



krungsri
กรุงศรี

A member of  MUFG
a global financial group

ANNUAL REPORT 2018

WELCOME | กรุณา

auto banking

atm-adm
passbook
update

atm-adm
passbook
update

LEAD BY
DIGITAL INNOVATION
ENHANCE
CUSTOMER CENTRICITY



LEAD BY DIGITAL INNOVATION
ENHANCE CUSTOMER CENTRICITY



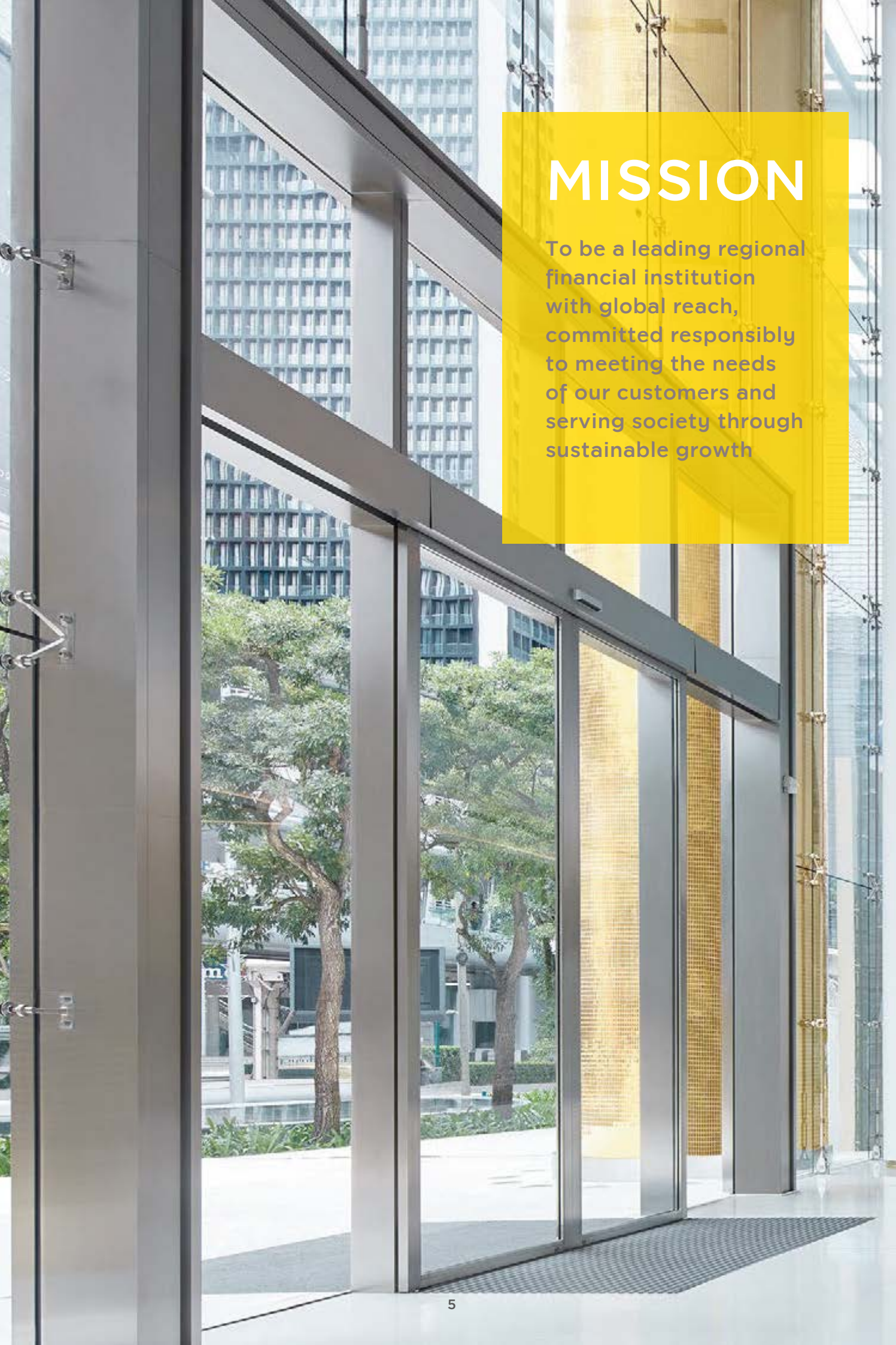


LEAD BY DIGITAL INNOVATION **ENHANCE CUSTOMER CENTRICITY**

Empowered through creative endeavors and strong visions toward a superb customer experience, Krungsri strives to enhance and create superior digital innovations in response to all customer lifestyles and needs.







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.

Making Innovative Changes

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

Global Awareness

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

CONTENTS



5

Mission, Vision,
and Core Values

10

Board of
Directors' Report

12

Message from
the President and
Chief Executive
Officer

14

Board of Directors

16

Senior Management

18

Senior Management:
Subsidiaries

20

Organization
Structure

21

About Our
Corporate
Governance

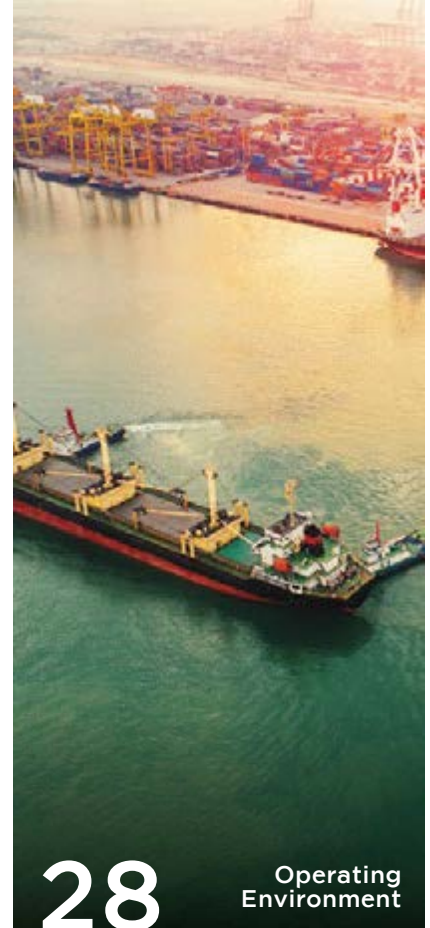
22

Financial
Highlights



24

Awards and
Recognition



28

Operating
Environment

34

Competitive
Capability

84

Risk Factors
and Risk
Management

98

Corporate
Governance



128

Corporate
Governance for
Subsidiaries and
Joint Ventures



129

Policies and
Measures
Related to the
Use of Insider
Information

130

Internal Control
and Internal Audit



134

Management
Structure

200

Corporate Social
Responsibility



214

Financial
Reporting
and Financial
Statements

331

General
Information

332

The Bank's
Securities

337

Distribution
Network

338

Group of
Companies

340

Summary of
Specified Items
Per Form 56-2

BOARD OF DIRECTORS' REPORT



Commencing in 2018, Bank of Ayudhya was proud to assume the responsibilities under its mandate as a Domestic Systemically Important Bank (D-SIB), as specified by the Bank of Thailand. As one of the five domestic banks to attain this status, we are recognized as one of the most secure financial institution groups of Thailand. This achievement undoubtedly stems from our unwavering dedication over the years, as well as our full commitment to prudent business conduct. Now, with the second Medium-Term Business Plan, which outlines our business direction from 2018 to 2020, we are witnessing an unprecedented pace of change encompassing customer digital adoption and disruptive technological innovation.

Proud to achieve such honorable recognition, the Board of Directors would like to credit Krungsri's management and employees, whose dedication and perseverance have shaped the Bank's sustained and progressive accomplishment. With this collective effort, Krungsri's robust strength has been made manifest to all.

As we move forward, key strategic thrusts include digital innovation enhancement, customer experience excellence, and business platform enrichment. We intend to fully leverage the opportunities presented by digital innovation through the establishment of a new business paradigm, and cultivation of rich ecosystems and platforms, in our endeavor to 'Make Life Simple' for our retail and commercial customers.

Under Krungsri's partnership model, technological collaborations have resulted in enhancements of internal processes and operations, as well as product and service provision. Across our banking operations, robotics, artificial intelligence (AI) and other technologies are not only reimagining businesses and improving operations, but also helping us provide greater value for our customers.

Significant achievements in 2018 included the commercialization of Krungsri Blockchain Interledger in support of cashless payment chains and cross-border payment for commercial transactions, as well as the integration of artificial intelligence (AI) supportive of digital channels and touchpoint enrichment.

While we move forward in digitizing the customer journey, another critical part of the equation – the human touch – is also being prudently balanced. This can be seen in the design and launch of smart branches complementing our seamless omni-channel enterprise, which are equipped with automatic machines for customer convenience and speedy self-service transactions, together with full-time financial advisors for the best personal assistance and tailoring of more complex financial solutions.

In 2019, we will move into the second year under our Medium-Term Business Plan. Considering both external and domestic developments, and having assessed our current position and competitive strengths as well as stakeholder interests, the key strategic thrusts and directions under the Medium-Term Business Plan remain intact, while business execution plans and targets for 2019 have been updated and approved by the Board of Directors.

We will swiftly and effectively combine our digital and human capital to deliver the best financial solutions. At the same time, we will further develop our organization's agility. Krungsri will not only be agile enough to anticipate and respond to changes, but also innovative enough to create and deliver new customer value, and competent enough to take advantage of the possibilities presented by digital technologies, as well as the opportunities presented to Thailand and ASEAN at the macro level. Furthermore, our unique business structure ensures global enterprise connectivity in parity with the world's top financial groups.

We also aim to continue thriving with environmental, social, and governance excellence, while acting with the spirit and responsibility of a D-SIB.

Importantly, 2019 will be a historic year for Thailand as the entire Kingdom celebrates the auspicious royal coronation of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun. Krungsri's Board of Directors joins all of His Majesty the King's loyal subjects in wishing His Majesty a long life and long, prosperous reign.

Veraphan Teepsuwan
Chairman

Atsushi Murakami
Vice-Chairman

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



Krungsri Group attained new heights of success in 2018, in terms of both financial and non-financial achievements. Guided by our strategic 2018-2020 Medium-Term Business Plan, we also made satisfactory progress toward our organization's aspiration of being a 'Top-Tier Financial Group in Thailand'.

Krungsri delivered robust business performance even as the overall banking industry dealt with a challenging operating environment due to 2018's various developments, including anticipation of a monetary policy tightening cycle, digital disruption and digital fee waivers, and new consumer finance regulations. We achieved the highest loan and deposit growth for 2018 at 10.4 percent and 8.1 percent, respectively, outperforming the D-SIB peers. We also recorded net profit of 24,813 million baht, with return on equity (ROE) at 10.61 percent, second-highest among leading banks. Meanwhile, our asset quality remained strong with an NPL ratio at 2.08 percent, the lowest among the D-SIB peers.

Those solid earnings contributed to Krungsri's agility in adjusting our loan portfolio toward high-yield segments, thus resulting in steady growth of both net interest income and non-interest income, in contrast to the industry trend of declining non-interest income as a result of digital fee waivers.

In addition to our achievements on the financial front, major advancements were seen in both financial technology strategies and initiatives, and customer-centric innovations. Progress in digital capabilities fulfilling our promise to 'Make Life Simple' for all customer segments included robotic process automation (RPA), enhancement of multi- and omni-channels with digital technology, upgraded advisory capabilities through branch redesign and renovation, successful commercialization of our blockchain technology, and finally commercial banking transformation.

As one of our key differentiators is our status as a strategic subsidiary of Mitsubishi UFJ Financial Group (MUFG), numerous synergies have been accomplished from our collaboration with MUFG, allowing us to offer clients unique financial solutions and capture new business opportunities; such efforts include automobile industry supply chain financing, a record number of 448 business matches, regional cash pooling and structured trade finance projects, offerings of MUFG global investment products to retail customers, and the launch of a co-branded credit card with our Thai and Japanese clients.

Of equal importance, in 2018 our commitment to sustainable banking excellence, as reflected in our responsible practices, was recognized through a total of 12 industry awards in environmental, social, and governance categories, both domestically and internationally.

Looking ahead, 2019 presents us with many new possibilities, as Krungsri aims for robust, sustainable growth. We will continue to develop our product and service offerings, and value propositions, to further build customer relationships and engagement. We will be market shapers, acting quickly to leverage digital technologies and advanced analytics capabilities to finalize essential governance measures and take 'sandbox' projects live. We will further enhance our agile, customer-centric organization frameworks to not only best suit customer requirements but also provide an exceptional, tailored customer experience at every touchpoint throughout Krungsri omni-channel. At the same time, we will continue to tap into MUFG's global strengths, network, and immense financial portfolio.

Finally, I thank our valued customers, shareholders, employees, and all stakeholders for your continued support. On behalf of Krungsri's management, we are committed to the pursuit of best practices in governance, and to ethical, efficient and effective business conduct in line with our responsibility of being a member of D-SIBs as well as our aspiration of being a 'Top-Tier Financial Group in Thailand' with a global perspective.

Noriaki Goto
President and Chief Executive Officer

BOARD OF DIRECTORS



Mr. Veraphan Teepsuwan
Chairman



Mr. Atsushi Murakami
Vice-Chairman
Nomination and Remuneration Committee Member



Mr. Karun Kittisataporn
Independent Director
Chairman of the Nomination and Remuneration Committee



Miss Potjanee Thanavarant
Independent Director
Chairman of the Audit Committee



Miss Junko Kawano
Director



Dr. Jamlong Atikul
Independent Director
Audit Committee Member
Nomination and Remuneration Committee Member



Mr. Noriaki Goto
Executive Director
Chairman of the Executive Committee



Mr. Virat Phairatphiboon
Independent Director
Audit Committee Member
Chairman of the Risk and Compliance Committee



Miss Nopporn Tirawattanagool
Director
Nomination and Remuneration Committee Member
Risk and Compliance Committee Member



Mr. Pornsanong Tuchinda
Executive Director
Executive Committee Member



Mr. Toru Matsuda
Director
Risk and Compliance Committee Member



Miss Duangdao Wongpanitkrit
Executive Director
Executive Committee Member

SENIOR MANAGEMENT



Mr. Noriaki Goto
President and Chief Executive Officer



Mr. Pornsanong Tuchinda
Head of Commercial Banking



Miss Phawana Niemloy
General Counsel



Miss Duangdao Wongpanitkrit
Chief Financial Officer



Mr. Rohit Khanna
Head of Corporate Strategy and Planning Group



Mrs. Voranuch Dejakaisaya
Chief Information and Operations Officer



Mr. Chandrashekar Subramanian Krishoolndmangalam
Chief Risk Officer



Miss Puntipa Hannoraseth
Head of Internal Audit Group



Mr. Yuzo Nakada
Head of JPC/MNC Banking



Mr. Sudargo Harsono
Head of Retail and Consumer Banking



Mr. Tak Bunnag
Head of Global Markets Group



Mr. Phongsanant Thanattrai
Head of Retail Banking and Distribution Group



Mr. Sayam Prasitsirigul
Head of SME Banking Group



Mr. Pairote Cheunkrut
Head of Krungsri Auto Group



Mr. Wittapon Jawjit
Head of Human Resources Group



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

SENIOR MANAGEMENT: SUBSIDIARIES



Mrs. Kittiya Srisanit
Managing Director
Ayudhya Capital Auto Lease PCL



Miss Nayanee Peaugkham
Managing Director
Ayudhya Capital Services Co., Ltd.



Mr. Piyasak Ukritnukun
Managing Director
Ngern Tid Lor Co., Ltd.



Mr. Okart Supamornpun
Managing Director
Ayudhya Development Leasing Co., Ltd.



Mr. Atis Ruchirawat
Managing Director
General Card Services Ltd.



Mr. Nick Smart
Chief Executive Officer
Tesco Card Services Ltd.
Tesco Life Assurance Broker Ltd.
Tesco General Insurance Broker Ltd.



Mr. Hout leng Tong
President & CEO
Hattha Kaksekar Limited



Miss Siriporn Sinacharoen
Managing Director
Krungsri Asset Management Co., Ltd



Mr. Udomkarn Udomsab
Managing Director
Krungsri Securities PCL



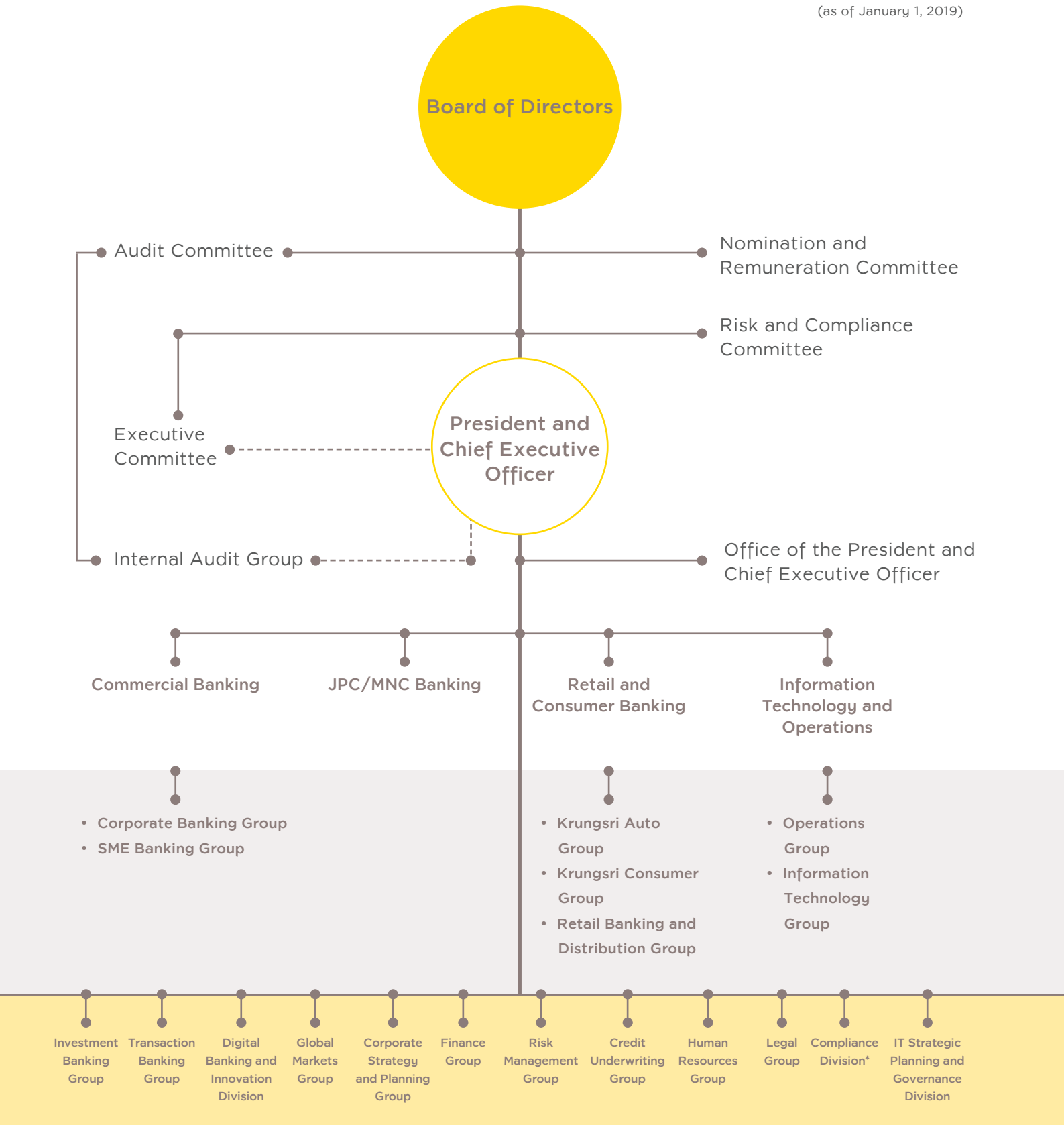
Mr. Somwang Toraktrakul
Managing Director
Krungsriayudhya Card Co., Ltd.



Mr. Sam Tanskul
Managing Director
Krungsri Finnivate Co., Ltd.

ORGANIZATION STRUCTURE

(as of January 1, 2019)



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

ABOUT OUR CORPORATE GOVERNANCE

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

With this in mind, the Board of Directors established **'Good Corporate Governance Principles' (the Principles)**, a document which covers shareholders' rights and their equitable treatment, information disclosure and transparency, composition and qualifications of the Board of Directors, roles and responsibilities of the Chairman, the Board of Directors and the committees reporting to the Board of Directors as well as those of the President and Chief Executive Officer and executives, internal control and internal audit systems, and Krungsri Group's business philosophy and roles with regard to the stakeholders. The Principles also address Krungsri's Mission, Vision and Core Values, Employees' Code of Conduct and compliance. In addition, the Principles must be reviewed on an annual basis, or without delay in case of any significant change. This is to ensure the appropriateness of the Principles in changing circumstances, and their alignment with relevant regulations, Krungsri's organizational structure, and the environmental situation of corporate governance of Krungsri Group. Krungsri continuously disseminates and promotes the Principles through various approaches, e.g. Krungsri's website under the topic of corporate governance, and various activities to promote comprehensive understanding amongst employees, including the training courses via Krungsri Learning Companion (KLC), while also communicating the Principles to its subsidiaries as a fundamental guideline for the adoption or creation of their own good corporate governance principles in accordance with the nature of their business.

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

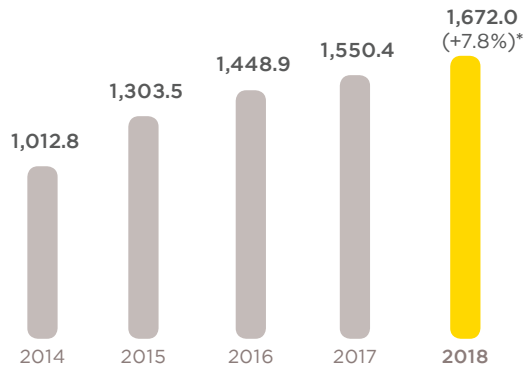
In 2018, the Board of Directors reviewed the Principles and resolved that the existing ones are still appropriate and applicable for the current situation, and are in compliance with good corporate governance criteria and guidelines stipulated by related regulatory bodies, except for the revision of mandatory retirement age of directors and improvement of Krungsri Core Values, item 5, from 'Embracing Changes' to 'Making Innovative Changes'. Furthermore, the Board of Directors has conducted a thorough assessment of Krungsri's operations toward good corporate governance criteria and guidelines, and found that most of them have already been applied. However, the Board of Directors has scrutinized the data and found some sensitive issues that are highly complex, whereby implementation should be slowed and further study of potential impacts should be conducted. Nonetheless, other preventive and control measures against those issues are already in place so as to ensure good corporate governance.

FINANCIAL HIGHLIGHTS

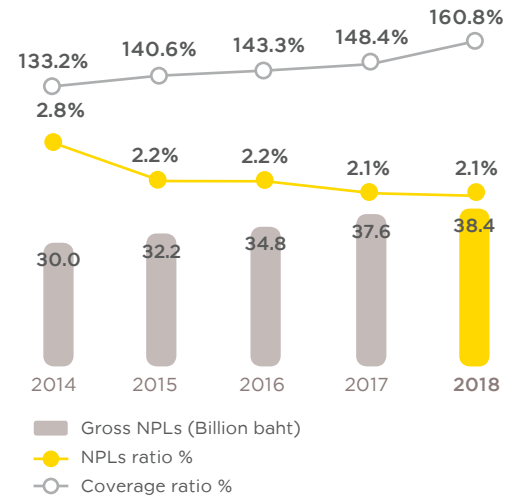
(Consolidated)

Loans

(Billion baht)

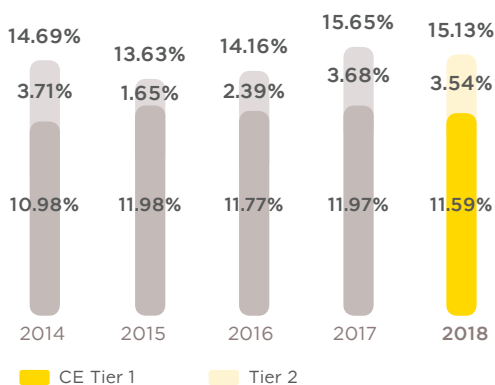


NPL Ratio



Capital Adequacy Ratio ^{1/}

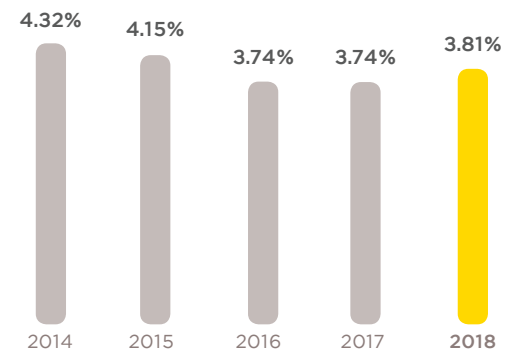
(Percent)



^{1/} Bank only

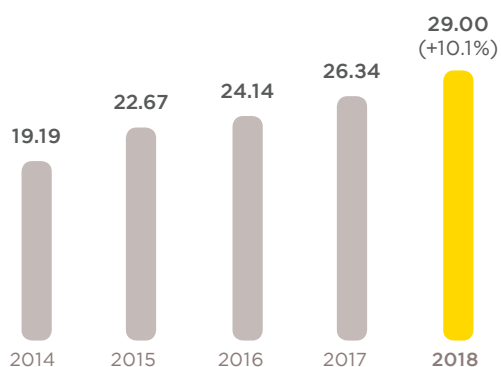
Net Interest Margin (NIM)

(Percent)



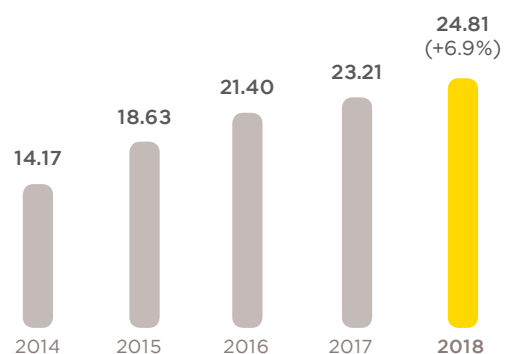
Fees and Service Income

(Billion baht)



Net Profit ^{2/}

(Billion baht)



^{2/} Attributable to equity holders of the Bank

Remark: *Excluding the 39.7 billion baht Ngern Tid Lor Company Limited (NTL) loan reclassification impact, loan growth would have been 10.4 percent.

Consolidated Financial Statements

	2018	2017	2016	2015	2014
Financial position information (Million baht)					
Total assets	2,173,622	2,088,772	1,883,188	1,705,517	1,211,362
Loans to customers ^{1/}	1,672,018	1,550,404	1,448,882	1,303,454	1,012,761
Allowance for doubtful accounts	61,360	55,476	49,462	44,944	39,776
Net NPLs	16,455	16,243	15,653	14,919	14,818
Gross NPLs	38,446	37,622	34,834	32,239	29,988
Total liabilities	1,929,904	1,862,785	1,674,420	1,514,769	1,079,692
Deposits	1,426,348	1,319,229	1,108,288	1,046,290	837,556
Total shareholders' equity	243,718	225,987	208,768	190,748	131,670
Operating performance (Million baht)					
Interest income	107,132	94,998	85,925	81,947	74,609
Interest expense	31,804	26,463	23,948	25,596	26,665
Interest income, net	75,328	68,535	61,977	56,350	47,943
Fees and service income, net	21,248	19,675	18,175	17,230	14,770
Non-interest and non-fee income	13,003	12,270	11,335	9,193	8,046
Other operating expenses	51,741	48,210	43,080	38,947	34,300
Impairment loss of loans and debt securities	26,180	22,970	21,315	20,186	18,107
Net profit ^{2/}	24,813	23,209	21,404	18,634	14,170
Financial ratios					
Return on average assets (%)	1.16	1.17	1.19	1.28	1.19
Return on average equity (%)	10.61	10.71	10.74	11.59	11.22
Net profit per share (Baht)	3.37	3.16	2.91	2.54	2.33
Cost to income ratio (%)	47.22	47.98	47.09	47.05	48.47
Capital adequacy ratio ^{3/} (%)	15.13	15.65	14.16	13.63	14.69
Common Equity Tier 1 ratio ^{3/} (%)	11.59	11.97	11.77	11.98	10.98
Book value per share (Baht)	33.13	30.72	28.38	25.93	21.68
Loan to deposit ratio (%)	117.22	117.52	130.73	124.58	120.92
Loan to deposit plus debenture and bills of exchange ratio (%)	108.93	109.53	116.90	114.38	106.10
Net NPLs / loan ^{4/} (%)	0.90	0.90	1.00	1.05	1.40
Gross NPLs / loan ^{5/} (%)	2.08	2.05	2.21	2.24	2.79
Coverage ratio (%)	160.76	148.43	143.25	140.55	133.24

^{1/} Loans to customers less deferred revenue

^{2/} Attributable to equity holders of the Bank

^{3/} Bank only

^{4/} Represents percentage of net NPLs divided by loans including money market loans less NPLs reserves

^{5/} Represents percentage of gross NPLs divided by loans including money market loans

AWARDS AND RECOGNITION IN 2018

Krungsri strives to deliver great customer experience by constantly developing our insights on customer demands and their ever-changing behaviors in order to offer them with enhanced products and services while ensuring a seamless connection of all customer touchpoints. In 2018, our efforts are acknowledged by several awards and recognition from prestigious organizations. These are symbols of acceptance and concrete accolades that encourage us to tirelessly continue our journey.

BANK OF AYUDHYA

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

Corporate Governance Asia



- Asia's Icon on Corporate Governance (5th consecutive year)
- Asian Corporate Director Recognition for Mr. Noriaki Goto (5th consecutive year)
- Asia's Best CEO (Investor Relations) for Mr. Noriaki Goto (4th consecutive year)
- Asia's Best CFO (Investor Relations) for Ms. Duangdao Wongpanitkrit (4th consecutive year)
- Best Investor Relations Company (Thailand) (5th consecutive year)

GC Powerlist

- GC Powerlist Southeast Asia Teams 2018



Thaipat Institute

- Certificate of ESG100 Company (3rd consecutive year)

Asiamoney

- Best Bank for Corporate Social Responsibility in Thailand (2nd consecutive year)

The Asset

- The Asset Corporate Award – Platinum 2018 (3rd consecutive year)



The Stock Exchange of Thailand (SET)

- Enlisted on Thailand Sustainability Investment (THSI) (3rd consecutive year)

The Securities and Exchange Commission, Thailand (SEC), the Thai Listed Companies Association, CSR Club, and the Thaipat Institute

- Sustainability Report Award (Excellence)

American Chamber of Commerce in Thailand (AMCHAM)

- CSR Excellence Recognition (Gold level) (6th consecutive year)

DIGITAL & INNOVATION

IDC Financial Insights

- Asia's Best Mobile Banking Experience

Retail Banker International

- Highly Commended: Excellence in Mobile Banking – Customisation

The Asset

- Most Innovative Emerging Digital Technologies Project

The Asian Banker

- The Best Corporate Payment Initiative, Application or Programme



Asian Banking & Finance (ABF)

- Corporate Client Initiative of the Year – Thailand
- Thailand Domestic Technology and Operations Bank of the Year (4th consecutive year)

Thailand Management Associations (TMA)

- Distinguished: Thailand ICT Excellence Award 2018 (core process improvement project) for "Krungsri Digital Lending Platform"

COMMERCIAL BANKING

Asiamoney

- Best Bank for SMEs in Thailand

RETAIL BANKING

Asian Banking & Finance (ABF)

- Mortgage and Home Loan Product of the Year – Thailand (3rd consecutive year)



The Digital Banker

- Mortgage Product of the Year
- Outstanding IT Transformation
- Outstanding Customer Service Transformation

Euromoney

- Best Bank for Net-Worth-Specific Services, Super Affluent Clients in Thailand 2018



Retail Banker International

- Best Mortgage Offering 2018 (2nd consecutive year)

The Asian Banker

- The Best Productivity, Efficiency and Automation Initiative, Application or Programme

IDC Financial Insights

- Digital Transformation Award for Information Visionary

PEOPLE

Employer Branding Institute

- Best Employer Brand
- Dream Company to Work for

Gallup

- Gallup Great Workplace Awards Winner 2018

World HRD Congress

- CHRO of the Year for Mr. Wittapon Jawjit
- Dream Employer of the Year
- Best Employer Brand
- Best Education Management Programs – Banking Sector
- Excellence in Training & Development Award – An Overall Award for Best Results Based Training



OPERATIONS

- STP Excellence Award in USD Payment from HSBC, New York
- STP Award for Outstanding Payment Formatting and Straight Through Processing Rate from The Bank of New York Mellon

MARKETING & BRANDING

Thoth Social

- Best Brand Performance (Finalist) in banking category (2nd consecutive year)

Money & Banking

- Best Design Excellence Award

KRUNGSRI AUTO

Superbrands Thailand Council

- Superbrands Thailand (7th consecutive year)



BrandAge

- Thailand's Most Admired Brand 2018 (6th consecutive year)

Grand Prix International

- Best Car Finance of the Year 2018 (5th consecutive year)

Asian Banking & Finance (ABF)

- Automobile Lending Initiative of the Year – Thailand for 'Wai Chill Wheelchair' product
- Open Banking Initiative of the Year – Thailand for 'API with Kaidee' technology



YouTube

- Silver Play Button for 'KrungsriAutoTV' youtube channel

Thailand Management Associations (TMA)

- Distinguished: Thailand ICT Excellence Award 2018 (core process improvement project) for 'iAppraisal' (4th year)

Adman Awards & Symposium

- Adman Awards 2018 in a category of Corporate Responsibility – Silver Award

KRUNGSRI CONSUMER

The Asian Banker

- The Consumer Finance Product of the Year, Thailand
- The Credit Card Product of the Year



Asia IoT Business Platform (AIBP)

- Enterprise Innovation Award

Ministry of Culture

- Best Creative Cultural Award 2018: Most Creative VDO Clip

The Shared Services & Outsourcing Network (SSON)

- Honorable Mention: Excellence in Automation for 'Robotic Process Automation (RPA)' Initiative
- Honorable Mention: Best Process Innovation 'Merchant Management System'



The Digital Banker

- Credit Card of the Year for Central The 1 Credit Card
- Best Data Analytics Initiative for 'Recommender System Suite'



Retail Banker International

- Highly Commended: Best New Product, Service or Innovation Launch for the success of UCHOOSE
- The Best Card Offering for Central The 1 Credit Card

CX Asia Excellence Awards 2018

- Best Customer Experience Team

BrandAge & Thoth Zocial

- Ranked second in Personal Finance category from the ranking of Thailand's Most Social Power Brands in 2018 for Krungsri First Choice

KRUNGSRI ASSET MANAGEMENT

Morningstar Thailand

- Best Thailand Equity Small/Mid-Cap for KFDYNAMIC
- Best Retirement Mutual Fund – Equity for KFEQRMF

Alpha Southeast Asia

- Best Asset & Fund Manager, Thailand

The Asset

- Asset Management Company of the Year, Thailand (3rd Year)



International Finance

- Most Sustainable Asset Management Company
- Best Equity Fund House

The Stock Exchange of Thailand (SET)

- Outstanding Asset Management Company Award

KRUNGSRI SECURITIES

International Finance

- Most Innovative Mobile Trading Application 2018

The Stock Exchange of Thailand (SET)

- Best Securities Company Awards 2018



NGERN TID LOR

IDC Financial Insights

- Asia's Leader in Financial Inclusion

International Finance

- Best Micro Finance Bank

Retail Banker International

- Best Initiative in Financial Inclusion
- Highly Commended: Excellence in Business Model Innovation

The Asian Banker

- The Best Digital Financial Inclusion Initiative, Application or Programme
- The Best Employee Engagement Initiative, Application or Programme







1 OPERATING ENVIRONMENT

The economy should benefit from greater clarity of economic policy following an election, which would then help to strengthen investor confidence at home and abroad.

THE THAI ECONOMY: LOOKING BACK AT 2018 AND FORWARD TO TRENDS OF 2019

IN 2018, THE THAI ECONOMY BENEFITED FROM GROWING DEMAND, BOTH DOMESTIC AND INTERNATIONAL.

The Thai economy saw solid expansion through 2018, recording annual GDP growth of 4.1 percent. This is the highest rate in the past six years, and higher than last year's 4.0 percent. Growth was supported by gradually strengthening consumption and investment. In addition, despite softening somewhat in the second half of the year due to various negative factors, overseas demand also saw healthy expansion.

in farm and non-farm income, both of which helped build consumer confidence, which rose to its highest level in several years. In addition, officials put great effort into improving the quality of life for holders of government welfare cards by increasing the funds available on cards for those who registered for training programs, as well as implementing a policy to refund VAT for purchases. Attempts were also made to increase spending in second-tier tourist destinations and to funnel the proceeds into local communities by refunding tax for individuals traveling to these places. At the same time, private investment increased at a faster rate than in 2017, benefiting from growth in exports and domestic demand, while investor sentiment also improved on government spending and accompanying progress on infrastructure projects. This included, of course, the passing into law of the Eastern Economic Corridor (EEC) Act, effective May 15, 2018, which is the principal tool for ushering the country into the 'Thailand 4.0' era.

ON THE MONETARY POLICY FRONT, THE BANK OF THAILAND RAISED THE POLICY INTEREST RATE TO 1.75 PERCENT IN THE LAST MONTH OF 2018 AFTER MAINTAINING THE RATE AT 1.50 PERCENT FOR THREE YEARS RUNNING. THIS IS IN LINE WITH MOVEMENTS OF CENTRAL BANKS IN BOTH THE MAJOR AND OTHER EMERGING ECONOMIES, WHICH HAVE SEEN A GRADUAL TIGHTENING OF THEIR MONETARY POLICIES.

In terms of individual economic sectors, exports performed well, growing at 7.7 percent, a level close to that of 2017. This growth was also spread across a wider range of goods and export markets, given the global economic expansion, and especially the increase in demand coming from the leading industrialized nations and the dynamic growth experienced by Thailand's neighbors. Toward the end of the year, Thai exports began to see side effects arising from the outbreak of the China-US trade war, though exports in some segments were rushed through in anticipation of further tariff hikes being imposed by both China and the United States in 2019. As for tourism, 2018 arrivals were up on the figure from 2017, but during the year's second half, the tragic sinking of a boat carrying Chinese tourists in the south of Thailand caused a lower than anticipated increase in the number of Chinese visitors to the country.

In terms of domestic spending, private consumption expanded by 4.6 percent, which was an increase on the rate for 2017. This improvement was underwritten by an increase of the national minimum wage and an expansion

Government spending also rose relative to 2017, driven partly by increased investment in large-scale projects by state enterprises, and partly by government measures aimed at helping the agricultural sector and developing grassroots economies. This was done through a number of initiatives, one of them being the 'Sustainable Thainess' project, and under this, more than 100 billion baht of government budget was spent on efforts to improve the population's quality of life and to reduce societal inequalities.

On the monetary policy front, the Bank of Thailand raised the policy interest rate to 1.75 percent in the last month of 2018 after maintaining the rate at 1.50 percent for three years running. This is in line with movements of central banks in both the major and other emerging economies, which have seen a gradual tightening of their monetary policies. Commercial banks kept their lending rates unchanged through the year in order to support business investment. In 2018, inflation rose from its 2017 level to 1.1 percent as the economy responded to pressure from increased domestic demand and rising global oil



prices in the second half of 2018, although this was balanced to a certain extent by the low price of fresh food. In currency markets, despite financial turmoil in a number of emerging markets, the Thai baht strengthened against the US dollar. Thailand fared better than its peers due to its economic stability: Inflation remains low, the country has run a current account surplus for several years now, and foreign currency reserves are strong, so the impact of economic headwinds coming from world markets should remain manageable.

IN 2019, DOMESTIC SPENDING WILL PLAY A GREATER ROLE IN DRIVING THE THAI ECONOMY.

For 2019, the Thai economy is forecast to grow at 3.8 percent. This would be slightly less than the figure for 2018, but close to the average growth in the post-financial crisis years. The economy should benefit from greater clarity of economic policy following an election, which would then help to strengthen investor confidence at home and abroad and to reinforce the increased importance of domestic expenditure expansion in driving economic growth. This strengthening of domestic demand should then help to offset weakening demand from overseas.

Having run at high levels for the past two years, export sector growth is expected to weaken in 2019 on a slowing global economy. The latter has likely passed its high-water mark, as major central banks have begun to wind down monetary stimulus and are allowing the private sector to play a more prominent role in driving economic growth. Simultaneously, world trade could be further diminished by any extension of the China-US trade conflict. On the other hand, Thai exports will benefit from increased trade with neighboring countries, which are recording high levels of growth. The tourism sector should also recover from its troubles in the second half of 2018 thanks to the decision of Thai authorities to waive fees for visas on arrival (VOAs) for tourists from 21 countries, including those from China and India. The sector will also gain from long-term trends in the worldwide expansion of the middle class, especially in Asia, and from upgrades to national airport capacity.

In 2019, domestic expenditure will play a greater role in economic growth. Factors supporting this include the anticipated return of private sector investment to an upward cycle following a period when manufacturing capacity utilization in several industries touched its highest level for many years; the impact of the public-private partnership fast track; and progress in spending on large-scale infrastructure, which for 2019 should run at around 281 billion baht, a significant jump compared to 2018's total of 98 billion baht. The 2019 figure includes five major projects in the EEC, to which the Cabinet agreed in 2018. Following increases to wages and given low

levels of unemployment, household consumption should continue to have a positive influence on the economy. As for government expenditure, in addition to infrastructure spending, official policy is still focused on increasing allocations made to holders of government welfare cards and on providing state assistance to targeted groups, such as those in the agricultural sector and SMEs.

Overall, the outlook for the economy is for steady growth, but this will tend to cause inflation to gradually rise too. Thus we believe that the policy interest rate could increase further to a more normal level in the first half of 2019; it may rise to 2.00 percent, following the increase to 1.75 percent at the end of 2018. These moves would help to head off an accumulation of financial and economic risks over the long term.

For 2019, issues that may pose challenges and which thus require close watch include, on the international side of the equation: the impacts of the China-US trade war; the consequences of the normalization of monetary policy in leading economies; the exit of the United Kingdom from the European Union (Brexit); the cooling of the Chinese economy; and financial volatility in emerging markets. On the domestic side, one potential hotspot is the maintenance of political stability following the election; if it holds, this would allow the steady continuance of economic policy and thus the development of a climate suitable for investment. This in turn would lead to long-term strengthening of Thailand's economic growth.

THAILAND'S COMMERCIAL BANKS IN 2018 AND THE 2019 OUTLOOK

2018 SECTOR OVERVIEW

Despite multifaceted challenges confronting the banking sector, ranging from global financial volatility stemming from protectionist trade policies, and a global monetary policy tightening cycle, to new consumer finance regulations imposed by the Bank of Thailand, the Thai banking system's loans continued to expand in tandem with healthier economic growth. Key drivers included the acceleration of retail loans resulting from a surge in property transfers in the fourth quarter of 2018 before implementation of the Bank of Thailand's new mortgage-lending rules; strong growth of domestic car sales after the end of the five-year lock-in period of the first-car buyer scheme; and continual improvement of consumer confidence.

2018 saw the banking industry's loan growth achieve 6.0 percent, up from 4.4 percent in 2017. Corporate loans grew 4.4 percent: Large corporate loans grew by 4.1 percent, mainly driven by the service, commercial, and real estate sectors; while SME loans rose 4.5 percent due mostly to SMEs with large credit lines in energy, real estate, and construction businesses. Retail loans surged 9.4 percent. Auto hire-purchase loans increased 12.6 percent, while housing loans grew 7.8 percent. Credit card outstanding balances rose 7.4 percent, while personal loans were up 10.1 percent.

Deposits grew 3.9 percent, in line with lending growth. The banking sector's liquidity remained ample in 2018 with an average loan-to-deposit ratio of 98.3 percent, compared to 96.3 percent in 2017.

Regarding asset quality, the ratio of non-performing loans (NPLs) marginally increased to 2.93 percent of total lending, from 2.91 percent in 2017, increasing at a slower pace. This reflected the banking sector's overall stable loan quality together with efficient portfolio monitoring and management. Meanwhile, NPLs of SME loans remained high, partly due to structural factors and the relatively non-competitive business model.

The Thai banking system's provision was recorded at 668 billion baht, increasing by 67 billion baht from 2017. As a result, the ratio of actual to regulatory loan loss provision increased to 193.3 percent, from 171.9 percent in 2017.

Thai commercial banks recorded total net profit of 207.2 billion baht for 2018, up 10.8 percent from 187.3 billion baht in 2017, thanks to higher interest income from loan expansion. However, non-interest income decreased, resulting from digital fee waivers and declining commission-based income from bancassurance and mutual fund businesses as banks adapted to raised standards of market conduct, coupled with stock market volatility. Overall, the return on assets (ROA) rose to 1.11 percent from 1.04 percent in 2017, while the ratio of net interest income to average interest-earning assets (Net Interest Margin: NIM) remained stable at 2.73 percent.

The Thai banking sector boasted a strong capital position at 2,569 billion baht, up 117 billion baht from 2017, mostly due to accumulated profits of 2018. As a result, the capital adequacy ratio increased to 18.3 percent, with the common equity Tier-1 ratio (CET1 ratio) rising to 15.8 percent.



The Thai banking system had sufficient liquidity to facilitate credit expansion, with a liquidity coverage ratio (LCR) of 184.2 percent, up from 180.1 percent in 2017.

2019 BUSINESS OUTLOOK

2019 will be another year in which Thai banks must remain vigilant in various issues that could affect their profitability, as the economic growth is forecast to be slower than that of 2018, and loan growth is expected to be in a range of 4.0-5.0 percent. Key drivers for loan growth include corporate loans boosted by an expansion in private investment, as well as investment in infrastructure projects, particularly those of the Eastern Economic Corridor (EEC). Retail loan growth is expected to decelerate as new mortgage-lending rules will take effect in April 2019. Auto hire-purchase loans may increase at a slower pace due to expectations of slower domestic car sales in 2019 compared to the high volume of 1 million units in 2018.

In response to interest rate policy hike at the end of 2018, some commercial banks raised deposit rates, i.e. special fixed deposit campaigns, in early 2019. Apart from that, competition for deposit mobilization may not be intense, thanks to banks' excess liquidity as reflected in the loan-to-deposit ratio and high liquid assets.

With a high household debt ratio, commercial banks may remain wary and cautiously grow their consumer loan portfolio to maintain asset quality, as domestic interest rates may be hiked further during 2019.

Rapid changes in financial technology provide a great opportunity for consumers in offering a variety of choices for making financial transactions, such as money transfer via digital channels, smartphones, and the internet, with its recent skyrocketing growth in volume. As a result, commercial banks have invested more and boosted their digital competitiveness, while seeking partnerships for technology enhancement toward service innovations and greater efficiency, as well as timely and complete responses to customers' needs.

Thai commercial banks are gearing up for compliance with Basel III capital requirements in 2019, as well as the International Financial Reporting Standards (IFRS9), which will take effect on January 1, 2020. These international guidelines could impact banks' operations regarding loan loss reserves, risk calculation, and capital adequacy ratio, as well as business frameworks.

Given the continued momentum of mergers and acquisitions (M&A) among Thai commercial banks since 2012, favorable regulations, and more intense competition from both banks and non-banks, it is quite possible that an M&A deal will be concluded between mid-sized Thai banks to strengthen their competitiveness.



krungsri
กรุงศรี



สาขาสำนักเพลินจิต

krungsri ploenchit tower

2

COMPETITIVE CAPABILITY

Our aspiration, 'To be a top-tier financial group
'in Thailand', is aligned with MUFG's vision,
'Be the world's most trusted financial group'.

OUR STORY

Bank of Ayudhya Public Company Limited (the Bank, or Krungsri) officially opened its doors on April 1, 1945, finding immediate public favor, growing rapidly, and eventually being listed on the Stock Exchange of Thailand on September 26, 1977. The Bank has grown steadily to the present day: As of year-end 2018, Krungsri boasted total registered capital of 75,741 million baht, and 73,558 million baht in paid-up capital.

Krungsri is Thailand's fifth-largest universal bank by assets, loans, and deposits, and is a strategic member of the Mitsubishi UFJ Financial Group (MUFG), Japan's largest financial group, and among the world's largest. Krungsri and our 20 subsidiaries (Krungsri Group) constantly strive to meet the ever-changing needs of our broad customer base by offering a comprehensive range of universal banking products and services to key target groups: commercial

of Bangkok's central business district, the building serves as a venue that will contribute to Krungsri Group's sustainable growth.

On October 8, 2018, the Bank announced a collaborative partnership with Siam Asia Credit Access Pte Ltd., a company owned by a consortium led by CVC Capital Partners Asia Fund IV (CVC) and Equity Partners Limited (EPL), under which Krungsri sold a 50-percent stake of ordinary shares in its subsidiary, Ngerm Tid Lor Company Limited (NTL); the sale was completed in the first quarter of 2019. This move is expected to present business growth opportunities for NTL, and further strengthen the company's competitive capabilities so that it can remain at the forefront of the title loan industry.

WE MADE SUBSTANTIAL PROGRESS IN OUR STRATEGY AND INITIATIVES UNDER OUR CURRENT MTBP (2018-2020), WHILE CONTINUING TO DRIVE STRONG FINANCIAL PERFORMANCE. HOWEVER, WE ARE AWARE THAT THE BANKING INDUSTRY IS FACING THE CHALLENGE OF RAPID MARKET CHANGES DRIVEN LARGELY BY DIGITAL INNOVATION.

banking (Thai, Japanese, multinational corporations, and SMEs) and retail customers. We also provide related financial services through our subsidiaries and joint ventures, including wealth management, credit cards, non-life insurance, asset management, securities trading, auto hire purchase, equipment leasing, factoring, microfinance, and installment loans.

In September 2017, Krungsri was recognized as a Domestic Systemically Important Bank (D-SIB) by the Bank of Thailand, which plays a key role in driving the country's economic engines and financial system.

In May 2018, Krungsri organized the official opening ceremony of Krungsri Ploenchit Office. Recognized as one of Thailand's leading environmentally-friendly buildings, Krungsri Ploenchit Office was built using energy-efficient designs in compliance with Leadership in Energy & Environment Design (LEED) standards. Located at the corner of Ploenchit Road and Wireless Road, in the heart

MEDIUM-TERM BUSINESS PLAN

Our aspiration, 'To be a top-tier financial group in Thailand', is aligned with MUFG's vision, 'Be the world's most trusted financial group'. To realize this aspiration, Krungsri established the Medium-Term Business Plan (MTBP), a strategic plan which serves as Krungsri's strategic roadmap for a three-year period. The MTBP is our plan of action, and it is formulated by assessing global and domestic developments, regulatory trends, and growth opportunities, while accounting for how they might impact Krungsri. The MTBP clarifies our actions relative to short- and long-term themes for each financial group function, and ensures group-wide alignment.

Under the first MTBP (2015-2017), we steered our organization successfully and achieved significant progress despite the banking industry's challenging environment. This is reflected in our outstanding financial performance throughout our first MTBP.

SECOND MEDIUM-TERM BUSINESS PLAN (2018-2020)

We have laid out our second MTBP (2018-2020) with consideration of our performance during the first MTBP (2015-2017) as well as the market environment and outlook. Under the current MTBP (2018-2020), we have identified key strategic themes, namely:

- I. Lead by Innovation: Think 'Digital First'
- II. Enhance Customer Experience to Become a Main Bank
- III. Enhance Retail and Commercial Banking Platform, and Achieve Sustainable Growth

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

6 Core Business Strategies

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

5 Management Platform Strategies

1. Enhance Business Competitiveness through HR Platform
2. Build Robust and Smart Technology to Digitize Business and Operations



3. Ensure Safety and Soundness
4. Improve Productivity and Efficiency
5. Accelerate Digital and Innovation Execution

To carry out these strategies, each business and support unit established relevant targets and plans to help produce tangible results. Details of these targets and plans vary depending on each business unit's needs, while we ensure alignment across the financial group.

Progress of Second Medium-Term Business Plan (2018-2020)

We made substantial progress in our strategy and initiatives under our current MTBP (2018-2020), while continuing to drive strong financial performance. However, we are aware that the banking industry is facing the challenge of rapid market changes driven largely by digital innovation. While our MTBP serves as our medium-term strategic roadmap, we must ensure that we are flexible enough to swiftly adjust our plan as the ever-changing market environment may dictate.

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

LEVERAGING SYNERGIES WITH MUFG

Synergy Highlights

Our focus on leveraging the complementary strengths of Krungsri and MUFG showed steady progress throughout 2018. Various successes demonstrated the power of synergy between Krungsri and MUFG, boosting our competitive strength and our ability to offer superior products and services.

- **Payroll account acquisition:** We acquired more than 14,000 payroll accounts and promoted cross-selling retail banking services such as credit cards and personal loans to employees of Japanese corporate clients.

- **Co-branded credit card:** Krungsri, together with Siam Takashimaya, a newly-opened Japanese department store in Bangkok, launched a co-branded credit card in October 2018. We realized this collaboration by leveraging MUFG's relationship with the retailer in order to make our credit card lineup more attractive, so that we can acquire more credit card holders and spending volume.
- **Supply chain financing:** We promoted end-to-end solutions from supplier financing to dealer financing, tapping into the market of Japanese manufacturers and their supply chains. Capitalizing on MUFG's long-term relationships with Japanese car manufacturers, Krungsri saw considerable business opportunities in the auto dealer segment, and cross-sold to gain substantial wallet share in the hire purchase business.



- **Business matching:** In November 2018, Krungsri and MUFG jointly organized their Business Matching Fair for the fifth time in Thailand, attracting over 260 companies from Thailand, Japan, and ASEAN, leading to 448 business matches. 'Digital' and 'innovation' were among the new industry segments included in this year's fair, in line with Krungsri's desire to lead by innovation and think 'digital first'. This created opportunities for Thai companies to expand into the Japanese and ASEAN markets, while providing a platform for MUFG customers to connect with Thai entrepreneurs.
- **Investment banking:** We enhanced cross-sell investment banking products, focusing on the debt capital market, project financing, aviation finance and global syndication, for which we could leverage MUFG's global product capabilities and Krungsri's domestic investment banking services. Investment banking successes in 2018 included: 1) Krungsri working together with

MUFG Securities Asia (Singapore), which was a joint bookrunner, to support USD senior bond issuing for Thailand's large electricity power producer; and 2) Krungsri with support from MUFG Bank acted as a joint mandated lead arranger for an independent power producer (IPP) project financing sponsored by Thailand's leading electricity power producer.

