriculum called Mutual Fund Master for our customer-contact employees providing in-depth knowledge of each fund with role-playing on how to recommend funds according to customers' financial goals. Most important, after each session we conducted one-on-one staff coaching and used a mystery shopping technique for further improvement.

Krungsri Exclusive: In 2016 Krungsri Exclusive continued to move forward to expand the customer base in line with its key strategic focuses – collaborating with branches, SME banking, and Krungsri subsidiaries. Initiatives included recruiting a considerable number of relationship managers and enhanced training courses to equip them with knowledge to better serve the varied needs of our valued customers. Courses run year-round ranging from investment and financials to other skill sets. Our valued customers also have access to seminars year-round, with topics varying according to customers' interests such as the investment outlook or the more recent topic: The Draft Land and Buildings Tax Act, explaining the effect of the new Land and Construction Tax Act effective 2017.

Our Exclusive Health Plan was launched to meet the needs of high net-worth customers. Krungsri Exclusive Corner is also available for customers to relax with full amenities provided now with 343 Krungsri Exclusive lanes and 29 Krungsri Exclusive corners.

Krungsri Prime: Using a customer-centric approach, Krungsri is driving customer segment management across Krungsri. A new customer segment was identified, starting with Krungsri Prime for the mass affluent segment which includes customers with a net worth above THB 1 million but less than THB 5 million who are considered high-potential customers, with the aim to bring these customers to their "New Life Horizon". We set forth to help open up new opportunities for customers and transform their ordinary way of life into the extraordinary one. With "Plan Your Money" service, we serve each customer's need with customized financial advice, covering full suite of financial products and services, from financial transactions, saving short- to long-term, investments, insurance, tax-saving and debt management. Privileges, both financial and lifestyle-related, are designed to maximize true enjoyment in their everyday lives with their families and friends. To deliver good customer experience, Krungsri is the first in banking industry who chose mobile application platform to provide customers access to the privileges redemption and activities registration anytime and anywhere.

ATM and Debit Card Services: Krungsri has recognized the importance of government policy to change the ATM and debit card system from magnetic to chip cards to protect customers from card skimming that can lead to customer defections due to card fraud. Chip cards can solve this problem and increase customer confidence in ATM and POS machine transactions. Krungsri started to issue chip cards in May: all cards are now debit chip cards that support the government policy of a cashless society, changing from cash to digital payments.

In 2017 Krungsri will continue to focus on developing a card system in line with the government's national e-payment policy using cards compatible with Thai bank chip card standards

to support the domestic payment system. Krungsri will also launch debit cards for online spending in early 2017 to address customer needs and provide more convenience.

Money Transfer and ATM Channel Service: Krungsri has developed a banking system that corresponds with the government policy supporting a digital economy and has launched sales promotion activities to motivate the channels usage of Krungsri consistently and increasingly. Key innovations and promotional activities during 2016 included:

- **Krungsri PromptPay:** Krungsri collaborated with the Bank of Thailand to develop a payment system called PromptPay aligned with the National e-Payment Master Plan: This is a new money transfer service requiring customers to link their national ID and/or mobile phone number to their accounts without the need for their bank account details to transfer funds. It offers more convenience and saves time for customers. The PromptPay service was started for registration on July 2016 through 6 channels (Krungsri Branch, www.krungsri.com/PromptPay, Krungsri Online, Krungsri Biz Online, Krungsri Mobile Application and Krungsri ATM) and will start money transfer service through 4 channels (Krungsri Online, Krungsri Biz Online, Krungsri Mobile Application and Krungsri ATM) that go live date is according to Bank of Thailand plan.

- **Special Privileges for Foreign Tourists:** Krungsri collaborated with FamilyMart (Central FamilyMart Company Limited) to offer special privileges to foreign tourists who are Visa or MasterCard cardholders to allow cash withdrawals through Krungsri ATMs. In 2016 Krungsri added special privileges for foreign tourists who are UnionPay card holders to do cash withdrawal transactions through Krungsri ATMs during a promotional period. They received free products when presenting ATM slips at any FamilyMart nationwide as well.

Bancassurance: In 2016 we launched a new life insurance product called Krungsri Big Bonus 15/9 with high yield since the first policy year and a high cash rebate before the policy maturity targeting middle-income earners with a minimum premium of THB 38 per day. Since its launch, the premium and bank fee income has grown rapidly at 34 percent and 18 percent accordingly.

To serve high net-worth customers we launched a comprehensive health insurance product called the Krungsri Exclusive Health Plan covering actual medical expenses incurred for both inpatient and outpatient treatment up to THB 50 million per disability annually. It also covers 24/7 worldwide medical emergency assistance and Schengen visa insurance certified: the insurance package provides customers peace of mind and savings and can be renewed up to age 90.

In this fast-moving world of FinTech businesses are competing to offer ever-greater convenience to customers and to speed up core processes in financial services. In 2017 we plan to launch a new digital platform called Digital for Life or e-Application to accomplish this: the new platform should boost customer satisfaction by shortening application processing turnaround time from three days to one day. Applications will be reviewed and applicants will be informed the result of preliminary approval in case they don't require medical examinations.

Securities Business

Krungsri Securities Public Company Limited (KSS) offers a comprehensive range of services including securities and derivatives broking, investment banking, private fund management, mutual fund agency services, and investment management.

Overall, Stock Exchange of Thailand (SET) investments returned to an uptrend in 2016, with the SET Index ending December at 1,542 up 254 points or 19.7 percent from 1,288 at year-end 2015. For return-on-investment the SET ranked first in the region at 19.7 percent, average daily turnover in Thailand amounted to THB 47,649 million in 2016, up 18 percent from THB 40,225 million in 2015.

The SET's outstanding performance in 2016 was driven primarily by robust economic fundamentals: Thailand's GDP grew 3.2 percent in the 1st quarter and 3.5 percent in the 2nd quarter, marking the strongest growth in 13 quarters. The healthy economic expansion was partly attributed to the government's economic stimulus measures introduced in late 2015, with additional stimulus in 2016. Meanwhile, the drought effects largely dissipated, while the tourism sector continued to show solid growth: tourist arrivals rose 8.9 percent to 32.58 million, reaching the government's full-year target of 32 million visitors versus 29.8 million visitors in 2015. Investors also reacted positively to the constitutional referendum outcome, where voters consented to the draft charter raising optimism that a general election could be held in 2017.

Besides positive domestic factors, the Thai bourse was also bolstered by portfolio inflows after the US Federal Open Market Committee put off a rate hike decision and reduced the number of hikes from four to one. In 2016 foreign investors were net buyers at THB 78,546 million worth of Thai shares, the first annual net-buying position in more than four years. Gainers included the large capitalization sector such as energy, banking, and ICT counters. Energy counters posted the strongest gains and led the overall market higher because of the recovery in global crude prices as the Organization of the Petroleum Exporting Countries (OPEC) tried to restore stability by capping its members' output. The West Texas Intermediate crude price fell to the year's low of 26 dollars a barrel in February before surging 42 percent to 53 dollars a barrel at year-end 2016.

We expect SET Index volatility at between 1,400 and 1,750 in 2017, with an upward bias. The market will be supported by solid economic growth thanks to accelerated public infrastructure investments, resumed export growth amid a recovering global economy, and continuous growth in Thailand's tourism sector. The anticipated election in 4Q 2017 will also be crucial to attract portfolio inflows and drive up the stock market. Based on historical trading data between coups and subsequent election dates, Thai shares gained 11 percent after the 1991 coup and 20 percent after the 2006 coup, but the SET Index has risen only 6.5 percent since the last coup in May 2014. This suggests another 5 to 17 percent upside to the SET. The uptrend will benefit the securities brokerage business directly as higher daily turnover will lift brokerage and related fee income and offset the impact of stiff competition within the industry.

Key 2016 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 and build 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 KSS customer experience with improved online systems:** To further improve the customer experience, satisfaction, and communication we have upgraded our IT infrastructure and developed a centralized customer management (CCM) system to improve the account-opening process turnaround time from two days to one day for more convenient deposit and collateral transfers, and a better customer experience for Know Your Customer (KYC), Client Due Diligence (CCD), 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 information, fundamental and technical analyses, our awarding-winning research, and capital market updates through this new application in collaboration with Stock Radar, our preferred partner for mobile application enhancements.

- **New Research Website Access and Portal Enhancements:** As part of our enhanced research distribution we have improved and expanded our research website to incorporate research from Krungsri and MUFG for various customer groups: retail, high net worth, and institutional. Apart from daily emails, these customers can access our securities research database and search for past research.

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

- **KSS-MUFG Collaboration**

- **Supporting Morgan Stanley Businesses in Thailand:** Through the efforts of the KSS-MUFG partnership we worked together to increase the 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 corporate listed companies such as Thai Oil Public Company Limited; Indorama Ventures Public Company Limited; Krung Thai Card Public Company Limited; IRPC Public Company Limited; Central Pattana Public Company Limited; Intouch Holdings Public Company Limited; Gunkul Engineering Public Company; Kiatnakin Bank Public Company Limited; and Star Petroleum Refining Public Company Limited.

- **Branch and subsidiary collaboration**

The company joined the SET and Krungsri in the Banker to Broker campaign to increase the number of capital market investors by rewarding bankers who introduce new customers to brokers. Contests were held and prizes awarded every two months for half the year, with grand prizes at the end of the year 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 650 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 the new branch operating model and launching more campaigns and promotional activities with branches and Krungsri Exclusive.

The 2017 Plan

- **KSS Wealth Management Division:** KSS plans to complete its wealth management platform by the end of 2017, 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 revamping customer value propositions are also part of this strategy to further grow for the next Mid-Term Business Plan.

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

Asset Management

Krungsri Asset Management Company Limited (KSAM) offers a comprehensive range of products and services, including mutual funds, private funds, provident funds, and investment in futures contracts.

We achieved a 12.7 percent increase in assets under management (AUM) with a record of THB 361.6 billion as of year-end, while new customers acquired reached 31,517 – an 11 percent increase from 2015. We received a consistent return and reputation in managing equity, foreign investment, and long-term equity funds, bringing us strong net flows with outstanding growth in assets under management compared to industry averages.

In 2016, we continue looking for investment opportunities and new products offering including maintaining investment process and fund management standards in order to provide all client segments with consistently attractive returns and various investment alternatives:

Equity Funds

- **Krungsri Thai Small-Mid Cap Equity Fund (KFTHAISM)**

This fund focuses on small and medium-sized enterprises stocks based on their business potential with growth potential and outstanding performance with net profit growth potential that is higher than overall stock market.

Investment policy: Invest no less than 80 percent of NAV in equity of companies listed in the Stock Exchange of Thailand (SET) and/ or the Market for Alternative Investment (MAI) of good fundamental and/or growth potential particularly in small and medium-sized enterprises.

Risk level 6: High risk

Fixed Income Funds

- **Krungsri Active Fixed Income Fund (KFAFIX)**

The fund is a new investment alternative for investors to gain limitless returns from fixed income in government and corporate bonds and pursues active investment strategies riding out all market conditions with no limit in the duration of the invested fixed income to suit interest rate changes.

Investment policy: Invest on onshore and/or offshore in debt instruments and/or deposits or deposits equivalent issued, certified, aval, or repayment guaranteed by the government, a state enterprise, a financial institution, and/or private entity, where such instruments are designated as investment grade in either the issue rating category or the issuer rating category. The fund may invest in non-investment grade debt securities or unrated securities.

Risk level 4: Medium to low risk

- **Krungsri Smart Fixed Income Fund (KFSMART)**

The fund is designed to improve the potential for returns that are better than savings and money market funds.

Investment policy: Invest on onshore and/or offshore in debt instruments and/or deposits or deposits equivalent issued, certified, aval or repayment guaranteed by the government, a state enterprise, a financial institution, and/or private entity, where such instruments are designated as investment grade in either the issue rating category or the issuer rating category.

Risk level 4: Medium to low risk

Foreign Investment Funds (FIFs)

2016 marked another record year for our foreign investment funds (FIFs). We collaborated with both existing and new partners, including the Morgan Stanley – MUFG affiliate, and other global asset management companies to provide a full range of products. The products stand out amidst the low interest rate environment and volatile stock markets. The new fund launches in 2016 are as follows:

- **Krungsri Global Smart Income Fund (KF-SINCOME) and Krungsri Global Collective Smart Income Fund (KF-CSINCOM)**

Fixed income solutions for a low- interest-rate world with flexibility to invest in a broader global opportunity set across multiple fixed income sectors focusing on income as a driver of total returns. The funds also help build up higher and consistent portfolio returns over time with less reliance on shifts in economic conditions and interest rates.

Investment policy: Invest in PIMCO GIS Income Fund (Master Fund) on average at least 80 percent of NAV.

Risk level 5: Medium to high risk

- **Krungsri Global Brands Equity Dividend Fund (KF-GBRAND)**

In collaboration with MUFG affiliate Morgan Stanley Investment Management the fund provides an opportunity for returns from stocks of the companies owning the world's most popular, hard-to-replicate brands such as Unilever, L'Oreal, Nestle, Microsoft, and Twenty-First Century Fox.

Investment policy: Invest in Morgan Stanley Investment Funds – Global Brands Fund (Master Fund) on average at least 80 percent of NAV.

Risk level 6: High risk

- **Krungsri Global Equity Long Short Fund (KF-GLS)**

The fund is designed to ride out volatile markets with its long/short equity strategy to generate returns even in times of market volatility and is an appropriate investment choice for those who prefer to invest in stocks. It helps reduce volatility and market timing mistakes.

Investment policy: Invest in UBS Equity Opportunity Long Short Fund (Master Fund) on average at least 80 percent of NAV.

Risk level 6: High risk

- **Krungsri Global Property Dividend Fund (KF-GPROPD)**

The fund seeks stable returns from global REITs and property stocks underpinned by rental fee cash flow and opportunities for long-term returns from rising real estate prices.

Investment policy: Invest in Standard Life Investments Global SICAV – Global REIT Focus (Master Fund) on average at least 80 percent of NAV.

Risk level 7: High risk

Long-Term Equity Funds (LTF) and Retirement Mutual Funds (RMF)

At the end of the year, we launched two new LTF and and two new RMF funds to promote long-term investment, retirement savings together with tax deduction benefits, and to provide investors with more options for diversify their investments in a wide range of assets. These news funds are as follows:

- **Krungsri All Stars Dividend LTF (KFLTFAST-D)**

This fund involves investment strategies that combine both Thai and foreign stocks. Thai stocks include dividend stocks, growth stocks, large capital stocks, and small capital stocks. The fund has a policy towards the investment in equity or Thailand Futures Exchange (TFEX) registered in the SET and/or MAI, representing at least 65 percent of NAV and the investment in the iShares Core MSCI World UCITS ETF, representing approximately 30 percent of NAV.

Risk level 6: High risk

- **Krungsri Thai Small-Mid Cap Dividend LTF (KFLTFSM-D)**

The fund invests no less than 80 percent of NAV in equity of companies listed in The Stock Exchange of Thailand and/or the Market for Alternative Investment (MAI) including IPO stocks with market capitalization of no more than THB 50,000 million.

Risk level 6: High risk

- **Krungsri Global Smart Income RMF (KFSINCRMF)**

The fund allocates at least 80 percent of NAV in each accounting year in a foreign fund titled PIMCO GIS Income Fund (Class I-Acc) (master fund).

Risk level 5: Medium to high risk

- **Krungsri Global Brands Equity RMF (KFGBRANRMF)**

The fund allocates at least 80 percent of NAV in each accounting year in a foreign fund titled Morgan Stanley Investment Funds – Global Brands Fund (Class Z) (master fund).

Risk level 6: High risk

Improving process efficiency

- **Unit-linked Insurance Plan (ULIP) – another strong sales channel**

In 2016, our FIFs namely the Krungsri Greater China Equity Hedge Dividend Fund (KF-HEALTHD), the Krungsri Collective Global Income Fund (KF-CINCOME), and the Krungsri Japan Hedge Dividend Fund (KF-HJAPAND), remained popular among investors through a unit-linked plan offered by our allied insurers: AIA Company Limited; Prudential Life Assurance (Thailand) Public Company Limited; and Muang Thai Life Assurance Public Company Limited.

- **Customized data reports for key selling agents thanks to our concrete IT system Fund Service Platform by the Stock Exchange of Thailand (SET)**

We have jointly developed a fund service platform to help broaden mutual fund channel access. This platform is not only an effective vehicle for our selling agents with higher operational standards and enhanced services from fund account-opening to payments, but also helps expand our selling- agent network.

- **Passbook Update**

We launched a new passbook procedure allowing our own clients and non-Krungsri agents to update their passbooks using automated passbook update machines at Krungsri branches in addition to the company's office.

- **Enhanced Client Service Reduced abandoned-call rate**

Our Client Service team has made significant progress in reducing the abandoned-call rate which has decreased from 7.0 percent in 2014 to 6.0 percent in 2015 and 4.25 percent in 2016 as call center employees can now handle calls more efficiently, with less time spent and improved internal processes to prevent peak period of customer calls.

- **Client Service Email Management**

A recent enhancement for online transactions called @ccess Online Service allows customers to better adjust their profiles and access their investment portfolios by themselves in real

time: This has resulted in a decreased number of enquiries regarding their investments and other information.

Collaborating to drive Krungsri toward greater success

Our cooperation with Krungsri proved to be an excellent opportunity for our expansion to juristic persons and major private customers of the Bank of Tokyo-Mitsubishi UFJ (BTMU). We have been chosen by 12 companies (seven retail Japanese customers and five Thai corporate and retail customers) to act as their provident fund manager.

Digitalization

We embrace digitalization to better serve our customers' needs:

- **Full launch of new-look corporate website**

Our website's new look has been fully launched to better serve customers and interested investors at large: Customers will find it more convenient to update news, NAV, performance, and fund information through this new user-friendly website that is compatible with all platforms whether accessing the site on a mobile phone, tablet, or desktop computer.

- **Online Application for @ccess Online Service**

@ccess Online Service has long served as an online transaction platform for simple fund transactions featuring user-friendly and easy-toaccess functions. We have recently made significant progress on online applications by allowing completion of application forms through our website (www.krungsriasset.com), with a link to apply for direct debit at bank accounts online. All processes can be completed easily within a few minutes.

The 2017 Plan

- **Business expansion**

- Increase product variety focusing on both core and satellite products for quality asset allocation to suit a variety of customers.

- Expand the distribution network by increasing the number of selling agents and training salespersons.

- Strengthen existing selling channels through improved product knowledge and selling efficiency for long-term customer relationships.

- **Customer base expansion (main bank and high net worth customers)**

Expand each customer segment by reaching the bestselling channels: High Net Worth (HNW) via Krungsri Exclusive; mass affluent via Krungsri PRIME; and mass customers via online services Synergize with Krungsri by working closely with JPC/MNC teams for private fund and provident fund customer referrals.

- **Improved customer experience**

- Our plan is to enhance the customer experience by using online transaction services, aligned with the Krungsri digital core strategy, focusing on mobile and online channels to introduce products and services that better serve customers and to integrate appropriate online content and channel with real-time capability to drive end-to-end customer experience. To accomplish this we plan to launch these projects: A fund transactions mobile application.

- Enhanced online transaction services such as online account-opening and retirement planning.

Marketing and Customer Relationship Management of Krungsri

Marketing and Branding: “Knowing and understanding our customers” is the basis of our communication strategy and marketing activities.

Knowing that our customers’ lifestyles are changing due to the increasing importance of social media in everyday life and with more time spent on the road, we have begun to place more advertising and communication emphasis on out-of-home media and online channels such as LINE, Facebook, and YouTube to better reach our target customers.

Understanding that our customers would like to broaden their business horizons and groom their successors to eventually take over their businesses, we have collaborated with both internal business units and external institutions to organize customer events that have helped strengthen our customer relationships. Krungsri coordinated with MUFG to arrange customer visits to leading companies in Japan such as the Glico Factory, Nippon Steel & Sumitomo Metal Corporation, and the Kikkoman Corporation to experience hands on how successful companies operate. We have continued to join hands with the National Institute of Development Administration and Assumption University to offer a three-month training program called the Krungsri Leadership Academy for descendants of SME Banking and Krungsri Exclusive customers. With this year’s key concept being “Digitalization and Mindfulness”, the training program dealt with topics such as the future of business after the arrival of the online world, e-commerce and telecommunications, and nonstop creative marketing.

Going forward in 2017 we will continue to gain insights to better understand our customers, to enhance our advertising and branding strategy, and to customize the customer experience journey so as to “Make Life Simple” for them.

Customer Relationship Management: We continue our customer-centric journey while embracing digitization and innovation technology: We leverage big data analytics, machine learning, and artificial intelligence to transform massive, complex data from all customer interactions into meaningful insights that help us better respond to customers’ current needs and predict potential future needs. To make life simple for customers, we designed a customized process based on their profiles and financial goals, and delivered a series of messages with useful information, including personal financial management knowledge, financial planning tools, basic product and service information, and financial tips that can help customers achieve their financial goals. Moreover, analytics also led to more efficient process design that focuses on creating a pleasant customer journey and driving a good experience seamlessly online and offline. Our automated cross-selling and referral platforms were further enhanced to cover more products and services using more channels.

Distribution Group

The Group manages all product and service channels across Krungsri’s nationwide network, providing channels for customers to make transactions at domestic and overseas branches, Krungsri Exclusive banking centers, currency exchange centers, and Western Union centers. We also provide services through online and mobile channels.

This was the second year of Krungsri’s Mid-Term Business Plan (2015 - 2017). Our network channels served as one of the key driver to deliver our overall business activities based on customer centricity. Major undertakings included expanding branches, ATMs, and FX booths for customer convenience; building and developing long-term customer relationships; adapting consultative selling to help customers meet their financial needs; and developing our team to continually improve their knowledge and skills, enabling them to deliver the best service possible.

In 2016 the Distribution Group achieved all performance targets, delivering these increases: mutual funds up by 25 percent; bancassurance up by 14 percent; and mortgage loans up by 23 percent.

We also added 22 new branches, with a total of 695 branches at year-end, including 658 banking branches and 37 auto business branches. In addition, we added 668 new ATMs and 2 new currency exchange centers, giving us a total of 6,248 ATMs and 95 currency exchange centers at year-end. Expanding our distribution channels should better serve our customers. We also

collaborate with Krungsri Auto and Ngern Tid Lor to open branches offering both banking service and Krungsri Auto or Ngern Tid Lor services: In 2016 we had 11 such branches and plan to open more in the future.

In 2017 we also plan to initiate the digitalized branch model where customers can conduct financial transactions such as account opening and bill payments independently.

Meanwhile, we will continue with the new branch operating model launched in 2016 for our branch network collaboration with the Wealth Management Division and the SME Banking Group to better meet customers' financial requirements. Furthermore, Krungsri successfully rolled out a new branch front-end system in August 2016, offering to improve the customer branch experience.

E-Business Division

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

The successful launches of Krungsri Online and the Krungsri Mobile Application in 2015 clearly reflected the changes in consumer behavior, with markedly increased use of digital banking services. The number of digital banking users increased by 44 percent in 2016, with the number of digital transactions growing from 118 million in 2015 to 200 million in 2016 – a 70 percent increase. The volume of mobile banking transactions also increased by 90 percent, while the Krungsri Mobile Application has been downloaded more than 1.7 million times since its launch. Thus we will continue to focus on mobile banking in 2017: We aim to further develop these products and services and to become Thailand's best mobile banking application provider.

Krungsri has also launched products for SME customers to respond to the growing demand for internet banking and away from traditional banking: These include Krungsri Biz Online and Krungsri Biz Alert as well as an easy-to-use tax payment system for corporate customers. We have also developed Krungsri Host-to-Host automatic data sending and receiving as well as the Krungsri Biz Payment Gateway for dozens of customers among Thailand's largest corporations.

In 2016 we were honored with the **Asian Banking & Finance Wholesale Banking Award for Thailand Domestic Technology and Operations Bank of the Year** for the second consecutive year. Thanks to our innovative adoption of FinTech to identify solutions for internal issues and address customer needs such as paperwork reduction and use of technology to manage databases for

enterprises, we won the **2016 Thailand ICT Excellence Award** for Internal Process Improvement. Krungsri also received the **2016 Social Media Initiative of the Year Award** from the Asian Banking and Finance Magazine and was cited by Facebook as a case study in the Thai banking sector for cutting call center response time by 83 percent and doubling sales and service opportunities in 2015 - 2016.

2017: The Year of Marketing Automation: In 2017 our E-Business Division will be transformed into the Digital Banking and Innovation Division to keep abreast of technological advancement and be in line with Krungsri's business direction to become the leader in digital services. Our next steps are guided by the Seven Pillars of Digital and Innovation Strategy and the Eleven Boxes of Technological Innovation and Investment to enhance the customer experience with a full range of products and maximum efficiency. We will continue our focus on SMART marketing to increase customer interactions and respond to their individual needs using artificial intelligence (AI) to create "smart" chat functions on our widely used social platforms. These new initiatives include, for example, LINE Business Connect using API to connect our LINE official account with other users to enable targeted communications for one-to-one marketing. We also continue to develop financial services to answer the unique needs of SME and corporate customers with a range of products and innovations to enhance the customer experience in line with our mission to "Make Life Simple".

Information Technology Group

Krungsri Information Technology (IT) is one of the key drivers supporting our innovation culture. We use information technology to create a better customer experience, to reduce operating costs, and to provide cutting-edge financial services to the market.

In August 2016, we successfully launched a new teller system for all branches. This user-friendly system is seamlessly integrated with our legacy systems, with an easy-to-use interface. This results in speedier turnaround time and stronger procedural controls to ensure better security and reduced operational risks at branches nationwide. For this successful launch, we are a proud recipient of the **Best Branch Automation Project in Thailand award** from The Asian Banker. Throughout the year, we also explored adopting biometric authentication to open accounts at branches and on mobile channels. We were researching the future use of artificial intelligence (AI), machine learning, electronic document processing, and video conferencing to enhance the customer experience. We were also upgrading our mobile platform to a more powerful and secure environment with new features, ready to support new-generation mobile banking.

"Customer Centricity" continues to be the center to our core mission of providing excellent platform solutions for other business units. This year, we continued deploying workflow automation

embedded in intelligence engines by launching the new loan-origination software platforms for personal loans, mortgage loans, and SME-Retail. These platforms not only enabled us to connect to the National Credit Bureau database with a world-class scoring system, but also to connect to mobile devices and a geographic information system (GIS) providing customers with more convenience and speed. In addition, we re-engineered applications to support straight-through processing (STP) in the new release of the Krungsri e-Fund Registrar service for asset management companies and unit holders, and automated trading confirmation to the global market customers via email with encryption using robots to eliminate manual processing.

Along with the expanding scope of businesses using our enhanced capability, Krungsri has expanded a new trade business service using the SWIFT Net Trade Services Utility (TSU) to provide timely and accurate comparisons of electronic data from underlying corporate purchase agreements and related documents. The system was developed by SWIFT (Society for Worldwide Interbank Financial Telecommunication), the global settlement network for major international banks, helping export customers optimize document processing time resulting in cost savings, and helping them compete in the face of changing market dynamics. Krungsri launched this new trade business service in August. Krungsri was the first bank to launch an electronic guarantee (e-GP) service, Krungsri e-Guarantee, to support government procurement for corporate and SME customers. Krungsri also launched straight-through processing to automate electronic letter of guarantee approvals in September.

After successfully implementing cloud technology for Krungsri's employee e-learning platform, we are now working on expanding the cloud technology to other selected areas such as the procurement process using ERP (Enterprise Resource Planning). This initiative for our internal processes will be cost-effective and will boost productivity, with the new platform expected to be operational early in the 1st quarter of 2018.

With the continuous progress of the Teradata Data Warehouse implementation to support centralized information, we have further invested in big data analytics and data virtualization technology as an infrastructure foundation for customer centricity and as a building block for omni-channel and sales force management. This will enhance data analytics accuracy and improve fraud detection monitoring for online transactions.

Security

With the rapidly developing and important digital economy, the internet channel offers business opportunities and elevates services; at the same time, it presents challenges and threats to the banking environment and operations. Krungsri thus has emphasized the importance of both

preventing and protecting our customer information and transactions from various cyber threats. We have tightened security controls for key services such as money transfers, internet banking, mobile banking, and ATM transactions. We have also started to roll out many key IT security programs including Advanced Malware Protection, DDoS (Distributed Denial of Service) Mitigation, ATM Whitelist, Security Compromise Assessment, Data Leakage Prevention, Fraud Monitoring and Detection, Ultimate Beneficial Owner (UBO) in compliance with the Anti-Money Laundering Act, and SWIFT Security Protection. In 2017, we will continuously reinforce our commitment to uncompromised security and strengthen enforcement controls over sensitive data and services using a globally recognized cyber security framework. In line with the Bank of Thailand's regulations and the National e-Payment Master Plan, we successfully launched the Krungsri Debit Chip Card and installed a chip card reader module at all ATMs to protect customer information and create a more secure environment in 2016. A critical initiative to support the digital economy in 2016 was PromptPay or AnyID. From July 2016, individual customers could register for the PromptPay service using their Thai ID card numbers or their mobile phone numbers tied to savings accounts through these channels: branches; Krungsri Online; the Krungsri Mobile App; and ATMs. Our platform was ready for G2C (government-to-consumer) bulk payment money transfers in December 2016, while person-to-person payments (P2P) is scheduled to commence in early 2017.

Future

In 2016, we initiated 3 major IT investments for the future: a new foreign exchange system to support global market trading; a new data center slated for completion by year-end 2017; and a new financial and risk management platform supporting asset liability management, liquidity management, and fund transfer pricing. (The new platform is expected to be completed in 2018 and will support the IFRS platform aligned with Basel requirements).

A collaborative culture is critical for our IT operating model to deliver the best solutions and services to customers. In 2016, we developed an IT enterprise architecture that helped integrate and standardize our IT design among multiple platforms to support growth, avoid redundancy and duplication, and support open architecture. We have invested significantly in infrastructure to improve connectivity; for example, we doubled network bandwidth capacity; we developed our ATM network to support our new mobile network; and we implemented an intelligence network (or network modernization) that supports multi-location data center redundancy and stability.

We continued to invest in and expand the CLMV IT regional infrastructure by establishing an IT network connection to Hattha Kaksekar Limited (HKL), a leading microfinance institution in Cambodia, which became a Krungsri subsidiary in September. We also empowered our

Vientiane and Savannakhet branches in Lao PDR with SWIFT hubbing capability to improve our international banking service with standardized interbank communication in the 3rd quarter of 2016. This initiative helps expand existing services such as letters of credit, and inward and outward remittances, while also providing new business opportunities in opening nostro accounts in foreign banks. This not only promotes our business growth, but also improves operational efficiency by reducing turnaround time and the risks associated with manual processing using automated workflow.

Customer satisfaction is our most important goal of our solutions platforms: We are upgrading our contact center systems and planning to implement solutions that support new digital channels such as Open API, Web Chat, Mobile Chat, LINE, and other social channels. In addition to enabling a culture of collaboration and empowering our people, we will also invest in technology that facilitates mobility such as O365 (Office 365), VDI (Virtual Desktop Infrastructure), WiFi expansion, BYOD (Bring Your Own Device), and MDM (Mobile Device Management).

Operations Group

To drive Krungsri toward greater success as a customer-centric bank, the Operations Group has improved collaboration between various functions to achieve service excellence, improve our operational efficiency, and create digital innovation. With our customer-centric approach, we work to enhance collaboration between front-, middle-, and backoffice functions, including IT, to enable us to work collectively and effectively while leveraging technology to rely more on automation that can minimize human error.

In 2016 we implemented automatic FX confirmation e-mail sent to our customers with automatically generated passwords to tighten up customer information security. Krungsri also expanded foreign exchange business service coverage by including more currencies: the Pakistani rupee (PKR); the Bangladesh taka (BDT); ASEAN currencies; and emerging market currencies to meet customer needs and support their overseas investments. Moreover, we supported the Global Markets Group to expand the foreign currency bond business to customers (asset management companies and financial institutions) by working closely with MUFG and the Mitsubishi UFJ Securities International (MUSI) operations in Hong Kong and London to provide full-scale payment and settlement operations.

As a MUFG member, Krungsri collaborated with and moved in the same direction as the Group aiming to be a top-tier financial group in Thailand and to ensure compliance with BASEL/ISOCO's regulations under five-phase regulatory plan. Krungsri is among the few top Thai commercial banks that pioneered the Margin Requirement to support transaction of Global Market

which not only helped us to significantly mitigate risk exposure arising from our fast-growing businesses, but also improved our competitiveness. Moreover, we would become a preferred choice over our business rivals due to our readiness with global partners. To expedite the change and exceed customer expectations we streamlined the end-to-end account-opening process for corporate customers and simplified all relevant procedures to meet customer needs and support the front office to expand bulk and payroll-account opening.

We have also improved the Credit Approval and Operational Process Re-Engineering (CAOR) by launching the new Krungsri Collateral Valuation System, our investment project implemented in 2016 to shorten turnaround time for appraisals as part of customer centricity. Furthermore, the mobile application and Geographic Information System (GIS) improved our operational efficiency and productivity and enabled us to deliver even faster and more convenient products and services.

In 2016 we continued our focus on digitalization as we cooperated with the Bank of Thailand, the Thai Bankers' Association and the government to implement the National e-Payment Master Plan intended to transform Thailand into a cashless society, aiming to create an integrated e-payment infrastructure for the nation. We also collaborated with other functions to enhance the Krungsri PromptPay service, one of the five projects under the national e-Payment Master Plan designed to simplify fund transfers by using citizen identification numbers or mobile phone numbers instead of bank account numbers to lower fund transfer costs for customers. In addition, the Electronic Data Capture (EDC) service nationwide has been expanded, especially for targeted groups such as SME customers. Krungsri was among six commercial banks signing the EDC Consortium, a memorandum of understanding for collaboration on EDC terminal expansion.

We also collaborated with the front and back offices to enhance the Account Pooling Service across core banking platforms by the auto sweep account service from a Thailand platform to a Tokyo platform. This global pooling service provided greater customer convenience in managing their funds globally to their mother accounts held at BTMU overseas. We will explore another project for online real-time services across platforms in the near future.

During the year the Bank of Thailand in cooperation with all Thai financial institutions stipulated service delivery standards (Service Level Agreement: SLA) to improve industry-wide financial institution services. The Operations Group has ensured full cooperation and finally announced our service standards in June. We have also expanded the scope of internal service quality control to other customer touchpoint functions such as merchant services, collateral valuation, and transactional banking to assure that services are professionally delivered at the same standard.

Digital operations are included in our 2017 plan which calls for new applications such as blockchain technology (the database technology that underpins bitcoin) for digital cheques, supply chain finance, cross-bank bill payments, and fund transfers with request-to-pay.

We have developed our people through both e-learning programs and various training sessions to further their knowledge and capabilities as professional bankers with a deep understanding of our customers' needs, ready to provide superior services in this digital banking business environment.

Human Resources Group

"Customer centricity" is the foundation of our business operation that drives Krungsri to success by fulfilling our customers' requirements and expectations. Krungsri also attaches great importance to our most valuable assets – our people: We strongly believe that success and growth can only be achieved with competent employees upholding values aligned with our business strategies. Mindful of this, we have continuously fostered a culture that promotes teamwork, cultivates ethical behavior, and encourages employees to do their utmost to serve our valued customers. Furthermore, we groom our people in various ways as Krungsri strives to become a leading financial institution locally, across Asia, and globally.

With this resolve to become a leading regional financial institution with global reach and to stay ahead of ever-changing and challenging customer needs as well as the rapidly emerging technological innovations in the financial world, the Human Resources Group has developed our executives' professionalism at all levels by providing equal development opportunities in pursuit of our core philosophy of customer centricity.

In 2016 the Human Resources Group designed learning programs and developed training calendars to drive Krungsri toward becoming a customer-centric organization, to efficiently cater to customer needs and expectations, and to promote sustainable business growth in this digital era. Examples include:

- **Krungsri Customer Centricity Training Calendar**

A program specifically designed to extend knowledge and understanding of customer centricity values and to provide executives and employees at all levels with an opportunity to learn from the invaluable experience of other leading organizations how to successfully embed customer - centric values. The program consists of five courses, each well designed based on expected behaviors at each level. These include Developing Customer Centricity in You, Becoming a Customer-Centric Practitioner, Becoming a Customer-Centric Role Model, Driving Customer-Centric Behavior Begins with Your Team, and Leading Customer-Centric Organization and Value.

- **Annual Training Calendar for All Employees**

A training calendar is carefully designed and developed to foster Krungsri Core Values, strengthen leadership, and enhance a variety of skills that promote customer centric delivery of products and services. Highlights include Creative Thinking – Better Creativity for Better Ideas, Maximize Communication Skills for Success, Problem-Solving and Decision-Making, and Sparkling Ideas through Creative Thinking.

The Human Resources Group also attached importance to enhancing knowledge and skills for customer point-of-contact employees so that they become highly capable of delivering a full range of customer solutions for an impressive customer experience. To achieve this, a Functional Training Calendar was designed to strengthen functional competencies for each business function. The calendar also included courses that focus on embedding customer-centric values:

- **Branch:** Focusing on providing services that best respond to customers' needs. Courses include Strategic Thinking Planning and Execution, Consultative Selling Skills, and Krungsri Service Signature Plus on how to deliver an impressive customer experience
- **SME Banking:** With courses such as a Consultative Selling Skills Workshop, Industry Knowledge, and Professional Business Etiquette
- **Corporate and Investment Banking:** With courses such as Consultative Selling Skills and Smart & Good-Looking
- **JPC/MNC Banking Program:** Consisting of courses such as Building Effective Communication, Total Solution Sales Strategy, and Smart & Good-Looking
- **Transaction Banking:** Consisting of courses such as Transaction Banking Product and Cash Management Product, and
- **Global Markets:** Consisting of courses such as Selling Skills – Professional Consultative Sales, and Industry Knowledge.

In addition to courses that focus on efficiently providing service and responding to the needs of all customer groups be it retail, SME, and corporate customers, all employees also receive continuous and unlimited access to knowledge and self-development through a modern learning channel—the Krungsri Learning Companion (KLC), offering both domestic and international online courses carefully selected to broaden knowledge about customers' businesses and relevant tasks to improve efficiency and effectiveness as well as courses that stimulate creative financial innovations.

To cope with internal growth for Krungsri and its subsidiaries, the Human Resources Group has studied, reviewed, and revised guidelines on internal job transfers and relocations as well as designing and formulating a Job Rotation Policy for human resources management to enhance employee skills and expertise and to support their career advancement both within and across functions.

In addition to developing skills and competencies, we also continuously promote good physical and mental health for our people. In 2016 health care programs were arranged with knowledge and guidelines provided by physicians and experts. Employees were given an opportunity to join seminars and workshops. Krungsri's infirmary was renovated with exam rooms and patient rooms being modernized and well-equipped with necessary medical equipment as well as a team of physicians and professional nurses available to provide immediate medical assistance and relief for employees every business day. Annual flu vaccinations were arranged as suggested by the World Health Organization (WHO). Moreover, useful knowledge was shared with employees through internal channels; for example, news on current infectious disease threats to create awareness and promote self-care and health protection, sharing of knowledge about social security welfare loans, personal income taxes, and the provident fund to equip employees with financial know-how for more efficient financial management.

In 2016 the Krungsri Payroll Center of Excellence (CoE) was one of the highlights of our long-term plan. In addition to the payroll service currently provided to Krungsri and to five subsidiaries, the Human Resources Group aims at serving all Krungsri Group companies by 2020. To achieve this, the OneKrungsri Platform and the Payroll Digitalization Project have been initiated to acquire modern information systems to provide a highly professional service. Furthermore, the Human Resources Group has developed a system to enable employees to conveniently access their provident fund data and change their savings rate on the Intranet.

A highly efficient information system is scheduled for 2017 to provide even better employee welfare management, giving employees access to all welfare-related data and information through an Employee Self-Service function enabling them to check their medical reimbursement status, learn about welfare-loan application process, etc. All these initiatives will streamline processes, reduce related costs and turnaround time, and thus facilitate faster, more convenient service for employees.

To support Krungsri's strategies for CLMV business expansion and enhance employee development in our drive to become a leading CLMV financial institution, the Human Resources Group has identified talents using succession planning to make these strategic moves in the target countries. An internationally recognized systematic compensation and benefit structure have been applied for these employees to ensure that compensation and benefits for overseas assignments are aligned with BTMU compensation and benefits in the region as well as being highly competitive in the financial business sector.

Talent acquisition has always been another key focus for us: In 2016 the Human Resources Group introduced and applied technology to make recruiting and hiring more convenient for candidates. With this aim in mind, Simple Q and Application Online have been used to allow

candidates to apply anywhere and anytime as well as to save time in completing applications and streamline processing.

In addition, the Krungsri @ First Sight Program has been initiated as the first attempt to build Krungsri employer branding with leading Thai universities: Krungsri representatives visit teachers and students to introduce our organization, offer career options, and share interesting and practical financial knowledge with target groups. In 2016, this outreach program successfully covered four universities with more than 1,000 students. The Human Resources Group aims at creating sustainable positive relationships and cooperation between Krungsri and these universities as well as offering career opportunities and professional knowledge to students participating in the program.

In addition to Krungsri @ First Sight, the Human Resources Group has launched Krungsri Bright Start Program to groom young talents for Krungsri. The program gives undergraduates an opportunity to gain first-hand working experience with Krungsri through internships and cooperative education. In 2016 more than thirty undergraduates joined our internship program in various functional units. In 2017 we plan to accept more than fifty interns who would be given an invaluable opportunity to gain hands-on work experience, develop their capabilities, and explore their future career options with Krungsri.

Risk Management Group

Over the past year the Risk Management Group has confronted various global and domestic challenges. We continued to improve and strengthen our procedures in cooperation with BTMU risk management functions to enhance our own risk management.

Krungsri has displayed judiciousness in risk management by using various risk management techniques. High-quality risk management is one of our active priorities. Our core risk management responsibilities are to identify, measure, control, monitor, and manage risk. We manage this with policies, measurements, and monitoring procedures guided by our internal governance principles. All our initiatives are aligned 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 as approved by the Board of Directors.

Enterprise-wide Risk: To support sustainable growth and align ourselves with global standards, Krungsri has established the "Enterprise -wide Risk Management Framework (ERM)" to

oversee and proactively manage material risks. ERM tools such as Risk Appetite, Risk Map, 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 the Group's risk profile is aligned with our business plan and that risk management strategies are within our risk capacity.

Market Risk: The synergies in the Krungsri-BTMU Bangkok Branch integration gives us not only products and services for our customers, but also market risk management knowledge and expertise that help our market risk team meet international standards.

In 2016 we dealt with these issues: a highly competitive market; a challenging operating environment; more customized treasury and derivative products and services offered by our global market team to meet complex customer demand; and acquiring microfinance company in Cambodia. The Market Risk Management Division has led us to become more proactive by doing flash reports to simulate Krungsri's income impact before any emerging events occur, applying more advanced techniques for market risk capital charge calculation, and considering our increasing business volume and more complex foreign exchange products.

Liquidity Risk: In 2016 Krungsri officially applied the Liquidity Coverage Ratio (LCR) required by the Bank of Thailand. However, our Market Risk Management Division was aware that the LCR focus was liquidity sufficiency up to a one-month stress period only. Therefore, the team strengthened our funding liquidity risk management framework to expand the scope of the monitoring, setting the trigger for the period at 0-3 month and 0-6 month to ensure that Krungsri has longer-term sufficient liquidity.