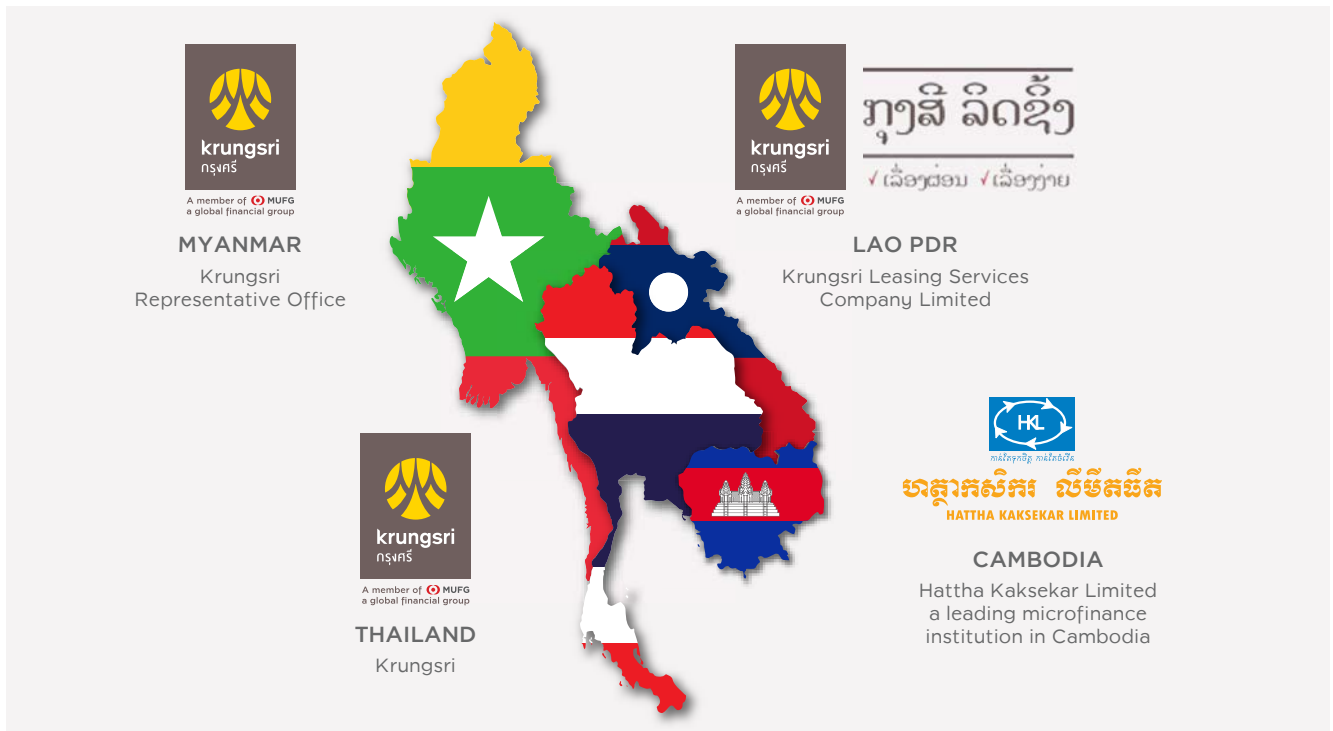
- **Transaction banking:** We leveraged products and process know-how from MUFG to close market product gaps, and successfully promoted products such as regional cash-pooling and structured trade finance.
- **Cross-border business:** We used MUFG's global network to support local corporates and other customers in Thailand who are becoming increasingly globalized and in need of effective global banking services as they venture abroad, whether within ASEAN or further afield. One cross-border business success in 2018 was Krungsri's support of MUFG Bank in obtaining the status of sole mandated lead arranger for financing a renewable power plant project in Australia sponsored by one of Thailand's largest electric power producers.

During 2018, MUFG synergies allowed Krungsri to better respond to our clients' financial needs. Looking forward to 2019, Krungsri will continue to enhance our customer service capabilities by uniting MUFG's global platform and networks with Krungsri's local expertise and strengths.

EXPANDING BUSINESS IN THE REGION

Krungsri will continue to pursue opportunities for regional expansion, particularly in fast-growing economies, while applying our industry-leading expertise and best practices conducted through Thailand's retail and consumer banking platforms, and commercial banking in neighboring markets. Our expansion plan is to focus not only on growing our business in the Greater Mekong Subregion, but also, through collaboration with MUFG, enhancing our platforms beyond the CLMV group (Cambodia, Lao PDR, Myanmar, and Vietnam), which is the broader ASEAN Economic Community (AEC) region.

For the Greater Mekong Subregion, we focus on growth opportunities in auto hire-purchase, consumer, and microfinance lending areas, while also leveraging MUFG networks in corporate segments. In addition, our medium-to long-term target is to flourish in other AEC countries, including the Philippines and Indonesia.



Our key achievements in 2018: 1) We obtained a 100-percent stake in Krungsri Leasing Services (KLS) Co., Ltd. and injected additional capital to support its growth; 2) We provided capital to enhance growth and to prepare for upgrading our wholly-owned subsidiary in Cambodia from a microfinance institution to a full-fledged commercial bank.

Under our strategic plan, we have established targets of: 1) strengthening our market footprint in consumer finance areas in all CLMV markets as an initial business goal; and 2) going beyond the CLMV group by collaborating with MUFG and partner banks in further AEC expansion.

DIGITAL BANKING AND INNOVATION

2018 saw sustainable growth of digital banking channels. Apart from creating such service channels for convenient access to financial services, with customer-centric product and service design for a superb customer experience, we also provided advice suited to customers' needs together with fair and high-quality financial services, to maintain our digital banking leadership. Multiple strategies have been implemented in diverse dimensions to strengthen our digital banking fundamentals toward 'Making Innovative Changes', while standing ready to face rapid shifts in technologies and customer lifestyles at home and abroad.

CONSUMER DIGITAL SOLUTIONS

Customers' fast-paced lives have proven a key challenge for consumer banking. Focusing on the strategy of customer centricity, Krungsri has adopted cutting-edge technologies to deliver the best user experience through creative, outstanding, and highly-efficient innovations that respond precisely to their needs and enable financial transactions anywhere, anytime. With that determination, Krungsri also adopted the agile methodology of product design in our 2018 projects, focused on creating an impressive experience throughout the entire customer journey. This, along with Krungsri's core strategies, has been implemented in order to offer products, services, and privileges that perfectly match customers' needs based on their behaviors and product use, thereby upgrading our digital customer service excellence.

In 2018, we were successful in making Krungsri Mobile Application (KMA) our core digital banking platform. The app serves as a key driver in pursuit of our main strategies of customer acquisition, service provision, and becoming a mobile marketing platform. As for customer acquisition, loan or credit card application can be made through digital channels, while securities trading accounts of Krungsri Securities Plc. can be opened via the Krungsri Online channel. As for service provision, a full array of investment products is offered through KMA. Customers can enjoy investment advice with calculation of expected returns through the use of modern algorithms based on customers' age and risk appetite. With its open architecture,



KMA supports transaction display and execution conducted by other asset management companies which are partners of Krungsri, while online risk assessment is also available. A feature that helps users manage long-term equity funds (LTFs) and retirement mutual funds (RMFs) with useful information for tax saving is provided, while LTF and RMF subscription via KMA, using credit cards under Krungsri Group, has been enabled. As for KMA becoming a mobile marketing platform, Krungsri launched Krungsri Gift to offer customers impressive privileges, and chose KMA as the main channel for introducing the loyalty campaign. In addition, data science and machine learning have been used for customer experience enhancement and service excellence under our 'Make Life Simple' concept.

With increased security and new user-friendly features, the number of transactions via our mobile banking doubled from 500 million in 2017 to 1 billion in 2018, while the transaction volume of mobile banking increased 100 percent over-year. Personal loan approval through Krungsri iFIN totaled 130 million baht.

To build upon such remarkable results, Krungsri will continue to improve our mobile banking service, covering all products of Krungsri and its subsidiaries. State-of-the-art technology will be adopted to make KMA the best mobile banking application in Thailand, including biometric authentication, machine learning for data analysis, and blockchain technology.

COMMERCIAL DIGITAL SOLUTIONS

Krungsri aims to maintain its leadership in digital technologies for the corporate segment, offering new business models and solutions for commercial banking. Recent achievements of the Bank are as follows:

- The first bank in Thailand to provide real-time cross border payment service for business customers by leveraging Krungsri Blockchain Interledger to support IRPC Public Company Limited and companies under Mitsubishi Corporation;



- The first bank in Thailand to introduce a supply chain service that enables a new business model based on blockchain. The Bank was entrusted by Siam City Cement Public Company Limited with taking part in this pilot project.
- The first bank in Thailand to introduce B2B QR code payment service, for PTT Oil and Retail Business Public Company Limited (PTTOR) on the Krungsri Cashless Chain mobile platform, to facilitate trading activities between gas plants and retailers;
- The Bank, already well-recognized as an advanced and fast mover in digital initiatives, was invited to share best practices among members of MUFG Group and to showcase in the Innovation Lab Crawl at the FinTech Festival in Singapore.

Digital solutions were enhanced and offered to corporate customers, resulting in larger transaction volume as follows:

- Transaction volume via Krungsri Biz Online and Krungsri Biz Mobile in 2018 grew 129 percent, and the number of active juristic users in 2018 also increased by 36 percent.

- Focusing on new supply chain customers, transaction volume via Krungsri e-Payment grew 34 percent in 2018.

Key Achievements in 2018

- **Government-initiated projects**
 - Phase I of e-Certificate was rolled out to 45 branches.
 - Phase I of the settlement cycle management for the capital market and Thailand Securities Depository Co., Ltd. was for transactions within Krungsri's internal accounts, while Phase II was for transactions between Krungsri's accounts and other banks' accounts.
 - Phase I e-Government Procurement (e-GP) via Krungsri Biz Online (KBOL) was to provide online services of real-time letter of guarantee (L/G) issuance or renewal through the e-Government Procurement application.
 - The PayAlert feature was added to Krungsri Biz Online.
 - A cross-bank bill payment service was added to Krungsri Biz Online.
 - Funds transfer to Krungsri Biz Online accounts was made available via PromptPay.
- **The Bank's new projects**
 - Krungsri Cashless Chain: Providing a new mobile application platform to support trading activities between gas plants and their dealers
 - BAU H2H Integration: Providing host-to-host service for large corporate customers
 - BAU e-Payment: Providing e-payment service to e-Commerce customers or B2B websites
- **Blockchain and Blockchain Community Initiative (BCI)**
 - Ripple Phase II: Providing outward remittance service from accounts of Krungsri, Thailand, to accounts of Standard Chartered Singapore, for liquidity pooling of Mitsubishi Corporation.

- BCI Bank Guarantee: The Bank's IT development to connect with BCI Co., Ltd. was completed, and system integration testing (SIT) was scheduled to take place within the end of 2018.
- BCI Supply Chain: Use case development was completed and proposed to the Bank of Thailand.
- Global e-KYC: Use case development for cross-bank and cross-country KYC was completed and proposed to the Bank of Thailand.
- Phase I of Project Inthanon: A collaborative project in developing and testing a proof-of-concept prototype for domestic wholesale funds transfer using the wholesale digital currency issued by the Bank of Thailand.
- **New Features on Existing Channels**
 - Krungsri Biz Online Mobile Application
 - Fund Connect: A fund trading system developed for the Office of the Securities and Exchange Commission
 - Phase III of Fund Registrar
 - Krungsri Biz Online: Mutual Fund Account
 - Krungsri Biz Online: SWIFT outward remittance

DIGITAL MARKETING AND SOCIAL MEDIA STRATEGY

Digital Marketing

Our customers spend considerable time each day on social media to explore knowledge and share information, while strengthening their online relationships. In light of this, successfully reaching Internet users through digital marketing has become one of the key strategies in building trust in our brand, products, and services. Driven by complex, ever-evolving social media mechanisms, as well as intense market competition, Krungsri has established comprehensive guidelines, targets, and integrated channels for social media use, such as our website, and chat applications such as Line, Facebook Messenger, and others. Therefore, our 'precise' messages can be communicated to target groups for ultimate impact, while achievements can be effectively assessed in accordance with the set goals.

In 2018, we enhanced our website (www.krungsri.com), making it easier for us to acquire new customers. Through the website, customers can apply for three loan products: SME loans, personal loans, and home loans, representing more than 14.63 billion baht combined. A chatbot is also available on our Facebook fan page for faster response to customer queries through frequently asked questions (FAQs), with an accuracy rate of more than 66 percent.





KRUNGSRI FINNOVATE

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

We have a key mission to support and promote not only FinTech businesses but also other banking-related tech startups in Thailand and other Southeast Asian countries, in the forms of accelerators and academic collaboration, startups strategic partnership, and CVC investment.

Project areas include:

Krungsri RISE

Krungsri RISE is Thailand's first FinTech synergy-driven accelerator working in collaboration with Krungsri Finnovate and RISE Accelerator to increase the capacity and accelerate the growth of FinTech startups to be equivalent to the regional level.

In 2018, Krungsri RISE Batch 3, the third project extended from the first two, continued to thrive on its journey of success. Providing intensive training to participants, the 16-week boot camp was packed with useful advice from tech business experts and highly experienced CEOs, while insightful content and relevant activities were provided. Organized as a fun-based learning environment, the program was enhanced with leading regional coaches working closely together to provide exclusive one-on-one consulting and help all 10 Krungsri RISE teams to 'RISE' beyond their goals. Moreover, many startups participating in this project also gained a valuable opportunity to jointly run pilot projects with Krungsri, which in turn will help significantly improve their products and capabilities.

Startups Strategic Partnership

Krungsri Finnovate's key objective is to collaborate with startups and technology companies in eliminating weaknesses

or enhancing efficiency of the Bank's business units, while reducing all of their pain points and developing new products and services for customers. Krungsri Finnovate also completed 37 projects in 2018, mainly driven by collaboration between startups and Krungsri Group.

Corporate Venture Capital

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

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

In 2018, Krungsri Finnovate continued to invest with two investments. First, it invested in Baania (Thailand) Company Limited, a big data-driven startup that provides insightful property information in Thailand to both homebuyers and property developers. Second, the company made an investment in the SBI AI and Blockchain Fund, managed by SBI Holdings in Japan, to gain access to global deep-tech innovation.

OUR PHILOSOPHY

Our mission is to become a leading regional financial institution with sustainable growth achieved through confidence in the organization from all stakeholders. We consider good governance an essential ingredient in the recipe for sustainable growth, and adhering to the very best in good governance practices is part of our core philosophy. Thus, we have devoted great care and effort to comprehensively developing a strong culture of solid corporate governance. In addition, our focus on corporate governance aligns us with Krungsri Group's role in the Mitsubishi UFJ Financial Group (MUFG), whose corporate vision is 'Be the world's most trusted financial group'. This mission obliges us to ensure that we continually adopt and adhere to corporate governance excellence. When it comes to putting our vision into practice, customers will always be at the heart of all our undertakings using a customer-centric approach that we apply to all our financial products and services. In addition, the Bank's 'Make Life Simple' philosophy has been combined with this customer-centric approach

to deliver integrated financial solutions that best match our customers' needs. Combined, these approaches enable us to deepen our engagement and relationships with customers, as evidenced by the numerous marks of recognition and awards conferred on Krungsri by various national and international organizations as well as professional associations throughout 2018.

CORPORATE GOVERNANCE EXCELLENCE

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

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

With our adherence to the highest standards of Good Corporate Governance Principles covering guidelines on various areas including investor relations practices and corporate social responsibility (CSR) projects, Krungsri has earned an 'Excellent' level of recognition based on the Corporate Governance Report of Thai Listed Companies (CGR) assessed by the Thai Institute of Directors Association (IOD) for eight years in 2009-2013 and 2016-2018 (after the adjustment of assessment criteria). Krungsri has also been recognized with the Asia's Icon on Corporate Governance Award from Corporate Governance Asia for five consecutive years (2014-2018) and The Asset Corporate Awards – Platinum 2018 in Governance, CSR, and Investor Relations from The Asset for the third consecutive year.

Krungsri was selected for the Thailand Sustainability Investment (THSI) 2018 list by the Stock Exchange of Thailand for the third consecutive year, listed on ESG100, and received a certificate of recognition from the Thaipat Institute for the third time, reflecting Krungsri's distinguished environmental, social, and governance (ESG) performance.

OUR PEOPLE

Krungsri strongly believes that our success and growth could not have been achieved without our most valuable assets – our people. Our Customer Centricity core value is the basis of our business, and we continually foster a culture that promotes teamwork, cultivates ethical behavior, and encourages our people to give their best efforts to serve our valued customers. Furthermore, we groom our people in various aspects to steer Krungsri toward becoming a leader locally, regionally, and globally.

PRODUCTS AND SERVICES

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



สินเชื่อบุคคล

ใหม่! สินเชื่อ Krungsri IFIN สินเชื่อดิจิทัล

ครบวงจร ยื่นกู้ง่าย ดอกถูกด้วย

ประสบการณ์ใหม่ที่คุณสามารถทำรายการสินเชื่อได้ง่ายๆ ด้วยตนเอง
ผ่าน Krungsri Mobile App (KMA)

- ทำรายการง่ายตั้งแต่สมัคร - รับเงิน
- จัดการทุกเรื่องสินเชื่อ สะดวก ทุกที่ ทุกเวลา

• อัตราดอกเบี้ยถูกที่สุดใน 2018 ครี 3 อันดับแรกใน 1 ปี สำหรับสินเชื่อส่วนบุคคล • อัตราค่าธรรมเนียมเริ่มต้นที่ 0% สำหรับสินเชื่อส่วนบุคคล

Call 1522 | www.krungsri.com | [Facebook](#) | [Twitter](#) | [Line](#) | [YouTube](#) | [Instagram](#) | [Pinterest](#) | [Google+](#) | [LinkedIn](#) | [Weibo](#) | [Wechat](#) | [Kik](#) | [Snapchat](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) | [Post](#) | [Mail](#) | [Telegraph](#) | [Telegram](#) | [Viber](#) | [WhatsApp](#) | [Messenger](#) | [Email](#) | [SMS](#) | [Voice](#) | [Fax](#) |

COMMERCIAL BANKING

The 2018 Commercial Banking focus was all about providing customized solutions to meet customer demands in each industry as part of our conviction in the customer-centric strategy. Our mission was to gain intimate customer insights, so a wide range of products could be put to the best use to satisfy customer needs and to fast track their businesses, locally and beyond. Strong Krungsri-MUFG networks has enabled us to capitalize on the collective strengths that open up a whole new realm of banking and financial possibilities to our clients. A score of innovations were introduced throughout last year to optimize our internal work flows as we continue to deliver the best digital experience to our customers.

ventures, business matching and new markets. Among the group's 2018 successes were:

- Growth of working capital and term loans, increasing market shares due to our long-term customer relationships.
- Became the first in Thailand to apply blockchain technology to supply chain solutions. Not only the technology increase speed, transparency and accountability of supply chain transactions, it also provides accessibility for smaller SMEs to financial services. Krungsri was entrusted by Siam City Cement Public Company Limited (Siam City Cement), our long-time major business partner, to pilot the Krungsri Supply Chain on Blockchain to expedite transactions

THE 2018 COMMERCIAL BANKING FOCUS WAS ALL ABOUT PROVIDING CUSTOMIZED SOLUTIONS TO MEET CUSTOMER DEMANDS IN EACH INDUSTRY AS PART OF OUR CONVICTION IN THE CUSTOMER-CENTRIC STRATEGY.



CORPORATE BANKING GROUP AND INVESTMENT BANKING GROUP

The combined resources of Krungsri and MUFG provide access to world-class financial solutions to all customer groups, facilitating offshore business expansions, joint

throughout the loop. Our team was also mandated by the PTT Public Company Limited (PTT) LPG Cooking Gas with the development of Krungsri Cashless Chain for PTT LPG Cooking Gas, marking the first truly business-to-business (B2B) cashless solution for their entire trading community.

- The partnership between Krungsri and MUFG won over the AUD 210 million refinancing facility of the Boco Rock Wind Farm project in June 2018 where MUFG acted as the sole underwriter. This was MUFG's first underwriting deal for the EGCO Group abroad.
- Krungsri acted as a joint lead arranger for the issuance of the Thai Beverage Public Company Limited (ThaiBev) 50 billion baht debenture in March 2018 to refinance ThaiBev's short-term financing used to support a strategic investment in late 2017. Our team was subsequently mandated for the 77 billion baht debenture (the largest private sector debenture issuance) in September 2018, where Krungsri served as a joint lead arranger to support the strategic investment in the Saigon Beer – Alcohol – Beverage Joint Stock Corporation (Sabeco).

Strategic Plans for 2019

We continue our drive to promote sustainable growth and to win the 'Trusted Banking Partner' title via holistic financial solutions, accentuating our local expertise with the global MUFG network to help our clients expand locally and overseas. Our ability to customize total solutions from the wide array of products, digital platforms, commercial advisory along with the ever-adapting internal process will eventually establish us as customers' main operating bank that best meets their needs.

SME BANKING GROUP

Despite the challenging business environment, our SME portfolio continuously expanded in line with Thailand's economic recovery while our loan growth outpaced the market.

Trade finance registered 2.4 percent growth, while supply chain loans saw growth of 17.5 percent over-year.

To further the growth momentum of our SME portfolio, we focus on leveraging both the Japanese Corporate and Multinational Corporate (JPC/MNC) Banking strengths and MUFG's global network to broaden our services and fuel our customer expansion. In particular, Krungsri is heavily engaged in financial innovation to keep up with the changing customer needs and digitalize toward the cashless society. Followings are some achievement of efficiency enhancement and cost saving:

- Near real-time cross-border payment services deploying blockchain technology. Remittance transactions are now completed within seconds, versus days using the traditional system.

- Krungsri Mung Mee and Krungsri Biz Mung Mee QR Pay facilitate customers with a real-time payment service through the QR payment system, pushing Thailand nearer to the 'Cashless Society' aspiration.

Additionally, Krungsri has deployed the RM 4.0 digital technology to improve customer experiences via better insight into customer needs, efficient customer engagement, and real-time performance monitoring anywhere, anytime.

In October 2018, the SME Banking Group launched Krungsri SME Empowerment, a value-added service that aims to provide SMEs with thought-provoking events and knowledge, emphasizing the cultivating of business networks through knowledge seminars, business trips and business matching, coupled with analysis and insights delivered via Bank channels. These activities included:



- Krungsri Business Forum 2018 - Blue Ocean Shift: New Approaches in Digital Economy – one of the biggest business seminars of the year aiming to provide entrepreneurs with knowledge and strategies to augment their competitiveness in the digital economy.
- Krungsri Business Talk: Cambodia vs Vietnam – the event was organized to provide Thai entrepreneurs with insights to help expand businesses to Cambodia and Vietnam;
- Krungsri Business Talk: Digital First – events held in Chiang Mai, Chon Buri and Khon Kaen were organized to share SMEs digital trends and directions in the digital era.
- Krungsri SME Online Business Matching – an online platform that provides channels for SMEs to help market their products and extend their networks onshore and offshore.

Apart from the knowledge-sharing activities and seminars, Krungsri has continuously provided commercial information and business insights through a variety of channels at our SMEs' disposal. The Krungsri SME Index is among our service highlights, with quarterly surveys on SME business confidence, and is presented to SME customers by email to aid in their planning.

Strategic Plans for 2019

- Focus on becoming 'the main bank for SME customers' by offering total lending and financial transaction services including innovative working capital, trade finance, and supply chain solutions, together with Krungsri SME Empowerment, a value-added service to bestow SMEs with knowledge, insights and business opportunities.
- Sustainable loan growth of SME-Medium (SME-M) and SME-Small (SME-S).
- Continue to develop digital platforms for electronic payment services in support of the National e-Payment Master Plan.

JAPANESE CORPORATE AND MULTINATIONAL CORPORATE (JPC/MNC) BANKING

In 2018, the JPC/MNC Banking undertook business activities in accordance with our core strategies under the Medium-Term Business Plan (MTBP) for 2018-2020, which are: 1) expanding the customer base and strengthening customer relationships; 2) developing innovative products and offering advisory services; and 3) leveraging the synergy between MUFG's global strength and Krungsri's domestic expertise.

Initiatives were implemented not only for strengthening current core products and services, namely loans, deposits, forex and derivatives, and cash management, but also for exploring new business opportunities through the Eastern Economic Corridor (EEC) area promotion, tailor-made solutions for special customer segments,



as well as collaboration across all business units. In addition, we aimed to improve productivity and efficiency of our personnel and supporting platforms through the JPC/MNC Academy and Operational Excellence initiatives.

Despite the challenging business environment and intense competition, the JPC/MNC Banking delivered outstanding results in 2018. Our loan volume grew healthily, by 19 percent, while deposit volume expanded by 10 percent compared to 2017.

Among significant developments in 2018, the JPC/MNC Banking successfully provided assistance to a Japanese electronics manufacturer which became the first Japanese company to be endorsed as a 'Qualified Company' under the Bank of Thailand's criteria. The endorsement allowed the company to undertake foreign transactions without the need to present supporting documents, while increasing operational efficiency of both the customer and the Bank. Moreover, we were mandated to be the sole forex bank for a leading integrated petroleum company, and successfully supported the group in becoming another 'Qualified Company' under the Bank of Thailand's criteria. These achievements underscored our aspiration to be the most preferred bank for MNC in Thailand.

Placing considerable emphasis on digital technology and innovation, the JPC/MNC Banking introduced several innovative digital companies to Thailand through our business matching service, creating new business opportunities for a number of Thai corporates. In addition, we have proactively raised awareness of the changing landscape among customers by providing exclusive insights on trending topics related to digitalization which they could not obtain from other sources. In support of the Bank of Thailand's National e-Payment Master Plan, we successfully encouraged Japanese motorcycle manufacturers and their dealers nationwide to adopt QR code payment service in lieu of receiving cash from customers. The move helped decrease their operational burdens in cash management, in line with Thailand's ambition of becoming a cashless society.

Key Plans/Strategies in 2019

The JPC/MNC Banking will continue to work in order to strengthen our leading position in the Japanese corporate market and become the most preferred bank for multi-national companies in Thailand. In 2019, we will refine our strategy and

redefine action plans to further expand market share, while reinforcing customer relationships, growing our gross profit, and promoting the expertise of MUFG for the development of the Thai financial market.

Having the highest market penetration and solid relationships with the majority of Japanese corporates in Thailand, we along with other business groups in Krungsri and MUFG will continue to jointly initiate collaborative business opportunities. In addition, adhering to our commitment to facilitate foreign investment in Thailand, we will explore possibilities to bolster our support for investment promotions in the EEC and major industrial estates as a regional axis of the entire Krungsri and MUFG business universe.

Furthermore, we will continue to improve business productivity and efficiency through the JPC/MNC Academy and Operational Excellence initiatives. We plan to implement less time-consuming operating platforms with greater competence, driven by robotic process automation (RPA). Also, through deeper collaboration with the Human Resource Division and experts from various business functions, the JPC/MNC Academy is designing an exclusive learning program that provides the best fit for JPC/MNC human resource development.

GLOBAL MARKETS GROUP

At the inception of the second Medium-Term Business Plan (2018-2020), the Global Markets Group focused on enlarging the long-term foreign exchange (FX) client base, a critical strategy for sustainable growth. Through our extensive collaboration internally and externally with MUFG affiliates, our FX business volume and profits have shown solid expansion in most client segments compared with those of the previous year.

In response to growing trade and investment among regional emerging-market partners, the Global Markets Group has continued to extend our emerging currency coverage with a wide range of short- and long-term hedging instruments to accommodate hedging demand for specific currencies. Furthermore, as an Authorized Cross Currency Dealer (ACCD) for Malaysian Ringgit (MYR) -Thai Baht (THB) and Indonesian Rupiah (IDR) -Thai Baht (THB) under the Local Currencies Settlement Framework (LCSF), appointed since 2017, the Global Markets Group has supported both domestic and regional entrepreneurs in better managing local currency risk associated with their trade and investment flows among Thailand, Malaysia, and Indonesia.

In the arena of investment products, the Global Markets Group recently launched a short-term 'Dual Currency Note' program for institutional and high net worth corporate clients who wish to seek higher returns from foreign exchange movements. The note will provide enhanced coupon to the clients in exchange for the right given to the Bank to repay principal either in Thai Baht or a foreign currency.

By leveraging MUFG's global network and product capabilities, we have delivered our clients tailor-made and full-fledged risk management solutions for project financing, merger and acquisition financing, and leasing financing. Allied with the Debt Capital Markets Department and MUFG Securities (MUS), we were part of the great accomplishment of MUFG's first-ever successful liability management transaction involving USD-denominated senior bond issued offshore with hedging solutions for Thai corporates.



Given the dramatic shift of customer behavior toward the increased use of online and mobile banking platforms, the Global Markets Group took part in digital innovation initiatives led by the Digital Banking and Innovation Division, Krungsri Consumer, including enhancement of the Krungsri Biz Online (KBOL) platform and the development of cross-border QR code payment, which will facilitate tourist payments in Japan as the pilot country.

As market volatility heightened with more diverse risk factors in 2018, and demand for more specific analyses has grown, the Global Markets Analysis and Research widely serves clients across all segments with the exceptional features of Krungsri and MUFG providing in-depth perspectives on both domestic sentiment and global market dynamics. The team has seen a warm market response with more broad-based brand awareness through our commentary provided via diverse media channels including live interviews, published and online analyses, insightful market reports, and personalized seminars.

Looking ahead to 2019, the Global Markets Group will continue to fulfill our commitment of being a 'Total Solution Bank' for risk management products and services. We will scale up our securities business capabilities by utilizing MUFG's product expertise and global-reach network to source more attractive investment products, along with strengthening the Bank's interest rate risk management through Eurodollar and US Treasury futures trading. We will persistently enhance IT and digital platforms for global markets products and services to deliver the excellent customer experience.

KRUNGSRI AUTO

Industry Outlook and Krungsri Auto's Business Performance

Propelled by stronger domestic demand in the auto market and the recovery in consumer confidence, the automotive finance industry has continued to grow, at a rate of 12 percent in 2018. Despite intense competition in marketing campaigns as well as product and service development, Krungsri Auto has maintained its leadership in automotive finance by consistently offering one-stop service and innovative financial solutions to meet customer needs. In 2018, Krungsri Auto outperformed the industry in all product segments with a total of 368 billion baht in loan portfolio, a 14 percent year-on-year growth. We also achieved new lending volume worth 193 billion baht, 16 percent growth from last year's figure, earning a market share of 26.7 percent.

In 2018, Krungsri Auto's main goal was to build on our success and maintain our commitment to developing automotive finance innovations responding to all customer needs, through three main strategies: digitization, customer engagement, and empowering our people to efficiently serve customers.

Furthermore, Krungsri Auto has continuously shaped the market by enhancing its products and services on diverse digital platforms, providing a seamless customer experience in every channel across all products. For instance, it launched a conversational commerce service in its official Line account which allows one-on-one chats with customers for advice on all matters related to auto finance. Krungsri Auto also introduced a customized 'Car for Cash' product feature that aims to serve Generation Y customers and entrepreneurs in the digital era. Driven by these digital marketing efforts, Krungsri Auto's lending volume via online channels reached 2,336 million baht, a 77 percent growth from the previous year.



Digital Innovations for an Exceptional Customer Experience

The year 2018 marked the start of 'agility', Krungsri Auto's new way of working, designed to increase the organization's agility in product development and customer service. Additionally, Krungsri Auto unveiled 'Krungsri Auto PromptStart', a first-of-its-kind auto finance tool for credit appraisal on a digital platform, facilitating customers' decision-making process with more assurance before purchasing a vehicle, available for new and used cars, and all types of motorcycles. Providing customers with advisory services, the innovation should help them have a better experience in purchasing a vehicle. In the future, Krungsri Auto plans to develop a comprehensive end-to-end digital lending platform, allowing its customers to apply for a loan, follow up on a result, pay installments, and make inquiries on digital platforms.

KRUNGSRI CONSUMER

CREDIT CARD AND PERSONAL LOAN

Krungsri Consumer provides credit card, sales financing and personal loans services, as well as life and non-life insurance brokerage services. Our credit card division issues and manages products consisting of Krungsri Credit Card, HomePro Credit Card, AIA Credit Card, Central The 1 Credit Card, Simple Visa Card, Tesco Lotus Visa Card, and Krungsri First Choice Visa Card. Krungsri Consumer is a leader in sales finance and personal loans, with the largest market share of 16 percent. Our main products are Krungsri First Choice 2-in-1 Card, Central The 1 First Choice Card, and Krungsri First Choice Care Card.



2018 Performance

Supported by a favorable operating environment, we successfully maintained our leading position with a total of 8.97 million customer accounts and combined spending of 285 billion baht. The value of our assets increased by 7 percent while non-performing loans were less than the industry average.

Krungsri Consumer has collaborated with solid business partners in different market segments, including retail business such as Central Group; Home Product Center Plc, a home product retailer; Siam Takashimaya, a Japanese department store which has just commenced its operation in Thailand; AIA, a renowned life insurance company; and Tesco Lotus. Krungsri Consumer has also forged partnerships with merchants in a bid to promote sales financing services through Krungsri First Choice.

Digital Banking

Development of innovations to deliver better services and products to our valued customers

A key factor contributing to Krungsri Consumer's leadership in credit card and personal loans business is its commitment to continuously creating product and service innovations, as well as improving business operations, in an effort to enhance customer satisfaction. Some of our key achievements in 2018 include:

- **Siam Takashimaya Credit Card** was launched in late 2018 through the collaboration of Krungsri Consumer and Takashimaya, a leading Japanese department store that just opened its first store in Thailand. The credit card offers various benefits such as discounts and membership points to customers.
- **UCHOOSE Mobile Application**
UCHOOSE provides customers greater transaction convenience and has helped reduce Krungsri Consumer's operating expenses by approximately 70 million baht. Currently, over 2,500,000 accounts of Krungsri Consumer's credit card holders have

downloaded and registered to use the application, an increase of more than 150 percent compared to 2017. Services available in the application consist of movie ticket purchase by redeeming membership points, automatic and temporary credit limit increase, e-coupons, conversion of payment amount into installment payment plan, temporary card freezing, online loan application, and 'scan-to-pay' service.

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

The AI virtual agent 'Manow' can efficiently assist customers. With the help of 'Manow', customers can access basic services themselves, such as checking their balance, requesting a temporary credit line increase, making installment payments, and reporting lost cards. This virtual agent speaks like a human agent, thus helping customers feel relaxed. By using data analytics technology, 'Manow' can help Krungsri Consumer to sort data according to business type, and analyze information such as call patterns and reasons for each call, allowing us to significantly reduce average call handling time and improve service quality to create seamless, fast, and satisfactory customer experience.

- **AI Chatbot**

The AI chatbot is an automatic conversation response system that can understand customers' questions and provide relevant answers. The system has been introduced to enhance customer engagement and service quality. Thanks to the chatbots' self-service functions, customers who use the credit cards' Facebook Messenger service can chat with AI chatbots such as Krungsri First Choice's 'Nong First' and Krungsri Credit Card's 'Nong Rita'. Customers can ask about marketing promotions, credit card application, card members' privileges and benefits, or perform basic functions such as requesting a credit line increase or reporting a lost card. The AI chatbots not only provide 24/7 convenience to customers, but also help improve customer satisfaction through the provision of smart, precise, and personalized answers.

- **Robotic Process Automation (RPA)**

The Robotic Process Automation (RPA) project has been introduced to support Krungsri Consumer's anticipated rapid growth over the next five years, while helping minimize errors in the operational process. The project also aims to help reduce work processes and optimize employee operating efficiency. In carrying out this project, Krungsri Consumer has so far selected 28 out of more than 380 processes proposed by business units, while such processes are to be developed and implemented by our team of robotic engineers at the Center of Excellence during



May 2018 to February 2019. In this regard, we expect to reduce work processes by a total of more than 7,000 working-hours.

- **Big Data and Data Science**

Krungsri Consumer uses 'big data', gathering and analyzing the information of customers in-depth, in order to improve their experiences. In 2018, we expanded our scope of big-data application by developing Real-Time Decision Management (RTDM) to help in responding to the diverse needs of our customers in a precise and timely manner.

MICROFINANCE

NGERN TID LOR

Krungsri offers microfinance service through Ngern Tid Lor Company Limited (Ngern Tid Lor), the leader in providing title loans using automobiles as collateral, purchase financing for used trucks, and nano-financing.

Ngern Tid Lor is the largest branch-based non-life insurance broker offering non-life insurance products including motor insurance, compulsory vehicle insurance, personal accident insurance, and cancer insurance.

Ngern Tid Lor aims at enhancing the standard of title loan business in Thailand, serving as a responsible and transparent source of financing for low-income earners by providing them appropriate and fair products and services.

In 2018, Ngern Tid Lor achieved its target of expanding its customer base by 34 percent, offering opportunities to more than 436,000 customers with total outstanding loans of 39,713 million baht, or 50 percent growth compared to 2017. As regards the sale of non-life insurance, Ngern Tid Lor generated insurance premium revenue of 1,903 million baht, or 1.2 times growth. The value of motor insurance premiums

was 1,643 million baht, or 1.5 times growth compared to 2017. In addition, Ngern Tid Lor added 220 branches in 2018, for a total of 813 branches providing a nationwide service network, increasing its customers' opportunities to access fair and transparent financial services.

In 2018, Ngern Tid Lor expanded its service through digital channels by launching Line BC (Line Business Connect) in an effort to reduce operational costs and ensure that customers can access financial and insurance services more conveniently. The website was also revamped to be more user-friendly, enabling customers to more easily search for information about products and services.

In 2019, Ngern Tid Lor plans to add 200 branches and increase service channels through mobile platforms to ensure greater customer convenience and improved access to its wide array of services.

Furthermore, Ngern Tid Lor realizes its duty in creating shared value (CSV) and will continue its 'Life Rolls Onward' project in a bid to create sustainable financial knowledge among low-income communities, market vendors, and factory workers, as well as NTL's employees.

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

HATTHA KAKSEKAR LIMITED (HKL)

Hattha Kaksekar Limited (HKL) has grown strongly in a very competitive financial market over the past two decades, and is now the third-largest microfinance institution in the Cambodian financial industry. HKL started operating its micro business in 1994 as a food security project and gradually transformed itself into a nongovernmental organization, licensed microfinance institution, and microfinance deposit-taking institution licensed by the National Bank of Cambodia, the central bank. The company set forth its aspiration to be the most admired microfinance deposit-taking institution and ready to become a commercial bank within 2020. All strategic plans and implementations will align with this aspiration.

2018 was another remarkable year of success for HKL as a dominant market leader in the Cambodian financial industry. As of December 2018 their loan portfolio grew 31.3 percent to USD 757 million from USD 577 million in 2017. The company boasts the largest distribution network across the country with 178 branch offices and the largest ATM network of 129 terminals to provide direct services to both rural and urban customers. With prudent credit assessment to ensure sustainable portfolio growth, the non-performing loan ratio was well controlled at 0.68 percent — one of the best in the microfinance institution industry. HKL attained a BBB+ credit rating from TRIS Thailand, affirming the sound and strong position of the company. During the year, it introduced a number of products to underpin long-term growth capability and provide broader products and services to suit customer needs, including the introduction of credit life insurance and high-yield savings products. In November 2018, HKL marked a historic milestone achievement for the company and the Cambodian debt capital market. It successfully completed and sold out the first-ever domestic corporate bond issuance in Cambodia, amounting 120 billion Khmer Riel.



To continue its growth and innovativeness in 2019, HKL has defined key strategic priorities as follows:

- Expand growth capability toward the consumer and retail business with new product introduction and strengthening corporate branding
- Scale up digital adoption with implementation of a new, state-of-the-art mobile banking, Loan Origination System, and data capability initiatives
- Strengthen internal platforms especially in the areas of risk and compliance which include risk grading and scoring, and AML system

ASSET MANAGEMENT

2018 Achievements

In 2018, Krungsri Asset Management Company Limited (KSAM) achieved exceptional results with assets under management (AUM) reaching the milestone of 503 billion baht at year-end, or an increase of 8.5 percent year-on-year, despite the volatility of money and capital markets at home and abroad. Our market position has been strengthened, as evidenced by an increase in market share from 6.8 percent in 2017 to 7.2 percent in 2018. Our robust growth and rising market share largely reflected strong net inflows of 26.2 billion baht into our mutual fund business that continues to outpace the industry.

Driven by significant growth in fixed-income funds and our expertise in the equity area, the healthy net inflows were especially noteworthy, as many large asset management firms were experiencing large net outflows. In addition, our customer base has been expanding with new customers acquired reaching 25,948 — a 7.7 percent increase over 2017. For private funds, fund flow expansion saw a 51.6 percent increase from 2017, with net assets under management amounting to more than 112.8 billion baht.



Moreover, in 2018, we continued to seek fresh investment opportunities and offered new mutual funds to create consistent returns and various investment options to meet the demands of all customer segments. Newly issued funds are as follows:

- **Mixed Fund:**
 - Krungsri Good Life Fund (KFGOOD)
- **Foreign Investment Fund:**
 - Krungsri China A Shares Equity Fund-A (KFACHINA-A)
 - Krungsri Asian Equity Hedged FX Fund-A (KFHASIA-A)
 - Krungsri Vietnam Equity Fund-A (KFVIET-A)
- **Long-Term Equity Fund (LTF) and Retirement Mutual Fund (RMF)**
 - Krungsri Thai All Stars Dividend LTF (KFLTFSTARD)
 - Krungsri Thai All Stars Equity RMF (KFSTARRMF)
 - Krungsri Happy Life RMF (KFHAPPYRMF)
 - Krungsri Global Technology Equity RMF (KFGTECHRMF)
 - Krungsri Greater China Equity Hedged FX RMF (KFCHINARMF)

In 2018, the company introduced new services and operational processes for greater customer service efficiency:

- **5 Steps toward Investment with Confidence Project:** We joined the '5 Steps toward Investment with Confidence' Project, initiated by the Office of the Securities and Exchange Commission (SEC), aimed at providing investors access to comprehensive investment advisory services at a reduced cost, so that they can make appropriate financial decisions to achieve long-term financial stability.
- **Provident fund service enhancement:** We have been expanding the range of offshore investment solutions by introducing foreign investment funds (FIFs), offering our investors better geographical coverage as well as a comprehensive array of asset classes in order to capitalize on opportunities in all markets. In addition, as Krungsri is a strategic member of MUFG, we are in a unique position to leverage synergy with MUFG's extensive Japanese customer base in offering our investment services. We have also customized our corporate website and content to better facilitate our Japanese customers.

In 2018, we adopted digital technology and innovation to enhance our capability in delivering superb products and services to customers:

- **KSAM Mobile Application launch is scheduled for 2019.**
- **QR code payment:** We launched a fund subscription service via QR code payment to enhance customer convenience in subscribing the funds at the company's head office and mobile PR booths at investment events throughout the year. This new transaction service is in line with the drive toward a cashless society and will be leveraged for QR code fund subscription via the company's @ccess Online Service in the near future.
- **Visual content for digital platforms (Website and Line):** To provide impressive customer experiences, we have adopted a new format for fund materials to present our investment insights in a visually appealing way by using relevant illustrations to accentuate the topic. These infographics help investors to simplify and better understand complicated information. Importantly, communication of these materials has been carried out consistently through the company's website and Line account.

Key Plans/Strategies for 2019

Three key strategies are to be adopted to drive sustainable business growth:

- **Comprehensive quality products offering:** Delivering good risk-adjusted returns and widening the product range to suit every economic cycle and the dynamic market environment.
- **Client base expansion by** 1) continuing to work closely with the Bank's distribution network nationwide through Bangkok and upcountry branches; 2) expanding distribution channels by leveraging the market trend toward an open architecture platform with local big banks; and 3) tapping into the younger-generation market via online channels.
- **Customer experience enhancement:** Providing a technology-driven, end-to-end process ranging from customer onboarding to portfolio performance tracking, and reinforcing efficient online communication and marketing strategies in accordance with client behavior tracking and analysis.

SECURITIES

Key Developments and Achievements in 2018

Achievements on the Technological Front

Krungsri Securities Public Company Limited (KSS) has put considerable emphasis on the development of internet



trading technology that provides customers convenience along with accurate submission of trading orders to ensure confidence in our service. The company offered two new products as follows:

- **Enhancement of KSS e-Service on Mobile Internet Trading Platform:** KSS's latest service development allows our clients to conveniently deposit, withdraw, and transfer shares, as well as change their password and search for research papers through the mobile application.
- **New Streaming for Fund Platform:** Clients can examine their investment portfolios, check trading order status, and buy or sell mutual fund units anywhere, anytime, either through the streaming application or a direct connection to our website.

Increase in Market Share Ranking

In 2018, KSS climbed to rank 19th in market share despite intensifying competition, while it remained committed to customer service excellence.

Enhanced Collaboration within Krungsri Group

- **The Corporate and SME RM Referral Campaign:** The company established a collaboration between relationship managers of the Bank's Corporate and Investment Banking Group and the SME Banking Group in implementing a referral program to expand into a new client base.
- **Krungsri Prime – KSS Campaign:** The company ran a campaign to boost the client base, offering privileges to customers in the Krungsri Prime segment including special interest rates for credit balance account holders and the right to subscribe the initial public offering (IPO) of shares.

2019 New Strategic Initiatives

Digital Platform Development

- **Algorithmic Trading Platform:** To be available in 2019, this application is an outstanding tool to help our clients analyze all stocks in the market, scan for good performers, identify entry points, and review the status of their investment portfolios.
- **Wealth Management Platform:** The company plans to build an innovative platform for complete wealth advice service to provide appropriate financial planning advice and customer management tools for our investment advisors.

Wealth Management

Following the successful launch of the Private Banking Department in 2018, the company will continue to expand this business by recruiting and developing wealth specialists (investment strategists) to create investment portfolios in response to specific demand from clients to generate wealth with better quality and financial experiences.

Investment Banking

The company plans to continue developing its investment banking business with an aspiration to be the sole lead arranger and underwriter for companies planning to list on the Thai bourse. It also plans to maintain its role as a co-arranger before serving as a financial advisor, through collaboration with Krungsri.

As Thai society enters the industrial 4.0 era, technology plays an ever-greater role in business undertakings. Big data analysis allows companies to know their customers in a more comprehensive way than in the past. Meanwhile, as internet accessibility has made consumers change their behaviors, 68 percent of securities investors now use the internet trading platform. During the past five years, traditional account opening through investment advisors



registered an average negative growth of 5 percent each year, while the number of online trading accounts surged by 27 percent per year on average, with the potential to grow robustly in the future.

We are all familiar with images of investors sitting in front of a television to watch financial news, or monitoring a computer screen before placing trading orders. That is not the case today. Thanks to 4G technology, stock trading is much more convenient, while brokers have developed their own applications or online services in satisfying their customer needs. Recognizing the changing environment, KSS intends to become the Digital & Innovative Brokerage House, and has developed several internal systems in accordance with this intention.

The company has upgraded services on the mobile trading platform by offering Krungsri Stock Expert, an application developed in cooperation with Stock Radars to provide exclusive features for KSS. Our future plan is to employ artificial intelligence (AI) technology in selecting stocks with performance surpassing that of the overall market. In an effort to improve the internal management system, the company has adopted the Centralized Customer Management System to facilitate customer data management, making account opening more convenient and streamlined. This system also accommodates customers in conducting the Know Your Customer (KYC) and Client Due Diligence (CCD) surveys through online channels effectively. The company has also developed an online stock subscription system to help accommodate investment advisors. In the future, the company plans to adopt the Wealth Management System to help fund sales agents find the best solution for each client. Above all, KSS aims to develop the competency of our staff and equip them with the skills necessary to adapt to technological change, and ensure an excellent customer experience.

RETAIL BANKING AND DISTRIBUTION GROUP

KRUNGSRI EXCLUSIVE

Krungsri Exclusive is dedicated to continual business enhancement, while contributing to the advancement of Krungsri's position toward that of a leading regional financial institution with global reach, and laying a foundation for sustainable growth as well as business and customer base expansion. We work as a team to deliver the best customer experience by leveraging our internal collaboration with the Retail Banking and Distribution Group, Corporate Banking Group, and SME Banking Group, as well as expanding our connections to business alliances, including automobile manufacturers and property developers. These cross-functional collaborations across business units and external partners will help build brand awareness and the reputation of our vast network, while offering improved accessibility to our comprehensive services.

In addition to strengthening relationships with external corporate partners, Krungsri Exclusive aims to attract new customers with excellent branch and retail customer services, as well as enhancing customer services and privileges to better accommodate varied customer lifestyles. Our service network is also expanding in provincial areas. For example, we have collaborated with a business partner, Fitness First, in extending customer privileges to Nakhon Ratchasima, Khon Kaen, and Chon Buri, for greater service access among provincial customers.

To promote sustainable customer relationships, our wealth management and investment advisors are available to serve Krungsri Exclusive and Krungsri PRIME customers; they are well-trained to provide investment advice in accordance with customer demand. With the use of open



WE CONTINUED TO IMPROVE OUR AUTOMATED CUSTOMER MANAGEMENT PLATFORMS, **ELEVATE DIGITAL CAPABILITIES, AND LEVERAGE SOCIAL INTERACTION DATA TO UNDERSTAND INDIVIDUAL CUSTOMERS' BEHAVIORS, NEEDS, AND PAIN POINTS.**

architecture, funds from various asset management houses are provided through Krungsri to satisfy all customers' financial needs. In addition, trading of other asset management companies' mutual funds through Krungsri accounts will soon be available so that the Bank can respond to all customer needs, of all investment types.

Maximizing customer satisfaction lies at the heart of our service enhancement, as services through all touchpoints – including branches and online channels – will be upgraded to the next level. In addition, we plan to enrich the end-to-end customer experience, from account opening to other financial solutions. Furthermore, our new service centers at Siam Paragon and ICONSIAM, called 'The Advisory', feature splendid interior design and complete investment facilities, including a video conferencing service through which customers can meet our investment experts, a large digital wall showing real-time financial data, and a meeting space so that customers can thoroughly experience our excellent investment services in a comfortable environment. Therefore, The Advisory is a complete combination of our many superior services and benefits under a single concept, for Krungsri Exclusive clients.

In 2019, new digital tools and platforms will be adopted to facilitate efficient financial transactions, while more online services will be made available with a shortened turnaround time, in line with the preferences of

new-generation customers. At the same time, we still put considerable emphasis on offering quality services to customers who are unfamiliar with technology. Information and privileges are provided through both traditional and digital platforms to ensure comprehensive customer coverage.

KRUNGSRI PRIME

During the past two years, we have been able to expand our customer base by 40 percent, and the total assets under management (AUM) of this customer segment continued to contribute a major portion of the overall figure for the Krungsri Retail Banking Group.

In 2018, we aimed to grow the 'main bank' relationship with this customer segment; therefore, need-based marketing played a key role in product and service selection for customers. To effectively pursue our customer-centric approach, we emphasized deep understanding of our targeted mass affluent customers, covering their personalities, attitudes, lifestyles, and significant or life-changing incidents, so that we could comprehend their needs and swiftly provide them appropriate solutions when those needs arise. We also extended customer analytics in studying their use of the KRUNGSRI PRIME application, to learn their preferences and enhance our application's features as well as privileges offered, to best suit their lifestyles.



For financial consultancy service, Smart Advisor, a digital investment advisor, was developed on Krungsri Mobile Application (KMA) to cater to customers' preference for growing their wealth with a convenient, self-service approach. The service also provides a link between online and offline service with human support from our Plan Your Money financial consultant team for more detailed investment advice.

MASS RETAIL CUSTOMERS

Amid the highly competitive and dynamic retail banking environment, we continued to improve our automated customer management platforms, elevate digital capabilities, and leverage social interaction data to understand individual customers' behaviors, needs, and pain points. We could thus identify ways to tailor our products and services to their interests and lifestyles, and maintain a good customer experience at every moment of their life.

In 2018, we continued to boost our machine learning capabilities to analyze big data from social interaction and review customer profiles to better categorize them into appropriate segments so that they can enjoy services and benefits that are well aligned with their preferences. By combining online and offline knowledge of our customers, we have managed to better engage with them through personalization, which leads to customer experience improvement.

Furthermore, we launched a new service to alleviate one of our customers' pain points, particularly when their ATM/debit cards are seized at ATM machines. Our real-time detection protocol has been developed to send SMS alerts to customers guiding them in how to make contact to retrieve their ATM/debit card, thus easing their concerns. We also incorporated social factors in our personal loan credit underwriting criteria, through development of a 'customer social score' which is used as a supportive factor in loan approval that helps increase the chance for customer approval, while boosting our business volume growth.

SME BUSINESS BANKING

The SME Business Banking segment (SME-BB) is defined as businesses with commercial credit limits of up to 15 million baht for self-employed individuals and audited sales turnover of up to 20 million baht for juristic persons, using both product programs and credit write-ups to suit various SME Business Banking needs. Krungsri continues to focus on providing financial support and enhancing the competitiveness of our SME Business Banking customers. We have strengthened our branch team with commercial credit knowledge to support customers in boosting their business competitiveness.

In 2018, the Business Banking Division supported the Bank in expanding SME market share with the following deliveries:

- Tun Jai 3x Loan offering high credit limits of up to 3 times collateral value with loan repayment up to 10 years;
- Krungsri Business Online Application providing easier access for SME-BB customers;
- Online Business Matching, where SME-BB customers meet prospective sellers and buyers;
- Soft Loan for SMEs offering low interest rates to 10 new S-curve industries.

As for loan growth, 2018's new credit bookings were up 50 percent from 2017– ranked fifth in terms of market share.

In 2019, we plan to further improve the customer experience and simplify the approval process with new digital tools and platforms to support SME-BB businesses, while services will be enhanced toward being faster and paperless. More features will be added to mobile applications and digital channels to support SME-BB customers, offering overdraft, term loans, promissory notes, and letter of guarantee.

สิทธิพิเศษสำหรับลูกค้าสินเชื่อธุรกิจรายย่อย
ตั้งวงเงินสินเชื่อกรุงศรี SME ที่เข้าร่วมรายการ

ฟรี บัตรเดบิตนำเงินปลด.
วงเงินสูงสุด 2,000,000 บาท

15 ก.พ. 62 – 31 พ.ค. 62
*เงื่อนไขเป็นไปตามเงื่อนไขการกำหนด

รายละเอียดเพิ่มเติม >

Krungsri Simple Krungsri 1572

RETAIL AND SME BUSINESS BANKING PRODUCTS

DEPOSIT PRODUCTS

At the end of 2018, Krungsri had 1.4 trillion baht in deposits, increasing by 8 percent from 2017 and representing a market share of 10 percent. Both individual and juristic customers – especially Japanese corporations–contributed to the growth, which was higher than the deposit industry average.