The team also does flash reports on funding liquidity risk management to ensure that we have enough liquidity in Thai baht and major foreign currencies.

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

Compliance Division

Krungsri is determined to maintain our business operations excellence by adhering to laws and regulations as well as good corporate governance reflecting our ethical values and integrity in transparently conducting our business, responsible to all stakeholders. We have implemented preventive and monitoring measures along with up-to-date technology in response to rapidly changing financial innovations for effective, efficient compliance controls.

Preventive measures have included constant monitoring of regulatory changes, entrusting the Compliance Division to summarize regulatory requirements before communicating them to executives and relevant employees using our intranet as comprehensive, prompt, and efficient communications. We also organize this information in our Onekrungsri portal to facilitate research and regularly updated regulatory information. Krungsri has also developed compliance courses on specific regulations using e-Learning – for example: Anti-Money laundering/Combating the Financing of Terrorism (AML/CFT); policies and measures to prevent insider trading; and conflict-of-interest protection. Employees can easily attend these training courses and achieve the course objectives.

Monitoring activities have included two types of testing: off-site monitoring, for example circulating checklists to relevant units for self-assessment and reviewing various documents and reports; and on-site monitoring, for example examining business operations at work areas, including mystery shopping. In 2016, Krungsri introduced technology to review and confirm ultimate beneficial owners (UBOs) as well as evaluate customer risk using automated risk-scoring to manage KYC (Know Your Customer) and CDD (Customer Due Diligence) requirements and upgrade the financial transaction review system to comply with regulatory requirements of the Anti-Money Laundering Office (AMLO).

We believe that constantly following these measures using new technology along with teaching a compliance culture will enable us to maintain our business operations excellence by adhering to laws and regulations and applying good corporate governance principles.

Corporate Strategy and Planning Group

The Corporate Strategy and Planning Group was established to drive our strategic transformation and manage key projects to deliver desirable outcomes aligned with our Mid-Term Business Plan. The Group is resourceful and with diversified expertise, which is necessary to drive Krungsri's transformation including strategy, key infrastructure improvement, process improvement, internal governance, and front-line customer touchpoints. Krungsri focused on transformation in the following four areas in 2016.

Customer Centricity: Krungsri is driven by a customer-centric strategy focusing on gaining customer insight while improving internal collaboration to deliver the best possible customer experience. As for branch operations, Krungsri's micro market concept has seen success at pilot branches, followed by a nationwide rollout to improve cross functional collaboration to improve retail and SME customer service. For retail customers, the entire mortgage lending process underwent a major revamp to expedite our service, including a new retail lending platform called ROS for personal and mortgage loans in 2016: the service will be available for retail SME in 2017. A new collateral valuation platform was also introduced to enable the Krungsri collateral valuation team to deliver faster and more accurate service.

The corporate and SME credit approval process was streamlined in 2016 to surpass the expectations of today's customers. Similar changes were made to our loan origination system due to be completed in the 1st quarter of 2017. The Commercial Banking Credit Control Department was set up to assist customer support and to act as a bridge between customers and Krungsri, offering tailor-made financial solutions that spur growth, increasing efficiency for customers' businesses. The Group also streamlined the account-opening process for the Thai corporate and JPC/MNC segments introduced a more effective integration solution to deliver service excellence for JPC/MNC cash management and SWIFT services.

Collaboration: The PDCA (Plan-Do-Check-Act) concept was introduced in 2015 and has been a key factor in our continuous improvement bank-wide. All functional units were encouraged to reach targets, to meet goals, and to collaborate in achieving the overall Mid-Term Business Plan: our senior management team each moved toward the same goals. In addition, internal NPS (Net Promoter Scores) and KPI (Key Performance Indicators) were developed to track and ensure the continuity of internal collaboration improvement.

Digitalization: To stay ahead of the global trend we constantly quicken our pace in the digitized world, well aware of rapid changes and adopting digitalization as key focuses for several years now. Krungsri Online, Krungsri Mobile Application, and Krungsri Business Online have seen uninterrupted improvement to update the functions for better and faster services that meet the demands of online customers. Furthermore, online business platforms and technology are updated regularly. In 2016 Bank of Thailand and Ministry of Finance expedited the program to move Thailand closer to a cashless society. Krungsri, as a key member of the Thai Bankers' Association, has strongly supported the National e-Payment program and look forward to adding value to maximize benefits and give our customers a competitive edge.

Krungsri also launched faster platforms to secure our digital frontier, adopting cloud technology, with the cloud-based HR recruitment platform in use. This agile software development concept is the bedrock of our various digital solutions and services, developed both for Krungsri and for our customers. FinTech is among our key areas of focus as Krungsri works closely with many new partners to create innovative and noteworthy financial services.

Foundaton: As Krungsri moves faster and becomes increasingly digitized, we are fully aware that a stronger foundation is needed to improve scalability, expandability, stability, and reliability. This need is reinforced by new regulatory updates and new accounting standard updates.

A finance and risk analytics program was initiated comprising several projects with the goal of strengthening Krungsri's foundation, set to be initiated in the 2nd quarter of 2017 and completed in the 3rd quarter of 2018. Amending accounting standards and IFRS9: Financial Instruments are also planned to ensure our full compliance. Relevant projects are in process to be completed in the 4th quarter of 2018.

Krungsri has complied with the global minimum standard on the margin rule in September 2016 following a reform program initiated by the G20 to reduce systemic risk from over-the counter (OTC) derivatives, part of the market reform program of the Basel Committee on Banking Supervision and the International Organization of Securities Commissions (BCBS/IOSCO).

As for distribution operations, Simple Click (a new teller system) has been rolled out to all branches nationwide in August 2016, followed by its use at all exchange booths in November. Furthermore, the European Master and Visa (EMV) ATM chip card fully replaced the magnetic strip ATM card in September.

We have strengthened our corporate governance using multidimensional self-assessment in multi-dimensions. Proactive steps were taken under the B-SAFE program to strengthen related policies, processes, procedures, and systems, with continuous monitoring and joint resolution across all business functions.

Krungsri has laid a solid foundation for data governance and has continued its activities to strengthen processes and control by completing the data grocery for key data elements in Krungsri and also performing data cleansing activities and setting up the process to control the quality continuously.

Industrial Situation and Competition

Thailand's Commercial Banks in 2016 and Outlook in 2017

- 2016 Sector Overview

As the Thai economy has recovered gradually with limited growth in some sectors, commercial banks were more cautious about providing loans amid concerns about rising bad debt. That resulted in a slow rate of lending growth at 2.0 percent in 2016. Loans from business sector grew 0.6 percent, mostly driven by a 1.8 percent growth from small and medium-sized enterprises (SME). Retail lending rose 4.9 percent, driven by growth from every segment. Auto loans increased 1.3 percent, while housing loans grew 6.9 percent, mainly due to the government's property incentives (a reduction on transfer and mortgage registration fees). Credit card and personal loans rose 5.9 percent and 3.8 percent respectively, while growth was outstanding in the 4th quarter thanks to spending demand during festive season at the year end and the government's stimulus measures. (Spending stimulus for personal income tax deduction from spending no more than THB 15,000 during December 14-31, 2016)

Deposits grew 2.7 percent, in line with slowdown in lending, while bills of exchange rose 1.7 percent from 2015. The banking sector's liquidity remained satisfactory level in 2016 with a loan to deposit ratio including bills of exchange at 96.3 percent, decreased from 97.0 percent in 2015. Although commercial banks were under pressure from a reduction in lending rates in April, net interest margins (NIM) slightly increased to 2.6 percent from 2.5 percent in 2015, thanks to prudent cost management.

Asset quality has deteriorated continuously especially lending to SME. The ratio of non-performing loans (NPLs) increased to 2.83 percent of total lending from 2.55 percent in 2015. To cope with rising non-performing loans and future risk of deterioration in asset quality, commercial banks set aside higher provisions, pushing up loan loss coverage ratio to 159.6 percent in 2016 from 156.3 percent in 2015.

Despite economic uncertainty and an increase loan-loss provisions, Thai commercial banks recorded a combined net profit of THB 199 billion, rose by 3.6 percent from a year earlier. An increase in net profit mainly driven by their successful deposit portfolio management by raising the proportion of current and saving accounts (CASA). That resulted in return of assets (ROA) was stable at 1.1 percent. The Thai banking sector had strong capital position at THB 2,363.2 billion, up THB 134.6 billion from 2015, mostly from accumulated profits. As a result, the capital adequacy ratio (BIS) increased to 18.0 percent and the tier-1 capital ratio and the tier-2 capital ratio rose to 15.1 percent and 3.0 percent respectively.

In 2016, leading commercial banks opened branches in neighbouring countries which had robust economic growth such as Cambodia, Laos PDR, Myanmar and Vietnam (CLMV) in a bid to expand business opportunity to boost growth. Thai banks are also active to acquire assets at home and overseas. Among them included Krungsri's acquisition of Hattha Kaksekar Limited, a fourth largest microfinance institution in Cambodia, and a recently -announced plan by TISCO Bank to buy retail business from Standard Chartered (Thai) Limited.

2016 was the first year of the third phase for Thai financial sector development plan for 2016 to 2020. This is in accordance with the master plan developed by the Bank of Thailand and the Finance Ministry for the first phase (2004-2008) and second phase (2010-2014). The plan is aimed at strengthening the competitiveness, promoting access to financial services, developing infrastructure and maintaining stability of the Thai financial sector. The launch of digital banking via electronics channels is part of the third phase and it is a priority to encourage the government, business sector and people to widely use financial services via electronics channels.

The Bank of Thailand and the government have joined hands to create a strategic plan to develop the national infrastructure for electronic payment (National e-Payment Master Plan) and PromptPay will be the first project to be materialized under the master plan. PromptPay is a new system that allows users to transfer money by registering their identification numbers or mobile phone numbers linked with a bank account. So far, 21 banks have participated in the project. PromptPay is scheduled to begin services in the 1st quarter of 2017. The swift change in new technology has led to advance development for banking services. Technology has played a major role in supporting businesses especially financial services or so called Financial Technology (FinTech). In line with the global trend, FinTech is a major catalyst that drives changes to financial services. It enables consumers to have fast and multiple access to funding and financial services. For banks, FinTech will not only help boost efficiency and reduce operating costs, but also increase the competitiveness in domestic and overseas markets. Commercial banks have prepared their readiness for FinTech in several ways such as setting up internal research and development teams to create new types of services and investments in FinTech Startup through venture capitals or business cooperation between banks and FinTech.

- **2017 Business Outlook**

The Thai banking sector is likely to perform better in 2017 on expectation of improved loan demand and the economic outlook. The country's economic growth will be driven by the government's infrastructure investment, recovery in private consumption, exports and tourism sector. Private consumption is expected to receive a boost from pickup in farm income in the

agriculture sector while the ending of debt burden for first-car buyers should encourage some consumers to buy new cars. As a result, the sector's loan is expected to grow 5-6 percent in 2017.

Deposits are likely to increase in line with lending demand and the growing economy. Banks are expected to launch new deposit products to offset those maturing in 2016, which should help boost liquidity to an unworried level.

However, Thai banks are still facing challenges to maintain interest income and fee income and control quality of its assets while the overall economy is in the phase of recovery. Net interest income and fee income may be affected by the launch of PromptPay, which will reduce fees from money transfer. Banks have to be well-prepared for any possible changes from regulatory fronts such as Basel III and accounting standards as well as a rapid change in technology. While banks have adopted strategies towards electronics banking, providing services at physical branches are still important and the main focus will be on lending, financial planning and investment advice services. Finally, all preparation will ensure that banks will be able to cope with changes in regulatory and financial technology with utmost efficiency.

Competitive Capacity

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 the 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 customer-centric approach to deliver integrated financial solutions that best match our customers' needs.

Combined, these approaches enable us to deepen our engagement and relationships with customers, as evidenced by the numerous recognitions and awards conferred on Krungsri by various national and international organizations as well as professional associations throughout 2016.

Corporate Governance Excellence

Krungsri is determined to achieve sustainable growth and increase long-term business value through legitimate, transparent, and auditable operations. In addition, we are committed to integrity as 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 being align with the ASEAN Corporate Governance Scorecard to be used as a framework for business conduct and enrich our international standard practices. These Principles also serve as the behaviour framework to be strictly adhered to by all directors, executives and employees in performing their duties.

Our adherence to the highest standards of Good Corporate Governance Principles which cover guidelines on various areas i.e. roles and responsibilities of Board of Directors; shareholders' rights and equitable treatment; internal control and internal audit system; disclosure of information and transparency as well as investor relations practices and corporate social responsibility (CSR) projects has been recognized with the ICON on Corporate Governance Award from Corporate Governance Asia for three consecutive years (2014-2016) and The Asset Corporate Awards 2016-Platinum Award in Governance, CSR and Investor Relations, from The Asset last year.

In 2016, Krungsri is one of 49 listed companies that passed ESG Assessment of the Stock Exchange of Thailand and listed on Thailand Sustainability Investment (THSI) 2016, reflecting Krungsri distinguished environmental, social and governance (ESG) performance.

Our People

Krungsri strongly believes that our success and growth couldn't 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 behaviour, 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, across Asia, and globally.

Our Products

Developing and delivering integrated financial solutions that best match the needs of our customers along with simple yet innovative market-leading products has led to our customer-centric strategy and consistent delivery of our brand promise to Make Life Simple. In 2016 we continued our

undertaking to launch innovative products that respond to customer needs. We also continue investing in technology to optimize operations, simplifying our processes, and developing efficient procedures across all channels, thus enhancing the customer experience across every segment. Parallel with this we are also strengthening our brand and widening our distribution channels.

2016 Award and Recognition

Using our customer-centric approach has enabled us to deliver a wide range of financial products and solutions by anticipating our customers' needs and serving them through innovation and technology. Our excellence in delivering these services has been recognized by a wide range of domestic and international professional organizations with numerous outstanding awards across categories such as good corporate governance, outstanding performance and management, digital and innovation, product initiatives, strategic branding, and leading-edge marketing initiatives.

Corporate Governance

Krungsri places utmost importance on adhering to the best corporate governance and practices as we consider this an important fundamental supporting our sustainable growth. We continue our efforts to ensure a strong culture of corporate governance excellence. We have been recognized for outstanding leadership with a visionary and experienced team to attain and maintain outstanding financial performance as well as the highest standards of corporate governance, business ethics, and corporate social responsibility, receiving numerous accolades for this:

- Asia's Icon on Corporate Governance Award (3rd recognition) from Corporate Governance Asia
- Asian Corporate Director Recognition Award for Mr. Noriaki Goto (3rd recognition) from Corporate Governance Asia
- Asia's Best CEO (Investor Relations) for Mr. Noriaki Goto (2nd recognition) from Corporate Governance Asia
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (2nd recognition) from Corporate Governance Asia
- Best Investor Relations Company (Thailand) (3rd recognition) from Corporate Governance Asia
- The Asset Corporate Award – Platinum 2016: In recognition of Krungsri's excellence in Corporate Governance, Corporate Social Responsibility, and Investor Relations from The Asset.

Corporate Social Responsibility (CSR)

As a financial institution, we recognize our role in fostering inclusive growth and development through our core business activities. We also recognize the importance of sustainable development. Thus we adhere to the principles of good citizenship in conducting our business, committed to sustainable development by delivering economic, social, and environmental benefits for all stakeholders. We take pride in being recognized for our CSR policies and practices:

- Asia's Best CSR (2nd recognition) from Corporate Governance Asia
- Corporate Social Responsibility Excellence Recognition (4th recognition) and Thai-US Creative Partnership American Chamber of Commerce in Thailand (AMCHAM)
- SDG-Enhanced Sustainability Report 2016 – In recognition of Krungsri's disclosures on economic, social, and environmental issues aligned with the United Nations' Sustainable Development Goals 2030 (SDG2030) from Thaipat Institute
- Listed in Thailand Sustainability Investment (THSI) 2016 – Krungsri has been added to THSI 2016 as a listed company with outstanding performance on environmental, social, and governance (ESG) issues from the Stock Exchange of Thailand (SET)
- Sustainability Report Award 2016 – Outstanding: Krungsri is one of 23 companies receiving this honorable outstanding award from Thai Listed Companies Association.

Outstanding Performance and Management

Driven by our customer-centric approach, we are committed to delivering excellent financial products and services to our valued customers. We anticipate our customers' needs and serve them through innovation and technology. Our strength in both our commercial and retail businesses and the fruit of our passion to deliver excellent products and services to customers have been recognized in these markets:

- The Asset Best CEO, Thailand in Banking and Finance for Mr. Noriaki Goto-First recipient from Thailand in banking and finance sector to receive this accolade from The Asset
- Best Commercial Bank Thailand 2016 from the Global Business Outlook
- Best Retail Bank Thailand 2016 from the Global Business Outlook.

Digital and Innovation

Riding the wave of the digital revolution, Krungsri is pursuing digital transformation in many forms, focusing on end-to-end customer experience. Many digital initiatives provide new ways to engage with employees and customers to deliver enhanced value. Krungsri has been recognized for our digital and innovation achievements:

- Social Media Initiative of the Year – Thailand from Asian Banking & Finance

- Thailand Domestic Technology and Operations Bank of the Year from Asian Banking & Finance

- Best Branch Automation Project in Thailand from the Asian Banker
- Best Social Media Bank Thailand 2016 from Global Banking and Finance Review.

Product Initiatives

Product initiatives are important in financial services and ours have made us an industry leader, focusing on satisfying consumer needs. Krungsri has been praised for various innovative products:

- Consumer Finance Product of the Year 2016 from the Asian Banker
- Best Consumer Finance Product in Thailand from the Asian Banker
- Mortgage and Home Loan Product of the Year – Thailand from Asian Banking & Finance
- Best Deposit Product in Thailand from the Asian Banker
- Automotive Lending Initiative of the Year – Thailand from Asian Banking & Finance
- Best Auto Leasing Award from Grand Prix International.

Strategic Branding and Marketing

Well-executed branding and marketing strategies give us important competitive advantages and create a clear identity and brand strength. We're dedicated to creating outstanding marketing solutions by innovative and leading-edge creative work and results-based effectiveness. In 2016 Krungsri was recognized for strategic branding and marketing:

- Advertising Campaign of the Year – Thailand from Asian Banking & Finance
- Efma – Accenture Global Distribution & Marketing Award (Gold medal) from Efma
- Thailand's Most Admired Brand (4th recognition) from BrandAge Magazine
- Superbrands Award (5th recognition) from Superbrands Thailand Council.

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, 2016, Krungsri had a deposit balance of THB 1,108,288 million or 58.9%, interbank and money market items of 16.7%, debt instruments and borrowings of 8.5%, shareholders equity of 11.1% and other sources of funds of 4.8%. 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, 2016, Krungsri has capital fund and capital adequacy ratio as follows:

	(Unit : THB Million)	
	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital	176,635	158,828
Total Tier 1 capital	178,022	158,828
Total capital fund	219,102	191,094

	(Percentage)		
	BoT regulatory minimum requirement	Consolidated Supervision	The Bank
Total Common Equity Tier 1 capital/ Total risk weighted assets	5.125	12.14	11.77
Total Tier 1 capital/Total risk weighted assets	6.625	12.24	11.77
Total capital/Total risk weighted assets	9.125	15.06	14.16

Liquidity Management Policy

Krungsri manages liquidity 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% 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 60% in year 2016 as set by the Bank of Thailand according to the amendment to the Bank of Thailand's regulations on liquidity risk supervision which is to be in line with the change and evolution of banking business model. Such LCR ratio will gradually increase by 10% each year to reach 100% in year 2020.

In addition, Krungsri also 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 companies in Financial Business Group.

Business Management of Subsidiaries, Associated Companies and Joint Ventures

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: Krungsri Factoring constantly realigns its business position with changing economic conditions, taking into account the increasingly competitive nature of the factoring market. Krungsri Factoring monitors the prevailing conditions in the industry including:

- 1) the current pricing offered by key players;
- 2) their credit approval process; and
- 3) their service quality. To maintain competitiveness we recently 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 leases.

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

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

Source of funds: Krungsri

Krungsri Auto

Ayudhya Capital Auto Lease PCL

Type of services: Krungsri Auto, a leader in the automotive finance business under Krungsri, continues to deliver new 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), motorcycles (Krungsri Motorcycle, Krungsri Big Bike, and Krungsri Used Big Bike), trucks (Krungsri Truck), refinance (Car for Cash), as well as insurance services. In addition, related auto finance services for corporate clients include Krungsri Fleet and Leasing and Krungsri Inventory Finance.

As Krungsri Auto is the Market Shaper, innovation is the core of our operations. In 2016 a Customer Experience Strategy was pushed forward through digitization to meet the needs of customers in the digital era. Moreover, automotive financial solutions were added to cover our corporate customer base with support from MUFG/BTMU networks.

Stepping into the ASEAN Economic Community (AEC), our business strategy geared toward the CLMV market has been implemented as Krungsri Auto continues to look for new opportunities in these markets.

Sources of funds: Primarily Krungsri and AYCAL debentures

Krungsri Consumer

Krungsriayudhya Card Co., Ltd.

Services: The Krungsri Exclusive Signature Credit Card; the Krungsri Signature Credit Card; Krungsri credit cards including Krungsri Visa Platinum, the HomePro Visa Platinum Card, the Krungsri Lady Titanium MasterCard, the Krungsri Business MasterCard, the Krungsri Manchester United Champion Card; the AIA Visa Card; and the Krungsri JCB Platinum Card. In 2016 the Krungsri credit card portfolio totaled 2 million cards.

To continually expand its customer base and ensure sustainable growth the company is committed to offering a variety of products and promotions to cater to the differing needs of various customer segments. In early 2016 the company launched a new product called the Krungsri JCB Platinum Card under the concept “the Ultimate J experiences” covering all J-lover lifestyles: This credit card targets working adults who are fond of Japanese-related products and services, with discounts and promotions for Japanese brands, shops, and restaurants in both Thailand and Japan. With its attractive benefits, this new product has been successful, with new cards totalling more than 90,000 by year-end 2016. At the same time, after researching the needs of the premium-customer segment, the company revised the core features of its Krungsri Exclusive Signature Credit Card and Krungsri Signature Credit Card to make the key benefits more exclusive, yet practical for daily lifestyles. One of the highlighted privileges is the latest promotion called UP Taste with Signature for which the company has leveraged its strong partnership network in Japan to offer special privileges such as a maximum discount of 50 percent, complimentary dishes, and five

times bonus points when spending at any of 50 upscale Japanese restaurants in both Thailand and Japan. The promotion has been popular among those who love premium Japanese cuisine.

The company also leveraged its relationship with MUFG to offer special discounts and privileges for our cardholders during trips to Japan through a promotion called the Cross Border Campaign: the company partners with leading department stores in Japan such as Matsuya, Odakyo, Daimaru, Matsuzakaya, Marui, Tokyu, TOBU, Kintetsu, and Takeya — more than forty merchants at more than two hundred locations in Hokkaido, Tokyo, Chubu, and Kansai prefectures.

Source of funds: Krungsri

Ayudhya Capital Services Co., Ltd.

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

The company's sales financing service was introduced by GE Capital in 1994 under the First Choice brand. The First Choice Card initially provided retail installment financing, focusing on electrical appliances. Product coverage was then expanded to include more categories such as IT, mobile phones, home improvement, education, car accessories, and beauty products. Personal loans were added later to make the First Choice Card a 2-in-1 card. After cementing its affiliation with the Bank of Ayudhya Public Company Limited 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. Krungsri First Choice now provides comprehensive service coverage with more than 400 service counters located in key partner areas nationwide. The company continues to maintain a high market share of 20 percent for sales financing (merchandise installment financing) and personal loans.

The card's key strength lies in its extensive partnerships: to date more than 18,000 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, Hitachi, BlackBerry, and HTC to develop co-promotions aimed at cardholders, with two hundred to three hundred active campaigns each month. Krungsri First Choice offers interest-free instalment terms of up to 48 months to ensure broader coverage in an array of product categories.

Krungsri has also worked with Krungsri First Choice to provide credit facilities to merchandise distributors to purchase goods from OEM manufacturers as a supply chain solution. This enables Krungsri to provide financial solutions to support our partners' supply chain management from OEMs and merchant distributors to end-users.

Krungsri First Choice Visa Platinum – Launched in 2015, the card targets customers with minimum monthly income of at least THB 15,000. The card's core feature is the ability to change credit card spending transactions to 0 percent, 3-month installment payments with one phone call. Customers also enjoy buy 1-get 1-free promotions from partners such as McDonald's, True Coffee, Major Cineplex, Blu O Rhythm & Bowl, and Major Bowl.

Krungsri First Choice Visa Card – Launched in 2008 to meet demand for credit card features to be combined with sales financing and personal loan installment programs with longer payment periods, the card targeted customers who meet credit card criteria but require more liquidity through longer-term payments. It's accepted across the Visa network for normal credit card spending and is accepted by more than 18,000 partners nationwide for sales finance with normal or zero-percent interest.

Krungsri Debit First Choice Card – This card was inspired by our brand promise Make Life Simple and was launched in mid-2011 as Thailand's first 4-in-1 card featuring ATM and debit card services from Krungsri plus sales financing and personal loan services from Krungsri First Choice. The card can be used to withdraw cash from any ATMs, with the debit card operating on Visa's network. For sales financing, the card is accepted by more than 18,000 partners with installment financing terms of up to 48 months. Cardholders also enjoy personal loan facilities with revolving features as well as repayment periods of up to 36 months. Customer qualification requirements are the same as with the Krungsri First Choice Card (2-in-1). The card is offered through all Krungsri branches.

In addition to sales finance, Krungsri First Choice offers personal loans as a major contributor to the Group's performance. 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.

And to provide customers with greater convenience Simple Application was introduced – an innovation that helps improve the application process and allows Krungsri First Choice to issue cards to customers at application points within 30 minutes and without a paper application form.

Tao Kae Tan Jai – Launched in September 2016, the Krungsri Consumer Group's first nano-finance product targets small business owners who have operated their businesses for at

least one year with permanent business locations. Tao Kae Tan Jai allows small retail entrepreneurs to access working capital loans in the financial system corresponding to government policy. During the initial launch phase the company operated in the Greater Bangkok Metropolitan Area and Chonburi Province as high-potential areas. Plans for 2017 are to roll out service areas in major provinces in each region.

Tao Kae Tan Jai's key differentiation point is its simple application process, "Easy approval without financial documents". Customers can apply without financial documents such as bank statements or guarantors. The maximum loan size is THB 100,000 with convenient payment channels such as Krungsri payment channels and counter services and without fee.

Tao Kae Tan Jai also encourages customers to practice financial discipline by introducing a 10 percent pay-on-time-cash-back-on-interest feature for customers who pay punctually for six consecutive months. In addition, customers who have good payment records of at least one year are eligible for a revolving credit limit using their Tao Kae Tan Jai card to withdraw cash from ATMs with ATM pool network machines at anytime. They can also opt for instalment finance plan payments to purchase products and services that support their businesses at special interest rates at more than twenty thousand participating Krungsri First Choice dealers nationwide.

Source of funds: Krungsri

General Card Services Ltd.

Type of service: Central Credit Card – The most popular cobranded credit card for Thailand's leading department store chain was developed through a joint partnership between Central Department Store and the Krungsri Group and was established to oversee and issue exclusive credit card and personal loan products and services under the Central brand.

General Card Services (GCS) has been entrusted by the Central Retail Corporation to continue its service as the company's main financial services provider for an additional eight years, making GCS Central's financial services provider for more than twenty years: This not only covers financial services under the Central brand, but also for the Central Retail Corporation, marking a new chapter for Thailand's leading financial services provide. This will create new opportunities for the Krungsri Group to expand its customer base and is a testament to Krungsri Consumer's leadership in the consumer finance industry.

The company was the first credit card issuer in Thailand to create special shopping experiences for Central Department Store cardholders, including Central Card Day and Preview Day as well as major sales events such as the Midnight Sale and the Private Sale. Central Credit Card offers an array of exclusive Central Department Store benefits including, but not limited to, up to 10

percent year-round discounts off normal prices. The card also offers special privileges at leading Central Retail Group outlets such as Tops Supermarkets and Power Buy. Cardholders can also enjoy ongoing promotions year-round in various categories, including dining, travel, healthcare, and many more. Long-term privileges and promotions contributed to the continuity of card usage, customer loyalty, and its attractiveness.

Central The Black and Central Black – Tailored exclusively for the super affluent segment, these credit cards are positioned as The Best and the Most Prestigious Retailer Credit Card, with membership by invitation only. Central The Black was the first-ever World Elite MasterCard in Thailand and the first-ever World Elite retail cobranded card in Asia, targeting only 300 top-of-the-food-chain cardholders, while Central Black targets 4,000 accounts from the top existing Platinum cardholders and is run on the MasterCard World platform.

Apart from special privileges at Central Department Store and the Central Retail Group the two products offer attractive cross-border privileges such as a cashback service and special reward points. Cardholders can enjoy exclusive privileges including flight upgrades from economy to business class for Thai Airways' 42 routes in Asia and Thailand; priority passes to access more than 700 airport lounges worldwide, a 50 percent discount at Central Embassy Diplomats Screens, as well as Wine & Dine programs at leading restaurants and hotels.

Central Exclusive Cash – Central Exclusive Cash is a personal loan product managed by the company. To provide our cardholders with greater flexibility and convenience existing cardholders can now withdraw cash from any Krungsri ATM nationwide under the approved cash loan credit limit without submitting additional documents to apply for the loan. Central Exclusive Cash also offers ongoing special campaigns such as low annual percentage rate (APR), zero-percent interest for three months, and many more.

Simple Visa Card – Previously called the Robinson Visa Card, the Simple Visa Card offers attractive features, benefits, and promotions such as discounts and cash back at all major Thai department stores including Robinson, Central, The Mall, the Emporium, and Siam Paragon, and is thus positioned as The Best Shopping Card in Thailand. It also offers a number of other benefits, including cash back for everyday spending at outlets such as gas stations and supermarkets.

Power Buy Card – This sales finance card is a joint venture between the Krungsri Group and Power Buy, a major electrical appliance distributor with 90 branches nationwide. The product offers merchandise installment financing along with cash withdrawals and can only be used at Power Buy stores. Similar to other sales financing features, cardholders enjoy in-store promotions with special interest rates, including zero-percent interest with longer payment terms. The minimum

income requirement for the card is lower than for normal credit cards. The card also provides personal loans with installments of up to 36 months with multiple service channels, including Interactive Voice Response (IVR), Krungsri ATMs, and the ATM Pool.

Source of funds: Krungsri

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 to operate the Tesco Lotus Credit Card program, launching with the Tesco Lotus Private Label Credit Card and later becoming the Tesco Lotus Visa Credit Card. It further grew to include the Tesco Lotus Premier Card (merchandise installment financing and personal loans) and 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 181 in 2016 and operating under the banner of Tesco Financial Services.

TCS aims to make the Tesco Visa Credit Card the preferred payment choice for Tesco Lotus customers in and out of Tesco stores by rewarding their loyalty with superior everyday privileges and offers. Customers can earn rewards everywhere they shop, up to 3.5 percent off their purchases in Tesco stores, and up to 3 percent cashback at Esso service stations nationwide. Going forward, payment options will be broadened to serve more Tesco customers better.

TCS is committed to delivering excellent service and convenience to customers whichever channel they choose to apply for their products – Tesco Lotus stores, their online channel, or their call center.

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

Tesco General Insurance Broker Ltd.

Type of service: The Company offers non-life insurance products and services to Tesco Lotus customers by partnering with well-known and trusted insurance providers, offering simple, rewarding, easy-to-apply-for products, with a wide range of choices and good value. A range of auto, accident, and health insurance products are available at 181 Tesco locations nationwide, or through the company's call center and website. Going forward the company will strengthen insurance offers, making them more inclusive and better value for customers.

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

Tesco Life Assurance Broker Ltd.

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

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

Total Services Solutions PCL

Type of service: Provides collection services, including litigation. Its core business is providing collection services for unsecured products including personal loans, credit cards, and sales financing. The company's customers are mainly Krungsri and its subsidiaries: Ayudhya Capital Services, General Card Services Co., Ltd., Krungsriayudhya Card Co., Ltd. and Tesco Card Services Ltd.

The company has considerable expertise in the efficient collection and litigation of unsecured products using advanced auto-dialer technology to reach customers efficiently. All processes are designed with customers in mind and follow the Bank of Thailand regulations as well as practices in compliance with the Debt Collection Act. Total Services Solutions PCL is rated among Thailand's top collection service firms for delivering high collection efficiency with strict compliance controls. The company continually tests and implements new strategies to maximize its operational efficiency, resulting in strong results even during tough economic times.

Strategies for business growth: to accommodate the expanding customer base, the company plans to increase manpower, develop talent, and upgrade its equipment and office space to continually improve operational efficiency. In line with its affiliates' business strategies that aim to tap into the provincial market, the company also opens branches in key provinces for better market penetration in these areas.

Throughout the year the company continually improves the efficiency of its collection service, using a customer-centric approach to enhance customer satisfaction. For example, customer risk profiles and payment history were used as criteria to determine collection methods for different customer segments to ensure more efficient collection and better service quality. The company also initiated a program to help customers with debt and repayment problems to better manage their finances.

As part of its plan to improve service quality and prepare for future business expansion, the company has provided language training for its people so that they can better communicate with foreign customers. Regular service quality training is organized for the collection staff setting standard processes and controls to ensure superior service quality: for example, procedures for handling customer complaints and measures for handling employees who fail to follow standard collection practices.

Source of funds: Krungsri

Krungsri General Insurance Broker Ltd.

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

Since 2009, the company has focused on customer analytics 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 zeropercent interest installment plans for auto insurance.

To serve customers 24/7 the company now boasts a new online distribution channel (www.krungsri-insurancebroker.com) offering 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 Ltd.

Type of service: Established as a life insurance broker in 2007, the company changed its name from Quality Life Assurance Broker to Krungsri Life Assurance Broker to align itself with the Krungsri Group in 2011.

The company's main business is to introduce life, personal accident, health, and payment-protection insurance to General Card Services Ltd. customers, the Krungsriayudhya Card Co., Ltd., and Ayudhya Capital Services Co., Ltd.

The life insurance market continued to grow in 2016, 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.)

Krungsri Leasing Services Co., Ltd.

This is a joint venture between Ayudhya Capital Services Co., Ltd., Ayudhya Capital Auto Lease PCL and the Unity Capital Company, our local partner in Lao PDR starting its sales-

financing operations under the Krungsri First Choice brand and its hire purchase-leasing business under the Krungsri Auto brand in 2014. The sales-financing business initially provided merchandise instalment financing focusing on mobile phone, IT, and electrical appliances to cater to local demand and later continuously expanded its dealer network and product coverage to other categories: for example car tires, car accessories, and gold. The company is committed to providing an easy-application process and fast approval times under the slogan Pay Less with Easy Installments, with approval results and merchandise collection within one day.

For the auto hire purchase business, the company provides hire purchase services for new cars (four wheels) covering all the leading brands. The company initially provided hire purchase services in the Vientiane, and then expanded the coverage area to Vientiane and Bolikhamxay provinces: Both provinces are adjacent provinces with Vientiane and shown a high demand for auto loans. Over the past couple of years Lao PDR has shown a high rate of growth in auto loans, and the company foresees an opportunity in growing the service network to the major provinces in the near future as well as developing new products and services to meet fast-changing customer needs.

Aiming to become the number one consumer finance service provider in Lao PDR, the company has been developing several successful customer-centric and technological systems to cope with its rapid expansion, entering into a partnership with the Kolao Group, a manufacturer and sole distributor for Kia and Hyundai with a market share ranked first in Lao PDR. The company also has other key strategic partners including Toyota Motors, with sales volume growing continuously. The company has also been rapidly expanding dealer networks and distributors under the First Choice brand, emphasizing customer engagement and connecting with customers through social media. The company launched a Krungsri First Choice Facebook page in May, with satisfactory engagement (likes, shares, and comments). Numerous loyalty campaigns were also introduced to retain customers: for example, a membership card program with privileges at participating merchants in Vientiane; a special interest rate loyalty program for customers with repeat sales financing; and cross-selling campaigns for auto hire purchase customers.

At year-end the total number of customer accounts reached 4,200, up more than 200 percent from 2015. Supported by recent strong economic growth in Lao PDR, the company's new loan amount has also grown to more than 250 percent year-on-year, with 90 percent of the company's portfolio from auto hire purchase and 10 percent from sales financing. Given the vast opportunity for future growth in Lao PDR, the company plans to expand both auto hire purchase and sales financing to other provinces in the near future.

Services: Auto hire purchase; leasing services; and sales financing services (merchandise instalment financing) for consumers, SME, and large corporations in Lao PDR.

Market and competition: The Lao PDR market is relatively small, but with high growth potential. The company will focus on developing strong relationships with its dealers and expanding dealer networks to other product categories and major provinces outside Vientiane, striving to be a market leader by reaching potential customers 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 launched nonlife 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 and institutional investors, both domestic and overseas (member number 29 on the Stock Exchange of Thailand). Securities research and analysis is provided 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 valuations, and other transactions in accordance with Securities and Exchange Commission and the Stock Exchange of Thailand regulations.

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

Mutual fund sales agent services: The Company acts as an agent for most Thai mutual fund companies 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 mid- to-long-term investments.

Source of funds: Krungsri

Krungsri Asset Management

Krungsri Asset Management Co., Ltd.

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

Source of funds: The Company's fund.

Krungsri Services

Siam Realty and Services Security Co., Ltd.

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

Market and competition: The company has no competitor in the market because it provides support to Krungsri. The company has expanded the car rental service to include Krungsri's affiliates 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 Krungsri acquired all registered and issued shares (100%) 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 587 million, or THB 21,021 million. The total number of accounts reached 339,117 up 2.52 percent from 2015. Total loans were USD 445 million, or THB 15,953 million, an increase of 22.49 percent. HKL has consistently increased deposits, reaching USD 360 million, or THB 12,902 million, up 51.20 percent. HKL has 154 offices in its network, with 123 ATMs nationwide.

Type of Services: HKL is a microfinance institution that operates across Cambodia, with practices characterized by quality and transparency. HKL is 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 with among the top 5 microfinance who earned a large market share in terms of loans outstanding and savings collection.

Source of fund: The company

Under Dissolution and Liquidation Process

Ayudhya Card Services Co., Ltd.

The company registered with the Thai Ministry of Commerce to liquidate on July 24, 2013 and is currently undergoing liquidation.

3. Risk Factors

Solid Krungsri-BTMU collaboration has helped strengthen our business platform and capabilities. Krungsri has pulled together BTMU's global strength with our local expertise to achieve Krungsri's aspiration to be a top-tier financial institution in Thailand.

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

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

The Risk Management Group takes an integrated approach to managing 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 to 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 the portfolio quality, highlighting key risks, and strategies to manage potential portfolio and account risks to the Board and other relevant committees.

The authority and responsibilities for those involved in managing risk are allocated to 8 entities:

- **Board of Directors**

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

- **Risk and Compliance Committee**

Primary responsibilities:

- Reviewing and assessing the overall risk management framework as well as other significant types of risks of the Group before proposing to the Board of Directors
- Assessing and reviewing the compliance policies
- Determining the scope and roles and responsibilities of the Risk Management Group and the Compliance Division
- Conducting an evaluation on the Chief Compliance Officer
- Reviewing and reporting to the Board of Directors in case there is any improvement needed on the implementation of Risk and Compliance-related policies. A report of non-compliance cases must be made to the Audit Committee for acknowledgement.
- Monitoring the implementation of integrated risk management strategies and compliance policies to ensure coverage, effectiveness and appropriateness
- Providing recommendations on good corporate governance, code of conduct and The Spirit & The Letter
- Performing any other tasks as assigned by the Board of Directors

- **Credit Committee**

Members of Credit Committee comprise of senior executives from Risk Management Group as well as senior executives from relevant functions.

- **Risk Management Committee**

Primary responsibilities:

- Approving and recommending to the Board integrated risk management policies and procedures for Krungsri Group
- Reviewing portfolio quality for Krungsri Group
- Reviewing key market and operational risks, operational losses (such as fraud), as well as related systems and human errors, and
- Ensuring that Krungsri risk management methodology is 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 Krungsri portfolio credit concentration, risk trends and policies to deal with specific industries

- Considering credit policies for specific companies to eliminate 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 of NPL/NPA/TDR

- Supervising and following up progress of NPL/NPA/TDR consistently to speed up debt restructuring and to prevent debt quality deterioration, and

- Approving principles of pricing and participating in bidding for collateral purchases from 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 in compliance with 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 review and 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.

Key Risk Factors and Our Management

Enterprise-Wide Risk Management

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

Enterprise-wide Risk Management Framework (ERM)

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

- **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 the Krungsri Group has clear guidelines for appropriate risk levels that the group can accept based on our risk capacity and group business strategies.

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

- **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 an appropriate timeframe to prevent or mitigate such risks.

The Internal Capital Adequacy Assessment Process (ICAAP) Integration

In response to ICAAP regulatory requirements Krungsri has 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 the 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 the enterprise-wide risk management policy and 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 the Krungsri Group's consolidated status for all significant risks. The division also collaborates with risk owners to capture emerging risk, assess risk levels, and establish risk mitigation and prevention plans. All risk status including risk mitigation and prevention plans are regularly reported to the Board via the Risk and Compliance Committee, the Executive Committee, and the Risk Management Committee.

Significant Risks

Under the enterprise-wide risk management framework, Krungsri has identified important risks which are regulatory mandatory risks and material risks arising from external and internal factors. Krungsri has established risk monitoring and control processes to ensure that these risks are effectively managed within acceptable limits. These risks were important in 2016:

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 2016	

Credit Risk Management

Objective

Credit risk occurs when the borrower or counterparties fail to meet financial transaction obligations as agreed, which can negatively impact the adequacy of both Krungsri's capital and loan loss reserves.

Principles

To manage such risks Krungsri has 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 its 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 an 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 risk appetite. To identify clear goals for practitioners, Krungsri establishes policies and operational plans for reference in accordance with our strategy – credit policy, credit risk management policies, and credit rating policies. Customer risk is managed under Krungsri's strategy 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 Krungsri's internal credit risk rating framework that has been enhanced continuously to meet BTMU's high standards. Krungsri currently classifies business customers into two main groups based on their characteristics and size: Thai Global and JPC/MNC as one group and Thai corporates and SME 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 more appropriately address the unique characteristics that exist among customers of various sizes. Krungsri assesses the credit quality of its Thai Global and JPC/MNC customers and assigns risk ratings based on a BTMU credit rating model, while using the internally-developed model for Thai corporates and SME.

Both BTMU and Krungsri's internal credit rating models are used to assign risk rating for customers at origination or acquisition and adjusted for changes in credit quality over the life of the exposure through Krungsri's credit review process. In assessing the risk rating of a particular loan or lending-related commitment, Krungsri considers factors that could potentially impact customer debt capacity including customer earnings and sources of repayment, management's ability and its track record, and the industry and geography in which 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 smaller customers can be evaluated using Krungsri's internal pro forma statement. To ensure that our credit rating framework meets BTMU's high standards Krungsri has collaborated with them on enhancing its internal credit rating framework to include qualitative customer factors, for example, support from parent companies are incorporated together with risk adjustment procedures. However, special types of customers are handled with special risk-model forms. These special customers include government organizations, religious institutions, academic institutions, special-purpose entities (SPC), and project finance.

As we aim to be an IRB bank in the near future under the main principles and protocols of regulators (e.g. Japanese Financial Service Agency, Bank of Thailand) we have collaborated with BTMU to establish a new credit rating framework that will better reflect Krungsri's actual credit risks by leveraging BTMU expertise and know-how. Going forward Krungsri will carry out various validation tests to ensure that the new credit rating framework is fit to be implemented and if validated we will modify our internal credit rating system 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 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. Development of the three models (PD, LGD, EAD) we use was completed in 2014 when they were incorporated into the automated system. These models have helped us to further strengthen our portfolio management and are a major step toward Advanced Internal Ratings-Based Approach (AIRB) and International Financial Reporting Standards (IFRS) compliance in the future.

- **Country Risk Control:** 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, Krungsri determines 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 the sovereign rating and external credit rating agency (ECAI) ratings. These guidelines enable us to manage country and cross-border risks, including concentration risks. Krungsri also does 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 Control:** Krungsri has mitigated concentration risk from granting credit to, investing in, creating contingent liability for, or making credit-like transaction to a particular customer or industry concentration to avoid any customer or industry likely to generate heavy losses from credit risk.

Krungsri manages concentrated credit risk by determining a threshold and limit for granting credit to, investing in, creating contingent liability for, or making credit-like transactions to large-borrower groups, including related parties whose total debt exceeds ten percent of Krungsri's total capital.

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

- **Counterparty Credit Risk Control:** Counterparty credit risk is associated with default by counterparties related primarily to derivative contracts. Normally, Krungsri's counterparties are customers that need to square their positions and minimize their risk exposure. To mitigate risk arising from customer transactions Krungsri 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 Krungsri enters 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. 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. Reserve adequacy is regularly stress-tested to ensure that it is sufficient at all times.
 - **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, and compliance with bank 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, relevant committees, and senior management. Our monthly credit portfolio report includes information on portfolio quality including segmentation by facility, ratings, geography, industry, and aging.
 - **Stress Testing:** The Risk Management Group conducts stress tests based on our stress test policy on both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine how they may affect bank losses and ultimately its capital. Stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, and the Board. We have strategies and action plans in place to prevent adverse effects. In addition, Krungsri's stress test complies with both local (Bank of Thailand) and Japanese (Japanese Financial Service Agency) regulatory requirements as well as BTMU global requirements.
 - **Subsidiary Management:** These subsidiaries operate under consolidated supervision: Krungsri Ayudhya AMC Ltd (KAMC); Krungsri Factoring Co. Ltd (KSF); Ayudhya Capital Auto Lease plc (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); Krungsri Ayudhya Card Co., Ltd (KCC); Krungsri Securities plc (KSS); Siam Realty and Services Co., Ltd (SRS); Krungsri Asset Management Co., Ltd (KSAM); Total Services Solutions plc (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); and Tesco General Insurance Broker Co., Ltd (TGIB).

All subsidiaries maintain independent risk organizations headed by senior risk executives. Krungsri's Chief Risk Officer has oversight of subsidiary risk management activities. These subsidiary risk management units must: comply with our overall risk management strategy; ensure appropriate 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. This department manages all high-value loans and determines the best approaches for collecting from customers and improve asset quality and minimize financial losses. Krungsri's NPL department also conduct the sales of NPLs based on guidance and approval from the Board of Directors. In 2016 Krungsri completed two NPL sales transactions, reducing outstanding NPLs by THB 2.88 billion.

Market Risk Management

Strengthen and Enhancement amid Volatility in Market Risk Factors

Objective

Market risk is the threat of an adverse impact on income and capital funds caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities. Although movement of market risk factors are external and beyond Krungsri's control, we emphasize on effective market risk management and to monitor market risk exposure closely for timely responses to changes in the business environment.

By leveraging our MUFG synergies Krungsri has started offering more new products and services to achieve our growth target, serving varied and sophisticated customer demand while meeting regulatory requirements. These complex financial products and services include the foreign currency bond business, foreign currency loans, more currencies with more options for foreign exchange (FX) forward transactions, and FX exotic options.

Throughout 2016 we continued to strengthen and enhance market risk management to align ourselves with international standards and practices, with continuous BTMU strong support and close collaboration. In addition, the concept of key risk indicators (KRIs) has been implemented to Krungsri's Financial Business Group to ensure that the Group's overall market risk is well controlled and kept relatively low.

Principles

Krungsri monitors and controls market risk under the risk appetite approved by the Board of Directors. Krungsri also reviews risk policies and limits to ensure that they are commensurate with the scope, volume, and complexity of transactions and with changing business and market conditions. We have also adopted the ICAAP and ERM concepts to determine market risk – one of the key components of KRIs and merging ICAAP into the ERM process. Under this framework, Krungsri assesses all material risks to develop comprehensive risk management guidelines and maintains sufficient capital for both normal and stressed business conditions. The objective: to achieve sustainable growth and returns for shareholders.

Organization and Structure

The Board of Directors is responsible for market risk appetite approval and delegates the authority to manage and control market risk consistent with bank policies to the Risk Management Committee (RMC). The Asset & Liabilities Management Committee (ALCO) establishes guidelines for appropriately managing assets, liabilities, and off-balance sheet items. 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.

Enhanced Market Risk Management Structure

In 2016 Krungsri established a new Risk Analytic Regulatory Reporting Section under the Market Risk Management Division to ensure that all regulatory reports comply with regulations governing the Group and BTMU.

In addition to providing strategic risk management options and reporting risk exposure to the RMC to manage and control market risk consistent with bank policy. The Market Risk Management Division has also collaborated with relevant teams within Krungsri and BTMU to promote new business and services that serve customer requirements at an acceptable market risk. The Global Markets Group executes transactions and manages positions under risk limits approved by the Board. The Strategic Assets and Liabilities Management Department provides the Asset and Liability Committee with analyses of Krungsri's and competitors' balance sheet management as well as strategic risk options for more efficient market risk management.

Measurement System

– Enhanced Market Risk Management Tools

To achieve more efficient market risk management, Krungsri recognizes the importance of risk measurement tools appropriate to the size and complexity of transactions both on- and off-balance sheet. During 2016 two important market risk management projects were introduced to focus on continually enhancing systems that can simulate and formulate more active market risk management strategies within a risk appetite that meets regulatory requirements:

- To study for the implementation of the new system for certain treasury products that can alleviate the weaknesses to replace the existing system, and
- To upgrade the current system for interest rate risk in the banking book and market risk in the trading book to comply with revised and new regulatory reporting standards: for example, the Basel Committee on Banking Supervision's final rule for Interest Rate Risk in the Banking Book (IRRBB) and the Fundamental Review of the Trading Book (FRTB) as published by Basel Committee on Banking Supervision (BCBS).

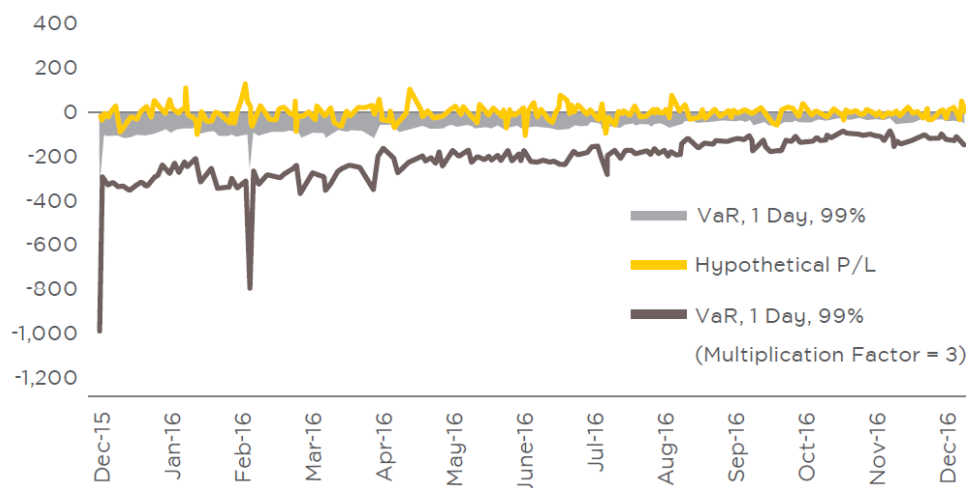
The assessment, control, and monitoring of market risk can be divided into two parts: trading book and banking book transactions:

Trading Book Transaction Risks

In 2016 more advanced techniques were introduced to monitor trading book market risk exposure as we continue using Value-at-Risk (VaR) and conduct back testing to assess the reliability of the models. We also conduct stress testing to assess risk under crisis situations. The following are definitions of market risk in trading book:

- **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 its interest rate risk exposure from debt instruments and derivatives in the trading book position according to the size and complexity of transactions under the market risk supervision policy framework in accordance with Bank of Thailand regulations.
- **Foreign Exchange Risk Management** Foreign exchange risk refers to loss affecting income and/or shareholder equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities. Bank policy is to limit its net foreign currency position. (Most foreign currency transactions are mainly services provided to bank customers.)
- **Price Risk Management** Price risk refers to loss affecting income and/or shareholder equity from equity price movements. Bank policy is to invest in equity securities over the medium to long term. Price risk management requires assessing an issuer's potential.

The Bank's Total Daily Value-at-Risk (VaR) Backtesting 2016 (December) – 2015 (December) (Million baht)



2016 Risk Factors Affecting Trading Exposure

We focused on three key external factors in 2016: a potential rise in US interest rates; ongoing monetary easing policies in both Japan and the Eurozone; and concerns over the hard landing of the Chinese economy. Meanwhile, internal factors were volatile as financial and capital markets fluctuated – especially in the second half of the year – reflecting volatility in USD/THB and SET movements.

Introducing new financial products and services and a more active position trading by the front office created market risk for Krungsri in 2016. However, these risk factors have been closely monitored and promptly reported to Management and related committees by the Market Risk Management Division to ensure that our market risk was within the risk appetite approved by the Board.

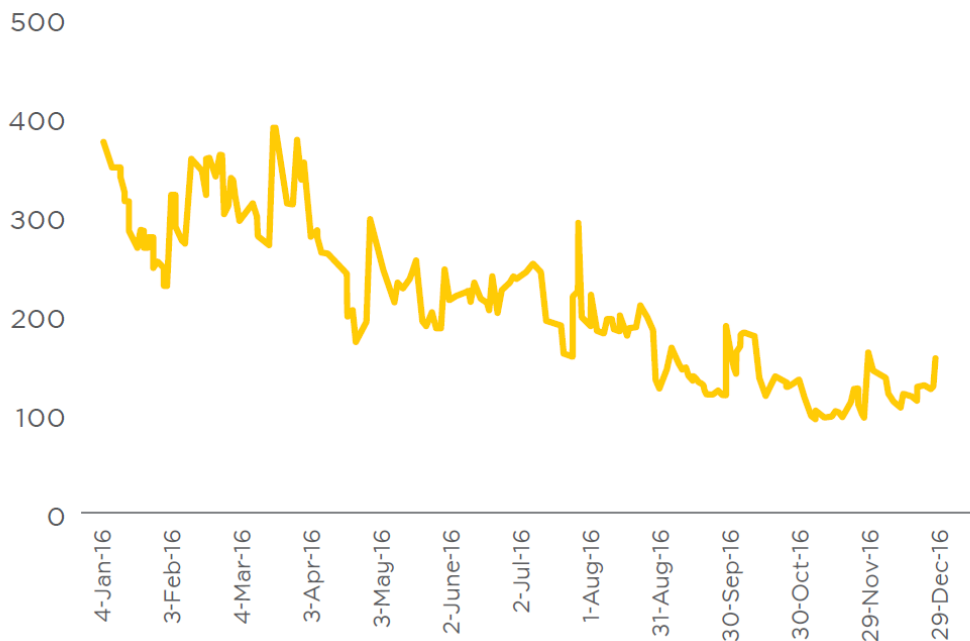
Krungsri's aggregate 2016 market risk was well within acceptable levels. The VaR for a 10-day holding period, 99 percent confidence level of trading book, averaged THB 213.28 million.

Market Risk Capital Requirement

Krungsri assesses and maintains a capital charge for market risk following the Basel approach at Krungsri and consolidated levels based on a standardized approach (SA) that complies with Bank of Thailand's notification on the market risk supervision policy of financial institutions. In addition, Krungsri has adopted a more advanced technique i.e. the contingent loss method as approved by Bank of Thailand to replace the Delta-Plus method used previously to maintain a market risk capital charge for FX option products.

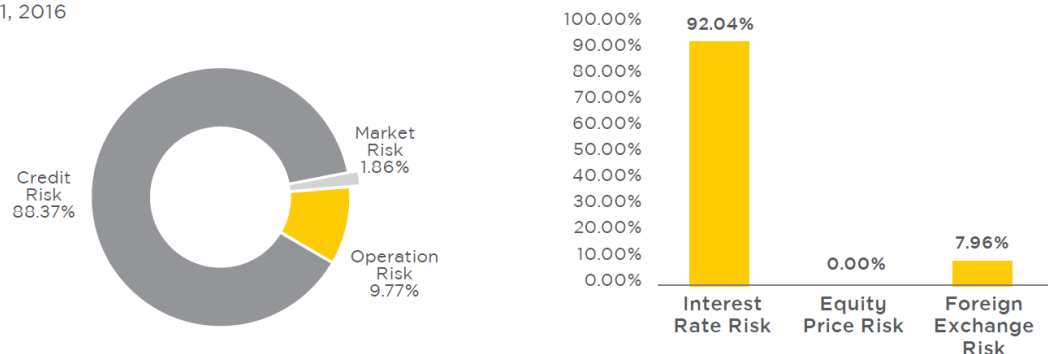
The Bank's Total Daily Value-at-Risk (VaR) Movement 2016

(Million baht)



Krungsri Group: Minimum Market Risk Capital Requirement

As of December 31, 2016



Banking Book Transaction Risks

• Banking Book Interest Rate Risk Management

In 2016 more advanced techniques such as Value-at-Risk (VaR) have been considered and studied to monitor balance sheet risk arising from interest rate changes that adversely affect net interest earnings and shareholder equity. In addition, Krungsri has reduced interest rate risk by rebalancing the bond portfolio in view of limited probability for policy rate cut going forward and to take advantage of yield- curve projections as strategies proposed by the Global Markets team. Krungsri assesses the probable impact on net interest income (earnings perspective) from mismatches of 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. In addition, we analyze interest rate risk which reflects the sensitivity of the economic value of shareholder equity (economic value perspective).

- **Krungsri Group Net Interest Income Sensitivity and 2016 Repricing Gap Profile**

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

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

(Unit: Million baht)

Currency	As of December 31, 2016	As of December 31, 2015
THB	-892.86	-909.81
Other Foreign Currencies	-469.78	-71.30
Total Impact	-1,362.64	-981.11
% of Total Net Interest Income	-1.984%	-1.576%

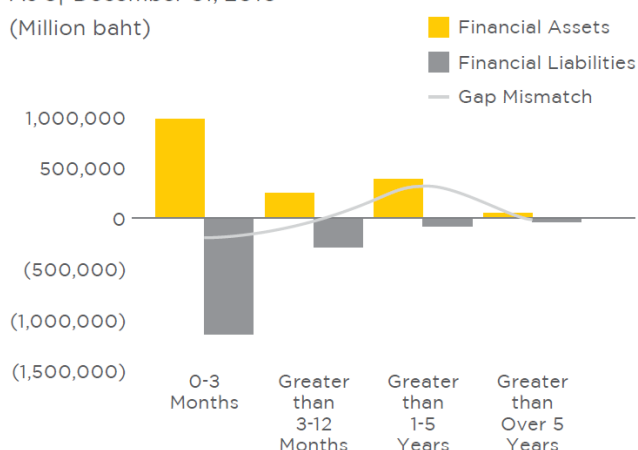
Krungsri Group's Impact on Economic Value of Equity (Economic Value Perspective)

(Unit: Million baht)

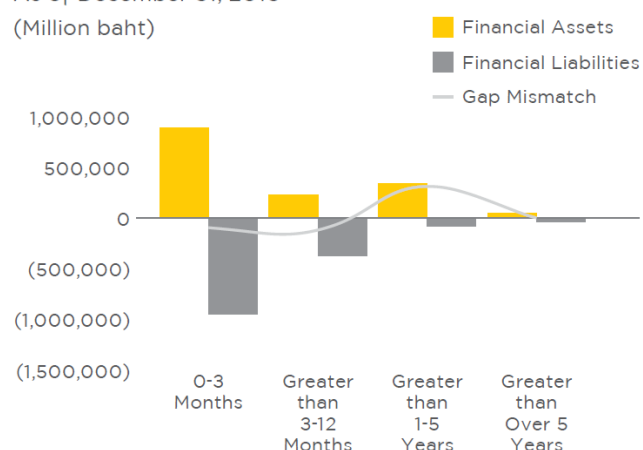
Currency	As of December 31, 2016	As of December 31, 2015
THB	-5,471.48	-6,067.75
Other Foreign Currencies	-375.73	296.89
Total Impact	-5,847.21	-5,770.86
% of Total Bank Capital	-2.669%	-2.997%

Krungsri Group Assets and Liabilities based on Next Repricing Maturity

As of December 31, 2016
(Million baht)



As of December 31, 2015
(Million baht)



Krungsri Group Assets and Liabilities Based on Next Repricing Maturity

As of December 31, 2016

(Unit: Million baht)

	0-3 months	Greater than 3-12 months	Greater than 1-5 years	Greater than 5 years	Non performing loans	No Maturity	Total
Financial Assets	153,200	4,003	-	-	-	43,080	200,283
Interbank and money market items, Net							
Investment, Net	15,580	46,439	60,865	3,079	-	5,819	131,782
Loans to customers	805,348	193,361	333,106	16,821	34,834	65,412	1,448,882
Financial Liabilities							
Deposits	809,104	250,324	15,663	24	-	33,173	1,108,288
Interbank and money market items, Net	302,959	3,096	2,098	2,389	-	3,858	314,400
Debt issued and borrowings	46,432	23,029	65,425	25,376	-	64	160,326

As of December 31, 2015

(Unit: Million baht)

	0-3 months	Greater than 3-12 months	Greater than 1-5 years	Greater than 5 years	Non performing loans	No Maturity	Total
Financial Assets	155,882	7,067	200	-	-	30,945	194,094
Interbank and money market items, Net							
Investment, Net	30,497	11,741	59,817	3,551	-	4,421	110,027
Loans to customers	698,200	193,963	296,548	21,273	32,239	61,231	1,303,454
Financial Liabilities							
Deposits	782,118	229,983	4,552	22	-	29,615	1,046,290
Interbank and money market items, Net	135,516	129,655	4,788	868	-	4,233	275,060
Debt issued and borrowings	37,421	13,368	42,488	14,844	-	-	108,121

Liquidity Risk Management

Maintaining High Liquid Assets to Absorb Liquidity Volatility in Normal Business and Crisis Environments

Objective

Liquidity risk arises from failure to pay debts and contingent liabilities by the due date because of an inability to convert assets into cash; it also relates to failure to obtain sufficient funds,

or finding that fund procurement comes at a higher cost, thus adversely affecting income and capital funds.

To effectively control and manage Krungsri's risk and full consolidation Krungsri applies standard liquidity risk measurements such as the Basel III Liquidity Coverage Ratio (LCR) and liquidity gap to assess liquidity risk that meets international standards and Bank of Thailand guidelines. In addition, Krungsri manages foreign currency liquidity risk, determines suitable foreign currency denominated liquid assets, does balance sheet analysis in major currencies consistent with BTMU funding sources, and prepares a liquidity cushion, regularly testing liquidity contingency plans.

The official monthly LCR has been implemented in January based on Bank of Thailand regulations. Krungsri maintained the LCR at a minimum of 60 percent in 2016, also setting the internal additional threshold for monitoring and controlling LCR daily. The Market Risk Management Division has also strengthened the funding liquidity risk management limit structure by expanding the time horizontal on funding liquidity risk monitoring from a one-month period to three- and six-month periods based on BTMU advice.

Principles

Krungsri emphasizes managing acceptable liquidity risk and controlling liquidity risk consistent with Krungsri's risk appetite and reasonable operating costs. Krungsri places great importance on effective liquidity risk management and controls by establishing liquidity risk management policies and emergency contingency plans, maintaining liquid assets in compliance with Bank of Thailand regulations, and emphasize managing excess liquidity commensurate with the current economic situation. We seek to ensure that adequate cash and other liquid assets are available for both bank and subsidiary business operations. (qualitative and quantitative approaches are used to ensure appropriate risk diversification.)

Organization and Structure

The Risk Management Committee is responsible for managing liquidity risk within the guidelines and limits approved by the Board who delegate management responsibility to the RMC with the authority to manage and control liquidity risk consistent with bank policy. The ALCO closely monitors liquidity positions and liquidity risk. Our organizational structure clearly segregates the duties and responsibilities of the units responsible for transaction execution, operations, and risk management to avoid conflicts of interest.

In 2016 Krungsri established a new special section called Risk Analytic Regulatory Reporting under the Market Risk Management Division to ensure that all regulatory reports comply with applicable regulations that govern the Group and BTMU.

Liquidity Risk Management Structure

The Market Risk Management Division provides strategic options for risk management and reports risk exposure to the RMC to manage and control liquidity risk consistent with bank policy. The Strategic Assets and Liabilities Management Department provides the ALCO with analyses 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 System

Enhanced Liquidity Risk Management Tools

To achieve more efficient liquidity risk management Krungsri recognizes the importance of risk measurement tools appropriate to the size and complexity of transactions both on- and off-balance sheet. During 2016 two major liquidity risk management projects were implemented to enhance the system. Krungsri can simulate and formulate better liquidity risk management strategies to meet regulatory requirements because we:

- Upgraded the current system to comply with new Basel III reporting requirements: LCR and NSFR (Net Stable Funding) Ratio, and
- Improved behavioral assumptions for various on- and off-balance sheets using a cash flow modeling concept to measure liquidity gaps based on analyzing our data and customer profiles to better reflect actual customer behavior.

Liquidity Risk Factors

In 2016 Krungsri's aggregate liquidity risk was relatively low considering our maturity mismatch and liquidity cushion. Early warning signs for monitoring liquidity risk were, also, within risk appetite.

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 funding sources are short-term deposits which are mostly less than one year including non-matured deposits, while the use of funds for lending have maturity dates longer than the deposits. Our liquidity risk factors arise from the structure of sources and the use of funds.

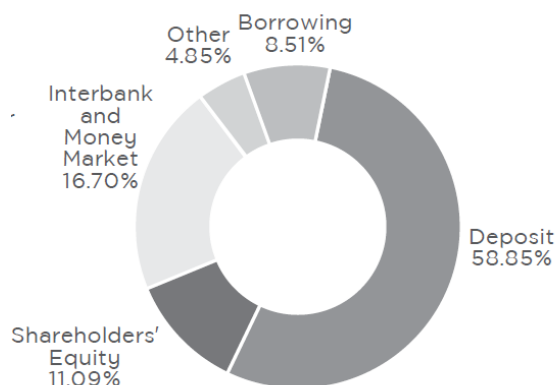
Krungsri realizes the importance of adequate liquidity risk measurement tools and methodologies appropriate to the size and complexity of transactions both on- and off-balance sheet, employing various liquidity risk management tools such as cash flow/liquidity projections and liquidity gap analyses by assets, liabilities, and contingent liabilities based on remaining contractual maturities. We also consider, both normal and crisis situations, adjusting the results based on behavioral maturity aligned with actual behavior to ensure efficient liquidity risk reporting and monitoring.

Our major funding source is customer deposits, which are well diversified customer type, deposit type, and maturity by deposit campaigns. Other funding sources included interbank and money market items as well as debt issued and BTMU borrowings.

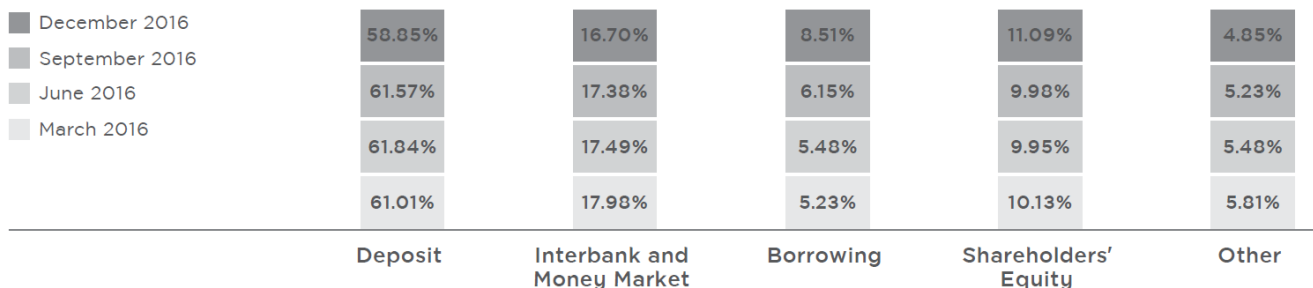
Krungsri continues to focus on expanding its retail deposit customer base by offering savings products that earn appropriate yield, along with improved services to facilitate customer needs.

Krungsri Group Funding Sources

As of December 31, 2016



Krungsri Group Funding Profile Movement



Krungsri Group Assets and Liabilities Based on Remaining Contractual Maturity

As of December 31, 2016

(Unit: Million baht)

	On Demand	0-3 months	Greater than 3-12 months	Greater than 1-5 years	Greater than 5 years	Non performing loans	No Maturity	Total
Financial Assets	60,296	123,079	14,034	1,252	1,429	-	193	200,283
Interbank and money market items, Net								
Investment, Net	-	8,139	29,907	84,897	3,201	-	5,638	131,782
Loans to customers	63,613	242,882	290,699	533,367	283,487	34,834	-	1,448,882
Financial Liabilities								
Deposits	583,930	256,256	252,389	15,689	24	-	-	1,108,288
Interbank and money market items, Net	13,281	293,572	3,177	1,981	2,389	-	-	314,400
Debt issued and borrowings	-	46,500	23,338	65,450	24,998	-	40	160,326

As of December 31, 2015

(Unit: Million baht)

	On Demand	0-3 months	Greater than 3-12 months	Greater than 1-5 years	Greater than 5 years	Non performing loans	No Maturity	Total
Financial Assets	52,475	92,208	32,417	16,729	-	-	265	194,094
Interbank and money market items, Net								
Investment, Net	-	24,815	11,849	65,993	3,760	-	3,610	110,027
Loans to customers	40,896	246,764	271,708	473,129	238,718	32,239	-	1,303,454
Financial Liabilities								
Deposits	539,043	274,392	228,255	4,578	22	-	-	1,046,290
Interbank and money market items, Net	8,618	260,443	347	4,784	868	-	-	275,060
Debt issued and borrowings	-	37,421	13,368	42,488	14,844	-	-	108,121

Operational Risk

Objectives and Key Risk Factors

Krungsri's operational risk definition includes the risk of loss resulting from inadequate or failed internal procedures, technology problems, human factors, and external events; the definition also includes legal risk, but excludes strategic risk. Key risk factors can arise from the misconduct of internal and external individuals, inadequate procedural design and internal controls, noncompliance with laws or regulations, system collapse or inadequate systems that may lead to data corruption, programming errors, security breaches, and system failures. The risk factors from external events are uncontrollable such as political crises, pandemics, flooding, and other environmental impacts.

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 commits to effectively manage and mitigate major operational risks with a proactive approach as well as continuing to embed a culture of operational risk awareness throughout Krungsri Group.

Principles

We recognize that operational risk is a significant concern and will provide sufficient resources to manage risk by promoting sound operational risk management governance and frameworks: every employee is accountable for managing operational risk.

Organization and Structure

Operational risk is managed under the Krungsri Group's operational risk management policies, approved by the Board of Directors. Bank 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 the 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 according to the Bank policy.

The Risk Management Committee, assigned by the Board of Directors, is responsible for formulating strategies and for oversight of the adequacy of risk and control procedures. The Committee meets monthly to review and make recommendations on operational risk profiles. The Operational Risk Management Department, 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. In addition, the Internal Audit function provides an independent check on the proper functioning of the design, adequacy, and effectiveness of our internal controls.

2016 Measurement Achievements

We continue to strengthen and improve risk management across Krungsri Group. 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. Key risk indicators are collected and tracked bank-wide and for business units to provide early warning signals of deterioration in the Group's internal controls: If risk exceeds acceptable thresholds action is taken.

All departments are responsible for reporting operational risk incidents that result in losses beyond a certain threshold (both direct and indirect losses) including near-misses and nonfinancial impact events to the Operational Risk Management Department. 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 processes. An ongoing process to manage and monitor potential operational risks that might stem from outsourcing or insourcing arrangements is in place: When considering outsourcing and insourcing the continuity of business operations, providing customer service, and suitable customer protection are our main benchmarks for accountability. We implemented the operational risk system to record and link RCSA, KRI and Operational Risk Loss Data where appropriate. This risk system enables a comprehensive view, analysis, and reporting of the Krungsri Group's operational risk profile.

We embedded the new product/process/system Risk Assessment Program to ensure that all new products—or significant changes to existing processes and systems—are subject to comprehensive risk evaluation and are approved by specialists before launch.

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 to report their operational risks such as RCSA, KRI and data loss to the Operational Risk Management Department for analysis. Krungsri Group operational risk profiles and performance reports are then prepared and delivered to the Risk Management Committee and the Board regularly to detect early changes of key operational risks within Krungsri Group and to drive appropriate decision-making.

Capital Requirements

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

Krungsri Operational Risk Minimum Capital Requirements

as of December 31, 2016 and December 31, 2015

(Unit: Million baht)

Standardized Approach	2016	2015
Total Capital Charge for Operational Risk	7,437	6,211
Equivalent Risk Weighted Assets for Operational Risk	92,960	77,643

4. Operating Assets

Fixed Assets

Property, Premises and Equipment

Book value of property, premises and equipment of Krungsri and its subsidiaries as at December 31, 2016 and 2015 are as follows:

(Unit : THB Million)

Items	Type of Property Right	Contingent Liability	Value	
			2016	2015
Land				
Cost	Owner	None	4,307	4,286
Appraisal Increase	Owner	None	7,102	5,174
Premises				
Cost	Owner	None	7,344	7,104
Appraisal Increase	Owner	None	11,649	7,708
Equipment	Owner	None	15,859	14,235
Leasehold Improvement	Leasing	Leasing	3,582	3,096
Others	Owner	None	714	270
Total			50,557	41,873
<u>Less</u> Accumulated Depreciation			(25,213)	(20,668)
Allowance for Impairment			(123)	(212)
Net Property, Premises and Equipment			25,221	20,993

Long-Term Lease Agreements

Krungsri and its subsidiaries have entered into land and/or premises and equipment lease agreements for branch offices and operation. Krungsri and its subsidiaries are committed to pay the future rental and service fee as at December 31, 2016, as follows:

(Unit : THB Million)

Types	Maturity	Rental and Service Fee
Land and/or premises and equipment	Within 1 year	1,422
	Greater than 1 – 5 years	1,203
	Greater than 5 years	239
Total		2,864

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, 2016 and 2015 is shown below:

(Unit : THB Million)

Items	2016		2015	
	Amount	%	Amount	%
Normal	1,359,936	93.61	1,226,187	93.81
Special mention	57,976	3.99	48,598	3.72
Substandard	12,564	0.87	10,824	0.83
Doubtful	5,876	0.40	8,412	0.64
Doubtful of loss	16,395	1.13	13,006	1.00
Total	1,452,747	100.00	1,307,027	100.00

Remark: Loans to customers and accrued interest after deduct deferred revenue, and 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 are 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% 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 are 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, 2016, Krungsri set up provision of THB 49,900 million 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 as at December 31, 2016 and 2015 are as follows:

(Unit : THB Million)

	2016	2015
Non-performing loans	34,834	32,239
Percentage of total loans	2.21	2.24
Non-performing loans, net	15,653	14,919
Percentage of total loans, net	1.00	1.05

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, which are neither guaranteed by the government nor the Ministry of Finance*

Investment in securities which are neither guaranteed by the government nor the Ministry of Finance will 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 and Associated Companies

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 and associated companies across the Krungsri Group in order to maintain its best-in-class standards of corporate governance.

Also, the Bank empowers relevant executives and company directors within the Group to supervise business operations, plans and annual budgets, and to provide the Bank 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% 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: THB 10

Branch and Financial Services Centers:

• Number of branches in Thailand	695 branches
- Greater Bangkok and vicinity	298 branches
- Upcountry	397 branches
• Number of overseas branches outside Thailand	3 branches
• Foreign Currency Exchange Booths	95 booths
• Exclusive Banking Zones	29 centers

Subsidiaries, Joint Ventures and Companies that Krungsri holds Shares of 10% but less than 20% of its Paid-up Capital

List of companies where Krungsri directly and indirectly hold 10% or more of paid-up capital, as of December 31, 2016 are as follows:

- Subsidiaries and Joint Ventures

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		Share Type	No. of Shares	
1. Hattha Kaksekar Limited 606, Street 271, Village 06, Sangkat Phsar Daeum Thkov, Khan Chamka Morn, Phnom Penh, the Kingdom of Cambodia	Microfinance Deposit Taking Institution (MDI)	Ordinary	6,824,594	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	Finance (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	Finance (Factoring)	Ordinary	30,000,000	99.99
4. Ayudhya Development Leasing Co., Ltd. 1222 Bank of Ayudhya PCL Head Office, Floor 16, Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120 Telephone: 0-2208-2300 Facsimile: 0-2683-1571-2	Finance (Leasing & Hire Purchase)	Ordinary	123,499,999	99.99

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		Share Type	No. of Shares	
5. Ayudhya Capital Auto Lease PCL 87/2 CRC Tower, Floor 26, 30, 48 All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-6010 Facsimile: 0-2627-8211	Finance (Auto Financing)	Ordinary	2,554,500,000	99.99
6. General Card Services Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6 and 8, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8111 Facsimile: 0-2627-8381	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	99.99
7. Ayudhya Capital Services Co., Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6, 8-11, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8000	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	99.99
8. 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
9. Krungsriayudhya Card Co., Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6, 8-11, Wireless 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 Securities PCL 898 Ploenchit Tower, Floor 3, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2659-7000 Facsimile: 0-2646-1100	Finance (Securities)	Ordinary	60,000,000	98.71

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		Share Type	No. of Shares	
11. Krungsri Asset Management Co., Ltd. 898 Ploenchit Tower, Floor 1-2 Zone A, and Floor 12 and 18 zone B, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2657-5757 Facsimile: 0-2657-5777	Finance (Asset Management)	Ordinary	3,500,000	76.59
12. Krungsri Leasing Services Co., Ltd. 355, Nui 12, Khampheang Meung Road, Phonethan Village, Saysettha District, Vientiane Capital, Lao PDR.	Finance (Leasing/Hire purchase/Sales Finance)	Ordinary	912,000	70.00
13. Siam Realty and Services Security Co., Ltd. (Formerly Siam Realty and Services 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. Total Services Solutions PCL 2/3 Moo 14, Bangna Tower B, Bangna – Trad Road, KM. 6.5, Bangkaew, Bangplee, Samutprakarn Telephone: 0-2714-5199 Facsimile: 0-2777-0009	Service (Collection)	Ordinary	160,599,822	99.99
15. Krungsri Life Assurance Broker Ltd. 87/1 Capital Tower, All Seasons Place, Wireless 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 (%)
		Share Type	No. of Shares	
16. Krungsri General Insurance Broker Ltd. 87/1 Capital Tower, All Seasons Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 0-2627-8029 Facsimile: 0-2627-4117	Finance (Non-life Insurance Broker)	Ordinary	920,000	99.99
17. Tesco Card Services Ltd. 87/1 Capital Tower, All Seasons Place, Floor 1-6, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8615	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
18. Tesco Life Assurance Broker Ltd. 87/1 Capital Tower, All Seasons Place, Floor 10, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8611	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
19. Tesco General Insurance Broker Ltd. 87/1 Capital Tower, All Seasons Place, Floor 10, Wireless Road, Lumpini, Pathumwan, Bangkok 10330 Telephone: 1712 Facsimile: 0-2627-8611	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00

• Companies under Dissolution and Liquidation Process

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		Share Type	No. of Shares	
1. Ayudhya Card Services 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	Finance (Credit Card & Personal Loan)	Ordinary	7,200,000	99.99

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

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd. 111/1 Moo 1, Banchang, Phanatnikom, Chonburi 20140 Telephone: (038) 461-858, (038) 464-263	Furniture Manufacturer	Ordinary	95,000	10.00
2. Asian Trade and Leasing 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, trucks etc.)	Ordinary	1,500,000	10.00

• Companies with shares acquired through Debt Restructuring

Name and Address of Head Quarter	Business Type	Issued Shares		Ownership of Krungsri (%)
		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. 1/2012 : Bank of Ayudhya PCL
- Subordinated Instrument No. 1/2016 1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
- Long Term Debenture No. 1/2014 (1 tranche) Tel: 0-2296-2833, 0-2296-4772 and 0-2296-5696
- Long Term Debenture No. 1/2015 (2 tranches) Fax: 0-2683-1389
- Long Term Debenture No. 2/2015 (2 tranches)
- Long Term Debenture No. 1/2016 (1 tranche)
- Long Term Debenture No. 2/2016 (2 tranches)

Debenture Holder Representative

- Subordinated Debenture No. 1/2012 KTB Bank PCL
977/3 SM Tower, Floor 3, Phaholyothin Road,
Samsennai, Phaya Thai, Bangkok 10400
Tel: 0-2298-0821 ext. 120, 121, Fax: 0-2298-0835
- Subordinated Instrument No. 1/2016 : None
- Long Term Debenture No. 1/2014 (1 tranche) : None
- Long Term Debenture No. 1/2015 (2 tranches) : None
- Long Term Debenture No. 2/2015 (2 tranches) : None
- Long Term Debenture No. 1/2016 (1 tranche) : None
- Long Term Debenture No. 2/2016 (2 tranches) : None

Auditors : Mr. Permsak Wongphatcharapakorn Certified Public Accountant Registered No. 3427
Mr. Niti Jungnitnirundr Certified Public Accountant Registered No. 3809
Mr. Chavala Tienprasertkit Certified Public Accountant Registered No. 4301
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower, Floor 23-27,
11/1 South Sathorn Road, Yannawa,
Sathorn, 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

The Bank's credit ratings assigned by 1. Moody's Investors Service, 2. Standard & Poor's, 3. Fitch Ratings and 4. TRIS Rating as of December 31, 2016 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		Negative
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

2016 Key Performance Targets

Consolidated	2015	2016	2016 Targets	
Loan Growth (Net)	+290.7 bn +28.7%	+145.4 bn +11.2%	8-9% *	✓
NPLs Ratio	2.24%	2.21%	< 2.5%	✓
Deposit Mix: Savings and Current	52%	53%	> 50%	✓
Loan Mix : Retail	43%	44%	~ 40%	✓
Loan/Deposit+B/E+Debenture	114%	117%	n.d.	-
NIM	4.15%	3.74%	~ 3.7%	✓
Non-interest Income Growth (YoY) **	15.8%	11.7%	7.0%+	✓
Cost to Income Ratio	47.1%	47.1%	< 50%	✓
Provisions	153 bps	147 bps	~ 145 bps	-
Loan Loss Coverage	141%	143%	135%+	✓
CAR (Bank Only)	13.6%	14.2%	n.d.	-

* Loan growth target including consolidated loan from HKL

** Net Fee Income + Non-Interest and Non-Fee 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, 2016: THB 75,741,437,470 Number of shares: 7,574,143,747 Par value: THB 10.00
Paid-up capital	As of December 31, 2016: THB 73,557,617,730 Number of shares: 7,355,761,773 Par value: THB 10.00

Shareholders

As of the latest closing date on September 9, 2016. The list of the shareholders holding the ordinary shares over 0.5% 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	% 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: THB Million)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2016
Long Term Bonds (Non – Collaterals)				
1. Subordinated Debenture No. 1/2012 (BAY22NA) Amount: 14,843.60 Issue date: November 7, 2012 Debenture Rating (Fitch): A+ Agent: KTB	4.70%	November 7, 2022 (10 years)	-	14,843.60
2. 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
3. Debenture No.1/2015 Series 1 (BAY172A) Amount: 4,000.00 Issue date: February 27, 2015 Debenture Rating (Fitch): AAA Agent: None	2.61%	February 4, 2017 (2 years)	-	4,000.00
4. Debenture No. 1/2014 Series 2 (BAY174A) Amount: 5,500.00 Issue date: April 4, 2014 Debenture Rating (Fitch): AAA Agent: None	3.34%	April 4, 2017 (3 years)	-	5,500.00
5. Debenture No.2/2015 Series 1 (BAY179A) Amount: 8,000.00 Issue date: September 30, 2015 Debenture Rating (Fitch): AAA Agent: None	2.00%	September 30, 2017 (2 years)	-	8,000.00
6. 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
7. 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

(Unit: THB Million)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2016
8. Debenture No.1/2015 (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
9. 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
10. 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
11. 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
12. 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
Other Debt Instruments (Non – Collaterals) (Issued in 2016)				
1. Bill of Exchange Major Investment Amount: 513,384.44 Issue date: January 4 - December 30, 2016 Debenture Rating (Fitch): AAA Agent: None	0.50% - 1.44%	Depending on the date of purchase (not over 270 days)	-	41,560.00

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 the Year 2016

(Unit: THB Million)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non – Collaterals)			
1. Debenture No.1/2014 Series 1 (BAY164A)	6,500.00	April 4, 2014	April 4, 2016
2. Debenture No.1/2013 Series 2 (BAY166A)	1,000.00	June 28, 2013	June 28, 2016

Type of Debentures	Amount	Issue Date	Maturity Date
Other Debt Instruments (Non – Collaterals) (Issued in 2015)			
1. Bill of Exchange, Major Investment	471,824.44	January 4 - December 27, 2016	Depending on the date of purchase (2 – 270 days)

Dividend Payout Policy

Our Dividend Payout Policy

The Bank's Board of Directors at the meeting no. 1/2017 held on January 25, 2017 has resolved to change the Bank'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 interim dividend year 2016.

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

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

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

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

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, 2016, 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 ^{1/}	Vice-Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
3. Mr. Takeshi Ogasawara	Director / Risk and Compliance Committee Member
4. Mr. Hirotake Taguchi ^{2/}	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 Thanavaranit	Independent Director / Chairman of the Audit Committee
8. Mr. Virat Phairatphiboon	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
9. Mr. Phong-adul Kristnaraj	Independent Director / Audit Committee Member / Chairman of the Risk and Compliance Committee
Executive Directors	
10. Mr. Noriaki Goto	Director (Authorized Signatory) / Chairman of the Executive Committee
11. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
12. Miss Duangdao Wongpanitkrit ^{3/}	Director (Authorized Signatory) / Executive Committee Member

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

Remarks:^{1/} Appointed as the director who shall act as the Vice-Chairman (Authorized Signatory) in replacement of Mr. Go Watanabe who resigned, effective May 1, 2016.

^{2/} Appointed as the director in replacement of Mr. Atsushi Murakami who resigned, effective July 27, 2016.

^{3/} Appointed as the director in replacement of Mrs. Janice Rae Van Ekeren who resigned, effective March 28, 2016.