Amid fast-growing deposit transactions via mobile applications, Krungsri continued to improve our service features, user experience, and security. The Bank has joined the government in building the national digital ID platform as the infrastructure for electronic customer identification (e-KYC). We also invested in the biometric technology of face recognition, and plan to use it for deposit account opening. We are presently testing the technology and plan a rollout at all branches in 2019.



In 2019, Krungsri will continue to grow our deposits by expanding our base of both individual and juristic customers. For individual customers, we will utilize the face recognition technology and the national digital ID platform for deposit account opening via mobile phone. To serve account opening via mobile phone, we plan to launch a no-passbook deposit account in which customers can easily make deposit, withdrawal, funds transfer and payment anytime, anywhere, in line with their digital lifestyle. For juristic customers, we plan to grow deposits from both business and non-business customers by adopting e-service technology to better serve their financial needs.

INVESTMENT PRODUCTS

The most important strategies for strengthening and sustaining long-term client relationships are to maintain the high quality and transparency of financial advice, and always offer products suited to clients' needs and risk appetites.

In 2018, we launched two major services in alignment with our core value of customer centricity and key theme of 'Think Digital First', as follows:

- Offering mutual funds of many partners on an open-architecture platform:** This service allows our clients to access high-quality funds from six partners, i.e. Krungsri Asset Management Co., Ltd., CIMB Principal Asset Management Co., Ltd., Phatra Asset Management Co., Ltd., Manulife Asset Management (Thailand) Co., Ltd., One Asset Management Co., Ltd., and UOB Asset Management (Thailand) Co., Ltd. The investment product team at Krungsri uses a careful fund selection process to ensure that we have all kinds of funds that best serve different financial and investment goals, and have outstanding historical performance. Moreover, we fully understand clients' pain points in the onboarding process, so we introduced a single-account opening system whereby new clients are requested to open just one account, which can then be used to purchase

any of the available funds. This service was also extended to existing mutual fund clients. In addition, all customer groups can choose to receive investment advice and make fund transactions through Krungsri branches nationwide.

- **Smart Advisor portfolio recommendations:** This service is suitable for clients who prefer the self-study investment style, monitoring and making investments via Krungsri Mobile Application (KMA). Investment portfolios are recommended based on clients' objectives and risk profile. After receiving a recommendation, clients can choose to immediately invest according to the advice, or stick to their own preferences and track movements daily.

The Bank plans to continue improving these two services in response to customer demands and in alignment with the ever-changing investment landscape.

BANCASSURANCE

The Bank's first year premium grew 8 percent from 2017, while the industry average dropped by 1 percent. Our strong branch distribution channel played a significant role in our success. We have made the necessary strategic plans to ensure that our business growth is sustainable in the long term, by developing various products that serve our customers across different segments.



In 2018 we launched 'Krungsri Unit Linked', a life insurance policy linked with mutual funds. The product provides our affluent customers an opportunity for increased returns compared to traditional life insurance products. Krungsri Unit Linked is a powerful financial planning tool for our customers, as it provides stability in the medium- to long-term investment horizon. The product received good feedback from target customers following its launch.

In addition to introducing new products, Krungsri has also invested heavily in educating our sales force to prioritize customer centricity. We want our employees to know our customers and understand their needs. In the future our employees will be professional financial advisors, and Krungsri will be a one-stop financial service hub for all our customers.

In 2019, we will maintain our drive to launch various products to cover all customer segments, especially first jobbers, by introducing a savings and insurance product which is easy to understand and with a lower premium, through which they will be able to plan and start saving for their future.

We are leveraging the customer trust in our brand to introduce insurance products on the Krungsri online platform, which will be completed in 2019.



DEBIT CARD, MONEY TRANSFER AND ATM CHANNELS

In 2018, Krungsri continued to strongly support Thailand's 'cashless society' initiative, moving toward a digital economy in alignment with government policy, and keeping pace with the evolution of technology and consumer behavior. In light of this, Krungsri has developed new products and services for customers, per the following objectives and details:

- Encourage customers to shift to digital channels by waiving transaction fees for such channels, e.g. money transfer, bill payment, etc.;
- Provide customer convenience for bill payment by offering new services of QR code payment or Scan to Pay to merchants and mobile banking customers;
- Provide additional privileges to Krungsri debit cardholders by offering a number of discounts from merchants in Japan that are partners of Mitsubishi UFJ NICOS Co., Ltd.;
- Provide customer convenience in withdrawing cash from Krungsri ATMs without the need for an ATM or debit card, through 'Krungsri Cardless Withdrawal';

- Ensure security and peace of mind for customers when using debit cards at ATMs and paying for goods and services at points of sale by launching Thai-standard chip cards to prevent card skimming;
- Improve customer access to basic financial transactions, i.e. cash deposit to Krungsri accounts, by appointing Krungsri Banking Agents to perform such transactions for the Bank so that customers do not need to visit a Krungsri branch.

In 2019, Krungsri plans to launch more spending campaigns to promote the use of debit cards for bill payment, and mobile banking for Scan to Pay, including the launch of new debit card products for which customers will be able to apply via mobile banking anywhere, anytime. In addition to that, Krungsri is going to expand our Banking Agent network to enable customers to more readily access the Bank's financial services.

KRUNGSRI WESTERN UNION

In 2018, Krungsri aspired to become the leader of sending and receiving money through Western Union in Thailand, offering a new service, PAY@WU, to allow customers to shop at Amazon.com and pay for their shopping in cash at Krungsri's branches or exchange booths nationwide. In addition, Krungsri has redesigned the process of sending/receiving money, making it easier, faster and more convenient. The new process, which allows users to send and receive money without filling out a form, received positive feedback from customers.

Going forward in 2019, Krungsri plans to expand the PAY@WU service on Krungsri ATMs nationwide. Moreover, the Bank plans to launch the Western Union service on its mobile banking application, while offering customers the convenience of using their accounts at other banks to receive their money.

MORTGAGE LOANS

2018 was another vibrant year for the overall property business, owing to the launch of new projects as well as the aggregation of ready-to-transfer projects. As a result, the Bank's new mortgage volume achieved higher growth than that of the previous year. In 2018, new mortgage volume surpassed the target, up 34 percent from 2017.

The Bank's mortgage growth in 2018 was attributed to the continuation of the prior year's strategies and personnel planning. The Bank continued to place great importance on creating a good customer experience by providing manpower equipped with relevant expertise as well as genuine customer understanding. The Bank boosted the

number of direct sales agents (DSA) so that they could offer convenience for homebuyers who are customers of Krungsri's partner property developers. In 2018, the Bank launched a mobile application called 'Di-sales', a tool for helping sales employees provide mortgage services to customers more efficiently. Di-sales can be used to calculate mortgage amounts, installment periods, installment plans, and interest rates. The application's chief benefit is that information can be shared with customers conveniently and swiftly via the Line chat application, email, or other online channels.

In addition, Krungsri Home for Cash is a loan product for which customers pledge their free and clear house as collateral to apply. With its simple and concise content, the Krungsri Home for Cash advertisement helped consumers understand the product's features as well as the convenient loan application process. This led to substantial growth of Krungsri Home for Cash volume, at 24 percent above the set target.

Adopting an agile working method, the Bank established the digital mortgage team to improve the mortgage application process and provide faster and more convenient services for internal and external customers alike, in line with Krungsri's core values of 'Customer Centricity' and 'Making Innovative Changes'.

For the 2019 targets, the Bank will still focus on granting quality mortgages and continuously introducing new product features to the market to cover all customer lifestyles and age groups.

With regards to digital development, the Bank also intends to offer mortgage application via digital channels in response to the changing behaviors of today's consumers, who prefer convenient and speedy self-service channels for conducting transactions anywhere, anytime, in order to deliver an enhanced customer experience in this era of fast technological development.

As for service channel expansion, the Bank plans to collaborate with property development companies and property search portals in developing Application Programming Interfaces (APIs), which will enable business partners to connect with Krungsri's systems and use its tools to improve the customer experience. For example, when a customer browses a business partner's website, they will find tools for calculating various types of Krungsri mortgages so they can determine their expected credit limit and make an efficient plan to buy a house.

DISTRIBUTION GROUP

Managing all product and service channels across the Bank's nationwide network, the Distribution Group is committed to providing impressive customer experiences in making transactions via diverse channels. In 2018, we added three new branches, and as of year-end, there were 703 branches in all, of which 664 were full banking branches, and 39 were auto business branches. In addition, we added 150 new ATMs resulting in 6,700 ATMs and 90 currency exchange centers at the end of the year. Expansion of our distribution channels was aimed at improved customer service and ease of access, along with faster service. In addition, apart from Krungsri Exclusive banking centers, currency exchange centers, and Western Union centers, our services are also offered through Krungsri Online and Krungsri Mobile Application (KMA).

In response to changing customer behavior in the digital era, we have developed multiple service channels for ultimate customer convenience and speedy service, mainly driven by financial technologies. Still, the Bank continues to place considerable emphasis on physical branches, with expansion and renovation in accordance with customer needs, as we understand that customers

have different financial demands and different preferences in service channels. With Krungsri's diverse channels, we thus strive to 'Make Life Simple' for customers of all financial backgrounds.

Our recent surveys showed many customers still greatly prefer to visit branches to conduct transactions and seek financial advice, as well as updates on current financial and investment trends. Under the principle of customer centricity, four types of branches have been introduced:

1. Smart Branch – a branch equipped with automatic machines for self-service transactions and full-time staff presence for advice;
2. Smart Kiosk – a kiosk with automatic machines for self-service transactions with a more limited staff presence for advice;
3. Partnership Branch – a special branch jointly run with other organizations, i.e. universities;
4. Typical Branch – a normal branch.

Krungsri Siam Paragon Smart Branch and ICONSIAM Smart Branch were opened in 2018 in accordance with the Smart Channel Strategy via smart banking, investment, people and technology under the customer-centric principle. In addition, we have focused on improving staff capabilities so that they can become customers' financial advisors and preferred assistants. Therefore, the Branch Academy project was launched to equip branch staff of all positions with greater knowledge, skills, and capabilities so that they can deliver sales and service perfection. Under this project, two long-term programs were made available, Wealth Academy and Lending Academy, covering basic to advanced, tailor-made curricula, that will strengthen staff's related analysis and specialized skills, as well as professionalism, regarding financial advisory, investment and lending service provision for all customer segments. These skills include comprehensive financial planning and advisory services for customers, their family and employees; analysis of customer information, demand, and readiness; recommending products with ultimate benefits for customers; and advisory services for all types of loans.

For the best customer experience, the Branch Academy project will be continually developed, while technologies and innovations will be adopted for greater customer convenience, security, and swift service. Therefore, the customer experience will be improved and delivered with better-than-expected services that promote sustainable relationships between the Bank and its customers.





In 2019, apart from opening more Smart Branches, the Bank is planning to collaborate with businesses in other industries to jointly open new types of branches in response to changing customer lifestyles. To enhance branch services, facial recognition technology will be adopted for customer authentication.

MARKETING AND BRANDING

In the present digital era, customer centricity continues to be the focal point of Krungsri's marketing and branding. We constantly conduct the Net Promoter Score (NPS) survey to get feedback from our customers; such a survey is also carried out online to reach a wider group of respondents. Survey results have helped Krungsri better understand the needs and preferences of different customer segments, mass and commercial, while identifying areas for improvement toward improved customer experience at all touch points.

Krungsri continues to believe that money matters should be simple, no matter how important technology becomes in everyday life or how the world is changing. Krungsri therefore continues to improve all service channels and customer touchpoints so that no matter which channel customers choose (such as mobile application, ATM, branch, etc.), Krungsri stands ready to serve them. This main idea leads to our communication campaign 'Krungsri is here beside you'.

In 2018, Krungsri emphasized our positioning through two corporate brand campaigns:

- **Krungsri is right here beside you:** Through this campaign, Krungsri aims to convey that we place an emphasis on customer accessibility and convenience. The Bank therefore continues to provide a variety of channels to serve our customers, whether those channels are digital such as Krungsri Mobile Application (KMA), or more familiar channels like ATMs or branches. Our customers can choose the channels that suit their lifestyle or circumstances, so that money matters will continue to be simple.
- **Krungsri – MUFG brings the world within your reach:** This campaign reinforces Krungsri's strength of an extensive global network that provides access to leading technologies, digital innovation, financial expertise, and opportunities from business partnerships all over the world. This is evidenced by the success of the Krungsri Leadership Academy program which takes selected young business successors and new-generation leaders abroad to get hands-on experience from leading companies, and the business matching event where top companies travel from Japan to Bangkok to create business opportunities while meeting our customers. All of these events are designed to support our customers in maximizing their leadership potential.

Going forward into 2019, Krungsri will continue to strive for customer centricity through capitalizing on digitalization that enhances the customer experience in all marketing activities, and to communicate to customers that Krungsri is right here beside them to make their life simple.

CORPORATE STRATEGY AND PLANNING GROUP

The Corporate Strategy and Planning Group (CSPG) plays a key role in planning relevant strategies and laying out Krungsri's roadmap in response to rapid changes in business environments, while helping drive those plans toward tangible results. 2018 saw broad and rapid changes and reforms throughout the Bank. CSPG has been driven and managed to deliver those key changes such as:

Adhering to Customer Centricity; Creating Innovation to Systematically Enhance the Bank's Customer Experience

The Bank is committed to continually improving its customer experience, so that Krungsri could become customers' top of mind. Customer feedback regarding their satisfaction, experiences, and expectations toward our services provided via various channels has been analyzed through Customer Journey Maps. As a result, the best solutions and innovations have been sought to enhance the customer experience. We have also set up the Customer Experience Program Management Unit, which focuses on proactively measuring and monitoring experience improvements.



The Bank intends to deliver the best service experience while responding to our customer needs, in all service touchpoints. We, therefore, have developed and implemented a new Customer Relationship Management (CRM) platform to upgrade the Bank's service standards by delivering a seamless omni-channel customer experience.

In addition, the Bank recognizes the importance of creating a customer-centric organizational culture. Hence, we have set up the CX Master Program to develop Change Leaders, equipped with expertise in applying the concept of Design Thinking to create innovations that meet customer needs, in various business units throughout the Bank. Training sessions are also planned for employees at all levels for greater understanding of the concept and smooth collaboration across all business units.

Gearing toward Agile Organization

Since late 2017, an agile working model has been adopted to help us deliver the best customer experience with enhanced products and services, as well as boosting operational efficiency and effectively responding to ever-changing customer demands, leading to the Bank's sustainable growth.

Under the traditional way of doing business, a software project is planned with scope of work, timelines, resources, processes, and tools. Sometimes, planning takes so much time that the customer's need for that software may evaporate even as it remains in development. Rapid technological change makes it difficult for laggards in the field to adjust themselves and avoid losing competitiveness.

Working in an agile way is to plan and execute work in small batches, and assess each batch in accordance with set objectives before proceeding further. In this way, problems can be dealt with in a more timely and efficient manner. Analysis of feedback in product development is crucial for solutions in a 'fail fast, learn fast' environment.

Krungsri has successfully delivered new products and services by continually using the agile method, resulting in customer and user satisfaction as follows:

- **Driving Mortgage Improvement through Agile**

The agile concept has been adopted for Krungsri's mortgage loan business, for which the customer journey must be deeply understood and novel solutions sought to strengthen the value proposition. The first phase of Krungsri's application, Di-Sales, has been launched and has successfully provided improved support for efficient sales and related operations.

Aiming to be customers' top of mind and to enhance the customer journey, we are developing mortgage services through collaboration with our partners to offer homebuyers complete services as well as beneficial information.

Thanks to Di-Sales, total customer applications and total sales volume through direct sales agents have significantly increased: Total customer applications submitted increased by 48 percent, and total sales volume rose by 61 percent, compared to 2017.

• Introducing Agile to Wealth Management Business

Smart Advisor provides users of Krungsri Mobile Application (KMA) advice on fund investment. By answering some questions, customers will be recommended by Smart Advisor to invest in funds that match their needs, both those of Krungsri and other companies. Through Smart Advisor, insightful, regularly updated information on funds and related matters will be provided for users' timely investment decisions. They can further speak with our experts at any Krungsri branch, based on the advisory results given in the application. Smart Advisor was launched in KMA in November 2018, and will be enhanced in terms of advisory and investment monitoring features by the end of 2019. A scrum team and agile methodology have been at the center of Smart Advisor development for the best customer experience.

Driving toward Cashless Society

In response to government and Bank of Thailand policies to lead Thailand toward the status of a cashless society, which started in 2016, Krungsri has embraced the National e-Payment Master Plan and taken part in driving related projects which are also in line with one of our key strategic themes: Lead by Innovation. Think 'Digital First'.

Given the impending cashless society, the Bank is now ready to provide full services in order to provide simplicity for our retail customers and to empower our corporate customers via a variety of payment offerings. They include Krungsri Mungmee QR for retail merchants or individual business owners, and Krungsri Biz Mungmee QR for merchants who are juristic persons, connecting to the complex QR payment system integrated with each point of sale (POS) or other channel via application programming interfaces (APIs) or the electronic data capture (EDC) platform.

We also provide an option for our merchant customers to receive payments via Alipay or Wechat, while QR code payment via Visa or Mastercard will be available in early 2019. We have also expanded our QR business cross-border, which will allow Thai tourists to make payments via their mobile app in Japan. Krungsri is committed to delivering better payment innovations to our customers.

Driving Changes by Re-generation Process and Automation

One element of the 'Simple To Work' initiative is the project, 'Re-generation Process and Automation', which is aimed at improving internal productivity. After tools and techniques such as lean process re-engineering and robotic process automation were employed in the first phase, an equivalent of 120,000 hours of manual operations has been reduced annually. In 2019, the project will expand further in terms of implementation areas and increased levels of automation.

Transform Finance and Risk Infrastructure in Preparation for IFRS9

In 2017-2018, Krungsri invested more than 1 billion baht to transform more than 10 financial and risk infrastructure systems to comply with the IFRS9 financial reporting standard and to improve financial and risk analytic capability. Rollout of these new systems began in January 2018, and will be completed in 2019.

INFORMATION TECHNOLOGY

Our multitude of achievements was in line with our aim to reinforce our customer-centric strategy through digital innovation. To serve the new generation of customers, we continue to improve our online and mobile banking channels, i.e. digital lending for personal and auto loan, QR code payment, and Smart Advisor through Krungsri Mobile Application (KMA). The Bank's information technology developments in 2018 are as follows:

- We initiated a new process to check customer data with the Department of Provincial Administration to ensure that the customer's identity card (ID card) is not an expired, lost, or stolen card.
- We developed and installed a Self-Service Banking (SSB) machine packed with services responding to changing customer lifestyles: a new-generation digital kiosk for customers' quick and easy self-service, e.g.



account opening, cash withdrawal, cash deposit, and debit card issuance. At the same branch, we also launched a Bill Payment Machine (BPM) that will allow customers to pay their bills in cash (banknotes and coins). Both machines debuted at the Siam Paragon Branch in October 2018. To improve customer experience and flexibility, encouraging them to use KMA, we will provide Wi-Fi service at all branches within 2019.

- For enhanced security at Krungsri branches and in response to the National e-Payment Master Plan, we have added facial recognition technology to the account opening process, using the customer's photo stored in their Thai ID chip card for comparison with their photo taken at a Bank counter. In 2018, a total of 2,484 digital cameras were installed to store images of customers who enter branches and make transactions. In this way, we can verify the identity of individuals wishing to open accounts and make financial transactions in the future, preventing fraud and enhancing our reliability.
- Offering efficient transactional banking to corporate customers in the digital banking era by leveraging our Krungsri supply chain solutions for a supplier/buyer financing module, and using private cloud technology and connections between our system and those of our major customers via a host-to-host module, we expanded our services, with more than 30 clients signing on within 2018.
- The Bank developed a real-time cross-border funds transfer service for the business sector through Krungsri Blockchain Interledger. We adopted the technology in response to consistently rising customer demand for global funds transfer. With this technology, each international funds transfer transaction can be completed in a matter of seconds, rather than two or three days as before. Widely recognized as the most secure technology, this blockchain-based service will enhance the Bank's international funds transfer capability, while cutting financial transaction costs for the Bank's customers and the entire business supply chain, from upstream to downstream. Adopting the cutting-edge technology of Krungsri Blockchain Interledger is a strategic move to satisfy Krungsri's corporate customers, who need to be sure that payments from their foreign buyers will reach them on time, and without concerns over foreign exchange fluctuations.
- Building on the success of our digitalization strategy, with an understanding of customers' needs in cross-border funds transfer, Krungsri entered the next phase of Krungsri Blockchain Interledger by offering real-time funds transfer between Krungsri branches in Laos and Thailand starting in the fourth quarter of 2018. Looking at our long-term roadmap, the Bank plans to expand this service to cover Singapore, Japan, the United States, Europe including the United Kingdom, China, India, and CLMV in 2019-2020.
- To enhance customer engagement and business relations, improvement of internet banking for corporate customers and foreign exchange capability at our foreign outlets have been made a priority and included in the three-year service system development plan at the Bank's branch in Lao PDR. Joining the ATM pool system of the Bank of Laos PDR (BOL) is another milestone that Krungsri plans to attain, thus improving customer access and satisfaction.
- Krungsri has extended the Bank's IT governance to cover Hattha Kaksekar Limited (HKL) in line with Krungsri's best practices. HKL has successfully established a best-in-class IT platform with global security standards, IT compliance, and project governance strategy applied as key foundations for transforming the company into a commercial bank in the near future.
- The Bank has experimented with the adoption of Robotic Process Automation (RPA) to enable a digital workforce by enhancing related IT infrastructure and

building capabilities of related staff. Through adjusting our processes together with RPA implementation, Krungsri staff could adopt such technology to create a better customer experience. Simple and repetitive tasks would be automated, while Krungsri staff could be upskilled and focus more on higher-level tasks and improving customer services.

- The Bank continues to invest for the creation of an internal enterprise data warehouse with Teradata. We also continue utilizing socialized data, building of data scientist resources and big data management, data virtualization, and advanced data analytics to improve efficiency in knowing our customers.

Given the rapid changes in digital banking, Krungsri has continuously improved its information technology security programs to protect the Bank's systems, data, and service channels from both current and future threats, especially those of internet and mobile banking, and new digital banking platforms and channels, to provide the utmost security in services to the Bank's customers.

To ensure that the IT Security Triad (confidentiality, integrity, and availability) exists in all of the Bank's products and services, Krungsri has enforced controls by adapting relevant industrial standards and best practices in various projects, i.e. Extension of Advanced Malware Protection, Cybersecurity Monitoring Operations, Cloud Security, Phishing Simulation Exercise, ISO/IEC 27001 Certification for BAHTNET, and Imaged Cheque Clearing and Archive System (ICAS) as required by the Bank of Thailand, as well as SWIFT Customer Security Framework Implementation.

We will always work to strengthen our security, to ensure that all necessary controls as well as monitoring and protection mechanisms are in place to safeguard the sensitive information and services of Krungsri's customers.

Good governance principles and regulatory compliance are among our core values. We maintain compliance with the Sarbanes-Oxley Act, the Third Basel Accord (Basel Committee on Banking Supervision III), and the Domestic Systemically Important Banks (D-SIBs) requirements.

Moreover, the Bank has invested in major IT projects under the Finance and Risk Program to support the following practices:

- Development of the Finance & Risk Analytics (FRA) system to support asset and liability management, liquidity management, and funding cost calculation;

- International Financial Reporting Standard 9 (IFRS 9) platform development was completed at the end of 2018, giving us time to prepare before submitting an official report to the Bank of Thailand in the first quarter of 2019;
- The new BOT DMS system with a new automated reporting process of two different system platforms, improved data reconciliation, and an easy-to-trace process.

We aim to fulfill our IT aspiration, 'Go Digital, Make Life Simple', for our customers by building a future-ready, robust, and adaptable technology platform through agility and innovation. Our IT transformation will focus on three aspects: technology, people, and process.

Under the technology aspect, we have developed our investment plan in nine major areas to provide the most complete and effective digital financial services, which are:

- Artificial intelligence and machine learning to develop a learning and memorization system;
- Big data/data analytics to examine data and produce appropriate models of products and services;
- Blockchain to increase speed and transparency in transactions;
- Smart Application Programming Interfaces (APIs) to provide customers good and fast service through online channels;
- Super Mobile Application to support payment in various ways;
- Biometric authentication to access data, in order to increase security;
- Digital Lending Platform: Partnerships with businesses to jointly innovate and seek new service models;
- Insurance technology to allow customers to insure themselves through online platforms;
- Smart Advisor for Wealth Management: Adoption of technology to provide financial advisory services.

People and process are also key drivers for the next year's plan, with emphasis on building employees' capabilities and improving internal processes. Moreover, the Bank intends to promote innovative knowledge by adopting agile as well as Development and Operation (DevOps) processes as tools to seamlessly blend digital and traditional banking.

OPERATIONS GROUP

Adhering to customer centricity, the Operations Group continued to enhance productivity and efficiency in 2018 to keep up with ever-changing customer expectations amid rapid digital disruption. Many new digital technologies have been adopted for delivering a superb customer experience, aiming to not just keep pace with the industry but also stand out against peers to become our customers' top-of-mind bank. The overview of 2018 achievements and initiatives is as follows:

In response to changing customer behaviors in the digital era, a non-voice service center has been established to helpfully reply to all customer feedback sent via social media channels, e.g. Facebook, web boards, Twitter, and

To support credit business expansion and enhance productivity of credit processes, the LG Blockchain and e-channel application for financial certificates, as well as e-payment for insurance premiums, have been used to increase our market opportunities and improve customer experience. We have also applied the HostBridge application to create one-screen data entry by consolidating various screens from multiple systems, thus streamlining the credit process for credit facility registration, credit line extension, and loan disbursement, which could reduce processing time by 20 percent, improve the accuracy rate, and strengthen the transactional screening process to better comply with related regulatory requirements.

To align with the National e-Payment Master Plan, we have collaboratively launched the 'Thai Standard Chip Card' and

MANY NEW DIGITAL TECHNOLOGIES HAVE BEEN ADOPTED FOR DELIVERING A SUPERB CUSTOMER EXPERIENCE, AIMING TO NOT JUST KEEP PACE WITH THE INDUSTRY BUT ALSO STAND OUT AGAINST PEERS TO BECOME OUR CUSTOMERS' TOP-OF-MIND BANK.



email, with speed, accuracy, and professionalism, all of which are our key service focus. Also, we have explored new service tools to significantly upgrade customer touchpoints, as artificial intelligence (AI) and machine learning have been adopted for our customer service center, with swift progress in developing the service such as an AI chatbot. We expect substantial customer service quality improvement after full implementation of the AI project, for both voice and non-voice contact centers, in early 2019.

rolled out Electronic Data Capture (EDC) terminals capable of reading the new cards, nationwide. To raise customer satisfaction beyond that of previous forms of e-payment service, we also introduced new products: Krungsri Mungmee QR as merchants' e-wallet, BIZ Mungmee QR for SME and corporate e-payment as well as AliPay, WeChat Pay, Visa and MasterCard QR to support e-payment for retail. Moreover, Krungsri introduced QR Cross Border, making us the first Thai bank to launch Thai QR payment for overseas merchants.

For securities settlement service under cash management, our system enhancement to support flows of the clearing and settlement process reduced the turnaround time from three business days to two. We are also planning for the next phase, with same-day settlement service in the near future.

For cross-border remittance, we have successfully introduced the first phase of pilot payments via the blockchain on the RippleNet platform, with funds transferred from Krungsri in Thailand to overseas banks; processing time has been slashed from one or two days to less than one minute per transaction. After that accomplishment, we will make additional enhancements in the next phase with a complete, end-to-end automated process to ensure that our service will soon be ready for commercial operations.

As for the securities services business, one of our achievements was the launch of a new product, Open Architecture Mutual Fund Omnibus (OA). Furthermore, our internal process has been upgraded in preparing to provide a global-standard custodian service. Through strong collaboration with MUFG, our staff attended business training at MUFG Luxembourg for both a site visit and to study global standards which will be adopted at Krungsri. Also, workflow has been developed in order to prioritize excellent customer service.

Looking forward to 2019, digital transformation will continue to be our first mission. We plan to continue adopting new technologies to level up our service and enhance operational efficiency in order to fulfill ever-higher customer expectations. Among the highlights is the Office Mobility concept applied to the collateral

valuation process, which allows our staff to conduct valuation anywhere, anytime, to expedite appraisal report delivery for customer satisfaction as well as provide more opportunities for business expansion.

To improve customer touchpoints, an omni-channel approach will be implemented to ensure seamless customer experiences. All service agents, branches, and call centers will be able to see records of our customer interactions so that they can serve customers in a timely and effective manner. The AI-powered chatbot, taking into account customer requests for more precise answers with speech recognition, will also be implemented in early 2019.

Additionally, the e-custodian process will be adopted to enable online communication channels by the second quarter of 2019 for greater efficiency as well as an impressive customer experience with more convenience and paperless services. Moreover, in response to the National e-Payment Master Plan, the e-tax invoice and e-receipt projects, intended to change the paper-based withholding tax and receipt format to electronic documents, will be implemented by the third quarter of 2019.

In early 2019, e-signature verification will be enabled, likely making Krungsri the first bank in Thailand to use AI to verify customer signatures on cheques, replacing the manual process. This deployment will significantly improve not only our process but also our operational efficiency with greater accuracy and speed.

As a member of MUFG, we plan to leverage MUFG's global network to expand the cross-border payment service across Asia. We will also collaborate with MUFG in the custody business, to enhance our service capability on a par with global standards and thus facilitate institutional investors overseas who wish to invest in Thailand.

Digital Technology & Innovation

To enhance our operational capability with new digital technology, the Operations Group remains focused on embracing Robotic Processing Automation (RPA) to increase productivity and efficiency. Successfully starting a pilot project based on RPA technology in 2017, Krungsri built awareness, and shared knowledge and experiences of RPA across the Operations Group in 2018.

Our staff have been trained to understand how RPA can support their operating processes and encouraged to initiate solutions and improve their own procedures through RPA, so that they will gain direct experience in using RPA to enhance productivity, mitigate errors and strengthen controls.

At least 11 RPA projects were implemented in various operations, such as data collection, report preparation, data entry, data maintenance, data reconciliation, data monitoring, data verification, and data distribution.

For 2019, we will continue to focus on applying RPA in our complex operating processes, and are planning to establish a special taskforce within the Operations Group so that it can work closely with the technical team in designing new RPA tools for greater efficiency.

In addition to RPA, we have adopted the HostBridge application to shorten our operating time by using the one-screen entry concept, while Office Mobility will be implemented early next year to give staff the ability to work anytime, anywhere.

HUMAN RESOURCES GROUP

We have always prized innovation for continuous human resources management covering areas from talent acquisition to employee learning and development, in order to sharpen our staff so that they are well-equipped to provide service excellence and user experiences that meet or even exceed customer expectations. To stay relevant in this fast-moving world, in 2018, the Bank changed one of the Krungsri Core Values, 'Embracing Changes', to 'Making Innovative Changes', a move aimed at promoting creative cooperation and efficient, proactive shifts among our staff toward service excellence and business competitiveness.

In 2018, key initiatives supporting Krungsri executives and employees in being ahead of the curve included:

- To build a culture of innovation at Krungsri, **Innovation Playground** was established to begin a journey of laying down stepping stones to transform Krungsri into the future. We began the journey by instilling a fundamental understanding of corporate innovation and its components, including related knowledge and skills necessary for Krungsri to move forward and remain competitive in the world of constant change. Focusing on building the right mindset on top of necessary skills, Innovation Playground targeted top management, including the Board of Directors and the Senior Management Team, and project delivery teams. A series of activities were conducted including knowledge sharing sessions on trends and technologies for the Board of Directors, corporate innovation workshops for the Senior Management Team, and intensive skill development interventions on user experience (UX) and user interface (UI) for project delivery teams.
- **Krungsri Wealth Academy** was established to focus on coaching wealth advisors with professional service standards for providing customers with financial and investment advice. Courses and learning activities have been designed to cover areas such as building long-term client relationships, developing skills for client needs analysis, and providing investment advice and wealth solutions meeting customer expectations. Training courses, including Client Needs Analysis, Client Account Planning, Life Stages, and Wealth Management, have been designed to expand wealth advisors' capabilities and skill sets to better serve customers.

Among the new projects developed in 2018 were those created for more convenient and timely internal communications:

- **Employee Mobile Application** was launched to enhance internal communications and give employees easy access to internal news, regulatory requirements, regulations,

business directions, product details and related criteria. Useful information is directly communicated in text format, pictures, and animations to all employees, to promote correct understanding and employee engagement. Interesting features have been added to the application to support employees in performing their tasks as well as learning new things, requesting services, retrieving their welfare and benefit information, and searching for internal information, to extend our commitment to 'Make Life Simple' for our employees.



- **New initiatives** including Casual Friday and Birthday Leave were introduced to deliver the best experience and address workforce diversity in terms of age, religion, etc. Flexible benefit schemes will be piloted in 2019 for employees at a position below the Vice President level. From 2019-2021, a payroll digitalization platform will replace the existing payroll system, and e-Leave online will go live to enhance employees' experience.

Talent Acquisition

The Bank is dedicated to delivering on its four commitments for talent acquisition: recruiting high-quality talents, using new technologies in talent acquisition, continuous manpower improvement projects, and raising Krungsri employer brand awareness, in alignment with our talent acquisition values, namely transparency, equality, diversity, and business success over the short, medium, and long terms. Krungsri has been successful in delivering on the four commitments since 2016:

- **In resourcing**, we met the target of maintaining the resource fulfillment rate of 95 percent of Krungsri Group throughout the year. More than 90 recruitment events were hosted across the country, together with five open house events. We also organized the first semi-virtual digital talent meeting in December 2018, which gives candidates choices of how to interact with our recruiters based on their preferences and lifestyles.



- Regarding **technology**, after the first implementation of the Recruit Craft technology in 2017, we continued to improve our service excellence for customers and staff alike. We launched an upgraded online version of the system that enables our candidates and recruiters to use it anywhere, anytime. Online application has been fully implemented, and paper-based documents in relation to candidates have been minimized, while candidates' confidentiality is strictly maintained. In addition, the team has continued exploring online tools for other talent acquisition process improvements to enhance the customer experience, such as the online job requisition process.
- On **continuous manpower improvement projects**, we have advanced key talent acquisition projects including Assessment Tools, Bright Start Internship Program, Krungsri Ploenchit Office Talent Acquisition Center, and Customer Experience, and intensified the Onboarding Program, all of which have been executed and continuously improved through customer feedback. The Bright Start Internship Program has been enhanced along with our employer brand, and has been well-received by our management and participating universities, as more than 100 internship requests were sent from Krungsri executives to the Bright Start working team, while hundreds of internship applications were submitted by students. The Bright Start platform also helped the Retail Academy program to branch out and grow in its second year. In addition, the TA Dashboard was provided in 2018 as a tool reflecting the performance and resourcing status of Krungsri Group.
- Krungsri's Employer Brand** has been improved at home and abroad through strategic partnerships, our self-initiated activities, and strategic communications to target groups: university students, mid-career professionals, and executives. Ten memorandums of understanding (MOUs) have been signed with leading universities and institutions both in Thailand and abroad for mutual benefit and support.

Two international roadshows, in Tokyo and the United States, were conducted in 2018 to attract and recruit talents in the technology and digital fields, where Krungsri met more than 100 international talents in total. Additionally, we organized three large digital and knowledge-sharing open house events for both international and domestic talents. They included the Krungsri Digital First Open House in July 2018, where 110 tech talents were invited to experience our Krungsri family environment; the Krungsri-TSAJ Open House, where 40 Thai students studying in Japan met our management for knowledge-sharing; and an open house for the Krungsri & Tokyo Association of Universities Cooperation event, at which

Krungsri welcomed 30 students from leading Thai and Japanese universities for a knowledge-sharing session.

All of the activities that took place under the talent acquisition scope have led Krungsri to success in talent acquisition over the short and long term. In fact, we remain committed to our ultimate goal of being an employer of choice for talented persons.

Human Resources Development

Human resources development strategies were developed to support our Medium-Term Business Plan that focuses on creating an exceptional customer experience through the Think 'Digital First' concept. Our two key HR development strategies consist of continued emphasis on customer centricity, and cultivation of digital innovation capabilities in our employees, to embrace technological advancements and enhance the customer experience, thus creating and maintaining long-term, positive customer relationships.

Krungsri has designed training curricula and arranged learning activities to promote knowledge and skills necessary for providing professional services, such as Storytelling, Dialogue for Work and Life Success, Rules of Elegance, and Market Conduct, together with industry knowledge in sectors such as real estate, hotels, logistics, etc.

Moreover, courses on government policies and digital technology offered to employees for organization/work process improvement were encouraged through numerous workshops arranged to equip employees with the latest tools. We aim to continuously enhance employee professionalism through the Krungsri Annual Training Calendar to develop employee capability, and the Krungsri Professional Training Calendar to strengthen professional expertise,

as well as respond to employees' learning needs anywhere, anytime, through the Krungsri Learning Companion (KLC) platform, e-learning, e-books, and e-journals. Furthermore, alternative online learning channels such as Massive Open Online Courses (MOOCs) and more than 1,000 'bite-sized' learning units were additionally offered this year.

Employee Engagement

With active collaboration and the collective effort of management and all employees in strengthening employee engagement through numerous strategic plans, Krungsri was among the 39 leading organizations around the globe that received the 2018 Gallup Great Workplace Award, Gallup's honorable award recognizing organizations for their ability to create an engaged workplace culture that drives business results. This marks the fourth year that Krungsri has received such an award, since the first employee engagement survey with Gallup in 2013.

Having received the distinguished Gallup Great Workplace Award for many successive years reflects just how much Krungsri recognizes our employees as invaluable assets of the organization. We strive to continue our unwavering and purposeful focus on enhancing employee engagement, to further drive organization development and make Krungsri become the Employer of Choice in the finance and banking industry in Southeast Asia, as well as in the global arena.

RISK MANAGEMENT

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

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

Credit Risk

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

Enterprise-wide Risk

To support sustainable growth and align ourselves with global standards, we have established the 'Enterprise-wide Risk Management Framework (ERM)' to oversee and proactively manage material risks. ERM tools such as the Risk Appetite Framework, the Risk Map, the Heat Map, and key risk-identification procedures have been developed and implemented to dynamically identify, assess, and monitor risks using an integrated approach. Under ERM, appropriate actions can be taken to ensure that Krungsri Group's risk profile is aligned with our business plan, and that risk management strategies are within our risk capacity.

Market Risk

The Bank has continuously improved market risk measurement in response to new regulations, and explored potential products and services to accommodate sophisticated customers' needs in cross-border business and risk management, by leveraging MUFG's global network. Notable implementations in 2018 included preparation for the Fundamental Review of the Trading Book (FRTB), Domestic Systemically Important Banks (D-SIBs), and Final Rule regarding Interest Rate Risk in Banking Book (IRRBB) as published by the Basel Committee on Banking Supervision (BCBS).

In addition, we have enhanced related processes for potential and existing products, which are in demand and mainly related to foreign exchange, including FX options for SME customers, and FX for emerging currencies – namely MYR/THB and IDR/THB – through Appointed Cross Currency Dealers (ACCD) as well as cross currency swaps for emerging currencies. Moreover, we also obtained BOT approval to use the Delta Plus method for some particular types of options in 2018.

Liquidity Risk

The Bank recognizes the importance of regulatory changes, and manages liquidity risks as deemed appropriate based on market conditions and acceptable risk levels. Therefore, the Bank has adequate measurement tools in place and has reinforced the database management system for greater strength and appropriate frequency of measurement. Since 2018, the Bank has continuously developed related systems to facilitate our digital banking and control cyber risks which could impact our liquidity risk. We have maintained Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) ratio by considering regulatory compliance, deposit restructuring, and cost management. In addition, the Bank has disclosed important information regarding LCR to shareholders and investors in order to promote greater transparency and conformity with international standards.

Operational Risk

The Operational Risk Division works to ensure minimal impact on Krungsri and our subsidiaries in the event of any failure due to internal and external factors or outages. The entire Krungsri Group regularly performs a Risk Control Self-Assessment, while key risk indicators developed for all departments are closely monitored. New and significant changes to products, processes, and technologies are required to undergo comprehensive risk evaluation to prevent and mitigate potential risks, including information technology risk and cyber threats. The process of reporting operational risk incidents is embedded in and implemented across Krungsri Group. Any significant incidents are systematically analyzed by our dedicated working group. A business continuity plan has also been devised, and is regularly tested and updated.

COMPLIANCE

The Bank truly recognizes that good corporate governance is a crucial factor supporting the sustainable growth of our business. To achieve this, the Bank established an internal management structure that includes checks and balances for all functions to ensure effective compliance controls. The Compliance Division, a business unit operating independently from the management, is responsible for the Bank's business compliance with applicable laws and regulations, as well as good corporate governance. In 2018, the Compliance Division was restructured from a three-department division to a five-department division, namely: 1. Regulatory Compliance Department; 2. Anti-Money Laundering Department; 3. Corporate Compliance Department; 4. Compliance Planning Department; and 5. Compliance Review Department. The restructuring aimed to achieve greater effectiveness of compliance controls.

However, preventive measures coupled with monitoring measures remain the core elements of the Bank's compliance framework. For preventive measures, in addition to knowledge sharing on related regulatory requirements among staff, we also proactively promote a compliance culture. In 2018, the Bank provided e-learning programs with an expanded scope to cover more complex and related multi-faceted rules and regulations, namely the Bank's Related Party Requirement; Baht Speculation Preventive Measure; and the Credit Information Business Act. Moreover, internal and external experts were invited to share their knowledge and experience with employees through workshops, together with the Compliance on Tour activities, to ensure comprehensive knowledge and understanding of related regulatory requirements.

As for monitoring, the Compliance Division, on behalf of the Bank, conducts compliance testing corresponding to various risk levels identified by using the Compliance Risk Assessment Framework that covers the overall risk factors

in various dimensions. Examples include compliance checklists, off-site and on-site testing, and other types of testing. The assessment results will be used for establishing monitoring measures. This is to ensure that comprehensive and appropriate testing is performed, with results that reflect the actual risks. In addition, testing results and compliance activities are presented to the Board of Directors through relevant subcommittees and senior management on a monthly basis.



In addition, the Bank also stresses the provision of coordination and information to enable various government agencies to effectively and efficiently prosecute offenders. This led to the Bank being granted a plaque of honor in the category of 'Excellent Integration Unit of Fiscal Year 2018', by the Department of Special Investigation (DSI), and another plaque of honor for 'Support and Coordination of Operations, Rapidly Mitigating the Damage to People', presented by the Anti-Money Laundering Office (AMLO).

Moreover, the Bank recognizes the benefits of adopting new technology to support its ongoing compliance measures. As a result, in 2018, the Bank carried out internal operation enhancement to enhance the efficiency of the business governance processes, such as the development of a central database for data collection, and the development of a communication platform through the Bank's intranet (We Connect). The Bank's transaction monitoring system is also being upgraded by adopting new technologies, including artificial intelligence (AI), Visual Analysis of Relationships, and Robotic Process Automation (RPA), to support the analysis, processing, and investigation of suspicious transactions (AML 1-03 Report), for greater effectiveness of the compliance measures.

BUSINESS MANAGEMENT OF SUBSIDIARIES AND JOINT VENTURES

KRUNGSRI AMC

Krungsri Ayudhya AMC Limited

Type of service: Purchases and accepts impaired assets (NPLs and NPAs) transferred 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; the company is the only provider of support services to the Bank.

Source of funds: The Bank

KRUNGSRI FACTORING

Krungsri Factoring Company Limited

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 in accordance with changing economic conditions, accounting for the increasingly competitive nature of the factoring market. Krungsri Factoring monitors prevailing industry conditions including: 1) current pricing offered by key players; 2) their credit approval processes; and 3) their service quality and flexibility. To maintain competitiveness, the company has expanded into the SME segment by offering attractive pricing to these customers.

Source of funds: The Bank

KRUNGSRI LEASING

Ayudhya Development Leasing Company Limited

Type of service: Provides financial lease and hire-purchase services to enable SMEs and large corporations to acquire machinery, equipment, and all types of commercial vehicles for business use.

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

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

Source of funds: The Bank

KRUNGSRI AUTO

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

Source of Funds: Primarily the Bank and debentures of Ayudhya Capital Auto Lease Public Company Limited (AYCAL)

KRUNGSRI CONSUMER

Krungsriayudhya Card Company Limited

Type of service: Issuer of Krungsri Exclusive Signature Credit Card, Krungsri Signature Credit Card, Krungsri

Visa Platinum Credit Card, HomePro Visa Platinum Credit Card, Krungsri Lady Titanium MasterCard, Krungsri Corporate Credit Card, Krungsri Manchester United Visa Platinum Credit Card, AIA Visa Platinum Card, Krungsri JCB Platinum Card, and Siam Takashimaya Credit Card, with a total of more than 2 million cardholders in 2018.

Krungsriayudhya Card Company Limited (KCC) was assigned AAA by TRIS Rating Company Limited on 31 October 2018, and this rating has been affirmed for three consecutive years, reflecting the company's status as a strategic subsidiary of Bank of Ayudhya Public Company Limited.

Products: Krungsri credit cards offer an array of products suited to all customer segments, including premium, lifestyle and co-branded groups.

The Krungsri Exclusive Signature Credit Card and Krungsri Signature Credit Card offer members superior benefits through card spending, thanks to strong collaboration between the parent company, Bank of Ayudhya Public Company Limited, and business partners.

As for the **HomePro Visa Platinum Credit Card**, the Financial Center was expanded to 12 HomePro branches in 2018 and provide tailor-made services and facilities for HomePro customers, which further guarantee the most value for money via card spending.

The Krungsri JCB Platinum Card's image and promotions have been adjusted to suit younger-generation lifestyles under the concept, 'Pai Hai Sud Mai Yud Chai Cheewit' (Live your life to the fullest).

As for our partnership with AIA (Thailand) Company Limited, we have jointly issued the **AIA Visa Platinum Card** since 2011, and this collaboration will continue.

The Siam Takashimaya Credit Card is issued in collaboration with the leading Japanese department store Takashimaya, which has opened its first branch in Thailand. Card privileges include discounts and reward points for customers shopping and dining at the department store.

Source of funds: The Bank and debentures

Ayudhya Capital Services Company Limited

Type of service: Sales financing (merchandise installment financing), personal loans, credit card and nanofinance products.

Krungsri First Choice is a leading provider of sales financing and personal loans. During the past two decades it has garnered customer trust, thanks to financial services that match their lifestyles. The company has more than 2 million cardholders, 25,000 partner sales outlets and 400 First Choice service counters nationwide.

In 2015, the company introduced **the Krungsri First Choice Visa Platinum Card** to meet growing demand for credit-card features in addition to sales financing and personal loans with long payment periods. In 2017, Krungsri First Choice launched **Central The 1 First Choice**, the first co-branded product of Krungsri First Choice and the Central Group.

Furthermore, the company launched **Krungsri First Choice Care**, the first product of its kind in Thailand's personal loan market, which covers all financial needs in one swoop.

The company has nurtured a customer-focused corporate culture, with many projects to improve customer service in every dimension, such as the CARE (Borikan Te Motjai) and Good to Great projects. The newly introduced services have satisfied customers in myriad ways, creating a good customer experience.

Source of funds: The Bank

General Card Services Limited

General Card Services Limited has been entrusted by the Central Group with another eight-year extension to our financial services partnership, making it a partnership that will span two decades. The latest agreement covers not only the department store's co-branded credit cards and personal loans but also credit cards of all the business entities under the Central Group, with features and benefits of the new co-branded Central The 1 Credit Card applying to other business units through The 1 Card loyalty platform. This partnership also presents an opportunity for Krungsri Group in leveraging our strong global network as a subsidiary of MUFG to better serve the Central Group's customers.

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

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

Central The 1 Personal Loan is an innovative personal loan product that provides our customers greater flexibility and convenience. Customers can now withdraw cash from any Krungsri ATM nationwide under the approved cash loan credit limit, without the need to submit additional documents to apply for the loan.

Source of funds: The Bank

Tesco Card Services Ltd.

Type of service: Tesco Card Services Ltd. (TCS) is a 50:50 joint venture between Krungsri Group and Tesco Lotus, Thailand's largest hypermarket chain. Established in 2001 and launched with the Tesco Lotus Private Label Credit Card, which was later enhanced to the Tesco Lotus Visa Credit Card, the company grew further and established two wholly-owned insurance brokerage subsidiaries for general and life insurance. TCS continues to expand its distribution network through Tesco Lotus stores, with the number of in-store financial services and insurance counters increasing to more than 200 in 2018, with more than 800 dedicated sales staff offering Tesco shoppers simple and convenient financial services, focusing on 'ease, value and trust'.

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

TCS is committed to delivering excellent services and convenience to customers through whichever channel they choose to apply for and use their products, including

Tesco Lotus stores, online channels, the call center, and the UCHOOSE mobile application.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited and Ek-Chai Distribution System Company Limited)

Tesco General Insurance Broker Limited

Type of service: The company offers a range of automobile, accident and health insurance products in more than 200 Tesco Lotus locations nationwide, or through their call center and website. Partnering with well-known and trusted insurance providers, they offer simple, rewarding and easy-to-apply for products, with great value and easy payment options designed for Tesco shoppers.

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

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

Tesco Life Assurance Broker Limited

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

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

Krungsri General Insurance Broker Limited

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

The company increases its product range, and continues to introduce customers to a wide range of non-life products such as hospitalization income plans, personal accident,

and other selected general insurance products. In addition, the company offers zero-percent interest installment plans for auto insurance.

To serve customers 24/7, the company now provides a new online distribution channel (www.krungsribroker.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 Company Limited)

Krungsri Life Assurance Broker Limited

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

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

The company has continued to grow, driven by a broader product range, new insurance partners, and a customer segmentation strategy. The company has introduced customers to a range of endowments, term-life products, and retirement plans, as well as inpatient department (IPD) and outpatient department (OPD) health insurance plans from selected life insurance partners. It has also focused on customer analytics to develop appropriate products for specific customer segments.

Source of funds: Shareholders (Ayudhya Capital Services Company Limited)

Total Services Solutions Public Company Limited

Type of service: The company provides debt-collection services as well as litigation for unsecured products covering personal loans, credit cards and sales financing. Major customers are Krungsri and its subsidiaries, including Ayudhya Capital Services Company Limited, General Card Services Limited, Krungsriayudhya Card Company Limited, and Tesco Card Services Limited.

The company has considerable expertise in debt collection and litigation regarding unsecured products, and has been using modern technology to improve efficiency. Its operation is designed to be customer-centric and to comply with Bank of Thailand regulations as well as the Debt Collection Act. With its expertise in debt collection and strict compliance, the company is top-ranked in the industry. The company has tested and adopted new strategies, leading to excellent performance even during tough economic times.

Strategies for business growth: As a debt consultant, the company has continuously developed and adopted the 'Good to Great' concept in providing advice to help customers make payments under specific terms and conditions and to resume normal card usage, as well as creating a better customer experience.

In terms of improving customer service, customer-centricity is used as the conceptual model and disseminated to all employees.

In terms of human resource development for enhanced customer-service quality, the company has implemented a modern work process and arranged training to improve service quality and support future business expansion.

Source of funds: The Bank

Krungsri Leasing Services Company Limited (Lao PDR)

The company is a joint venture between Ayudhya Capital Auto Lease Public Company Limited and Ayudhya Capital Services Company Limited. The company started its auto hire purchase and sales financing business under the brand 'Krungsri Leasing' in Lao PDR on December 9, 2014.

The company's business has grown remarkably over the past four years. The company has a head office in Vientiane and a branch in Pakse province, Champasak district. In 2018, the company expanded to other major provinces of Lao PDR, including Champasak, Savannakhet, Bolikhamxay and 11 additional provinces. As of December 2018, the company has more than 11,179 new customers, or growth of 33 percent over-year, and outstanding loan growth of 34 percent over-year. In the near future, the company plans to launch new products and services to meet growing market demand.

Furthermore, one of the company's ambitions is to continually strengthen its 'Krungsri Leasing' branding and image, particularly in digital media such as Facebook

and Line, including a partnership with Major Platinum Cineplex, a leading cinema in Lao PDR. The company has successfully established brand awareness in the market and tapped into the target segment, making Krungsri Leasing one of the top leasing companies in Lao PDR.

Type of service: The Company provides auto hire purchase and sales financing service (monthly installment financing) for consumers and SMEs in Lao PDR.

Market and competition: The Lao PDR market is relatively small, but has high growth potential. Lao PDR GDP growth is forecast to average around 7 percent between 2019 to 2020, driven by hydropower projects and construction investment by from China. Rising income per capita in line with economic expansion will further boost domestic demand.

The company will continue to focus on developing strong relationships with its dealers and expanding dealer networks including major provinces outside Vientiane. The company aims to offer innovative products and services in order to be a market leader in capitalizing on digital banking and enhancing customer experience for the citizens of Lao PDR.

Source of funds: The Bank

KRUNGSRI MICROFINANCE

Ngern Tid Lor Company Limited

Type of service: Krungsri Group acquired a controlling stake (99.9 percent) in a company which was later renamed Ngern Tid Lor Company Limited (Ngern Tid Lor) from AIG Consumer Finance Group Inc. (AIG CFG) in 2009; the local Thai company has been in operation since 1980. It provides sales and lease-back via hire purchase and secured loan contracts to customers who already hold titles to cars and other vehicles. In 2014, the company launched non-life insurance brokerage services and other new product lines.

Source of funds: The Bank and Ngern Tid Lor debentures

KRUNGSRI SECURITIES

Krungsri Securities Public Company Limited

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

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

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

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

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

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

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

Source of funds: The Bank

KRUNGSRI ASSET MANAGEMENT

Krungsri Asset Management Company Limited

Type of service: A leading Thai asset management company licensed by the Office of the Securities and Exchange Commission, offering a comprehensive range of products and services, including mutual funds, private funds, provident funds, and investment management in futures contracts. The available mutual funds are diverse in terms of types of investments, such as stock funds, fixed income funds, foreign investment funds (FIF), commodity index funds, and property funds. The company's investment mission is to generate sustainable returns. Thanks to highly experienced fund managers using precise, modern investment systems, investors can be confident that these funds will generate consistent returns in line with the desired degree of risk. Products and services cater to the needs of each group of investors, including individual investors, juristic persons, foundations, and institutional investors.