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 Duangdao Wongpanitkrit, a total of two directors, jointly sign and affix the Company's seal.

Meetings of the Board of Directors

In 2016, there were a total of 12 ordinary 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	8/8	9/10			
3. Mr. Takeshi Ogasawara	7/12			6/12	
4. Mr. Hirotake Taguchi	5/6				
5. Miss Nopporn Tirawattanagool	12/12	19/19		12/12	
Independent Directors					
6. Mr. Karun Kittisataporn	12/12	19/19			
7. Miss Potjanee Thanavarani	11/12		22/23		
8. Mr. Virat Phairatphiboon	12/12	18/19	22/23		
9. Mr. Phong-adul Kristnaraj	12/12		23/23	12/12	
Executive Directors					
10. Mr. Noriaki Goto	12/12				43/43
11. Mr. Pornsanong Tuchinda	12/12				38/43
12. Miss Duangdao Wongpanitkrit	9/9				39/43

Additionally, 2 meetings among only the non-executive directors were held on May 25, 2016 and November 23, 2016.

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

Members of the Executives

As of December 31, 2016, 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, totaling 71 persons as follows:

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

Name – Surname	Position
22. Mr. Suratun Kongton	Head of Corporate and Investment Banking Group
23. Mr. Dharittee Kritsernvong	Head of Information Technology Group
24. Mrs. Katchariya Chongpaisansakul ^{3/}	Head of Operations Middle Office Group
25. Mr. Wirote Chuenratanakul ^{3/}	Head of Operations Black Office Group
26. Mr. Yuzo Nakada	Deputy Chief Financial Officer
27. Mr. Hironori Okada	Deputy Chief Risk Officer
28. Mr. Masashi Nimura	Deputy Head of Global Markets Group
29. Mrs. Porawan Rungsang	Executive Vice President, Office of the President and Chief Executive Officer
30. Miss Suwanna Jakraworavudh	Executive Vice President, Office of the President and Chief Executive Officer
31. Mr. Udomkarn Udomsab	Executive Vice President, Office of the President and Chief Executive Officer
32. Mrs. Kittiya Srisanit	Executive Vice President, Office of the President and Chief Executive Officer
33. Miss Siriporn Sinacharoen	Executive Vice President, Office of the President and Chief Executive Officer
34. Mr. Congsin Congcar ^{3/}	Executive Vice President / Acting Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group
35. Miss Pisara Pattanasiri ^{3/}	Executive Vice President / Head of Financial Planning and Analysis Division / Acting Head of Financial Planning and Analysis Consolidation Department, Finance Group
36. Mr. Kriangsak Jongsukgiparnich	Executive Vice President, Head of Accounting Division / Acting Head of Operational Controllershship Department, Finance Group
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, Finance Group

Name – Surname	Position
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, Finance Group / 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. Miss Somjai Pattanakitpairoj	Senior Vice President, Head of Financial Compliance and Control Department, Finance Group
44. Mrs. Orawan Julapol	Senior Vice President, Head of Financial Reporting Department / Acting Head of Basel Reporting Section, Finance Group
45. Miss Sukanda Thawilwang	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group
46. Mr. Tetsuya Yoshimura	Senior Vice President, Head of Financial Liaison and Planning Department, Finance Group
47. Miss Wimol Sivarorosakul	Senior Vice President, Financial Liaison and Planning Department, Finance Group
48. Mr. Vatchara Pumnoi ^{3/}	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Controllership Department
49. Mr. Teerasak Nimnaparaj ^{3/}	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department
50. Miss Soamkulaya Pinkayan ^{3/}	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department Acting Head of Krungsri Auto Finance and Accounting – OPEX/ Branch Channel Section

Name – Surname	Position
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. Miss Porntip Sae Lor	Vice President, Head of Profitability Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group
54. Mrs. Kamoltip Jittimaporn	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllershship Department, Finance Group
55. Miss Rattaporn Pornprasit	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group
56. Miss Benjawan Surachutikarn	Vice President, Head of Foreign Business Accounting Department, Finance Group
57. Mrs. Anantaya Padanupong	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group
58. Mr. Takashi Kanai	Vice President, Head of Foreign Financial Reporting Department, Finance Group
59. Miss Thatsaphin Cholsuwat	Vice President, Head of Finance System Management Section, Operational Controllershship Department, Finance Group
60. Miss Sunan Pimsawang	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group
61. Mr. Montien Jangsutimon	Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group
62. Miss Porntip Undamrongkarn	Vice President, Foreign Financial Reporting Department, Finance Group
63. Miss Darunee Laiphukham ^{4/}	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group
64. Miss Thitiporn Kittipiyakul	Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group

Name – Surname	Position
65. Mr. Vichai Kolsonvoravattanakul	Vice President, Head of Finance Center Point of Contact (CPC) – Bank Initiative Support Section, Operational Controllershship Department, Finance Group
66. Mrs. Suchavalee Srisarakorn	Vice President, Finance Group
67. Mr. Suwit Eurpiyachart	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group
68. Mrs. Tatsawan Dumrisomkul ^{3/}	Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllershship Department
69. Miss Thanawan Santananont ^{3/}	Vice President, Head of Krungsri Auto Finance and Accounting – Sourcing Section, Controllershship Department
70. Miss Chanida Kwansanerthechin ^{3/}	Vice President, Head of Krungsri Auto Finance and Accounting – Tax Controller Section
71. Miss Chavakorn Chavalerdpanyakul ^{3/}	Vice President, Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department

Remark	^{1/} Changed the position, effective February 1, 2017
	^{2/} Retired from Krungsri, effective January 1, 2017
	^{3/} Changed the position due to organizational restructuring, effective January 1, 2017
	^{4/} Resigned from being Krungsri's Executive, effective January 1, 2017

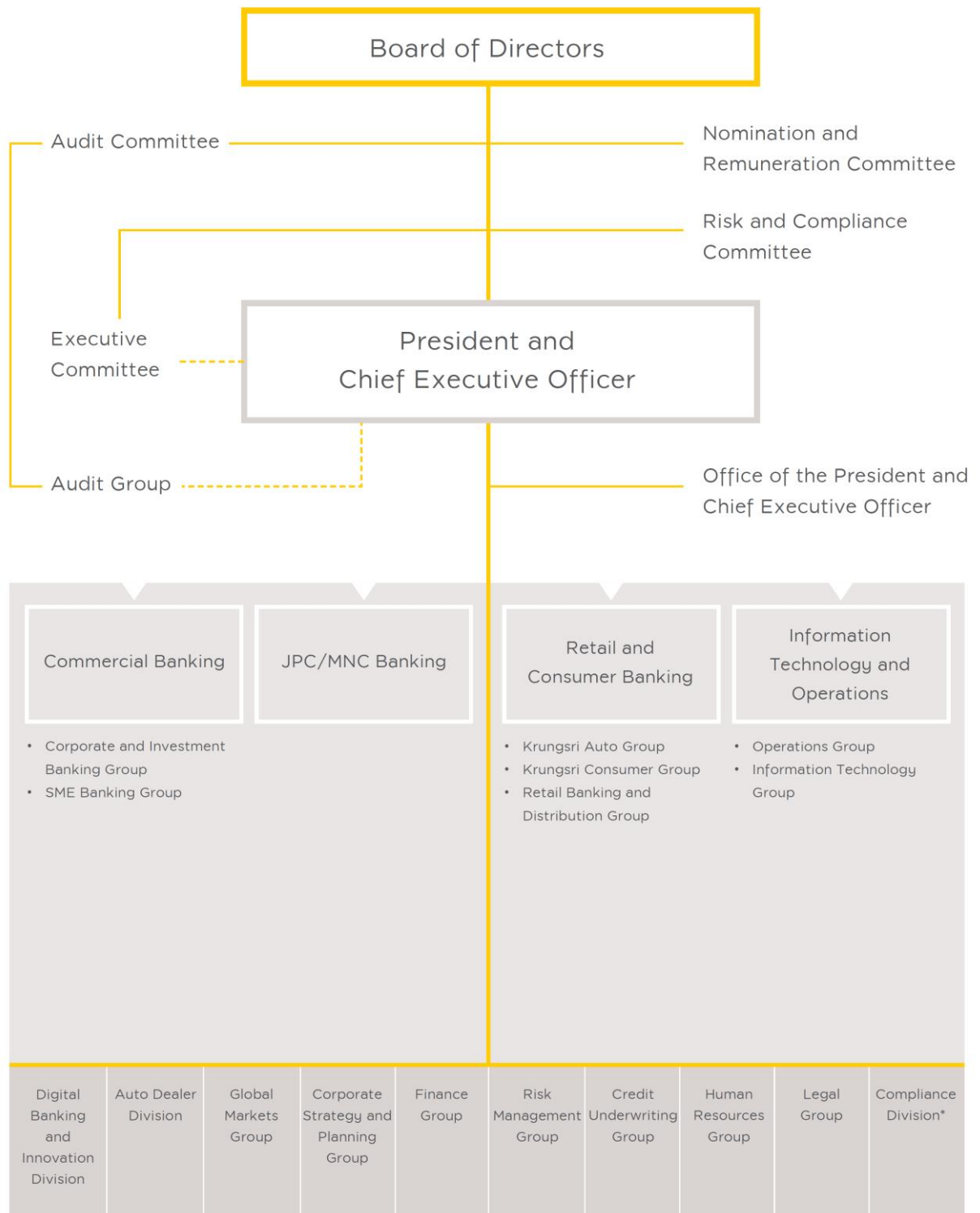
Newly Appointed Executives after December 31, 2016 in the total of 3 persons as follows:

Name - Surname	Position
1. Mr. Wittapon Jawjit ^{1/}	Head of Human Resources Group
2. Mr. Somwang Toraktrakul ^{2/}	Executive Vice President, Office of the President and Chief Executive Officer
3. Miss Sujinda Ninatkiattikul ^{2/}	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department

Remark:	^{1/} Being appointed effective February 1, 2017
	^{2/} Being appointed effective January 1, 2017

The last updated profile of executives are detailed in Attachment 1.

Organization Structure (As of January 1, 2017)



* Compliance Division shall report directly to the Risk and Compliance Committee

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 May 28, 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 2016: Remuneration paid by the Bank in 2016 to directors and executives is as per the following details:

- **Cash remuneration**

(1) Total directors' remuneration (retainer fee, pension and attendance fee) of the 14 directors amounts to THB 45,858,566.68. Details of the remuneration paid to each director are as follows:

(Unit: THB)

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	2,340,000.00	1,044,000.00	1,458,000.00	-	-	-	4,842,000.00
2. Mr. Go Watanabe ^{2/} - Vice Chairman - Member of the Nomination and Remuneration Committee	864,000.00	416,000.00	436,000.00	-	232,000.00	-	1,948,000.00
3. Mr. Takayoshi Futae ^{3/} - Vice Chairman - Member of the Nomination and Remuneration Committee	1,728,000.00	832,000.00	872,000.00	-	464,000.00	-	3,896,000.00

(Unit: THB)

(Unit: THB)

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				
4. Mr. Takeshi Ogasawara - Member of the Risk and Compliance Committee	2,076,000.00	996,000.00	1,044,000.00	-	-	696,000.00	4,812,000.00
5. Mr. Atsushi Murakami ^{4/}	1,182,166.67	567,166.67	594,500.00	-	-	-	2,343,833.34
6. Mr. Hirotake Taguchi ^{5/}	888,066.67	426,066.67	446,600.00	-	-	-	1,760,733.34
7. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,076,000.00	996,000.00	1,044,000.00	-	696,000.00	696,000.00	5,508,000.00
Independent Directors							
8. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	2,076,000.00	996,000.00	1,044,000.00	-	732,000.00	-	4,848,000.00
9. Mr. Virat Phairatphiboon - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	2,076,000.00	996,000.00	1,044,000.00	696,000.00	696,000.00	-	5,508,000.00
10. Ms. Potjanee Thanavarant - Chairman of the Audit Committee	2,076,000.00	996,000.00	1,044,000.00	732,000.00	-	-	4,848,000.00
11. Mr. Phong-adul Kristnaraj - Chairman of the Risk and Compliance Committee - Member of the Audit Committee	2,076,000.00	996,000.00	1,044,000.00	696,000.00	-	732,000.00	5,544,000.00
Executive Directors *							
12. Mr. Noriaki Goto	-	-	-	-	-	-	-
13. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
14. 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. January/February and December 2016, and contributed the amount for various purposes such as credited to the accounts opened for loss relief, donated for Krungsri's annual Kathin merit-making ceremony

^{2/} Resigned from being the Bank's director, effective 1 May 2016

^{3/} Appointed as Vice Chairman, effective 1 May 2016

^{4/} Resigned from being the Bank's director, effective 26 July 2016

^{5/} Appointed as the Bank's director, effective 27 July 2016

(2) The Executive Committee is not paid any remuneration.

(3) The total executives' remuneration paid in 2016 in the form of salary and bonus to the executives as defined by the Capital Market Supervisory Board which is prescribed by the Bank, i.e. President and Chief Executive Officer, 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 38 persons, amounts to THB 403,381,284.68.

Remark: - 2 new executives joined Krungsri during the year.

- 2 executives resigned from Krungsri during the year.

- **Other remuneration**

Contribution to the provident fund for executives (3) amounts to THB 16,089,503.22

Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.

Personnel

Number of Employees

As of December 31, 2016 Krungsri had a total number of 14,776 employees, classified into the following functional groups:

	No. of employees (person)
Executives (Executive Vice President and above)	87
Commercial Banking	2
Corporate and Investment Banking Group	161
Metropolitan SME Business Division	212
Provincial SME Business Division	257
Commercial Credit Analysis Division	197
Commercial Banking Credit Control Department	32
JPC/MNC Banking	416
Retail and Consumer Banking	7
Krungsri Auto Group	1,593
Krungsri Consumer Group	219
Wealth Management Division	94
Customer Relationship Management Division	61
Mortgage Loan Division	69
E-Business Division	38
Information Technology and Operations	4
Operations Middle Office Group	685
Operations Back Office Group	416
Information Technology Group	427
IT Security Division	36
IT Strategic and Program Management Office Division	26
IT Service Governance Management Division	44
Operations and IT Support Division	64
Office of the President and Chief Executive Officer	3
Audit Group	195
Retail and Commercial Banking Products Group	214
Auto Dealer Division	13
Distribution Group	7,541
Global Markets Group	115
Corporate Strategy and Planning Group	312

	No. of employees (person)
Finance Group	153
Risk Management Group	211
Credit Underwriting Group	441
Human Resources Group	166
Legal Group	219
Compliance Division	46

Change in the Number of Employees

In 2016, the number of employees of Krungsri increased by approximately 6.36% when compared to the previous year.

Employee Remuneration

The total remuneration of 14,776 employees in 2016 was THB 11,571,102,189.10 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 medical insurance, provident fund, and employee scholarships etc.

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.

2016 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 overall organizational capabilities and competitive 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 such as 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 operation. Krungsri and companies in Krungsri's financial business group strive 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 in the fields of 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, qualifications, roles and responsibilities of the Board of Directors and the committees reporting to the Board of Directors, internal control and internal audit systems, Krungsri's business philosophy and roles towards the stakeholders including sustainable growth and social responsibility. The Principles also state Krungsri's Mission, Vision and Core Values, Employee's Code of Conduct and their compliance. In addition, Krungsri stipulates 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, Krungsri's organization structure, environmental situation of corporate governance of the Group and other relevant regulations.

In 2016, the Board of Directors reviewed the Principles whereby the roles and responsibilities of the Chairman of the Board and a minimum quorum of at least two-thirds for board decisions at the time of voting were added. The content of quality assessment of internal audit and the testing of audit's quality were revised to be up-to-dated and in line with regulations and Krungsri's organization structure.

Krungsri continuously disseminates and promotes the Principles via various channels, i.e. Krungsri's website under corporate governance topic, various activities to promote comprehensive understanding amongst employees, including the training courses via Krungsri Learning Companion (KLC) to ensure that the Principles are communicated, adhered to and in comply with.

Additionally, Krungsri drew up **"The Spirit & The Letter"** (S&L), outlining key principles of integrity under applicable laws and good governance. Its main purpose is to encourage

transparency of Krungsri's business operation as well as its accountability to the stakeholders. The matters that employees should know and practice as well as matters that they should be aware of, are stated in writing. Punitive measures are also specified in cases of violation. Krungsri makes this document available on its website and activities including an annual S&L Week to enhance knowledge and understanding of the performance of work under the "The Spirit & The Letter" are also arranged every year. In addition, each business function must appoint its Compliance Champion to serve as the center for communication, knowledge enhancement, promote understanding of compliance with Krungsri's compliance issues, including rules and regulations of the regulators as well as policies, operational policies or requirements of corporate governance stipulated by Krungsri for the employees in each particular function.

Good Corporate Governance Award

In 2016, Krungsri received the following Good Corporate Governance awards:

- Asia's Icon on Corporate Governance from the 12th Corporate Governance Asia Recognition Award 2016. The award presented to outstanding organizations that have continuously committed to the highest corporate governance standards and practices.
- The Asset Corporate Award - Platinum 2016, the top award granted to the organization with complete excellence in 3 aspects namely Corporate Governance, Social Responsibility, and Investor Relations by The Asset magazine
- Asia's Best CEO (Investor Relations) and Asia's Best CFO (Investor Relations) from the 6th Asian Excellence Recognition Awards 2016. These awards reflect Krungsri's commitment and dedication for creating excellent standard in communication with the investors and corporate governance.
- Best Investors Relations Company (Thailand) and Asia's Best CSR from Corporate Governance Asia Magazine, reflecting Krungsri's management that emphasizes not only business success but also a dedication to excellence in corporate governance and role model as an outstanding corporate citizen.
- Investors' Choice Award from Thai Investors Association. Krungsri is one of the 47 companies receiving excellence full scores on the Annual General Meeting of Shareholders quality assessment for 4 consecutive years (2013-2016).
- Sustainability Report Award 2016 in the 'Outstanding' category from Thai Listed Companies Association (Thai LCA). Krungsri is one of 23 companies receiving this honorable Outstanding Award. This is the first year that Krungsri receives the award and it clearly reflects Krungsri's progress in improving sustainability performance disclosure.

- Krungsri is one of 49 listed companies that passed ESG Assessment of the Stock Exchange of Thailand and listed on Thailand Sustainability Investment (THSI) 2016. Krungsri is categorized among listed company with market capitalization of more than 100,000 million baht which is considered to be a preferred stock that reflects distinguished environmental, social and governance (ESG) performance

Krungsri's compliance with good governance principles according to the guidelines of the Stock Exchange of Thailand and the regulators can be summarized as follows:

Section 1 Shareholders' Rights

1.1 Policy on and Protection of Shareholders' Rights

Krungsri places importance on equality of all shareholder's 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. Concurrently, 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 issues such as directors' remuneration, amendment to the Articles of Association, allocation of capital-increase shares and business acquisition where the price appraisal is done by an independent party.

In addition, 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 information on performance, shareholders and investors, exercises of rights of the shareholders and also Krungsri's activities.

1.2 Meetings of Shareholders

Krungsri organized the Annual General Meeting of Shareholders 2016 ("the AGM") No. 104 on April 28, 2016 in compliance with the Bank's Articles of Association, applicable laws and relevant regulations 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 2015). 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 to give the shareholders adequate time to study the information.

- A request form was prepared and attached to the notification of the AGM for the shareholders 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 every Krungsri branch 14 days prior to the closing date of the share register and advertised in a newspaper 3 consecutive days for 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 for acknowledgement or approval. The details of agenda comprise of sufficient facts and reasons, adequate and clear comments provided by the Board of Directors and relevant committees to support the 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, whereby the Chairman of the Board and two independent directors with their brief profiles were nominated as options for the shareholders to appoint as their proxies.

- Krungsri appropriately supported and facilitated every shareholder including institutional investors 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 any opportunities for the shareholders to communicate with each other.

- The officers of the Investor Relations Department are assigned to coordinate, provide information and answer questions from the investors and shareholders.

- For the election of directors agenda, Krungsri stipulates the shareholders were able to vote on individual directors and also provided the brief profiles of those who were nominated for election/re-election as stipulated by the regulators i.e. name-surname, age, educational background and working experience which information was separated by listed and non-listed companies. This includes the selection criteria and procedures, types of directors nominated and director's holding of Krungsri's securities. For those being nominated for re-election, Krungsri detailed the number of Board meetings that the directors attended in the previous year, appointment date and other relevant and necessary information useful for the shareholders' consideration. 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, Krungsri collected ballots from all participating shareholders.

- For the directors' remuneration agenda, 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, Krungsri proposed the nominated auditor(s) to be appointed/reappointed, including details on companies they worked for, experience and competence, independence, the number of years the auditor has been serving as Krungsri's auditor, audit fees and other relevant and necessary information as per the regulations of the regulators for the shareholders' consideration.

- For the annual dividend payment agenda, the dividend payment policy, the pay-out rate and the proposed dividend amount were stated with a comparison to those of the past 5 years. The item indicates the date of payment along with the rationale and other supporting information for consideration.

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 processes, 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 had provided the service to listed companies via Thailand Securities Depository Co., Ltd. (“TSD”). The shareholders were entitled to register no less than 2 hours prior to the AGM. To save participants’ time and for their convenience, Krungsri arranged for 14 registration counters for the shareholders separated into 12 counters for ordinary persons 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 Executives 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 the Krungsri’s senior executives, auditor, representatives from Allen & Overy (Thailand) Co., Ltd., the law firm that served as the meeting’s inspector to ensure transparency and compliance with law 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 no volunteered shareholders.

- 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 acknowledgement.

- Currently, Krungsri has 1 type of share i.e. common shares. 1 share is equal to 1 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 the election of directors agenda. For this agenda, the Bank’s Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.

- For Krungsri's shareholding structure, none of the directors hold more than 25% of the registered and paid-up common shares.
- Krungsri video taped the entire meeting and separated the file into video clips of each agenda for dissemination on Krungsri's website.
- Subsequent to 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 on the meeting date. The results of the vote were posted on Krungsri's website on the following working day. Additionally, Krungsri also enclosed 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 clear the 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. Krungsri invited the inspector, the observer from the Thai Investors Association and the shareholder volunteers to witness the vote-count. They also included an explanation of the method of vote casting and vote-count before the meeting, use of ballots, details of each agenda, opinions of the Board of Directors on individual 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 of their correctness and completeness before being submitted to the Chairman of the Board to sign and then submit to the relevant government authorities within 14 days of 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 owners 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, including protection of 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 appointment of a director who may have a special conflict of interest in any agenda as a proxy, if a shareholder does not provide any voting mark, that director shall abstain

from voting on his/her behalf on that agenda. If a shareholder appoints any person as a proxy, such proxy has the right to participate in a meeting and cast votes on the shareholder's behalf in all cases;

- An adequate amount of time for a meeting 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 codes of conduct and ethics of Krungsri. It is prohibited to use Krungsri's inside information or undisclosed information to the public for personal benefit or others'.

- 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. For instance, at any time Krungsri is going to disclose any important financial data to the public, it will announce a blackout period to prohibit any of Krungsri's shares from being traded by Krungsri's directors, executives and employees, normally for three working days both before and after notification to the Stock Exchange of Thailand. For those acquired during the term of office of director, executive or employee of Krungsri, the sale or transfer can be made after the first three months of the acquisition, unless permitted by the President and Chief Executives Officer or other designated persons.

- Directors and executives of Krungsri including their spouses and minor children as specified by law and Krungsri itselfs 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.

- There have been no cases of insider trading committed by Krungsri' directors, executives and employees.

2.3 Transactions Between Krungsri, Its Subsidiaries, Associated Companies or Joint Ventures and Stakeholders

- Krungsri' directors and executives with conflicts of interest will abstain from consideration and voting on any transactions between Krungsri, its subsidiaries, associated companies or joint ventures and stakeholders or individuals 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.
- Krungsri has neither violated nor failed to comply with the criteria for related party transactions as well as sale and purchase of assets.
- For transactions undertaken in 2016, Krungsri showed all details in the Annual Registration Statement (Form 56-1) under the topic "Related Party Transactions" 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, any directors who have related interest in any issues under discussion do not participate in consideration and have no right to vote on such issues. For the past practice, if any director may have had a potential stakeholding in an issue, the director would refrain from participating in consideration and would abstain from voting on that issue.

- 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 recognizes importance to and respects every group of stakeholders equally whereby the followings are incorporated in the Principles – business philosophy and roles toward 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 its responsibility to the society and environment. Details of which are below:

- **Investors:** Krungsri recognizes the 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 Investor Relations Department to coordinate, answer enquiries, present important operating results of Krungsri and create good relationship with the investors and stakeholders.

- **Shareholders:** Krungsri gives priority and respects rights of all shareholders equally and also provides its shareholders with opportunities to consider in any important issues and provide comments or suggestions from which the useful ones will be applied to improve Krungsri's business operation for greater growth and better performance so as to bring about appropriate returns to the shareholders in the long term. Furthermore, significant information is disclosed to the shareholders in a correct and adequate manner with transparency, accountability. In addition, facilitation to the shareholders to fully exercise their rights is also made.

- **Board of Directors:** Krungsri gives an opportunity for all directors to fully perform their duties, with independence in expressing opinions and giving recommendations on Krungsri's operations to the Management. In this regard, the Corporate Secretariat Department is responsible for supporting performance and activities of the Board of Directors in order to ensure accurateness and adequacy as stipulated by the Principles and laws. In addition, Krungsri provides the directors with a Directors' Handbook, in which the content has been regularly updated and also notifies the directors of appropriate training courses organized by the Thai Institute of Directors Association (IOD) on a quarterly basis as well as other appropriate training courses in order for the directors to consider allocating their time for participation.

- **Executives:** Krungsri gives an opportunity to the executives to perform their duties independently without any intervention as per the assigned roles and responsibilities. Moreover, in

order to enhance the executives' potentiality by providing them with the training courses in various areas on appropriate and regular basis for personnel development and advancement of career path continuously.

- **Employees:** Krungsri recognizes that its employees at all levels are valuable resources and key drivers of business success. Krungsri is committed to operate the business with honesty and in compliance with the Principles and applicable laws. In this regard, Krungsri stipulates a code of conduct for business ethics, known as "The Spirit & The Letter". It is communicated as Krungsri's policy, to which all employees shall adhere both in the letter and the spirit.

Krungsri provides employees with appropriate and fair remuneration in accordance with their performance as measured against the 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 are comparable to those of peers.

Krungsri provides 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, and 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, medical expense, 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 in "The Spirit & The Letter". 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 2016, 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 2016, all employees participated in various training courses in an average of 64.06 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 with honesty, integrity and fairness. It provides the customers with services and advice equally to protect their best interest and deliver maximum satisfaction with quality products and excellent services that are convenient, swift, and make life easier, in line with the slogan “Make Life Simple”. In addition, Krungsri provides accurate and adequate information to the 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 review **The Spirit & The Letter** every 2 years via the Krungsri Learning Companion (KLC). The Spirit & The Letter is a part of the Code of Conduct that focuses on

honesty under the scope of the laws and the Principles. Such conduct is intended to enhance transparency and responsibility to the stakeholders in carrying out Krungsri's business.

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. Details are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic "Social Responsibility" and Sustainability Report.

- **Business Partners:** Krungsri treats each business partners with honesty, integrity and fairness, promotes mutual benefit and does not disclose business partners' confidential information. Krungsri also provides business partners with accurate and adequate information, strictly follows the provisions of contracts or conditions as agreed and promotes activities that will lead to better mutual understanding. Furthermore, Krungsri has drawn up policies and guidelines for procurement (code of conduct and procurement methods), including policies and measures for selection and screening of business partners to ensure no human-rights violations.

Krungsri has also stipulated a clear Gift and Entertainment Policy, to which employees must adhere, for the purpose of fair treatment to all related parties, as well as transparency and accountability.

- **Creditors:** Krungsri demonstrates its awareness of the importance of its responsibility to every group of creditors by strictly follows the agreed conditions, relevant regulations and laws on the ground 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 pay debts. Krungsri's liquidity management enables it to pay debts on time according to their maturity periods as well as to be ready to pay debts in an emergency situation. This managerial structure will ensure that Krungsri is capable of paying 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 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. Details are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic “Social Responsibility” and Sustainability Report.

- **Commercial Banks or Related Financial Institutions:** Krungsri requires every employee to follow its policy on compliance with the competition law 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 economy. Details are shown in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic “Social Responsibility” and Sustainability Report.

- **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 aligning 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 improving financial services access and enhancing financial literacy among Thai people and continuously engaging the Group’s employees in community development initiatives and valued CSR activities;

- Environmental sustainability : Krungsri placing 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 provides a 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 an implementing guideline of the good governance principles. Also, 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 a survey to sound out employees' opinions on Krungsri via the Voice of Krungsri (VOK). These comments have been used as guidelines to further improve Krungsri's working plans.

3.3 Non-violation of Intellectual Properties or Copyright

Krungsri prohibits its employees from using intellectual properties of other people with no authorization i.e. copyright, patent, trademark, software or other proprietary data. This is to ensure that the usage of such intellectual properties does not violate any other people's rights and always complies with the laws.

Krungsri has a clear policy and guidelines on non-violation of intellectual properties or copyright, which is attached in a document on personal commitment to Krungsri's The Spirit & The Letter. All full-time, temporary and contractual employees must sign annually in this document to acknowledge and understand their commitment to and compliance with Krungsri's policy.

3.4 Anti-fraud and Anti-Corruption, and Bribery Prohibition

Details of Krungsri Group's policy and program 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 is dedicated to declare its intention and continuous actions and development on the anti-fraud and anti-corruption. Krungsri realizes that being an organization with transparent operation and having no connection with fraud and corruption will help build confidence among all stakeholders and this is also in line with the good corporate governance principles.

Krungsri's operational regulations under Anti-Fraud and Anti-corruption Program set up a system of warning and reporting, whistleblowing, and protecting the whistleblowers. In this regard, Krungsri provides easy-to-access whistleblowing channels for the employees and outsiders that they can trust and have no risk in requesting for consultation, guidance, and whistleblowing. When a suspect issue on fraud or corruption is reported, such issue must be investigated. In this regard, Krungsri shall set up a fraud and corruption investigation committee to conduct an investigation; provide solution, feedback and report its findings to the senior executives, the Audit Committee and the Board of Directors.

Krungsri has determined anti-fraud and anti-corruption measures such as determining 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. Krungsri has stipulated 4 compulsory courses for employees via Krungsri Learning Companion (KLC) i.e. Good Corporate Governance Principles (CG); The Spirit & The Letter (S&L) including anti-fraud and anti-corruption (CAC), Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT), and Gift and Entertainment.

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 Thanavarani), 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.

A whistleblower may or may not give his/her name. In this respect, Krungsri will keep the name and information of the whistleblower confidential and will disclose it only if it is necessary for the responsible party to find a solution. The complaint will be solved by using the appropriate procedures. The finding will be reported to 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 maximum disciplinary punishment, including termination of employment.

In 2016 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 in the annual report in which a list of names of the major shareholders and ordinary shareholders with over 0.5% of all issued shares are provided.

4.2 Information Disclosure

Krungsri is aware of the importance of information disclosure concerning both financial and general matters to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby they must be disclosed in both Thai and English via easy accessible channels correctly, adequately, transparently, rapidly, in a timely manner, equally and in compliance with the relevant laws and regulations of the government's authorities. Krungsri regularly updates important information so that it is always up-to-date.

Krungsri consolidates the information disclosed via the Stock Exchange of Thailand, the information disseminated to the shareholders, including any other information being useful for the shareholders and investors, in a separate section on its website so that it is easy to access and search for.

- **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 the good corporate governance principles as specified by the Stock Exchange of Thailand 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. Krungsri's Mission and Vision for fundamental business operation, which are fundamental aim and medium-term to long-term goals of Krungsri. 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 the foundation of creating its organizational culture and makes clear to employees its expectations, which 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 yearly 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, practised on a regular basis, in addition to 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 2016 financial statements were certified with an unqualified opinion by an independent auditor.

4. Besides the 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 operation, employee engagement, innovation and other initiatives in marketing as well as brand building. In addition, customer satisfaction, operating performance and success of each business function are assessed in each year.

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 Group's subsidiaries, associated companies and joint ventures, types of businesses, Krungsri's shareholding as well as income structure.

7. The important risk factors that may affect Krungsri's business operation including credit risk, market risk, liquidity risk, and operational risk. In this regard, the nature of each type of risk is specified along with the risk management practices for control of such risks.

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, 2016 totaling 12 directors consisting of 5 non-executive directors, 4 independent directors and 3 executive directors.

11. The Board of Directors' background such as name-surname, age, position, educational background, work experience, shareholding, etc. as well as the type of each director's i.e. non-executive director, independent director or executive director.

12. A clear and transparent policy on remuneration of directors, comparable to the industry benchmark, which must be approved by the AGM. In this regard, the directors who are assigned to perform 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 for executives in compliance with the principles and policies stipulated by the Board of Directors, which correspond with Krungsri's operating performance and each individual executive's performance.

17. A policy on screening of transactions between Krungsri, subsidiaries, associated companies or joint ventures and the stakeholders. It is stipulated that any significant

transactions must be considered and approved by the Board of Directors. The directors and executives with conflicts of interest will not join the consideration and voting on transactions between Krungsri, subsidiaries, associated companies or joint ventures and the stakeholders or those may have potential conflicts of interest in the future. Krungsri discloses the related party transactions executed in each year.

18. To comply with the qualifications as stipulated by the Bank of Thailand, the Securities and Exchange Commission, Krungsri hires an independent auditor through a process of selection before submitting their names for appointment as Krungsri's auditor. 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).

- **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, investors, and media by all means 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 i.e. the nature of its business operation, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the committees and executives, investor relations information, Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

In this regard, after disclosing financial or significant information that may have an impact on Krungsri's stock price or the shareholders' benefits to the Stock Exchange of Thailand, Krungsri will also post such information on its own website.

Krungsri reviews and assesses the effectiveness of the disclosure process on a regular basis. In 2016 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 Investor Relations Department:** Krungsri established its Investor Relations Department in 2002 with the key mission of investor relations' management and activity arrangements, in particular the disclosure of both financial and non-financial information of Krungsri under the Principles and in compliance with the policy governing disclosure and other relevant laws. Apart from the information concerning Krungsri Group, which cover comparative operating performance and financial status, current operations, and business competitiveness are also disclosed.

The investors and institutional shareholders are able to contact the Investor Relations Department via:

The Investor Relations Department
Bank of Ayudhya PCL, Head Office, Floor 27
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 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 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 2016 included the President and Chief Executive Officer, Chief Financial Officer, Head of Corporate Strategy and

Planning Group, Executive Vice President of Corporate Communications Division, and Vice President of Investor Relations Department.

Despite changes in Krungsri's shareholding structure, the 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 2016, Krungsri's executives and the Investor Relations Department disclosed information via various activities, such as:

- The 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.

- The President and Chief Executive Officer gave an interview to Prachachat Turakij business newspaper. Published in the 2016 ASEAN 100 special edition, the main issue focused on preparation for financial technology (FinTech) and trends in the banking business. The targeted readers included businessmen and investors. Krungsri was ranked among the top 100 commercial banks in ASEAN categorized by the highest volume of profits, earnings and assets of listed companies in the Stock Exchange.

- The President and Chief Executive Officer gave a special interview to The Banker Magazine.

- The Investor Relations Department gave lectures to participants from the Asian Institute of Technology (AIT) on Krungsri's Small and Medium Enterprise (SME) business outlook in Thailand, the challenges and opportunities, including Krungsri's strategies for allocating funds to SME businesses.

- The 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 2016 can be summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits with investors/analysts	24	46	76
Conference calls	3	7	7
Participation in domestic conferences/meetings with domestic investors*	11	65	110
Meetings with securities analysts**	1	25	30
Meeting with credit rating agencies for Krungsri Group**	4	5	14
Site Visit	5	16	40

Remarks * The 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 Investor Relations Department follows up Krungsri's operating performance and other factors relating to Krungsri's business operation to be regularly reported to the Board of Directors and senior executives as well as comments and perspectives of securities analysis, important developments that may have an impact on changes in Krungsri's stock price, analyses and reports of appropriate shareholding structure. In addition, the investor relations activities (participation in meetings with local and foreign investors) and the plan are reported to the Board of Directors quarterly.

• **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 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 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 channels with a contact person is disseminated on Krungsri's website.

The 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 2016, the Investor Relations Department won the "Best Investor Relations Company (Thailand)" from the Corporate Governance Asia Magazine for 3 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 Bank's Board of Directors initiated and established of the Principles to serve as part of the policy and guidelines for supervision of business operation and set up its roles and responsibilities. The Principles were reviewed by the committees overseeing corporate governance before being submitted to the Board of Directors for consideration and approval. The Principles were then disseminated to all employees and on Krungsri's website.

- To ensure the appropriateness of the Principles to changing business circumstances and conditions, the Board of Directors has assigned the 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, respectively for consideration and approval.

- The Board of Directors has established The Spirit and The Letter, which serves as the Code of Conduct and announced throughout the organization and posted on Krungsri's website. The Code 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' duties include the provision of knowledge and information on the Code of Conduct to the employees and monitoring to ensure that all employees understand that the business performance is not important than ethics behavior and compliance with Krungsri's policy. Importantly, the employees must realize that in case of any violation, Krungsri will impose the disciplinary action, 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, which every employee must attend every 2 years, or when there is any significant improvement of the content thereof. The participants must pass tests with not less than 70%. Those who fail to meet the criteria must re-attend and retake the tests until they meet the designated benchmark.

- The Board of Directors clearly stipulates the organization's vision and mission, which are disseminated for all employees' acknowledgement and to be upheld as guidelines for accomplishing their work as targeted. The Board of Directors will consider these vision, mission and core values on an annual basis to correspond with any changes in circumstances. In 2016, The Board of Directors reviewed 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 undertake the fiduciary duties of overseeing the management. In addition, Krungsri clearly stipulates the approval authority of the Board of Directors in respect to significant matters, such as the important policies for the Group's operations, the annual operating plan and budget etc. 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 approved the Mid-Term Business Plan which is a strategic framework formulated as guideline business operations over the period of 2015 – 2017 and reviews the plan on an annual basis in order to correspond to prevailing conditions and monitors the plan's implementation by the management. In this regard, the management is responsible for reporting its performance in comparison to the aforementioned strategic plan to the Board of Directors for acknowledgement on a monthly basis.

- The Board of Directors prepared the Report on the Board of Directors' Responsibility for Financial Reporting and disclosed in the annual report in order to ensure 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 stipulating policies, direction and strategies of business operation, and overseeing and inspecting operations to ensure transparency and compliance with the 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 the relevant laws and regulations, the Articles of Association, and in line with the good corporate governance principles of the international practices, the Board diversity is also taken into account 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 and international trade, computer and laws. 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 criteria on shareholding is set. In addition, the title and type of directorship of each individual director are clearly disclosed.

- Details of the criteria on directors’ selection and appointment 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 experience in commercial banking and related businesses at the national and international levels as well as experience in management of governmental organizations. In addition, there is no executive director who is 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 the President and Chief Executive Officer and their roles and responsibilities are clearly separated. The Chairman of the Board plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated direction 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, to ensure that the

business management of the companies in the Group is in line with Krungsri's policies, comparable to industry benchmarks, effective and accountable. Additionally, the President and Chief Executive Officer and senior executives can serve as committee members or directors in the Group, 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 Corporate Secretary compiles and proposes the agendas endorsed by the Executive Committee and/or the relevant committees reporting to the Board of Directors to the Chairman of the Board and the President and Chief Executive Officer for joint consideration and endorsement before proposing to the Board of Directors meeting. In this regard, the directors may propose agendas to the meeting by informing the Chairman of the Board, the 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 2016, the majority of the directors attended at least 75% of all meetings. However, in average the directors attended not less than 80% of all meetings.

- 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 the President and Chief Executive Officer for acknowledgement. In 2016, 2 meetings of non-executive directors were held on May 25, 2016 and November 23, 2016.

- Each Board of Directors' meeting takes in 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 for directors prudently 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 directors with conflicts of interest in a matter under discussion will not join the consideration and voting on that matter. In this regard, the Corporate Secretary will verify the information and notify every director prior to the meeting, which is also recorded 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 stipulated time and for safeguarding the minutes of the meeting 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 of the Board of Directors meeting.

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 is 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. The regulations and procedures 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 should be proposed to the Nomination and Remuneration Committee for consideration before delivery 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. Observations and recommendations for further improvement, which the Management can apply the same to enhance the effectiveness of the operations for ultimate benefits are also included.

In 2016, the committees reporting to the Board of Directors have assessed their performance as a whole e.g. 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 the remuneration for the directors and members of committees reporting to the Board of Directors to the Board of Directors and meeting of shareholders for consideration and approval respectively 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.

- Remuneration of the President and Chief Executive Officer and the executives of Krungsri is in accordance with the principles and policies stipulated by the Board of Directors and relates to Krungsri's performance as well as short-term and long-term targets is also taken into account. Each individual executive's performance measured against operational indicator. Krungsri stipulates a fair, reasonable and incentivizing remuneration to encourage effectiveness performance for keeping proficient personnel. In addition, it is aimed at creating value added for shareholders in the long run. Nonetheless, the executives who are also directors of Krungsri, members of the committees reporting to the Board of Directors, member of the committees in the executives level, including directors in any companies in Krungsri's financial business group, will 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, 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 explanations on the nature of Krungsri's businesses, various areas of its operations, laws that directors should be aware of, and other related information. The documentation and a Directors Manual are prepared for each directors as their information for performing their 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 IOD and the Stock Exchange of Thailand as well as other local and international training institutes. Krungsri will subsidize all the expenses. In 2016, there were directors attending training courses for enhancement of their knowledge continuously. The training courses were organized by IOD: Driving Company Success with IT Governance (ITG), Financial Statements for Directors (FSD). Other courses attended included one organized by PricewaterhouseCoopers ABAS Ltd. on International Financial Reporting Standard 9 or IFRS 9 on February 24, 2016. 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. The Corporate Secretary acquires books containing details on the roles and performing duties of directors are available for the purpose of further research and study.

- The Board of Directors encourages executives, the Corporate Secretary and personnel whose work relates to corporate governance to continuously attend seminars and training courses relevant to their work not only internal training course but also via Krungsri Learning Companion system e.g. Good Corporate Governance, The Spirit & The Letter and IT Security policy. It can access via computer, mobile phone or tablet which can connect to internet.

5.7 Succession and Executives Development Plan

- The Nomination and Remuneration Committee is responsible for approval of succession plans for the positions of 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 and companies in financial business group, who achieve outstanding performance and show potential to be developed as higher-level of roles and responsibilities.

- 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 and also serves as successor is still being prepared.

Krungsri makes career plans for successors based on roles and responsibilities necessity analysis and has a training and development plan to promote employees' self-development in line with the competency based management concept adopted in the previous year. 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 Committees Reporting to the Board of Directors and other Sub-committees

- The Board of Directors appoints the committees reporting to the Board of Directors to assist in performing duties i.e. the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee and the Executive Committee. Their roles and responsibilities are clearly specified and disclosed the background, qualifications, composition, number of meetings attended and individual statistics on meeting attendance. Details are shown 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)".

- Krungsri appointed the sub-committees such as the Risk Management Committee and the Compliance Committee to scrutinize related matters before submitting to the Board of

Directors. Krungsri specifies the composition, qualifications, roles and responsibilities in the directive of each sub-committee.