Source of funds: The company

KRUNGSRI FINNOVATE

Krungsri Finnovate Company Limited

Type of service: In March 2017, the Bank established this wholly-owned subsidiary operating a venture capital business under Bank of Thailand regulatory and investment guidelines for venture capital investment in: 1) SMEs; 2) financial technology startups; 3) private equity, trusts, or private equity related to financial technology; or 4) other businesses permitted now or in the future by the Bank of Thailand.

Source of funds: The Bank

KRUNGSRI SERVICES

Siam Realty and Services Security Company Limited

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

to the Bank and its subsidiaries; and providing rental cars to the Bank and its subsidiaries within the scope specified by the Bank of Thailand.

Market and competition: Krungsri Services has no competitor in the market as it is the only company providing support services to the Bank, its sole shareholder. The company has also expanded its car rental service to the Bank's subsidiaries and has provided training on operating procedures for both service types in order to ensure service excellence for our customers.

Source of funds: The Bank

Hattha Kaksekar Limited

In September 2016, the Bank acquired all registered and issued shares (100 percent) of Hattha Kaksekar Limited (HKL), a leading microfinance institution in Cambodia. This served as a concrete step forward to becoming an ASEAN financial powerhouse. The Bank's expertise in consumer banking and microfinance is shared to strengthen HKL's market-leading position through enhanced capabilities and resources. This HKL acquisition will enable the Bank to capture growth opportunity outside Thailand.

At the end of 2018, HKL's total assets were USD 920 million, or 29,838 million baht. The total number of customer accounts reached 144,241, up 16.7 percent from 2017. Total loans were USD 757 million, or 24,575 million baht, an increase of 31.3 percent. HKL has consistently increased deposits, reaching USD 480 million, or 15,579 million baht, up 30.6 percent. HKL has 178 branch offices in its network, with 129 ATMs nationwide.

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

Source of funds: The company

INVESTMENT OF BANK OF AYUDHYA PCL IN OTHER COMPANIES

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

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Hattha Kaksekar Limited	Microfinance Deposit-Taking Institution (MDI)	Ordinary	75,000,000	100.00
2. Krungsri Ayudhya AMC Ltd.	Asset Management	Ordinary	270,000,003	99.99
3. Krungsri Factoring Co., Ltd.	Factoring	Ordinary	30,000,000	99.99
4. Ayudhya Development Leasing Co., Ltd.	Finance (Leasing & Hire-Purchase)	Ordinary	123,499,999	99.99
5. Ayudhya Capital Auto Lease PCL.	Finance (Auto Financing)	Ordinary	2,554,500,000	99.99
6. Ngern Tid Lor Co., Ltd.	Finance (Auto Financing)	Ordinary	134,648,793	99.99
		Preferred	222,000	
7. Ayudhya Capital Services Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	59,250,000	99.99
8. General Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	245,800,000	99.99
9. Krungsriayudhya Card Co., Ltd.	Finance (Credit Card & Personal Loan)	Ordinary	590,552,000	99.99
10. Krungsri Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	920,000	99.99
11. Krungsri General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	920,000	99.99
12. Total Services Solutions PCL.	Service (Collection)	Ordinary	160,599,822	99.99
13. Siam Realty and Services Security Co., Ltd.	Service	Ordinary	1,000,000	99.99
14. Krungsri Finnovate Co., Ltd.	Finance (Venture Capital)	Ordinary	100,000,000	99.99
15. Krungsri Securities PCL.	Securities	Ordinary	135,000,000	99.84
16. Krungsri Asset Management Co., Ltd.	Asset Management	Ordinary	3,500,000	76.59
17. Krungsri Leasing Services Co., Ltd.	Finance (Leasing/Hire purchase/Sales Finance)	Ordinary	3,175,111	100.00
18. Tesco Card Services Limited	Finance (Credit Card & Personal Loan)	Ordinary	20,800,000	50.00
19. Tesco Life Assurance Broker Limited	Finance (Life Insurance Broker)	Ordinary	120,000	50.00
20. Tesco General Insurance Broker Limited	Finance (Non-life Insurance Broker)	Ordinary	1,070,000	50.00

COMPANIES THAT THE BANK HOLDS 10% OF ITS SHARES BUT LESS THAN 20% OF ITS PAID-UP CAPITAL

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. P.P. Parawood Co., Ltd.	Furniture Manufacturer	Ordinary	95,000	10.00
2. Rent Trade and Service Co., Ltd.	Import and Distributors (Construction Machinery, Trucks etc.)	Ordinary	1,500,000	10.00
3. Finnomena Co.,Ltd. ⁽¹⁾	Financial Information Provider	Preferred	634,513	13.158

COMPANIES ACQUIRED THROUGH DEBT RESTRUCTURING PROCESS

Name and Address	Business Type	Issued Shares		Ownership (%)
		Share Type	No. of Shares	
1. Lenso Phonecard Co., Ltd.	International Line Public Phone Card	Ordinary	62,423,190	10.00
2. UMC Metals Limited	Manufacturing and Trading (Steel Rod)	Ordinary	95,000,000	10.00
		Preferred	50,000,000	

Remark : ⁽¹⁾ Indirectly holding via Krungsri Finnovate Co.,Ltd. of 13.158%

INCOME STRUCTURE OF THE BANK, SUBSIDIARIES AND JOINT VENTURES

For 2018 operating performance, the Bank, subsidiaries and joint ventures had interest income and non-interest income at a ratio of 71.84% and 28.16%, respectively. Interest on loans constituted the largest proportion representing 46.49% of total income. Details are as follows:

Income structure	2018		2017		2016	
	Million baht	%	Million baht	%	Million baht	%
Interest Income						
Interest on loans	69,337	46.49	61,095	45.73	56,483	46.53
Interest on interbank and money market items	6,213	4.17	3,425	2.56	2,833	2.33
Hire purchase and financial lease income	29,727	19.93	28,209	21.11	24,322	20.03
Investments and trading transactions	28	0.02	81	0.06	139	0.12
Investments in debts securities	1,827	1.23	2,188	1.64	2,148	1.77
Total Interest Income	107,132	71.84	94,998	71.10	85,925	70.78
Non-Interest Income						
Fees and service income	28,999	19.44	26,341	19.71	24,142	19.88
Gain on tradings and FX transactions	4,736	3.18	4,233	3.17	3,905	3.22
Gain on investments	374	0.25	896	0.67	599	0.49
Share of profit from investment for using equity method	391	0.26	302	0.23	348	0.29
Dividend income	202	0.14	195	0.15	161	0.13
Bad debts recoveries	5,995	4.02	5,161	3.86	4,711	3.88
Other income	1,305	0.87	1,483	1.11	1,611	1.33
Total Non-Interest Income	42,002	28.16	38,611	28.90	35,477	29.22
Total Income	149,134	100.00	133,609	100.00	121,402	100.00

Income structure	2018		2017		2016	
	Million baht	%	Million baht	%	Million baht	%
1. Bank of Ayudhya PCL ^{1/}						
Total Interest Income	74,597	71.53	64,955	72.99	59,792	69.75
Total Non-Interest Income	29,689	28.47	24,035	27.01	25,930	30.25
Total	104,286	100.00	88,990	100.00	85,722	100.00
2. Krungsri Ayudhya AMC Ltd.						
Total Interest Income	65	18.26	145	32.58	103	22.69
Total Non-Interest Income	291	81.74	300	67.42	351	77.31
Total	356	100.00	445	100.00	454	100.00
3. Ayudhya Development Leasing Co., Ltd.						
Total Interest Income	344	69.49	327	68.70	281	86.73
Total Non-Interest Income	151	30.51	149	31.30	43	13.27
Total	495	100.00	476	100.00	324	100.00
4. Krungsri Factoring Co., Ltd.						
Total Interest Income	1	100.00	1	100.00	2	66.67
Total Non-Interest Income	-	-	-	-	1	33.33
Total	1	100.00	1	100.00	3	100.00
5. Ayudhya Capital Auto Lease Plc.						
Total Interest Income	6,878	66.60	7,956	69.81	9,414	71.94
Total Non-Interest Income	3,449	33.40	3,441	30.19	3,672	28.06
Total	10,327	100.00	11,397	100.00	13,086	100.00
6. Ayudhya Capital Services Co., Ltd.						
Total Interest Income	11,077	60.43	10,238	64.79	8,895	64.99
Total Non-Interest Income	7,254	39.57	5,565	35.21	4,792	35.01
Total	18,331	100.00	15,803	100.00	13,687	100.00
7. General Card Service Ltd.						
Total Interest Income	1,594	49.61	1,608	50.34	2,273	59.64
Total Non-Interest Income	1,619	50.39	1,586	49.66	1,538	40.36
Total	3,213	100.00	3,194	100.00	3,811	100.00
8. Krungsriayudhya Card Co., Ltd.						
Total Interest Income	4,356	49.32	4,521	51.86	4,575	55.03
Total Non-Interest Income	4,477	50.68	4,197	48.14	3,739	44.97
Total	8,833	100.00	8,718	100.00	8,314	100.00

Income structure	2018		2017		2016	
	Million baht	%	Million baht	%	Million baht	%
9. Krungsri Securities Plc.						
Total Interest Income	70	10.57	61	9.76	53	8.91
Total Non-Interest Income	592	89.43	564	90.24	542	91.09
Total	662	100.00	625	100.00	595	100.00
10. Siam Realty and Services Security Co., Ltd.						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	625	100.00	619	100.00	595	100.00
Total	625	100.00	619	100.00	595	100.00
11. Krungsri Asset Management Co., Ltd.						
Total Interest Income	65	1.55	38	1.02	24	0.82
Total Non-Interest Income	4,116	98.45	3,670	98.98	2,887	99.18
Total	4,181	100.00	3,708	100.00	2,911	100.00
12. Total Services Solutions Plc.						
Total Interest Income	21	1.76	20	1.63	19	1.49
Total Non-Interest Income	1,171	98.24	1,208	98.37	1,253	98.51
Total	1,192	100.00	1,228	100.00	1,272	100.00
13. Ngern Tid Lor Co., Ltd.						
Total Interest Income	6,377	80.94	4,890	80.65	3,827	80.20
Total Non-Interest Income	1,502	19.06	1,173	19.35	945	19.80
Total	7,879	100.00	6,063	100.00	4,772	100.00
14. Krungsri General Insurance Broker Ltd. ^{2/}						
Total Interest Income	5	1.08	14	3.07	13	2.59
Total Non-Interest Income	458	98.92	442	96.93	488	97.41
Total	463	100.00	456	100.00	501	100.00
15. Krungsri Life Assurance Broker Ltd. ^{2/}						
Total Interest Income	4	1.12	11	3.12	10	2.75
Total Non-Interest Income	352	98.88	342	96.88	354	97.25
Total	356	100.00	353	100.00	364	100.00
16. Tesco Card Services Ltd. ^{3/}						
Total Interest Income	2,037	49.85	2,076	51.96	2,158	53.78
Total Non-Interest Income	2,049	50.15	1,919	48.04	1,855	46.22
Total	4,086	100.00	3,995	100.00	4,013	100.00

Income structure	2018		2017		2016	
	Million baht	%	Million baht	%	Million baht	%
17. Tesco General Insurance Broker Ltd. ^{4/}						
Total Interest Income	4	0.63	4	0.88	4	0.92
Total Non-Interest Income	632	99.37	450	99.12	431	99.08
Total	636	100.00	454	100.00	435	100.00
18. Tesco Life Assurance Broker Ltd. ^{4/}						
Total Interest Income	1	2.86	1	3.45	1	3.70
Total Non-Interest Income	34	97.14	28	96.55	26	96.30
Total	35	100.00	29	100.00	27	100.00
19. Krungsri Leasing Services Co., Ltd. ^{5/}						
Total Interest Income	752	95.92	434	96.44	131	87.33
Total Non-Interest Income	32	4.08	16	3.56	19	12.67
Total	784	100.00	450	100.00	150	100.00
20. Hattha Kaksekar Limited						
Total Interest Income	3,652	96.59	3,197	98.13	901	96.88
Total Non-Interest Income	129	3.41	61	1.87	29	3.12
Total	3,781	100.00	3,258	100.00	930	100.00
21. Krungsri Finnovate Co., Ltd. ^{6/}						
Total Interest Income	-	-	-	-	-	-
Total Non-Interest Income	-	-	-	-	-	-
Total	-	-	-	-	-	-

Remarks: Year 2018 data are unaudited financial statements.

^{1/} The Bank's statement of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited

^{2/} Indirectly holding 100% of shares via Ayudhya Capital Services Company Limited

^{3/} Indirectly holding 50% of shares via Ayudhya Capital Services Company Limited

^{4/} Subsidiary of Tesco Card Services Company Limited

^{5/} As at December 31, 2018 and 2017, indirectly holding 75% and 78% of shares via Ayudhya Capital Auto Lease Public Company Limited and 25% and 12% of shares via Ayudhya Capital Services Company Limited respectively

^{6/} The Bank invested on March 27, 2017 and the financial information is immaterial.



A background image of a business meeting. Several people in business attire are seated around a wooden table. One person is holding a white folder, and another is pointing at a laptop screen. A white cup of coffee and a glass of water are on the table. The scene is brightly lit, suggesting an indoor office environment.

3

RISK FACTORS AND RISK MANAGEMENT

Risk management mechanisms allow us to maintain a sound risk appetite. Also, under the supervision of our risk management function, an extensive and well-defined risk management system has been adopted through our risk management structure, risk policies, and risk appetite frameworks.

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

The Risk Management Group has continuously developed and adapted MUFG policies and procedures to improve our capabilities in identifying, assessing, mitigating, and monitoring risks within an acceptable risk appetite. Collaboration across all business functions has led to more efficient risk management processes. The Bank has

defined risk appetite, endorsed by the Risk Management Committee, and approved by the Board of Directors (the Board). It is also responsible for monitoring and reporting portfolio quality, highlighting key risks, and developing strategies to manage potential portfolio and account risks for the Board and relevant committees. The authority and responsibilities of those involved in managing risk are allocated to seven parties:

Board of Directors

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

THE RISK MANAGEMENT GROUP HAS CONTINUOUSLY DEVELOPED AND ADAPTED MUFG POLICIES AND PROCEDURES TO IMPROVE OUR CAPABILITIES IN IDENTIFYING, ASSESSING, MITIGATING, AND MONITORING RISKS WITHIN AN ACCEPTABLE RISK APPETITE.

established risk management and controls with three lines of defense, separating roles, responsibilities, and accountability for decision-making to achieve better governance and risk management.

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

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

RISK MANAGEMENT STRUCTURE

The Risk Management Group is authorized to formulate risk management policies and procedures appropriate for each type of risk, developed in accordance with our

Credit Committee

The Credit Committee comprises senior executives from the Risk Management Group and the Credit Underwriting Group, as well as senior executives from relevant functions including business functions.

Risk Management Committee

Primary responsibilities:

- Approving and recommending to the Board integrated risk management policies and procedures for Krungsri Group;
- Reviewing Krungsri Group portfolio quality;
- Reviewing key market and operational risks, operational losses (such as fraud), as well as related systems and human error; and
- Ensuring that Krungsri risk management methodologies are followed.



Credit Portfolio Subcommittee

The subcommittee's primary responsibility is to ensure sound portfolio management in accordance with Krungsri's policies and procedures by:

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

NPL/NPA/TDR Monitoring Subcommittee

Primary responsibilities:

- Establishing and reviewing policies, regulations, guidelines, and methods to improve NPL/NPA/TDR;
- Supervising and continually monitoring progress of these to speed debt restructuring and prevent debt quality deterioration; and
- Approving principles for bid pricing and participation in collateral auctions for legal execution 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 offering guidance to in-house appraisers to ensure that they act with integrity and accuracy in compliance with Krungsri and Bank of Thailand procedures; and
- Reviewing and approving the results of appraisals carried out by both in-house and external appraisers.

Capital Management Subcommittee

Primary responsibilities:

- Supervising capital management and ensuring alignment with applicable regulations, as well as capital management that corresponds to the Bank's risk appetite and capital demand;
- Supervising, reviewing, and providing recommendations for stress testing used as a tool for risk management; and
- Reviewing and approving capital allocation and assessing capital demand while adhering to the business plan and risk levels in both normal and crisis situations, and considering capital contingency plans whenever the Bank's capital changes significantly.

KEY RISK FACTORS AND OUR MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT

To support sustainable growth and manage risk with an integrated perspective, we established the Enterprise-wide Risk Management Framework (ERM) to oversee and manage all types of risk that may arise from changes in 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 of enterprise-wide risk management, tools are implemented to ensure that all material risks are identified, measured, and responded to, within acceptable limits.

The Risk Appetite Framework is an overall risk governance framework including policies, procedures, controls, and systems through which risk appetite is established, communicated, and monitored. It is meant to ensure that Krungsri Group has clear guidelines for risk levels that are appropriate for our risk capacity and business strategies.

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

The Heat Map is implemented to measure and monitor the current risk status of key risk areas in an integrated manner using key risk indicators.

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

The Internal Capital Adequacy Assessment Process (ICAAP) Integration

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

Organization and Structure

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

Material Risks

Under the Enterprise-wide Risk Management Framework, the Bank has identified important risks — both mandatory regulatory risks and material risks arising from external and internal factors. We have established risk monitoring and control processes to ensure that such risks are effectively managed within acceptable limits, with the following important risks identified for 2018:

Risk Category	Risk Type
Pillar 1	Credit Risk Market Risk Operational Risk
Pillar II	Credit Concentration Risk Interest Rate Risk in Banking Book Liquidity Risk Reputation Risk Strategic Risk
Other Material Risks	Fraud Risk IT Risk Compliance Risk Capital Adequacy Risk

CREDIT RISK MANAGEMENT

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

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

Within the aforementioned credit risk management framework, Krungsri developed an enhanced automation support system to meet high standards. In addition, the Bank has developed operational guidelines, roles, and responsibilities for loan officers at all levels, and provides employees with a shared understanding of credit principles and practices so that all parties can communicate well, with the Bank providing training courses on credit knowledge for relevant employees.

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

CREDIT RISK CONTROL

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

Commercial Credit Risk

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

The internal credit rating models of both MUFG and the Bank are used to assign risk ratings for customers at origination or acquisition, are reassessed annually, and are adjusted for changes in credit quality over the life of the exposure through our credit review process. In assessing the risk rating of a loan or lending-related commitment, we consider factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and location of the customer. We acknowledge that each customer is different, and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements used for tax filings, also accounting for other quantitative and qualitative factors to reflect business



capacity and potential for growth to ensure that our credit rating framework meets their standards. The Bank has collaborated with MUFG on enhancing its internal credit rating framework to include additional qualitative customer factors; for example, support from parent companies is incorporated into risk adjustment procedures. Special types of customers are handled with special risk model forms. These special customers include government organizations, religious institutions, academic institutions, special-purpose companies (SPCs), and project finance.

Model development in compliance with International Financial Reporting Standards 9 (IFRS9) is in place following the main principles and protocols of regulators, i.e. the Japanese Financial Services Agency (JFSA) and the Bank of Thailand. We have collaborated with MUFG to establish a new credit rating framework to better reflect the Bank's actual credit risks by leveraging MUFG's expertise and know-how. Continuous model validation and adjustment along with systems development and enhancement are in place to support credit risk control in an ever-changing environment, so that our risk management practices are of the highest international standards, in line with our goal of becoming a truly globalized bank.

Consumer Credit Risk Management

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

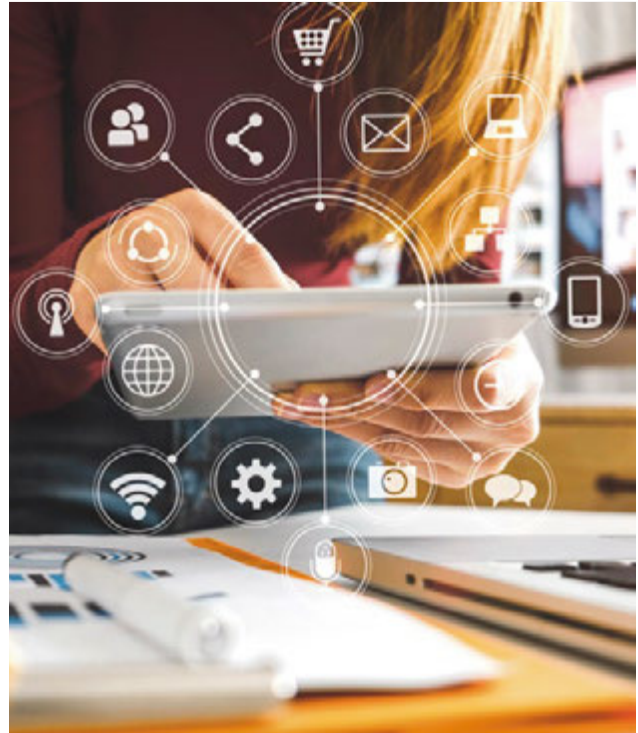
The Consumer Credit Risk Management Division has adopted risk management principles of 1) risk identification; 2) risk assessment; 3) risk monitoring and control; and 4) risk reporting in daily operation and management. Executives of the Bank received regular updates and reporting on portfolio performance,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

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

The Bank also develops models to comply with Bank of Thailand's regulations and international standards. The Basel Probability of Default (PD), Loss Given Default (LGD), and Exposure at Default (EAD) models have helped us to further strengthen our portfolio management and are a major step toward complying with the Advanced Internal Ratings-Based Approach (AIRB), while the Expected Credit Loss models are for future International Financial Reporting Standards (IFRS) compliance.

Country Risk Management

'Country risk' refers to risk arising from economic, social, and political uncertainties, or from other external factors such as natural disasters or sociopolitical unrest in countries that the Bank has granted credit to, made an investment in, or created contingent liabilities for (with their residents), to the extent that the risk level or the creditworthiness



of such countries is affected, and the ability to pay or to meet credit obligations is jeopardized.

For country risk management, a country limit has been established to ensure exposures to each country are within control. The country limit is set in accordance with risk appetite, country grade, as well as sovereign rating and external credit rating agency ratings. These guidelines enable us to manage country and cross-border risks, including concentration risks, so that we may prudently expand our business to all countries, in particular those of the ASEAN Economic Community (AEC).

Credit Concentration Risk

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

The Bank also manages concentrated credit risk by determining thresholds and limits for granting credit to, investing in, creating contingent liabilities for, or making credit-like transactions to large borrower groups and their related parties which are defined by regulators' conditions as a large borrower group.

Furthermore, a threshold limit has been established and adjusted for Krungsri credit risk arising from industry concentration, by controlling and monitoring the

outstanding balance for each industry, which must not exceed a given industry's threshold and limit.

Counterparty Credit Risk

Counterparty credit risk is the risk arising from the possibility that the counterparty may default on amounts owed on a market-related transaction where the value of the contract in the future is uncertain, subject to the fluctuation of market risk factors such as interest rates, foreign exchange rates, and so forth. Krungsri's counterparties are normally customers that need to square their positions and minimize their risk exposure. To determine each counterparty's credit risk limit, we use the same approval criteria as for other credit risks, and closely monitor counterparty credit status for aggregate exposure, credit equivalent amounts, and credit valuation adjustments – information that is promptly and regularly reported to senior management.

To mitigate risk arising from customer transactions, we may partially or fully hedge our risk exposure through offsetting agreements with other counterparties – mostly other banks. In addition, Krungsri also enters into an International Swaps and Derivatives Association (ISDA) and Credit Support Annex (CSA), where cash collateral or highly liquid securities are required should the fair market value of any contract exceed the risk threshold.

CREDIT RISK MANAGEMENT AND REVIEW

We rigorously monitor and review customer and portfolio risk in the following ways:

Reserve Adequacy

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

Credit Risk Audit

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

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

Credit Information Monitoring and Management

We regularly report credit risk levels to the Board of Directors, relevant committees, and senior management. Our monthly credit portfolio report includes information on portfolio quality and segment trends by facility, ratings, location, industry, and delinquency. In addition, ad hoc reports are occasionally conducted in response to irregular situations that may affect the Bank's credit portfolio.

Stress Testing

The Risk Management Group conducts stress tests based on our stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. We have strategies and action plans in place to prevent any adverse effects. In addition, Krungsri's stress test complies with the Bank of Thailand and Japanese Financial Services Agency (JFSA) requirements as well as MUFG global requirements.

Subsidiary Management

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

Non-performing Loan Management

Non-performing loans (NPLs) are managed by a dedicated team of specialists experienced in handling past-due accounts. They manage all high-volume loans and determine the best approaches to optimize payment from customers so as to improve asset quality, minimize losses and maximize recovery. They also conduct NPL sales based on guidance and approval from the Board of Directors.

MARKET RISK MANAGEMENT

Enhancing market risk measurement in response to new regulations and preparing for their future implementation, and exploring potential products to accommodate sophisticated customers' needs for cross-border business and risk management by leveraging MUFG's global network

'Market risk' refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities. To achieve sustainable growth and returns for shareholders, the Bank manages market risk under a robust risk management framework, monitoring and mitigating market risk in an appropriate and timely manner within the risk appetite approved by the Board of Directors.

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

Market risk management is overseen by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division has provided strategic risk management options and reported risk exposure to the RMC to manage and control market risk consistent with the Bank's policy. The Global Markets Group executes transactions and manages positions as well as provides analysis of the Bank's and competitors' balance sheet management and strategic risk options for more effective market risk management under risk limits approved by the Board.

Market Risk in Trading Book

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

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

Implementation in 2018:

- Preparation for Fundamental Review of the Trading Book (FRTB) to strengthen the capital standards for market risk in the future
- Preparation for Domestic Systemically Important Banks (D-SIBs) to comply with the new reporting for market risk capital charge covering solo consolidation group starting in 2019, as required by the Bank of Thailand (BOT)
- Implementation of the Delta-plus method for some options products as approved by the BOT for appropriate market risk capital calculation

Market Sentiment in 2018 and Trend of Risk in 2019

In 2018, continuous global financial market volatility resulted from many incidents, such as Turkish and Italian debt crises, US-China trade war tensions, and many central banks' policies on interest rates and turning from quantitative easing toward a tightening monetary policy. These factors affected the movement of capital flows, foreign exchange (FX), and equity and bond markets, especially in emerging countries. The Bank's trading portfolio has of course been vulnerable to such market risk factors.

Looking forward to 2019, not only external factors will ensure ongoing market volatility, but the domestic market should also be scrutinized, such as the BOT's interest rate policy, and political risks.

2018 Trading Book Transaction Risks

In terms of business, the market products with active movements were mainly related to foreign exchange, including FX options for SME customers, and emerging currencies, namely MYR/THB and IDR/THB under Appointed Cross Currency Dealers (ACCD) established to support settlement in local currencies among these countries, as well as cross currency swaps in emerging currencies.

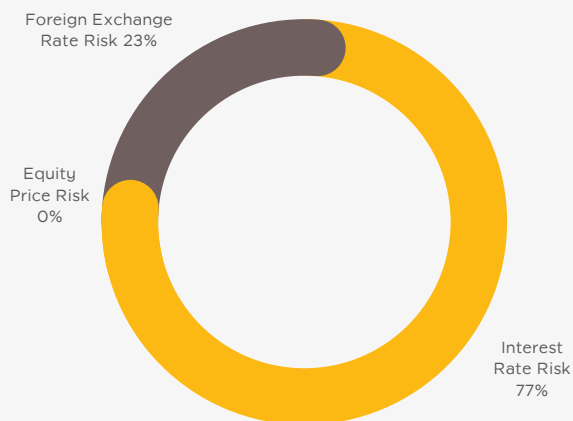
The Bank emphasized the necessity of closely monitoring market risk exposure for timely response to changes in the business environment. Value-at-Risk (VaR) and backtesting have been adopted to assess risks and validate model reliability. In addition, the Bank actively alerted relevant parties through flash reports when significant events occurred, and conducted stress testing to assess risk under crisis situations.

The Bank's aggregate market risk in 2018 was well within acceptable levels. The VaR for a 10-day holding period at a 99-percent confidence level of the trading book averaged 109 million baht.

Market Risk Capital Requirement

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

Financial Business Group : Minimum Market Risk Capital Requirement



As of December 31, 2018

Market Risk in Banking Book

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

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

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

According to the 'Final Rule: Interest Rate Risk in Banking Book (IRRBB)' as published by the Basel Committee on Banking Supervision (BCBS) on April 21, 2016, the Bank has continued to enhance measurements in response to regulatory changes and preparation for their future implementation in Thailand, as well as to ensure that the compliance will not impact the Bank's interest rate risk management framework.

The key updates to the principles under new BCBS regulations are summarized as follows:

1. Development of shock and stress test scenarios
2. Key behavioral and modeling assumptions
3. Development of the validation process
4. Updating the disclosure requirements
5. Updating the supervisory review process
6. Supervisors must publish their criteria for identifying outlier banks

Financial Business Group's Net Interest Income Sensitivity and 2018 Repricing Gap Profile

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

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

(Unit: Million baht)	
Currency	As of December 31, 2018
THB	-1,021.84
Other Foreign Currencies	-590.16
Total Impact	-1,612.00
% of Total Net Interest Income	-2.114%

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

(Unit: Million baht)	
Currency	As of December 31, 2018
THB	-6,805.79
Other Foreign Currencies	-295.19
Total Impact	-7,100.97
% of Total Capital Fund	-2.635%

LIQUIDITY RISK MANAGEMENT

To recognize the importance of regulatory changes and manage liquidity risks as deemed appropriate based on market conditions and acceptable risk levels

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

Liquidity Risk Management Framework

Overall liquidity risk management is overseen by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO). The Market Risk Management Division provides strategic risk management options, while the Global Markets Group analyzes the Bank's and competitors' balance sheet

management, including our liquidity risk and funding strategic options, and manages daily liquidity positions under risk limits approved by the Board.

The Bank realizes the importance of adequate measurement tools for the size and complexity of transactions both on- and off-balance sheet. With this regard and effective internal risk management, the Bank conducts liquidity gap analysis covering both normal business and crisis situations that may adversely affect the Bank's liquidity. The Bank also analyses funding concentration to ensure that funding sources are well-diversified by customer type, deposit type, and maturity. To control risks from funding concentration, the Bank has set up a concentration trigger level which defines the maximum funding exposure for the Top 1 and Top 20 of customer groups. Early warning indicators have also been established to warn of any looming liquidity crisis, as a preventive liquidity risk management system. In addition, the Bank has a liquidity contingency plan that outlines the roles and responsibilities of management and relevant departments, and has early-warning indicators together with an action plan that allows the Bank to promptly face crisis events and successfully resume situations to normal.

Regulatory Requirements on Liquidity Coverage Ratio and Net Stable Funding Ratio

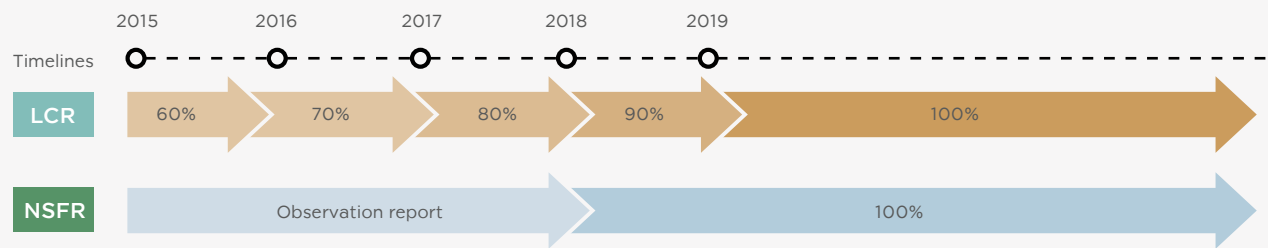
The Bank focuses on regulatory compliance regarding deposit restructuring, and cost management to comply with Liquidity Coverage Ratio (LCR) at the minimum requirement of 100 percent on January 1, 2020, and Net Stable Funding Ratio (NSFR) guidelines with the minimum requirement of 100 percent, effective July 1, 2018.

With reference to the BOT notification: LCR disclosure standards, dated January 25, 2018, LCR is considered essential information for assessing the liquidity risk of commercial banks, as well as a tool for encouraging market discipline. In 2018, the Bank complied with LCR disclosure by providing key information to shareholders and investors in order to promote greater transparency and conformity with international standards.

For monitoring and management, the LCR is applied to short-term liquidity management to ensure maintenance of adequate liquid assets, while the NSFR is applied to long-term liquidity management to ensure maintenance of stable funding. In addition, the Bank has reinforced the database management system for managing liquidity risk in response to the strength and frequency of measurement based on regulatory requirement. This is to

Timelines for Regulatory Requirements

BOT Minimum Requirements on LCR/NSFR



ensure an adequate supply of cash and other liquid assets for the business operations of the Bank and to prepare for support of regulatory changes.

Main Sources of Funding

The Bank's major funding source is customer deposits stimulated by various deposit campaigns and mobile banking services. In addition, the Bank encourages customers to make use of relationship and operational services to boost the deposit volume and thus comply with BOT guidelines. Other funding sources include MUFG borrowings, considered as a stable funding source from our great partnership with one of the world's largest banks, to support not only funding but also related technologies.

Liquidity Coverage Ratio Management in 2018

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

The average LCR as of 4Q/18, was 120 percent, still well above the BOT's minimum requirement and the Bank's internal trigger level. The Bank has maintained an

increased volume of Level 1 HQLA this year to facilitate continuous loan growth. Of this amount, 97.4 percent consisted of Level 1 assets including government bonds, BOT bonds, public sector entity (PSE) bonds guaranteed by the Ministry of Finance, and cash.

Stepping up the pace toward a digital banking ecosystem

Since 2018, the Bank has continued to enhance related systems to facilitate our digital banking. Recognizing cyber risks from digital banking which could impact liquidity risk, the Bank is aware of and prepared to cope with such situations.

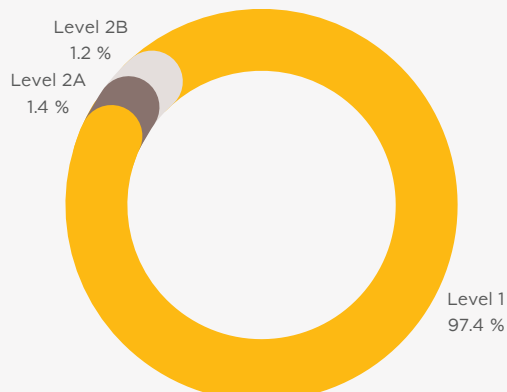
OPERATIONAL RISK MANAGEMENT

Operational risk includes the risk of loss resulting from inadequate or failed internal procedures, technical problems, human factors, and external events; it also includes legal risk, but excludes strategic and reputational risks.

Key risk factors can arise from: misconduct by internal or external parties; flawed procedural design or internal controls; noncompliance with laws or regulations; system collapse or inadequate systems that may lead to data corruption; system errors; security breaches; and system failures. Risk factors from external events such as political crises, pandemics, flooding, and other environmental impacts are uncontrollable.

Operational risks may occur in any part of the Bank's business and can result in financial or non-financial impacts including legal and regulatory breaches or reputational impacts. The Bank is committed to effectively managing and mitigating major operational risks with a proactive approach, as well as cultivating operational risk awareness throughout Krungsri Group.

HQLA Portion (4Q/18)



Principles

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

Organization and Structure

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

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

Operational Risk Management Framework and Tools

The Bank's information technology enhancement, as part of our endeavor to deliver digital banking products and services through electronic channels, could result in a greater diversity of operational risks, including information technology risks and cyber threats. We continue to improve our risk management framework and tools covering information technology risks and cyber threats to brace for potential risks.

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

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

All departments are responsible for reporting operational risk incidents that result in direct and indirect losses beyond a certain threshold, including near-miss and non-financial impact events, to the Operational Risk Management Division. The Bank has established a Significant Incident Management Working Group for such incidents; the root cause is analyzed and addressed in a working group discussion to ensure that effective preventive measures are engaged, and to leverage lessons learned from significant operational risk incidents to other business units.

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

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

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

Our operational risk profiles and performance reports are then regularly prepared and delivered to the Risk Management Committee, the Risk and Compliance Committee, the Executive Committee and the Board to detect early changes in key operational risks within Krungsri Group and to drive decision-making processes.

Capital Requirements

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

Krungsri Operational Risk Minimum Capital Requirements

as of December 31, 2018 and December 31, 2017

	(Unit: Million baht)	
Standardized Approach	2018	2017
Total Capital Charge for Operational Risk	9,171	8,223
Equivalent Risk Weighted Assets for Operational Risk	114,636	102,786





A photograph of a modern building's interior, featuring a glass and metal structure with a grid of windows and a large yellow number '4' overlaid on the right side.

4

CORPORATE GOVERNANCE

Krungsri respects and prioritizes the rights of every group of stakeholders, whereby the following is incorporated in the Principles – business philosophy and roles toward all groups of stakeholders as well as Krungsri’s responsibilities toward society and the environment.

Krungsri's operations in 2018 toward good corporate governance criteria and guidelines are summarized as follows:

SECTION 1 SHAREHOLDERS' RIGHTS

1.1 Policy on and Protection of Shareholders' Rights

Krungsri recognizes the equal rights of all shareholders and commits no actions that would violate or deprive the shareholders of their rights, or limit their access to vital information about Krungsri. The shareholders can access Krungsri's information via the Stock Exchange of Thailand's disclosure channels as well as Krungsri's website, under the heading 'Investor Relations', which contains updated operating performance, shareholders' and investors' information, opportunities for shareholders to exercise their rights, as well as Krungsri's activities.

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 2017). 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 in both Thai and English and dispatched together with the annual report on CD-ROM, 28 days prior to the AGM date. It was also disseminated 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 encourages its shareholders to exercise their basic legal rights such as the right to purchase, sell or transfer shares, the right to participate in and vote at shareholder meetings, the right to receive profits/dividends, and the right to equitable treatment in share buybacks (if any). At meetings of shareholders, they are entitled to take part in decision-making on issues stipulated by law and those affecting Krungsri's business direction, such as directors' remuneration, amendments to the Articles of Association, allocation of capital increase or a decrease of shares, and business acquisition where the price appraisal is done by an independent party.

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

1.2 Meetings of Shareholders

Krungsri organized the Annual General Meeting of Shareholders 2018 ('the AGM') No. 106 on April 26, 2018, in compliance with the Bank's Articles of Association, relevant regulations and applicable laws, and in line with

more than 30 days prior to the AGM date, giving the shareholders adequate time to study the information.

- The shareholders could use the request form attached to the notification of the AGM or download it on Krungsri's website in order to submit their questions concerning Krungsri or AGM agendas requiring replies at the AGM, including a request for a published annual report.
- The notification of the AGM was posted at the Head Office and all Krungsri branches 14 days prior to the closing date of the share register, and advertised for three consecutive days in a local newspaper more than three days prior to the AGM date.
- The notification contained clear information on the date, time, venue and details of the agendas which clearly indicated the purpose of requesting either acknowledgement or approval. The details of agendas comprised sufficient facts and reasons, together with adequate and precise opinion given by

the Board of Directors and relevant committees, as supporting information for consideration. The agendas on dividend payment, the remuneration of directors, and the appointment of auditors were separated from each other. In addition, details on the registration process and a list of documents to be presented to Krungsri's officers in accordance with rules and regulations stipulated by the regulators prior to attending the AGM, both in person and by proxy, as well as meeting participation methods, the Bank's Articles of Association on meetings of shareholders, voting procedure and method, including a map of the venue, were also provided.

- Krungsri neither added any agenda nor changed any significant information in the notification of the AGM without prior notice to the shareholders.
- The proxy form was prepared as prescribed by the Ministry of Commerce and enclosed with the notification of the AGM. In case a shareholder wanted another person to be present and vote at the meeting on their behalf, they could use the proxy form to make their vote. Krungsri also provided stamp duty. Moreover, Krungsri clearly indicated a list of required documents and procedures with simple conditions for proxy appointment. The Chairman of the Board and one independent director were nominated as options for the shareholders to appoint as their proxies, whereby their brief profiles were also provided.



- Krungsri appropriately supported and facilitated all shareholders including institutional shareholders in exercising their rights to participate in the meeting and vote, or authorize a proxy to participate and vote on their behalf. The AGM was organized at Krungsri's Head Office, which is a convenient site, and Krungsri made no attempt to prevent shareholders from communicating with each other.
- Officers of the Investor Relations Department were assigned to coordinate, provide information to, and answer questions from the investors and shareholders.
- For the agenda on election of directors, voting was made on individual directors being nominated, whereby their brief profiles i.e. name-surname, age, educational background and working experience separated by listed and non-listed companies were provided, together with information on selection criteria and procedures, types of directors, and shareholding of Krungsri's securities. For directors being nominated for re-election, the number of Board meetings they attended in the previous year, appointment date and other information useful for shareholders' consideration was also provided. In addition, before consideration of this agenda, the directors who retired by rotation and were nominated for re-election left the meeting room, and returned to the meeting only when subsequent agendas arose, so that the shareholders could discuss and cast their votes independently. In casting votes, ballots from all participating shareholders were collected.
- For the agenda on directors' remuneration, the amount and each type of remuneration i.e. remuneration, attendance fee, and other annual compensation, as well as remuneration for the committee members reporting to the Board of Directors, along with the policy and criteria for consideration of payments, were specified.
- For the agenda on auditor appointment and auditor fee, details of nominated auditor(s) to be appointed/reappointed, including companies

they are working for, their work experience, competence, independence, number of years serving as Krungsri's auditor, audit and non-audit fees, and other relevant and necessary information as per the regulations, were provided for the shareholders' consideration.

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

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

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

Shareholders who attended the AGM in person could register by presenting either their ID card, civil servant/state enterprise officer ID card, driving license or passport. After the AGM was duly convened, the shareholders were entitled to register to exercise their right to vote on the agendas for which resolutions had not yet been passed. The shareholders who had already registered received ballots to exercise their voting rights on each agenda.

- Those attending the AGM included the Chairman of the Board, the President and Chief Executive Officer, and the chairman of every committee reporting to the Board of Directors. The latter comprised the Chairman of the Audit Committee, the Chairman of the Nomination and Remuneration Committee, the Chairman of the Risk and Compliance Committee, and the Chairman of the Executive Committee, together with Krungsri's senior executives, auditor, representatives from Allen & Overy (Thailand) Co., Ltd., the law firm serving as the meeting's inspector to ensure



transparency, efficiency and compliance with laws and the Bank's Articles of Association, as well as a delegate from the Thai Investors Association, whom Krungsri invited to join the AGM as an observer. The Chairman of the Board introduced these persons to the AGM one-by-one and invited the shareholders to observe the vote-count in Agenda 6: The election of directors; it appeared that two volunteer shareholders, i.e. Miss Lucy Tan-atichat and Mrs. Rattana Labsitiwong, joined the observation.

- Before the meeting, the Chairman of the Board assigned the Corporate Secretary to announce the number and percentage of the shareholders participating in the AGM, both in person and by proxy, and explained the criteria and procedures for meeting, vote casting and vote counting. Before voting on each agenda, the shareholders were entitled to express their opinions or raise questions about either the agenda under discussion, or Krungsri independently. For each agenda, after the vote counting, the results including approval, disapproval, abstention, and voided ballot were announced to the meeting.
- Currently, Krungsri has one type of share i.e. common share. One share is equal to one vote, and a majority vote is required unless otherwise specified by law. The shareholders with specific conflicts of interest on any agenda were not permitted to vote on that agendas, except for the agenda of director election. For this agenda, the Bank's Articles of Association state that the nominated directors and shareholders who are nominated have the right to vote.

- For Krungsri's shareholding structure, none of the directors hold more than 25 percent of the registered and paid-up common shares.
- Krungsri video recorded the entire meeting, and separated the file into video clips of each agenda for dissemination on Krungsri's website.
- On the same day as the AGM, Krungsri conveyed a summary of the meeting resolutions and the voting results for each agenda to the shareholders and the public via the Stock Exchange of Thailand's disclosure channels. The results of the votes were posted on Krungsri's website on the following business day. Additionally, Krungsri sent a notice on the appointment of director by proxy and a thank-you letter from the proxies to all shareholders for exercising their rights and entrusting the directors as their proxies.
- Krungsri prepared accurate, complete and comprehensive minutes of the AGM, with the name list and titles of the directors and the senior executives who attended, or did not attend, the meeting. The minutes also specified that Krungsri invited the inspector, the observer from the Thai Investors Association, and the volunteer shareholders to witness the vote count, as well as methods of vote casting and vote counting which were presented before the start of the meeting, use of ballots, details of each agenda, opinions of the Board of Directors on each agenda, opportunities to raise inquiries and comments, questions and answers, relevant observations and suggestions of the shareholders, and meeting resolutions on an item-by-item basis, together with the voting results for each agenda, which were clearly separated into approval, disapproval, abstention and voided ballot. The minutes were presented to the Chairman of the Board and all members of the Audit Committee for review before being submitted to the Chairman of the Board for sign-off, and then sent to the relevant government authorities within 14 days after the AGM date. Furthermore, the minutes were also disseminated on Krungsri's website.

SECTION 2 EQUAL TREATMENT OF ALL SHAREHOLDERS

All shareholders are regarded as the owner of Krungsri. Thus, Krungsri acknowledges the importance of all of its shareholders, whether they are minority, majority, or foreign shareholders. It is Krungsri's policy as a part of Good Corporate Governance Principles to treat all shareholders equally and protect their rights regardless of gender, age, nationality, religion, political opinion, or physical disability.

2.1 Treatment of Shareholders in the Meetings of Shareholders

Krungsri properly conducts meetings of shareholders in accordance with transparent and correct procedures e.g.

- In case any director, who may have a specific conflict of interest in a particular agenda, is appointed as a proxy, such director shall abstain from voting on such agenda unless the grantor specifies their intended vote in the proxy. If a shareholder appoints any person as a proxy, such proxy has the right to participate in a meeting and cast votes on such a shareholder's behalf in all cases;
- An adequate amount of time for shareholder meetings is allocated;
- Opportunities for the shareholders and proxies to express their opinions and raise questions are provided at meetings; and
- In casting votes on each agenda, the ballots which the shareholders received at the time of registration are used.

Details of the procedures under this topic are shown in Section 1 Shareholders' Rights.

2.2 Policy for Prevention of Any Transactions that May Lead to a Conflict of Interest and Any Use of Inside Information to Seek Unlawful Benefits for Oneself or Others

- All of Krungsri's directors, executives, and employees are required to strictly abide by the relevant laws, policies, and directives, as well as the code of conduct and ethics of Krungsri. Use of Krungsri's inside information or information undisclosed to the public for personal or others' benefits is prohibited.

- The use of inside information for stock trading is prohibited, illegal, and in contradiction of the principles governing conflicts of interest. All of Krungsri's directors, executives and employees must comply with the relevant laws and regulations as well as the laws governing financial institution business and the laws on securities and exchange.
- This policy must be conveyed to all Krungsri directors, executives, and employees for their acknowledgement and compliance. Whenever Krungsri is preparing to disclose any important financial data to the public, a blackout period will be announced to prohibit any trading of Krungsri shares by Krungsri's directors, executives, and employees for three business days both before and after notification to the Stock Exchange of Thailand. In addition, for those shares acquired during the term of office of directors, executives, and employees, including their related persons such as spouses and minor children, the sale or transfer can be made only after a three-month period following their acquisition, unless permitted by the President and Chief Executive Officer or other designated persons.
- Directors and executives of Krungsri, defined by law and Krungsri as including: (1) their spouses or cohabitating partners; (2) minor children; and (3) juristic persons where the directors and executives including (1) and (2) hold shares at an aggregate amount exceeding 30 percent of a juristic person's total voting rights and such aggregate shareholding is the largest proportion in the juristic person, are required to comply with the notification of the Office of the Securities and Exchange Commission No. SorChor. 38/2561 Re: Preparation of Report on Changes to the Securities and Derivatives Holding of Director, Executive, Auditor, Plan Preparer, and Plan Administrator. Directors and executives shall report any changes of their holding of Krungsri's securities and derivatives due to any purchase, sale, transfer, or acceptance of a transfer within three business days after the date of purchase, sale, transfer, or acceptance of a transfer of Krungsri's securities or derivatives to the Securities and Exchange Commission and to the Board of Directors for acknowledgement (except for newly appointed directors and executives whose names have not yet been listed in Krungsri's Directors and Executives Information System reported to the Securities and Exchange Commission; they are required to report their changes in securities and derivatives holding

to the Securities and Exchange Commission within seven business days after the changes). In 2018, there were no cases of insider trading of securities and derivatives committed by Krungsri's directors, executives, or employees.

- All employees shall manage non-disclosure information appropriately. Any disclosure of such information shall only be made on a 'need-to-know' basis in order for the recipients to properly discharge their job responsibilities.
- All employees shall avoid any direct or indirect action that may present a conflict of interest, and properly manage any potential conflicts of interest. Misusing resources or the image of Krungsri is also prohibited. All of this is to ensure fair treatment for customers.

2.3 Transactions between Krungsri or Its Subsidiaries and Stakeholders

- Krungsri has neither violated nor failed to comply with the criteria for related party transactions as well as sale and purchase of assets.
- Krungsri's directors and executives with conflicts of interest will abstain from consideration and voting on any transactions between Krungsri or its subsidiaries and any related party having either actual or potential conflicts of interest.
- Transactions are normally executed fairly under an arm's length basis and shall be considered and approved by the authorized person and/or the Board of Directors, whereby the Audit Committee will provide opinions concerning the necessity of such transactions and the propriety of the pricing, as well as consider the disclosure of any transaction that may incur a conflict of interest in order to ensure its accuracy, adequacy, and transparency. However, type, value, and procedure for each transaction shall comply with Krungsri's internal rules regarding related party transactions.
- In case of a related party transaction requiring approval from a meeting of shareholders, Krungsri will disclose details and rationale of the transaction as well as opinions of the Board of Directors to the shareholders before making the transaction.
- For transactions undertaken in 2018, Krungsri released all details in the Annual Registration Statement (Form 56-1) and the Annual Report

(Form 56-2) under the topic 'Related Party Transactions'. The details showed that such transactions were Krungsri's normal business activities, made at market value on an arm's length basis.

2.4 Conflict of Interest of Directors and/or Senior Executives of Krungsri

- Directors and senior executives of Krungsri are obligated to provide reports on their own and any other related persons' conflict of interest relating to the management of Krungsri or its subsidiaries in terms of holding of position, shareholding, and transaction; the reporting procedures are clearly established. The reports shall be delivered to the Chairman of the Audit Committee and the Chairman of the Board for acknowledgement, respectively.
- In any meeting of the Board of Directors, directors who have a related interest in any agenda do not participate in consideration of and have no right to vote in that agenda. In addition, for the agenda in which directors potentially have a stake, those directors would refrain from participating in consideration of that agenda, and abstain from voting. Such information is recorded in the minutes of the meeting.
- Krungsri has established a policy prohibiting the granting of any loan, loan-like transaction, or debt guarantee to its directors, senior executives, or other related persons, except 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 of Stakeholders

Krungsri respects and prioritizes the rights of every group of stakeholders, whereby the following is incorporated in the Principles – business philosophy and roles toward all groups of stakeholders e.g. investors, shareholders, Board of Directors, executives, employees, customers, vendors/suppliers, creditors, and commercial banks or related financial institutions, as well as Krungsri's responsibilities toward society and the environment. Details of which are below:

- **Investors:** Krungsri recognizes the importance of timely disclosure of both financial and general information that is accurate, adequate, transparent, regular, and consistent, through various channels and media. Krungsri has established the Investor Relations Department to coordinate, answer enquiries, present Krungsri's operating results, and create a good relationship with investors and stakeholders.
- **Shareholders:** Krungsri respects and gives equal priority to all shareholders' rights, and provides its shareholders opportunities to consider any important issues and provide comments or suggestions, which may then be applied for improvement of business operations to drive growth and better performance, leading to appropriate returns for shareholders in the long term. Significant information is normally disclosed to the shareholders in a correct and adequate manner, with transparency and accountability. In addition, Krungsri helps the shareholders to fully exercise their rights.
- **Board of Directors:** Krungsri provides opportunities for all directors to fully perform their duties independently, including expressing opinions and giving recommendations to the Management on Krungsri's operations. In this regard, the Corporate Secretariat Department ensures that the Board of Directors' activities are correct and adequate according to the Principles and laws. In addition, Krungsri provides each director a Directors' Handbook with regularly updated content, and on a quarterly basis, information of training courses organized by the Thai Institute of Directors Association (IOD) as well as any other courses suited to changing situations and their available time to participate.
- **Executives:** Krungsri provides opportunities for executives to perform their duties independently, under their assigned roles and responsibilities. Moreover, Krungsri also provides them training courses in various areas, on a regular basis, for their personnel development and career path.
- **Employees:** Krungsri recognizes that its employees at all levels are valuable resources and key drivers for Krungsri's achievement according to its short-term and long-term business strategies. Krungsri therefore sets appropriate human resources management policies, aims for a fair recruitment and selection process, provides proper remuneration and welfare benefits to employees, retains talented employees,

promotes career advancement, and enhances employee skills and competencies through a variety of courses that respond to current work challenges, ensuring employee efficiency; details can be summarized as follows:

- Adhering to human rights standards and fair and equitable treatment by establishing fair employment guidelines and attaching importance to job qualifications, with non-discrimination in terms of race, gender, religion, and age. Krungsri also ensures strict compliance with relevant employment and labor laws, while also promoting a positive workplace culture and respect for employees' privacy.
- Establishing appropriate and fair remuneration policies that take into account Krungsri's short- and long-term performance. Krungsri has implemented a Bank-wide process for goal setting and performance assessment against goals and key performance indicators under the Balanced Scorecard, and has created individual development plans to ensure that employees have sufficient readiness and competency for their given duties. Krungsri provides employees appropriate and fair remuneration in accordance with their performance, and reviews compensation structure by considering job value criteria and industry compensation surveys, to ensure better compensation management and competitive pay.
- Providing welfare benefits higher than legal requirements, which includes other forms of benefits, for the purpose of retaining employees and incentivizing them to perform their duties to support long-term value creation for Krungsri and its shareholders e.g. establishing a provident fund for employees, to which Krungsri is obliged to make partial contributions, so that employees have savings for retirement, resignation, disability, or as life insurance for their families. In addition, Krungsri communicates with its employees via various channels such as email and training programs in order to enhance their knowledge and understanding of the provident fund, the benefits, the fund's investment policy, and the risks associated with the investment. At present, Krungsri has changed the investment policy from a 'single fund with one investment policy' approach to a 'single fund with multiple investment policies' approach to allow employees to choose



their desired investment policy or investment plan (Employee's Choice) based on their age, level, expected returns, and risk appetite.