5.9 Reporting of the Audit Committee

- The Audit Committee reports its performance and provide its opinions on various matters as assigned by the Board of Directors by the Audit Committee's minutes of the meeting 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 conflicts 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".

5.10 Internal Control and Internal Audit Systems

- Krungsri has established a clear internal audit system in line with the international practice, 3 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 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".

5.11 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.

5.12 Risk Management

- The Board of Directors appoints the Risk Management Committee to manage and supervise Krungsri's overall risk management in compliance with principles of good corporate governance. The Risk Management Committee is responsible for approving and giving advice 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 appetite. In addition, setting strategies that correspond to Krungsri's overall risk management policies by the Policy for Enterprise-wide Risk Management in order to assess, monitor and supervise the volume of risks to ensure that they remain at the appropriate level. The Risk Management Committee reviews risks such as strategic, operational, credit and market risk as well as any other risks that could affect the reputation of Krungsri and companies in the financial business group and proposes to the Executive Committee.
- The Risk Management Committee is responsible for setting the working scope of loan portfolio management and review of overall loan portfolio quality of Krungsri and companies in the financial business 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".

5.13 Corporate Secretary

The selection of the Corporate Secretary is considered on appropriate qualifications, direct work experience and graduation in laws.

The Board of Directors appointed Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of the 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 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.

5.14 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.

- **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.

- **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 of B.E. 2535 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 and shall retire on the Annual General Meeting of Shareholders No.102 (year 2014) under the said internal procedure, the Bank of Tokyo–Mitsubishi UFJ, Ltd. (BTMU), the new major shareholder of Krungsri at that time, has proposed to consider re-electing Mr. Veraphan Teepsuwan as director for another term. This is to ensure that the performance of the Board of Directors during the transition period of the management structure is efficient and effective, and the Ratanarak Group has endorsed the proposal. Therefore, this matter was proposed to the Board of Directors and the Annual General Meeting of Shareholders No.102 respectively and was already 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.

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 the same.

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 Board of Directors and the management.

- **Roles and Responsibilities of the Board of Directors**

The Board of Directors must have independence in making decisions for the best interest of Krungsri and its shareholders and must 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) Consider and set the overall business direction and strategic goals for the Group.

2) Consider and approve the annual business plan and budget proposed by the management.

3) Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.

4) Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.

5) Ensure the establishment of policies required for the Group's operations and supervise the management to implement the approved policies effectively and efficiently for the benefit of Krungsri and its shareholders.

6) Ensure the establishment and performance of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct and ethics of the directors, executives and employees.

7) Ensure the effective internal control and internal audit systems.

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.

9) Ensure the establishment of the policy and program relating to anti-fraud and anti-corruption.

10) Ensure the implementation of risk management process and regular reviews of the policies and strategies.

11) Ensure the implementation of succession plans for senior executives.

12) Ensure the formation of the clear and transparent process for selection of the directors.

13) Ensure the formation of the clear and transparent process for determination of director remuneration and a general meeting of shareholders' approval of the remuneration for directors.

14) Ensure the formation and effectiveness of the process for providing sufficient information from the management to the Board of Directors to ensure full performance of their roles and responsibilities.

15) Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties.

16) Ensure proper, adequate, clear and transparent disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time.

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 the Articles of Association and direction of Krungsri including the important policies for the Group's operations, the annual operating plan and budget, 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.

- **Committees Reporting to the Board of Directors**

- Nomination and Remuneration Committee**

- **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), provided that the Chairman of the Committee shall be an independent director, and the Head of Human Resources Group shall act as the Secretary to the Committee by position.

- **Qualifications:** The Nomination and Remuneration Committee members shall have extensive knowledge, capability and experience, and thorough understanding of their roles and responsibilities.

- **Term of Office:** The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

- **Scope of Authority and Responsibility**

- 1. Determine policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:

- 1.1 The policies, rules and procedures of nomination of directors, members of sub-committee and senior executives of the Bank at the level of Executive Vice President and above.

- 1.2 The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing director or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.

- 1.3 The policies, rules and procedures for payment of remuneration and other benefits to directors, sub-committee members and senior executives of the Bank at the level of Executive Vice President and above including directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares.

- 2. Select and/or screen candidates for appointment to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:

2.1 Directors of the Bank

2.2 Members of the various sub-committees reporting to the Board of Directors

2.3 Senior executives at the level of Executive Vice President and above

2.4 Directors and managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares

3. Determine remuneration and other benefits commensurate with roles and responsibilities towards the Bank and/or companies in its financial business group comparable to other commercial banks based on the Bank's regulations.

3.1 Determine remuneration and other benefits for directors, members of the various sub-committees and senior executives of the Bank at the level of Executive Vice President and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.

3.2 Determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares for submission to the Board of Directors for consideration and approval.

3.3 Ensure that Bank directors, managing directors and directors of entities in which the Bank holds 50% or more of shares, and senior executives of the Bank at the level of Executive Vice President and above who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.

4. Ensure that the size and composition of the Board of Directors are suitable for the organization and modify them as appropriate in consideration of the changes in the environment. The Board of Directors shall, as a rule, be endowed with members who are knowledgeable, competent and experienced in a variety of fields.

5. Ensure that the evaluation of the performance is undertaken uniformly across all companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.

5.1 Consider performance evaluation guidelines and endorse performance evaluation forms prepared by the Bank for use in evaluating performance of duties of the entire Board of Directors.

5.2 Endorse performance evaluation guidelines, goals & objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares in order to consider the annual remuneration.

5.3 Consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

5.4 Consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50% or more of shares in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.

6. Develop a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for consideration and approval, Also, to consider and approve a succession plan for the various functional group heads.

7. Consider appropriateness of the Bank's organization chart restructuring.

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 2016, there were a total of 19 meetings as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Karun Kittisataporn	Chairman	19/19
2. Mr. Virat Phairatphiboon	Member	18/19
3. Miss Nopporn Tirawattanagool	Member	19/19
4. Mr. Takayoshi Futae ^{1/}	Member	9/10
Members who resigned or whose the term of office ended during the year		
1. Mr. Go Watanabe ^{2/}	Member	6/9

Secretary to the Nomination and Remuneration Committee is Mr. Pornsanong Tuchinda

Remark: ^{1/} Appointed as the Nomination and Remuneration Committee member by the Board of Directors, effective on May 1, 2016, in replacement for Mr. Go Watanabe who resigned.

^{2/} Resigned as the Bank's director, effective on May 1, 2016.

Audit Committee

- **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. 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 audit firm of the external auditor and give consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.

- Internal Control, Risk Management System, Compliance System, and Internal Audit

4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable, adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal, 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 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 Conflicts 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

regulations of the SET 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 detailed 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 auditor;
- (5) Opinion on the transactions that may lead to conflict of interest;

(6) The number of audit committee meetings and the attendance of such meetings by each committee member;

(7) Opinion or overall observation of the audit committee from its performance of duties in accordance with its charter; and

(8) Other matters which, according to the Audit Committee's opinion, should be revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.

15. Where there is a material change in the composition or in the duties of the audit committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.

16. Ensure clear written announcement of the Audit Committee's scope of duties and any material change which may affect the audit committee's performance and disclose the same to the shareholders in the Bank's Annual Report.

17. Submit timely reports to the Board of Directors for remedial action upon the audit committee finding or suspects any misconduct in the following areas:

- Any transaction with conflict of interest.
- Any fraud or irregularity or material defect in the internal control system.
- Any breach of the Bank's rules and regulations, the Articles of Association as

well as laws governing the banking business.

If the Board of Directors or the senior management does not take remedial action within the timeline determined by the Audit Committee, the Audit Committee shall disclose such failure in the Annual Report and report to the Office of the Securities and Exchange Commission and the Bank of Thailand.

18. Obtain outside counsel or other professional advice as the committee deems appropriate.

19. 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 2016, there were a total of 23 meetings, i.e. 12 ordinary meetings as scheduled in advance and 11 special meetings, 2 out of 11 meetings were made with the external auditors without the management. Details are shown below:

Members of the Audit Committee	Position	Number of Meetings Attended/ Total Number of Meetings Held
1. Miss Potjanee Thanavarant	Chairman	22/23
2. Mr. Virat Phairatphiboon	Member	22/23
3. Mr. Phong-adul Kristnaraj	Member	23/23

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remark: All the 3 members are competent and experienced in the review of Krungsri's financial statements.

Risk and Compliance Committee

- **Composition:** The Risk and Compliance Committee shall be appointed by the Board of Directors and consist of no fewer 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, reputational risk, 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 Bank of Thailand, National Credit Bureau Co., Ltd., 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 Chief Compliance Officer to ensure independency and prevent possible conflict of interest.

8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.

9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.

10. 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 2016, there were a total of 12 ordinary 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	6/12

Secretary to the Risk and Compliance Committee is Mr. Saengchart Wanichwatphibun

Executive Committee

- **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 JPC/MNC Banking, Head of Retail and Consumer Banking, Head of Global Markets Group, Chief Information and Operations Officer, Head of Corporate Strategy and Planning Group, Chief Financial Officer, Chief Risk Officer, General Counsel, Head of Human Resources Group and other suitable executives.
- **Qualifications:** The Executive Committee members shall have extensive knowledge, capability, experience, and thorough 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 in accordance with the directive of the appointment of the Executive 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 2016, there were a total of 43 ordinary 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	43/43
2. Mr. Pornsanong Tuchinda	Member	38/43
3. Miss Duangdao Wongpanitkrit	Member	39/43
4. Mr. Sudargo (Dan) Harsono	Member	37/43
5. Mr. Masaaki Suzuki	Member	24/43
6. Mrs. Wanna Thamsirisup *	Member	36/39
7. Miss Phawana Niemloy	Member	34/43
8. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	37/43
9. Mr. Rohit Khanna *	Member	32/39
10. Mr. Tak Bunnag	Member	41/43

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remark: * Appointed as the Executive Committee member ex officio, effective January 27, 2016.

Selection and Appointment of Directors and Senior Executives

Selection of Directors

Krungsri, by the Nomination and Remuneration Committee (NRC), has established the criteria for the selection 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 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 Selection of the Directors**

1. Selection

There are several methods stipulated by Krungsri for the selection of appropriate persons to serve as a director such as (1) Nomination made by a director, (2) Nomination made by the NRC, (3) Nomination made by an outsource firm hired by Krungsri, (4) Nomination made 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 of the persons who possess all the required characteristics and qualifications before proposing the results of the consideration of the NRC 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 in the the Bank's Articles of Association as follows:

- (1) Each shareholder shall have one vote for each share held.

- (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 of votes, the Chairman of the meeting shall be entitled to a casting vote.

2. Appointment of replacement directors for reasons other than retirement by rotation by the Board of Directors meeting's resolution passed by not less than three-quarters of the remaining directors. The 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, notice is given to the shareholders via the the Stock Exchange of Thailand's system and the selection 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 the notification 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.

Selection of Senior Executives

Krungsri, by the NRC, has established the criteria for the selection/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 Selection/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 the 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 and Joint Ventures

Krungsri has regulatory mechanisms in place for supervising and overseeing the operation of subsidiaries and associated companies across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, Krungsri assigns relevant executives and 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 Bank's 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 Bank's 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 Bank's Board of Directors grants endorsement, Secretary to the Nomination and Remuneration Committee shall prepare a letter to the

Bank of Thailand to request endorsement for the appointment (only for appointment of managing directors of companies under solo consolidation). Secretary to the Nomination and Remuneration Committee shall inform companies in Krungsri's financial business group of the resolution of the Bank's Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further actions.

Roles and responsibilities are clearly stated to ensure that operations are carried out in compliance with the law and are consistent with the companies' code of conduct and good corporate governance principles. The directors of companies in 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 the Bank's financial statement for the year ended December 31, 2016.

Krungsri and its subsidiaries have transactions with associates and 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.

Policies and Measures Against Insider Information

Krungsri recognizes the importance of protecting against the use of insider information, and foresee that business operations may open some channels to seek benefits using undisclosed information which could be an improper and unfair taking advantage on any third party. Our internal

procedures prohibit employees from disclosing material non-public information of Krungsri and its customers.

Thus executives and employees sign acknowledgements and agree to a code of conduct called The Spirit & The Letter prohibiting the use of insider information and preventing conflicts of interest through e-acceptance. In addition, Krungsri includes this code of conduct as an e-learning compulsory course that all employees must complete with a minimum 75 percent score and pass a refresher course every two years.

For any financial information affecting Krungsri's share prices, employees are prohibited from trading during "blackout" periods before and after financial performance announcements. Moreover, Krungsri also prohibits trading Krungsri's shares specifically applied to restricted persons in certain circumstances to ensure that the use of insider information won't occur. Also, all employees are required to hold Krungsri's shares for at least three months unless otherwise approved by the President and Chief Executive Officer or authorized persons only.

Directors and executives are required to disclose their own securities holdings and those of related persons quarterly or when changes occur. In 2016, we set up web-based electronic reporting to collect reporting information and create an information database of bank-related individuals which any business unit can access before conducting business and to comply with regulatory requirements correctly and promptly.

In addition to these measures, we also protect customer benefits by following global standard guidance – requiring business units related to certain transactions to review conflict-of-interest issues before entering into a business relationship. However, if conflicts of interest occur, Krungsri takes appropriate action promptly according to the Information Wall Model to prevent material non-public information disclosure that might damage Krungsri's customers.

Krungsri strongly believes that policies and measures to prevent the use of insider information combined with the proper use of new technology is effective in helping us protect customer benefits comprehensively and effectively.

Auditor's Fees

Audit fees*

Krungsri and its affiliates paid audit fees as the following:

- To Krungsri and its affiliates' auditors of THB 26,237,250.
- To auditing firms, individuals or businesses whom Krungsri and its affiliates' auditors employed, HKD 398,000 and USD 90,300.

Non-audit fees

Krungsri and its affiliates paid non-audit fees for services consisting of preparation of special reporting as required by Bank of Thailand, special audit etc., to:

Krungsri and its affiliates' auditors

- In the past year, sum of THB 671,200, and in the future, an additional sum of THB 688,000 will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, Individuals, or businesses whom Krungsri and its affiliates' auditors employed

- In the past fiscal year, sum of THB 166,385, and in the future, an additional sum of HKD 44,500 and USD 2,700 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

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 and CSR-after-process practices.

As one of Thailand’s largest banks, Krungsri is determined to remain a responsible financial service provider, committed to promoting sustainable socioeconomic and environmental development and well-being.

In 2016 the Group stood on these four CSR pillars:

1. Creating sustainability value
2. Giving back to community
3. Preserving environment
4. Providing financial support

These CSR practices underscore Krungsri’s leadership as a financial institution operating under the principle of good corporate governance and upholding responsibility toward society and all stakeholder groups. Krungsri follows the Stock Exchange of Thailand’s corporate social responsibility guidelines encompassing all economic, social, and environmental dimensions.

1. Good Supervision in Business Operations

The Bank fully complies with the principles of good supervision in business operations concerning the roles, rights, and equitable treatment of shareholders, information disclosure and transparency, as well as the responsibility of the Board of Directors. Moreover, determined practice guidelines cover internal control systems, internal audit, and effective risk management measures including continuous monitoring and reporting, with measures for filing complaints about employees’ or other stakeholders’ unethical acts or misconduct that suggest wrongdoing. The Bank has also adopted a code of conduct called The Spirit & The Letter and CG Guidelines that is revised to be in line with international framework such as CG ASEAN Scorecard, 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, and competitors. To ensure the fair treatment of stakeholders Krungsri advocates fair competition, promotes responsibility toward society as a business partner, and respects for intellectual property rights to create shared values.

In 2016 Krungsri won **Asia's ICON on Corporate Governance Award**, recognizing our continuous corporate governance excellence for the fifth consecutive year (2012-2016) at the 12th Corporate Governance Asia Recognition Awards 2016 hosted by Corporate Governance Asia Magazine.

3. Anti-Fraud and 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 policy 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. Not only does the Bank observe the law and the universal principles of human rights, we treat all stakeholder groups including employees, shareholders, customers, and business partners fairly and equitably; business practices that violate human rights are prohibited. Equal service for every customer is encouraged:

for example, specially designed buildings with facilities for the disabled or physically challenged are provided.

Moreover, the Bank realizes the importance of children's rights aligned with business principles as per the Children's Rights and Business Principles (CRBP) set out by UNICEF. In addition to female employees' maternity leave, a child care facility is provided at on the 12th floor of the Head Office, Rama III

The Bank also provides a procedure for stakeholders who may wish to file human rights violation complaints via our Call Center 1572 and Krungsri website.

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 social protection and proper working conditions, including health protection and safety at workplace.

Practical guidelines determine fair hiring, non-discrimination and respectful working environment, proper employee welfare, safe working conditions, compliance with environmental laws and regulations, hygiene, and safety, as well as a workplace with diversity and inclusion. We encourage our people to maintain good health by arranging evening yoga and aerobic classes for interested employees.

One 2016 highlight was the major renovation of the Krungsri Fitness Center to expand the fitness training area, add new and innovative exercise equipments, and modernize the 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. After this revamp the Fitness Center saw positive feedback, with registration in the second half of 2016 totaling 24,300, or an average of 115 employees using our service daily. In addition to good health, our employees saved money as they did not have to pay for personal fitness training elsewhere.

In addition, employees' freedom to establish the Labor Union of Bank of Ayudhya reflects our respect for employee rights and freedoms on collective bargaining.

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 serves as a channel for our key stakeholders to voice their opinions.

Employees can make inquiries about welfare and benefits, file complaints, or inform Human Resources Group of rights and working-condition issues through the internal channel (HR Service 5577) at anytime.

6. Responsibility towards Consumers

Customer Centricity is one of 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

In 2016, 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 March 14, 2016, Krungsri held the first CSR Open House event under the theme "Collaborating for Sustainable Society" to raise employee awareness of sustained social development. Announced at the event were the Group's CSR 4 Pillars designated for 2016:

- 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' core KPIs include encouraging subordinates to contribute at least eight CSR volunteer hours.

Giving back to Community

Financial Literacy and Educational Support

- **Krungsri Financial Literacy Project: Simple to Learn:** After the success of the “70th Krungsri Anniversary 70 Schools Financial Literacy Project” in 2015, Krungsri continued the project as the “Krungsri Financial Literacy Project” with the theme “Simple to Learn” to maintain its role as a responsible financial institution. Through this project the Group’s aim was to reach 70 more schools nationwide in 2016.

Thank to the cooperation of Krungsri employees across the Group, the 70-school target was easily attained, thus allowing an increase in the number of participating schools to 94 by year-end. This achievement exemplifies Krungsri’s excellence as a responsible financial service provider.

The project educated elementary school students to save and spend money wisely and equipped them with financial knowledge and discipline from a young age. More than 3,000 Krungsri employees volunteered to teach financial basics to 5,258 students in 27 provinces nationwide. The project was also extended to Vientiane and Savannakhet provinces in Lao PDR, marking the first time it was offered outside Thailand.

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, 7,223 employees were engaged in the project.

- **Krungsri Simple Finance with Ngern Tid Lor:** 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.

For this reason Krungsri provided six financial training courses initiated by the Bank of Thailand to its retail customers served by Krungsri subsidiary Ngern Tid Lor to help them learn how to manage money and reduce household debt. A total of 22 sessions were organized in 2016 in Bangkok and other provinces, with Krungsri and NTL employees serving as coaches. Some 250 customers benefited from the courses. The Group plans to continue this program in the future, seeing it as CSR-in-process that genuinely promotes responsibility within the value chain.

- **Krungsri Consumer School Library Project:** Krungsri Consumer provided educational support to underprivileged children and promoted good reading habits among youth through the School Library Project. More than fifty Krungsri volunteers joined this community service on October 1, 2016, helping to paint school buildings, refurbish playground equipment, and repair and organize books in the library at the Ban Huai Yang Tone School in Pak Tho District, Ratchaburi Province.

- **13th Krungsri Auto Library:** On November 19, 2016, Krungsri Auto volunteers delivered the 13th Krungsri Auto Library to the Ban Hua Ta Ming School in Surat Thani. The service provides a chance at education for underprivileged students with limited access to textbooks, other educational resources, and sports supplies. The library also reflects Krungsri Auto's intent to instill good reading habits in Thai children and to encourage them to seek knowledge beyond the classroom.

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 in the Yan Nawa District where the Group's Head Office is located. Mobile mammograms have been provided since 2010 and have benefited 2,195 women through the years. In 2016 Krungsri adjusted its operation within the project by assigning Krungsri volunteers to give a lesson on breast cancer self-examination in three communities with 356 women participating, while also donating THB 500,000 to cover these breast cancer screening costs. The mammogram service was targeted at groups of low-income women, and others living in the vicinity of the Head Office.

- **Krungsri Cold Weather Relief Campaign:** Under our Simple to Share theme Krungsri has extended its support to those suffering from the cold weather: Regional branch managers and employees donated 2,700 blankets worth THB 306,234 in 14 northern and northeastern provinces for this cause.

- **Giving More ... Receiving More:** Krungsri, in collaboration with the National Blood Center, Thai Red Cross Society has been organizing blood donation drives since 2007. In 2016 we organized four blood donation events at our Head Office and expanded the program to our branches in six other provinces – Ubon Ratchathani, Udon Thani, Phitsanulok, Maha Sarakham, Nakhon Sawan, and Chon Buri. Through this program the Thai Red Cross Society received 974,950 cubic centimeters of blood from 2,425 donors.

- **Krungsri Giving Back to Community:** In 2016, 64 Krungsri volunteers participated in activities promoting financial literacy, arts, and music for underprivileged children at:

1. Sri Sangwan School for Disabled Children, June 4, 2016
2. The Nonthaburi School for the Deaf, on July 23, 2016.

Arts, Culture, and Traditions Support Krungsri Historical Heritage Preservation

- **Krungsri Preserving the Aient Sites:** Krungsri joined up with the Department of Fine Arts To help preserve the unique culture and ancient sites in Phra Nakhon Si Ayutthaya Province, the home province of the Group. Since 2005 Krungsri has contributed almost THB 30 million to support this cultural heritage restoration. Krungsri volunteers also participated in the conservation activities of the monument sites in Ayutthaya.

Every year we invite Krungsri volunteers to take part in this historical 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 five times, with 335 volunteers participating at five sites:

1. Wat Maheyong, on April 2, 2016
2. Wat Chao Ya, on May 14, 2016
3. Wat Chong Klom, on September 10, 2016
4. Wat Ratchaburana, on November 12, 2016
5. Wat Kae, on November 19, 2016

Providing Financial Support

Scholarships

As education is crucial for national development, Krungsri has been promoting and supporting education among Thai youth through various scholarship initiatives. The 2016 scholarships included:

- **71 Years, 71 Scholarships:** To celebrate the Group's 71st anniversary on April 1 2016, in addition to an alms-giving ceremony and employee service awards, the Group 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 71 scholarships worth THB 5,000 each, or THB 355,000 total was granted in a ceremony attended by Krungsri's Board of Directors and senior executives.

- **National Youth Day Scholarships:** On National Youth Day Krungsri granted THB 107,000 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 31 years, providing underprivileged children an opportunity to receive education through the university level.

- **Krungsri Consumer Scholarships for Students in Three Southern Border Provinces:** On March 8, 2016, Krungsri Consumer presented 150 scholarships to students from the three southernmost border provinces at a ceremony held at the Southern Border Provinces Administration Centre. The scholarships worth THB 400,000 were raised through T-shirt sales to company employees.

- **Krungsri Consumer Need-based Scholarships for Thammasat University Students:** On September 6-7, 2016 Krungsri Consumer held a ceremony to grant need-based scholarships to Thammasat University students totaling THB 300,000 to support the recipients' education and promote high-quality human resources in the financial industry.

Other Community Development Activities

Apart from our continued support for multiple CSR initiatives, in 2016 Krungsri made donations worth THB 4,216,679 to help shape a stronger society, for example

- THB 1,300,000 million to the Mae Fah Luang Foundation Under Royal Patronage
- THB 500,000 to the Thanyarak Foundation to fund a free mammogram service
- THB 251,937 to the Thai Bankers Association to support a project saving the lives of cattles

Fundraising

Krungsri assisted charitable organizations by giving them free space to hold fundraising activities at our Office. Throughout 2016, various organizations have received support from Krungsri employees totaling THB 2.13 million raised through activities such as:

- A sales event organized by the SUPPORT Arts and Crafts International Centre of Thailand (Public Organization) to support a project honoring HM the Queen, raising THB 470,398
- The Mae Fah Luang Foundation's Thank You Sale, raising THB 455,498
- A donation event held to support youth under the care of the Yuvabadhana Foundation, raising THB 202,179

- A donation and sales event organized by Operation Smile, raising THB 181,861
- The Thai Red Cross Society's nonprescription medicine sales, raising THB 210,000
- An eco-friendly goods sale organized by the Thai Red Cross Society, raising THB 50,230
- A Mother's Day event held by the National Council on Social Welfare, raising THB 16,578
- Zinnia flower sales to raise fund for the Foundation for the Welfare of the Mentally Retarded of Thailand, raising THB 175,434
- Dok Kaew Kanlaya flower sales to raise fund for the National Council on Social Welfare of Thailand, raising THB 30,000

8. Environment Conservation

Preserving Environment

Shred2Share Campaign by InfoZafe

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 nine consecutive years. Performance regarding paper recycling of 2016 is illustrated in the table below:

Shred2Share campaign by InfoZafe	2014	2015	2016
Paper recycled (tons)	406.89	345.79	374.73
CO ₂ emission reduction (kg.)	105,784.65	89,905.11	97,428.65
Coal reduction (kg.)	44,755.05	35,478.61	41,219.81
Water saved (m ³)	20,343.21	17,289.45	18,736.28

Remarks: Combined data from Krungsri Bank, Krungsri Auto, and Krungsri Consumer

- **The Sathorn Model:** 2016 was the first year that we participated in the Toyota Mobility Foundation's Sathorn Model, a campaign based on the Sustainable Mobility Project 2.0 initiated by the World Business Council for Sustainable Development (WBCSD). Krungsri is among the organizations cooperating in the campaign to mitigate traffic congestion. The Group wants to inspire a change in how its employees commute between home and work, thus resulting in better road traffic conditions and reduced carbon dioxide emissions – the main cause of climate change.

- **Energy and Water Conservation:** Krungsri's Central Administration Division established an energy management team responsible for monitoring and assessing the organization's energy consumption. In 2016 we were able to cut energy consumption at Head Office, Rama III by 0.17 percent and water consumption by 6.53 percent.

- **Solar Roof for Alternative Energy:** To support our ongoing business expansion we enlarged our Head Office building on Rama III Road: The extended building accommodates the Group's IT division, home loan center, cheque payment center, recruitment center, and the Krungsri Learning Center. This part of the building also highlights an energy-saving feature comprising 26.50 kWh solar panels in collaboration with SPCG, a solar energy service provider. With the solar roof, 26.50 kWh of electricity per hour can be generated, reducing energy consumption by 8.5 percent. This conforms to both organizations' eco-friendly goals underscoring our leadership as a responsible corporate citizen and allows both organizations to create shared value.

This SPCG collaboration marks another Krungsri business partnership milestone promoting eco-friendly products, thus raising awareness of electricity-saving for the future of Thai society.

Natural Resources Conservation

Krungsri has organized four reforestation-natural resources conservation activities joined by 596 Krungsri volunteers:

1. The planting of 2,000 mangrove trees at Ang Sila District, Chon Buri Province on July 23, 2016, and at Bang Pakong District, Chachoengsao Province on August 27, 2016
2. The third-year check dam building project in collaboration with Siam City Cement to celebrate King Bhumibol Adulyadej's 84th birthday anniversary, held at the Huai Sai Royal Development Study Center, Cha-Am District, Phetchaburi Province, on June 4, 2016
3. The building of 30 check dams for the Doi Tung Development Project on November 25-27, 2016

Every year around year-end Krungsri employees join hands to build check dams in Thailand's northern forest: In November executives together with 305 Krungsri volunteers, Krungsri

Auto dealers, and volunteers from Ngern Tid Lor constructed 30 check dams for the Doi Tung Development Project at Ban Pa Kluai in Mae Fah Luang District, Chiang Rai Province. Since 2009 the Group has facilitated a total of THB 7,580,000 in financial support and built 599 check dams for the Doi Tung Development Project operated by the Mae Fah Luang Foundation under Royal Patronage. The initiative has benefited more than 11,000 local residents in 29 villages. The check dams also help to retain moisture and serve as forest firebreaks. In addition, we received collaboration from our companies in Krungsri Group in various activities, details are in Sustainability Development Report 2016.

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.

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 2016 Krungsri produced its third 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 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](https://www.krungsri.com/bank/en/Other/CSR/sustainability-development-reports.html))

Anti-Corruption and Counter Bribery

Krungsri gives priority to anti-corruption and counter bribery in all aspects. Under good corporate governance principle, the Bank, as a certified member of Thailand's Private Sector Collective Action Coalition against Corruption (CAC), has established a written policy and guidelines of anti-corruption and counter bribery, which reflects our intention to uphold the spirit of the provision for sustainable development of Krungsri.

Practically, every Directors, Executives and employees of Krungsri Group must sign a binding contract as per Anti-Corruption Policy and Program, with disciplinary actions imposed to those who breaches. Moreover, Krungsri had established accessible whistle blowing channels which have been being promoted via public relation news and messages from Compliance Division. In this regard, when fraud or breaching of Policies, Procedures or guidelines occurs and being reported, whistle blowers identity shall be protected. Any retaliation to whistle blowers is considered to be a breach of Krungsri's policy. Moreover, information from whistle blowing shall be investigated for root cause and corrective measure, escalated to high level executives, the Audit Committee and the Board of Directors.

Moreover, Krungsri enforces employees and executives to enroll compulsory E-Learning course on anti-corruption practices, every 2 years, to emphasis and enhance understandings. Krungsri has been arranging anti-corruption promotions via cartoon animation, posters and staff activities which are components of The Spirit & The Letter Week activity – a campaign to promote knowledge and understandings on transparency, honesty and auditable work practices which is a key principle for completed anti-corruption.

Pertaining to society and people, Executives and employees of Krungsri Group have been participating in national anti-corruption event, On 6 September 2016, Executives and employees of Krungsri Group, with Thai Banking Association, Thai Institute of Directors and other top tier organizations in Thailand, attended Anti-Corruption Collaboration, attended "Gum Sanong Gong" seminar, and on 11 September 2016 "Perd Pai Lai Kon Gong" event at Sanam Luang. These show Krungsri Group's intention to participate with every party to drive and form future business allies with determination to support and uphold anti-corruption policy – commitment to conduct business with loyalty, honesty, transparency and auditability.

11. Internal Control and Risk Management

Internal Control System

Krungsri recognizes the importance of internal controls and has adopted The Three Lines of Defense Model, an international governance standard involving the business function, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that Krungsri practices good governance and applies effective internal control principles based on the COSO (The Committee of Sponsoring Organizations of the Treadway Commission). Internal Control Integrated Framework consists of 5 key components:

1. Control Environment: The organizational structure is aligned with the nature of Krungsri business operations; Duties are segregated to achieve checks and balances; scope of authority is clearly defined; and integrity and professionalism are emphasized.

2. Risk Assessment: Opportunities and impacts associated with possible incidents that affect achieving our goals are assessed to determine risk management and control measures.

3. Control Activities: Krungsri has established well-defined policies and procedures, effective resource maintenance and utilization processes, segregation of duties, and operations reviews.

4. Information and Communication: Krungsri has implemented information and communication systems that ensure timely responses as well as reliable, accurate, financial records and reporting.

5. Monitoring: Continuous monitoring and assessments are conducted to ensure that Krungsri risk management is effective and appropriate.



Krungsri, as a subsidiary of Bank of Tokyo-Mitsubishi UFJ Limited (BTMU), a Japanese bank and a strategic member of the Mitsubishi UFJ Financial Group (MUFG) whose securities are listed both in the United States and Japan, must comply with the Sarbanes-Oxley Act (SOX), including US-SOX and J-SOX of Japan. The SOX laws encompass applying COSO internal control principles within the organization focusing on internal control of the financial reporting process. The Audit Group has a role in conducting reviews to ensure that internal controls for financial reporting are effective.

Internal Audit Function

The internal audit function assesses the adequacy and appropriateness of control processes for operational and work systems of Krungsri and companies in the financial business group as well as outsourced activities, performing its duties independently and reporting directly to the Audit Committee comprising Krungsri's independent directors. Internal auditors are not involved in Krungsri's day-to-day business operations.

Nature of Audit Work

Internal auditing deals with the systematic evaluation of good corporate governance process, risk management process, and internal control process and support for improving the adequacy and effectiveness of such processes to provide reasonable assurance that they can achieve Krungsri's objectives and goals.

Audit Group Responsibilities and Goals

The Audit Group continually improves audit methodology to align Krungsri with international audit practices covering 5 key areas:

1. Assurance service
2. Consulting service
3. Personnel development
4. Audit quality control and improvement; and
5. Adding value to Krungsri

1. Assurance Service

1.1 Annual Audit Plan

The annual audit plan is developed using a risk-based approach, collaboratively considered by senior executives and external financial auditors, and approved by the Audit Committee. During the year the audit plan is reviewed and amended to respond to new or changing risks.

BTMU risk assessment guidelines are shared with the Audit Group and adapted to improve our risk assessment approach for the annual audit plan. The Audit Group meets regularly to jointly discuss and follow up on emerging risks seeking information to amend the audit plan.

1.2 Audit Process and Supporting IT

Krungsri has adopted an integrated audit approach, integrating 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 audit processes, including audit planning, resource allocation, audit data recording and archiving, and audit issue tracking. The Audit Group analyzes the root causes of audit issues to better rectify them and has also improved audit methodology by adapting several audit practices leveraged from BTMU'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 other relevant functional units to collaboratively consider timely improvements and rectifications. The internal audit function monitors actions taken in response to audit recommendations and reports them to senior executives and to the Audit Committee on a monthly basis. Audit issue follow-up is done using an electronic audit tracking system enabling audited parties to report on progress and retrieve reports in various formats from the system at any time, for more efficient follow-up.



2. Consulting Service

The Audit Group also provides advice on implementing internal controls to functional units. The Audit Buddy Line is also available for advice or answers to inquiries on internal controls. In addition, the Audit Group has developed a cooperative relationship with the Branch Risk Monitoring and Control Section, a function in the second line of defense, to continually monitor branch operations emerging risks.

3. Personnel Development

In cooperation with the Human Resource Learning and Development Department, the Audit Group has developed a competency model and a career path for auditors to ensure alignment with the Audit Group's vision, mission, and international standards. This is to evaluate competency, with the results assessed to enhance auditors' capabilities, and to determine our annual training roadmap. Audit officers are provided with in-house, professional training every year such as professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, IT system knowledge, fraud risk, and audit methodology, including newly revised professional principles. Knowledge tests (E-quiz) covering new rules and regulations have been regularly conducted through online tests. In addition, the internal audit function continuously develops E-learning courses specifically designed for audit officers to access educational material at their convenience. Every year audit officers are given opportunities to propose projects to develop and improve audit work. External consultants have been engaged to collaboratively perform audit functions and share audit knowledge. In 2016 a total of 72 audit officers received 116 audit certificates.

4. Audit Quality Control and Improvement

To control and improve audit quality the Audit Group has employed several approaches such as supervisors evaluating audit work for each task, including a post-audit satisfaction survey using an e-survey to compile opinions of key stakeholders. Audit quality is regularly reviewed by an independent functional unit within the Audit Group, with the results considered and incorporated into our audit quality improvement plan. Moreover, an independent external quality assessment of the Audit Group is performed at least once every five years, last conducted in 2014 showing total compliance with the IIA standards. As a BTMU subsidiary Krungsri underwent a peer review by their Internal Audit and Credit Examination Division in 2016 that gave us recommendations on our audit practices as well.

5. Adding Value to Krungsri

To support Krungsri to achieve business targets while adhering to good governance and effective internal control principles, the Audit Group is developing the e-learning program Internal Control Framework under COSO Principles as a basic training course requirement for all employees to learn the principles, background, and importance of internal control. The Audit Group also launched a Control Black Belt (CBB) Project for more effective internal control, as part of a key strategic approach to help Krungsri achieve targets by developing employee competence for participants from other functional units.

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. The qualifications appear 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. The qualifications and responsibilities appear 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. The profile appear 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, 2016 and 2015.