- Providing other welfare benefits to meet employees' potential future needs. These benefits aim to help relieve employee stress. Welfare benefits are divided into three major categories: 'financial aid', 'health and insurance', and 'employee loans'. Details are conveyed to employees for their acknowledgement via the Employee Handbook and the Krungsri People online system, so that they may see the benefits for themselves and their families.
- In terms of employees' safety and healthcare, Krungsri stipulates a set of principles on the working environment, health and safety as stated in S&L. Krungsri has set up a committee specifically to oversee safety, occupational health, and the working environment in order to ensure that employees' lives and property are always secure. For example, Krungsri provides annual physical examinations, annual influenza vaccinations, and examinations for respiratory- and hearing-vulnerable groups. Other services include a Krungsri medical room, antiseptic spraying at workplaces, and cleaning of office equipment and devices to prevent the



spread of contagions. Also, Krungsri has created health, life, and accident insurance programs in addition to the government's social security program. Krungsri has set up a '5 Soh' activity, and an indoor exercise area where employees can relax 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 2018, two employees had work-related accident; however, no employee had a work-related illness.

- Krungsri aims to develop its employees' excellence by creating learning programs to encourage their understanding and advancement in line with Krungsri's Vision and Mission, and to respond to individual development needs. Courses and learning models are designed to offer variety and respond to employees' needs through the Krungsri Learning Companion, or KLC, a new learning management system. In this respect, cloud computing is employed in learning and personnel development activities. This provides employees facilities and opportunities to access a wider range of knowledge as well as the latest information on training, anywhere and anytime for the employees' convenience. In order to drive its business toward success more effectively, Krungsri encourages knowledge sharing in every business entity as well as a self-learning culture. In 2018, all employees participated in various training courses for an average of 62.44 hours per person.
- Apart from aiming to foster excellence among its personnel by encouraging employees to express themselves through Krungsri Core Values, and



showing strong leadership and professionalism in order to offer customers the most satisfactory experience, Krungsri has designed learning programs that support its employees in being good citizens, including being responsible consumers, participating in the development of their communities and society, and preserving the environment. Examples of these programs include 'Krungsri...Preserve the World', the Good Corporate Governance courses, etc.

- **Customers:** Krungsri operates its business with customer centricity by focusing on compliance with all applicable laws and standards, and serving its customers with honesty, integrity and fairness. Krungsri also provides customers with services and advice equally in order to protect their interests and deliver maximum customer satisfaction. Krungsri develops and offers high-quality products and excellent services, and provides accurate, adequate, clear, and trustworthy information to its customers. Krungsri also applies technological innovations to its products and services so as to serve the customers with convenience and readiness, and make their lives easier, in line with the slogan, 'Make Life Simple', such as Krungsri Cardless service, Krungsri iFin which is a brand-new personal loan with a true end-to-end digital process ranging from loan application to loan receipt, and the Bella chatbot in Facebook Messenger providing information with various outputs to customers.

Krungsri has stipulated stringent measures for safeguarding customers' personal information to prevent any violation of their personal information rights, details of which are stated in the Employee Handbook. The measures require that the customers' information must not be disclosed, unless required

by law or authorized in writing by the customers, and the use of the customers' information for employees' own benefit is prohibited. In this regard, all employees and executives must study S&L every two years via the Krungsri Learning Companion (KLC). S&L is a part of the Code of Conduct that focuses on honesty under the scope of laws and the Principles, which is intended to enhance transparency and responsibility to the stakeholders in carrying out Krungsri's business. Krungsri also arranges training programs which extend knowledge and understanding of customer-centric values to employees, in order to enhance their variety of skills as well as competencies in efficiently responding to customers' needs and expectations. Examples of the training programs include Industry Knowledge, Sales IQ by Business Acumen, and Build the Way Forward to an Improved Customer Experience.

Krungsri encourages customers to share their opinions for further improvement of its services. Krungsri assesses customer satisfaction and designates a clear target by providing a customer satisfaction survey form every year, the results of which are analyzed to develop and improve the quality of services provided by its employees. Moreover, the customers can file complaints or make recommendations to Krungsri via several channels: Call Center at 1572; email: webmaster@krungsri.com; Krungsri's website under the heading, 'Contact Us'.

- **Vendors/suppliers:** Krungsri treats its vendors/suppliers with honesty, integrity, and fairness in their best interest. Krungsri provides each vendor/supplier with accurate and sufficiently detailed information and significant conditions in a standardized manner, and strictly complies with all agreements and conditions as established with each vendor/supplier, as well as encouraging activities that promote a good understanding between all parties. In addition, Krungsri has drawn up policies and guidelines for treatment toward vendors/suppliers as stated in S&L, including the Supplier Relationships Policy and the operating manual of the Procurement Department, which covers process and criteria for selecting vendors/suppliers as follows:
 1. Have the verification process to ensure that vendors/suppliers are not listed in UN & OFAC & JFEL SDN List or AMLO SDN List as well as to verify whether the vendors/suppliers have any relationship with Krungsri's directors or executives (Related Party). In case of being the related party,

the declaration and the operations shall strictly be complied with Krungsri's relevant regulations.

2. Not intently describe product/service features or details to be in conformity with specific vendors/suppliers.
3. Provide correct, complete and necessary information and conditions to each of vendors/suppliers.
4. Keep information provided by the vendors/suppliers in confidentiality and disclose only to persons involved.
5. Select vendors/suppliers based on the prescribed criteria and the following factors i.e. price, quality, performance, financial position (depending on the risk level of each transaction), technical abilities, customer service, compliance with work rules or other technical details, as well as each vendor/supplier's Business Continuity Plan (BCP).
6. Make the written purchase order forms with transparent and appropriate terms and conditions.

Moreover, in order to avoid conflict of interest so as to foster fairness, transparency, and verifiability with respect to the selection of its vendors/suppliers, Krungsri has stipulated a Gift and Entertainment Policy, to which employees must adhere and inform vendors/suppliers for acknowledgement.

- **Creditors:** Krungsri shows responsibility to every group of creditors by strictly following the agreed-upon conditions, relevant regulations, and laws on the basis of honesty, equality, and fairness. Krungsri does not disclose creditors' confidential information, while providing them with accurate and adequate information as well as promoting activities leading to a 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 result in its inability to repay debts. Krungsri's liquidity management enables it to repay debts on time according to their maturity periods, as well as have readiness to repay debts in an emergency. This managerial structure ensures that Krungsri is capable of repaying its debts even when faced with a liquidity crisis. If Krungsri cannot comply with the agreed-upon conditions, it will notify its creditors in

advance so that they can jointly consider the issues and find potential solutions.

Krungsri has also established a clear and concrete policy on fair treatment and responsibility to creditors, with particular regard to guarantee conditions, capital management and default of repayment. Additional details are shown in the Annual Sustainability Report.

- **Related Commercial Banks or Financial Institutions:** Krungsri requires every employee to comply with the laws regarding competition, without exception. Punitive measures will be imposed in case of violation, since Krungsri has the clear intention of preventing unfair competition. Furthermore, Krungsri's employees must treat its business competitors in line with international principles under the scope of laws relating to business competition, while also impartially adhering to the rules of fair competition.

Krungsri cooperates in any activities beneficial to the overall business to prevent any impact to the commercial banking system. Moreover, Krungsri promotes activities that foster better understanding, while competing fairly with other commercial banks under the specified rules and regulations. For example, Krungsri does not seek to obtain confidential information in a dishonest or inappropriate manner. In addition, Krungsri also cooperates in reducing the costs and expenses of the commercial banking system and the overall economic system. Additional details are shown in the Annual Sustainability Report.

On March 28, 2017, Krungsri signed an MOU and declared its cooperation in establishing the Banking Industry Code of Conduct, which aims to build commercial banking standard practices for ethical business operations, and to ensure that customers are provided fair services and accurate product information before making a purchasing decision. The Banking Industry Code of Conduct has also been established in accordance with the five-year strategic plan of the Thai Bankers Association, and is based on three principles: integrity, fairness, and accountability to shareholders. Currently, Krungsri operations are in line with the principles of the Banking Industry Code of Conduct.

- **Responsibility to Society and the Environment:** Krungsri acknowledges the importance of instilling all of its employees with a sense of responsibility for the sustainable development of society. This is because sustainability is a fundamental element of

Krungsri's mission, which is 'To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth'. Krungsri has translated this concept into concrete actions through socially responsible business practices (known as CSR-in-process) and various social activities (known as CSR-after-process). In addition, as one of the biggest commercial banks in Thailand, Krungsri strives to achieve its mission of being a responsible financial service provider which emphasizes three dimensions of sustainable development as follows:

- **Economic sustainability:** Krungsri aligns business strategies with the economic environment while maintaining a well-balanced portfolio and serving as our customers' trusted vendor/supplier and financial advisor;
- **Social sustainability:** Krungsri improves financial services access and enhances financial literacy among Thai people, and continuously engages the employees of Krungsri Group in community development initiatives and valued CSR activities;
- **Environmental sustainability:** Krungsri aims to minimize environmental impact through implementation of green initiatives within Krungsri's business and our prudent support of customers' eco-friendly initiatives.

Krungsri has established a Policy for Social Contribution and Project Formulation as a basic framework in providing financial support and other contributions to CSR activities, as well as creating a procedure of CSR operations on behalf of Krungsri or its subsidiaries to ensure that social contributions/donations are carried out and are of benefit to society, and are in line with the aforementioned policy. Krungsri divides CSR activities into four categories:

- **Creating sustainable value:** focusing on employees' and executives' understanding of CSR and sustainability. In addition, it focuses on practices regarding a long-term engagement with stakeholders as well as conducting sustainability reporting in order to evaluate corporate sustainability performance and raise awareness among stakeholders.
- **Giving back to the community:** focusing on community engagement, for areas surrounding Krungsri's operational sites and society at large through three social projects/activities, i.e.



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

Krungsri has also established the CSR Committee, for which the President and Chief Executive Officer has been appointed Chairman. Its responsibilities are to formulate Krungsri Group's corporate social responsibility policy, direction, and framework in alignment with the concept of sustainable development, including supervision of compliance with the action plan; and to provide recommendations to improve Krungsri Group's performance related to corporate social responsibility measures to ensure alignment with relevant guidelines, recommendations, and rules prescribed by supervisory bodies at the national and global levels. In addition, the committee shall report its performance to the Executive Committee and the Board of Directors on a regular basis.

In 2018, Krungsri established the Environmental, Social and Governance Division (ESG Division), under supervision of the Corporate Strategy and Planning Group, to ensure clear operations relating to environment, society and good corporate governance, together with integration of ESG dimensions and corporate strategies. With that, Krungsri should better its already solid sustainability performance.

In addition, Krungsri has prepared a Sustainable Development report (SD report) in accordance with the GRI Sustainability Reporting Standard (GRI Standard), separated from the annual report. Information on material sustainability issues is disclosed in accordance with the GRI Standard, which covers impacts from economic, environmental and social operations. Those issues will be identified, prioritized, validated, and reviewed by the Corporate Social Responsibility Department and CSR Committee every year.

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

also requires that executives be responsible for the management and control of their related functions within proper budgets.

Krungsri has also established a working group on energy management and its evaluators in accordance with the Building Control Act B.E. 2535 (1992) (amended B.E. 2550 (2007)) to ensure efficient energy management. The working group is responsible for the management of energy in line with the energy conservation policy, and for communicating with and requesting participation from employees to recognize the value of the resources, and to save energy. It is also responsible for organizing training and giving information on and promoting activities concerning energy conservation e.g. 'Creating awareness of energy efficiency, a part of Building Energy Code (BEC)' held by Energy Conservation Technology Co., Ltd. on February 20, 2018, and 'Brush up Personnel Responsible for Energy (PRE)' held by the Department of Alternative Energy Development and Efficiency, Ministry of Energy, on September 11-13, 2018.

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

The training sessions are available for both general and customized private sessions for related executives and working committees. Details of the training as well as Krungsri sustainability practices are also disclosed in the Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic 'Social Responsibility', and the Annual Sustainability Report.

3.2 Adherence to Principles of Human Rights

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

Directors, executives, and employees are required to respect and comply with the principles of human rights; and to offer no support to the violation of human rights. This has been deemed one of the good governance principles. Appropriate welfare for employees; safe workplaces and environment; compliance with the relevant laws and regulations regarding the environment, health and safety; creation of working environment without discrimination, and protection of employees' information are all in place.

3.3 Respect for Intellectual Property or Copyright

Krungsri shows respect for intellectual property by establishing The Spirit and The Letter and clear policy on intellectual property, requiring employees to protect patents, trademarks, copyright, trade secrets, and other information belonging to Krungsri, and to respect the intellectual property rights of others, as well as prohibiting its employees from using intellectual properties of other people without authorization.

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

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



Annual Registration Statement (Form 56-1), the Annual Report (Form 56-2) under the topic, 'Anti-Corruption and Counter-Bribery', and the Annual Sustainability Report.

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

To ensure effectiveness and efficiency of such anti-fraud, anti-corruption, and anti-bribery efforts, Krungsri has established various measures such as formulating policies and regulations related to giving or receiving gifts and entertainment, and providing knowledge and support to employees in order to create awareness of the importance of anti-fraud and anti-corruption measures. In this regard, Krungsri has arranged for four compulsory courses via Krungsri Learning Companion (KLC), i.e., Good Corporate Governance Principles (CG); The Spirit & The Letter (S&L) covering anti-fraud and anti-corruption (CAC); Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT); and Gift and Entertainment.

In addition, reports on compliance with anti-fraud and anti-corruption measures shall be submitted to the Audit Committee, the Risk and Compliance Committee, and the Board of Directors on an annual basis at least. Efficiency of the applied measures shall be reviewed at least once every two years. Furthermore, Krungsri shall apply for the re-certification of its participation as a member of Thailand's Private Sector Collective Action Against Corruption (CAC) Council every three years, and requires all employees to sign for acknowledgement of and compliance with related policies and guidelines on an annual basis. In 2018, Krungsri participated in the Anti-Corruption Day with the Anti-Corruption Organization of Thailand (ACT) in order to demonstrate its support for anti-corruption efforts, as it has every year, and allowed employees to attend a training course i.e. Anti-Corruption: The Practical Guide (ACPG) 45/2018 on July 12-13, 2018, held by the Thai Institute of Directors Association (IOD), to review guidelines and methods for establishing an updated anti-corruption system.

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

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

- Whistleblowing on unlawful actions or violation of the code of conduct, failure to provide complete financial data, the internal control system, and other matters can be made to the Audit Committee through:
 - Mail to:
The Audit Committee or Secretary to the Audit Committee
and send to Bank of Ayudhya PCL, Head Office
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
 - email: audit.committee@krungsri.com
 - Krungsri's website under the heading 'About Us', sub-heading, 'Receipt of Complaints'
- Whistleblowing or other enquiries can be made via
 - Call Center at 1572
 - email: webmaster@krungsri.com
 - Krungsri's website under the heading, 'Contact Us'

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

1. Ombudspersons: Krungsri executives who are recognized by the Bank employees and executives for their integrity, honesty, ethics, and non-discriminatory behavior;
2. Branch Operational Risk Management Department;
3. Human Resources Group;
4. Audit Committee;
5. MUFG Channel (English and Japanese languages only).

Krungsri provides a clear procedure and system for receiving complaints whether or not the whistleblower gives their name. Complaints, including the whistleblower's information, will be treated as confidential; they cannot be accessed by unrelated persons and, if necessary, shall be disclosed only to responsible person(s) having the duty to seek a solution.

In case of complaints received, ombudspersons will record and solve them under appropriate procedures without delay. The findings will also be reported to the executives or the Board of Directors, as the case may be.

Krungsri strictly prohibits any retribution against whistleblowers or intervention in the problem-solving process. Any acts of retribution will result in a severe disciplinary punishment, including termination of employment.

SECTION 4 DISCLOSURE OF INFORMATION AND TRANSPARENCY

4.1 Shareholding Structure

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

4.2 Information Disclosure

Krungsri is aware of the importance of information disclosure concerning both financial and general matters to its shareholders, investors, and the public. Consequently, guidelines for information disclosure have been drawn up whereby it must be disclosed in both Thai and English via easily accessible channels in a correct, adequate, transparent, timely, and equal manner, and in compliance with the relevant laws and regulations of government authorities. Krungsri regularly updates important information. Krungsri also consolidates information being disclosed via the Stock Exchange of Thailand and notified to the shareholders, including that which is useful for the shareholders and investors, in a separate section of its website, so that it is easy to search for and access.

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

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

with approval from the Chief Financial Officer, shall issue a clarification and provide correct information. Any analyst review with Krungsri's information shall be conveyed to the employees via Krungsriportal.net.;

- The President and Chief Executive Officer and Chief Financial Officer shall be responsible for disclosing the official information of Krungsri to investors, analysts, fund managers, and other parties. If there is any question that is within the domain of any particular Head of Group/Chief Officer, such Head of Group/Chief Officer will be designated to act as the spokesperson of Krungsri in providing the information that has been approved by President and Chief Executive Officer. Krungsri spokespersons must complete communications training to ensure the credibility and effectiveness of their communications;
- The Investor Relations Department shall be the center for handling interview requests and information from investors, analysts, fund managers, and other parties, and issuing proposals to the Chief Financial Officer for consideration of giving interviews and approval of information disclosure;
- Disclosure of information pertaining to incidents potentially impacting the reputation and credibility of Krungsri such as corruption, complaints, court decisions, theft, and disaster befalling the employees or Krungsri shall be handled by the Investor Relations Department with



approvals from the President and Chief Executive Officer, Chief Financial Officer, and General Counsel prior to public disclosure;

- Information of target investors, analysts, fund managers, and others shall be kept in a database categorized by type (investors, analysts, fund managers, and etc.), and shall contain their basic information, particularly names, addresses, and contact phone numbers, which must be updated from time to time.
- **Information Disclosure of Directors and Executives' Shareholdings:** Krungsri discloses information on shareholding of directors and executives, both directly and indirectly (including spouses and their minor children), in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic 'Krungsri's shareholding of directors and executives'.
- **Information Disclosure in the Annual Report:** Krungsri discloses useful information for its shareholders as follows:
 1. Compliance with good corporate governance principles according to the corporate governance criteria and guidelines stipulated by the Securities and Exchange Commission, the Stock Exchange of Thailand, the Thai Institute of Directors Association, and the Banking Industry Code of Conduct of the Thai Bankers' Association in five core sections: shareholders' rights; equal treatment for all shareholders; roles of stakeholders; disclosure of information and transparency; and responsibilities of the Board of Directors.
 2. Mission and Vision for business operations of Krungsri, which are fundamental aims and medium-to long-term goals. Details are as follows:
 - Mission: To be a leading regional financial institution with global reach, committed to responsibly meeting the needs of our customers and serving society through sustainable growth.

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

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

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

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

Krungsri's financial statements, including such information being shown in the annual report of Krungsri, are produced in compliance with financial reporting standards. In this regard, Krungsri chooses to apply an accounting policy based on principles of prudence, practiced on a regular basis, including rational estimation methods. Essential information is adequately disclosed in the notes to the financial statements audited with unqualified opinions by an independent auditor. The financial statements reflect Krungsri's real financial status and performance, which are beneficial to the shareholders and general investors. The 2018 financial statements were certified with an unqualified opinion by an independent auditor.

4. Besides key performance indicators (KPIs) on Krungsri's financial operating performance, Krungsri has received a number of awards which reflect its success and excellence in various aspects, i.e. corporate governance, business operations,

employee engagement, innovation, and other initiatives in marketing as well as brand building. Krungsri also measures customers' satisfaction via the customer satisfaction measurement scheme called the Net Promoter Score (NPS) on annual basis for the purpose of tracking the interests and preferences of the customers toward the Krungsri brand. NPS serves as a channel for receiving feedback from one of the most important stakeholders of Krungsri. In 2018, Krungsri's NPS score was at 63. In addition, operating performance and success of each business function are assessed each year; in 2018, the market shares of products were as follows: 30 percent for personal loan, 16 percent for credit card business, 27 percent for hire-purchase facility, 5 percent for SME business, and 12 percent for corporate business.

5. The nature of business and competition situation, as well as important developments in terms of government authorities' regulations, the business environment, and important advancements of Krungsri relevant to its performance in each year.
6. Information on Krungsri's subsidiaries and joint ventures, types of businesses, Krungsri's shareholding in subsidiaries and joint ventures, as well as income structure.
7. Important risk factors that may affect Krungsri's business operations including credit, market, liquidity, and operational risks. Nature of each type of risk and its management are also specified.
8. The dividend payment policy as per the Bank's Articles of Association and the government authorities' regulations.
9. Roles of stakeholders whereby complaint process and communication channels with Krungsri are specified so that different groups of stakeholders can contact, ask for information, and make complaints or whistleblowing conveniently and rapidly.
10. The names of directors as of December 31, 2018, totaling 12 directors consisting of five non-executive directors, four independent directors, and three executive directors.
11. The directors' profiles such as name-surname, age, position, educational background, work experience, shareholding, and etc., as well as type of directorship i.e. non-executive, independent, or executive director.

12. A comprehensive and transparent policy on remuneration of directors comparable to the industry, which must be approved by the AGM. Those directors who are assigned to perform additional duties as members of the committees reporting to the Board of Directors, i.e. the Audit Committee, the Nomination and Remuneration Committee, and the Risk and Compliance Committee, will receive 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 the Board of Directors, and the number of meetings attended by each director.
14. Information on participation in development and training courses of directors in the previous year.
15. Information on any changes in shareholding of the directors and senior executives, showing the number of shares held at the end of the previous year and the end of current year. Krungsri also discloses any change in the number of shares held during the year. The directors and executives as well as their related persons must report changes in their ownership of Krungsri's shares to the Securities and Exchange Commission and the Board of Directors for acknowledgement.
16. Remuneration of executives which is in line with the principles and policies stipulated by the Board of Directors, as well as Krungsri's operating performance and each individual executive's performance.
17. A policy on related party transactions between Krungsri or its subsidiaries and any related party whereby significant transactions must be considered and approved by the authorized person and/or the Board of Directors. The directors and executives with conflict of interest will neither join the consideration nor vote on any transaction between Krungsri or its subsidiaries and any related party, or the one with potential for conflict of interest in the future. Krungsri discloses the related party transactions executed each year.
18. Selection and appointment of an independent auditor whose qualifications are in compliance with the regulations of the Bank of Thailand and the Securities and Exchange Commission.

The selected auditor must not be related to or have any interest with Krungsri, its executives, major shareholders, or a related party in any manner that may lead to any impact on their independence in work. Krungsri also discloses the auditor's remuneration (audit fee and other service fees).

19. Krungsri prepares a report on the Board of Directors' responsibility for financial reporting, whereby the Board of Directors is responsible for Krungsri's financial statements and the consolidated financial statements of Krungsri and its subsidiaries, as well as the financial information of the annual report, which is prepared in accordance with the Financial Reporting Standards. Krungsri always follows appropriate accounting policies together with justified projections in preparing the financial statements. Krungsri also sufficiently discloses key information in the notes to the financial statements, which have been audited with an unqualified opinion by an independent auditor. Krungsri's financial statements therefore reflect actual financial position and performance, which is beneficial to the shareholders and general investors.

- **Information Disclosure Channels:** Krungsri has disclosed its information related to both financial and general matters so that the stakeholders can access the information easily, thoroughly, and equally. The contents are publicized via various channels such as its website, www.krungsri.com, the Annual Report (publicized within 120 days from the end of the accounting period), quarterly performance reports, meetings with analysts and investors by varied means, press conferences, and the delivery of notification of shareholder meetings by post.
- **Information Disclosed on Krungsri's Website:** Krungsri takes into account the importance of information disclosure in accordance with the Principles. Its information disclosure is carried out correctly, adequately, equally, transparently, rapidly, in a timely manner, and in compliance with the relevant laws and regulations. Krungsri discloses important information on its website in both Thai and English e.g. the nature of its business operations, financial statements, newsletters, shareholding structure, organizational structure, business group structure, information relating to the Board of Directors, the committees reporting to the Board

of Directors and executives, investor relations information, the Bank's Articles of Association, historical annual reports, and downloadable notifications of the shareholder meetings.

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

Krungsri reviews and assesses the effectiveness of its disclosure process on a regular basis. In 2018 and previous years, Krungsri never received an execution or complaint from related regulatory bodies regarding a failure to disclose information regarding significant incidents within the period designated by such regulators, or any information not in compliance with regulations.

4.3 The Unit to Foster Relationships with the Investors and Stakeholders

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

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

Contact Information:

The Investor Relations Department
Bank of Ayudhya PCL, Head Office, Floor 17
1222 Rama III Road, Bang Phongphang, Yan Nawa,
Bangkok 10120
Tel.: 0-2296-2977
Fax: 0-2683-1341
email: irgroup@krungsri.com

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

The participants in the investor relations activities throughout 2018 included the President and Chief Executive Officer, Chief Financial Officer, Head of Corporate Strategy and Planning Group, and the Executive Vice President of the Environmental, Social, and Governance Division.

The Investor Relations Department continually organizes investor relations activities, including one-on-one and group meetings with investors and analysts, and participating in domestic and international conferences. Such activities reflect the interest of the investors, securities analysts, and analysts from credit rating agencies in Krungsri as the leader in retail banking and as a member of MUFG.



• In 2018, Krungsri's executives and the Investor Relations Department disclosed information via various activities, such as:

- President and Chief Executive Officer delivered a visionary keynote address on 'Digital Banking in CLMVT Connectivity' at the CLMVT Forum 2018, held by the Ministry of Commerce.
- President and Chief Executive Officer gave an exclusive interview to Forbes Magazine, Bangkok Post & Post Today Online, and Bangkok Biz Online & Bangkok Biz Newspaper.
- Head of Retail and Consumer Banking Group, Executive Vice President Head of Research Division

and Investor Relations Department, welcomed and gave lectures on Thailand's economic situation, commercial banking system, CLMV, and Krungsri's business outlook to undergraduate students and professors from Indiana University Kelley School of Business, USA.

- Head of Krungsri Consumer Group was invited as a guest-speaker on 'Digital Banking and Innovation' at the CEO Forum.
- Investor Relations Department facilitated on-site visits for the analysts and investors to automobile sales agencies and microfinance companies for first-hand experience of both businesses in Thailand.

Major investor relations activities in 2018 are summarized below:

Type of Meeting	Number	Number of Companies	Number of Participants
Company visits by investors/analysts	10	17	51
Teleconferences	1	1	1
Participation in domestic conference/meeting with domestic investors*	36	108	146
Meeting with securities analysts**	1	28	38
Meetings with credit rating agencies for Krungsri Group***	3	4	13
Site visits	2	6	41
Press conferences**	14	523	671
Press releases on financial position of Krungsri	4	-	-

Remarks: * Participated by the Chief Financial Officer, Head of JPC/MNC Banking, Head of Retail and Consumer Banking, and Managing Director of Ngern Tid Lor Co., Ltd.

** Participated by the President and Chief Executive Officer, and Chief Financial Officer.

*** Participated by the Chief Financial Officer, Chief Risk Officer, and Head of Corporate Strategy and Planning Group.

- **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 on Krungsri's operating performance and other factors related to Krungsri's business operations for regular reports to the Board of Directors and senior executives, and reports on comments and viewpoints of securities analysts, important developments that may impact Krungsri's stock price, as well as analyses of appropriate shareholding structure. In addition, the Investor Relations Department reports on its activities (participation in meetings with local and foreign investors) and related plans to the Board of Directors on a quarterly basis.
- **Information Reported to the Stakeholders:** Krungsri employs effective communication tools and channels in disclosing important information such as details related to significant strategies, strategic developments, and information that may affect Krungsri's stock price. These communication channels include electronic communication to the stakeholders.

The Investor Relations Department also provides historical financial information on a quarterly basis, which is regularly updated so that investors and other persons interested in Krungsri's financial information can download it from Krungsri's website, www.krungsri.com (Investor Relations Annual Report).

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



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

In 2018, the Investor Relations Department won the title of 'Best Investor Relations Company (Thailand)' from Corporate Governance Asia Magazine, for the fifth consecutive year. The award reflects its excellence in adequate, correct, and transparent communication capability, and investor relations activities.

SECTION 5 RESPONSIBILITIES OF THE BOARD OF DIRECTORS

- The Board of Directors initiated and established the Principles to serve as the policy and guidelines for supervision of business operations as well as set up its roles and responsibilities. The Principles were reviewed by the committees overseeing corporate governance before submission to the Board of Directors for approval, and were then disseminated to all employees and on Krungsri's website. In addition, the Principles have been communicated to the subsidiaries on an annual basis for adaptation in alignment with the nature of their respective businesses, which will help strengthen Krungsri Group's operating performance under good corporate governance.
- To ensure that the Principles are suited to changing business conditions, the Board of Directors has assigned the Legal Group to review the Principles annually or whenever there is any significant change before further proposal to the committees overseeing corporate governance and the Board of Directors for approval, respectively.
- The Board of Directors has established The Spirit and The Letter (S&L), which serves as the Code of Conduct and has been announced throughout the organization and posted on Krungsri's website. S&L serves as a policy on integrity applying to all directors, executives, and other employees of Krungsri, who must understand and follow the code both literally and in its spirit of integrity. Supervisors shall have the duty to share knowledge of the Code of Conduct with their employees, and ensure that all are aware that ethical behavior and compliance with Krungsri's policy is more important

than business performance. To ensure that all employees in the organization have knowledge and understanding of the Principles and the Code of Conduct, and can perform their duties correctly and appropriately, Krungsri has developed a compulsory course via Krungsri Learning Companion (KLC); employees must complete the course every two years or whenever it is significantly updated. Course participants must pass tests with a score of no less than 70 percent. Those who fail to meet the criteria must study further and re-take the test until they meet the benchmark.



- The Board of Directors clearly determines Krungsri's vision and mission, which are announced to all employees for acknowledgement and to serve as guidelines for accomplishing their work as targeted. The Board of Directors normally reviews the vision, mission and core values on an annual basis to ensure alignment with any change in circumstances. In 2018, the Board of Directors conducted a review and resolved that Krungsri's vision and mission would remain unchanged, while Krungsri core value, item 5, was revised from 'Embracing Changes' to 'Making Innovative Changes', to correspond with the changing business environment and market. This revised core value focuses on initiation, development, and changes in creative ways as well as boosting competitiveness in a timely manner so as to bring the best benefits to all customers and stakeholders.
- Krungsri has separated the roles and responsibilities of the Board of Directors and the management. The Board of Directors undertakes the fiduciary duties of overseeing the management in alignment

with applicable laws, the Bank's objectives and regulations, resolutions of the Board of Directors meetings and shareholders' meeting, as well as the Good Corporate Governance Principles. In addition, Krungsri clearly stipulates the approval authority of the Board of Directors with respect to significant matters, such as important policies for the Krungsri Group's operations, the annual operating plan, and budget. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Roles and Responsibilities of the Board of Directors'.



- The Board of Directors has approved the Medium-Term Business Plan, which is a strategic framework formulated as guidelines for business operations over the period of 2018-2020, and shall review the plan annually to ensure correspondence with prevailing conditions, as well as monitor its implementation by management. In this regard, management is responsible for reporting its actual performance compared to the plan to the Board of Directors for acknowledgement on a monthly basis. Furthermore, to ensure alignment with business operations under the Medium-Term Business Plan, the Board of Directors supports the deployment of innovative technology for greater competitiveness e.g. Krungsri Cardless and the introduction of Krungsri iFIN, a groundbreaking, fully online personal loan platform offering a more convenient banking experience to Krungsri's customers.
- A statement on the Board of Directors' Responsibility for Financial Reporting is prepared for inclusion in the annual report, to enhance shareholders' and investors'

confidence that the report reflects the actual financial status and operating performance of Krungsri.

5.1 Board of Directors

- Currently, the Board of Directors comprises 12 directors: five non-executive directors; four independent directors (including one woman); and three executive directors. The Board of Directors plays an important role in establishing policies, directions and strategies for business operations, and overseeing and inspecting operations to ensure transparency and compliance with laws including corporate governance for the maximum overall benefit of Krungsri and its shareholders.
- The Chairman of the Board is a non-executive director, and therefore performs his duties independently. Furthermore, he is not President and Chief Executive Officer, and their roles and responsibilities are clearly separated. The Chairman of the Board plays an important role in overseeing and supporting the Board of Directors so that the directors can fully perform their duties according to the designated directions and strategies. Krungsri discloses details of roles and responsibilities of the Chairman of the Board in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the heading 'Roles and Responsibilities of the Chairman of the Board'.
- Nomination of directors is carried out by the Nomination and Remuneration Committee whereby individual qualifications and other prerequisites as stipulated in relevant laws and regulations, the Articles of Association and in line with international good corporate governance principles are taken into consideration. Furthermore, Krungsri has established a Board Skills Matrix to ensure that the entire Board of Directors is qualified and has appropriate expertise, and to support the determination of skills and qualifications of nominated persons in line with the organization's strategies and goals. In addition, it also helps in the creation of a director development plan.
- In nominating directors, the following factors are also considered: Board diversity, knowledge, experience and skills to fill in present gaps, gender, age, and specialized proficiencies beneficial to Krungsri, for example in banking, business administration, accounting and finance, organization management, risk management, relevant laws, information technology governance, and other areas necessary

for the implementation of Krungsri's business strategies. Currently, the Board of Directors consists of directors with a variety of skills, experience in commercial banking and related businesses at the national and international levels, experience in management of government agencies, as well as experience and expertise in the field of information technology, as stipulated by the Bank of Thailand regarding corporate governance of financial institutions. Details of director nomination and appointment criteria are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Nomination and Appointment of Directors and Senior Executives'.

- Krungsri clearly specifies in the definition of the independent director that they must be independent from the management and major shareholders. A more stringent criterion on shareholding is also applied.
- In 2018, none of the executive directors served as a director of other listed companies.

5.2 Positions in other companies held by Krungsri's Directors, President and Chief Executive Officer, and Senior Executives

- 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 three business groups. However, a director shall hold the position(s) of director in no more than five companies that are listed in both domestic and overseas stock exchanges, to ensure that the directors have sufficient time to perform their duties at Krungsri, and to comply with the notification of the Bank of Thailand, Re: Corporate Governance of Financial Institutions.
- Directors, managers, persons with management authority, and advisors of a financial institution who have assumed directorship in more than five listed companies in both domestic and overseas stock exchanges before the effective date of the notification may continue their directorships; however, they shall ensure compliance with the stipulated criterion by May 1, 2022, in accordance with the transitional provision of the aforesaid notification.
- Moreover, Krungsri has established internal guidelines that the President and Chief Executive Officer and

senior executives can hold directorships of no more than five companies of Krungsri Group, whereby the President and Chief Executive Officer shall review the propriety of the appointment and propose the appointment to the Board of Directors for approval via the Nomination and Remuneration Committee.

- In addition, senior executives are not permitted to hold directorships of any other listed companies outside Krungsri Group. In case of necessity, approval must be obtained from respective line managers, Head of Human Resources Group, and the President and Chief Executive Officer, whereby the executives shall not assume directorship in more than one such listed company.

5.3 Board of Directors Meetings

- A Board of Directors meeting is held at least once a month, with the meeting date and important agendas for each meeting stipulated in advance for the entire year. In case of necessity or urgency, an extraordinary meeting may be called on occasion as determined by the Chairman of the Board.
- The Chairman of the Board and President and Chief Executive Officer have the duty to jointly consider matters to be included in the agendas of Board of Directors meetings. However, other directors including independent directors are also given the opportunity to review and provide an opinion on the agenda items before a notification of each meeting is delivered to all directors. In this regard, the directors may propose agenda items to the meeting by informing the Chairman of the Board, President and Chief Executive Officer, or the Corporate Secretary.
- Notifications of the Board of Directors meeting, agenda and supporting documents will be delivered via email to all directors and uploaded on the E-document system, which can be accessed from provided tablets, at least seven days prior to the meeting date, to ensure that the directors have sufficient time to review the agenda items. If the directors require additional information or documents, they can make such requests to the executive directors or the Corporate Secretary.
- Every director is obligated to attend every Board of Directors meeting, unless they have imperative business such as a meeting with a government agency or an overseas business trip, or have fallen ill. Details of meeting attendance of the Board of Directors in 2018 are disclosed in the Annual Registration

Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic "Meeting of the Board of Directors".

- A meeting requires no less than half of all directors to constitute a quorum, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the Chairman shall have an additional, deciding vote. In compliance with the good corporate governance guideline, a quorum of at least two-thirds is required at the time of voting for Board decisions.
- Each Board of Directors' meeting takes an average of four hours. The Chairman of the Board provides an opportunity for all directors to be fully independent in making inquiries and suggestions, and to debate and express their opinions, to ensure prudent discretion. The senior executives and officers responsible for each issue under discussion are also invited to answer questions, and to receive suggestions and observations made by the Board of Directors.
- The meeting minutes identify in clear and sufficient detail the date and time that the meeting was declared open and closed, lists of present and absent directors, summary of the agenda, issues discussed, and recommendations of the Board of Directors, including explanations from the management, and resolutions of the Board of Directors. The meeting minutes are signed by the chairman of the meeting and the minutes taker. In addition, any director having a conflict of interest in any agenda item cannot join the consideration and voting on that particular item. In this regard, the Corporate Secretary normally checks information on conflict of interest and notifies all directors prior to the meeting, as well as placing relevant records in the meeting minutes.
- After the minutes are adopted by the meeting, the Corporate Secretariat Department is responsible for dispatching copies of the meeting minutes to the relevant internal and external units within the prescribed time, and safekeeping the same in the forms of hard and soft copies for future reference and verification. No amendment to the meeting minutes can be made without approval from the Board of Directors meeting.
- The Board of Directors encourages non-executive directors to organize meetings among themselves to independently discuss various issues without management's presence, e.g. internal management systems to ensure more effectiveness, and to present

a summary of their opinions to the President and Chief Executive Officer for acknowledgement. In 2018, two meetings of non-executive directors were held, on June 27 and November 28.

5.4 Board of Directors Self-Assessment

- In 2018, Krungsri stipulated that the Board of Directors' performance be evaluated both as a whole and on an individual basis (self-evaluation) to ensure that the duties of the Board of Directors are in accordance with the Principles, and better reflect the efficiency and productivity of the Board and management. In addition, the evaluation gives the Board of Directors an opportunity to review its performance, analyzing any difficulties faced during the previous year for further improvement. Criteria and procedures are as follows:

- **Criteria:** The Board of Directors self-assessment form is adopted from the guidelines of the Stock Exchange of Thailand in order to suit the Board's characteristics and structure. The assessment form is proposed to the Nomination and Remuneration Committee for consideration before delivery to each director for self-assessment. The form covers the following issues:

The Board of Directors Assessment

- 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.

Individual Director Assessment

- 1) Qualifications and expertise of the director;
 - 2) Roles and responsibilities of the director, whereby the Chairman's self-assessment form includes additional items regarding the Chairman's duties;
 - 3) Board meetings.
- **Procedures:** The Corporate Secretariat Department will send the assessment form to every director, gathering their comments and suggestions as well, and summarize the assessment results together with the directors' comments and suggestions, for submission to the Nomination and Remuneration Committee and the Board of Directors for acknowledgement and discussion, as well as making observations and recommendations for further improvement which could be applied to enhance operational efficiency for the utmost benefit.

- In 2018, the committees reporting to the Board of Directors assessed their performance as a whole i.e. the Audit Committee, the Nomination and Remuneration Committee, the Risk and Compliance Committee, and the Executive Committee. Furthermore, the Audit Committee has conducted self-assessment on an individual basis as well.

5.5 Remuneration of Directors and Executives of Krungsri

Remuneration of Directors

- Krungsri has established a policy on remuneration of the directors to ensure that it is appropriate and commensurate with the responsibilities of directors as reflected by the size and business operations of Krungsri. In addition, the remuneration policy aligns with Krungsri's performance and brings the maximum benefit to its shareholders, as well as being comparable to peers. In this regard, the Nomination and Remuneration Committee is responsible for proposing to the Board of Directors and the shareholder meeting, respectively, for approval of the remuneration of the directors and members of committees reporting to the Board of Directors, on an annual basis.
- The remuneration is based on the type of director i.e. non-executive director, independent director, and executive director. The remuneration structure consists of a retainer fee, attendance fee, and other annual compensation, including directors' remuneration as members of the committees reporting to the Board of Directors.

Remuneration of Senior Executives

- The Nomination and Remuneration Committee is responsible for proposing to the Board of Directors for approval on the remuneration of senior executives including the President and Chief Executive Officer. In this case, executive directors do not participate in considering the remuneration of the President and Chief Executive Officer, in accordance with the regulations, policies and criteria stipulated by the Board of Directors.
- Krungsri stipulates a fair, reasonable and incentivizing remuneration in order to retain proficient employees as well as create long-term value for shareholders. The remuneration is also associated with Krungsri's operations and performance—both short- and long-term—as well as KPI results from each individual's performance

against targets under the Balanced Scorecard criteria, including performance indicators aligning with organizational strategies, and a scope of responsibilities of an individual executive which is comparable to the industry benchmark.

- Executives who also serve as a member of the committees reporting to the Board of Directors, members of the committees at the executive level, or directors in any Krungsri's subsidiaries, do not receive additional remuneration.
- Krungsri discloses related details of remuneration in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, "Remuneration for Directors and Executives".

5.6 Board of Directors and Executives Induction and Development

- Krungsri believes that induction of newly appointed directors is crucial for them to have an in-depth understanding of Krungsri's business model, key stakeholders, plans, and strategies, as well as information in carrying out their duties. Krungsri holds an induction for every new director, in which senior executives responsible for each core business group of Krungsri, e.g. Head of Commercial Banking, Chief Financial Officer, General Counsel, Head of Human Resources Group and Chief Risk Officer, will present a summary of Krungsri's businesses, various aspects of its operations, laws that directors should be familiar with, and other relevant information. Documents containing information needed in the performance of their duties are prepared for each director.



- To enhance the directors' efficiency in performing their duties, the Board of Directors has a policy of encouraging the directors to continuously develop their knowledge, and to regularly attend relevant seminars and training courses organized by the Thai Institute of Directors Association (IOD), the Stock Exchange of Thailand, and other leading local and international training institutes. Krungsri covers all expenses, including those of in-house training courses. In each quarter, the Corporate Secretary gathers advance information on available training courses organized by IOD and delivers it to the directors so that they can plan their course schedules. In this regard, the Corporate Secretary will also facilitate the training registration and other related processes.

In 2018, 12 directors attended training courses as follows:

Name	Training Courses/Seminars
1. Mr. Veraphan Teepsuwan	- Internal training course for directors, 'IT Security Trend Update'
2. Mr. Atsushi Murakami	- Internal training course for directors, 'IT Security Trend Update'
3. Mr. Toru Matsuda	- Internal training course for directors, 'IT Security Trend Update'
4. Miss Junko Kawano	- Internal training course for directors, 'IT Security Trend Update'
5. Miss Nopporn Tirawattanagool	- Future customer experience in financial and banking services, Don Peppers - IOD National Director Conference 2018, 'Rising Above Disruptions: A Call for Action', Thai Institute of Directors Association - Internal training course for directors, 'IT Security Trend Update'

Name	Training Courses/Seminars
6. Mr. Karun Kittisataporn	- Board Nomination and Compensation Program (BNCP 3/2018), Thai Institute of Directors Association - Krungsri Executive Forum: Leading Organizations & People in Digital Age 2018 - Future customer experience in financial and banking services, Don Peppers - IOD National Director Conference 2018, 'Rising Above Disruptions: A Call for Action', Thai Institute of Directors Association - Internal training course for directors, 'IT Security Trend Update'
7. Miss Potjanee Thanavarant	- IOD National Director Conference 2018, 'Rising Above Disruptions: A Call for Action', Thai Institute of Directors Association - Internal training course for directors, 'IT Security Trend Update'
8. Mr. Virat Phairatphiboon	- Future customer experience in financial and banking services, Don Peppers - Internal training course for directors, 'IT Security Trend Update'
9. Dr. Jamlong Atikul	- Internal training course for directors, 'IT Security Trend Update'
10. Mr. Noriaki Goto	- Internal training course for directors, 'IT Security Trend Update'
11. Mr. Pornsanong Tuchinda	- Internal training course for directors, 'IT Security Trend Update'
12. Miss Duangdao Wongpanitkrit	- Strategic Board Master Class Retreat (SBM 3/2018) (English Bangkok), Thai Institute of Directors Association - Risk Management Program for Corporate Leaders (RCL 12/2018), Thai Institute of Directors Association - IT Governance and Cyber Resilience Program (ITG 8/2018), Thai Institute of Directors Association - IOD National Director Conference 2018, 'Rising Above Disruptions: A Call for Action', Thai Institute of Directors Association - Internal training course for directors, 'IT Security Trend Update'

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)'.

- Throughout the year, Krungsri has also arranged training courses in various key areas to support the directors in performing their duties. The courses were presented by internal and external specialists from Krungsri and its subsidiaries with various topics e.g. 'Digital Lending' covering QR code payment and blockchain; and 'Driving Organization Innovation' covering innovation and agile organizations, as well as the Board's role in driving innovation. In addition, the Corporate Secretary gathers books concerning the roles and duties of directors, for further research on the topic.
- The Board of Directors encourages executives, the Corporate Secretary, and other employees whose work relates to corporate governance to continuously attend relevant seminars and training courses, not only external ones but also those delivered via the Krungsri

Learning Companion system (KLC) e.g. 'Good Corporate Governance', 'The Spirit & The Letter' and 'IT Security Policy', which can be accessed via personal computer, tablet, or mobile phone.

5.7 Succession Plan and Executive Development Plan

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

- 1) Those who are ready now;
 - 2) Those who will be ready within 1-2 years (successors);
 - 3) Those who will be ready within 2-5 years (future successors);
 - 4) Those who will be ready after development of more than 5 years (successors in pipeline).
- Krungsri also designates emergency candidates in case of any immediate change or emergency in an executive position. This is also dependent upon the perceived readiness of the successor.

- In order to develop successors, Krungsri has prepared a Personalized Development Plan for Krungsri and its subsidiaries' executives with outstanding performance and high potential. Apart from competency-based management, Krungsri has developed a career plan ensuring that executives gain critical experience beneficial for holding key positions in the future. In addition, the Head of Human Resources Group is responsible for annually reporting both succession and successor development plans to the Board of Directors.

5.8 Performance Assessment of President and Chief Executive Officer

- Krungsri annually conducts a performance assessment of the President and Chief Executive Officer, whereby its criteria, targets, and performance assessment using the Balanced Scorecard are endorsed by the Nomination and Remuneration Committee and in line with Krungsri's objectives, goals, strategies, as well as short- and long-term benefits.
- The Board of Directors (except for the executive directors) shall assess the performance of the President and Chief Executive Officer, and the assessment results will be used for considering bonus payment and annual compensation increment. Assessment criteria and results are communicated to the President and Chief Executive Officer.

5.9 Committees Reporting to the Board of Directors and other Sub-committees

- The Board of Directors appoints the committees reporting to the Board of Directors i.e. the Nomination and Remuneration Committee, the Audit Committee, the Risk and Compliance Committee, and the Executive Committee, with clearly specified roles and responsibilities in order to assist in performing duties. Each member's background and qualifications, composition of the committees, number of meetings, and individual statistics on meeting attendance

are disclosed in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topics, 'Management Structure' and 'Details on Directors, Executives, Persons with Managerial Authority and Corporate Secretary (as defined by the Capital Market Supervisory Board and Krungsri)'.

- Other committees at the executive level are also appointed to examine and filter related matters before submission to the Board of Directors, such as the Risk Management Committee and the Compliance Committee. Composition, qualifications, roles, and responsibilities of each committee are specified in their respective directives.

5.10 Reporting of the Audit Committee

- The Audit Committee reports its performance and provides opinions on various matters as assigned by the Board of Directors, in the Audit Committee's meeting minutes, on a regular basis.
- The Audit Committee reports on reviews of financial reports, internal control and risk management systems, and compliance with regulations. The Audit Committee considers related party transactions or transactions which may pose a conflict of interest. The Audit Committee's duties include consideration, selection, and nomination of independent persons for appointment as auditors; or proposing the termination of an auditor's employment. Moreover, the Audit Committee reports its members' opinions of overall business operations. Details are shown in the Annual Registration Statement (Form 56-1) and the Annual Report (Form 56-2) under the topic, 'Report of the Audit Committee'.
- In 2018, there were a total of 12 Audit Committee meetings and 9 special meetings of Audit Committee.

5.11 Internal Control and Internal Audit Systems

- Krungsri has established a clear internal audit system in line with international practice, consisting of 'Three Lines of Defense': the business, compliance, and internal audit units. These three units cooperate via working procedures stipulated for each level.
- Krungsri has established an independent unit reporting to the Audit Committee i.e. Internal Audit, which is responsible for assessing the adequacy and appropriateness of the internal control system, overseeing compliance with the system, and

reporting to the Audit Committee and the Board of Directors for acknowledgement. In this regard, the Board of Directors has appointed Miss Puntipa Hannoraseth, Head of the Internal Audit Group, to be responsible for audit work. Also, every appointment, transfer, termination of employment, remuneration, and annual merit review must be considered and approved by the Audit Committee.

- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topic, 'Internal Control and Risk Management', and the Annual Report (Form 56-2) under the topic, 'Internal Control and Internal Audit'.

5.12 Risk and Compliance Committee

- The Board of Directors has appointed the Risk and Compliance Committee to review and assess overall risk management policies and other significant types of risk of business groups, as well as monitor the implementation of integrated risk management strategies and compliance policies to ensure coverage and effectiveness. The Risk and Compliance Committee is also in charge of reviewing and assessing compliance policies, and determining the roles, responsibilities, and scope of the Risk Management Group and the Compliance Division, as well as conducting an evaluation of the Chief Compliance Officer. Should any improvement be needed in the implementation of risk and compliance-related policies, the Risk and Compliance Committee must propose and report it to the Board of Directors for approval. Additionally, the Risk and Compliance Committee provides recommendations on good corporate governance, code of conduct, and The Spirit & The Letter, whereby cases of non-compliance shall be reported to the Audit Committee for acknowledgement.

5.13 Risk Management

- The Board of Directors plays a vital role in overseeing and managing the overall risk of the organization, and has therefore appointed the Risk Management Committee to support the Board in supervising Krungsri's overall risk management in compliance with good corporate governance principles, and providing suggestions to the Board for consideration regarding policies and procedures related to risk management, in areas such as credit risk management. The Risk Management Committee also has the duties of establishing a framework for credit portfolio

management and reviewing overall credit portfolio quality, and is in charge of reviewing and assessing policies and procedures related to integrated risk management, for more efficient enterprise-wide risk management. Meanwhile, the Board of Directors oversees and ensures that the Risk Management Committee performs its duties in all aspects professionally, without undue influence from business units.

- The Board of Directors has established a risk appetite framework and appointed the Risk Management Committee to define levels of key risks and key risk indicators (KRIs) under Policy for Enterprise-wide Risk Management. The Enterprise-wide Risk Management Division is responsible for assessing, monitoring, and ensuring the appropriate risk levels in correspondence with policy via Enterprise-wide Risk Management Framework tools such as risk appetite, risk map, heat map, and key risk identification procedures, in order to identify, assess, and monitor risks using an integrated approach. The Enterprise-wide Risk Management Framework covers risk in Pillar 1 (Credit Risk, Market Risk, and Operational Risk) and Pillar 2 (Concentration Risk, Liquidity Risk, Strategic Risk, Reputation Risk, and Interest Rate in Banking Book), and items specified as Material Risk e.g. Capital Adequacy Risk, Fraud Risk, Information Technology, and Cyber Risk. A summary of these risks is shown in the Enterprise Risk Management report which is presented to the Risk Management Committee, the Executive Committee, the Risk and Compliance Committee, and the Board of Directors, respectively.
- Krungsri discloses related details in the Annual Registration Statement (Form 56-1) under the topic, 'Risk Factors', and the Annual Report (Form 56-2) under the topic, 'Risk Factors and Risk Management'.

5.14 Corporate Secretary

- Selection of the Corporate Secretary is based on appropriate qualifications, direct work experience and graduation in law.
- The Board of Directors appointed Mrs. Thidarat Sethavaravichit, Senior Vice President, Head of Corporate Secretariat Department, as Corporate Secretary; she also serves as Secretary to the Board of Directors and Secretary to the Executive Committee, with primary responsibilities as follows:
 - 1) Fulfill the duties of Corporate Secretary as stipulated by laws and as assigned by the Board of Directors;

- 2) Ensure that the various activities of the Board of Directors are in compliance with relevant laws, rules, and regulations;
 - 3) Organize shareholder meetings and Board of Directors meetings, and prepare meeting minutes in compliance with laws and the Bank's Articles of Association, including follow-up of matters arising from meeting resolutions;
 - 4) Advise the Board of Directors on relevant legal issues, rules, and the Bank's Articles of Association as needed in the performance of their duties for the benefit of Krungsri;
 - 5) Arrange for an orientation and provide information to newly appointed directors;
 - 6) Coordinate with secretaries of the committees reporting to the Board of Directors.
- Krungsri encourages the Corporate Secretary to take related training courses that are of benefit to the performance of duties, as organized by IOD and other agencies, e.g. Company Secretary Program (CSP), Board Reporting Program (BRP), Director Certification Program (DCP), and Corporate Governance for Executives (CGE), as well as field trips to gain knowledge regarding corporate secretary tasks domestically and abroad. In 2018, the Corporate Secretary attended work-related training courses including the 'CG Code Workshop' organized by PricewaterhouseCoopers (PwC).

5.15 Others

Moreover, Krungsri ensures compliance with good corporate governance principles, as evidenced below:

- There has been no case involving an accusation and fine imposed due to misconduct or violation of the regulations of the Bank of Thailand the Securities and Exchange Commission or the Stock Exchange of Thailand and the Office of Insurance Commission;
- There has been no case of fraud or violation of moral standards;
- No non-executive director has resigned for a reason related to Krungsri's corporate governance;
- There has been no case of defamation resulting from a failure of the Board of Directors to perform its supervisory duty;
- During the past two years, no directors or senior executives have worked for or been a partner of the outside audit company which provides services to Krungsri.

CORPORATE GOVERNANCE FOR SUBSIDIARIES AND JOINT VENTURES

The Bank has regulatory mechanisms in place for supervising and overseeing the operation of subsidiaries and joint ventures across the Krungsri Group in order to maintain its best-in-class standards of corporate governance. In this regard, the Bank assigns relevant executives and company directors within the Bank's business group to supervise business operations, plans and annual budgets, and to provide the bank with important information for approval before action. The Bank monitors the operation of companies within the Krungsri Group through monthly operational reports submitted to the Bank and reported to the Bank's Board of Directors.