Krungsri and its subsidiaries had business transactions with subsidiaries, associated companies, 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 : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1	Easy Buy PCL	-	-	2,853.6	2,680.0	19.2	15.9	32.0	16.1	54.3	39.8	-	-	-	-	96.7	82.1	-	-	7,859.6	5,178.7	-	-	C	C
2	The Bank of Tokyo-Mitsubishi UFJ Ltd., China Branch	9.0	7.0	-	-	-	-	-	-	-	-	10.6	13.5	-	-	-	-	-	-	-	-	-	-	C	C
3	The Bank of Tokyo-Mitsubishi UFJ Ltd., Canada Branch	3.1	5.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	C	C
4	Bank of Tokyo-Mitsubishi UFJ (Holland) N.V	-	-	-	-	-	-	-	-	-	-	108.1	1.0	-	-	-	-	-	-	-	-	-	-	C	C
5	The Bank of Tokyo-Mitsubishi UFJ Ltd., Malaysia Branch	-	-	-	-	-	-	-	-	-	-	143.5	194.8	-	-	-	-	-	-	-	-	-	-	C	C
6	Canon Marketing (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	5.2	2.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
7	Zenno Green Resources (Thailand) Co., Ltd.	-	-	-	-	-	-	-	0.1	-	61.9	-	-	-	-	-	0.1	-	0.1	-	44.4	-	15.1	-	C
8	Siam Marubeni International Co., Ltd.	-	-	-	-	-	-	-	-	6.6	8.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
9	Sumitomo Electric (Thailand) Ltd.	-	-	-	-	-	-	-	0.1	-	0.7	-	-	-	-	-	-	-	-	-	46.8	-	-	-	C
10	Toyota Auto Body Thailand Co., Ltd.	-	-	-	-	-	-	-	-	1,193.0	1,168.5	-	-	-	-	-	-	0.5	0.5	-	-	-	-	C	C
11	Kinokuniya Book Stores (Thailand) Co., Ltd.	-	-	-	-	-	-	0.4	-	27.7	43.1	-	-	-	-	-	0.1	-	0.1	17.7	14.9	-	-	C	C
12	Thai Takenaka International Ltd.	-	-	-	-	-	-	-	-	999.5	1,302.8	-	-	-	-	-	-	0.8	2.7	-	-	0.8	0.8	C	C
13	Nissan Trading (Thailand) Co., Ltd. (Formerly, Nitco Siam Co., Ltd.)	-	-	30.0	30.0	-	-	-	-	7.6	10.3	-	-	-	-	0.8	1.4	-	-	200.9	201.9	-	-	C	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
14	Thai Semcon Co., Ltd.	-	-	-	-	-	-	-	-	53.1	80.6	-	-	-	-	-	-	-	-	-	-	4.6	6.9	C	C
15	Thai Toda Corporation Ltd.	-	-	-	-	-	-	-	-	173.8	286.0	-	-	-	-	-	-	0.2	0.3	-	-	1.1	1.8	C	C
16	Hitachi Transport System Vantec (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	90.6	-	-	-	-	-	-	-	-	-	-	-	-	-	C
17	Mitsubishi Logistics (Thailand) Co., Ltd.	-	-	15.0	26.0	-	-	-	-	32.4	35.1	-	-	-	-	-	-	-	-	-	-	2.4	2.4	C	C
18	Chiyoda (Thailand) Ltd.	-	-	-	-	-	-	-	-	109.9	124.8	-	-	-	-	-	-	0.1	0.1	-	-	-	-	C	C
19	Trancy Logistics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	30.7	16.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
20	Suzuyo (Thailand) Ltd.	-	-	-	-	-	-	-	-	87.3	38.1	-	-	-	-	-	-	-	-	-	-	1.1	1.1	C	C
21	Mitsubishi Chemical (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	60.1	44.4	-	-	-	-	-	-	-	0.1	-	-	3.8	65.2	C	C
22	Parker International Corporation (Thailand) Ltd.	-	-	-	-	-	-	-	-	178.4	124.9	-	-	-	-	-	-	0.1	0.1	-	-	4.5	4.7	C	C
23	Asahi Kokusai Technion (Thailand) Co., Ltd. (Formerly, Kokusai Keiso (Thailand) Co., Ltd.)	-	-	-	-	-	-	-	-	2.6	2.1	-	-	-	-	-	-	-	-	-	-	6.8	9.3	C	C
24	OTC Daihen Bangkok Co., Ltd.	-	-	-	-	-	-	-	-	27.2	27.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
25	Ryokosha (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	1.7	1.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
26	Meiko Trans (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	17.4	11.1	-	-	-	-	-	-	-	-	-	-	2.0	2.0	C	C
27	Maruha Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
28	TAK Thai Trading Ltd.	-	-	-	-	-	-	-	-	11.3	9.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C
29	Shinko Microelectronics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	7.4	9.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
30	Kumon (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.2	0.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
31	Kao Holdings (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.2	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
32	Daiki Engineering Thai Co., Ltd.	-	-	-	-	-	-	-	-	0.4	2.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
33	Yushin Precision Equipment (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	13.9	2.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
34	Tokyo Zaiyo (Thailand) Co., Ltd.	-	-	-	-	-	-	-	2.1	-	113.2	-	-	-	-	-	0.8	-	-	-	472.2	-	-	-	C
35	TSK Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	0.7	0.1	120.8	128.5	-	-	-	-	-	-	0.1	0.1	14.8	12.4	0.1	-	C	C
36	Horkos (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	7.9	11.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
37	SHCM Service Co., Ltd.	-	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
38	Altech Asia Pacific Co., Ltd.	-	-	-	-	-	-	1.0	-	32.7	51.3	-	-	-	-	-	-	-	-	24.5	3.0	-	-	C	C
39	AGC Technology Solutions (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	39.1	20.8	-	-	-	-	-	-	0.1	-	-	-	9.7	7.3	C	C
40	Sanko (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	2.7	0.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
41	Nagase (Siam) Co., Ltd.	-	-	-	-	-	-	-	-	0.6	0.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
42	Rubycorn International (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	24.6	19.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C
43	Iriso Electronics (Thailand) Ltd.	-	-	-	-	-	-	-	-	48.6	52.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
44	Japan Automatic Machine (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	16.1	28.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
45	Fuji Chemi Co., Ltd.	-	-	-	-	-	-	1.5	-	10.9	0.9	-	-	-	-	-	-	-	-	33.8	-	-	-	C	C
46	Sato Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	6.4	7.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
47	K R O Co., Ltd.	-	-	-	-	-	-	-	-	51.4	47.0	-	-	-	-	-	-	-	-	-	-	3.0	4.5	C	C
48	Amada Miyachi (Thailand) Co., Ltd. (Formerly, Miyachi (Thailand) Co., Ltd.)	-	-	-	-	-	-	-	-	45.0	47.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C
49	Towa Denki (Thai) Co., Ltd.	-	-	-	-	-	-	-	-	36.9	21.9	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
50	ISID South East Asia (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	1.6	1.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
51	Daiko Shokai (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	2.5	7.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
52	Mazak (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	28.8	14.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
53	Yamashita Tech (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	6.4	15.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
54	AIT Logistics (Thailand) Ltd.	-	-	-	-	-	-	-	-	2.2	0.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
55	TES E&M Service Co., Ltd.	-	-	-	-	-	-	-	-	-	49.4	-	-	-	-	-	-	-	-	0.3	-	-	-	-	C
56	Mitsui Seiki (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	6.4	1.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
57	Maruka Machinery (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	12.9	20.7	-	-	-	-	-	-	-	-	-	-	-	-	C	C
58	NADEX (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	38.0	0.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
59	Hitachi Capital Management (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	C
60	Nichidai Asia Co., Ltd.	-	-	-	-	-	-	-	-	12.3	11.6	-	-	-	-	-	-	-	-	-	-	-	-	C	C
61	OMI Weighing Machine (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
62	Iwatani Gas and Machinery (Thailand) Ltd.	-	-	-	-	-	-	-	-	0.1	0.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
63	JBCC (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	2.8	12.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
64	Nihon Kohnetsu (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	1.7	1.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
65	Meiji (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	59.4	55.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
66	DONQ (Thailand) Ltd.	-	-	-	-	-	-	-	-	3.1	10.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
67	Sankyo International Trading (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	1.0	1.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
68	Takebishi (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	18.2	4.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
69	Mitsiam Holdings Ltd.	-	-	-	-	-	-	-	-	-	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
70	IKO Thomson Asia Co., Ltd.	-	-	-	-	-	-	-	-	16.1	10.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
71	OSP (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.1	1.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
72	POLA Cosmetics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	26.6	30.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
73	Thai Fukuda Co., Ltd.	-	-	-	-	-	-	-	-	12.7	10.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
74	Bangkok Mitsubishi UFJ Lease Co., Ltd.	-	-	2,370.1	2,445.8	5.1	10.3	17.8	16.3	45.2	13.5	-	-	-	-	122.2	112.4	-	-	3,640.5	2,430.3	-	-	C	C
75	Kawata (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	10.8	14.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
76	ADK Thai Holding Ltd.	-	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	C
77	Mitsubishi UFJ Trust and Banking Corporation	-	-	-	-	-	-	-	-	-	-	0.4	0.3	-	-	-	-	-	-	-	-	-	-	C	C
78	Mitsubishi UFJ Securities, London	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	C	C
79	BTMU Participation (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	22.5	4.8	-	-	104.0	73.0	-	-	-	-	-	-	-	-	C	C
80	Mitsubishi UFJ Securities (HK), Limited	-	-	-	-	-	-	-	-	-	-	0.1	0.1	-	-	-	-	-	-	-	-	-	-	C	C
81	BTMU Holding (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	27.4	16.7	-	-	750.0	510.0	-	-	0.2	0.2	-	-	-	-	C	C
82	Bangkok BTMU Limited	-	-	-	-	-	-	-	-	30.3	11.5	-	-	240.0	275.0	-	-	0.1	0.1	-	-	-	-	C	C
83	TISI (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	20.7	30.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
84	Sekisui Plant (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	5.3	6.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
85	Home Sukhumvit Co., Ltd.	-	-	-	-	-	-	-	-	10.3	47.6	-	-	-	-	-	-	-	-	-	-	-	-	A	A
86	Thai Yazaki Network Service Co., Ltd.	-	-	-	-	-	-	-	-	21.3	18.2	-	-	-	-	-	-	-	-	-	-	-	-	C	C
87	Omori (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	15.0	24.3	-	-	-	-	-	-	-	-	-	-	-	-	C	C
88	Toho Jigyo (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	11.1	8.0	-	-	-	-	-	-	-	-	-	-	-	-	C	C
89	AGREX (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	8.2	11.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
90	Japan Electrical Testing Laboratory (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	4.8	26.1	-	-	-	-	-	-	-	-	-	-	-	-	C	C
91	Leonian (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	12.7	10.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C
92	INSEE Digital Co., Ltd.	-	-	-	-	-	-	-	-	176.0	27.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
93	Bangkok Broadcasting & T.V. Co., Ltd.	-	-	-	-	-	-	-	-	251.4	560.8	-	-	-	-	-	-	4.2	5.4	-	13.7	1,715.5	2,279.2	A,B	A,B
94	C.K.R. Co., Ltd.	-	-	-	-	-	-	-	-	0.4	0.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
95	CKS Holding Co., Ltd.	-	-	-	-	-	-	-	-	2.4	2.3	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
96	Super Assets Co., Ltd.	-	-	-	-	-	-	-	-	59.2	54.9	-	-	-	-	-	-	0.1	0.1	-	-	8.1	8.1	A,B	A,B
97	The Great Luck Equity Co., Ltd.	-	-	-	-	-	-	-	-	30.8	28.4	-	-	-	-	-	-	-	-	-	-	-	-	B	B
98	Siam City Concrete Co., Ltd.	-	-	10,469.3	-	12.4	-	-	-	294.0	296.1	-	-	-	-	86.8	-	0.1	0.1	5,127.0	-	6.4	11.0	B	B
99	BBTV Equity Co., Ltd.	-	-	-	-	-	-	-	-	47.5	48.9	-	-	-	-	-	-	0.1	0.6	-	-	7.4	7.4	A,B	A,B
100	Siam City Cement PCL	-	-	-	-	-	-	-	-	1,160.1	989.4	-	-	-	-	36.6	-	0.3	0.5	7,536.5	27.2	358.0	78.1	A,B	A,B
101	Pattaya Grand Village Co., Ltd.	-	-	-	-	-	-	-	-	9.1	38.2	-	-	-	-	-	-	-	-	-	-	-	-	A	A
102	Siam Purimongkol Co., Ltd.	-	-	-	-	-	-	-	-	1.2	0.9	-	-	-	-	-	-	-	-	-	-	0.7	0.7	A,B	B
103	Belle Development Ltd.	-	-	-	-	-	-	-	-	3.9	3.9	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
104	Thai Lam Liang Co., Ltd.	-	-	-	-	-	-	-	-	0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
105	Great Fortune Equity Co., Ltd.	-	-	-	-	-	-	-	-	55.7	52.5	-	-	-	-	-	-	0.2	0.3	-	3.4	11.0	11.0	B	B
106	Sri Ayudhya Capital PCL	-	-	-	-	-	-	-	-	53.7	111.2	-	-	-	-	-	-	0.3	0.3	-	-	-	-	A,B,D	A,B,D
107	Lanna Resources PCL	-	-	-	-	-	-	-	-	152.1	105.4	-	-	-	-	-	-	0.1	0.1	-	-	-	-	B	B
108	Eastern Star Real Estate PCL	-	-	-	-	-	-	-	-	56.6	40.4	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
109	Siam Puri Engineering Co., Ltd.	-	-	-	-	-	-	-	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
110	GL Asset Co., Ltd.	-	-	-	-	-	-	-	-	20.5	10.9	-	-	-	-	-	-	-	-	-	-	0.3	0.3	A,B	A,B
111	Sunrise Equity Co., Ltd.	-	-	-	-	-	-	-	-	2.6	7.0	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
112	Khao Kheow Country Club Co., Ltd.	-	-	-	-	-	-	-	-	15.0	13.6	-	-	-	-	-	-	-	-	-	-	1.1	1.1	A,B	A
113	Conwood Co., Ltd.	-	-	638.5	907.5	0.1	0.3	115.9	165.0	21.5	33.9	-	-	-	-	-	-	-	-	1,370.1	1,768.4	3.9	640.3	B	B
114	Phahol 8 Co., Ltd.	-	-	-	-	-	-	-	-	2.5	2.4	-	-	-	-	-	-	-	-	-	-	-	-	A	A
115	Grand Fortune Co., Ltd.	-	-	-	-	-	-	-	-	18.1	12.3	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
116	Excell Assets Co., Ltd.	-	-	-	-	-	-	-	-	24.9	7.7	-	-	-	-	-	-	-	-	-	-	-	-	A	A
117	Eastern Star Resort Co., Ltd.	-	-	-	-	-	-	-	-	2.9	3.0	-	-	-	-	-	-	-	-	-	-	-	-	B	B
118	BBTV Production Co., Ltd.	-	-	-	-	-	-	-	-	7.6	4.8	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
119	Dherakupt International Law Office Ltd.	-	-	-	-	-	-	-	-	4.4	4.7	-	-	-	-	-	-	-	-	-	-	-	-	B	B
120	Mahakij Holdings Co., Ltd.	-	-	-	-	-	-	-	-	12.7	10.6	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
121	Stronghold Assets Co., Ltd.	-	-	-	-	-	-	-	-	13.2	9.1	-	-	-	-	-	-	-	-	-	-	-	-	B	B
122	Grand Canal Land PCL	-	-	-	-	-	-	-	-	3.4	32.8	-	-	-	-	-	-	-	-	-	-	-	-	A,B	B
123	BBTV New Media Co., Ltd.	-	-	-	-	-	-	-	-	53.9	26.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
124	Sri Ayudhya General Insurance PCL	-	-	-	-	-	-	-	-	340.1	511.5	-	-	-	-	-	-	1.1	1.3	-	-	-	-	B	B
125	Seastar Properties Ltd.	-	-	-	-	-	-	-	-	14.6	4.7	-	-	-	-	-	-	-	-	-	-	-	-	B	B
126	Bell Assets Co., Ltd.	-	-	-	-	-	-	-	-	10.5	10.5	-	-	-	-	-	-	-	-	-	-	-	-	B	B
127	Tun Rung Rueng Co., Ltd.	-	-	-	-	-	-	-	-	11.9	9.0	-	-	-	-	-	-	-	-	-	-	-	-	B	B
128	G Land Property Management Co.,Ltd.	-	-	-	-	-	-	-	-	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B
129	Ratanaraks Co., Ltd.	-	-	-	-	-	-	-	-	0.6	0.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
130	Siamreal Estate Development Co., Ltd.	-	-	-	-	-	-	-	-	16.5	15.4	-	-	-	-	-	-	-	-	-	-	-	-	A	A
131	Sterling Equity Co., Ltd.	-	-	-	-	-	-	-	-	0.2	0.3	-	-	-	-	-	-	-	-	-	-	-	-	B	B
132	Techno Polymer (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	78.0	34.8	-	-	-	-	-	-	-	-	-	-	-	-	C	C
133	Kose (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	0.3	0.4	-	-	-	-	-	-	-	-	-	-	-	-	C	C
134	The Thai Tapioca Flour Produce Co., Ltd.	-	-	-	-	-	-	-	-	1.4	0.9	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
135	BBTV Satelvision Co., Ltd.	-	-	-	-	-	-	-	-	13.5	15.7	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
136	Cyber Venture Co., Ltd.	-	-	-	-	-	-	-	-	0.9	0.5	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
137	Toko Electronics (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	1.4	1.5	-	-	-	-	-	-	-	-	-	-	-	-	C	C

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
138	K.S. Fortune Co., Ltd.	-	-	-	-	-	-	-	-	0.6	0.6	-	-	-	-	-	-	-	-	-	-	-	-	A	A
139	D-NET Solution Co., Ltd.	-	-	-	-	-	-	-	-	0.1	0.3	-	-	-	-	-	-	-	-	-	-	-	-	A	-
140	BBTV Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	20.8	27.9	-	-	-	-	-	-	-	-	-	-	-	-	B	B
141	Ploenchit Capital Ltd.	-	-	-	-	-	-	-	-	28.9	6.4	-	-	-	-	-	-	-	-	-	-	4.5	5.7	B	B
142	K R & Associates Co., Ltd.	-	-	-	-	-	-	-	-	4.0	5.1	-	-	-	-	-	-	-	-	-	-	-	-	B	B
143	Alpha Capital Asset Management Co., Ltd.	-	-	-	-	-	-	-	-	265.3	190.2	-	-	-	-	-	-	-	-	-	-	-	-	B	B
144	Media Studio Co., Ltd.	-	-	-	-	-	-	-	-	1,157.6	601.3	-	-	-	-	-	-	0.8	0.6	-	-	-	-	B	B
145	Thai Agro Energy PCL	-	-	1,057.7	1,340.7	0.2	0.3	-	-	2.2	2.6	-	-	-	-	-	-	-	-	-	-	-	-	B	B
146	Exclusive Senior Care International Co., Ltd.	-	-	-	-	-	-	-	-	2.8	3.0	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
147	ITBC Business Consultant Group Co., Ltd.	-	-	-	-	-	-	-	-	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
148	BTMU Leasing (Thailand) Co., Ltd.	-	-	694.0	953.1	0.9	1.5	31.2	7.7	25.4	16.8	-	-	-	-	13.3	11.2	-	-	2,771.3	1,002.8	-	-	C	C
149	Grand Lam Luang Co., Ltd.	-	-	-	-	-	-	-	-	8.7	10.0	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B
150	Insee Super Block Co., Ltd.	-	-	-	330.8	-	0.1	-	-	41.5	46.6	-	-	-	-	-	-	-	-	-	-	3.2	3.0	B	B
151	Media Now Co., Ltd.	-	-	-	-	-	-	-	-	48.5	46.0	-	-	-	-	-	-	-	-	-	-	-	-	B	B
152	Federal Aviation Co., Ltd	-	-	1.9	-	-	-	-	-	0.7	-	-	-	-	-	-	-	-	-	-	-	4.5	-	A	-
153	Thanasup Leasing and finance Co., Ltd.	-	-	11.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	A	-
154	Iwatani Gas and Machinery (Thailand) Ltd.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	-	-	-	C	-
155	Razorfish & Partner Co., Ltd.	-	-	-	-	-	-	-	-	1.3	-	-	-	-	-	-	-	-	-	-	-	-	-	B	-
156	BEN DECS Co., Ltd.	-	-	-	-	-	-	-	-	1.6	-	-	-	-	-	-	-	-	-	-	-	-	-	A	-
157	K Group Co., Ltd.	-	-	-	-	-	-	-	-	99.2	-	-	-	-	-	-	-	-	-	-	-	-	-	B	-
158	PCL Planner Co., Ltd.	-	-	-	-	-	-	-	-	4.3	-	-	-	-	-	-	-	-	-	-	-	1.0	-	C	-
159	Insee Eco Cycle Co., Ltd.	-	-	-	-	-	-	-	-	82.3	-	-	-	-	-	-	-	-	-	-	-	-	-	B	-

(Unit : THB Million)

	Related Companies	Interbank and Money Market Items (Asset)		Loans		Accrued Interest Receivables		Derivatives Assets		Deposits		Interbank and Money Market Items (Liabilities)		Borrowings		Derivatives Liabilities		Other Liabilities		Derivative (Notional Amount)		Contingent Liabilities		Relationship*	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
160	MUL (THAILAND) Co., Ltd.	-	-	-	-	-	-	-	-	3.7	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
161	Treasure Factory (T) Co., Ltd.	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
162	Anderson Mori & Tomotsune (T) Co., Ltd.	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
163	Bangkok Capital Venture Co., Ltd.	-	-	-	-	-	-	-	-	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	B	-
164	Sato Auto-ID (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	114.4	-	-	-	-	-	-	-	-	-	-	-	4.5	-	C	-
165	V-Cube (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	2.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
166	Ek-Chai Distribution System Co., Ltd.	-	-	-	-	-	-	-	-	500.0	-	-	-	-	-	-	-	-	-	-	-	-	-	A	-
167	Ryosho Engineering (Thailand) Co., Ltd.	-	-	-	-	-	-	-	-	2.3	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
168	Aberdeen Asset Managers Limited	-	-	-	-	-	-	-	-	65.2	-	-	-	-	-	-	-	-	-	-	-	-	-	C	-
169	Metal Studio Co., Ltd.	-	-	-	-	-	-	-	-	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	A	-
170	TV Digital HR Co., Ltd.	-	-	-	-	-	-	-	-	8.3	1.5	-	-	-	-	-	-	-	-	-	-	-	-	A,B	A,B

Remarks:

Relationship*

A = Director and/or executive of Krungsri and/or 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 2014 - 2016, 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: THB Thousand)

	Consolidated Financial Statements		
	2016	2015	2014
Assets			
Cash	36,142,429	33,689,886	31,154,503
Interbank and money market items, net	200,283,418	194,094,463	80,363,742
Claims on security	13,838,550	-	-
Derivatives assets	29,117,399	35,657,181	2,653,196
Investments, net	131,781,831	110,026,901	60,572,815
Investments in subsidiaries, associates and joint ventures, net	1,919,378	1,575,581	1,217,448
Loans to customers and accrued interest receivables, net			
Loans to customers	1,506,222,326	1,353,558,616	1,057,635,974
Accrued interest receivables	3,864,375	3,572,495	2,636,440
Total loans to customers and accrued interest receivables	1,510,086,701	1,357,131,111	1,060,272,414
Less Deferred revenue	(57,340,352)	(50,104,606)	(44,875,328)
Less Allowance for doubtful accounts	(48,273,619)	(43,218,108)	(38,159,030)
Less Revaluation allowance for debt restructuring	(1,187,903)	(1,725,739)	(1,616,773)
Net loans to customers and accrued interest receivables	1,403,284,827	1,262,082,658	975,621,283
Customers' liability under acceptance	476,024	558,322	508,328
Properties for sale, net	4,256,248	5,049,764	5,456,180
Land, Premises and equipment, net	25,221,074	20,993,113	19,952,366
Goodwill and other intangible assets, net	16,698,596	14,477,378	14,583,611
Deferred tax assets	4,713,693	5,369,190	4,982,739
Accounts receivable for investments	52,668	1,036,546	2,133,297
Other assets, net	15,402,070	20,905,527	12,162,110
Total assets	1,883,188,205	1,705,516,510	1,211,361,618

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Financial Position (Continued)

As at December 31,

(Unit: THB Thousand)

Consolidated Financial Statements			
	2016	2015	2014
Liabilities and Equity			
Deposits	1,108,287,927	1,046,289,670	837,555,978
Interbank and money market items, net	314,399,699	275,059,500	46,612,062
Liability payable on demand	4,176,569	3,210,983	1,935,682
Liability to deliver security	13,838,550	-	-
Derivatives liabilities	20,581,038	26,692,658	2,159,708
Debt issued and borrowings	160,325,732	108,120,551	151,805,341
Bank's liability under acceptance	476,024	558,322	508,328
Provisions	7,333,340	6,758,757	5,450,935
Deferred tax liabilities	456,479	32,179	24,036
Accounts payable for investments	65,526	1,118,197	518
Other liabilities	44,479,313	46,927,975	33,639,023
Total liabilities	1,674,420,197	1,514,768,792	1,079,691,611
Equity			
Share capital			
Authorized share capital			
7,574,143,747 ordinary shares of THB 10 each	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital			
7,355,761,773 ordinary shares of THB 10 each	73,557,618	73,557,618	
6,074,143,747 ordinary shares of THB 10 each			60,741,437
Premium on ordinary shares	52,878,749	52,878,749	13,802,216
Other reserves	4,062,842	1,981,132	7,337,670
Retained earnings			
Appropriated			
Legal reserve	4,371,800	3,584,800	2,877,700
Unappropriated	73,308,328	58,352,894	46,451,470
Total Bank's equity	208,179,337	190,355,193	131,210,493
Non-controlling interest	588,671	392,525	459,514
Total equity	208,768,008	190,747,718	131,670,007
Total liabilities and equity	1,883,188,205	1,705,516,510	1,211,361,618

Bank of Ayudhya Public Company Limited and Subsidiaries
Statements of Profit or Loss and Other Comprehensive Income
For the Years ended December 31,

(Unit: THB Thousand)

Consolidated Financial Statements			
	2016	2015	2014
Interest income	85,924,554	81,946,689	74,608,546
Interest expenses	23,947,857	25,596,345	26,665,047
Interest income, net	61,976,697	56,350,344	47,943,499
Fees and service income	24,141,661	22,670,208	19,191,682
Fees and service expenses	5,967,022	5,440,602	4,421,274
Fees and service income, net	18,174,639	17,229,606	14,770,408
Gains on trading and foreign exchange transactions, net	3,904,876	3,215,541	1,574,183
Gains on investments, net	598,512	409,042	1,237,125
Share of profit from investment for using equity method	347,617	358,241	159,285
Dividend income	161,010	170,908	239,461
Bad debts recoveries	4,710,949	3,042,248	3,054,245
Gains on sale properties for sale	629,237	995,968	655,673
Other operating income	983,262	1,001,184	1,126,505
Total operating income	91,486,799	82,773,082	70,760,384
Other operating expenses			
Employee's expenses	21,333,840	18,914,085	16,101,921
Directors' remuneration	49,003	48,242	48,445
Premises and equipment expenses	7,355,727	6,830,942	6,451,861
Taxes and duties	2,544,174	2,548,037	2,114,760
Others	11,797,235	10,605,817	9,582,924
Total other operating expenses	43,079,979	38,947,123	34,299,911
Impairment loss of loans and debt securities	21,314,536	20,185,840	18,106,553
Profit from operating before income tax expenses	27,092,284	23,640,119	18,353,920
Income tax expenses	5,408,596	4,787,816	4,030,750
Net Profit	21,683,688	18,852,303	14,323,170

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: THB Thousand)

	Consolidated Financial Statements		
	2016	2015	2014
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Gain (Loss) on remeasuring available-for-sale investment	(241,898)	6,251	1,309,425
Gain arising from translating the financial statements of a foreign operation	120,297	3,896	630
Income tax relating to components of other comprehensive income	24,307	(1,250)	(261,885)
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	(41,964)	(289,131)	(527,908)
Share of other comprehensive income of joint venture	(3,815)	(108)	-
Income tax relating to components of other comprehensive income	(601,028)	57,840	105,582
Total other comprehensive income, net	2,303,148	(222,502)	625,844
Total comprehensive income	23,986,836	18,629,801	14,949,014
Net profit attributable			
Owners of the Bank	21,404,034	18,634,185	14,169,527
Non-controlling interest	279,654	218,118	153,643
	21,683,688	18,852,303	14,323,170
Total comprehensive income attributable			
Owners of the Bank	23,708,754	18,410,036	14,796,139
Non-controlling interest	278,082	219,765	152,875
	23,986,836	18,629,801	14,949,014
Earnings per share of owners of the Bank			
Basic earnings per share (THB)	2.91	2.54	2.33
Weighted average number of ordinary shares (Shares)	7,355,761,773	7,341,716,644	6,074,143,747

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows

For the Years ended December 31,

(Unit: THB Thousand)

	Consolidated Financial Statements		
	2016	2015	2014
Cash flows from operating activities			
Income from operating before income tax expenses	27,092,284	23,640,119	18,353,920
Adjustments to reconcile income to cash received (paid)			
from operating activities:			
Depreciation and amortization	3,657,044	3,351,530	3,323,694
Deferred interest expenses	1,818	2,461	2,943
Impairment loss of loans and debt securities	21,314,536	20,185,840	18,106,553
(Gains) losses on translation in foreign currencies	566,751	8,269,182	(388,012)
Share of profit from investment for using equity method	(347,617)	(358,241)	(159,285)
Gains on investments	(598,512)	(409,042)	(1,237,125)
Increase (decrease) in discount on investments	(251,178)	267,555	(1,594)
Gains on sales of properties for sale	(629,237)	(995,968)	(655,673)
(Gains) losses on sales of land and premises and equipment	2,047	(42,491)	(46,590)
Loss on impairment of properties for sale (reversal)	433,237	(301,248)	401,227
Loss on impairment of land, premises and equipment (reversal)	(90,223)	2,477	3,891
Loss on impairment of other assets (reversal)	(133,577)	(107,848)	166,326
Increase in other reserves	574,583	945,319	867,946
Interest income, net	(61,976,697)	(56,350,344)	(47,943,499)
Income tax refunded	-	69,906	-
Interest received	92,038,652	86,588,989	75,405,537
Interest paid	(23,118,153)	(25,494,321)	(26,420,850)
Dividend income	(161,010)	(170,908)	(239,461)
Dividend received	156,718	172,288	240,273
Increase in other accrued expenses	498,712	1,144,441	595,940
Income tax paid	(5,258,575)	(5,047,861)	(4,889,296)

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the Years ended December 31,

(Unit: THB Thousand)

	Consolidated Financial Statements		
	2016	2015	2014
Cash flows from operating activities (Continued)			
Income from operations before changes in			
operating assets and liabilities	53,771,603	55,361,835	35,486,865
(Increase) decrease in operating assets			
Interbank and money market items	(1,755,863)	5,706,011	9,190,156
Derivatives assets	6,547,471	(10,199,157)	2,226,844
Current investments - securities for trading	565,225	5,417,357	(3,446,489)
Loans to customers	(161,448,578)	(82,689,635)	(87,336,442)
Properties for sale	5,720,513	9,165,437	1,804,645
Other assets	8,183,653	(7,635,071)	1,244,337
Increase (decrease) in operating liabilities			
Deposits	51,803,007	59,292,461	73,639,714
Interbank and money market items	39,471,597	(7,856,059)	(8,850,251)
Liability payable on demand	1,037,924	694,150	(609,697)
Derivatives liabilities	(6,097,209)	8,718,898	(2,980,269)
Other liabilities	(3,957,188)	10,773,928	(3,174,040)
Net cash from operating activities	(6,157,845)	46,750,155	17,195,373
Cash flows from investing activities			
Proceeds from sales of Investments in securities	134,758,647	76,302,565	86,578,527
Cash paid for purchases of investments in securities	(156,540,725)	(48,465,058)	(68,433,590)
Cash paid for investment in subsidiaries	(4,961,638)	-	-
Cash paid for non – controlling interest from repatriation of subsidiary	-	-	(9)
Proceeds from sales of land, premises and equipment	82,909	229,028	96,442
Cash paid for purchases of land, premises and equipment	(3,748,891)	(2,973,558)	(1,770,117)
Cash paid for purchases of other assets	(946,119)	(1,228,882)	(668,134)
Net cash from investing activities	(31,355,817)	23,864,095	15,803,119

Bank of Ayudhya Public Company Limited and Subsidiaries

Statements of Cash Flows (Continued)

For the Years ended December 31,

(Unit: THB Thousand)

	Consolidated Financial Statements		
	2016	2015	2014
Cash flows from financing activities			
Proceeds from debt issued and borrowings	337,942,874	251,940,430	231,134,487
Cash paid for repayment of debts issued and borrowings	(290,443,999)	(315,315,979)	(253,933,949)
Proceeds from business combination	-	71,767	-
Cash paid for repayment of liabilities under finance lease agreements	(20,097)	(26,141)	(30,988)
Dividend payment	(5,966,546)	(6,171,385)	(4,859,361)
Net cash from financing activities	41,512,232	(69,501,308)	(27,689,811)
Total	3,998,570	1,112,942	5,308,681
Gains arising from translating the financial statements of a foreign operation	120,297	2,727	441
Effect of exchange rate change on cash	(10,141)	154,402	(39,581)
Net increase in cash and cash equivalents	4,108,726	1,270,071	5,269,541
Cash and cash equivalents as at January 1,	35,468,254	34,198,183	28,928,642
Cash and cash equivalents as at December 31,	39,576,980	35,468,254	34,198,183

Important Financial Ratio

Bank of Ayudhya Public Company Limited and Subsidiaries

Ratio Analysis

(Unit: Percentage)

	2016	2015	2014
<u>Profitability Ratio</u>			
Gross Profit Margin Ratio	70.51	67.90	64.60
Net Profit Ratio	17.63	16.37	13.91
Return on Equity Ratio	10.74	11.59	11.22
Interest Income Ratio	5.19	6.04	6.72
Interest Expense Ratio	1.59	2.08	2.63
Interest Rate Spread ⁽¹⁾	3.60	3.96	4.08
Return on Investment Ratio	2.77	4.02	5.59
<u>Efficiency Ratio</u>			
Net Interest Income to Assets	3.45	3.86	4.01
Return on Assets	1.19	1.28	1.19
Asset Turnover (times)	0.07	0.08	0.09
<u>Financial Policy Ratio</u>			
Debt to Equity (times)	8.02	7.94	8.20
Lending to Borrowings	114.21	112.91	102.37
Loan to Deposit Ratio	130.73	124.58	120.92
Deposit to Total Liabilities Ratio	66.19	69.07	77.57
Dividend Payment Ratio ⁽²⁾	29.21	31.58	34.29
Total Capital / Total Risk Weighted Assets	14.16	13.63	14.69
<u>Asset Quality Ratio</u>			
Allowance for Doubtful Accounts to Total Loan and Accrued Interests ⁽³⁾	3.32	3.31	3.76
Bad Debt to Total Loan ⁽⁴⁾	1.02	1.18	1.46
Non-Performing Loan to Total Loan	2.21	2.36	2.79
Accrued Interest Income to Total Loan	0.27	0.27	0.26

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:

In 2016, amid a moderate economic recovery and volatile operating environment, our execution under Mid-Term Business Plan progressed as planned, resulting a robust financial performance, healthy loan growth, and regional footprint expansion with the successful acquisition of Hattha Kaksekar Limited (HKL) in Cambodia.

Krungsri's Group net profit of THB 21,404 million was remarkably achieved in 2016, representing a significant 14.9% increase from 2015. The increase in net profit was attributed to substantially higher net interest income, driven by loan growth and the improvement in funding cost. Meanwhile, an increase in non-interest income, supported by enhanced capabilities, also contributed to the robust earnings.

Loans reached THB 1,448,882 million, an increase of THB 145,428 million, or 11.2%, from the year earlier. In 2016, the retail segment was the key contributor with notable growth of 15.9% underscored with a broad-based expansion in auto hire purchase, mortgage, credit cards, and personal loans as well as integrated HKL loans. Also, corporate and SME loans grew strongly by 8.0% and 6.5% respectively.

Deposits totaled THB 1,108,288 million, an increase of THB 61,998 million, or 5.9%, from December 2015, mainly resulting from an increase in savings deposit of THB 41,329 million and deposit from HKL.

Non-interest income increased 11.7% from 2015, mainly driven by an increase in net fees and service income, namely from card-related and bancassurance businesses, and also by an increase in other non-interest income, namely from gains on trading and foreign exchange transactions, gain on investment and income from bad debt recoveries.

Throughout 2016, Krungsri continued to be vigilant on risk management practices together with ongoing efforts to resolve NPLs. The Bank sold THB 2,878 million of NPLs in 2016. Non-performing loans recorded at 2.21% in 2016.

Meanwhile, our total provision stood at THB 49,900 million, with an excess provision over the Bank of Thailand's reserve requirements of THB 16,056 million, representing 147.4% of the Bank of Thailand's reserving requirements. Concurrently, the loan loss coverage ratio was strong at 143.3%.

Corresponding to the higher net profit, earnings per share (EPS) increased to THB 2.91 in 2016 from THB 2.54 in 2015.

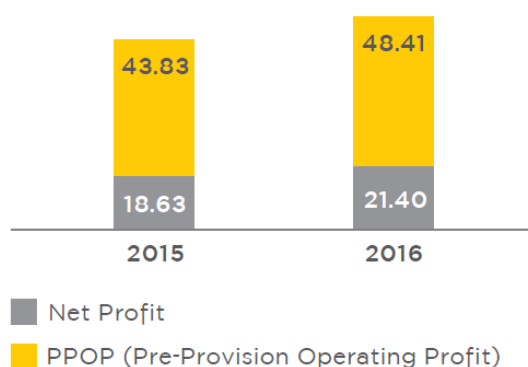
As for the outlook for 2017, we expect a continued and broad-based economic growth momentum with GDP growth of 3.3%. Government investment will provide key catalyst for growth, along with the expected recovery in private consumption, exports and tourism sector. Supportive operating environment, combined together with MUFG's competitive strengths, we forecast a loan growth of 6-8%, underscoring our vigilant risk management practices.

Summary of Financial Performance and Status: Key 2016 deliverables:

- **Loan Growth:** Robustly increased 11.2%, or THB 145,428 million, compared to December 2015.
- **Deposit Growth:** Increased 5.9%, or THB 61,998 million, compared to December 2015.
- **Net Profit:** Strongly recorded at THB 21,404 million, representing a 14.9% increase over 2015, driven by higher net interest income supported by robust loan growth and higher non-interest income.
- **Net Interest Margin (NIM):** Recorded at 3.74% in 2016.
- **Non-Interest Income:** Increased 11.7% or THB 3,087 million from 2015, mainly driven by an increase in net fees and service income, namely from card-related and bancassurance businesses, and also by an increase in other non-interest income, namely from gains on trading and foreign exchange transactions, gain on investment, and income from bad debt recoveries.
- **Cost to Income Ratio:** Recorded at 47.1%, same level as in 2015.
- **Non-Performing Loans (NPLs):** Recorded at 2.21%, decreasing from 2.24% in 2015.
- **Coverage Ratio:** Stood at 143.3%.
- **Capital Adequacy Ratio:** Recorded at 14.2% compared to 13.6% recorded in December 2015.

PPOP & Net Profit

(Billion baht)



In 2016, operating profit was THB 48,407 million, representing an increase of THB 4,581 million, or 10.5% from 2015, driven by higher net interest income as a result of higher interest income from loan growth along with a significant decline in interest expense, together with higher non-interest income.

Net profit increased to THB 21,404 million in 2016, representing a 14.9% increase over 2015, attributed to higher operating profits, offsetting with an increase in operating expenses and higher provision expense.

Statements of Profit or Loss and Other Comprehensive Income

(Unit : THB million)

Consolidated	2016	2015	Change YoY	
			Million baht	%
Interest Income	85,925	81,946	3,979	4.9
Interest Expense	23,948	25,596	(1,648)	(6.4)
Interest Income, Net	61,977	56,350	5,627	10.0
Fees and Service Income	24,142	22,670	1,472	6.5
Fees and Service Expense	5,967	5,440	527	9.7
Fees and Service Income, Net	18,175	17,230	945	5.5
Non-interest and Non-fees Income	11,335	9,193	2,142	23.3
Other Operating Expenses	43,080	38,947	4,133	10.6
Pre-Provision Operating Profit (PPOP)	48,407	43,826	4,581	10.5
Impairment Loss of Loan and Debt Securities	21,314	20,186	1,128	5.6
Income Tax Expense	5,409	4,788	621	13.0
Net Profit	21,684	18,852	2,832	15.0
Other Comprehensive income, net	2,303	(222)	2,525	1,137.4
Total Comprehensive income	23,987	18,630	5,357	28.8
Net Profit Attributable To				
Owners of the Bank	21,404	18,634	2,770	14.9
Non-Controlling Interest	280	218	62	28.4
Net Profit	21,684	18,852	2,832	15.0
Total Comprehensive Income Attributable To				
Owners of the Bank	23,709	18,410	5,299	28.8
Non-Controlling Interest	278	220	58	26.4
Total Comprehensive income	23,987	18,630	5,357	28.8
Earning Per Share (Baht)	2.91	2.54	0.37	14.6

Financial Performance

Net Interest Income

(Unit : THB million)

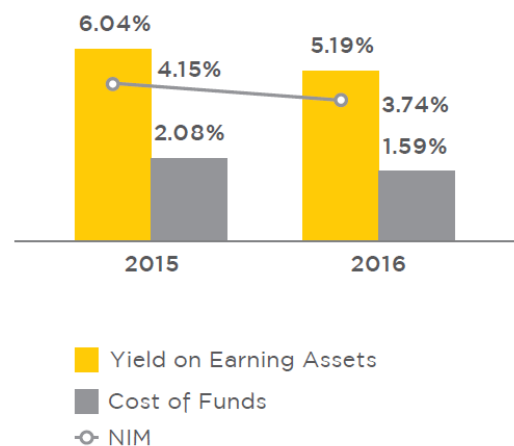
Consolidated	2016	2015	Change YoY	
			Million baht	%
INTEREST INCOME				
Interest on loans	56,483	55,279	1,204	2.2
Interest on interbank and money market items	2,833	2,806	27	1.0
Hire purchase and financial lease income	24,322	21,312	3,010	14.1
Investments and trading transactions	139	87	52	59.8
Investments in debt securities	2,148	2,462	(314)	(12.8)
Total Interest Income	85,925	81,946	3,979	4.9
INTEREST EXPENSE				
Interest on deposits	12,450	15,454	(3,004)	(19.4)
Interest on interbank and money market items	3,202	1,665	1,537	92.3
Interest on borrowings	3,052	3,494	(442)	(12.7)
Contributions to Financial Institution Development Fund and Deposit Protection Agency	5,222	4,941	281	5.7
Borrowing fee expenses	7	28	(21)	(75.0)
Other interest expenses	15	14	1	7.1
Total Interest Expenses	23,948	25,596	(1,648)	(6.4)
Interest Income, net	61,977	56,350	5,627	10.0
Net Interest Margin	3.74%	4.15%		
Yield on Earning Assets	5.19%	6.04%		
Cost of Funds	1.59%	2.08%		

For 2016, net interest income reached THB 61,977 million, an increase of THB 5,627 million or 10.0% compared to 2015 as interest income grew robustly, resulting primarily from loan growth. Interest expense declined from an improvement in funding costs, along with effective interest expense management.

NIM recorded at 3.74% in 2016 in line with the Bank's guidance of 3.7%. Krungsri's NIM moderated from 4.15% in 2015 mainly owing to higher average earning assets computed as a result of integration of BTMU Bangkok Branch into Krungsri in January 2015.

Overall yield on earning assets moderated to 5.19% in 2016, from 6.04% in 2015, resulting from lending rate reduction. Nevertheless, our cost of funds also improved to 1.59% from 2.08% in 2015 in line with interest rate trend in the market and our effective cost of fund management.

Net Interest Margin (NIM)

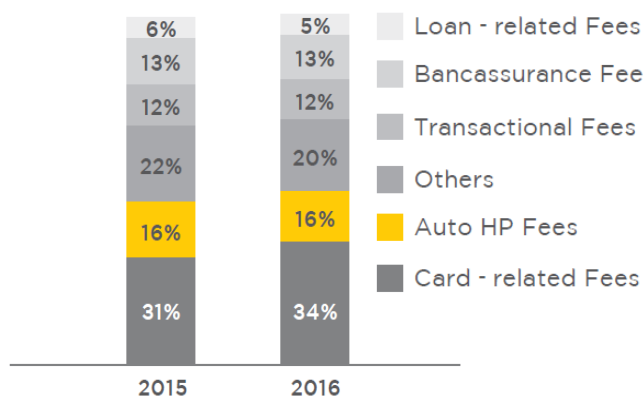


Net Fees and Service Income

(Unit : THB million)

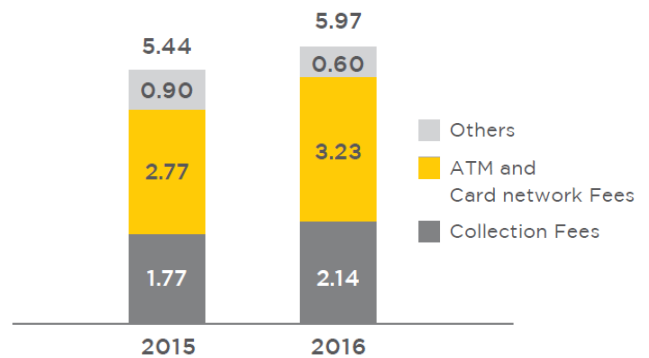
Consolidated	2016	2015	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	501	521	(20)	(3.8)
Other fees and service income	23,641	22,149	1,492	6.7
Fees and service income	24,142	22,670	1,472	6.5
Fees and service expense	5,967	5,440	527	9.7
Fees and Service Income, net	18,175	17,230	945	5.5

Fees & Service Income Breakdown



Fees & Service Expense

(Billion baht)



Net fees and service income in 2016 was THB 18,175 million, increasing by THB 945 million, or 5.5% compared with 2015. Fees and service income increased by THB 1,472 million or 6.5%. The increase in fees and service income was mainly driven by a significant increase of 15.6% in card-related fees, a 10.7% increase in Bancassurance fees and a 4.2% increase in auto-hire purchase fees and a 2.2% increase in wealth & fund management & securities-related fees. Meanwhile, loan-related fees declined 6.7%. Fees and service expense increased 9.7%, mainly due to an increase in expense relating to card business and collection fee expenses.

Non-interest and Non-fees Income

(Unit : THB million)

Consolidated	2016	2015	Change YoY	
			Million baht	%
Gains (losses) on trading and foreign exchange transactions	3,905	3,216	689	21.4
Gains (losses) on investments	598	409	189	46.2
Share of profit (loss) from investment for using equity method	348	358	(10)	(2.8)
Bad debt recoveries	4,711	3,042	1,669	54.9
Other operating income	1,773	2,168	(395)	(18.2)
Total Non-interest and Non-fees Income	11,335	9,193	2,142	23.3

Non-interest and non-fees income increased THB 2,142 million, or 23.3%, driven primarily by an increase in bad debt recoveries of 54.9% mainly owing to a recovery of one syndicated loan in the 3rd quarter of 2016. Excluding this extraordinary recovery, non-interest and non-fees income would increase by 32.7%. Gains on trading and foreign exchange transactions increased by THB 689 million, or 21.4% largely resulted from the Global Markets Group's enhanced capability. While gains on investments from Available-for-Sales (AFS) increased by THB 189 million, or 46.2%. Other operating income decreased by THB 395 million or 18.2% from a decrease in gain on sales of property for sale of 36.8% and a decrease of dividend income of 5.8%.

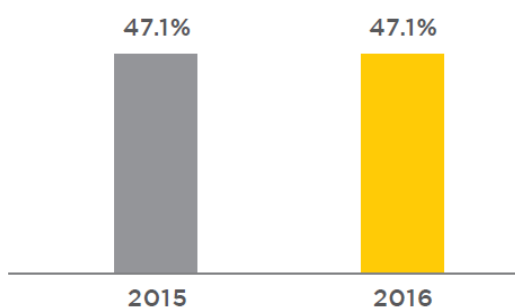
Other Operating Expenses

(Unit : THB million)

Consolidated	2016	2015	Change YoY	
			Million baht	%
Employee's expenses	21,334	18,914	2,420	12.8
Premises and equipment expenses	7,356	6,831	525	7.7
Taxes and duties	2,544	2,548	(4)	(0.2)
Directors' remuneration	49	48	1	2.1
Other expenses	11,797	10,606	1,191	11.2
Total Other Operating Expenses	43,080	38,947	4,133	10.6

Other operating expenses increased THB 4,133 million, or 10.6%, largely driven by an increase in employee's expense of THB 2,420 million, mainly due to an increase in annual merit increase, staff promotions and incentives as well as additional expenses of THB 135 million from HKL's employee. Other expenses increased THB 1,191 million, or 11.2%, mainly from reversal impairment of NPA in 2015.

Cost to Income Ratio



In 2016, the cost-to-income ratio recorded at 47.1%, same level as in 2015.

Impairment Loss of Loans and Debt Securities

(Unit : THB million)

Consolidated	2016	2015	Change YoY	
			Million baht	%
Impairment loss on debt instrument (reversal)	0	(4)	4	100.0
Bad Debt and Doubtful Accounts	20,528	18,862	1,666	8.8
Loss on Debt Restructuring	786	1,328	(542)	(40.8)
Total impairment loss of loan and debt securities	21,314	20,186	1,128	5.6

As of December 31, 2016, total provision was THB 49,900 million, with an excess provision over the Bank of Thailand's reserve requirements of THB 16,056 million, representing 147.4% of the Bank of Thailand's reserve requirements. The coverage ratio was strong at 143.3%.

Financial Status

Statement of Financial Position

(Unit : THB million)

Consolidated	Dec. 31, 2016	Dec. 31, 2015	Change	
			Million baht	%
<u>ASSETS</u>				
Cash	36,142	33,690	2,452	7.3
Interbank and money market items, net	200,283	194,094	6,189	3.2
Investments, net	131,782	110,027	21,755	19.8
Investments in subsidiaries, associates and joint ventures, net	1,919	1,576	343	21.8
Loans to customers	1,506,222	1,353,559	152,663	11.3
Accrued interest receivable	3,865	3,572	293	8.2
Deferred revenue	(57,340)	(50,105)	(7,235)	(14.4)
Allowance for doubtful accounts	(48,274)	(43,218)	(5,056)	(11.7)
Revaluation allowance for debt restructuring	(1,188)	(1,726)	538	31.2
Properties for sale, net	4,256	5,050	(794)	(15.7)
Others	105,521	98,998	6,523	6.6
TOTAL ASSETS	1,883,188	1,705,517	177,671	10.4
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>				
Deposits	1,108,288	1,046,290	61,998	5.9
Interbank and money market items, net	314,400	275,059	39,341	14.3
Debt issued and borrowings	160,326	108,121	52,205	48.3
Others	91,406	85,299	6,107	7.2
TOTAL LIABILITIES	1,674,420	1,514,769	159,651	10.5
Issued and paid-up share capital	73,558	73,558	0	0.0
Retained earning	77,680	61,938	15,742	25.4
Others	57,530	55,252	2,278	4.1
TOTAL SHAREHOLDERS' EQUITY	208,768	190,748	18,020	9.4
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,883,188	1,705,517	177,671	10.4
Book value per share (Baht)	28.38	25.93	2.45	9.4

As of December 31, 2016, assets stood at THB 1,883,188 million, representing an increase of THB 177,671 million, or 10.4% from December 2015, largely attributed to a higher net loan volume of THB 145,428 million, or 11.2%, and an increase in investment of THB 21,755 million, or 19.8%.

Liabilities grew 10.5%, or THB 159,651 million. The growth in liabilities was driven by an increase in deposits of THB 61,998 million, or 5.9%, mainly resulting from an increase in savings deposit and deposits from HKL. Moreover, debt issued and borrowing increased by 48.3%, or THB 52,205 million, driven in part by an increase in debenture of THB 33,432 million, the issuance of subordinated debenture in the amount of THB 10,000 million in the 3rd quarter of 2016, and an increase in bills of exchange of THB 4,396 million. Moreover, interbank and money market items increased THB 39,341 million, largely driven by an increase in repurchase agreement of THB 27,900 million.

Total shareholders' equity rose to THB 208,768 million, reflecting an increase of THB 18,020 million, or 9.4%, from December 2015. The increase was mainly due to an increase in equity holders' net income of THB 21,404 million for 2016 and an increase in land and building revaluation of THB 2,724 million. This increase was partially offset by dividends paid of THB 5,885 million.

Book value per share as of December 31, 2016 increased 9.4% to THB 28.38 from THB 25.93 at the end of 2015.

Loans to customers

Loans by segment

(Unit : THB million)

Consolidated	Dec. 31, 2016	Dec. 31, 2015	Change	
			Million baht	%
Corporate	588,167	544,413	43,754	8.0
- Thai Corporate	426,445	374,232	52,213	14.0
- International Corporate (JPC/MNC)	161,722	170,181	(8,459)	(5.0)
SMEs	215,549	202,469	13,080	6.5
Retail	645,166	556,572	88,594	15.9
- Hire purchase	292,268	264,820	27,448	10.4
- Mortgage	196,385	160,157	36,228	22.6
- Credit cards and personal loans	141,625	131,595	10,030	7.6
- HKL personal loans	14,888	0	14,888	-
Total *	1,448,882	1,303,454	145,428	11.2

* Loans to customers net of deferred revenue

Krungsri Group delivered a robust performance in growing our loans in 2016 against the backdrop of moderate economic recovery. Total outstanding loans stood at THB 1,448,882 million, an increase of THB 145,428 million, or 11.2%, from the year earlier. In 2016, the retail segment was the key contributor with notable growth of 15.9% underscored with a broad-based expansion in auto hire purchase, mortgage, credit cards, and personal loans as well as integrated HKL loans. Also, corporate and SME loans grew strongly by 8.0% and 6.5% respectively.

As a result of stronger growth in the retail segment, the proportion of retail lending as of end December 2016 represented 44% of our total loan portfolio, while commercial lending represented 56%.

Corporate loans grew 8.0% in 2016. International corporate loan contracted 5.0% in 2016, mirrored a sluggish global environment, and lowered new investment from international corporates, as well as loan repayment.

The SME's portfolio increased 6.5% in 2016. The growth observed in SME was driven by medium and small-sized SMEs. In particular, an increase in small-sized SME was underpinned by the government SME's soft-loan program.

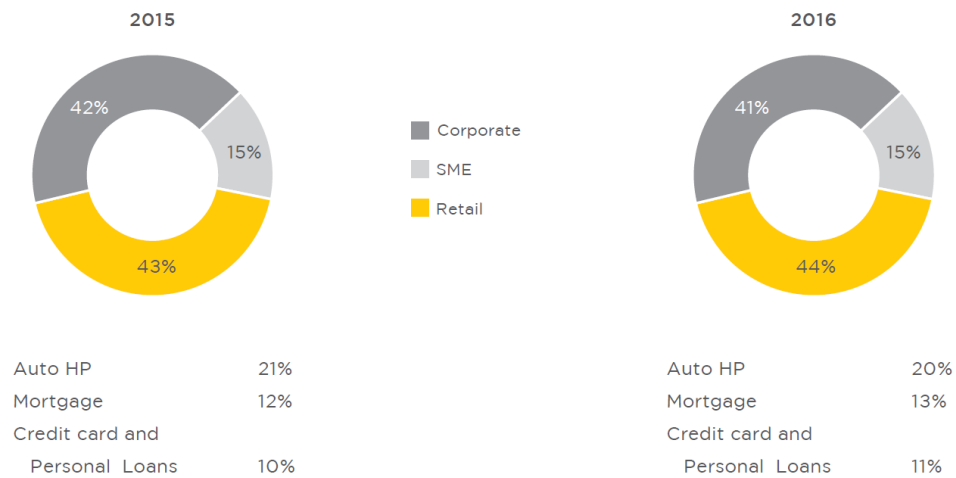
Auto hire purchase loans grew 10.4% from last year. The extraordinary growth in auto hire purchase loan amid a contraction in domestic car sales mirrored an increase in our market share from partners coupled with Krungsri's strong business franchise.

Mortgage loans grew strongly at 22.6% in 2016. This notable growth in 2016 was underpinned by an increase in demand for housing loan from government's assistance measures during the first half of the year together with strategies in partnering with leading developers and top local developers in the key economic provinces.

Credit cards and personal loans expanded 7.6% in 2016, largely attributed to a strong growth of 8.6% recorded in the 4th quarter of 2016, attributed to seasonality effect of year-end spending pattern together with the support from government's stimulus tax measures.

As for the outlook for 2017, we expect a continued and broad-based economic growth momentum with GDP growth of 3.3%. Government investment will provide key catalyst for growth, along with the expected recovery in private consumption, exports and tourism sector. Supportive operating environment, combined together with MUFG's competitive strengths, we forecast a loan growth of 6-8%, underscoring our vigilant risk management practices.

Loan Composition



Loan classification and provision

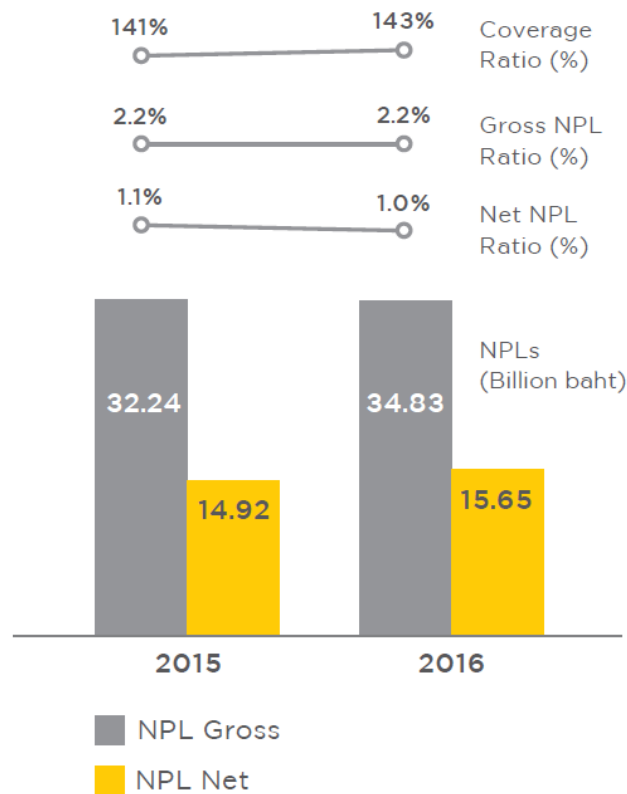
(Unit : THB million)

Consolidated	Dec. 31, 2016		Dec. 31, 2015		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,359,936	10,426	1,226,187	9,204	133,749	1,222
Special mention	57,976	3,100	48,598	3,802	9,378	(702)
Substandard	12,564	7,254	10,824	6,255	1,740	999
Doubtful	5,876	2,388	8,412	4,271	(2,536)	(1,883)
Doubtful of loss	16,395	9,050	13,006	6,346	3,389	2,704
Total	1,452,747	32,218	1,307,027	29,878	145,720	2,340
Surplus reserve		16,056		13,340		2,716
Total	1,452,747	48,274	1,307,027	43,218	145,720	5,056

Non-performing loans

Consolidated	Dec. 31, 2016	Dec. 31, 2015	Change	
			Million baht	%
Non-Performing Loans (Net)	15,653	14,919	734	4.9
Non-Performing Loans (Gross)	34,834	32,239	2,595	8.0
Loans loss reserves (LLR)	49,900	45,313	4,587	10.1
Coverage Ratio	143.3%	140.6%	2.7%	1.9
BOT Requirement	33,844	31,973	1,871	5.9
Actual / Required LLR	147.4%	141.7%	5.7%	4.0

NPLs and Coverage Ratio



As of December 31, 2016, gross NPLs stood at THB 34,834 million, an increase of THB 2,595 million from THB 32,239 million at the end of 2015. The ratio of gross NPLs to total loans stood at 2.21% at the end of 2016, decreasing from 2.24% at the end of 2015.

In 2016, Krungsri sold two tranches of NPLs in the 2nd quarter of 2016 and the 4th quarter of 2016, reducing outstanding NPLs by THB 2,878 million.

As of December 31, 2016 our total provisions stood at THB 49,900 million, with an excess provision over Bank of Thailand requirements of THB 16,056 million. Correspondingly, the actual provisioning ratio when compared to Bank of Thailand requirements stood at 147.4%, while the Group's coverage ratio was strong at 143.3%.

Consolidated	Dec. 31, 2016	Dec. 31, 2015	Change	
			Million baht	%
Non-Performing Loans (Net)	15,653	14,919	734	4.9
Non-Performing Loans (Gross)	34,834	32,239	2,595	8.0
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Actual / Required LLR	147.4%	141.7%	5.7%	4.0

Investment in Securities

As of December 31, 2016, Krungsri Group had investments in government securities with a book value of THB 96,383 million for the primary purpose of fulfilling 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 THB 35,399 million.

Funding Structure

Consolidated	Dec. 31, 2016	Dec. 31, 2015	Change	
			Million baht	%
Current	33,173	29,615	3,558	12.0
Savings	550,757	509,428	41,329	8.1
Time	524,358	507,247	17,111	3.4
< 6 Months	188,335	164,737	23,598	14.3
6 Months and < 1 Year	260,313	315,806	(55,493)	(17.6)
1 Year and over 1 Year	75,710	26,704	49,006	183.5
Total Deposits	1,108,288	1,046,290	61,998	5.9
B/E	41,817	37,421	4,396	11.7
Debentures	89,275	55,843	33,432	59.9
Total Funding	1,239,380	1,139,554	99,826	8.8

As of December 31, 2016, overall funding for the Bank, including deposits, bills of exchange and debentures, increased THB 99,826 million, or 8.8%, from December 2015.

Deposits totaled THB 1,108,288 million, an increase of THB 61,998 million, or 5.9%, from December 2015. The growth in deposits resulted from an increase in savings deposit of THB 41,329 million and deposit from HKL (a total of THB 12,819 million, 90% of which were time deposits), offset by a decrease in time deposits with maturity 6 months and less than 1 year.

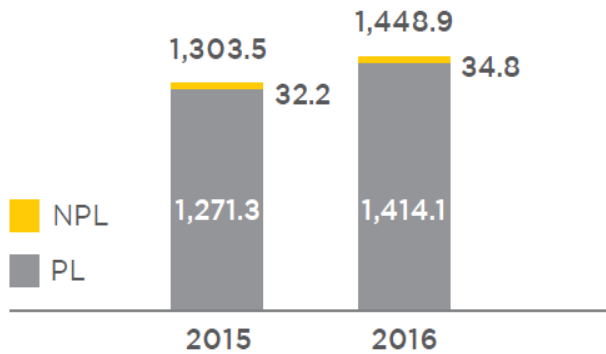
As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits increased to 52.7%, compared to 51.5% as of December 2015. Excluding deposit from HKL, the proportion of CASA as a percentage of total deposits recorded at 53.2%.

Bills of exchange (B/E) totaled THB 41,817 million, an increase of THB 4,396 million, or 11.7%, from December 2015.

Debentures stood at THB 89,275 million as of December 2016. The increase of THB 33,432 million or 59.9% from December 2015 was driven by the new issuance of debentures in the amount of THB 46,300 million, offsetting the maturity of debentures totaling THB 12,868 million.

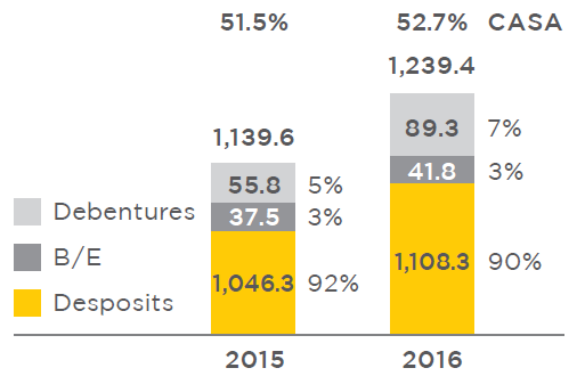
Loans

(Billion baht)



Deposits + B/E + Debentures

(Billion baht)



Consequently, the loan to deposit ratio increased to 131%, and the loan to deposit plus bill of exchange and debentures ratio increased to 117%.

	2015	2016
L/D	125%	131%
L/D+B/E+Debenture	114%	117%

Contingencies

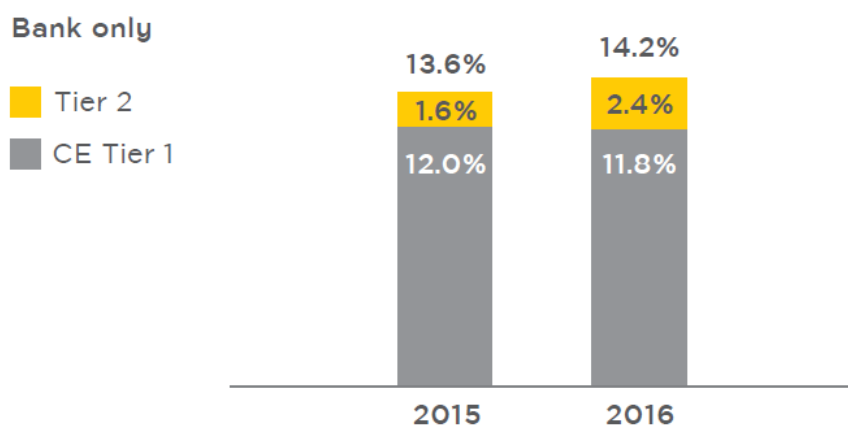
Consolidated	Dec. 31, 2016	Dec. 31, 2015	(Unit : THB million)	
			Change	
			Million baht	%
Avals to bills and Guarantees of loans	1,565	2,266	(701)	(30.9)
Liability under unmatured import bills	1,601	2,560	(959)	(37.5)
Letters of credit	8,425	4,727	3,698	78.2
Other contingencies	110,105	138,421	(28,316)	(20.5)
Total	121,696	147,974	(26,278)	(17.8)

The Krungsri Group's contingencies as of December 31, 2016 totaled THB 121,696 million, a decrease of THB 26,278 million, or 17.8%, from December 31, 2015. This decrease was driven mainly by a decrease in other contingencies of THB 28,316 million.

Statutory Capital

As of December 31, 2016, Krungsri's capital was strong at THB 191,094 million, equivalent to 14.2% of risk-weighted assets, comprising common equity tier 1 capital of 11.8% and tier 2 capital of 2.4%. The current level of capital is sufficient to provide Krungsri with the flexibility to continue growing our business.

Capital Adequacy Ratio*



* CAR required by BOT at 8.5% for 2015 and at 9.125% for 2016

Billion baht	Dec. 31, 2015	Dec. 31, 2016
CE Tier 1	146.18	158.83
Tier 2	20.08	32.26
Total Capital	166.26	191.09



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, 2016, 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)

(1) Information of Directors, Executives, Persons with Managerial Authority and Corporate Secretary

• Board of Directors

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Non-Executive Directors				
1. Mr. Veraphan Teepsuwan Age 75 years  - Chairman (Jan 3, 2007) % Shareholding^{1/} 0.0035% (253,861 shares) Family Relationship with Directors and Executives -None-	- MBA., Northeastern University, USA - Bachelor of Economics, Boston University, USA - Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Role of the Chairman Program (RCP), Year 2008	Jan 3, 2007 – Present <u>Other Listed Companies</u> 2002 – Present Nov 2006 – Present 2003 – Present <u>Other Companies/ Organizations</u> Sep 2010 – Dec 2016 1983 – Mar 2014 1995 – Jan 2011	Chairman Chairman Chairman Vice Chairman Director (Authorized Signatory) Director Chairman	Bank of Ayudhya PCL Sri Ayudhya Capital PCL Siam City Cement PCL Eastern Star Real Estate PCL Exclusive Senior Care International Co., Ltd. Bangkok Broadcasting & T.V. Co., Ltd. Allianz Ayudhya Assurance PCL
2. Mr. Takayoshi Futae Age 55 years  - Vice-Chairman (Authorized Signatory) (May 1, 2016) - Nomination and Remuneration Committee Member (May 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: Appointed as the director, effective May 1, 2016	- Master of Business Administration, The University of Chicago, Booth School of Business - Bachelor of Art in Economics, Osaka University	May 1, 2016 – Present May 1, 2016 – Present <u>Other Companies/ Organizations</u> May 2016 – Present May 2014 – May 2016 May 2011 – May 2014 Jun 2010 – May 2011	Vice-Chairman (Authorized Signatory) Nomination and Remuneration Committee Member Managing Executive Officer, Chief Executive Officer for Asia & Oceania Managing Executive Officer in charge of Japanese Credit Executive Officer and General Manager, Corporate Banking Credit Division Executive Officer and General Manager, Global Corporate Banking 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
2. Mr. Takayoshi Futae (Cont')		Apr 2016 - Present	Director	Security Bank Corporation, Makati, Philippines
3. Mr. Takeshi Ogasawara Age 63 years  - Director (Jan 2, 2014) - Risk and Compliance Committee Member (Jan 1, 2015) % Shareholding ¹⁾ -None- Family Relationship with Directors and Executives -None-	- Bachelor of Law (LL.B.), Faculty of Law, Kyoto University, Japan - Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016	Jan 1, 2015 – Present Jan 2, 2014 – Present Jan 2, 2014 – Jan 4, 2015 <u>Other Companies / Organizations</u> Jun 28, 2016 – Present May 2012 – Jun 27, 2016 May 2011 – May 2012 Jan 2010 – May 2011	Risk and Compliance Committee Member Director Compliance Review Committee Member Advisor Deputy President, Central Region of Japan Senior Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning, non-Japanese Credit Managing Director, Chief Compliance Officer in charge of Corporate Risk Management, Credit Policy & Planning	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)
4. Mr. Hirotake Taguchi Age 49 years  - Director (Jul 27, 2016) % Shareholding ¹⁾ -None- Family Relationship with Directors and Executives -None- Remark: Appointed as the director, effective July 27, 2016	- 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	Jul 27, 2016 – Present <u>Other Companies / Organizations</u> May 2016 – Present May 2015 – May 2016 Nov 2011 – Feb 2012 Jun 2009 – Jul 2011 Mar 2013 – May 2015	Director General Manager, Retail Business Promotion Division General Manager, Retail Banking Planning Division, Asian Retail Banking Strategy Office Senior Manager, Global Planning Division Chief Manager (for commercial banking), Kanda Branch (one of large branches in Tokyo) General Manager, Corporate Planning Division (Secondment)	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) JCB 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
4. Mr. Hirotake Taguchi (Cont')		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)
		Jul – Nov 2011	Executive Trainee for leadership management	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
5. Miss Nopporn Tirawattanagool Age 62 years 	- 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 “Cyber Security Awareness Training for Senior Executive”, Year 2016 - Certificate of training and seminar, 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	Jan 1, 2015 – Present Jan 2, 2014 – Present Apr 28, 2010 – Present Apr 8, 2010 – Jan 1, 2014 <u>Other Listed Companies</u> Apr 20, 2016 – Present May 6, 2015 – Apr 19, 2016 Oct 17, 2014 – Present Jul 22, 2014 – Present Jul 22, 2014 – Present Apr 2012 – Present May 14, 2013 – Present Apr 22, 2013 – Present <u>Other Companies / Organizations</u> May 8, 2015 – Present May 8, 2015 – Present May 8, 2015 – Present May 8, 2015 – Present	Risk and Compliance Committee Member Director (Authorized Signatory) Nomination and Remuneration Committee Member Director Director Director (Authorized Signatory) Director Director of Nomination and Compensation Committee Director of Governance, Risk and Compliance Committee Director Nomination and Remuneration Committee Member Director Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL Grand Canal Land PCL Srivichaivejvivat PCL Siam City Cement PCL Sri Ayudhya Capital PCL CKS Holding Co., Ltd. Super Assets Co., Ltd. C.K.R Co., Ltd. The Bangkok Lighters Co., Ltd.
% 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
5. Miss Nopporn Tirawattanagool (Cont')	• Anti-Corruption for Executive Program (ACEP), Year 2013 • Risk Management Program for Corporate Leaders (RCL), Year 2015	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 Puri Engineering Co., Ltd.
		Apr 9, 2015 – Present	Director (Authorized Signatory)	Siam Purimongkol Co., Ltd.
		Dec 15, 2014 – Present	Director	Belle Development 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.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Independent Directors				
6. Mr. Karun Kittisataporn Age 69 years  - Independent Director (Apr 9, 2008) - Chairman of the Nomination and Remuneration Committee (Apr 9, 2008) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information in January, 2017	- 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 “Cyber Security Awareness Training for Senior Executive”, Year 2016 - Certificate of training and seminar, 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	Apr 9, 2008 – Present Apr 9, 2008 – Present <u>Other Listed Companies</u> Jun 26, 2013 – Present Nov 2012 – Present Feb 2010 – Present Feb 2010 – Present	Independent Director Chairman of the Nomination and Remuneration Committee Corporate Governance Committee Member Audit Committee Member Independent Director Nomination and Remuneration Committee Member	Bank of Ayudhya PCL Khon Kaen Sugar Industry PCL
		Apr 2015 – Present Jan 2011 – Present Apr 2009 – Present Apr 2009 – Apr 2015	Chairman of the Nomination and Remuneration Committee Audit Committee Member Independent Director Nomination and Remuneration Committee Member Audit Committee Member	Central Pattana PCL Sahamit Machinery PCL
		Nov 2008 – Present <u>Other Companies / Organizations</u> Jan 2017 – Present * Apr 28, 2016 – Present	Member Member	ASEAN Association – Thailand Committee on International Economic Policy
		May 2008 – Present Nov 2006 – Present Aug 13 – Sep 2014 Oct 2007– Sep 2014 Nov 2009 – Feb 2011 Jan 2008 – Feb 2011	Chairman of the Executive Committee Member of the Council of State Election Committee Commissioner Director Commissioner	The SUPPORT Arts and Crafts International Centre of Thailand (Public Organization) Office of the Council of State Election Committee for National Reform Council Insurance Commission Securities and Exchange Commission Public Sector Development Commission

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
7. Miss Potjanee Thanavaranit Age 70 years  - Independent Director (Apr 8, 2010) - Chairman of the Audit Committee (Apr 25, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- 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 “Cyber Security Awareness Training for Senior Executive”, Year 2016	Apr 25, 2012 – Present	Chairman of the Audit Committee	Bank of Ayudhya PCL
		Apr 8, 2010 – Present	Independent Director	
		Apr 28, 2010 – Apr 24, 2012	Audit Committee Member	
		<u>Other Listed Companies</u>		
		May 3, 2016 – Present	Chairman of the Audit Committee	Big C Supercenter PCL
		Apr 25, 2016 – Present	Independent Director	
		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	
		Jun 2012 – Apr 2014	Nomination and Remuneration Committee Member	
		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	
		Jun 2009 – Mar 21, 2016	Independent Director	Berli Jucker PCL
		<u>Other Companies / Organizations</u>		
		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
		Oct 2, 2014 – Sep 6, 2015	Member of National Reform Council	National Reform Council
		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

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
7. Miss Potjanee Thanavaranit (Cont')	- Certificate of training and seminar, 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	Sep 2007 – Apr 2012	Member and Treasurer	Bhumirajanagarindra Kidney Foundation
8. Mr. Virat Phairatphiboon Age 68 years  - Independent Director (Dec 2, 1998) - Audit Committee Member (May 21, 1999)	- 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	Feb 21, 2007 – Present May 21, 1999 – Present Dec 2, 1998 – Present <u>Other Listed Companies</u> May 2012 – Present 2007– Present 2007 – May 2012	Nomination and Remuneration Committee Member Audit Committee Member Independent Director Chairman of the Audit Committee Independent Director Audit Committee Member	Bank of Ayudhya PCL Tipco Foods PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
8. Mr. Virat Phairatphiboon (Cont') - Nomination and Remuneration Committee Member (Feb 21, 2007) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016 - Seminar on "Cyber Security Awareness Training for Senior Executive", Year 2016 - Certificate of training and seminar, 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			
9. Mr. Phong-adul Kristnaraj Age 66 years  - Independent Director (Apr 24, 2012) - Audit Committee Member (Apr 25, 2012) - Chairman of the Risk and Compliance Committee (Jan 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- 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 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012 • Audit Committee Program (ACP), Year 2013	Jan 1, 2015 – Present Apr 25, 2012 – Present Apr 24, 2012 – Present Jun 24, 2013 – Jan 4, 2015 <u>Other Companies / Organizations</u> Oct 2012 – Present 2010 – Present 2010 – Apr 2012 2009 - 2011 2009 - 2011	Chairman of the Risk and Compliance Committee Audit Committee Member Independent Director Chairman of the Compliance Review Committee Audit Committee Member Advisor Member of the Asset Management Working Team President Director	Bank of Ayudhya PCL Thai Public Broadcasting Service Tangthanasin Co., Ltd. Sukhumvit Asset Management Co., Ltd. Bank of Thailand Employee's Thrift and Credit Co-Operative Ltd. The Institute of Internal Auditors of Thailand

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
9. Mr. Phong-adul Kristnaraj (Cont')	• 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			

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
Executive Directors				
10. Mr. Noriaki Goto Age 54 years  - Director (Authorized Signatory) (Jan 2, 2014) - President and Chief Executive Officer (Jan 5, 2015) - Chairman of the Executive Committee (Jan 2, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- 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 “Cyber Security Awareness Training for Senior Executive”, Year 2016 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2015	Jan 5, 2015 – Present Jan 2, 2014 – Present Jan 2, 2014 – Present Jan 2, 2014 – Jan 4, 2015 Jan 2, 2014 – Jan 4, 2015 Jan 2, 2014 – Jan 4, 2015 <u>Other Companies / Organizations</u> May 28, 2015 – Jun 23, 2016 May 14, 2014 – May 27, 2015 Aug – Dec 2013 Jul 2012 – Aug 2013 Feb 2009 – Jun 2012 Jul 2011 – Aug 2013 Oct 2010 – Aug 2013	President and Chief Executive Officer Director (Authorized Signatory) Chairman of the Executive Committee Chief Executive Officer Chairman of the Risk Management Committee Advisor to the Compliance Review Committee Chairman Director Executive Officer & General Manager, Global Planning Division Executive Officer & General Manager, Americas Holdings Division Executive Officer & General Manager, Corporate Governance Division for the U.S. Executive Officer & General Manager, Americas Holdings Division Executive Officer & General Manager, Planning Division for the Americas	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd. The Bank of Tokyo- Mitsubishi UFJ, Ltd. (Tokyo, Japan) Mitsubishi UFJ Financial Group, Inc. (New York, USA) The Bank of Tokyo- Mitsubishi UFJ, Ltd. (New York, USA)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
11. Mr. Pornsanong Tuchinda Age 55 years  - Director (Authorized Signatory) (Oct 1, 2015) - Head of Commercial Banking (Jan 5, 2015) - Senior Executive Vice President (Jan 13, 2010) - Executive Committee Member (Feb 24, 2010) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of February 1, 2017	- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA - BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2004 • Audit Committee Program (ACP), Year 2006 • Director Certification Program (DCP), Year 2008	Oct 1, 2015 – Present Jan 5, 2015 – Present Feb 24, 2010 – Present Jan 13, 2010 – Present Dec 1, 2015 – Jan 31, 2017* Dec 1, 2015 – Jan 31, 2017* Jul 1 – Dec 31, 2015 Jan 5 – Jun 30, 2015 Jan 7 – Jun 30, 2015 Jan 7 – Jun 30, 2015 Jan 1, 2014 – Apr 1, 2015 Oct 1, 2012 – Jan 4, 2015 Jul 1, 2012 – Jan 4, 2015 Nov 11, 2013 – Jul 24, 2014 Jan 2007 – Dec 31, 2013 Jul – Sep 2012 Jan 2010 – Sep 2012 <u>Other Listed Companies</u> Mar 2010 – Jun 2014 May 2008 – Jun 2014 Mar 2005 – Jun 2014 <u>Other Companies / Organizations</u> Nov 2009 – Mar 15, 2015	Director (Authorized Signatory) Head of Commercial Banking Executive Committee Member Senior Executive Vice President Acting Head of Human Resources Group Secretary to the Nomination and Remuneration Committee Acting Head of Corporate and Investment Banking Group Acting Head of Corporate Banking Group Acting Head of Corporate Banking Division 1 Acting Head of Corporate Banking Division 3 Advisor to the Board of Directors Head of Corporate Banking Risk Management Committee Member Acting Head of Transaction Banking Business Director Acting Head of Corporate Banking Head of Transformation Audit Committee Member Remuneration Committee Member Independent Director Chairman (Authorized Signatory)	Bank of Ayudhya PCL <

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies/ Organizations
12. Miss Duangdao Wongpanitkrit Age 47 years  - Director (Authorized Signatory) (Mar 28, 2016) - Chief Financial Officer (Jan 1, 2013) - First Executive Vice President, Finance Group (Apr 1, 2013) - Executive Committee Member (Jan 1, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: Appointed as the director, effective March 28, 2016	- MBA. (Financial Accounting), Chulalongkorn University - Bachelor of Business Administration (Accounting), Thammasat University - Certified Public Accountant (CPA Thailand) - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program (FGP), Year 2011 • Director Certification Program (DCP), Year 2013 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015 • Boards Matters and Trends (BMT), Year 2017	Mar 28, 2016 - Present	Director (Authorized Signatory)	Bank of Ayudhya PCL
		Apr 1, 2013 – Present	First Executive Vice President, Finance Group	
		Jan 1, 2013 – Present	Chief Financial Officer	
		Jan 1, 2013 – Present	Executive Committee Member	
		Feb 1, 2013 – Jan 6, 2015	Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group	
		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	
		<u>Other Companies / Organizations</u>		
		Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
		May 4, 2016 – Present	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Nov 26, 2015 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		May 29, 2015 – Present	Director	Ngern Tid Lor Co., Ltd.
		Apr 21, 2015 – Present	Director	Krungsri Ayudhya AMC Ltd.
		Nov 2009 – Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Jan 2013 – Feb 29, 2016	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Apr 2009 – Jul 2013	Director (Authorized Signatory)	Ayudhya Card Services Co., Ltd.
		Apr 2009 – Jun 2012	Director	Ayudhya Total Solutions PCL

Remark: ^{1/} Including spouse and child who has not yet reached adulthood.