The Bank has clearly established procedures and practices for the nomination of candidates for the position of directors of companies in the Bank's financial business group. According to the procedures, the Bank shall nominate qualified executives of the Bank for appointment as directors of companies in the financial business group to ensure that the business operations of these companies are in alignment with the Bank's business directions, strategies and policies as well as in compliance with relevant laws and regulations. In so doing, executives of Krungsri Group 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 the Bank'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 the Bank's financial business group of the resolution of the Bank's Board of Directors and the endorsement granted by the Bank of Thailand (as the case may be) for further 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 the Bank's financial group shall consider and approve significant matters of the companies as stipulated by law, Articles of Association, and the Bank's direction.

In addition, directors must ensure the establishment of policies and procedures important for the companies' operations and supervise management's effective and efficient implementation of the policies for the benefit of the companies and their shareholders.

The Bank disclosed information regarding the related party transactions under section 7.24 of notes to the consolidated and the Bank's financial statement for the year ended December 31, 2018.

The Bank and its subsidiaries have transactions with joint ventures and related companies in which the Bank and/or its subsidiaries hold the shares and/or have the same major shareholders and/or the director or executive officer of the Bank 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 the Bank 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.

The Bank recognizes the importance of internal controls over the Bank's financial business group. Each company is required to maintain an adequate internal control system. This should encompass the business functions unit, supervisory units and the internal audit function to ensure 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 the Bank's goals. Details can be found in the Internal Control and Internal Audit System Sections.

POLICIES AND MEASURES RELATED TO THE USE OF INSIDER INFORMATION

Compliance with policies and measures related to the use of insider information is one of our prioritized missions. The Bank focuses on both preventive and monitoring measures together with raising awareness so that all staff strictly comply with policies and measures related to the use of insider information. The Bank believes that our team's awareness of and commitment to compliance will lead our organization toward a sustainable compliance culture that will efficiently and effectively prevent improper use of insider information.

Regarding the Bank's financial information categorized as insider information, we have established preventive measures by prohibiting directors and staff from trading in the Bank's shares during blackout periods, or a period of three working days prior to and after an announcement of the Bank's performance or financial statements. To ensure that trading in the Bank's shares by our directors and staff is not based on the use of insider information, the Bank also requires all staff and executives to hold any of the Bank's shares that they acquire for at least three months, unless otherwise permitted by

the President and Chief Executive Officer or other authorized delegates. Moreover, trading in the Bank's shares by certain groups of staff (restricted persons) is prohibited where necessary in order to prevent insider trading. Directors and executives, as well as staff operating in departments where they can obtain insider information, must also report their holding of securities under specified conditions and timeframes, for monitoring purposes.

In addition, the use or transmission of insider information must be compliant with the principles that only those who need to know or use the information in performing their tasks will have access to it (need-to-know basis). There are also measures that must be complied with such as establishment of "information walls" in situations that might lead to conflicts of interest, monitoring of electronic data transmissions, etc., in order to prevent unfair advantages resulting from transactions and impacts on clients' interests resulting from disclosure of insider information.

Moreover, the Bank also utilized advanced technology and management processes to facilitate all staff in accessing and understanding the key principles of policies and measures related to the usage of insider information, by posting them in an electronic format on the Bank's intranet system. Furthermore, to ensure genuine knowledge and understanding of the matter among staff, the Bank includes content related to the use of insider information as part of a training course called "The Spirit & The Letter: S&L" in an e-learning platform, which is a compulsory course that all staff and executives must pass with a specified minimum score. Refresher courses must be taken and passed every two years.

INTERNAL CONTROL AND INTERNAL AUDIT

INTERNAL CONTROL SYSTEMS

Krungsri recognizes the importance of internal controls and has adopted the Three Lines of Defense model — an international governance standard involving the business function, the compliance supervision function, and the internal audit function. The three functions collaborate through work processes and controls applicable to each line of defense to ensure that we practice good governance and apply effective internal control principles based on the COSO (the Treadway Commission's Committee of Sponsoring Organizations) Internal Control Integrated Framework, consisting of five key components:

- **Control Environment:** The organizational structure is aligned with the Bank's business operations; duties are segregated to achieve checks and balances; scopes of authority are clearly defined; and integrity and professionalism are emphasized.
- **Risk Assessment:** Opportunities and impacts associated with possible incidents that could affect the attainment of our goals are assessed to determine risk management and control measures.
- **Control Activities:** The Bank has established well-defined policies and procedures, effective resource maintenance and utilization processes, segregation of duties, and operational reviews.
- **Information and Communication:** The Bank has implemented information and communication systems that ensure timely actions as well as reliable and accurate financial records and reporting.
- **Monitoring Activities:** Continuous monitoring and assessments are conducted to ensure appropriate and effective risk management.

The Bank complies with the Sarbanes-Oxley Act (SOX), including US-SOX of the United States and J-SOX of Japan. The SOX laws include applying COSO internal control principles focused on internal control over the financial reporting process. Internal Control Department under Financial Governancial Risk and Compliance Division, Finance Group is responsible for operating, controlling and overseeing the evaluation of effectiveness of Internal Control over Financial Reporting (ICFR) of each Business Units in the Bank to be aligned with MUFG's requirements.

INTERNAL AUDIT FUNCTION

The internal audit function assesses the adequacy and appropriateness of internal controls for operational processes and work systems, and for Krungsri Group as well as outsourced activities. In addition, the Internal Audit function participate in reviewing the evaluation of effectiveness of Internal Control over Financial Reporting (ICFR) to be aligned with MUFG's requirements. The Internal Audit Group performs its duties independently and reports directly to the Audit Committee comprising independent directors. (Internal auditors are not involved in our day-to-day business operations.)

THE NATURE OF AUDIT WORK

The Internal Audit Group systematically evaluates and supports the adequacy and effectiveness of good corporate governance, risk management, and internal controls, to give us reasonable assurance that they are operating effectively for the achievement of our objectives.

INTERNAL AUDIT GROUP RESPONSIBILITIES AND GOALS

The Internal Audit Group continuously enhances our audit methodology efficiency to meet international audit standards, emphasizing five key areas:

1. Assurance service
2. Consulting service
3. Personnel development
4. Audit quality control and improvement
5. Added value

1. Assurance Service

1.1 Annual audit plan

This plan is formulated using a risk-based approach, in which opinions of senior executives and external auditors are considered and approved by the Audit Committee. The audit plan is reviewed and amended during the year in response to new or changing risks. Also, MUFG risk assessment guidelines are shared with the Internal Audit Group and adapted to improve our risk assessment approach. The Internal Audit Group also follows up on emerging risks, using this information to regularly amend the plan.

1.2 Audit process and supporting IT systems

We have adopted an integrated audit approach, incorporating IT auditing with operational auditing to improve efficiency. Data audits, or computer-assisted audit techniques (CAATs), are also integrated with operational audits to reduce sampling risk and facilitate the analysis and discovery of potential irregularities from emerging risks and new products. The Business Intelligence tool has been adopted to conduct insightful data analytics and audits of individual/group behavior. Auditing software is also used to manage auditing processes, including audit planning, resource allocation, audit data recording and archiving, and audit issue tracking. The Internal Audit Group analyzes the root causes of audit issues to better rectify them. In 2018, an RPA (Robotic Process Automation) project was initiated to streamline the audit process, using robots or programs to replace humans in performing repetitive, rule-based tasks. The Internal Audit Group has also improved audit methodology to meet global standards by adapting various audit practices leveraged from MUFG's Internal Audit and Credit Examination Division.

1.3 Audit report presentation and audit tracking

The results of internal control reviews are directly reported to executives of audited functional units and relevant business units to jointly improve operations and rectify flaws according to the determined timeframe. The internal audit function is required to monitor how these flaws are rectified in response to audit recommendations and report the results to senior executives and the Audit Committee monthly. Audit issue follow-up is done using our electronic audit tracking system, enabling audited parties to report on progress and retrieve reports in various formats from the system at any time for greater efficiency.

2. Consulting Service

In addition to annual audits, the Internal Audit Group also advises on the implementation of internal controls for other bank business units. In addition, the Internal Audit Group has developed a cooperative relationship with the Branch Operational Risk Management Department and the Fraud Management Division — considered the second line of defense — to continually monitor risks arising from the Bank's operations.

3. Personnel Development

In cooperation with the Human Resources Learning and Development Division, the Internal Audit Group developed a competency model and a career path for auditors to ensure alignment with the Internal Audit Group's vision and mission, and with international standards, to evaluate their competence, enhance their capabilities, and develop an annual training program. Audit officers are given in-house and professional training, including professional training courses and certified courses on internal auditing as well as training courses on business knowledge, product knowledge, IT system knowledge, fraud risk, and new trends and innovations in digital technology courses that are important to today's banking business, such as artificial intelligence, agile methodology, blockchain, big data, cloud computing, and data science, together with audit methodology, and our newly revised professional principles. Hence, audit officers are regularly required to pass a knowledge test which relates to new rules and regulations through an online quiz (e-quiz). In 2018, the tests were distributed through the Office365 (Microsoft Forms) program, which offers testing online, anywhere, via the Internet. E-quizzes can be taken on notebook or tablet computers, or even smartphones, facilitating unlimited access. The Internal Audit Group has developed

a self-paced e-learning course for auditors to be able to study at any time. In addition, audit officers are allowed to propose projects that improve audit-related operations. External consultants are hired to jointly perform audits and share knowledge with audit officers. In 2018, a total of 92 Bank audit officers received 137 audit certificates.

4. Audit Quality Control and Improvement

To control and improve audit quality, the Internal Audit Group has employed several approaches such as supervisor evaluation of each audit task, including a post-audit satisfaction e-survey to gather opinions of key stakeholders. Furthermore, audit quality is regularly reviewed by an independent functional unit: The Internal Audit Group arranges this external quality assessment every five years, performed by an external consulting firm. The latest assessment was conducted in 2014 and found that our audit operations complied with international audit standards. As a subsidiary of MUFG Bank, a peer review was conducted by its Internal Audit and Credit Examination Division to provide additional recommendations on our audit practices.

5. Added Value

To achieve our business targets using good governance and effective internal control principles, the Internal Audit Group developed an e-learning program, Internal Control Framework under COSO Principles, as a basic training course to be completed every two years by all employees on the principles, background, and importance of internal control. In addition, the Internal Audit Group launched the Control Black Belt (CBB) project to enhance internal control effectiveness. This is to ensure that it can be used as a key strategic approach to achieve its target by developing competency among participants from other functional units. The Internal Audit Group has operated an ongoing monitoring process to continuously monitor risks relating to operations and business units. The data from this is used to support proactive auditing, allowing prompt, timely responses to significant risks. For example, the Internal Audit Group participated in the Bank's and subsidiaries' significant digital technology initiatives to support financial services such as digital lending and cross-border funds transfer by providing advice on general IT controls and web application security.

Head of Internal Audit Group

The Bank's internal audit function is under the supervision of Ms. Puntipa Hannoraseth, First Executive Vice President and Head of Internal Audit Group.

Academic degrees and certificates

- Master of Business Administration, Thammasat University
- Bachelor of Accounting (First Class Honors), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Certified Internal Auditor (CIA), and
- Advanced Audit Committee Program certificate

Relevant work experience: Bank of Ayudhya PCL

- January 2018 – Present: Head of Internal Audit Group
- April 2013 – Present: First Executive Vice President
- September 2010 – Present, and January – September 2009: Secretary to the Audit Committee
- November 2009 – March 2013: Executive Vice President
- April 2009 – December 2017: Head of Audit Group

Training

- Audit Committee Program (ACP)
- Monitoring the Internal Audit Function (MIA)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Quality of Financial Reporting (MFR)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Thai Institute of Directors Association: Company Secretary Program

Appointments, transfers, employment termination, remuneration, and annual merit payment consideration for this position are evaluated and endorsed by the Audit Committee.

Chief Compliance Officer

At present, the Bank's Compliance Division is under the responsibility of Mr. Saengchart Wanichwatphibun, Executive Vice President.

Academic Degrees and Certificates

- Master in Marketing (MIM8): Thammasat University
- Master of Applied Finance: Monash University, Melbourne, Australia
- Bachelor of Science, Business Administration, Option in Accounting: University of California, Los Angeles, USA

Relevant work experience

- 2015 - Present: Bank of Ayudhya PCL, Risk and Compliance Committee Secretary, Fraud Management Committee Member, Data Governance Committee Member
- 2007 - Present: Bank of Ayudhya PCL, Compliance Committee Member and Secretary, Risk Management Committee Member
- July 2015 - Present: Bank of Ayudhya PCL, Chief Compliance Officer
- August 2007 - June 2015: Bank of Ayudhya PCL, EVP Compliance Division
- May 2013 - July 2014: Krungsri Asset Management Co., Ltd., Director
- November 2008 – August 2015: Siam Realty and Services Co., Ltd., Director
- February 2006 - July 2007: BNP Paribas, Head of Compliance
- September 2005 - January 2006: GE Money Retail Bank, Assistant Vice President (Compliance)
- September 1996 - August 2005: Bank of Thailand, Senior Analyst
- January 1995 - August 1996: The Sakura Bank, Credit Officer

Certificate of training and seminar, Thai Institute of Directors Association (IOD)

- 2014: Advanced Audit Committee Program (AACP)
- 2013: Anti-Corruption for Executive Program (ACEP)
- 2010: Director Accreditation Program (DAP)

Trainings

- 2018: Krungsri TRANSCEND Program for senior executives by Harvard Business School
- 2015: Training Course for Head of Compliance (refresher course) by The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- 2014: Future Leader for Future Business for EVP by Assumption University (ABAC)
- 2014: Advanced Audit Committee Program (AACP) by Thai Institute of Directors (IOD)
- 2013: Anti-Corruption for Executive Program (ACEP) by Thai Institute of Directors (IOD)
- 2013: Training Course for Head of Compliance (class 1) by The Securities and Exchange Commission (SEC) and Thai Bankers' Association (TBA)
- 2010: Director Accreditation Program (DAP) by Thai Institute of Directors (IOD)
- 2008: Certified Compliance Officer by American Academy of Financial Management (AAFM)

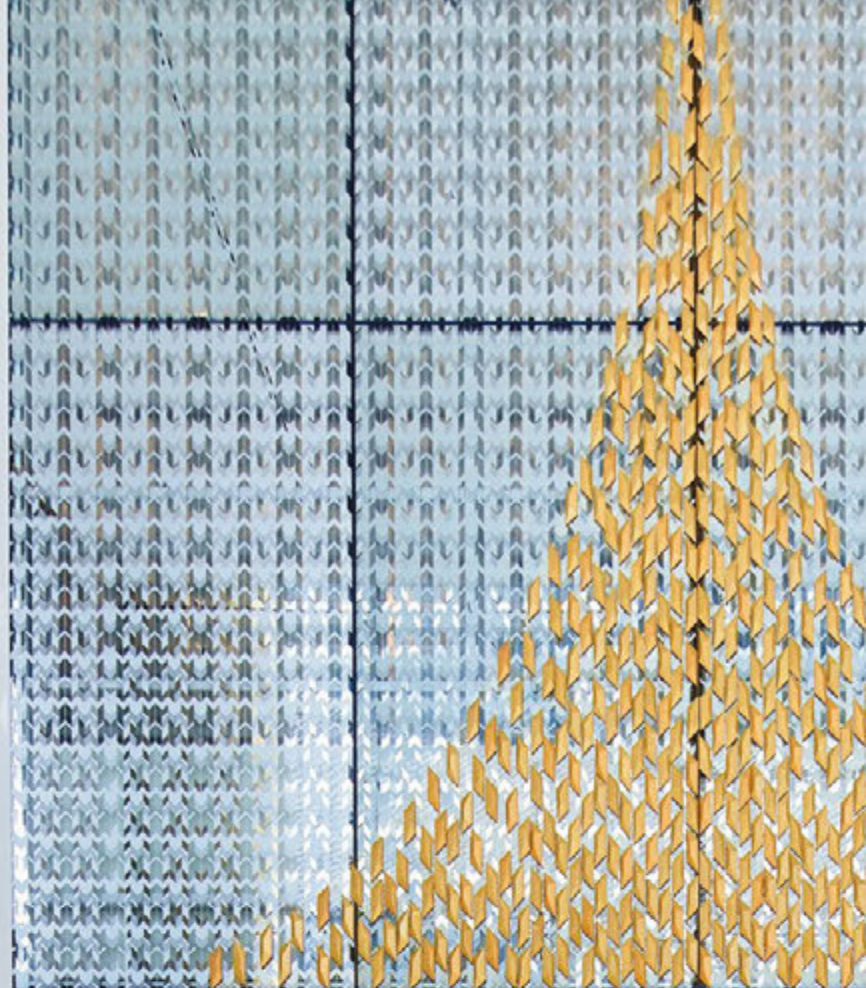
COLLECTIVE ACTION COALITION AGAINST CORRUPTION (CAC)

Krungsri Group upholds the Anti-Corruption Policy and Program with integrity, transparency, and auditability in our business practices. In addition to other entities within the Krungsri Group, Bank of Ayudhya Public Company Limited was one of the commercial banks certified as a member of Thailand's Private Sector Collective Action Coalition Against Corruption, on October 8, 2013, and was recertified on March 9, 2017. This confirms our determination to counter all forms of corruption and bribery in accordance with our Anti-Corruption Policy and Program, a document which serves as business practice guidelines toward sustainable business undertakings. All Krungsri Group directors, executives, and other employees must sign and observe a binding agreement to adhere to our anti-corruption efforts, with disciplinary action taken against employees who violate these provisions.

Moreover, Krungsri Group provides easily accessible whistleblowing channels. All whistleblowing leads shall be investigated to determine facts and rectifications, which shall be reported to senior executives and relevant committees. In this regard, whistleblowers' identity would be protected and retaliation, if any, against them is considered as a violation of Krungsri Group's policy, resulting in disciplinary action toward those who retaliate against whistleblowers.

Employees and executives are also subject to training in business conduct by enrolling in a compulsory e-learning course on a bi-annual basis on greater understanding of the matter. The anti-corruption campaigns in the form of short films, posters, and activities, have been created and promoted to underline the importance of performing duties with integrity, transparency, and auditability — the key principles of a comprehensive anti-corruption program.

On September 6, 2018, with Krungsri Group executives and employees in attendance, the Anti-Corruption Organization of Thailand staged Anti-Corruption Day 2018 at BITEC, Bangna, under the theme, 'Thai People Wake Up To Fight Corruption', an effort joined by the Thai Bankers' Association (TBA), the Thai Institute of Directors (IOD), and other leading organizations in Thailand. Krungsri executives and employees then participated in another national anti-corruption event on December 7, 2018, again held by the Anti-Corruption Organization of Thailand together with other key stakeholders, under the theme, 'Zero Tolerance: Thailand Does Not Tolerate Corruption', as part of the social force to drive, create and expand the country's anti-corruption network for its overall benefit.





5 MANAGEMENT STRUCTURE

Krungsri's management structure consists of the Board of Directors and four committees reporting to the Board of Directors to assist in performing duties and to ensure supervision and control of business risks.

Krungsri's management structure consists of the Board of Directors and four 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 two 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.

nomination process. In addition, they shall have expertise, extensive knowledge and experience as prescribed, and have comprehensive understanding on their roles and responsibilities as well as nature of business, and be able to devote their time for performance as directors. Besides, at least one director shall possess knowledge or experience in information technology.

• Term of Office

The directors' term of office is clearly specified in the Bank's Articles of Association and in accordance with the Public Limited Company Act B.E. 2535 (1992) that an every annual general meeting of shareholders, one-third of all directors who hold the longest term of office shall retire by rotation and may be re-elected. If the number of directors is not a multiple of three, the number nearest to one-third shall retire.

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.

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. five non-executive directors, four independent directors, and three executive directors.

• Structure and Composition

In principle, the shareholders will appoint directors in an appropriate and sufficient number for performing duties. The Board of Directors shall consist of not less than three independent directors or at least one third of the all directors, whichever is higher. Not less than half of all directors shall have domiciles in Thailand.

• Qualifications

The Board of Directors comprises the members with directorship qualifications for financial institutions as required by law and are appointed under prescribed

Regarding director retirement age, currently it is determined at 75 years. If a director reaches the age of 75 years while holding the directorship position, the director is allowed to hold the office until the end of the term of office. If a director has yet not reached the age of 75 years at the time of nominating for election, the director may be re-elected for another term.

• Roles and Responsibilities of the Chairman of the Board

1. Ensure proper structure of the Board of Directors, including oversee and monitor their performance is balanced in terms of corporate governance and achieving key objectives and goal of the organization.
2. Encourage all directors to ensure effective implementation of policies and decision making of the Board of Directors.
3. Summon Board of Directors meetings, consider and determine meeting agendas together with the President and Chief Executive Officer and other directors including independent directors.



4. Preside over the Board of Directors meetings, oversee the allocation time for the management to complete each agenda presentation and encourage all directors to ask questions, express opinions or recommendations in order to exercise due consideration before casting their votes freely.
5. Encourage the non-executive directors to have meetings without presence of executive directors.
6. Preside over the meetings of shareholders and conduct the meetings in compliance with the Bank's Articles of Association and follow a sequence of meeting agenda stipulated in the notification of the meeting, unless the meeting of shareholders resolves otherwise.
7. Encourage the directors to attend seminars and training courses relating to their duties and good corporate governance for knowledge development.
8. Promote and be a role model of compliance in accordance with Good Corporate Governance Principles as well as to ensure that the directors perform their duties in line with Good Corporate Governance Principles.
9. Promote activities of good corporate governance as well as environment and corporate social responsibility in order to encourage the awareness and compliance among the directors, executives and all employees.
10. Be a role model to promote good relationship between the executive and non-executive directors, and between the Board of Directors and the management.

• Roles and Responsibilities of the Board of Directors

The Board of Directors must be properly accountable for their duties and allocate sufficient time to discharge their duties effectively as well as have independence in making decisions under principles and guidelines of Business Judgment Rule. In addition, the Board of Directors must recognize and uphold the interest of the organization including its stakeholders as well as undertake the fiduciary duties of overseeing the management of the Group as follows:

1. Duty of Care, which requires a director to be diligent and prudent in managing the Group's affairs.
2. Duty of Loyalty, which dictates that a director must act in good faith and must not allow his/her personal interest to prevail over the interest of the Group.
3. Duty of Obedience, which requires a director to comply with the laws, the Bank's objectives and Articles of Association, the resolutions of the Board of Directors and shareholders' meetings and the Good Corporate Governance Principles.
4. Duty of Disclosure, which requires a director to reveal the information that is accurate, adequate, transparent and timely.

In addition, the Board of Directors must perform the following duties:

1. Have a thorough understanding of roles and responsibilities of the Board of Directors, act as a coordinator between the shareholders and the management, formulate policies relating to business operations and direction as well as ensure good corporate governance and compliance with the policies.
2. Define objectives, goals, strategies and operational policies and provide key resources for achieving them as well as follow up, evaluate and monitor the performance report.

3. Consider and set the overall business direction and strategic goals of the Group, ensure that oversight mechanism over the Group's policies and operations is in place, and promote comprehensive and correct understanding on the same.
4. Ensure the establishment and communication of the corporate governance policy to the directors, executives, and employees, with regular review.
5. Consider and approve the annual business plan and budget proposed by the management.
6. Consider and approve significant matters of the Group as stipulated by laws, the Bank's Articles of Association and direction.
7. Ensure effective internal control and internal audit systems which are in compliance with applicable laws and standards.
8. Ensure the establishment of the policy relating to prevention of use of insider information and the formation of the system for monitoring conflicts of interest and related party transactions as well as compliance with such policy.
9. Ensure the establishment of the policy and control mechanism relating to risk management with regular reviews, and support Risk Management Committee in performing efficient and professional duties with independence from business units.
10. Ensure the establishment and communication of the policy and program relating to anti-fraud and anti-corruption.
11. Ensure the establishment of supporting system for the Board of Directors' full performance of their roles and responsibilities including access of necessary information as well as effective and sufficient reporting of information by the management.
12. Monitor the Group's financial liquidity and solvency and set a recovery plan in regards to financial difficulties.
13. Promote the innovation that creates value to the business together with benefits to customers or other stakeholders, society and environment, and ensure that the management allocates and manages the resources efficiently and effectively.
14. Ensure the establishment of a framework for the governance of enterprise information technology that is aligned with the Group's needs, stimulates business opportunities and performance, strengthens risk management, and supports the Group's objectives and key goals.
15. Ensure clear and transparent policy and procedures for selection and nomination of the directors, and determination of director remuneration which requires a meeting of shareholders' approval, conduct performance evaluation, support training and knowledge development to enhance the directors' understanding on their roles and responsibilities, nature of business and related laws including shareholders structure and relationship, and regularly update and refresh the directors' skill and knowledge necessary to perform their duties.
16. Ensure a proper mechanism for the nomination and remuneration of the President and Chief Executive Officer including senior executives, support training and development, conduct performance evaluation, establish succession plan and report on its implementation.
17. Define clear roles and responsibilities of the President and Chief Executive Officer and the management and monitor their proper performance of duties.
18. Establish appropriate and necessary committees reporting to the Board of Directors to support the Board of Directors' performance of duties and ensure the conduct of evaluation, report and disclosure of those committees' performance.
19. Ensure effective human resources management and development programs in terms of manpower, knowledge, skill, experience and compensation.
20. Appoint a corporate secretary who possesses appropriate and necessary knowledge and experience to support the Board of Directors in fully performing their duties in compliance with laws.
21. Ensure that the Group's business operations reflect the Group-wide implementation of environmental and social responsibility standards.
22. Ensure the defining, communication and fulfillment of the Group's responsibilities towards the stakeholders as well as adherence to the code of conduct, ethics of the directors, executives and employees including Banking Industry Code of Conduct.
23. Ensure proper, adequate, clear and transparent procedures of preparation and disclosure of important information, both financial and non-financial, to government agencies, shareholders, investors and general public, within a reasonable period of time and in compliance with applicable

regulations, standards and practices as well as reflecting material corporate practices that supports sustainable value creation.

24. Ensure shareholders' opportunities to participate in decision making of significant corporate matters and proper, transparent and efficient shareholders' meetings which facilitates the shareholders to exercise their rights, as well as complete and accurate disclosure of the meeting resolutions and preparation of the minutes.
25. Ensure the establishment of function or appointment of person responsible for investor relations for effective, fair and timely communication with shareholders and other stakeholders such as investors and analysts as well as promoting the effective information technology in disseminating information.
26. Ensure the Group's creation of a mechanism for handling complaints and whistleblowing.

The Board of Directors' approval authority, in brief, is the approval of significant matters of the Group, the matters as stipulated by law, regulations of the regulators as well as the Bank's Articles of Association and direction including the important policies for the Group's operations, the annual operating plan and budget as well as following up the management to ensure the efficient and effective implementation of those approved policies / plans. In addition, the Board of Directors shall approve the interim dividend payment, the related party transactions having specific transaction type and value, the appointment and change of the authorized signatory directors, the appointment and determination of the authority of the committees reporting to the Board of Directors, the appointment, transfer and/or change of positions of senior executives as well as the appointment of Krungsri's executives to serve as the directors of the companies in the Group.

• Roles and Responsibilities of Executives

Executives shall perform duties under the moral and ethical framework as follows:

1. Adhere to integrity, fairness, morality, responsibility and business ethics as well as perform duties and supervise the business with prudence and thoroughness for the best interest of the organization and stakeholders under

principles and guidelines of Business Judgment Rule. In addition, executives must recognize and uphold the organization's interest with awareness on organizational matters and operations.

2. Play key roles on promoting good governance in order to enhance trust from shareholders, customers, supervision agencies and all stakeholders for the best interest of the organization, industrial sector and country.
3. Operate the business management in accordance with strategies, policies and plans approved by the Board of Directors.
4. Support the Board of Directors to formulate and review strategies, goals and operating plan; ensure the appropriateness and adequacy of Risk Management and internal control systems; define the management's authority to be in accordance with their responsibilities; set the policies relating to resource allocation, development and budgeting; monitor and evaluate the Group's operating performance and ensure the disclosure of important information, both financial and non-financial.
5. Fulfill the management's duties to ensure the appropriate and efficient implementation of the policies.
6. Strictly comply with policy and systems of risk management, realize any possible risks and protect the Group's interest as well as control any possible damage to be at acceptable level under efficient risk management.
7. Avoid any possible conflict of interest and if there is a conflict of interest, such conflict of interest shall be handled fairly without delay. Executives' transaction towards the Group shall be executed in an appropriate manner or on an arms' length basis as a normal business of the Group made with its customers, without significant relationship, whereby the benefits of the organization must be mainly attentive.

• Roles and Responsibilities of the President and Chief Executive Officer

The President and Chief Executive Officer as the top executive of the Bank shall be responsible for performing duties as one of the directors and an executive, as well as the following duties as a leader of all executives:

1. Perform tasks assigned by the Board of Directors and committees reporting to the Board of Directors as well as any other acts as stipulated by laws or regulations of government agencies. 2. Monitor and control the Bank's operations to ensure compliance with policy, goals, strategies, operating plan and annual budget of the Bank and its subsidiaries as approved by the Board of Directors as well as compliance with applicable laws and regulations. 3. Report significant operating performance to the Board of Directors on regular basis. 4. Promote compliance with Good Corporate Governance Principles as well as highest	- standards of integrity, ethics and corporate social responsibility. 5. Structure and manage the organization under the Board of Directors' given guidelines as well as build and retain capable management team to effectively perform duties according to the Bank's strategies and objectives. 6. Represent the Bank in dealing with government agencies and other regulatory agencies with the authority to assign other person to act on his/her behalf. 7. Seek business opportunities which are consistent with the Bank's vision and strategic direction.

• Members of the Board of Directors

As of December 31, 2018, the Board of Directors consists of 12 directors as below:

Name - Surname	Position
Non-Executive Directors	
1. Mr. Veraphan Teepsuwan	Chairman
2. Mr. Atsushi Murakami ^{1/}	Vice-Chairman (Authorized Signatory) / Nomination and Remuneration Committee Member
3. Mr. Toru Matsuda ^{2/}	Director / Risk and Compliance Committee Member
4. Miss Junko Kawano ^{3/}	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 Thanavarani	Independent Director / Chairman of the Audit Committee
8. Mr. Virat Phairatphiboon ^{4/}	Independent Director / Audit Committee Member / Chairman of the Risk and Compliance Committee
9. Dr. Jamlong Atikul ^{5/}	Independent Director / Audit Committee Member / Nomination and Remuneration Committee Member
Executive Directors	
10. Mr. Noriaki Goto	Director (Authorized Signatory) / Chairman of the Executive Committee
11. Mr. Pornsanong Tuchinda	Director (Authorized Signatory) / Executive Committee Member
12. Miss Duangdao Wongpanitkrit	Director (Authorized Signatory) / Executive Committee Member

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

Remarks: ^{1/} Appointed as the director who shall act as the Vice-Chairman (Authorized Signatory), the Nomination and Remuneration Committee member effective July 1, 2018, in replacement of Mr. Takayoshi Futae who resigned.

^{2/} Appointed as the director and the Risk and Compliance Committee member effective July 1, 2018, in replacement of Mr. Takeshi Ogasawara who resigned.

^{3/} Appointed as the director effective August 1, 2018, in replacement of Mr. Hirotake Taguchi who resigned.

^{4/} Appointed as the Chairman of the Risk and Compliance Committee effective October 24, 2018, in replacement of Mr. Phong-adul Kristnaraj who was deceased, and membership of the Nomination and Remuneration Committee ended on November 1, 2018.

^{5/} Appointed as the independent director, in replacement of Mr. Phong-adul Kristnaraj who was deceased, and membership of the Nomination and Remuneration Committee, in replacement of Mr. Virat Phairatphiboon effective 1 November 2018.

The last updated profiles of directors are shown under the topic 'Details of Directors, Executives, Persons with Managerial Authority and Corporate Secretary'.

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



• Meetings of the Board of Directors

In 2018, the meeting attendance of the Board of Directors are detailed 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
	Ordinary Meeting	Special Meeting				
Non-Executive Directors						
1. Mr. Veraphan Teepsuwan	12/12	1/1				
2. Mr. Atsushi Murakami	5/6	0/1*	6/8			
3. Mr. Toru Matsuda	5/6	0/1*			4/5	
4. Miss Junko Kawano	5/5	0/1*				
5. Miss Nopporn Tirawattanagool	12/12	1/1	18/18		11/11	
Independent Directors						
6. Mr. Karun Kittisataporn	12/12	1/1	18/18			
7. Miss Potjanee Thanavaranit	11/12	1/1		21/21		
8. Mr. Virat Phairatphiboon	12/12	0/1*	15/15	21/21	2/2	
9. Dr. Jamlong Atikul	2/2	-**	3/3	4/4		
Executive Directors						
10. Mr. Noriaki Goto	12/12	1/1				45/45
11. Mr. Pornsanong Tuchinda	11/12	1/1				38/45
12. Miss Duangdao Wongpanitkrit	12/12	1/1				43/45

Remarks: * Due to necessity and urgency, the meeting was convened to consider important project of Krungsri, the directors who had other important businesses/resides abroad could not attend this meeting.

** Appointed as the independent director, effective November 1, 2018.

Additionally in 2018, two meetings of non-executive directors were held: on June 22 and November 25, 2018.

Nomination and Remuneration Committee

• Structure and Composition

The Board of Directors appoints the Nomination and Remuneration Committee which consists of not less than three members who are the independent directors or non-executives directors (currently, two independent directors and two non-executive directors). Chairman of the Nomination and Remuneration Committee shall be an independent director, and the Head of Human Resources Group shall be appointed to the Nomination and Remuneration Committee secretary.

• Qualifications

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

• Term of Office

The Nomination and Remuneration Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy at the earliest. During the process of nomination and appointment, remaining members can continue to perform their duties even the number of the committee members does



not meet the composition. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibility

1. To determine policies with clear and transparent principles for submission to the Board of Directors for consideration and approval and for submission to the Bank of Thailand upon request as follows:
 - 1.1 The policies, rules and procedures for nomination of the Bank's directors, members of the sub-committees whose authority, roles and responsibilities are directly assigned by the Bank's Board of Directors, senior executives at the level of Executive Vice President and above and the Bank's advisors equivalent to Director or executive at Executive Vice President level and above.
 - 1.2 The policies, rules and procedures of nomination as well as selection and/or screening of the names of the suitable candidates as the case may be for directors, managing director or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares. Such selection and/or screening are also applicable to internal candidates suitable for appointment to these positions.
 - 1.3 The policies, rules and procedures for payment of remuneration and other benefits to directors, sub-committee members and senior executives of the Bank at the level of Executive Vice President and above including directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares.
2. To select and/or screen candidates for appointment to the following positions for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be:
 - 2.1 Directors of the Bank
 - 2.2 Members of the various sub-committees reporting directly to the Board of Directors.

- 2.3 Senior executives at the level of Executive Vice President and above of the Bank as well as directors and managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares.
 - 2.4 The Bank's advisors equivalent to Director or executive at Executive Vice President level and above.
3. To determine the policies on and the amount of remuneration and other benefits commensurate with roles and responsibilities, reflect the objectives and relevant risks of the Bank and/or companies in its financial business group and are in accordance with the clear and transparent criteria as well as comparable to the industry benchmark.
 - 3.1 To determine remuneration and other benefits for directors, members of the various sub-committees, senior executives of the Bank at the level of Executive Vice President and above, and the Bank's advisors equivalent to Director or executive at Executive Vice President level and above for submission to the Board of Directors or the shareholders meeting for consideration and approval, as the case may be.
 - 3.2 To determine remuneration and other benefits for directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares for submission to the Board of Directors for consideration and approval.
 - 3.3 To ensure that the Bank's directors, managing directors and directors of entities in which the Bank holds 50 percent or more of shares, and senior executives of the Bank at the level of Executive Vice President and above who are assigned additional roles and responsibilities shall receive additional remuneration commensurate with the additional assignments.
4. To ensure that the size and composition of the Board of Directors are appropriate for the organization and modify them as appropriate in consideration of the changes in the environment. Also, to ensure that the mechanisms or tools that support director selection and nomination process are in place so as the Board of Directors is endowed with members who exhibit behaviors and possess competency and experience in a variety of fields beneficial to the Bank's business operation in the long run and in line with the Bank's business direction and strategies.
5. To ensure that the evaluation of the performance is undertaken uniformly across all companies in Krungsri Group taking into account the increase in the valuation of shareholders' equity in the long-term based on duties, responsibilities and risks involved.
 - 5.1 To consider performance evaluation guidelines and endorse performance evaluation forms in appropriate formats as prepared by the Bank for use in evaluating performance of duties of the Board of Directors.
 - 5.2 To endorse performance evaluation guidelines, goals & objectives and performance targets of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares in order to consider the annual remuneration.
 - 5.3 To consider and provide opinions regarding the performance of the highest executive position of the Bank or a person holding equivalent position regardless of title in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.
 - 5.4 To consider and endorse the performance of senior executives of the Bank at the level of Executive Vice President and above as well as directors, managing directors or persons holding equivalent positions regardless of title of entities in which the Bank holds 50 percent or more of shares in order to consider the annual remuneration prior to submission of the matter to the Board of Directors for consideration and approval.
6. To consider a succession plan for the highest executive position of the Bank or a person holding an equivalent position regardless of title for submission to the Board of Directors for

consideration and approval. Also, to consider and approve a succession plan for the various functional group heads.

7. To consider appropriateness of the Bank's organization restructuring at Division level and above.
8. To perform other tasks assigned by the Board of Directors and/or the Chairman of the Board of Directors.
9. To disclose nomination and remuneration policies and present a summary of the operations of the Nomination and Remuneration Committee in the Bank's Annual Report.
- 9.1 To disclose nomination process for the Bank's directors and senior executives at the level of Executive Vice President and above.

9.2 To disclose remuneration policy and various form of compensation as well as details regarding criteria for overall performance assessment, goals and activities, the Committee's opinions, and methodology and tools for remuneration payment that reflects risks (if any).

- 10 The Committee may seek advice from external consultant experts (independent) such as for salary surveys, selection of directors and senior executives, etc., as needed, with the Bank being responsible for the expenses incurred.
- 11 To work closely with the Risk and Compliance Committee to ensure that remuneration policy reflects material risks of the Bank.

• Names of Members and Meetings of the Nomination and Remuneration Committee

In 2018, there were a total of 18 meetings as scheduled in advance as detailed below:

Members of the Nomination and Remuneration Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Karun Kittisataporn	Chairman	18/18
2. Mr. Atsushi Murakami ^{1/}	Member	6/8
3. Dr. Jamlong Atikul ^{2/}	Member	3/3
4. Miss Nopporn Tirawattanagool	Member	18/18
Members who resigned or whose membership ended during the year		
1. Mr. Takayoshi Futae ^{3/}	Member	9/10
2. Mr. Virat Phairatphiboon ^{4/}	Member	15/15

Secretary to the Nomination and Remuneration Committee is Mr. Wittapon Jawjit

Remarks: ^{1/} Appointed as the Nomination and Remuneration Committee member effective July 1, 2018, in replacement of Mr. Takayoshi Futae who resigned.

^{2/} Appointed as the Nomination and Remuneration Committee member effective November 1, 2018, in replacement of Mr. Virat Phairatphiboon.

^{3/} Resigned from the Bank's director, effective July 1, 2018.

^{4/} Membership of the Nomination and Remuneration Committee ended on November 1, 2018.

Audit Committee

• Structure and Composition

The Board of Directors appoints the Audit Committee which consists of no less than three independent directors. The Head of Internal Audit Group shall be appointed to the Audit Committee secretary.

• Qualifications

The Audit Committee members qualifications must meet the requirements of the Capital Market Supervisory Board and who are not directors being assigned by the Board of Directors to make decisions regarding business operations of the Bank, subsidiaries, associated companies, fellow subsidiaries with the same level of ownership stake by the parent company, major shareholders or persons with control



authority over the Bank, and who are not directors of listed companies which are subsidiaries or fellow subsidiaries with the same level of ownership stake by the parent company. One of the Committee members shall be appointed as Chairman of the Audit Committee. However, the Chairman of the Audit Committee must not serve as Chairman of the Board and any other sub-committee appointed by the Board of Directors.

Audit Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities. They shall also understand the nature of business operations and risk management of the Bank and its group companies. In addition, at least 1 Committee member shall possess knowledge and experience at a level sufficient to review the reliability of financial statements.

• Term of Office

The Audit Committee members shall have term of office concurrent with their directorship term of office. In case of vacancy in the committee due to any reason other than completion of term, the Board of Directors shall appoint a fully qualified person to fill up the vacancy within 3 months from the date of such vacancy. During the process of nomination and appointment, remaining members can continue to perform their duties. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibility

- Financial Reports and External Auditor
 1. Review and cooperate with the senior management, internal audit team, and external auditor in overseeing internal control over financial reporting ("ICFR") to ensure that internal controls and financial reporting preparation process was designed effectively, and the Bank's financial reports and any disclosed documents relating to the financial performance of the Bank and its group companies is accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and its group companies while complying with accounting standards and practices.
 2. Consider, select, propose the independent persons to the Board of Directors, candidates for appointment or termination of the external auditor, including their remunerations prior to submit to the Bank of Thailand for endorsement before proposing them to the shareholders' meeting of the Bank. Hold at least one meeting a year with the external auditor without the presence of management.
 3. Review the process in relation to non-audit services from the auditor firm of the external auditor and give consent to the engagement of such service and related fees to ensure that it will not impair the independence of the external auditor.
- Internal Control, Risk Management System, Compliance System, and Internal Audit
 4. Review internal control, risk management system and compliance system of the Bank and its group companies, to ensure that they are suitable, adequate and efficient. Internal audit practice complies with internal audit standards and ensure internal audit unit's independence, as well as approve the appointment, transfer, dismissal and notify to the Bank of Thailand as specified, evaluate efficiency and effectiveness of operations, remuneration and annual merit review of the Head of Internal Audit Group of the Bank.
 5. Consider internal control, risk management, and compliance with relevant laws and regulations by considering minutes of meetings of Risk and Compliance Committee, Risk Management Committee, and Compliance Committee or another relevant committee.

6. Consider and approve Internal Audit's plan as well as consider the Internal Audit Charter, Internal Audit Policy, and Policy for reviewing of credits, credit-like transactions and contingent liabilities, and give consent to the amendment onto annual Credit Review Plan after being approved by the Bank's Board of Directors.
7. Ensure that relevant appropriate and sufficient actions are in place for the review of procedure in relation to the Self-Evaluation Tool for Countering Bribery of the Bank under the anti-corruption policy. In addition, review the report on Self-Evaluation Tool prepared by internal audit for Countering Bribery of the Bank and certain group companies which have not established audit committees, to ensure correctness and completeness before submission to the Bank's Board of Directors and/or concerned board of directors of the group companies.
8. Review and cooperate with the senior management and internal audit team in reviewing and examining irregular, errant or suspicious matters to establish corrective methods and finalize solutions to rectify such matters.
- Related Parties Transactions or Transactions that may Create Conflict of Interest
9. Consider the matters relating to connected transactions or transactions with possible conflict of interest, to ensure compliance with the relevant regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, the Bank of Thailand or other relevant laws and regulations including reasonableness and highest benefit to the Bank as well as the accuracy and completeness of disclosure of such information.
- Good Governance
10. Arrange for a procedure on receiving traces from the employee regarding the unqualified of financial statement report or other matters while ensuring to such employee the independence of investigation and monitoring appropriate actions to resolve such matter. Receive and consider complaint or other information from interested party and acknowledging the result of complaint resolution from the responsible department through internal audit team.
- Compliance with Regulatory Requirements
11. Oversee and monitor the operations, business undertaking or actions taken by the Bank to ensure compliance with Securities and Exchange Act, the Stock Exchange of Thailand regulations or laws, announcements and regulations pertaining to commercial banking business including internal policies and procedures.
- Others
12. Ensure that preliminary investigation is carried out after receiving the external auditor's report on behavior suspicious of fraud or violation of laws by the Bank's board members and management. The Audit Committee shall report the results of such investigation to the Securities and Exchange Commission and the external auditor under Section 89/25 of the Securities and Exchange Act within 30 days from the date they are notified by the external auditor. The further detail investigations shall be carried out as appropriate and report the result to the Bank's Board of Directors to rectify within appropriate timeline.
13. Consider inviting the management of internal control, risk management and compliance function for meeting as necessary to assure the appropriateness of internal control, risk management and compliance with relevant laws and regulations.
14. Prepare the Audit Committee's report and disclose the same in the Bank's Annual Report, comprising of at least the following information:
 - (1) Opinion on the accuracy, completeness and creditability of the Bank's financial report;
 - (2) Opinion on the adequacy of the internal control system;
 - (3) Opinion on the compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, or laws pertaining to commercial banking business;
 - (4) Opinion on the suitability of an external auditor;
 - (5) Opinion on the transactions that may lead to conflict of interest;
 - (6) The number of the Audit Committee meetings and the attendance of such meetings by each committee member;
 - (7) Opinion or overall observation of the Audit Committee from its performance of duties in accordance with its charter; and
 - (8) Other matters which, according to the Audit Committee's opinion, should be

revealed to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Bank's Board of Directors.

15. Where there is a material change in the composition or in the duties of the Audit Committee, review the duties of Audit Committee's and term of office and present the same to the Board of Directors to consider amendments as deem appropriate.
16. Ensure clear written announcement of the Audit Committee's scope of duties and any material change which may affect the Audit Committee's performance and disclose the same to the shareholders in the Bank's Annual Report.
17. Submit timely reports to the Board of Directors for remedial action upon the Audit Committee finding or suspects any misconduct in the following areas:
 - (1) Any transaction with conflict of interest.
 - (2) Any fraud or irregularity or material defect in the internal control system.
 - (3) 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. Conduct annual performance assessment of the Audit Committee and report the assessment result to the Bank's Board of Directors.
20. Perform any other tasks as assigned by the Bank's Board of Directors as consented by the Audit Committee.

• Names of Members and Meetings of the Audit Committee

In 2018, there were a total of 21 meetings, i.e. 12 ordinary meetings and nine special meetings, two out of 21 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	21/21
2. Mr. Virat Phairatphiboon	Member	21/21
3. Dr. Jamlong Atikul ^{1/}	Member	4/4
Members who resigned or whose membership ended during the year		
1. Mr. Phong-adul Kristnaraj ^{2/}	Member	7/7

Secretary to the Audit Committee is Miss Puntipa Hannoraseth

Remarks: ^{1/} Appointed as the Audit Committee member effective November 1, 2018, in replacement of Mr. Phong-adul Kristnaraj who was deceased,

^{2/} Deceased on May 7, 2018.

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

Risk and Compliance Committee

• Structure and Composition

The Board of Directors appoints the Risk and Compliance Committee which consists of no less than a total of 3 non-executive directors. Chairman of the Risk and Compliance Committee shall be an independent director. The Chief Compliance Officer shall be appointed to the Risk and Compliance Committee secretary.

• Qualifications

The Risk and Compliance Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments 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 at the earliest. During the process of nomination and appointment, other remaining members can continue to perform their duties even the number of the committee members does not

meet the composition. Such person shall hold office concurrent with his/her directorship term. Upon completion of a term, the member may be re-appointed to the Committee.

• Scope of Authority and Responsibilities

1. Provide suggestions to the Board of Directors on the overall strategies, policies, and framework on risk management and compliance.
2. Prescribe Risk Management Group and Compliance Division's duties and scope of work to commensurate with the complexity of bank's business and in accordance with Charter. The Risk and Compliance Committee is to also oversee that Senior Management Team (SMT) and the Chief Risk Officer comply with the risk management policies, strategies, and the acceptable level of risk appetite.
3. Oversee and monitor the implementation of strategies for integrated risk management, inclusive of capital, liquidity and compliance management in mitigating the major risks, i.e. credit risk, market risk, liquidity risk, operational risk, legal risk, information technology risk including cyber risk, reputational risk, and compliance risk.
4. Revisit and review the sufficiency and effectiveness of the overall risk management policies and strategies as well as the annual compliance plan and risk appetite level at least once a year or when there is any significant change to ensure their effectiveness. The Risk and Compliance Committee should discuss and exchange views with the Audit Committee to ensure the comprehensiveness of the risk management policies and strategies and their effectiveness which should cover all existing and new types of risk and whether the actions taken per these policies and strategies are effective and efficient
5. Regularly report to the Board of Directors on the risk exposure, efficiency of risk management, progress on the implementation of risk culture, as well as significant factors and issues, and the required enhancement to be in line with the established risk and compliance policy and strategy. The Risk and Compliance Committee is to also communicate to the Audit Committee on any non-compliance issue for acknowledgement.
6. Review and monitor all pending/overdue issues from the Bank of Thailand, National Credit Bureau Co., Ltd., the Securities and Exchange Commission, Anti-Money Laundering Office, etc. and compliance related issues to ensure that they are rectified per the specified timeline.
7. Evaluate the performance of the Chief Compliance Officer and the Chief Risk Officer to ensure independency and prevent possible conflict of interest.
8. Provide recommendations on best practices, development and improvement plans and information communicated to the public regarding Good Corporate Governance.
9. Determine/review recommendations on Code of Business Conduct and The Spirit & The Letter including business ethics and good practices of the Bank's senior management and employees, ensure publication and communication to all staff for acknowledgement and use as guidelines.

10. Conduct an annual performance assessment of the Risk and Compliance Committee and report the assessment result to the Board of Directors.

11. Perform any other tasks as assigned by the Board of Directors as agreed by the Risk and Compliance Committee.

• Names of Members and Meetings of the Risk and Compliance Committee

In 2018, there were a total of 11 meetings as scheduled in advance as detailed below:

Members of the Risk and Compliance Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Virat Phairatphiboon ^{1/}	Chairman	2/2
2. Miss Nopporn Tirawattanagool	Member	11/11
3. Mr. Toru Matsuda ^{2/}	Member	4/5
Members who resigned or whose membership ended during the year		
1. Mr. Phong-adul Kristnaraj ^{3/}	Chairman	4/4
2. Mr. Takeshi Ogasawara ^{4/}	Member	4/6

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

Remarks: ^{1/} Appointed as the Chairman of the Risk and Compliance Committee effective October 24, 2018, in replacement of Mr. Phong-adul Kristnaraj who was deceased.

^{2/} Appointed as the Risk and Compliance Committee member effective July 1, 2018, in replacement of Mr. Takeshi Ogasawara who resigned.

^{3/} Deceased on May 7, 2018.

^{4/} Resigned from the Bank's director, effective July 1, 2018.

Executive Committee

• Structure and Composition

The Board of Directors appoints the Executive Committee consisting of no less than 11 members namely President and Chief Executive Officer as the Chairman of the Executive Committee, Head of Commercial Banking, Head of Retail and Consumer Banking, Head of JPC/MNC Banking, General Counsel, Chief Financial Officer, Chief Information and Operations Officer, Chief Risk Officer, Head of Corporate Strategy and Planning Group, Head of Global Markets Group, Head of Human Resources Group and other suitable executives. The Head of Corporate Secretariat Department shall be the Executive Committee Secretary.

• Qualifications

The Executive Committee members shall possess knowledge, experience as well as a thorough understanding of their duties and responsibilities, including good judgments ensure benefits of the Bank and/or companies in the financial group.

• Term of Office

The term of office is two years or as per the directives of the appointment of the Executive Committee. In case of additional the Executive Committee members, additional the Executive Committee members have a term of office as per the directive of their appointments. In case of vacancy due to any reasons other than completion of term, the vacant seat shall be replaced by the new incumbent of such position for the remaining period. During the process of nomination and appointment, other remaining members can continue to perform their duties even the number of the committee members does not meet the requirement. Members of the Committee may be re-appointed upon completion of their term to ensure continuity in their function.

• Scope of Authority and Responsibility

1. Be in charge of the Bank's operations to ensure compliance with all relevant laws and the Bank's regulations.
2. Be in charge of the Bank's business management to achieve the set goals, policies, strategies and business plans.

3. Assist the Board of Directors in setting optimal policies and plans by providing full and accurate information.
4. Screen strategic plans, annual business plan, capital expenditure budgets, operational objectives and other project plans, including income/non-interest expenditure controls before submitting to the Board of Directors.
5. Assign the management committees and sub-committees to consider matters which occur from the Bank's ordinary operations.
6. Prepare reports as assigned by the Board of Directors.
7. Review policy and business plans prepared by the President and Chief Executive Officer, which have been reviewed by the Financial Management Committee and propose the business plans which have been review to the Board of Directors for approval.
8. Consider policy and business plans endorsed by the Board of Directors on a quarterly basis and present views relating to the policy and business plans to the Board of Directors.
9. Consider, approve and monitor the following operations:
 - (1) High cost investment.
 - (2) Launching of new product or cessation of providing service or adjustment of prices which have been approved.
 - (3) Go into business by capital investment, share investment, business partnership or contracts or agreements.
 - (4) Provision of credits or guarantee apart from the Bank's ordinary operations.
 - (5) Any actions resulting in property rights or right over the Bank's assets.
 - (6) Liability payment or liability payment before due date.
 - (7) Changes of remuneration or employee benefit policy.
 - (8) Changes of strategies relating to the provision of credit and acceptance of deposits.
 - (9) Credit limits opening and closing.
 - (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.



- (11) Credit requests and also relevant operations relating to credit within its scope of authorizations delegated from the Board of Directors in accordance with the credit policy and based on acceptable risk in accordance with the risk policy of the Bank.
10. Monitor operations of the Bank's departments to ensure compliance with plans and goals in an efficient and effective manner.
11. Review, monitor, provide suggestions and directions to ensure that the management system and operational process of various departments are modern, up-to-date and correspond to the fast changing economic situation.
12. Have the authority to examine the Bank's documents and data and summon relevant employees for questioning so that the Executive Committee may fulfill its objectives.
13. Have the authority to appoint and set the roles and responsibilities of sub-committees and/or individuals as deemed appropriate to assist the management of the Bank.
14. Undertake assignments from the Board of Directors.
15. Report the Bank's operations and various activities that have major implications to the Board of Directors.
16. Operate matters relating to the Bank's overall businesses or operations.
17. Monitor operations of the committees and sub-committees reporting to the Executive Committee.
18. Approve quarterly (reviewed) financial statements after review by the Audit Committee.

Names of Members and Meetings of the Executive Committee

In 2018, there were a total of 45 meetings i.e. 44 ordinary meetings as scheduled in advance and a special meeting as detailed below:

Members of the Executive Committee	Position	Number of Meetings Attended / Total Number of Meetings Held
1. Mr. Noriaki Goto	Chairman	45/45
2. Mr. Pornsanong Tuchinda	Member	38/45
3. Mr. Sudargo (Dan) Harsono	Member	36/45
4. Mr. Yuzo Nakada ^{1/}	Member	8/21
5. Miss Phawana Niemloy	Member	38/45
6. Miss Duangdao Wongpanitkrit	Member	43/45
7. Mrs. Voranuch Dejakaisaya	Member	37/45
8. Mr. Chandrashekar Subramanian Krishoolndmangalam	Member	41/45
9. Mr. Rohit Khanna	Member	36/45
10. Mr. Tak Bunnag	Member	38/45
11. Mr. Wittapon Jawjit	Member	40/45
Members who resigned or whose membership ended during the year		
1. Mr. Masaaki Suzuki ^{2/}	Member	9/24

Secretary to the Executive Committee is Mrs. Thidarat Sethavaravichit

Remarks: ^{1/} Appointed as the Executive Committee member, effective July 1, 2018.

^{2/} Membership of the Executive Committee ended on July 1, 2018.

Selection and Appointment of Directors and Senior Executives

Nomination of Directors

Krungsri, by the Nomination and Remuneration Committee (NRC), has established qualifications of the directors which is suitable and in accordance with Krungsri's strategic necessity. The qualifications and criteria for the nomination of the directors as follows:

Qualifications of the Directors

1. A director shall have the following characteristics:
 - (1) Demonstrate integrity and accountability.
 - (2) Make decisions based on information (informed judgment).
 - (3) Be mature and stable, a good listener and willing to provide different and independent opinions.
 - (4) Work in accordance with principles.
 - (5) Spend sufficient time dedicating oneself to performing duties as a director.
 - (6) Attentively perform duties within his/her scope of responsibilities.

2. A director shall have the knowledge and expertise as well as experience which are beneficial to business operations such as determination of visions and strategies, knowledge about banking industry, international trade, risk management, accounting and finance, organization and human resources management, and crisis management.

In addition to the aforementioned characteristics, knowledge and expertise, a director shall possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.

Method for the Nomination of Directors

1. Nomination
There are several methods stipulated by Krungsri for the nomination of appropriate persons to serve as a director such as (1) Nominated by a director, (2) Nominated by the NRC, (3) Nominated by an outsource firm hired by Krungsri, (4) Nominated by a minority shareholder.

2. Consideration process

The Secretary to the NRC proposes the names of the candidates to the NRC for further selection/screening by taking into consideration of all required characteristics and qualifications before passing to the Board of Directors for consideration and appointment or for further proposing to the shareholders' meeting for election, as the case may be.

• Voting on Election/Appointment of Directors

There are two voting approaches as follows:

1. Election of the directors by a general meeting of shareholders' resolution such as election of new director to replace a director whose term of office expires and/or election of additional director (new director) will be in accordance with the procedures stipulated in the Bank's Articles of Association as follows:
 - (1) Each shareholder shall have one vote for one share.
 - (2) Candidates for directors are elected on an individual basis, and the shareholders must cast all their votes and may not divide their votes among more than one of the candidates.
 - (3) The election of candidates is decided by a majority vote, and in the event of a tie votes, the Chairman of the meeting shall have the casting vote.
2. As to the appointment of a replacement directors by the Board of Directors for reasons other than retirement by rotation which requires votes not less than three-quarters of the remaining directors, such replacement director shall serve only the remaining term of the director whom he/she replaces.

Every year Krungsri entitles the shareholders to nominate persons to be elected as the directors three months before Krungsri delivers the notification of annual general meeting of shareholders. In this respect, an announcement for exercising their rights is disseminated to the shareholders via the Stock Exchange of Thailand's system and the nomination criteria are disclosed on Krungsri's website.

• Qualifications for Independent Directors

Krungsri has established the following qualifications for independent directors which conform to the notification of Capital Market Supervisory Board, with a more stringent provision on shareholding in order to bolster investor confidence and maintain the balance of sound management as detailed below:

1. Holding not more than 0.5 percent of the total voting shares of the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank. Any shares held by related persons* must also be counted.
2. Within two 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 two 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 two 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 two years prior to the appointment, not being or never been the professional service provider including legal advisor or financial advisor obtaining more than 2.0 million baht annual service fee from the Bank, parent company, subsidiary company, associated company, major shareholder or control person of the Bank, including a principal shareholder, control person or partnership of such professional firm.
7. Not being the director who was appointed as the representative of the Bank's directors, major shareholder or other shareholder related to the major shareholder of the Bank.
8. Not operating any business which has the same nature as and is in competition with the business of the Bank, subsidiary company or associated company, or being principal partnership or executive director, contract staff, employee, salaried advisor, or holding more than 0.5 percent of the total voting shares of other company/partnership which operates the same business and is in competition of the business of the Bank, subsidiary company or associated company.
9. Not having any other characteristics which may cause incapability to provide independent opinions relating to the business operation of the Group.

However, consideration of the above relationship period must be in accordance with notifications of the Capital Market Supervisory Board.

Independent directors who have qualifications under items 1-9 may be assigned by the Board of Directors to make collective decision relating to business operations of Krungsri, parent company, subsidiary company, same-level subsidiary company, or any juristic persons which may have a conflict of interest with Krungsri. In this regard, it shall not be deemed that such independent directors participate in the management.

Remark: * 'Related person' as defined by the Capital Market Supervisory Board means a person or a partnership having relationship with a person in any of the following manners:

- (a) a spouse of such person;
- (b) a minor child of such person;
- (c) an ordinary partnership in which such person or the person under (a) or (b) is a partner;
- (d) a limited partnership in which such person or the person under (a) or (b) is a partner with unlimited liabilities or a partner with limited liabilities holding shares in an aggregate number

- of more than thirty percent of the total number of shares of such limited partnership;
- (e) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (f) a limited company or a public limited company in which such person or the person under (a) or (b) or the partnership under (c) or (d) or a company under (e) holds shares in an aggregate number of more than thirty percent of the total paid-up shares of such company;
- (g) a juristic person in which such person has managing authority as a representative of the juristic person.

Nomination of Senior Executives

Krungsri, by the NRC, has established the criteria for the nomination/promotion/appointment of executives at the level of Executive Vice President and above as follows:

- **Qualifications of Executives**
 1. **Characteristics**
 - (1) Demonstrate integrity and accountability
 - (2) Make decisions based on informed judgment
 - (3) Be mature and stable, a good listener and willing to provide different and independent opinions
 - (4) Work in accordance with principles
 2. Have knowledge and expertise as well as experience relating to the banking industry.
 3. Possess qualifications in compliance with the requirements of government authorities, i.e. the Bank of Thailand, the Securities and Exchange Commission and the Stock Exchange of Thailand.
- **Method for the Nomination/Promotion/Appointment of Executives at the Level of Executive Vice President and above**

Human Resources Group considers the succession plan and selects appropriate executives as candidates for vacancies. In cases where there are no appropriate internal candidates, the Human Resources Group will consider external candidates who possess appropriate qualifications and propose their names to the NRC for consideration and endorsement. The names of the persons who have been endorsed by the NRC will be further proposed to the Board of Directors for consideration and approval.

Shareholding of Directors and Executives in Krungsri

(As defined by the Capital Market Supervisory Board and Krungsri)

Name-Surname	December 31, 2018			December 31, 2017			Total Shares Increase/ (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) ^{1/}	No. of Shares (shares)		Total Shareholding (%) ^{1/}	
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan	1,960	251,901	0.0035	1,960	251,901	0.0035	-
2. Mr. Atsushi Murakami	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
3. Mr. Toru Matsuda	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
4. Miss Junko Kawano	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
5. Miss Nopporn Tirawattanagool	-	-	-	-	-	-	-
Independent Directors							
6. Mr. Karun Kittisataporn	-	-	-	-	-	-	-
7. Miss Potjaneer Thanavaranit	-	-	-	-	-	-	-
8. Mr. Virat Phairatphiboon	-	-	-	-	-	-	-
9. Dr. Jamlong Atikul	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
Executive Directors							
10. Mr. Noriaki Goto	-	-	-	-	-	-	-
11. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
12. Miss Duangdao Wongpanitkrit	-	-	-	-	-	-	-
Executives							
13. Mr. Sudargo (Dan) Harsono	-	-	-	-	-	-	-
14. Mr. Yuzo Nakada	-	-	-	-	-	-	-
15. Mrs. Voranuch Dejakaisaya	-	-	-	-	-	-	-
16. Miss Phawana Niemloy	-	-	-	-	-	-	-
17. Miss Puntipa Hannoraseth	-	-	-	-	-	-	-
18. Mr. Chandrashekar Subramanian Krishoolndmangalam	-	-	-	-	-	-	-
19. Mr. Rohit Khanna	-	-	-	-	-	-	-
20. Mr. Tak Bunnag	-	-	-	-	-	-	-
21. Mr. Sayam Prasitsirigul	-	-	-	-	-	-	-
22. Mr. Phonganant Thanattrai	-	-	-	-	-	-	-
23. Mr. Pairote Cheunkrut	-	-	-	-	-	-	-
24. Mr. Thakorn Piyapan	-	-	-	-	-	-	-
25. Mr. Wittapon Jawjit	-	-	-	-	-	-	-
26. Dr. Metinee Jongsaliswang	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
27. Mr. Nuttawit Boonyawat	1	-	0.0000	1	-	0.0000	-
28. Mr. Yoichiro Tsukamoto	-	-	-	-	-	-	-
29. Mr. Kazuhiro Sudo	-	-	-	-	-	-	-
30. Mr. Tsutomu Kamagata	-	-	-	-	-	-	-
31. Mr. Dharittee Kritsernvong	-	-	-	-	-	-	-
32. Mrs. Katchariya Chongpaisansakul	-	-	-	-	-	-	-
33. Mr. Wirote Chuenratanakul	-	-	-	-	-	-	-
34. Mr. Yoshio Ueyama	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
35. Mr. Sittichai Mahaguna	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
36. Mr. Takehiko Iwamoto	-	-	-	-	-	-	-
37. Mr. Piti Krasaesian	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
38. Mrs. Yingluk Kongkasai	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
39. Mr. Masashi Miyazaki	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
40. Mr. Misuaki Yasui	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
41. Mr. Udomkarn Udomsab	-	-	-	-	-	-	-
42. Mrs. Kittiya Srisanit	-	-	-	-	-	-	-
43. Miss Siriporn Sinacharoen	-	-	-	-	-	-	-
44. Mr. Somwang Toraktrakul	-	-	-	-	-	-	-

Name-Surname	December 31, 2018			December 31, 2017			Total Shares Increase/ (Decrease) During the Year (shares)
	No. of Shares (shares)		Total Shareholding (%) ^{1/}	No. of Shares (shares)		Total Shareholding (%) ^{1/}	
	Directors/ Executives	Spouse and Minor children		Directors/ Executives	Spouse and Minor children		
Executives (Cont')							
45. Mr. Congsin Congcar	-	-	-	-	-	-	-
46. Miss Pisara Pattanasiri	-	-	-	-	-	-	-
47. Mr. Kriangsak Jongsukkgiparnich	-	-	-	-	-	-	-
48. Miss Jiraporn Popairoj	2,374	-	0.0000	2,374	-	0.0000	-
49. Mrs. Varabhorn Achakornlak	-	-	-	-	-	-	-
50. Miss Pornnapa Patarasatienkul	-	-	-	-	-	-	-
51. Mrs. Akanit Mattison	-	-	-	-	-	-	-
52. Mr. Khomson Adunwitthayakorn	-	-	-	-	-	-	-
53. Mr. Jamorn Phianphrom	2	-	0.0000	2	-	0.0000	-
54. Mrs. Orawan Julapol	-	-	-	-	-	-	-
55. Miss Sukanda Thawilwang	-	-	-	-	-	-	-
56. Miss Wimol Sivarorosakul	-	-	-	-	-	-	-
57. Mr. Montien Jangsutimon	-	-	-	-	-	-	-
58. Mr. Shoji Oishi	-	-	-	-	-	-	-
59. Miss Napaporn Teerakittiwattana	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
60. Mr. Teerasak Nimnaparaj	-	-	-	-	-	-	-
61. Miss Soamkulaya Pinkayan	-	-	-	-	-	-	-
62. Mrs. Tatsawan Dumrisomkul	-	-	-	-	-	-	-
63. Mr. Okart Supamornpun	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
64. Mr. Sam Tanskul	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
65. Mrs. Kamoltip Jittimaporn	-	-	-	-	-	-	-
66. Miss Benjawan Surachutikarn	-	-	-	-	-	-	-
67. Mr. Takahisa Ishida	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
68. Miss Siriporn Sribooncharoen	-	-	-	-	-	-	-
69. Mrs. Samanporn Chantanahom	-	-	-	-	-	-	-
70. Miss Rattaporn Pornprasit	-	-	-	-	-	-	-
71. Mrs. Anantaya Padanupong	-	-	-	-	-	-	-
72. Miss Sunan Pimsawang	-	-	-	-	-	-	-
73. Miss Porntip Undamrongkarn	-	-	-	-	-	-	-
74. Miss Thitiporn Kittipiyakul	-	-	-	-	-	-	-
75. Mr. Vichai Kolsonvoravattanakul	-	-	-	-	-	-	-
76. Mrs. Suchavalee Srisarakorn	-	-	-	-	-	-	-
77. Miss Ananya Nopkhun	-	-	-	-	-	-	-
78. Mr. Suphawut Kitkuakosol	-	-	-	-	-	-	-
79. Mrs. Phatcharin Angkhasekvinai	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
80. Mrs. Weena Ratthapoom	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
81. Miss Janyarak Chuseng	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
82. Miss Nipa Wongprasert	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
83. Miss Sujinda Ninatkiattikul	-	-	-	-	-	-	-
84. Miss Thanawan Santananont	-	-	-	-	-	-	-
85. Miss Chanida Kwansanerthechin	-	-	-	-	-	-	-
86. Miss Chavakorn Chavalerdpanyakul	-	-	-	-	-	-	-
87. Miss Nareerat Surakha	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}
88. Mr. Pises Klommit	-	-	-	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}	N.A. ^{2/}

Remark: ^{1/} Including spouse and minor children. As at December 31, 2017 and December 31, 2018, Krungsri had a total of 7,355,761,773 issued shares.

^{2/} In 2017, he/she was not the director and/or the executive falling under the definition of the Capital Market Supervisory Board and Krungsri.

Details of Directors, Executives, Persons with Managerial Authority and Corporate Secretary (As defined by the Capital Market Supervisory Board and Krungsri)

• Board of Directors



Mr. Veraphan Teepsuwan

Chairman

Age: 77 years

Nationality: Thai

Education and training:

- MBA., Northeastern University, USA
- Bachelor of Economics, Boston University, USA
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Role of the Chairman Program (RCP), Year 2008

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jan 3, 2007 – Present Chairman
- **Positions in other listed companies (2 companies):**
2002 – Present Chairman, Sri Ayudhya Capital PCL
2003 – Present Vice Chairman, Eastern Star Real Estate PCL
- **Positions in non-listed companies/organizations (2 companies/organizations) :**
Mar 2018 – Present Chairman, Pattaya Grand Village Co., Ltd.
Jan 16, 2017 – Present Chairman, Krungsri Foundation

Work experiences (in the last five years) :

Nov 2006 – Apr 2017	Chairman, Siam City Cement PCL
Sep 2010 – Dec 2016	Director, Exclusive Senior Care International Co., Ltd.
1983 – Mar 2014	Director, Bangkok Broadcasting & T.V. Co., Ltd.

Years of directorship: 12 years

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) :

- 253,861 ordinary shares or 0.0035% of the total voting shares (shareholding is unchanged when compared to that from every record date during the previous year)

Family relationship with directors and executives : None



Mr. Atsushi Murakami

Vice-Chairman (Authorized Signatory)

Nomination and Remuneration Committee Member

Age: 57 years

Nationality: Japanese

Education and training:

- LL.M., Law School, University of Pennsylvania, USA
- LL.B., Osaka University, Japan
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors: None

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jul 1, 2018 – Present Vice-Chairman (Authorized Signatory)
Jul 1, 2018 – Present Nomination and Remuneration Committee Member
- **Positions in other listed companies :** None
- **Positions in non-listed companies/organizations (1 company) :**
May 2018 – Present Senior Managing Executive Officer, Deputy COO-I (International), Deputy Chief Executive, Global Commercial Banking Business Unit, Assistant Chief Executive Japanese Corporate & Investment Banking Business Unit, Assistant Chief Executive Global Corporate & Investment Banking Business Unit and in sub-charge of Digital Transformation Division, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]

Work experiences (in the last five years) :

Apr – May 2018	Member of the Board of Directors, Managing Executive Officer, Chief Executive, Retail Banking Business Unit, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
Jun 2016 – Apr 2018	Managing Director Chief Executive, Retail Banking Business Unit, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
May – Jun 2016	Managing Executive Officer Chief Executive, Retail Banking Business Unit, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]

May 2015 – May 2016	Managing Executive Officer Deputy Chief Executive, Retail Banking Business Unit and in charge of Branches in Eastern Region of Japan Assistant Chief Executive, Global Business Group (Overseas Retail Banking Business), MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
May 2014 – May 2015	Managing Executive Officer Deputy Chief Executive, Retail Banking Business Unit in charge of Branches in Eastern Region of Japan, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
May 2013 – May 2014	Executive Officer and General Manager Retail Banking Planning Division, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
Jun 2016 – Jun 2018	Director, ACOM Ltd.
May 2016 – May 2018	Vice Chairman of the Business, Japanese Bankers Association (JBA)
May 2016 – May 2018	Vice Chairman of the Business, All Banks Personal Data Protection Council
May 2016 – May 2018	Member of the Management, Personal Credit Information Center
May 2016 – May 2018	Member of the Management, Banks Cash Service
May 2016 – May 2018	Director, Multi Integrated Cash Service Management
May 2016 – May 2018	Director, Organization of participating financial institutions
May 1, 2015 – Jul 26, 2016	Director, Bank of Ayudhya PCL

Years of directorship: Six months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Mr. Toru Matsuda

Director
Risk and Compliance Committee Member

Age: 61 years

Nationality: Japanese

Education and training:

- Bachelor's degree of Commerce and Management, Hitotsubashi University
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**

Jul 1, 2018 – Present	Director
Jul 1, 2018 – Present	Risk and Compliance Committee Member
- **Positions in other listed companies :** None
- **Positions in non-listed companies/organizations (1 company) :**

2016 - present	President, Mitsubishi UFJ Kokusai Asset Management Co., Ltd.

Work experiences (in the last five years) :

2014 - 2016	Managing Executive Officer, Deputy Group Head of Integrated Global Business Group and Integrated Global Markets Business Group, Mitsubishi UFJ Financial Group
2013 - 2014	Managing Executive Officer, Deputy Group Head of Integrated Global Business Group, Mitsubishi UFJ Financial Group
2013 - 2016	Deputy President, Chief Executive, Markets and Global Business Unit, Mitsubishi UFJ Trust and Banking Corporation,

Years of directorship: Six months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Miss Junko Kawano

Director

Age: 49 years

Nationality: Japanese

Education and training:

- Bachelor's degree of Mathematics, Tokyo Woman's Christian University, Japan
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD): None

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Aug 1, 2018 – Present Director
- **Positions in other listed companies :** None
- **Positions in non-listed companies/organizations (1 company) :**
Apr 1, 2018 – Present Managing Director, Head of Informations Systems Planning Division, Head of Information Systems Development & Operations Division, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]

Work experiences (in the last five years) :

2017 – Mar 31, 2018	General Manager, Head of Informations Systems Planning Division, Head of Information Systems Development & Operations Division, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
2016 – 2017	Chief Manager, Head of Global Systems Sites Department of Information Systems Planning Division, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
2015 – 2016	Chief Manager, Deputy Head of Global Systems Sites Department of Information Systems Office, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
2013 – 2015	Senior Manager, Program Manager, IT Promotion & Enterprise Architecture Department of Information Systems Planning Division, PMO of Krungsri System integration project, MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]

Years of directorship: Five months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Miss Nopporn Tirawattanagool

Director (Authorized Signatory)

Nomination and Remuneration Committee Member

Risk and Compliance Committee Member

Age: 64 years

Nationality: Thai

Education and training:

- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Business Administration (in Accounting), Thammasat University
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the Director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Accreditation Program (DAP), Year 2003
- Role of the Compensation Committee (RCC), Year 2009
- Audit Committee Program (ACP), Year 2010
- Director Certification Program (DCP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Risk Management Program for Corporate Leaders (RCL), Year 2015
- National Director Conference 2017 "Steering Governance in a Changing World", Year 2017
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**
Jan 1, 2015 – Present Risk and Compliance Committee Member
Jan 2, 2014 – Present Director (Authorized Signatory)
Apr 28, 2010 – Present Nomination and Remuneration Committee Member

• **Positions in other listed companies (four companies) :**

Apr 20, 2016 – Present	Director, Grand Canal Land PCL
Oct 17, 2014 – Present	Director, Srivichaivejvivat PCL
Jul 22, 2014 – Present	Director of Nomination and Compensation Committee, Siam City Cement PCL
Jul 22, 2014 – Present	Director of Governance, Risk and Compliance Committee, Siam City Cement PCL
Apr 2012 – Present	Director, Siam City Cement PCL
May 14, 2013 – Present	Nomination and Remuneration Committee Member, Sri Ayudhya Capital PCL
Apr 22, 2013 – Present	Director, Sri Ayudhya Capital PCL

• **Positions in non-listed companies/organizations (22 companies) :**

Apr 19, 2017 – Present	Director (Authorized Signatory), BBTV Asset Management Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), CKS Holding Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Super Assets Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), C.K.R Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Bangkok Lighters Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), The Thai Tapioca Flour Produce Co., Ltd.
May 8, 2015 – Present	Director (Authorized Signatory), Cyber Venture Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Khao Kheow Country Club Co., Ltd.
Apr 9, 2015 – Present	Director (Authorized Signatory), Siam Purimongkol Co., Ltd.
Dec 1, 2014 – Present	Director (Authorized Signatory), Grand Fortune Co., Ltd.
Apr 21, 2014 – Present	Director, Bangkok Broadcasting & TV Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Satelvision Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), GL Asset Co., Ltd.
Apr 21, 2014 – Present	Director (Authorized Signatory), Mahakij Holdings Co., Ltd.

Apr 21, 2014 – Present	Director (Authorized Signatory), BBTV Productions Co., Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Alliance Ltd.
Jan 10, 2014 – Present	Director (Authorized Signatory), BBTV Bond Street Building Ltd.
Aug 2012 – Present	Director (Authorized Signatory), ITBC Business Consultant Group Co., Ltd.
Apr 2011 – Present	Director (Authorized Signatory), Exclusive Senior Care International Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV International Holdings Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), Sunrise Equity Co., Ltd.
Sep 2010 – Present	Director (Authorized Signatory), BBTV Equity Co., Ltd.

Work experiences (in the last five years) :

May 6, 2015 – Apr 19, 2016	Director (Authorized Signatory), Grand Canal Land PCL
Apr 8, 2010 – Jan 1, 2014	Director, Bank of Ayudhya PCL

Years of directorship : Eight years eight months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Mr. Karun Kittisataporn

Independent Director

Chairman of the Nomination and Remuneration Committee

Age: 71 years

Nationality: Thai

Education and training:

- MA., (International Trade), Syracuse University, NY, USA (USAID Scholarship)
- BCA., Victoria University of Wellington, New Zealand (Colombo Plan Scholarship)
- Degree from the National Defense College Class 8, (Joint State - Private Sector)
- Certificate of Commercial Policy Course, GATT, Geneva
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- Krungsri Executive Forum: Leading Organization & People in Digital Age 2018, Year 2018
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2008
- Audit Committee Program (ACP), Year 2009
- Financial Statements for Directors (FSD), Year 2009
- Financial Institutions Governance Program (FGP), Year 2011
- Monitoring the Quality of Financial Reporting (MFR), Year 2011
- Monitoring the Internal Audit Function (MIA), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Briefing "Sleeping Giants of Succession", Year 2017
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Year 2017
- Board Nomination and Compensation Program (BNCP), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

Current positions:

- Positions in Bank of Ayudhya PCL:
 - Apr 9, 2008 – Present Independent Director
 - Apr 9, 2008 – Present Chairman of the Nomination and Remuneration Committee

• Positions in other listed companies (three companies) :

Nov 1, 2017 – Present	Risk Management Committee Member, Khon Kaen Sugar Industry PCL
Sep 2017 – Present	Chairman of the Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL
Feb 2010 – Present	Independent Director, Khon Kaen Sugar Industry PCL
Apr 2015 – Present	Chairman of the Nomination and Remuneration Committee, Central Pattana PCL
Jan 2011 – Present	Audit Committee Member, Central Pattana PCL
Apr 2009 – Present	Independent Director, Central Pattana PCL
Nov 2008 – Present	Audit Committee Member, Sahamit Machinery PCL

• Positions in non-listed companies/organizations (four organizations) :

Jan 21, 2019 – Present*	Vice-Chairman, Committee 6, Council of State, Office of the Council of State
Jan 16, 2017 – Present	Director, Krungsri Foundation
Jan 2017 – Present	Member, ASEAN Association – Thailand
Apr 28, 2016 – Present	Member, Committee on International Economic Policy

Work experiences (in the last five years) :

Nov 2006 – Jan 20, 2019*	Member, Committee 6, Council of State, Office of the Council of State
Jun 26, 2013 – Oct 31, 2017	Corporate Governance Committee Member, Khon Kaen Sugar Industry PCL
Nov 2012 – Oct 31, 2017	Audit Committee Member, Khon Kaen Sugar Industry PCL
Feb 2010 – Sep 2017	Nomination and Remuneration Committee Member, Khon Kaen Sugar Industry PCL
May 2008 – Oct 2017	Chairman of the Executive Committee, The SUPPORT Arts and Crafts International Centre of Thailand (Public Organization)
Apr 2009 – Apr 2015	Nomination and Remuneration, Committee Member, Central Pattana PCL
Aug 13 – Sep 2014	Election Committee Member, Election Committee for National Reform Council
Oct 2007– Sep 2014	Commissioner, Insurance Commission

Remark: * Last updated information as of January 21, 2019

Years of directorship: 10 years eight months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Miss Potjanee Thanavaranit

Independent Director
Chairman of the Audit Committee

Age: 72 years

Nationality: Thai

Education and training:

- MBA., Syracuse University, NY, USA (USAID Scholarship)
- Bachelor of Accountancy, Chulalongkorn University
- Certificate of Advanced General Insurance Program, Swiss Insurance Training Center, Switzerland (Swiss Re Scholarship)
- Certificate of Advanced Management Program, Australian Management College, Australia (COLOMBO Scholarship)
- Certificate of Executive Development Program (EDP.1 Class 18), Institute of the Civil Service Commission
- Degree from the National Defense College, Class 42
- Certificate of Top Executive Program, Capital Market Academy, Class 8
- Certificate of Top Executive Program in Commerce and Trade, Commerce Academy, Class 3
- Certificate of Advanced Security Management Program, The National Defense College Association of Thailand, Class 2
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- CG Forum 2/2016 "Honest, Cautious, Protective for the \ Director", Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Role of the Chairman Program (RCP), Year 2006
- Role of the Compensation Committee (RCC), Year 2007
- Audit Committee Program (ACP), Year 2010
- Financial Institutions Governance Program (FGP), Year 2011
- Advanced Audit Committee Program (completed ACP, MIA, MFM, MFR, MIR), Year 2013
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014
- Driving Company Success with IT Governance (ITG), Year 2016
- Audit Committee Forum "New Auditor's Report: What is it for you?", Year 2016
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**
 - Apr 25, 2012 – Present Chairman of the Audit Committee
 - Apr 8, 2010 – Present Independent Director
- **Positions in other listed companies (five companies):**
 - Nov 14, 2017 – Present Independent Director, Berli Jucker PCL
 - Nov 14, 2017 – Present Chairman of Risk Management Committee, Berli Jucker PCL
 - May 2014 – Present Chairman of the Remuneration Committee, Oishi Group PCL
 - May 2014 – Present Chairman of the Good Corporate Governance Committee, Oishi Group PCL
 - Feb 2009 – Present Independent Director, Oishi Group PCL
 - Feb 2009 – Present Audit Committee Member, Oishi Group PCL
 - Apr 2014 – Present Audit Committee Member, Thai Reinsurance PCL
 - May 2007 – Present Independent Director, Thai Reinsurance PCL
 - Apr 2007 – Present Independent Director, Bangkok Insurance PCL
 - Apr 2007 – Present Audit Committee Member, Bangkok Insurance PCL
 - 2007 – Present Chairman of the Board (Independent Director), Univentures PCL
 - 2007 – Present Audit Committee Member, Univentures PCL
 - 2007 – Present Chairman of the Compensation and Nomination Committee, Univentures PCL
- **Positions in non-listed companies/organizations (seven companies/organizations) :**
 - Feb 1, 2019 – Present* Audit Committee Member, Thai Beverage PCL (Listed in Singapore Exchange)
 - Jan 31, 2018 – Present Independent Director, Thai Beverage PCL (Listed in Singapore Exchange)
 - Feb 27, 2018 – Present Honorary Members, Mae Fah Luang University Council
 - Jun 26, 2017 – Present Vice-Chairman, Thai Institute of Directors Association



Mr. Virat Phairatphiboon

Independent Director
Audit Committee Member
Chairman of the Risk and Compliance Committee

Age: 70 years

Nationality: Thai

Education and training:

- BA. in Economics and Business Administration, Adams State College, Colorado, USA
- Executive Development Program, Princeton University, USA
- Certificate of Managing Multinational Finance, Graduate Institute of Business Administration of Chulalongkorn University, Year 1985
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Future Customer Experience in Financial and Banking Services", Year 2018
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2002
- Audit Committee Program (ACP), Year 2004
- Role of the Compensation Committee (RCC), Year 2008
- Anti-Corruption for Executive Program (ACEP), Year 2013
- Director Certification Program Update (DCPU), Year 2014

Current positions:

- **Positions in Bank of Ayudhya PCL:**
 - Oct 24, 2018 – Present Chairman of the Risk and Compliance Committee
 - May 21, 1999 – Present Audit Committee Member
 - Dec 2, 1998 – Present Independent Director
- **Positions in other listed companies (1 company):**
 - May 2012 – Present Chairman of the Audit Committee, Tipco Foods PCL
 - 2007– Present Independent Director, Tipco Foods PCL
- **Positions in non-listed companies/organizations :** None

Work experiences (in the last five years) :

- Feb 21, 2007 – Oct 31, 2018 Nomination and Remuneration Committee Member, Bank of Ayudhya PCL
- 2007 – May 2012 Audit Committee Member, Tipco Foods PCL

Years of directorship: 20 years

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None

Mar 24, 2017 – Present	Qualified member of the Committee, Thai Investors Association
Jan 16, 2017 – Present	Director, Krungsri Foundation
2007 – Present	Qualified member of the Committee, The Federation of Thai Insurance Organization
Oct 2006 – Present	Member of the Council of State, Office of the Council of State

Remark: * Last updated information as of February 1, 2019

Work experiences (in the last five years) :

May 3, 2016 – Nov 13, 2017	Chairman of the Audit Committee, Big C Supercenter PCL
Apr 25, 2016 – Nov 13, 2017	Independent Director, Big C Supercenter PCL
May 29 – Jun 25, 2017	Director, Thai Institute of Directors Association
Jun 2009 – Mar 21, 2016	Independent Director, Berli Jucker PCL
Oct 2, 2014 – Sep 6, 2015	Member of National Reform Council, National Reform Council
Jun 2012 – Apr 2014	Nomination and Remuneration Committee Member, Thai Reinsurance PCL

Years of directorship: Eight years eight months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Dr. Jamlong Atikul

Independent Director

Audit Committee Member

Nomination and Remuneration Committee Member

Age: 70 years

Nationality: Thai

Education and training:

- Ph.D. in City and Regional Planning, Cornell University, USA
- Master of Commerce in Economics, University of Auckland, New Zealand
- Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP), Year 2006
- Director Accreditation Program (DAP), Year 2006
- Role of the Chairman Program (RCP), Year 2011

Current positions:

• Positions in Bank of Ayudhya PCL:

Nov 1, 2018 – Present	Independent Director
Nov 1, 2018 – Present	Audit Committee Member
Nov 1, 2018 – Present	Nomination and Remuneration Committee Member

• Positions in other listed companies (1 company):

2013 – Present	Chairman (Authorized Signatory), Regional Container Lines PCL

• Positions in non-listed companies/organizations : None

Work experiences (in the last five years) :

2014 – 2017	Member of Monetary Policy Committee, Bank of Thailand
2007 – 2014	Director, Krungthai AXA Life Insurance Co., Ltd.
2007 – 2014	Chairman of Executive Committee, Krungthai AXA Life Insurance Co., Ltd.
2012 – 2014	Chairman of Risk Management Committee, Krungthai AXA Life Insurance Co., Ltd.
2006 – 2013	Director and Nomination and Remuneration Committee Member, Regional Container Lines PCL

Years of directorship: Two months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Mr. Noriaki Goto

Director (Authorized Signatory)

President and Chief Executive Officer

Chairman of the Executive Committee

Age: 56 years

Nationality: Japanese

Education and training:

- Master of Business Administration, Graduate School of Business, The University of Chicago, USA
- Bachelor of Arts (Law), School of Law, Waseda University, Japan
- Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016
- Seminar on "CyberSecurity Awareness Training for Senior Executive", Year 2016
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Director Certification Program (DCP-English), Year 2015

Current positions:

• Positions in Bank of Ayudhya PCL:

Jan 5, 2015 – Present	President and Chief Executive Officer
Jan 2, 2014 – Present	Director (Authorized Signatory)
Jan 2, 2014 – Present	Chairman of the Executive Committee

• Positions in other listed companies : None

• Positions in non-listed companies/organizations (one organization) :

Jan 16, 2017 – Present	Vice Chairman, Secretary and Treasurer, Krungsri Foundation

Work experiences (in the last five years) :

May 28, 2015 – Jun 23, 2016	Chairman, Krungsri Asset Management Co., Ltd.
May 14, 2014 – May 27, 2015	Director, Krungsri Asset Management Co., Ltd.
Jan 2, 2014 – Jan 4, 2015	Chief Executive Officer, Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Chairman of the Risk Management Committee, Bank of Ayudhya PCL
Jan 2, 2014 – Jan 4, 2015	Advisor to the Compliance Review Committee, Bank of Ayudhya PCL

Years of directorship: Five years

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Mr. Pornsanong Tuchinda

Director (Authorized Signatory)
Head of Commercial Banking
Senior Executive Vice President
Executive Committee Member

Age: 57 years

Nationality: Thai

Education and training:

- Master of Business Administration (Finance and Management), Babson College, Massachusetts, USA
- BA. (Economics and Political Science), The University of Michigan, Ann Arbor, Michigan, USA
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors

Association (IOD):

- Director Accreditation Program (DAP), Year 2004
- Audit Committee Program (ACP), Year 2006
- Director Certification Program (DCP), Year 2008

Current positions:

• **Positions in Bank of Ayudhya PCL :**

Oct 1, 2015 – Present	Director (Authorized Signatory)
Jan 5, 2015 – Present	Head of Commercial Banking
Feb 24, 2010 – Present	Executive Committee Member
Jan 13, 2010 – Present	Senior Executive Vice President

• **Positions in other listed companies : None**

Work experiences (in the last five years) :

May 1 – Nov 27, 2018	Acting Head of Corporate Banking Group, Bank of Ayudhya PCL
May 1 – Nov 27, 2018	Acting Head of Corporate Credit Analysis Division, Bank of Ayudhya PCL
Jan 1 – Oct 15, 2018	Acting Head of Investment Banking Group, Bank of Ayudhya PCL
Dec 1, 2015 – Jan 31, 2017	Acting Head of Human Resources Group, Bank of Ayudhya PCL
Dec 1, 2015 – Jan 31, 2017	Secretary to the Nomination and Remuneration Committee, Bank of Ayudhya PCL
Jul 1 – Dec 31, 2015	Acting Head of Corporate and Investment Banking Group, Bank of Ayudhya PCL
Jan 5 – Jun 30, 2015	Acting Head of Corporate Banking Group, Bank of Ayudhya PCL

Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 1, Bank of Ayudhya PCL
Jan 7 – Jun 30, 2015	Acting Head of Corporate Banking Division 3, Bank of Ayudhya PCL
Jan 1, 2014 – Apr 1, 2015	Advisor to the Board of Directors, Bank of Ayudhya PCL
Oct 1, 2012 – Jan 4, 2015	Head of Corporate Banking, Bank of Ayudhya PCL
Jul 1, 2012 – Jan 4, 2015	Risk Management Committee Member, Bank of Ayudhya PCL
Nov 11, 2013 – Jul 24, 2014	Acting Head of Transaction Banking Business, Bank of Ayudhya PCL
Apr 23 – Nov 8, 2018	Director (Authorized Signatory), Krungsri Securities PCL
Nov 2009 – Mar 15, 2015	Chairman (Authorized Signatory), Krungsri Securities PCL
Mar 2010 – Jun 2014	Audit Committee Member, Focus Development and Construction PCL
May 2008 – Jun 2014	Remuneration Committee Member, Focus Development and Construction PCL
Mar 2005 – Jun 2014	Independent Director, Focus Development and Construction PCL

Years of directorship: Three years three months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None



Miss Duangdao Wongpanitkrit

Director (Authorized Signatory)

Chief Financial Officer

First Executive Vice President, Finance Group

Executive Committee Member

Age: 49 years

Nationality: Thai

Education and training:

- MBA. (Financial Accounting), Chulalongkorn University
- Bachelor of Business Administration (Accounting), Thammasat University
- Certified Public Accountant (CPA Thailand)
- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017
- Strategic IT Governance (for non-IT), Year 2017
- Seminar on "Cyber Resilience Leadership", Year 2017
- IT Security Trend Update, Year 2018

Training and seminar held by Thai Institute of Directors Association (IOD):

- Financial Institutions Governance Program (FGP), Year 2011
- Director Certification Program (DCP), Year 2013
- Risk Management Committee Program (RMP), Year 2013
- Corporate Governance for Capital Market Intermediaries (CGI), Year 2015
- Boards Matters and Trends (BMT), Year 2017
- Strategic Board Master Class (SBM), Year 2018
- Risk Management Program for Corporate Leaders (RCL), Year 2018
- IOD National Director Conference 2018 "Rising Above Disruptions: A Call for Action", Year 2018
- IT Governance and Cyber Resilience Program (ITG), Year 2018

Current positions:

- **Positions in Bank of Ayudhya PCL:**
 - Mar 28, 2016 – Present Director (Authorized Signatory)
 - Apr 1, 2013 – Present First Executive Vice President, Finance Group
 - Jan 1, 2013 – Present Chief Financial Officer
 - Jan 1, 2013 – Present Executive Committee Member
- **Positions in other listed companies :** None

• Positions in non-listed companies/organizations (three companies) :

- Mar 27, 2017 – Present Director (Authorized Signatory), Krungsri Finnovate Co., Ltd.
- Sep 12, 2016 – Present Director, Hattha Kaksekar Limited
- May 29, 2015 – Present Director, Ngern Tid Lor Co., Ltd.

Work experiences (in the last five years) :

- Nov 26, 2015 – Apr 27, 2018 Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
- Nov 2009 – May 14, 2017 Director (Authorized Signatory), Ayudhya Capital Services Co., Ltd.
- May 4, 2016 – May 4, 2017 Director (Authorized Signatory), Krungsri Factoring Co., Ltd.
- Apr 21, 2015 – May 3, 2017 Director Krungsri Ayudhya AMC Ltd.
- Jan 2013 – Feb 29, 2016 Director (Authorized Signatory), Ayudhya Capital Auto Lease PCL
- Feb 1, 2013 – Jan 6, 2015 Acting Executive Vice President, Financial Planning and Analysis Division, Finance Group, Bank of Ayudhya PCL
- Jan 1, 2013 – Jan 4, 2015 Risk Management Committee Member, Bank of Ayudhya PCL
- Jan 1, 2013 – Jan 4, 2015 Compliance Review Committee Member, Bank of Ayudhya PCL

Years of directorship: Two years nine months

% Shareholding as of the latest record date on September 6, 2018 (including spouse and minor children) : None

Family relationship with directors and executives : None

• Executives and Persons with Managerial Authority of Krungsri

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Sudargo (Dan) Harsono* Age 58 years - Head of Retail and Consumer Banking (Jul 1, 2015) - Senior Executive Vice President (Sep 1, 2015) - Executive Committee Member (Jul 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration in Finance and Marketing, Indiana University, Bloomington, IN, USA - Bachelor of Science Cum Laude, Biomedical and Electrical Engineering (Honors Program), University of Southern California, LA, USA - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Sep 1, 2015 – Present	Senior Executive Vice President	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Head of Retail and Consumer Banking	
		Jul 1, 2015 – Present	Executive Committee Member	
		Jul 1, 2015 – Jan 31, 2016	Acting Head of Personal Loan Division	
		Jan 7, 2015 – Jan 31, 2016	Acting Head of E-Business Division	
		Jul 1 – Dec 31, 2015	Acting Head of Krungsri Consumer Group	
		Jul 1 – Sep 30, 2015	Acting Head of Krungsri Auto Group	
		Aug 3, 2007 – Aug 31, 2015	First Executive Vice President	
		Jan 5 – Jun 30, 2015	Head of Marketing and Branding Group	
		Oct 1, 2013 – Jan 4, 2015	Head of Marketing and International Business Development	
		<u>Other Companies/ Organizations</u>		
		Sep 12, 2016 – Present	Chairman	Hattha Kaksekar Limited
		Jul 7, 2016 – Present	Chairman	Krungsri Asset Management Co., Ltd.
		Sep 28, 2015 – Present	Chairman (Authorized Signatory)	Krungsri Securities PCL
		Sep 8, 2015 – Present	Chairman (Authorized Signatory)	Tesco Card Services Ltd.
		Sep 30, 2015 – Present	Chairman (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		May 29 – Sep 29, 2015	Director	
		Nov 2009 – May 28, 2015	Chairman (Authorized Signatory)	
		Sep 29, 2014 – Present	Chairman (Authorized Signatory)	Krungsri Leasing Services Co., Ltd.
		Aug 25, 2014 – Aug 9, 2018	Director (Authorized Signatory)	Dan Siam Co., Ltd.
		Aug 25, 2014 – Aug 9, 2018	Director (Authorized Signatory)	Sam Siam Co., Ltd.
		Dec 24 – 31, 2015	Chairman (Authorized Signatory)	General Card Services Ltd.
		Dec 3 – 23, 2015	Chairman	
		Feb 24 – Dec 2, 2015	Director	
		Nov 2009 – Feb 23, 2015	Director (Authorized Signatory)	
		May 11 – Dec 30, 2015	Director	Krungsriayudhya Card Co., Ltd.
		Jan 2008 – Apr 23, 2015	Director (Authorized Signatory)	Ayudhya Capital Auto Lease PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
2. Mr. Yuzo Nakada Age 50 years - Head of JPC/MNC Banking (Jul 1, 2018) - First Executive Vice President (Jul 1, 2018) - Executive Committee Member (Jul 1, 2018) % 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, 2018 – Present	Head of JPC/MNC Banking	Bank of Ayudhya PCL
		Jul 1, 2018 – Present	First Executive Vice President	
		Jul 1, 2018 – Present	Executive Committee Member	
		Jul 1 – Dec 31, 2018	Acting Head of Transaction Banking Group	
		Jul 1, 2015 – Jun 30, 2018	Head of Corporate Planning Division, Corporate Strategy and Planning Group	
		Mar 16, 2015 – Jun 30, 2018	Deputy Chief Financial Officer	
		Mar 9, 2015 – Jun 30, 2018	Executive Vice President	
		Apr 3 – Jun 30, 2015	Head of Planning Division, Corporate Planning Group	
		Mar 9 – Apr 2, 2015	Executive Vice President - Planning Division, Corporate Planning Group	
		Other Companies/ Organizations Sep 2013 – Mar 2015	Chief Manager, Head of Planning, Krungsri Project Management Office, Global Planning Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)]
3. Mrs. Voranuch Dejakaisaya* Age 58 years - Chief Information and Operations Officer (Jan 1, 2017) - First Executive Vice President (Jul 8, 2009) - Executive Committee Member (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - BA. in Statistics, Faculty of Commerce and Accountancy, Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2006 • Finance for Non-Finance Director (FND), Year 2006	Jan 1, 2017 – Present	Chief Information and Operations Officer	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Executive Committee Member	
		Jul 8, 2009 – Present	First Executive Vice President	
		Jan 1 – Dec 31, 2016	Deputy Chief Information and Operations Officer	
		Jan 1 – Dec 31, 2016	Acting Head of IT Strategic and Program Management Office Division	
		Jan 7 – Dec 31, 2015	Acting Head of IT Service Governance and Program Management Division	
		Jul 8, 2009 – Dec 31, 2015	Head of Information Technology Group	
		Other Companies/ Organizations Mar 27, 2017 – Present	Director	Krungsri Finnovate 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. Mrs. Voranuch Dejakaisaya (Cont')		Apr 3, 2015 – Present	Director	Krungsri Securities PCL
		Nov 2009 – Present	Director (Authorized Signatory)	Total Services Solutions PCL
		Apr 21, 2015 – May 6, 2018	Director	Ayudhya Capital Services Co., Ltd.
		Nov 2009 – Feb 12, 2015	Director (Authorized Signatory)	General Card Services Ltd.
4. Miss Phawana Niemloy Age 59 years - General Counsel (May 18, 2007) - First Executive Vice President (Jan 3, 2007) - Executive Committee Member (Jun 27, 2007) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- LL.M., Harvard Law School, USA - Bachelor of Law (Gold Medal), Chulalongkorn University - Strategic IT Governance (for non-IT), Year 2017 - IT Security Trend Update, Year 2018 - 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	General Counsel	Bank of Ayudhya PCL
		Jun 27, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Present	First Executive Vice President	
		Jul 11, 2007 – Jan 4, 2015	Vice Chairman of the Compliance Review Committee	
		<u>Other Companies/ Organizations</u>		Mae Fah Luang Foundation under Royal Patronage
		Sep 2002 – Present	Director Executive Director and Secretary to the Board	
5. Miss Puntipa Hannoraseth Age 50 years - Head of Internal Audit Group (Jan 1, 2018) - First Executive Vice President (Apr 1, 2013) - Secretary to the Audit Committee (Sep 16, 2010) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Accounting (1st Class Honor), Thammasat University - Certified Public Accountant (CPA Thailand) - Certified Internal Auditor - Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017 - Strategic IT Governance (for non-IT), Year 2017 - Seminar on "Roles of the Board of Directors of Listed Companies on Cyber Risk Mitigation, Challenges and Solutions", Year 2017 - Seminar on "CAE Forum: IA Succession Plan: Empower IA New GEN", Year 2018 - Seminar on "IT Governance and IT Risk Management 4.0", Year 2018	Jan 1, 2018 – Present	Head of Internal Audit Group	Bank of Ayudhya PCL
		Apr 1, 2013 – Present	First Executive Vice President	
		Sep 16, 2010 – Present	Secretary to the Audit Committee	
		Apr 27, 2009 – Dec 31, 2017	Head of Audit Group	
		Jan 7, 2015 – Apr 15, 2017	Acting Head of Internal Audit Division	
		Jan 7 – May 6, 2015	Acting Head of Credit Examination Division	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
5. Miss Puntipa Hannoraseth (Cont')	- Seminar on "Staying Relevant in a Digital Landscape", Asian Confederation of Institutes of Internal Auditors (ACIIA), Year 2018 - 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			
6. Mr. Chandrashekar Subramanian Krishoolndmangalam* Age 56 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 - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP-English), Year 2008	Jan 3, 2007 – Present	Chief Risk Officer	Bank of Ayudhya PCL
		Jan 3, 2007 – Present	Executive Committee Member	
		Jan 3, 2007 – Present	First Executive Vice President	
		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	
		Other Companies / Organizations		
		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)	Ayudhya Capital Auto Lease PCL
		Apr 2008 – Present	Director (Authorized Signatory)	

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. Rohit Khanna* Age 45 years - Head of Corporate Strategy and Planning Group (Jul 1, 2015) - First Executive Vice President (Mar 2010) - Executive Committee Member (Jan 27, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- 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	
		Mar 2010 – 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	
		May 1, 2012 – Jan 4, 2015	Head of Business Transformation	
		Other Companies/ Organizations		
		Mar 27, 2017 – Present	Director	Krungsri Finnovate Co., Ltd.
		Sep 12, 2016 – Present	Director	Hattha Kaksekar Limited
		Oct 13, 2015 – Present	Chairman (Authorized Signatory)	Siam Realty and Services Security Co., Ltd.
		Aug 2012 – May 11, 2015	Director (Authorized Signatory)	Krungsriayudhya Card Co., Ltd.
		Oct 2010 – Apr 29, 2015	Chairman (Authorized Signatory)	Total Services Solutions PCL
8. Mr. Tak Bunnag* Age 58 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 - Strategic IT Governance (for non-IT), Year 2017	Jul 1, 2015 – Present	First Executive Vice President	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Head of Global Markets Group	
		Jan 5, 2015 – Present	Executive Committee Member	
		Jan 1, 2013 – Jan 4, 2015	Head of Treasury	
		Other Companies/ Organizations		
		Apr 26, 2017 – Present	Director	Tris Corporation Ltd.
9. Mr. Sayam Prasitsirigul* Age 49 years - Head of SME Banking Group (Jan 1, 2017) - Acting Head of SME Credit Analysis Division (Jan 1, 2018) - 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 - Strategic IT Governance (for non-IT), Year 2017	Jan 1, 2018 – Present	Acting Head of SME Credit Analysis Division	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Head of SME Banking Group	
		Jul 1, 2011 – Present	First Executive Vice President	
		Jul 1, 2015 – Dec 31, 2016	Head of Retail and Commercial Banking Products Group	
		Jul 1, 2015 – Dec 31, 2016	Acting Head of Retail and Consumer Product Management Division	
		Apr 1, 2012 – Jun 30, 2015	Head of SME Banking Group	
		Apr 1, 2012 – Jan 4, 2015	Risk Management Committee Member	

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. Sayam Prasitsirigul (Cont')		Apr 1, 2012 – Jan 4, 2015	Credit Committee Member	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Mar 26, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Jul 25, 2012 – Oct 24, 2017	Chairman (Authorized Signatory)	Krungsri Factoring Co., Ltd.
		Jul 7, 2016 – May 3, 2017	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
10. Mr. Phonganant Thanattrai* Age 54 years - Head of Retail Banking and Distribution Group (Jan 1, 2017) - Acting Head of Provincial Branch Business Division (Jan 7, 2015) - First Executive Vice President (Apr 1, 2012) % Shareholding ¹ / -None- Family Relationship with Directors and Executives -None-	- MBA., Thammasat University - Bachelor of Business Administration (Marketing), Assumption University - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI – English), Year 2015	Jan 1, 2017 – Present	Head of Retail Banking and Distribution Group	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Acting Head of Provincial Branch Business Division	
		Apr 1, 2012 – Present	First Executive Vice President	
		Jul 1, 2015 – Apr 30, 2017	Acting Head of Metropolitan Branch Business Division	
		Jul 1, 2015 – Dec 31, 2016	Head of Distribution Group	
		Jan 5 – Jun 30, 2015	Head of Retail Banking and Distribution Group	
		Nov 1, 2011 – Jan 4, 2015	Compliance Review Committee Member	
		Nov 1, 2011 – Jan 4, 2015	Head of Distribution	
		<u>Other Companies/ Organizations</u> Apr 20, 2015 – Present	Director	Krungsriayudhya Card Co., Ltd.
		Mar 2, 2017 – Apr 25, 2018	Director (Authorized Signatory)	Total Services Solutions PCL
		Mar 23, 2017 – Mar 12, 2018	Director (Authorized Signatory)	Krungsri Securities PCL
		Apr 3 – Sep 15, 2015	Director	
		Aug 4, 2014 – Mar 22, 2017	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		Dec 2010 – Aug 3, 2014	Director	