• 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 56 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 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Sep 1, 2015 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Head of Retail and Consumer Banking	
		Jul 1, 2015 – Present	Executive Committee Member	
		Jul 1, 2015 – Jan 31, 2016	Acting Head of Personal Loan Division	
		Jan 7, 2015 – Jan 31, 2016	Acting Head of E-Business Division	
		Jul 1 – Dec 31, 2015	Acting Head of Krungsri Consumer Group	
		Jul 1 – Sep 30, 2015	Acting Head of Krungsri Auto Group	
		Aug 3, 2007 – Aug 31, 2015	First Executive Vice President	
		Jan 5 – Jun 30, 2015	Head of Marketing and Branding Group	
		Oct 1, 2013 – Jan 4, 2015	Head of Marketing and International Business Development	
		Apr 2010 – Sep 2013	Head of Marketing and Cross Sell	
		<u>Other Companies / Organizations</u>		Hattha Kaksekar Limited Krungsri Asset Management Co., Ltd. Krungsri Securities PCL Tesco Card Services Ltd. Ngern Tid Lor Co., Ltd. General Card Services Ltd.
		Sep 12, 2016 – Present	Chairman	
		Jul 7, 2016 – Present	Chairman	
		Sep 28, 2015 – Present	Chairman (Authorized Signatory)	
		Sep 8, 2015 – Present	Chairman (Authorized Signatory)	
		Sep 30, 2015 – Present	Chairman (Authorized Signatory)	
		May 29 – Sep 29, 2015	Director	
		Nov 2009 – May 28, 2015	Chairman (Authorized Signatory)	General Card Services Ltd.
		Dec 24, 2015 – Present	Chairman (Authorized Signatory)	
		Dec 3 - Dec 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 2011 Jan 2008 – Apr 23, 2015	Director Director (Authorized Signatory) Chairman (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director 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 51 years - Head of JPC/MNC Banking (Jul 13, 2015) - Senior Executive Vice President (Jul 13, 2015) - Executive Committee Member (Jul 13, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Economics, Yokohama National University	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 Apr 2009 – Dec 2011	Head of JPC/MNC Banking Senior Executive Vice President Executive Committee Member General Manager Osaka Corporate Banking Division No. 3 Deputy General Manager Senior Vice President and Manager, Japanese Corporate Banking Department	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Osaka, Japan) The Bank of Tokyo-Mitsubishi UFJ, Ltd., Singapore Branch The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)
3. Mrs. Wanna Thamsirisup Age 60 years - Chief Information and Operations Officer (Oct 1, 2015 – Dec 31, 2016) - First Executive Vice President (Sep 20, 2007 – Dec 31, 2016) - Executive Committee Member (Jan 27, 2016 – Dec 31, 2016)	- Diploma in Auditing, Thammasat University - BA. in Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 27, 2016 – Dec 31, 2016 Oct 1, 2015 – Dec 31, 2016 Sep 20, 2007 – Dec 31, 2016 Oct 1 – Dec 31, 2015 Jan 1, 2008 – Sep 30, 2015	Executive Committee Member Chief Information and Operations Officer First Executive Vice President Acting Head of Operations Group Head of Operations Group	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
4. Mrs. Voranuch Dejakaisaya (Cont')		Other Companies / Organizations Apr 21, 2015 – Present and Nov 2009 – Apr 2011 Apr 3, 2015 – Present Nov 2009 – Present Nov 2009 – Feb 12, 2015	Director Director Director (Authorized Signatory) Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd. Krungsri Securities PCL Total Services Solutions PCL General Card Services Ltd.
5. Miss Phawana Niemloy Age 57 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 - 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 Other Companies / Organizations 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
6. Miss Puntipa Hannoraseth Age 48 years - Head of Audit Group (Apr 27, 2009) - Acting Head of Internal Audit Division (Jan 7, 2015) - 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 (1 st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Company Secretary Program (CSP), Year 2009 • Audit Committee Program (ACP), Year 2009 • Advanced Audit Committee Program (Completed ACP, MIA, MFM, MFR, MIR), Year 2010	Jan 7, 2015 – Present Apr 1, 2013 – Present Sep 16, 2010 – Present Apr 27, 2009 – Present Jan 7 – May 6, 2015 Nov 2009 – Mar 31, 2013	Acting Head of Internal Audit Division First Executive Vice President Secretary to the Audit Committee Head of Audit Group Acting Head of Credit Examination Division Executive Vice President	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
7. Mr. Chandrashekar Subramanian Krishoolndmangalam Age 54 years - Chief Risk Officer (Jan 3, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jan 3, 2007) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master in Commerce, Bombay University, India - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Jan 3, 2007 – Present	Chief Risk Officer	Bank of Ayudhya PCL
		Jan 3, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Present	First Executive Vice President	
		Jan 2, 2014 – Jan 4, 2015	Risk Management Committee Member	
		Jul 11, 2007– Jan 4, 2015	Compliance Review Committee Member	
		Jan 3, 2007 – Jan 1, 2014	Vice Chairman of the Risk Management Committee	
		<u>Other Companies / Organizations</u>		
		Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
		May 29, 2015 – Present	Director	Ngern Tid Lor Co., Ltd.
		Mar 26, 2015 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Mar 20, 2014 – Jan 27, 2015	Chairman (Authorized Signatory)	
		May 7, 2014 – Present	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Nov 2011 – Mar 19, 2014	Director (Authorized Signatory)	
		Apr 21, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Ayudhya AMC Ltd.
		May 2008 – Apr 20, 2015	Director (Authorized Signatory)	
		Apr 2008 – Present	Director	Ayudhya Capital Auto Lease PCL
		Nov 2009 – Dec 2011	Director	Total Services Solutions PCL
8. Mr. Rohit Khanna Age 43 years - Head of Corporate Strategy and Planning Group (Jul 1, 2015) - First Executive Vice President (May 1, 2012) - Executive Committee Member (Jan 27, 2016)	- Master in Business Management, XLRI, India - Bachelor of Engineering, Mangalore University, India - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2012	Jan 27, 2016 – Present	Executive Committee Member	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Head of Corporate Strategy and Planning Group	
		May 1, 2012 – Present	First Executive Vice President	
		Jan 7, 2015 – Mar 31, 2016	Acting Head of Business Transformation Division	
		Mar 15 – Jun 30, 2015	Head of Corporate Planning Group	
		Jan 5 – Mar 14, 2015	Co-Head of Corporate Planning Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
8. Mr. Rohit Khanna (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		May 1, 2012 – Jan 4, 2015 Mar 2010 – Apr 30, 2012 <u>Other Companies / Organizations</u> Sep 12, 2016 – Present Oct 13, 2015 – Present Aug 2012 – May 11, 2015 Oct 2010 – Apr 29, 2015	Head of Business Transformation First Executive Vice President, Back Office Integration Division, Transformation Group Director Chairman (Authorized Signatory) Director (Authorized Signatory) Chairman (Authorized Signatory)	Bank of Ayudhya PCL Hattha Kaksekar Limited Siam Realty and Services Security Guard Co., Ltd. (Formerly Siam Realty and Services Co., Ltd.) Krungsriayudhya Card Co., Ltd. Total Services Solutions PCL
9. Mr. Tak Bunnag Age 56 years - Head of Global Markets Group (Jan 5, 2015) - First Executive Vice President (Jul 1, 2015) - Executive Committee Member (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Golden Gate University, USA - BS. (Management), Golden Gate University, USA - BS. (Banking and Finance), Chulalongkorn University	Jul 1, 2015 – Present Jan 5, 2015 – Present Jan 5, 2015 – Present Jan 1, 2013 – Jan 4, 2015 May 2005 – Dec 31, 2012 <u>Other Companies / Organizations</u> Jul 2008 – Apr 23, 2015	First Executive Vice President Head of Global Markets Group Executive Committee Member Head of Treasury Executive Vice President, Treasury Division, Treasury Group Director	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
10. Mr. Sayam Prasitsirigul Age 47 years - Head of SME Banking Group (Jan 1, 2017) - First Executive Vice President (Jul 1, 2011) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), The Peter F. Drucker Center, The Claremont Graduate School, California, USA - Bachelor of Electrical Engineering, Chulalongkorn University	Jan 1, 2017 – Present* Jul 1, 2011 – Present Jul 1, 2015 – Dec 31, 2016* Jul 1, 2015 – Dec 31, 2016* Apr 1, 2012 – Jun 30, 2015	Head of SME Banking Group First Executive Vice President Head of Retail and Commercial Banking Products Group Acting Head of Retail and Consumer Product Management Division Head of SME Banking 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
10. Mr. Sayam Prasitsirigul (Cont') Remark: * Last update information as of January 1, 2017		Apr 1, 2012 – Jan 4, 2015 Apr 1, 2012 – Jan 4, 2015 Sep 2011 – Oct 2012 Aug – Sep 2011 <u>Other Listed Companies</u> Dec 2008 – Jun 2011 <u>Other Companies / Organizations</u> Jul 7, 2016 – Present Mar 26, 2015 – Present Jul 25, 2012 – Present Dec 2011 – Jul 24, 2012	Risk Management Committee Member Credit Committee Member Head of Corporate & SME Products Head of Supply Chain Solutions and Special Projects Chief SME Banking Officer Director (Authorized Signatory) Chairman (Authorized Signatory) Chairman (Authorized Signatory) Director	Bank of Ayudhya PCL TMB Bank PCL Krungsri Asset Management Co., Ltd. Ayudhya Development Leasing Co., Ltd. Krungsri Factoring Co., Ltd.
11. Mr. Phongnant Thanattrai Age 52 years - Head of Retail Banking and Distribution Group (Jan 1, 2017) - Acting Head of Metropolitan Branch Business Division (Jul 1, 2015) - 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- Remark: * Last update information as of January 1, 2017	- Master of Business Administration, Thammasat University - Bachelor of Business Administration, Assumption University	Jan 1, 2016 – Present* Jul 1, 2015 – Present Jan 7, 2015 – Present Apr 1, 2012 – Present Jul 1, 2015 – Dec 31, 2016* Jan 5 – Jun 30, 2015 Nov 1, 2011 – Jan 4, 2015 Nov 1, 2011 – Jan 4, 2015 Nov 2011 – Mar 2012 Jul 2010 – Nov 2011	Head of Retail Banking and Distribution Group Acting Head of Metropolitan Branch Business Division Acting Head of Provincial Branch Business Division First Executive Vice President Head of Distribution Group Head of Retail Banking and Distribution Group Compliance Review Committee Member Head of Distribution Executive Vice President Executive Vice President, Branch Metropolitan Business Division, Distribution 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
11. Mr. Phongnant Thanattrai (Cont')		<u>Other Companies / Organizations</u> Apr 20, 2015 – Present Aug 4, 2014 – Present Dec 2010 – Aug 3, 2014 Apr 3 – Sep 15, 2015	Director Director (Authorized Signatory) Director Director	Krungsriayudhya Card Co., Ltd. Krungsri Asset Management Co., Ltd. Krungsri Securities PCL
12. Mr. Pairote Cheunkrut Age 51 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 Oct 1, 2014 – Present Jan 5 – Sep 30, 2015 Oct 1, 2014 – Jan 4, 2015 <u>Other Companies / Organizations</u> Apr 3, 2014 – Present Aug 19, 2015 – Present Nov 10, 2008 – Aug 18, 2015 May 2007 – Sep 30, 2015	Head of Krungsri Auto Group First Executive Vice President First Executive Vice President, Office of the President and CEO First Executive Vice President, Krungsri Auto Group Director Chairman (Authorized Signatory) Director (Authorized Signatory) Managing Director	Bank of Ayudhya PCL Krungsri Leasing Services Co., Ltd. Ayudhya Capital Auto Lease PCL
13. Mr. Thakorn Piyapan Age 45 years - Head of Krungsri Consumer Group (Jan 1, 2016) - Head of Digital Banking and Innovation Division (Jan 1, 2017) - First Executive Vice President (May 1, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Finance, University of Colorado at Denver, USA - Bachelor of Economics Thammasat University	Jan 1, 2017 – Present* Jan 1, 2016 – Present May 1, 2012 – Present Feb 1, 2016 – Dec 31, 2016* Feb 1, 2016 – Dec 31, 2016* May 1, 2012 – Dec 31, 2015	Head of Digital Banking and Innovation Division Head of Krungsri Consumer Group First Executive Vice President Acting Head of Personal Loan Division Head of E-Business Division First Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
13. Mr. Thakorn Piyapan (Cont') Remark: * Last update information as of January 1, 2017		Jul 1, 2010 – Apr 30, 2012	Executive Vice President, Head of Primary Banking Division and Acting Department Manager, Consumer Secured Loan Department, Consumer Banking Group	Bank of Ayudhya PCL
		<u>Other Companies / Organizations</u>		
		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	General Card Services Ltd.
		Feb 24 – Dec 31, 2015	Director (Authorized Signatory)	
		Jan 1, 2016 – Present	Chairman (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Oct 2, 2012 – Dec 31, 2015	Director	
		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.
14. Mr. Nuttawit Boonyawat Age 54 years - First Executive Vice President , Office of the President and CEO (Jan 5, 2015) - Advisor to the President and CEO (Jan 5, 2015) % Shareholding^{1/} 0.0000% (1 share) Family Relationship with Directors and Executives -None-	- Master of Science, Abilene Christian University, USA - Bachelor of Arts (Economics), University of the Thai Chamber of Commerce - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP), Year 2005	Jan 5, 2015 – Present	First Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Advisor to the President and CEO	
		Nov 1, 2013 – Jan 4, 2015	First Executive Vice President, Risk Management Group	
		Nov 1, 2010 – Oct 31, 2013	First Executive Vice President, Risk Management Group and Acting Department Manager, Collateral Valuation Department	
		<u>Other Listed Companies</u>		
		Apr 24, 2015 – Present	Director Executive Director	Eastern Star Real Estate PCL
		Apr 28, 2014 – Present	Director Executive Director	Matching Maximize Solution PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
14. Mr. Nuttawit Boonyawat (Cont')		<u>Other Companies / Organizations</u> Feb 23, 2015 – Present Aug 2, 2013 – Present Oct 6, 2010 – Present Nov 13, 1997 – Present	Director (Authorized Signatory) Director (Authorized Signatory) Director (Authorized Signatory) Director	Home Sukhumvit Co., Ltd. TV Digital HR Co., Ltd. Grand Larn Luang Co., Ltd. K.S. Fortune Co., Ltd.
15. Mr. Masashi Onodera Age 47 years - Deputy Head of JPC/MNC Banking (Apr 3, 2015) - Executive Vice President (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Northwestern University, Kellogg School of Management, USA - Bachelor of Laws University of Tokyo, Japan	Apr 3, 2015 – Present Jan 5, 2015 – Present Jul 1 – Sep 30, 2015 Jan 5 – Apr 2, 2015 <u>Other Companies / Organizations</u> Jul 2014 – Jan 4, 2015 Jul 2011 – Jun 2014 Jul 2009 – Jun 2011	Deputy Head of JPC/MNC Banking Executive Vice President Acting Head of Transaction Banking Division Head of Planning Division, Corporate Planning Group Deputy General Manager, General Administration Deputy General Manager, Asian Investment Banking Division Senior Manager, Structured Finance Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)
16. Mr. Kazuhiro Sudo Age 48 years - Deputy Head of Commercial Banking (Apr 28, 2016) - Head of Corporate Banking Division 3, Corporate and Investment Banking Group (Apr 28, 2016) - Executive Vice President (Mar 14, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Keio University, Japan	Apr 28, 2016 – Present Apr 28, 2016 – Present Mar 14, 2016 – Present <u>Other Companies / Organizations</u> May 11, 2016 – Present Apr 26, 2016 – Present Apr 18, 2016 – Present	Deputy Head of Commercial Banking Head of Corporate Banking Division 3, Corporate and Investment Banking Group Executive Vice President Commercial Banking Director Director Director (Authorized Signatory)	Bank of Ayudhya PCL General Card Services Ltd. Ayudhya Capital Auto Lease PCL Krungsri Securities PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
16. Mr. Kazuhiro Sudo (Cont')		Oct 2013 – Mar 2016	Chief Manager, Head of Global Subsidiary Banking Department, Global Corporate Banking Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		May 2012 – Oct 2013	Executive Director and Head of Planning Department, Corporate Banking Division for EMEA	
		Jul 2011 – May 2012	Senior Vice President and Head of Planning Department, European Business Division	
		Dec 2010 – Jul 2011	Vice President and Head of Planning Team European Business Division	
17. Mr. Tsutomu Kamagata Age 46 years - Deputy Head of Retail and Consumer Banking (May 1, 2016) - Executive Vice President (May 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Keio University, Japan	May 1, 2016 – Present	Deputy Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		May 1, 2016 – Present	Executive Vice President	
		Mar 18 – Apr 30, 2016	Executive Vice President, Retail and Commercial Banking	
		<u>Other Companies / Organizations</u>		
		Nov 4, 2016 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		May 4 – Nov 3, 2016	Director	
		May 10, 2016 – Present	Director (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		Apr 26, 2016 – Present	Director	Ayudhya Capital Auto Lease PCL
		May 11, 2016 – Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		May 11, 2016 – Present	Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		May 16, 2016 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		May 11, 2016 – Present	Director (Authorized Signatory)	General Card Services Ltd.
		May 2013 – Mar 2016	Chief Manager, Asian Retail Banking Strategy Office, Retail Banking Planning Division	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
17. Mr. Tsutomu Kamagata (Cont')		May 2007 – May 2013	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 48 years - Chief Credit Officer (Jul 1, 2015) - Executive Vice President (Oct 1, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Economics (Economics), Shiga University, Japan	Jul 1, 2015 – Present Oct 1, 2014 – Present 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 Apr 2008 – Jul 2011	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) Assistant General Manager, International Credit Division (Tokyo)	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
19. Mr. Suratun Kongton Age 50 years - Head of Corporate and Investment Banking Group (Jan 1, 2016) - Executive Vice President (May 1, 2012) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Public Administration (Public Finance emphasis), University of Southern California, Los Angeles, California, USA - Bachelor of Political Science Public Administration (Public Finance), Chulalongkorn University	Jan 1, 2016 – Present May 1, 2012 – Present Jan 1 – Apr 30, 2016 Jul 1, 2015 – Apr 30, 2016 Jan 6 – Dec 31, 2015 Jan 5 – Feb 28, 2015 Jun 1, 2014 – Jan 5, 2015 Jan 1, 2013 – Jan 5, 2015 May 1 – Dec 31, 2012	Head of Corporate and Investment Banking Group Executive Vice President 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 Business Department 6 Acting Head of Corporate Business Department 9 Executive Vice President, Head of Corporate Business Division 3 Executive Vice President, Head of Corporate Business Division 2	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')		<u>Other Companies / Organizations</u> Feb 13, 2015 – Present Jan 1, 2011– Apr 2012	Director (Authorized Signatory) Executive Director (Head of Corporate Banking and Treasury Services)	Tum Tum Pai Co., Ltd. J.P. Morgan, Thailand
20. Mr. Dharithee Kritsernvong Age 52 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 57 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- Remark: * Last update information as of January 1, 2017	- Master of Management (Information System), West Coast University, USA - Bachelor of Economics (Finance), Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program, Year 2012	Jan 1, 2017 – Present* April 1, 2014 – Present Jan 1, 2016 – Dec 31, 2016* Jan 1 – Jan 31, 2016 April 1, 2014 – Dec 31, 2015 Jan 1, 2011– Mar 31, 2014	Co-Head of Operations Group Executive Vice President Head of Operations Middle Office Group Acting Head of Credit Control Division Executive Vice President, Head of Credit Control Division Senior Vice President, Head of Operations Processing and Customer Services Division	Bank of Ayudhya PCL
22. Mr. Wirote Chuenratanakul Age 49 years - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Jan 5, 2015)	- Master of Business Administration (Finance), National Institute Development Administration - Bachelor of Business Administration (Finance), Thammasat University	Jan 1, 2017 – Present* Jan 5, 2015 – Present Jan 1, 2016 – Dec 31, 2016* Jan 5 – Dec 31, 2015	Co-Head of Operations Group Executive Vice President Head of Operations Back Office Group Executive Vice President, Head of Operations 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
22. Mr. Wirote Chuenratanakul (Cont') % Shareholding ^{1'} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2017	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Year 2015	<u>Other Companies / Organizations</u> Jul 1, 2014 – Jan 4, 2015 Feb 2009 – Jun 30, 2014	Deputy General Manager Assistant General Manager, Head of Operations Planning and Control	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
23. Mr. Yuzo Nakada Age 48 years - Deputy Chief Financial Officer (Mar 16, 2015) - Head of Corporate Planning Division, Corporate Strategy and Planning Group (Jul 1, 2015) - Executive Vice President (Apr 3, 2015) % Shareholding ^{1'} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Columbia University in the City of New York - Bachelor of Arts in Foreign Studies, Sophia University Tokyo, Japan	Jul 1, 2015 – Present Mar 16, 2015 – Present Apr 3, 2015 – Present Apr 3 – Jun 30, 2015 Mar 9 – Apr 2, 2015 <u>Other Companies / Organizations</u> Sep 2013 – Mar 2015 May 2012 – Sep 2013 Feb 2011 – May 2012 Nov 2009 – Feb 2011	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 Chief Manager, Head of Planning, Krungsri Project Management Office, Global Planning Division Managing Director, Head of CIBA Planning, Investment Banking Division for Americas (New York) Managing Director, Head of Alliance Strategy Office/Planning Division for the Americas (New York) Senior Manager, North America Strategy Office/Global Planning Division (Tokyo)	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA) 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
24. Mr. Hironori Okada Age 50 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. Masashi Nimura Age 51 years - Deputy Head of Global Markets Group (Jan 5, 2015) - Head of Sales and Trading Division (Jan 7, 2015) - Head of Corporate Treasury Division (Jan 7, 2015) - Acting Head of Multinational Corporate and Financial Institution Sales Department (Jan 7, 2015) - Executive Vice President (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Science (Physics), Sophia University	Jan 7, 2015 – Present Jan 7, 2015 – Present Jan 7, 2015 – Present Jan 5, 2015 – Present Jan 5, 2015 – Present <u>Other Companies / Organizations</u> Apr 2011 – Jan 4, 2015 Jan 2007 – Mar 2011	Head of Sales and Trading Division Head of Corporate Treasury Division Acting Head of Multinational Corporate and Financial Institution Sales Department Deputy Head of Global Markets Group Executive Vice President Deputy General Manager, Global Markets Office Chief Manager, Corporate Marketing & Sales Department, Derivatives & Forex Marketing Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
26. Mrs. Porawan Rungsang Age 47 years - Executive Vice President, Office of the President and CEO (Sep 1, 2013) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Business Administration, Chulalongkorn University	Sep 1, 2013 – Present <u>Other Listed Companies</u> 2010 – 2013 <u>Other Companies / Organizations</u> Sep 1, 2013 – Present Sep 1, 2013 – Present Jan 3, 1990 – Present Sep 6, 1989 – Present	Executive Vice President, Office of the President and CEO SVP/FVP Corporate Stratgy Department Director (Authorized Signatory) Managing Director Director (Authorized Signatory) Director (Authorized Signatory)	Bank of Ayudhya PCL Kasikornbank PCL Ayudhya Development Leasing Co., Ltd. R.P.R. Group Co., Ltd. Pattanarussamee 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. Miss Suwanna Jakraworavudh Age 56 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.
28. Mr. Udomkarn Udomsab Age 41 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 - 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	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
		Jul 2009 – Mar 2011	FVP, Head of Wealth Banking Department	TMB Bank 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
29. Mrs. Kittiya Srisanit Age 55 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 training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Oct 1, 2015 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		Oct 1, 2014 – Sep 30, 2015	Executive Vice President, Krungsri Auto Credit and Operations Management, Krungsri Auto Group	
		<u>Other Companies / Organizations</u>		
		Jun 1, 2016 – Present	Managing Director	Ayudhya Capital Auto Lease PCL
		Aug 2015 – Present	Director (Authorized Signatory)	
		Oct 1, 2015 – May 31, 2016	Acting Managing Director	
		Jan 1, 2012 – Sep 30, 2014	Executive Vice President, Credit and Operations Management	
		Jan 1, 2007 – Dec 31, 2011	Senior Vice President, Operations Department	
30. Miss Siriporn Sinacharoen Age 38 years - Executive Vice President, Office of the President and CEO (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), Columbia University, USA - Bachelor of Business Administration in Banking and Finance (1 st Class Honors), Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI), Year 2016	Apr 2014 – Present	Director (Authorized Signatory)	Krungsri Leasing Services Co., Ltd.
		Oct 2009 – Present	Director	Ngern Tid Lor Co., Ltd.
		Jan 1, 2016 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Companies / Organizations</u>		
		Jan 4, 2016 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		Jan 1, 2016 – Present	Managing Director	Allianz Investment Management Singapore Pte. Ltd.
		May 2014 – Dec 2015	Deputy Chief Investment Officer	
		Jan 2008 – May 2014	Head of Fixed-Income Asia	

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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
32. Miss Pisara Pattanasiri (Cont')		<u>Other Companies / Organizations</u> Apr 26, 2016 – Present May 11, 2015 – Present	Director Director	Ayudhya Capital Auto Lease PCL Siam Realty and Services Security Guard Co., Ltd. (Formerly Siam Realty and Services Co., Ltd.)
33. Mr. Kriangsak Jongsukgiparnich Age 47 years - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, Finance Group (Jan 7, 2015) - Acting Head of Operational Controllership Department, Finance Group (Jan 7, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Western Michigan University, USA - Bachelor of Faculty of Commerce and Accountancy (Cost Accounting), Chulalongkorn University	Mar 1, 2016 – Present Jan 7, 2015 – Present Jan 7, 2015 – Present Jan 7, 2015 – Feb 29, 2016 Jul 1, 2013 – Jan 6, 2015 Mar 2011 – Jun 30, 2013 Jul 2007 – Feb 2011	Executive Vice President Head of Accounting Division, Finance Group Acting Head of Operational Controllership Department, Finance Group Senior Vice President Senior Vice President and Manager, Operational Controllership Department, Finance Group Senior Vice President, Operational Controllership Division, Finance Group Vice President, Operational Controllership Division, Finance Group	Bank of Ayudhya PCL
34. Miss Jiraporn Popairoj Age 55 years - Senior Vice President, Head of Financial Governance Risk and Compliance Division, Finance Group (Jan 1, 2016) - Acting Head of Internal Control Department, Finance Group (Jan 1, 2016) - Acting Head of Related Party Transaction and Insourcing/ Outsourcing Department, Finance Group (Jan 1, 2016)	- Master of Science in Accounting, Thammasat University - Master of Law (Taxation Law), Assumption University - BA. in Accounting, Thammasat University - Bachelor of Law, Ramkhamhaeng University - Higher Diploma in Auditing, Thammasat University - Certified Public Accountant (CPA Thailand) - Certificate of training and seminar, Thai Institute of Directors Association (IOD)	Jan 1, 2016 – Present Jan 1, 2016 – Present Jan 1, 2016 – Present Sep 16, 2010 – Dec 31, 2015	Senior Vice President, Head of Financial Governance Risk and Compliance Division, Finance Group Acting Head of Internal Control Department, Finance Group Acting Head of Related Party Transaction and Insourcing/ Outsourcing Department, Finance Group Senior Vice President and Head of Financial Compliance 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
34. Miss Jiraporn Popairoj (Cont') % Shareholding ^{1/} 0.0000% (2,374 shares) Family Relationship with Directors and Executives -None-	• Director Certification Program (DCP), Year 2006 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015	Nov 2008 – Sep 15, 2010 <u>Other Companies / Organizations</u> Jun 19, 2015 – Jun 22, 2016 Aug 24, 2015 – Jun 22, 2016 Jan 15 – Aug 12, 2015 Aug 4, 2014 – Jun 18, 2015 Aug 4, 2014 – Jan 14, 2015	Senior Vice President and Manager, Audit Department Director (Authorized Signatory) Audit Committee Member Acting Chief Financial Officer Director Chairman of the Audit Committee	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd.
35. Mrs. Varabhorn Achakornlak Age 52 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 Mar 2008 – Sep 15, 2010	Senior Vice President, Head of Procurement Department, Finance Group Senior Vice President, Procurement Section, Finance Group	Bank of Ayudhya PCL
36. Miss Pornnapa Patarasatienkul Age 44 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 Oct 2010 – Feb 2012 <u>Other Companies / Organizations</u> Jul 2011 – Apr 28, 2015	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group Vice President, Financial Planning and Analysis Consolidation Department, Finance Group Director	Bank of Ayudhya PCL Siam Realty and Services Security Guard Co., Ltd. (Formerly Siam Realty and Services Co., Ltd.)
37. Mrs. Akanit Mattison Age 43 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 Jun 16, 2012 – Jan 4, 2015 <u>Other Companies / Organizations</u> Apr 2006 – Jun 2012	Senior Vice President, Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group Senior Analyst, Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL GE Capital, UK
38. Mr. Khomson Adunwitthayakorn Age 43 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 Mar – Jun 30, 2013 Sep 2010– Feb 2013	Senior Vice President, Head of Accounting and Control Department, Finance Group Senior Vice President and Manager, Accounting and Control Department, Finance Group Vice President, Accounting and Control Department, Finance Group	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
42. Miss Sukanda Thawilwang Age 41 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	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Jan 5 – Jun 30, 2015	Vice President and Head of Global Markets Financial Planning and Analysis Department, Finance Group	
		Sep 1, 2012 – Jan 4, 2015	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	
		<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
43. Mr. Tetsuya Yoshimura Age 49 years - Senior Vice President, Head of Financial Liaison and Planning Department, Finance Group (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Laws, The University of Tokyo, Japan	Jan 1, 2016 – Present	Senior Vice President, Head of Financial Liaison and Planning Department, Finance Group	Bank of Ayudhya PCL
		Jun 26 – Dec 31, 2015	Senior Vice President, Finance Group	
		Jan 5 – Jun 25, 2015	Consultant for Accounting	
		<u>Other Companies / Organizations</u> Jul 29, 2014 – Jan 4, 2015	Assistant General Manager, Strategic Planning Department (Merger-Accounting)	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
		Nov 9, 2012 – Jul 28, 2014	Chief Manager, Financial Accounting Office	The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)
		Jul – Nov 2012	Senior Manager, Financial Accounting Office	
		Sep 2007 – Jul 2012	Chief Manager, Accounting and Compliance	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Hong Kong Branch

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
44. Miss Wimol Sivarorosakul Age 55 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 Other Companies / Organizations 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
45. Mr. Vatchara Pumnoi Age 49 years - Senior Vice President, Head of Krungsri Auto Controllership Department (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2017	- MBA. (Finance), Kasetsart University - Bachelor of Finance and Accounting (Accounting), Thammasat University	Jan 1, 2017 – Present* Oct 1, 2014 – Dec 31, 2016* Other Companies / Organizations Mar – Sep 30, 2014 Feb 2008 – Feb 2014	Senior Vice President, Head of Krungsri Auto Controllership Department Senior Vice President, Head of Krungsri Auto Finance and Accounting - Controllership 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 41 years - Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section (Jan 1, 2017) - Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance and Accounting), University of Illinois, Chicago, USA - Bachelor of Business Administration (Finance and Banking), Chulalongkorn University	Jan 1, 2017 – Present* Jan 1, 2017 – Present* Jan 1, 2017 – Present* Nov 1, 2015 – Dec 31, 2016*	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
46. Mr. Teerasak Nimnaparaj (Cont') Remark: * Last update information as of January 1, 2017		Jul 1, 2015 – Oct 31, 2015 Oct 1, 2014 – Jun 30, 2015 <u>Other Companies / Organizations</u> Jan 2011 – Sep 30, 2014	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section Vice President and Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Section Vice President, Finance and Accounting	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
47. Miss Soamkulaya Pinkayan Age 38 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- Remark: * Last update information as of January 1, 2017	- MBA. (Finance and Accounting), University of Iowa, USA - Bachelor of Public Administration, Faculty of Political Science, Chulalongkorn University	Jan 1, 2017 – Present* May 1, 2016 – Dec 31, 2016* Mar 1, 2016 – Dec 31, 2016* Mar 1 – Apr 30, 2016 Oct 1, 2014 – Feb 29, 2016 <u>Other Companies / Organizations</u> Jan 2011 – Sep 30, 2014	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department Acting Head of Krungsri Auto Finance and Accounting – OPEX/ Branch Channel Section Senior Vice President, Krungsri Auto Strategic Division Vice President, Head of Krungsri Auto Finance and Accounting - OPEX/ Branch Channel Section Vice President, Finance and Accounting – OPEX/ Branch Channel	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
48. Miss Siriporn Sribooncharoen Age 43 years - Vice President, Head of SME Financial Planning and Analysis Section, Finance Group (Jan 5, 2015)	- MS. (Finance), Chulalongkorn University - BBA. (Finance), Assumption University	Jan 5, 2015 – Present Nov 20, 2012 – Jan 4, 2015	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group Vice President, SME 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
48. Miss Siriporn Sribooncharoen (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies / Organizations</u> Jun 2004 – Nov 2012	Vice President - FP&A Expense Management, Consumer Banking	Citibank N.A., Thailand
49. Mrs. Samanporn Chantanahom Age 55 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. Miss Porntip Sae Lor Age 37 years - Vice President, Head of Profitability 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-	- Master of Applied Finance, University of Melbourne, Australia - Bachelor of Business Administration International Program, Faculty of Commerce and Accountancy, Thammasat University	Jan 1, 2016 – Present Sep 1 – Dec 31, 2015 Jan 5 – Aug 31, 2015 Apr 18, 2013 – Jan 4, 2015 Jun 2012 – Apr 17, 2013	Vice President, Head of Profitability Management Section, Financial Planning and Analysis - Consolidation and Reporting Department, Finance Group Vice President, Financial Planning and Analysis Consolidation Department, Finance Group Vice President, Retail and Consumer Financial Planning and Analysis Department, Finance Group Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group Vice President and Section Manager, Consumer 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
50. Miss Porntip Sae Lor (Cont')		Mar – Jun 2012 <u>Other Companies / Organizations</u> May 2013 – Aug 31, 2015	Vice President, Consumer and Distribution Financial Planning and Analysis Department, Finance Group Finance Leader	Bank of Ayudhya PCL Tesco Card Services Ltd.
51. Mrs. Kamoltip Jittimaporn Age 55 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.
52. Miss Rattaporn Pornprasit Age 41 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.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
53. Miss Benjawan Surachutikarn Age 46 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
54. Mrs. Anantaya Padanupong Age 39 years - Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Commerce in Accounting and Finance Macquarie University, Australia - Bachelor of Science (Accounting) Thammasat University	Jan 5, 2015 – Present Nov 16, 2013 – Jan 4, 2015 <u>Other Companies / Organizations</u> May – Nov 2013 Nov 2004 – Apr 2013	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group Vice President and Section Manager, Distribution Financial Planning and Analysis Department, Finance Group Vice President, Business Finance Business Finance Manager	Bank of Ayudhya PCL United Overseas Bank (Thai) PCL Standard Chartered Bank (Thai) PCL
55. Mr. Takashi Kanai Age 49 years - Vice President, Head of Foreign Financial Reporting Department, Finance Group (Jan 5, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Faculty of Economics, Keio University, Japan	Jan 5, 2015 – Present Jan 2, 2014 – Jan 4, 2015 <u>Other Companies / Organizations</u> Sep 2006 – Dec 2013	Vice President, Head of Foreign Financial Reporting Department, Finance Group Vice President, Finance Group Manager Financial Accounting Office, Corporate Planning Division	Bank of Ayudhya PCL The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
56. Miss Thatsaphin Cholsuwat Age 40 years - Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group (Feb 16, 2014) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Innovation in Management International program), Mahidol University - Bachelor of Science in Statistics (Business Information Technology) Faculty of Commerce and Accountancy, Chulalongkorn University	Feb 16, 2014 – Present <u>Other Companies / Organizations</u> Aug 2010 – Feb 2014	Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group Principle Consultant	Bank of Ayudhya PCL Oracle Corporation (Thailand) Co., Ltd.
57. Miss Sunan Pimsawang Age 45 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 Mar – Dec 2011 Jul 2007 – Feb 2011	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group First Assistant Vice President, BOT Reporting Section, Finance Group First Assistant Vice President, Investor Financial reporting Division Assistant Vice President, Investor Financial reporting Division	Bank of Ayudhya PCL
58. Mr. Montien Jangsutimon Age 35 years - Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group (Mar 1, 2014) % 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, 2014 – Present Mar 2011 – Feb 28, 2014 Sep 2008 – Feb 2011	Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group First Assistant Vice President, Tax and Disbursement Department, Finance Group Assistant Vice President, Tax and Disbursement Department, Finance Group	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
61. Miss Thitiporn Kittipiyakul (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		<u>Other Companies / Organizations</u> Apr 1, 2014 – Jan 4, 2015 2009 – Mar 30, 2014	Accounting Senior Manager Accounting Manager	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch
62. Mr. Vichai Kolsonvoravattanukul Age 37 years - Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group (Mar 1, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accountancy, Chulalongkorn University - Bachelor of Business Administration (Accounting), Assumption University	Mar 1, 2015 – Present Mar 2013 – Feb 28, 2015	Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group First Assistant Vice President and Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
63. Mrs. Suchavalee Srisarakorn Age 48 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 <u>Other Companies / Organizations</u> Dec 1, 2015 – Present Oct 2005 – Nov 30, 2015	Vice President, Finance Group Senior Vice President, Head of Finance & Accounting, Finance & Accounting Department Senior Vice President, Accounting and Finance Department, Support Division	Bank of Ayudhya PCL Ayudhya Development Leasing Co., Ltd. KTB Leasing Co., Ltd.
64. Mr. Suwit Eurpiyachart Age 42 years - Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group (Jul 1, 2016)	- Master of Accountancy (Financial Accounting), Faculty of Commerce and Accountancy, Chulalongkorn University - Bachelor of Accountancy, Faculty of Commerce and Accountancy, Chulalongkorn University	Jul 1, 2016 – Present <u>Other Companies / Organizations</u> Nov 1, 2016 – Present	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group Acting Chief Financial Officer	Bank of Ayudhya PCL Krungsri Asset Management Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
64. Mr. Suwit Eurpiyachart (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Certified Public Accountant (CPA Thailand)	Jan – Jun 2016 Jan 2012 – Dec 2015 Jun 2010 – Dec 2011	Vice President, Emerging Risk and Control Department, Local Regulatory and Balance Sheet Control Head Vice President, Operation & Technology Risk and Control Department, Balance Sheet Control Group, Head and Account Reconciliation Unit Head Assistant Vice President, Operation & Technology Risk and Control Department, Balance Sheet Control Group, Head and Account Reconciliation Unit Head	Citibank N.A., Thailand
65. Mrs. Tatsawan Dumrisomkul Age 44 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- Remark: * Last update information as of January 1, 2017	- Bachelor of Accounting, Bangkok University	Jan 1, 2017 – Present* Oct 1, 2014 – Dec 31, 2016* <u>Other Companies / Organizations</u> Mar 1 – Sep 30, 2014 Jan 1, 2007 – Feb 28, 2014	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllershship Department Vice President, Finance and Accounting Division (Accounting) Assistant Vice President, Finance and Accounting Division (Accounting)	Bank of Ayudhya PCL Ayudhya Capital Auto Lease PCL
66. Miss Thanawan Santananont Age 52 years - Vice President, Head of Krungsri Auto Procurement Section (Jan 1, 2017)	- 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*	Vice President, Head of Krungsri Auto Procurement Section Vice President, Head of Krungsri Auto Finance and Accounting - Sourcing Section, Controllershship 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
66. Miss Thanawan Santananont (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2017		<u>Other Companies / Organizations</u> 2014 – Sep 30, 2014 2008 – 2013	Vice President, Finance and Accounting - Sourcing Assistant Vice President, Finance and Accounting Division – Sourcing	Ayudhya Capital Auto Lease PCL
67. Miss Chanida Kwansanerthechin Age 46 years - Vice President, Head of Krungsri Auto Tax Controllership Section (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last update information as of January 1, 2017	- Master Degree 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 Controllership 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
68. Miss Chavakorn Chavalardpanyakul Age 41 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- Remark: * Last update information as of January 1, 2017	- 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
68. Miss Chavakorn Chavalerdpanyakul (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

Remark: ^{1/} Including spouse and child who has not yet reached adulthood

- **Newly Appointed Executives** after December 31, 2016 in the total of 3 persons 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. Wittapon Jawjit Age 46 years - Head of Human Resources Group (Feb 1, 2017) - Executive Committee Member (Feb 1, 2017) - Secretary to the Nomination and Remuneration Committee (Feb 1, 2017) % Shareholding ^{1/} -None- (as at the appointment date) Family Relationship with Directors and Executives -None-	- Master of Engineering Chulalongkorn University - Bachelor of Engineering Chulalongkorn University - Training Course “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 Course “Managing People from a Global Perspective”, Thunderbird School of Global Management, Year 2017 - Certificate of Achievement “M&A Professional Certificate Part 1 – Concepts and Theories: An Introduction”, New York Institute of Finance, USA, Year 2016 - Honor Code Certificate of “FINANCEx: Personal Finance”, Purdue University, Year 2016 - Certificate of Achievement “FC201.1x: Introduction to Banking & Financial Markets - I”, Indian Institute of Management Bangalore, India, Year 2016 - Certificate of Achievement “FC201.2x: Banking & Financial Markets: A Risk Management Perspective”, Indian Institute of Management Bangalore, India, Year 2016	Feb 1, 2017 – Present	Head of Human Resources Group	Bank of Ayudhya PCL
		Feb 1, 2017 – Present	Executive Committee Member	
		Feb 1, 2017 – Present	Secretary to the Nomination and Remuneration Committee	
		<u>Other Listed Companies</u>		
		2014 – 2016	First Executive Vice President	Kiatnakin Phatra Financial Group
		2014 – 2016	Head of Human Resource Management Group	
		<u>Other Companies / Organizations</u>		
		2010 – Present	Director	Human Resource Capability Development Institute, Federal of Thai Industries
		2015 – 2016	Director	Kiatnakin Bank Foundation
		2011 – 2013	Chairman	Marsh McLennan Company Group (Thailand)
		2006 – 2013	Managing Director	Mercer (Thailand) Ltd.
		2010 – 2013	Co-Managing Director	Mercer (Philippines) Pte.



Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Wittapon Jawjit (Cont')	- Certificate of Achievement “FMAx: Financial Markets Analysis”, the International Monetary Fund through edX., Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2014			
2. Mr. Somwang Toraktrakul Age 48 years - Executive Vice President, Office of the President and CEO (Jan 1, 2017) % Shareholding ^{1/} -None- (as at the appointment date) 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.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
3. Miss Sujinda Ninatkiattikul Age 39 years - Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department (Jan 1, 2017) % Shareholding ^{1/} -None- (as at the appointment date) Family Relationship with Directors and Executives -None- Remark: * Adjustment is made to the Thai name while English name remains unchanged	- 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 child who has not yet reached adulthood

• 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 47 years - Senior Vice President and Corporate Secretary (Jul 1, 2010) - Secretary to the Board of Directors (Nov 2007) - Secretary to the Executive Committee (Nov 2007) - Ombudsperson (Nov 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 - 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 Nov 2007 – Present Nov 2008 – Present	Senior Vice President and Corporate Secretary Secretary to the Board of Directors Secretary to the Executive Committee Ombudsperson	Bank of Ayudhya PCL

Remark: ^{1/} Including spouse and child who has not yet reached adulthood

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, Joint Ventures and Related Companies

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39
1. Mr. Veraphan Teepsuwan	A1																					A1	A1	A2						
2. Mr. Takayoshi Futae	A2																								C					
3. Mr. Takeshi Ogasawara	A3																								D					
4. Mr. Hirotake Taguchi	A3																								C					
5. Miss Nopporn Tirawattanagool	A3																					A3	A3			A3				
6. Mr. Karun Kittisataporn	A4																													
7. Miss Potjanee Thanavaranit	A4																													
8. Mr. Virat Phairatphiboon	A4																													
9. Mr. Phong-adul Kristnaraj	A4																													
10. Mr. Noriaki Goto	A3 B																													
11. Mr. Pornsanong Tuchinda	A3 C																													
12. Miss Duangdao Wongpanitkrit	A3 C	A3	A3	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. Wanna Thamsirisup	C										A3			A3	A3															
16. Mrs. Voranuch Dejakaisaya	C							A3			A3				A3															
17. Miss Phawana Niemloy	C																													
18. Miss Puntipa Hannoraseth	C																													

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39	
19. Mr. Chandrashekar Subramanian Krishoolndmangalam	C	A3	A1	A3	A3	A3			A3																						
20. Mr. Rohit Khanna	C	A3												A1																	
21. Mr. Tak Bunnag	C																														
22. Mr. Sayam Prasitsirigul	C			A1	A1							A3																			
23. Mr. Phonganant Thanattrai	C								A3		A3																				
24. Mr. Pairote Cheunkrut	C					A1						A3																			
25. Mr. Thakorn Piyapan	C						A1	A1		A1					A1				A3												
26. Mr. Nuttawit Boonyawat	C D																						A3				A3				
27. Mr. Masashi Onodera	C																														
28. Mr. Kazuhiro Sudo	C					A3	A3				A3																				
29. Mr. Tsutomu Kamagata	C					A3	A3	A3	A3	A3		A3			A3																
30. Mr. Kenji Fukaya	C																														
31. Mr. Suratun Kongton	C																												A3		
32. Mr. Dharittee Kritsernvong	C																														
33. Mrs. Katchariya Chongpaisansakul	C																														
34. Mr. Wirote Chuenratanakul	C																														
35. Mr. Yuzo Nakada	C																														

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39	
36. Mr. Hironori Okada	C		A3																												
37. Mr. Masashi Nimura	C																														
38. Mrs. Porawan Rungsang	C				A3 B																									A3	
39. Miss Suwanna Jakraworavudh	C							C																							
40. Mr. Udomkarn Udomsab	C										A3 B																				
41. Mrs. Kittiya Srisanit	C				A3 B			A3				A3																			
42. Miss Siriporn Sinacharoen	C											A3 B																			
43. Mr. Congsin Congcar	C																														
44. Miss Pisara Pattanasiri	C					A3								A3																	
45. Mr. Kriangsak Jongsukgiparnich	C																														
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. Miss Somjai Pattanakitpairoj	C																														
53. Mrs. Orawan Julapol	C																														

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39	
54. Miss Sukanda Thawilwang	C																														
55. Mr. Tetsuya Yoshimura	C																														
56. Miss Wimol Sivarorosakul	C																														
57. Mr. Vatchara Pumnoi	C																														
58. Mr. Teerasak Nimnaparaj	C																														
59. Miss Soamkulaya Pinkayan	C																														
60. Miss Siriporn Sribooncharoen	C																														
61. Mrs. Samanporn Chantanahom	C																														
62. Miss Porntip Sae Lor	C																														
63. Mrs. Kamoltip Jittimaporn	C																														
64. Miss Rattaporn Pornprasit	C																														
65. Miss Benjawan Surachutikarn	C																														
66. Mrs. Anantaya Padanupong	C																														
67. Mr. Takashi Kanai	C																														
68. Miss Thatsaphin Cholsuwat	C																														
69. Miss Sunan Pimsawang	C																														
70. Mr. Montien Jangsutimon	C																														
71. Miss Porntip Undamrongkarn	C																														
72. Miss Darunee Laiphukham	C																														
73. Miss Thitiporn Kittipiyakul	C																														

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39	
74. Mr. Vichai Kolsonvoravattanakul	C																														
75. Mrs. Suchavalee Srisarakorn	C				C																										
76. Mr. Suwit Eurpiyachart	C											C																			
77. Mrs. Tatsawan Dumrisomkul	C																														
78. Miss Thanawan Santananont	C																														
79. Miss Chanida Kwansanerthechin	C																														
80. Miss Chavakorn Chavalerdpanyakul	C																														

Newly Appointed Executives as defined by the Capital Market Supervisory Board and Krungsri after December 31, 2016

List of Companies List of Name	Krungsri	Subsidiaries																	Joint Ventures			Related Companies								
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	1	2	3	1	2	3	4	5-29	30-31	32-36	37	38-39
1. Mr. Wittapon Jawjit	C																													
2. Mr. Somwang Toraktrakul	C									A3 B																	A3			
3. Miss Sujinda Ninatkiattikul	C																													

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 Securities PCL
 11. Krungsri Asset Management Co., Ltd.
 12. Krungsri Leasing Services Co., Ltd.
 13. Siam Realty and Services Security Co., Ltd.
 14. Total Services Solutions PCL
 15. Krungsri Life Assurance Broker Ltd.
 16. Krungsri General Insurance Broker Ltd.
 17. Ayudhya Card Services Co., Ltd.*
- * Under the liquidation process for dissolution

Joint Ventures

1. Tesco Card Services Ltd.
2. Tesco Life Assurance Broker Ltd.
3. 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. Grand Canal Land PCL
6. Srivichaivejvivat PCL
7. CKS Holdings Co., Ltd.
8. Super Assets Co., Ltd.
9. C.K.R Co., Ltd.
10. The Bangkok Lighters Co., Ltd.
11. The Thai Tapioca Flour Produce Co., Ltd.
12. Cyber Venture Co., Ltd.
13. Khao Kheow Country Club Co., Ltd.
14. Siam Puri Engineering Co., Ltd.
15. Siam Purimongkol Co., Ltd.
16. Belle Development Co., Ltd.
17. Grand Fortune Co., Ltd.
18. Bangkok Broadcasting & T.V. Co., Ltd.
19. BBTv Satelvision Co., Ltd.
20. GL Asset Co., Ltd.
21. Mahakij Holdings Co., Ltd.
22. BBTv Production Co., Ltd.
23. BBTv Alliance Ltd.
24. BBTv Bond Street Building Ltd.
25. ITBC Business Consultant Group Co., Ltd.
26. Exclusive Senior Care International Co., Ltd.
27. BBTv International Holdings Co., Ltd.
28. Sunrise Equity Co., Ltd.
29. BBTv Equity Co., Ltd.
30. Dan Siam Co., Ltd.
31. Sam Siam Co., Ltd.
32. Matching Maximize Solution PCL
33. Home Sukhumvit Co., Ltd.
34. TV Digital HR Co., Ltd.
35. Grand Larn Luang Co., Ltd.
36. K.S. Fortune Co., Ltd.
37. Tum Tum Pai Co., Ltd.
38. R.P.R. Group Co., Ltd.
39. Pattanarussamee Co., Ltd.



Bank of Ayudhya Public Company Limited

Attachment 2

Details of Subsidiaries' Directors

Details of Subsidiaries' Directors

Krungsri has 17 subsidiaries. 17 companies do not have a significant implication because their revenues are not more than 10% of the total revenue shown in the consolidated Profit & Loss Statement of the latest fiscal year as stipulated by the Capital Market Supervisory Board. Therefore, no list of directors of those companies shall be disclosed.



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, Head of 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:

- Apr 2013 – Present First Executive Vice President Bank of Ayudhya PCL
- Sep 2010 – Present, Secretary to the Audit Committee
and Jan – Sep 2009
- Apr 2009 – Present 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

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 at 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 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

- Complete established tasks per the Compliance Annual Plan by means of preventive and monitoring measures to ensure compliance within the realm of regulatory and internal compliance requirements.
- Assume the role of 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 2016, 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. 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 and practices. 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.

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, 2016 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, internal control adequacy assessment result, and summary of fraud investigation reports to ensure that root causes were determined, rectification actions and preventive measures were appropriately undertaken. The Bank has established the Internal Control over Financial Reporting (ICFR) process in order to ensure that internal controls and financial reporting preparation process were designed and implemented effectively. Evaluation results of effectiveness of the design and operation are regularly reported by the Audit Group. In addition, the Audit Committee reviewed and monitored the Bank's and subsidiaries' findings identified by the regulatory authorities as well as the external auditor in order to consider the adequacy, appropriateness and effectiveness of the internal control system of the Bank and its group companies.

For internal audit activities, the Audit committee considered the independence and adequacy of internal audit resources, acknowledged the quality assurance review of internal audit function reported by the internal audit of Bank of Tokyo-Mitsubishi UFJ, Limited, considered and endorsed the revision of the Charter and the Audit Policy of the Audit Group to ensure currency and appropriateness 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 reports submitted by the Credit Review Department in relation to 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 and corrective actions taken 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 merit increase of the Head of Audit Group was considered.

Related party transactions or transactions that may create conflicts of interest

The Audit Committee considered related party transactions or transactions that may create conflicts of interest to ensure that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits, before submission to the Board of Directors.

The Audit Committee is of the opinion that such transactions as reported by relevant units are rational and represent normal business undertakings.

Good governance

The Audit Committee received complaint and acknowledged the result of complaint resolution from the responsible department.

The Audit Committee is of the opinion that complaint resolution management has been appropriately and transparently conducted.

Risk management

The Audit Committee considered minutes of the Risk and Compliance Committee and minutes of the Risk Management Committee meetings regarding control, supervision, assessment, monitoring and management of the overall risks of the Bank.

The Audit Committee is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

Compliance with regulatory requirements

The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business as well as the Bank's policies and procedures by considering results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Audit Group, the Bank of Thailand, and external auditor on a regular basis.

The Audit Committee is of the opinion that the Bank and its group companies have supervised and examined operations of its business units to ascertain that every business unit operates properly and is in compliance with relevant requirements and regulations.

External auditor

The Audit Committee considered, selected and nominated the external auditor of the Bank and its group companies by taking into consideration the qualifications specified by the Bank of

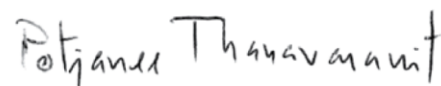
Thailand, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, whereby such auditor does not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and does not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered appropriateness of audit fee.

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the independent auditors of the Bank and its group companies for 2016, 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 performed its duties as specified in its Charter. Its performance adhered to prudence, independence, and transparency to the ultimate benefit of the Bank. It has not encountered any difficulty in obtaining information, resources or cooperation from the Bank. In addition, the Audit Committee has assessed its performance in 2016 in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors.



(Ms. Potjanee Thanavarani)

Chairman of the Audit Committee