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. Pairote Cheunkrut* Age 53 years - Head of Krungsri Auto Group (Oct 1, 2015) - First Executive Vice President (Oct 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration, Oklahoma City University, USA - Bachelor of Accounting, Bangkok University	Oct 1, 2015 – Present	Head of Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	First Executive Vice President	
		Jan 5 – Sep 30, 2015	First Executive Vice President, Office of the President and CEO	
		Oct 1, 2014 – Jan 4, 2015	First Executive Vice President, Krungsri Auto Group	
		Other Companies/ Organizations		
		Apr 3, 2014 – Present	Director	Krungsri Leasing Services Co., Ltd.
		Aug 19, 2015 – Present	Chairman (Authorized Signatory)	Ayudhya Capital Auto Lease PCL
		Nov 10, 2008 – Aug 18, 2015	Director (Authorized Signatory)	
		May 2007 – Sep 30, 2015	Managing Director	
12. Mr. Thakorn Piyapan* Age 47 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	Head of Digital Banking and Innovation Division	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Head of Krungsri Consumer Group	
		May 1, 2012 – Present	First Executive Vice President	
		Feb 1 – Dec 31, 2016	Acting Head of Personal Loan Division	
		Feb 1 – Dec 31, 2016	Head of e-Business Division	
		May 1, 2012 – Dec 31, 2015	First Executive Vice President, Office of the President and CEO	
		Other Companies/ Organizations		
		Mar 27, 2017 – Present	Chairman (Authorized Signatory)	Krungsri Finnovate Co., Ltd.
		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	
		May 12, 2015 – Present	Director (Authorized Signatory)	Tesco Card Services Ltd.
		Oct 6, 2015 – Apr 27, 2018	Chairman (Authorized Signatory)	Total Services Solutions 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. Wittapon Jawjit* Age 48 years - Head of Human Resources Group (Feb 1, 2017) - First Executive Vice President (Feb 1, 2017) - Executive Committee Member (Feb 1, 2017) - Secretary to the Nomination and Remuneration Committee (Feb 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Engineering, Chulalongkorn University - Bachelor of Engineering, Chulalongkorn University - Training on "Organization Behavior", Mercer (USA) Inc., Year 2013 - Certificate of Completion "Situational Leadership", Slingshot Group Co., Ltd., Year 2016 - Certificate of Achievement "Managing a Multigenerational and Diverse Workforce", IEEE, Year 2016 - Training on "Managing People from a Global Perspective", Thunderbird School of Global Management, Year 2017 - Certificate of Achievement "M&A Professional Certificate Part 1 – Concepts and Theories: An Introduction", New York Institute of Finance, USA, Year 2016 - Strategic IT Governance (for non-IT), Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2014	Feb 1, 2017 – Present	Head of Human Resources Group	Bank of Ayudhya PCL
		Feb 1, 2017 – Present	First Executive Vice President	
		Feb 1, 2017 – Present	Executive Committee Member	
		Feb 1, 2017 – Present	Secretary to the Nomination and Remuneration Committee	
		Other Listed Companies 2014 – 2016	First Executive Vice President	Kiatnakin Phatra Financial Group
		2014 – 2016	Head of Human Resource Management Group	
		Other Companies/ Organizations Jul 31, 2018 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		May 7, 2018 – Present	Director (Authorized Signatory)	Ayudhya Capital Services Co., Ltd.
		Apr 23, 2018 – Present	Director (Authorized Signatory)	Krungsri Securities PCL
		Mar 27, 2017 – Present	Director	Krungsri Finnovate Co., Ltd.
		2010 – Present	Director	Human Resource Capability Development Institute, Federal of Thai Industries
		2015 – 2016	Director	Kiatnakin Bank Foundation
14. Dr. Metinee Jongsaliswang* Age 38 years - Head of Corporate Banking Group (Nov 28, 2018) - Acting Head of Corporate Credit Analysis Division (Nov 28, 2018) - First Executive Vice President (Nov 28, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Doctor of Business Administration (Management & Strategy), Manchester Business School, The University of Manchester - Master of Business Administration (Management & Strategy, Marketing, Managerial Economics and Finance), Kellogg School of Management, Northwestern University	Nov 28, 2017 – Present	Head of Corporate Banking Group	Bank of Ayudhya PCL
		Nov 28, 2017 – Present	Acting Head of Corporate Credit Analysis Division	
		Nov 28, 2017 – Present	First Executive Vice President	
		Other Listed Companies 2015 – 2018	Executive Vice President, Head of Corporate Banking 3	Siam Commercial Bank PCL
		Other Companies/ Organizations 2013 – 2015	Director, Head of Coverage & Origination	Deutsche Bank, Bangkok Branch
		2011 – Present	Director (Authorized Signatory)	Kumo Business Service 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
14. Dr. Metinee Jongsaliswang (Cont')	- Bachelor of Business Administration (Accounting) with Gold Medal award, Thammasat University			
15. Mr. Nuttawit Boonyawat* Age 56 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	
		Other Listed Companies		
		Apr 24, 2015 – Present	Director Executive Director	Eastern Star Real Estate PCL
		Apr 28, 2014 – Present	Director Executive Director	Matching Maximize Solution PCL
		Other Companies/ Organizations		
		Sep 14, 2017 – Present	Director Executive Director	Eastern Star Resort Co., Ltd.
		May 6, 2018 – Present	Director	Krungsri Ayudhya AMC Ltd.
		Feb 23, 2015 – Present	Director (Authorized Signatory)	Home Sukhumvit Co., Ltd.
		Aug 2, 2013 – Present	Director (Authorized Signatory)	TV Digital HR Co., Ltd.
		Oct 6, 2010 – Present	Director (Authorized Signatory)	Grand Larn Luang Co., Ltd.
		Nov 13, 1997 – Present	Director	K.S. Fortune Co., Ltd.
16. Mr. Yoichiro Tsukamoto Age 50 years - Deputy Head of JPC/MNC Banking (May 15, 2017) - Head of Multinational Corporate Banking Division, JPC/MNC Banking (Jan 1, 2016) - Executive Vice President (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Business and Commerce, from Keio University, Japan	May 15, 2017 – Present	Deputy Head of JPC/MNC Banking	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Head of Multinational Corporate Banking Division, JPC/MNC Banking	
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 7, 2015 – May 14, 2017	Co-Head of Corporate Banking Division 4, Corporate and Investment Banking Group	
		Jan 7 – Dec 31, 2015	Head of Multinational Corporate and Financial Institution Division	
		Jan 7 – Dec 31, 2015	Acting Head of Financial Institution Department (Banks only)	
		Other Companies/ Organizations		
		Nov 2013 – Jan 2015	Deputy General Manager (Non-Japanese Business)	MUFG Bank, Ltd., Bangkok Branch (Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch)

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
17. Mr. Kazuhiro Sudo Age 50 years - Deputy Head of Commercial Banking (Apr 28, 2016) - Executive Vice President (Mar 14, 2016) - Acting Head of Auto Dealer Division, Commercial Banking Group % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2019	- Bachelor of Arts in Economics, Keio University, Japan	Jan 1, 2019 – Present*	Acting Head of Auto Dealer Division, Commercial Banking Group	Bank of Ayudhya PCL
		Apr 28, 2016 – Present	Deputy Head of Commercial Banking	
		Mar 14, 2016 – Present	Executive Vice President	
		Apr 28, 2016 – Dec 31, 2017	Head of Corporate Banking Division 3, Corporate and Investment Banking Group	
		Other Companies/ Organizations		
		Apr 26, 2016 – Apr 9, 2018	Director	Ayudhya Capital Auto Lease PCL
		Apr 18, 2016 – Apr, 2017	Director (Authorized Signatory)	Krungsri Securities PCL
		May 11, 2016 – Mar, 2017	Director	General Card Services Ltd.
		Oct 2013 – Mar 2016	Chief Manager, Head of Global Subsidiary Banking Department, Global Corporate Banking Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
18. Mr. Tsutomu Kamagata Age 48 years - Deputy Head of Retail and Consumer Banking (May 1, 2016) - Executive Vice President (Mar 18, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Keio University, Japan	May 1, 2016 – Present	Deputy Head of Retail and Consumer Banking	Bank of Ayudhya PCL
		Mar 18, 2016 – Present	Executive Vice President	
		Mar 18 – Apr 30, 2016	Executive Vice President, Retail and Consumer Banking	
		Other Companies/ Organizations		
		Nov 3, 2016 – Present	Director (Authorized Signatory)	Krungsri Asset Management Co., Ltd.
		May 4 – Nov 2, 2016	Director	
		May 16, 2016 – Present	Director (Authorized Signatory)	Total Services Solutions 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 11, 2016 – Present	Director (Authorized Signatory)	General Card Services Ltd.
		May 10, 2016 – Present	Director (Authorized Signatory)	Ngern Tid Lor Co., Ltd.
		Apr 26, 2016 – Present	Director	Ayudhya Capital Auto Lease PCL
		May 2013 – Mar 2016	Chief Manager, Asian Retail Banking Strategy Office, Retail Banking Planning Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, 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
19. Mr. Dharithee Kritsernvong Age 54 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	Head of Information Technology Group	Bank of Ayudhya PCL
		Jan 1, 2016 – Present	Acting Head of IT Infrastructure and Operations Technology Division	
		Jun 16, 2011 – Present	Executive Vice President	
		Jun 16, 2011 – Dec 31, 2015	Executive Vice President, IT Infrastructure and Operations Technology Division	
20. Mrs. Katchariya Chongpaisansakul Age 59 years - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Apr 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Information System), West Coast University, USA - Bachelor of Economics (Finance), Chulalongkorn University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Financial Institutions Governance Program, Year 2012 • Development Risk Management Program, Year 2016	Jan 1, 2017 – Present	Co-Head of Operations Group	Bank of Ayudhya PCL
		Apr 1, 2014 – Present	Executive Vice President	
		Jan 1 – Dec 31, 2016	Head of Operations Middle Office Group	
		Jan 1 – 31, 2016	Acting Head of Credit Control Division	
		Apr 1, 2014 – Dec 31, 2015	Executive Vice President, Head of Credit Control Division	
		Jan 1, 2011 – Mar 31, 2014	Senior Vice President, Head of Operations Processing and Customer Services Division	
21. Mr. Wirote Chuenratanakul Age 51 years - Co-Head of Operations Group (Jan 1, 2017) - Executive Vice President (Jan 5, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), National Institute Development Administration - Bachelor of Business Administration (Finance), Thammasat University - Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful Formulation & Execution of Strategy, Year 2015	Jan 1, 2017 – Present	Co-Head of Operations Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Executive Vice President	
		Jan 1 – Dec 31, 2016	Head of Operations Back Office Group	
		Jan 5 – Dec 31, 2015	Executive Vice President, Head of Operations Control Division	
		Other Companies/ Organizations		MUFG Bank, Ltd., Bangkok Branch (Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch)
		Jul 1, 2014 – Jan 4, 2015	Deputy General Manager	
		Feb 2009 – Jun 30, 2014	Assistant General Manager, Head of Operations Planning and Control	

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. Yoshio Ueyama Age 46 years - Chief Credit Officer (Jan 3, 2018) - Executive Vice President (Nov 6, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Economics, Hitotsubashi University, Japan	Jan 3, 2018 – Present	Chief Credit Officer	Bank of Ayudhya PCL
		Nov 6, 2017 – Present	Executive Vice President	
		Other Companies/ Organizations Oct 2015 – Nov 2017	Chief Manager, Head of Country Credit Team, Department No. 3, International Credit Division	MUFG Bank, Ltd. (Singapore) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)]
		Oct 2011 – Oct 2015	Senior Manager, Country Credit Team, Department No. 3, International Credit Division	
23. Mr. Sittichai Mahaguna Age 52 years - Head of Investment Banking Group (Oct 16, 2018) - Executive Vice President (Oct 16, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA (Finance), California State University - Bachelor of Business Administration (BBA.) Finance and Banking, Chulalongkorn University	Oct 16, 2018 – Present	Head of Investment Banking Group	Bank of Ayudhya PCL
		Oct 16, 2018 – Present	Executive Vice President	
		Other Listed Companies Oct 2015 – Aug 2018	Investment Banking Business Head	Kasikorn Bank PCL
		Jun 2006 – Sep 2015	Executive Vice President, Investment Banking Group	CIMB Thai Bank PCL
24. Mrs. Yingluk Kongkasai Age 56 years - Head of Transaction Banking Group (Jan 1, 2019) - Executive Vice President (Jun 2009) - Acting Head of Payment Solutions Division (Apr 1, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2019	- Master of Business Administration, Oregon State University, USA - Bachelor of Art in Accountancy (Banking and Finance), Chulalongkorn University - Advanced Management Program for Overseas Bankers, The Wharton School, University of Pennsylvania, USA	Jan 1, 2019 – Present*	Head of Transaction Banking Group	Bank of Ayudhya PCL
		Apr 1, 2018 – Present	Acting Head of Payment Solutions Division	
		Jun 2009 – Present	Executive Vice President,	
		Apr 1 – Dec 31, 2018*	Deputy Head of Transaction Banking Group	
		Apr 1 – May 31, 2018	Acting Head of Sales and Business Promotion Division	
		Nov 2015 – Mar 2018	Head of Transaction Banking Division	
		Jan – Nov 2015	Head of Business Promotion Division	
		Nov 2013 – Dec 2014	Head of International Business Division	
25. Mr. Takehiko Iwamoto Age 47 years - Deputy Head of Global Markets Group (Apr 2, 2017) - Executive Vice President (Jan 23, 2017)	- Bachelor Degree in Economics, Waseda University, Japan	Apr 2, 2017 – Jan 25, 2019*	Deputy Head of Global Markets Group	Bank of Ayudhya PCL
		Jan 23, 2017 – Jan 25, 2019*	Executive Vice President	
		Apr 2, 2017 – Aug 31, 2018	Head of Sales and Trading Division, Global Markets Group	
		Apr 2 – Dec 31, 2017	Head of Corporate Treasury Division, Global Markets Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
25. Mr. Takehiko Iwamoto (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark : * Employment with Krungsri ended, effective January 26, 2019		<u>Other Companies/ Organizations</u> Nov 2014 – Apr 2017	Chief Manager, Central Japan Marketing Department, Japanese Customer Marketing Office, Global Markets Marketing Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
		Apr 2012 – Nov 2014	Senior Manager, East Japan Marketing Department, Japanese Customer Marketing Office, Global Markets Marketing Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (Tokyo, Japan)]
26. Mr. Piti Krasaesian Age 50 years - Deputy Chief Credit Officer (Jan 1, 2018) - Executive Vice President (May 1, 2016) % Shareholding ^{1/} 0.0001% (7,924 shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Xavier University - Bachelor of Business Administration (Marketing), Chulalongkorn University	Jan 1, 2018 – Present	Deputy Chief Credit Officer	Bank of Ayudhya PCL
		May 1, 2016 – Present	Executive Vice President	
		May 1, 2016 – Dec 31, 2017	Head of Commercial Credit Analysis Division, Commercial Banking	
		<u>Other Listed Companies</u> Jan 1, 2013 – Aug 31, 2014	Head of Business Banking – Upcountry Executive Vice President	TMB Bank PCL
27. Mr. Masashi Miyazaki Age 48 years - Deputy Chief Financial Officer (Jul 1, 2018) - Head of Corporate Planning Division (Jul 1, 2018) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Law, the University of Tokyo, Japan	Jul 1, 2018 – Present	Deputy Chief Financial Officer	Bank of Ayudhya PCL
		Jul 1, 2018 – Present	Head of Corporate Planning Division	
		Jun 25 – 30, 2018	Executive Vice President, Corporate Planning Division	
		<u>Other Companies/ Organizations</u> May 2016 – Jun 24, 2018	Managing Director, Head of Planning Division and Project Stella PMO Leader (Amsterdam)	MUFG Bank (Europe) N.V. (Amsterdam) [Formerly, the Bank of Tokyo-Mitsubishi UFJ (Holland), N.V. (Amsterdam)]
		Aug 2014 – Apr 2016	Managing Director, Head of Strategic Planning Dept., Planning Division for EMEA (London)	MUFG Bank, Ltd. (London) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (London)]
		Jun 2013 – Jul 2014	Director, Planning Division for EMEA (London)	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
28. Mr. Misuaki Yasui Age 49 years - Deputy Chief Risk Officer (Aug 11, 2018) - Executive Vice President (Aug 11, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Engineering, the University of Tokyo, Japan	Aug 11, 2018 – Present	Deputy Chief Risk Officer	Bank of Ayudhya PCL
		Aug 11, 2018 – Present	Executive Vice President	
		Jan 6, 2014 – Aug 10, 2018	Senior Vice President, Head of Enterprise-Wide Risk Management Division, Risk Management Group	
		Other Companies/ Organizations Jan 2007 – Jan 5, 2014	Managing Director, Risk Management Division for the Americas	MUFG Bank, Ltd. (New York, USA) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd. (New York, USA)]
29. Mr. Udomkarn Udomsab Age 43 years - Executive Vice President, Office of the President and CEO (Nov 1, 2014) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Case Western Reserve University, USA - Master of Science (Economics), University of Illinois at Urbana Champaign, USA - Master of Arts (International Economics and Finance), Chulalongkorn University (International Program) - Bachelor of Science (Accounting), Thammasat University (International Program) - Certificate of Top Executive Program, Capital Market Academy, Class 22/2016 - Certificate of Thammasat Leadership Program (TLP), Class 10/2017 - 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
		Other Listed Companies Dec 1, 2015 – Present	Advisor to the Board of Directors	Pylon PCL
		Other Companies/ Organizations 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.
30. Mrs. Kittiya Srisanit Age 57 years - Executive Vice President, Office of the President and CEO (Oct 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Marymount University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Certificate of Executive Development Program, Cornell University, USA, Year 2017	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 Division, Krungsri Auto Group	
		Other Companies/ Organizations 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	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
30. Mrs. Kittiya Srisanit (Cont')	- Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2012	Jan 1, 2012 – Sep 30, 2014	Executive Vice President, Credit and Operations Management Division	Ayudhya Capital Auto Lease PCL
		Apr 2014 – Present	Director (Authorized Signatory)	Krungsri Leasing Services Co., Ltd.
		Oct 2009 – Present	Director	Ngern Tid Lor Co., Ltd.
31. Miss Siriporn Sinacharoen Age 40 years - Executive Vice President, Office of the President and CEO (Jan 1, 2016) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), Columbia University, USA - Bachelor of Business Administration in Banking and Finance (1st Class Honors), Chulalongkorn University - Chartered Financial Analyst (CFA) - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Corporate Governance for Capital Market Intermediaries (CGI), Year 2016	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	
		May 2014 – Dec 2015	Deputy Chief Investment Officer	Allianz Investment Management Singapore Pte. Ltd.
		Jan 2008 – May 2014	Head of Fixed-Income Asia	
32. Mr. Somwang Toraktrakul Age 50 years - Executive Vice President, Office of the President and CEO (Jan 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Business Management (Marketing), Royal Melbourne Institute of Technology, Australia	Jan 1, 2017 – Present	Executive Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		May 1 – Dec 31, 2016	Executive Vice President, Head of Marketing Planning Division and Acting Head of Marketing Management Department	
		Oct 1, 2015 – Apr 30, 2016	Executive Vice President, Head of Marketing and Branding Division	
		Apr 1, 2012 – Sep 30, 2015	Executive Vice President, Marketing Planning Division	
		<u>Other Companies/ Organizations</u> Jan 1, 2017 – Present	Managing Director	Krungsriayudhya Card Co., Ltd.
		Dec 30, 2016 – Present	Director (Authorized Signatory)	
		Aug 25, 2014 – Aug 9, 2018	Director (Authorized Signatory)	Dan Siam Co., Ltd.
		Aug 25, 2014 – Aug 9, 2018	Director (Authorized Signatory)	Sam Siam Co., Ltd.
33. Mr. Congsin Congcar Age 48 Years - Executive Vice President (Oct 1, 2014) - Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group (Jul 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- SASIN Executive Program (SEP25 Alumni), Sasin Graduate Institute of Business Administration of Chulalongkorn University - Bachelor of Commerce Finance & Accounting, University of Alberta, Canada	Jan 1, 2017 – Present	Head of Krungsri Auto Finance and Strategy Division, Krungsri Auto Group	Bank of Ayudhya PCL
		Oct 1, 2014 – Present	Executive Vice President	
		Jul 1, 2015 – Dec 31, 2016	Head of Krungsri Auto Strategic Division, Krungsri Auto Group	
		Jul 1, 2015 – Dec 31, 2016	Acting Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
33. Mr. Congsin Congcar (Cont')	- Certificate of Executive Development Program, Cornell University, USA, Year 2017 - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2013	Oct 1, 2014 – Jun 30, 2015	Head of Krungsri Auto Finance and Accounting Division, Krungsri Auto Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> May 15, 2017 – Present	Director	Ayudhya Capital Services Co., Ltd.
		2009 – Sep 30, 2014	Chief Financial Officer	Ayudhya Capital Auto Lease PCL
34. Miss Pisara Pattanasiri Age 53 years - Executive Vice President (Jul 1, 2015) - Head of Financial Planning and Analysis Division, Finance Group (Jan 7, 2015) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Seattle University, USA - Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University	Jul 1, 2015 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Financial Planning and Analysis Division, Finance Group	
		Jan 1, 2016 – Jan 7, 2018	Acting Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	
		Jan 7 – Dec 31, 2015	Acting Head of Financial Planning and Analysis Consolidation Department, Finance Group	
		Jan 7 – Jun 30, 2015	Senior Vice President	
		Mar 1, 2013 – Jan 6, 2015	Senior Vice President and Manager, Financial Planning and Analysis Consolidation Department, Finance Group	
		<u>Other Companies/ Organizations</u> May 3, 2017 – Present	Director	Krungsri Ayudhya AMC Ltd.
		May 11, 2015 – Present	Director	Siam Realty and Services Security Co., Ltd.
		Apr 26, 2016 – Apr 17, 2017	Director	Ayudhya Capital Auto Lease PCL
35. Mr. Kriangsak Jongsukgiparnich Age 49 years - Executive Vice President (Mar 1, 2016) - Head of Accounting Division, 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 - Certified Public Accountant (CPA Thailand) - Certificate of Executive Development Program, Cornell University, USA, Year 2017	Mar 1, 2016 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jan 7, 2015 – Present	Head of Accounting Division, Finance Group	
		Jan 7, 2015 – Apr 30, 2018	Acting Head of Operational Controllershship Department, Finance Group	
		Jan 7, 2015 – Feb 29, 2016	Senior Vice President	
		Jul 1, 2013 – Jan 6, 2015	Senior Vice President and Manager Operational Controllershship Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
35. Mr. Kriangsak Jongsukkiaparnich (Cont')	- Seminar on "Learning for KAM's development in order to truly benefit the Thai capital market", Thai Listed Companies Association, Year 2017	<u>Other Companies/ Organizations</u> May 5, 2017 – Present	Director (Authorized Signatory)	Krungsri Factoring Co., Ltd.
36. Miss Jiraporn Popairoj Age 57 years - Executive Vice President (July 1, 2018) - 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) - Acting Head of Financial Compliance and Control Department, Finance Group (Jun 16, 2017) % Shareholding ^{1/} 0.0000% (2,374 shares) Family Relationship with Directors and Executives -None-	- 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) • Director Certification Program (DCP), Year 2006 • Corporate Governance for Capital Market Intermediaries (CGI), Year 2015	Jul 1, 2018 – Present	Executive Vice President	Bank of Ayudhya PCL
		Jun 16, 2017 – Present	Acting Head of Financial Compliance and Control Department, Finance Group	
		Jan 1, 2016 – Present	Head of Financial Governance Risk and Compliance Division, Finance Group	
		Jan 1, 2016 – Present	Acting Head of Internal Control Department, Finance Group	
		Jan 1, 2016 – Present	Acting Head of Related Party Transaction and Insourcing/Outsourcing Department, Finance Group	
		Jan 1, 2016 – Jun 30, 2018	Senior Vice President	
		Sep 16, 2010 – Dec 31, 2015	Senior Vice President and Head of Financial Compliance Department, Finance Group	Krungsri Asset Management Co., Ltd.
		<u>Other Companies/ Organizations</u> Jun 19, 2015 – Jun 22, 2016	Director (Authorized Signatory)	
		Aug 24, 2015 – Jun 22, 2016	Audit Committee Member	
		Jan 15 – Aug 12, 2015	Acting Chief Financial Officer	
		Aug 4, 2014 – Jun 18, 2015	Director	
		Aug 4, 2014 – Jan 14, 2015	Chairman of the Audit Committee	
37. Mrs. Akanit Mattison Age 45 years - Executive Vice President (Feb 1, 2019) - 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	Feb 1, 2019 – Present*	Executive Vice President	Bank of Ayudhya PCL
		Jan 5, 2015 – Present	Head of Financial Planning and Analysis – Retail and Consumer Department, Finance Group	
		Jan 5, 2015 – Jan 31, 2019*	Senior Vice President	
		Jun 16, 2012 – Jan 4, 2015	Senior Vice President and Manager, Consumer and Distribution Financial Planning and Analysis Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
37. Mrs. Akanit Mattison (Cont') Remark: * Last updated information as of February 1, 2019		<u>Other Companies/ Organizations</u> Jul 17, 2018 - Present	Director	Ayudhya Capital Services Co., Ltd.
38. Mrs. Varabhorn Achakornlak Age 54 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 (IFPM), The International Federation of Purchasing and Materials of Management, Salzburg, Austria	Sep 16, 2010 – Present	Senior Vice President, Head of Procurement Department, Finance Group	Bank of Ayudhya PCL
39. Miss Pornnapa Patarasatienkul Age 46 years - Senior Vice President, Head of Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019) - Acting Head of Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Master of Science (Finance), Thammasat University - Bachelor of Banking and Finance, Assumption University	Feb 1, 2019 – Present*	Senior Vice President, Head of Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Feb 1, 2019 – Present*	Acting Head of Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking JPC/MNC and Global Markets Department, Finance Group	
		May 1, 2016 – Jan 31, 2019*	Acting Head of Corporate Financial Planning and Analysis Section, Finance Group	
		Jan 5, 2015 – Jan 31, 2019*	Senior Vice President, Head of Financial Planning and Analysis – Commercial Department, Finance Group	
		Jun 18, 2012 – Jan 4, 2015	Senior Vice President and Manager, Corporate Financial Planning and Analysis Department, Finance Group	
		<u>Other Companies/ Organizations</u> Jul 2011 – Apr 28, 2015	Director	Siam Realty and Services Security Co., Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
40. Mr. Khomson Adunwitthayakorn Age 45 years - Senior Vice President, Head of Accounting and Control Department, Finance Group (Jul 1, 2013) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science (Finance), Chulalongkorn University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Jul 1, 2013 – Present	Senior Vice President, Head of Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
41. Mr. Jamorn Phianphrom Age 57 years - Senior Vice President, Head of Tax and Disbursement Department, Finance Group (Mar 1, 2014) % Shareholding^{1/} 0.0000% (2 shares) Family Relationship with Directors and Executives -None-	- MBA. (Finance), Dhurakij Pundit University - BA., Chiangmai University - Diploma in Tax Law, Thammasat University	Mar 1, 2014 – Present	Senior Vice President, Head of Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2013 – Feb 28, 2014	Vice President, Tax and Disbursement Department, Finance Group	
42. Mrs. Orawan Julapol Age 51 years - Senior Vice President, Head of Financial Reporting Department, Finance Group (Jul 1, 2015) - Acting Head of Basel Reporting Section, Finance Group (Jan 1, 2016) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Science in Accounting, Thammasat University - Bachelor of Accounting, Thammasat University - Bachelor of Law, Thammasat University - Certified Public Accountant (CPA Thailand)	Jan 1, 2016 – Present	Acting Head of Basel Reporting Section, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2015 – Present	Senior Vice President, Head of Financial Reporting Department, Finance Group	
		Jul 1, 2013 – Jun 30, 2015	Vice President and Head of Financial Reporting Department, Finance Group	
43. Miss Sukanda Thawilwang Age 44 years - Senior Vice President, Head of Global Markets and Commercial Product Solution – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Master of Arts in Business and Managerial Economics, (International Program), Chulalongkorn University - Bachelor of Economics (International Program), Thammasat University	Feb 1, 2019 – Present*	Senior Vice President, Head of Global Markets and Commercial Product Solution – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Jul 1, 2015 – Jan 31, 2019*	Senior Vice President, Head of Financial Planning and Analysis – Global Markets Department, Finance Group	
		Jan 5 – Jun 30, 2015	Vice President and Head of Global Markets Financial Planning and Analysis Department, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
43. Miss Sukanda Thawilwang (Cont')		Sep 1, 2012 – Jan 4, 2015	Vice President, Treasury Financial Planning and Analysis Department, Finance Group	Bank of Ayudhya PCL
44. Miss Wimol Sivarorosakul Age 57 years - Senior Vice President, Finance Group (Feb 1, 2019) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Bachelor of Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University - Thai Bankers Association Training School	Feb 1, 2019 – Present*	Senior Vice President, Finance Group	Bank of Ayudhya PCL
		Jan 1, 2016 – Jan 31, 2019*	Senior Vice President, Financial Liaison and Planning Department, Finance Group	
		Jan 5 – Dec 31, 2015	Senior Vice President and Head of Accounting Department (Bangkok Sathon Office), Finance Group	
		<u>Other Companies/ Organizations</u> 2007 – Jan 4, 2015	Assistant General Manager, Accounting Department	MUFG Bank, Ltd., Bangkok Branch (Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch)
45. Mr. Montien Jangsutimon Age 37 years - Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group (Mar 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Finance), Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand) - Diploma in Tax Law, Thammasat University	Mar 1, 2017 – Present	Senior Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2014 – Feb 28, 2017	Vice President, Head of Tax Compliance Section, Tax and Disbursement Department, Finance Group	
		Mar 2011 – Feb 28, 2014	First Assistant Vice President, Tax and Disbursement Department, Finance Group	
46. Mr. Shoji Oishi Age 49 years - Senior Vice President, Finance Group (Feb 1, 2019) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Bachelor of Economics, Kyoto University, Japan	Feb 1, 2019 – Present*	Senior Vice President, Finance Group	Bank of Ayudhya PCL
		Apr 29, 2017 – Jan 31, 2019*	Head of Financial Liaison and Planning Department, Finance Group	
		Apr 10, 2017 – Jan 31, 2019*	Senior Vice President, Financial Liaison and Planning Department, Finance Group	
		<u>Other Companies/ Organizations</u> May 2014 – Apr 2017	Chief Manager, Financial Planning Division, Financial Accounting Office	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)]
		Feb 2010 – May 2014	Director, Planning Division For the Americas, Controllers Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
47. Miss Napaporn Teerakittiwattana Age 50 years - Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jan 8, 2018) - Acting Head of Profitability Management Section, Financial Group (Jan 8, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Assumption University - Bachelor of Accounting, Thammasat University	Jan 8, 2018 – Present	Senior Vice President, Head of Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Jan 8, 2018 – Present	Acting Head of Profitability Management Section, Financial Group	
		<u>Other Companies/ Organizations</u> Oct 2012 – Dec 2017	Senior Manager, Head of CB CIB and GM, Finance and Control	Standard Chartered Bank (Thai) PCL
48. Mr. Teerasak Nimnaparaj Age 43 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	Senior Vice President, Head of Krungsri Auto Financial Planning and Analysis Department	Bank of Ayudhya PCL
		Jan 1, 2017 – Present	Acting Head of Krungsri Auto Financial Planning and Analysis - OPEX Section	
		Jan 1, 2017 – Present	Acting Head of Krungsri Auto Financial Planning and Analysis - Branch/Customer/Competitor Section	
		Nov 1, 2015 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		Jul 1 – Oct 31, 2015	Senior Vice President, Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		Oct 1, 2014 – Jun 30, 2015	Vice President and Head of Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting	Ayudhya Capital Auto Lease PCL
49. Miss Soamkulaya Pinkayan Age 40 years - Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2017)	- MBA. (Finance and Accounting), University of Iowa, USA - Bachelor of Public Administration, Faculty of Political Science, Chulalongkorn University	Jan 1, 2017 – Present	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
49. Miss Soamkulaya Pinkayan (Cont') % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-		May 1 – Dec 31, 2016	Senior Vice President, Head of Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL
		Mar 1 – Dec 31, 2016	Acting Head of Krungsri Auto Finance and Accounting – OPEX/ Branch Channel Section	
		Mar 1 – Apr 30, 2016	Senior Vice President, Krungsri Auto Strategic Division	
		Oct 1, 2014 – Feb 29, 2016	Vice President, Head of Krungsri Auto Finance and Accounting- OPEX/ Branch Channel Section	
		<u>Other Companies/ Organizations</u> Jan 2011 – Sep 30, 2014	Vice President, Finance and Accounting – OPEX/ Branch Channel	Ayudhya Capital Auto Lease PCL
50. Mrs. Tatsawan Dumrisomkul Age 46 years - Senior Vice President, Head of Krungsri Auto Controllership Department (Apr 1, 2018) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Accounting, Bangkok University	Apr 1, 2018 – Present	Senior Vice President, Head of Krungsri Auto Controllership Department	Bank of Ayudhya PCL
		Jan 1, 2017 – Mar 31, 2018	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllership Department	
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Accounting Section, Controllership Department	
		<u>Other Companies/ Organizations</u> Mar 1 – Sep 30, 2014	Vice President, Finance and Accounting Division (Accounting)	Ayudhya Capital Auto Lease PCL
		Jan 1, 2007 – Feb 28, 2014	Assistant Vice President, Finance and Accounting Division (Accounting)	
51. Mr. Okart Supamornpun Age 47 years - Senior Vice President, Office of the President and CEO (Oct 1, 2017) % Shareholding ^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA., Chulalongkorn University - Bachelor of Business Administration, Assumption University	Oct 1, 2017 – Present	Senior Vice President, Office of the President and CEO	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Oct 1, 2017 – Present	Director (Authorized Signatory)	Ayudhya Development Leasing Co., Ltd.
		Oct 1, 2017 – Present	Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Deputy Managing Director	
		Nov 1, 2013 – Sep 30, 2017	Chief of Finance and Operation Officer	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
52. Mr. Sam Tanskul Age 38 years - Senior Vice President, Head of FinTech/Startup Section, Innovation Department (Apr 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Economics in Finance and Management, University of Bristol, UK - Bachelor of Business Administration in Banking and Finance, (Cum-Laude Honors), Assumption University - Academy of Business Creativity, Sripatum University - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Director Certification Program (DCP), Year 2017	Apr 1, 2017 – Present	Senior Vice President, Head of FinTech/Startup Section, Innovation Department	Bank of Ayudhya PCL
		Other Companies/ Organizations Apr 1, 2017 – Present	Senior Vice President, Head of Innovation & Fintech Department	Ayudhya Capital Services Co., Ltd.
		Apr 1, 2017 – Present	Managing Director	Krungsri Finnovate Co., Ltd.
		Mar 27, 2017 – Present	Director (Authorized Signatory)	
		Apr 17, 2005 – Mar 31, 2017	Senior Vice President	Krungsriayudhya Card Co., Ltd.
53. Mrs. Kamoltip Jittimaporn Age 57 years - Senior Vice President, Head of Operational Controllershship Department, Finance Group (Jan 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2019	- MBA. (Computer), Cleveland State University, USA - Bachelor of Business Administration (Accounting), Thammasat University	Jan 1, 2019 – Present*	Senior Vice President, Head of Operational Controllershship Department, Finance Group	Bank of Ayudhya PCL
		May 1 – Dec 31, 2018*	Vice President, Head of Operational Controllershship Department, Finance Group	
		Dec 1, 2013 – Apr 30, 2018	Vice President, Head of Group Center of Excellence Finance Initiative Section, Operational Controllershship Department, Finance Group	
54. Miss Benjawan Surachutikarn Age 48 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	Vice President, Head of Foreign Business Accounting Department, Finance Group	Bank of Ayudhya PCL
		Aug 1, 2013 – Dec 31, 2015	Vice President and Head of Foreign Branch Financial Reporting Section, Financial Compliance Department, Finance Group	
55. Mr. Takahisa Ishida Age 36 years - Vice President, Accounting Division, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Ethics, Faculty of Letters, Kyoto University, Japan	Feb 1, 2019 – Present*	Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Apr 9, 2018 – Jan 31, 2019*	Vice President, Head of Foreign Financial Reporting Department, Accounting Division, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
55. Mr. Takahisa Ishida (Cont') Remark: * Last updated information as of February 1, 2019		Apr 12, 2016 – Jan 31, 2019*	Vice President, Governance Planning Section, Governance Planning and Strategy Management Department, Corporate Planning Division, Corporate Strategy and Planning Group	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Jun 2008 – Apr 2016	Manager of Financial Accounting Office, Financial Planning Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)]
56. Miss Siriporn Sribooncharoen Age 45 years - Vice President, Commercial and JPC/MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- MS. (Finance), Chulalongkorn University - BBA. (Finance), Assumption University	Feb 1, 2019 – Present*	Vice President, Commercial and JPC MNC Segment – Financial Planning and Analysis Section, Financial Planning and Analysis – Commercial Banking, JPC/MNC and Global Markets Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019*	Vice President, Head of SME Financial Planning and Analysis Section, Finance Group	
		Nov 20, 2012 – Jan 4, 2015	Vice President, SME Financial Planning and Analysis Department, Finance Group	
57. Mrs. Samanporn Chantanahom Age 57 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	Vice President, Head of Financial Database Management Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2012 – Dec 31, 2015	Vice President, Financial Planning and Analysis Consolidation Department, Finance Group	
58. Miss Rattaporn Pornprasit Age 43 years - Vice President, Head of Retail Banking Product and Consumer Finance - Financial Planning and Analysis Section, Financial Planning and Analysis - Retail Banking and Consumer Finance Department, Finance Group (Feb 1, 2019) % 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	Feb 1, 2019 – Present*	Vice President, Head of Retail Banking Product and Consumer Finance - Financial Planning and Analysis Section, Financial Planning and Analysis - Retail Banking and Consumer Finance Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019*	Vice President, Head of Retail Banking Financial Planning and Analysis Section, Finance Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
58. Miss Rattaporn Pornprasit (Cont') Remark: * Last updated information as of February 1, 2019		Apr 18, 2013 – Jan 4, 2015	Vice President and Section Manager, Consumer Financial Planning and Analysis Section, Finance Group	Bank of Ayudhya PCL
59. Mrs. Anantaya Padanupong Age 41 years - Vice President, Head of Retail Segments and Channel – Financial Planning and Analysis Section, Financial Planning and Analysis – Retail Banking and Consumer Finance Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Master of Commerce in Accounting and Finance Macquarie University, Australia - Bachelor of Science (Accounting) Thammasat University	Feb 1, 2019 – Present*	Vice President, Head of Retail Segments and Channel – Financial Planning and Analysis Section, Financial Planning and Analysis – Retail Banking and Consumer Finance Department, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019*	Vice President, Head of Distribution and Channel Financial Planning and Analysis Section, Finance Group	
		Nov 16, 2013 – Jan 4, 2015	Vice President and Section Manager, Distribution Financial Planning and Analysis Section, Finance Group	
60. Miss Sunan Pimsawang Age 47 years - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- MBA. Bangkok University - Bachelor of Accounting, Rajamangala University of Technology Thanyaburi	Feb 1, 2019 – Present*	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2014 – Jan 31, 2019*	Vice President, Head of BOT Reporting Section, Financial Reporting Department, Finance Group	
		Jan 2012 – Feb 28, 2014	First Assistant Vice President, BOT Reporting Section, Finance Group	
61. Miss Porntip Undamrongkarn Age 43 years - Vice President, Accounting Division, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- MBA., Assumption University - Bachelor of Accounting Thammasat University	Feb 1, 2019 – Present*	Vice President, Accounting Division, Finance Group	Bank of Ayudhya PCL
		Jan 5, 2015 – Jan 31, 2019*	Vice President, Foreign Financial Reporting Department, Finance Group	
		Aug 16, 2014 - Jan 4, 2015	Vice President, Accounting Division, Finance Group	
		Other Companies / Organizations Feb – Aug 15, 2014	Core Banking Project – Lending Stream Lead	Standard Chartered Bank (Thai) PCL
		Jan 2013 – Jan 2014	Lending Operations Senior Manager	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
62. Miss Thitiporn Kittipiyakul Age 44 years - Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group (Dec 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (Accounting), Kasetsart University - Bachelor of Business Administration (Accounting), Ramkhamhaeng University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present	Vice President, Head of Accounting Closing Section, Accounting and Control Department, Finance Group	Bank of Ayudhya PCL
		Jan 5 – Nov 30, 2015	Vice President, Accounting Department (Bangkok Sathon Office), Finance Group	
		Other Companies/ Organizations Apr 1, 2014 – Jan 4, 2015	Accounting Senior Manager	MUFG Bank, Ltd., Bangkok Branch
		2009 – Mar 30, 2014	Accounting Manager	(Formerly, the Bank of Tokyo-Mitsubishi UFJ, Ltd., Bangkok Branch)
63. Mr. Vichai Kolsonvoravattanukul Age 39 years - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Master of Accountancy, Chulalongkorn University - Bachelor of Business Administration (Accounting), Assumption University	Feb 1, 2019 – Present*	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Mar 1, 2015 – Jan 31, 2019*	Vice President, Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	
		Mar 2011 – Feb 28, 2015	First Assistant Vice President and Head of Finance Center Point of Contact (CPC) - Bank Initiative Support Section, Operational Controllership Department, Finance Group	
64. Mrs. Suchavalee Srisarakorn Age 50 years - Vice President, Finance Group (Dec 1, 2015) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Bachelor of Accounting, Faculty of Commerce and Accountancy, Thammasat University - Certified Public Accountant (CPA Thailand)	Dec 1, 2015 – Present	Vice President, Finance Group	Bank of Ayudhya PCL
		Other Companies/ Organizations Dec 1, 2015 – Present	Senior Vice President, Head of Finance & Accounting, Finance & Accounting Department	Ayudhya Development Leasing Co., Ltd.
		Oct 2005 – Nov 30, 2015	Senior Vice President, Accounting and Finance Department, Support Division	KTBL Leasing Co., Ltd.
65. Miss Ananya Nopkhun Age 42 years - Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group (Jul 16, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance), University of Technology Sydney, Australia - Bachelor of Business Administration (International Business Management), University of the Thai Chamber of Commerce	Jul 16, 2017 – Present	Vice President, Head of Enabling and Infrastructure Support Section, Financial Planning and Analysis – Consolidation and Reporting Department, Finance Group	Bank of Ayudhya PCL
		Other Companies/ Organizations Mar 2007 – Jul 2017	Senior Manager, Business Finance, Wholesale Banking	Standard Chartered Bank (Thai) PCL

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
66. Mr. Suphawut Kitkuakosol Age 39 years - Vice President, Head of Internal Control & Financial Compliance Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- MBA. (Business Administration), Chulalongkorn University - Bachelor of Laws (Business Laws), Chulalongkorn University - Bachelor of Accountancy (Accounting), Chulalongkorn University - Certified Public Accountant (CPA Thailand) - Attorney-at-law	Feb 1, 2019 – Present*	Vice President, Head of Internal Control & Financial Compliance Department, Finance Group	Bank of Ayudhya PCL
		Oct 1, 2017 – Jan 31, 2019*	Vice President, Head of Financial Control Section, Financial Compliance and Control Department, Finance Group	
		Other Companies/ Organizations Sep 2013 - Sep 2017	Vice President, Head of Business Operational Risk, Retail Banking	Standard Chartered Bank (Thai) PCL
67. Mrs. Phatcharin Angkhasekvinai Age 44 years - Vice President, Head of Bank and Group Financial Reporting Section, Financial Reporting Department, Financial Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Master of Accountancy, Chulalongkorn University - Bachelor of Accounting, Bangkok University	Feb 1, 2019 – Present*	Vice President, Head of Bank and Group Financial Reporting Section, Financial Reporting Department, Financial Group	Bank of Ayudhya PCL
		Mar 1, 2018 – Jan 31, 2019*	Vice President, Head of Bank Financial Reporting Section, Financial Reporting Department, Financial Group	
		Mar 1, 2015 – Feb 28, 2018	First Assistant Vice President, Financial Reporting Department, Financial Group	
		Mar 1, 2013 – Feb 28, 2015	Assistant Vice President, Financial Reporting Department, Financial Group	
68. Mrs. Weena Ratthapoom Age 49 years - Vice President, Procurement Department, Financial Group (Mar 1, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Business Administration (Industrial Management) Rajamangala University of Technology, Thanyaburi - High Vocational Certificate, Tourism Industry (Hotel Management) Rajamangala University of Technology Krungthep - Vocational Certificate in Marketing, Rajamangala University of Technology Pra Nakorn	Mar 1, 2018 – Present	Vice President, Procurement Department, Financial Group	Bank of Ayudhya PCL
		Mar 16, 2015 – Feb 28, 2018	First Assistant Vice President, Procurement Department, Financial Group	
		Other Companies/ Organizations Mar 18, 2013 – Mar 15, 2015	Manager, Procurement and Administration Department	Transpo International Ltd.

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
69. Miss Janyarak Chuseng Age 41 years - Vice President, Operational Controllership Department, Finance Group (Feb 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of February 1, 2019	- Bachelor of Finance and Accounting (Finance), Thammasat University	Feb 1, 2019 – Present*	Vice President, Operational Controllership Department, Finance Group	Bank of Ayudhya PCL
		Jul 9, 2018 – Jan 31, 2019*	Vice President, Head of Finance System Management Section, Operational Controllership Department, Finance Group	
		Other Listed Companies Apr 16, 2015 – Jul 8, 2018	Vice President, Head of Account Payable and Supporting Function	Kiatnakin Bank PCL
		Other Companies / Organizations Aug 16, 1999 – Apr 16, 2015	Assistant Vice President, Buy to Pay Leader	GE International Holding Corporation PCL
70. Miss Nipa Wongprasert Age 43 years - Vice President, Finance Group (Sep 1, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (MBA), Chulalongkorn University - Bachelor of Finance and Accounting (Accounting), Thammasat University	Sep 1, 2018 – Present	Vice President, Financial Group	Bank of Ayudhya PCL
		Other Companies / Organizations Sep 1, 2018 – Present	Chief of Financial Officer	Krungsri Asset Management Ltd.
		Oct 23, 2000 – Aug 31, 2018	Head of Finance - Thailand	Aberdeen Standard Asset Management (Thailand) Ltd.
71. Miss Chanida Kwansanerthechin Age 48 years - Senior Vice President, Head of Krungsri Auto Tax Controllership Section (Jan 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None- Remark: * Last updated information as of January 1, 2019	- Master of Taxation, University of the Thai Chamber of Commerce - Bachelor of Finance and Accounting, University of the Thai Chamber of Commerce - Tax Auditor	Jan 1, 2019 – Present*	Senior Vice President, Head of Krungsri Auto Tax Controllership Section	Bank of Ayudhya PCL
		Jan 1, 2017 – Dec 31, 2018*	Vice President, Head of Krungsri Auto Tax Controllership Section	
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting – Tax Controller Section	
		Other Companies / Organizations Feb 2007 – Sep 30, 2014	Vice President, Finance and Accounting – Tax Controller Unit, Auto Business	Ayudhya Capital Auto Lease PCL
72. Miss Sujinda Ninatkiattikul Age 40 years - Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Industrial Engineering, Faculty of Engineering, Chulalongkorn University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	Bank of Ayudhya PCL
		Oct 1, 2015 – Dec 31, 2016	Vice President, Head of Krungsri Auto Business Implementation and Process Improvement Department	
		Jun 1, 2011 – Sep 30, 2015	First Assistant Vice President, Krungsri Auto Quality and CE Strategy	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
73. Miss Thanawan Santananont Age 54 years - Vice President, Head of Krungsri Auto Procurement Section (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA. (English Program), Business Communication, University of the Thai Chamber of Commerce - Bachelor of Political Science (Public Administration), Thammasat University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Procurement Section	Bank of Ayudhya PCL
		Oct 1, 2014 – Dec 31, 2016	Vice President, Head of Krungsri Auto Finance and Accounting - Sourcing Section, Controllershship Department	
		<u>Other Companies/ Organizations</u> 2014 – Sep 30, 2014	Vice President, Finance and Accounting - Sourcing	Ayudhya Capital Auto Lease PCL
74. Miss Chavakorn Chavalerdpanyakul Age 43 years - Vice President, Head of Krungsri Auto Financial Planning and Analysis - Product Section, Krungsri Auto Financial Planning and Analysis Department (Jan 1, 2017) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Management (Finance) College of Management, Mahidol University - Bachelor of Administration Management (Accounting), Ramkhamhaeng University	Jan 1, 2017 – Present	Vice President, Head of Krungsri Auto Financial Planning and Analysis-Product Section, Krungsri Auto Financial Planning and Analysis Department	Bank of Ayudhya PCL
		Mar 1 – Dec 31, 2016	Vice President, Krungsri Auto Finance and Accounting – Financial Planning and Product Analysis Department	
		Oct 1, 2014 – Feb 29, 2016	First Assistant Vice President, Krungsri Auto Finance and Accounting - Financial Planning and Product Analysis Department	
		<u>Other Companies/ Organizations</u> Mar 1, 2012 – Sep 30, 2014	Assistant Vice President Finance & Accounting- Financial Planning and Product Analysis Department	Ayudhya Capital Auto Lease PCL
75. Miss Nareerat Surakha Age 48 years - Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department (Apr 1, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor Economics (Monetary Economic), Ramkhamhaeng University - Bachelor of Business Administration (Accounting), Suan Dusit University	Apr 1, 2018 – Present	Vice President, Head of Krungsri Auto Accounting Section, Krungsri Auto Controllershship Department	Bank of Ayudhya PCL
		Mar 1 – 31, 2018	Vice President, Head of Krungsri Auto Portfolio/Closing Unit, Auto Portfolio/Closing Group	
		Mar 1, 2011 – Feb 28, 2017	First Assistant Vice President, Krungsri Auto Portfolio/Closing Unit, Auto Portfolio/ Closing Group	

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
76. Mr. Pises Klommit Age 50 years - Vice President, Head of Krungsri Auto Data Management/Reporting Unit, Krungsri Auto Controllershship Department (Apr 1, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Master of Business Administration (Finance) Kasetsart University - Bachelor of Business Administration (Finance), Ramkhamhaeng University	Apr 1, 2018 – Present	Vice President, Head of Krungsri Auto Data Management/Reporting Unit, Krungsri Auto Controllershship Department	Bank of Ayudhya PCL
		<u>Other Companies/ Organizations</u> Jan 1, 2013 – Present	Vice President Data Management/Reporting	Ayudhya Capital Auto Lease PCL

Remark: ^{1/} Including spouse and minor children.

- * Acts as person with managerial authority under the Bank of Thailand (BoT)'s definition and holds the directorship in subsidiaries and/or any other companies.

In addition, there are another 11 Krungsri's executives acting as persons with managerial authority under BoT's definition and holding the directorships in subsidiaries and/or any other companies, as follows:

1. Miss Yaowaluck Charnyapornpong	Director (Authorized Signatory), D-Net Solution Co., Ltd.
2. Miss Montira Arayangkoon	Director, Ayudhya Capital Services Co., Ltd.
3. Mr. Payung Leewongjaroen	Director, Krungsri Asset Management Co., Ltd.
4. Mrs. Chotinart Yongsoontorn	Director (Authorized Signatory), Siam Realty and Services Security Co., Ltd.
5. Mr. Krittapak Suwanapong	Director, Siam Realty and Services Security Co., Ltd.
6. Mrs. Nitaya Ounhirunskul	Director (Authorized Signatory), Krungsri Factoring Co., Ltd.
	Director (Authorized Signatory), Ayudhya Development Leasing Co., Ltd.
7. Mr. Saran Sasanavin	Director, General Card Services Ltd.
8. Mr. Thongchai Vajapattana	Director, Ben Decs Co., Ltd.
9. Mr. Somprawin Manprasert	Director, The Erawan Group PCL
10. Mr. Waichiro Matsumoto	Director, Bangkok MUFG Ltd.
11. Miss Saisunee Hanprathueangsil	Director Ayudhya Capital Auto Lease PCL
	Director (Authorized Signatory), Affiniti Group (Thailand) Ltd.
	Director, Affiniti Marketing Pty Ltd.
	Director, Affiniti Group (Singapore) Pty Ltd.

• Newly Appointed Executives after December 31, 2018 in the total of 3 persons are as follows:

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
1. Mr. Masahiro Matsumoto Age 46 years - Deputy Head of Transaction Banking Group (Jan 1, 2019) - Acting Head of Planning Division Transaction Banking Group (Jan 1, 2019) - Executive Vice President (May 21, 2018) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Agriculture, Kyoto University, Japan	Jan 1, 2019 – Present	Deputy Head of Transaction Banking Group	Bank of Ayudhya PCL
		Jan 1, 2019 – Present	Acting Head of Planning Division, Transaction Banking Group	
		May 21, 2018 – Present	Executive Vice President	
		Jul 7 – Dec 31, 2018	Head of Planning Division, Transaction Banking Group	
		Other Companies/ Organizations		
		2016 – 2018	Chief Manager, Transaction Banking Group, Transaction Banking Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)]
2. Mr. Shinichiro Namiki Age 48 years - Deputy Head of Global Markets Group (Jan 26, 2019) - Executive Vice President (Jan 20, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- Bachelor of Arts in Business and Commerce, from Keio University, Japan	Jan 26, 2019 – Present	Deputy Head of Global Markets Group	Bank of Ayudhya PCL
		Jan 20, 2019 – Present	Executive Vice President, Global Markets Group	
		Other Listed Companies		
		Jun 2018 – Jan 2019	Managing Director, Deputy Head of Global Markets Operation Division	MUFG Bank, Ltd. (Tokyo, Japan) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd., (Tokyo, Japan)]
		Jun 2016 – Jun 2018	Chief Manager, Head of Operations Planning Dept. Global Markets Operations Division	
		Nov 2013 – Jun 2016	Chief Manager, Head of Planning & Business Strategy Dept., Global Markets Division for ASEAN Region	MUFG Bank, Ltd. (Singapore) [Formerly, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Singapore)]
3. Miss Natpapat Samart Age 38 years - Vice President, Strategic Senior Specialist, Krungsri Auto Strategic Formulation and Alignment Department (Jan 1, 2019) % Shareholding^{1/} -None- Family Relationship with Directors and Executives -None-	- MBA Global Business Leadership, Concentration: Marketing at Johnson & Wales University, Rhode Island - Bachelor of Business Administration in Marketing, Rajamangala University of Technology - Certificate of training and seminar, Thai Institute of Directors Association (IOD) • Successful formulation & execution the strategy, Year 2015	Jan 1, 2019 – Present	Vice President, Strategic Senior Specialist, Krungsri Auto Strategic Formulation and Alignment Department	Bank of Ayudhya PCL
		Apr 1, 2015 – Dec 31, 2018	First Assistant Vice President, Strategic Senior Specialist Krungsri Auto Strategic Formulation and Alignment Department, Krungsri Auto Group	
		Other Companies/ Organizations		
		Apr 1, 2013 – Mar 31, 2015	Assistant Vice President – Corporate Strategy at Krungsri Auto	Ayudhya Capital Auto Lease PCL

Remark: ^{1/} Including spouse and minor children.

• Corporate Secretary

Name – Surname Age and Position (Appointment Date)	Education and training	Work Experience in the last 5 years		
		Period	Position	Name of Companies / Organizations
Mrs. Thidarat Sethavaravichit Age 49 years - Senior Vice President, Head of Corporate Secretariat Department (Jul 1, 2010) - Corporate Secretary and Secretary to the Board of Directors (Jul 1, 2008) - Secretary to the Executive Committee (Jul 1, 2008) % Shareholding^{1/} 0.0000% (1,000 shares) Family Relationship with Directors and Executives -None-	- EMBA, Sasin Graduate Institute of Business Administration of Chulalongkorn University - LL.M., Case Western Reserve University, Ohio, USA - Barrister at Law, Thailand - Bachelor of Laws, Chulalongkorn University - Master Class "Corporate Governance and Director Duties Excellence 2017", Singapore - CG Code workshop, PwC, Year 2018 - IT Security Trend Update, Year 2018 - 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	Senior Vice President, Head of Corporate Secretariat Department	Bank of Ayudhya PCL
		Jul 1, 2008 – Present	Corporate Secretary and Secretary to the Board of Directors	
		Jul 1, 2008 – Present	Secretary to the Executive Committee	
		Nov 2008 – Dec 31, 2017	Ombudsperson	

Remark: ^{1/} Including spouse and minor child.

Roles and Responsibilities of the Corporate Secretary

1. Fulfill the duties of Corporate Secretary as stipulated by law and as assigned by the Board of Directors;
2. Ensure that various activities of the Board of Directors are in compliance with relevant laws, rules and regulations;
3. Organize meetings of shareholders and Board of Directors, prepare minutes of those meetings in compliance with laws and the regulations and follow up matters arising from the meetings' resolutions;
4. Provide the Board of Directors with advice on relevant legal issues and the regulations to be aware of in performing their duties for the benefit of Krungsri;
5. Arrange for an orientation and provide information to newly appointed directors;
6. Coordinate with the secretaries to the Committees being appointed by the Board of Directors.

Remuneration of Directors and Executives

(as per definitions determined by the SEC)

Remuneration of Directors: The Bank has established clear and transparent policies related to directors' remuneration which is comparable to the level paid in the industry and the remuneration has been approved by the shareholders' meeting. Directors appointed as members of the Audit Committee, the Nomination and Remuneration Committee, or the Risk and Compliance Committee receive additional compensation commensurate with the increased workload.

Remuneration of executives: Remuneration of executives is in accordance with the principles and policies set by the Board of Directors and linked to business performance of the Bank and their individual performance.

Remuneration in 2018: Remuneration paid by the Bank in 2018 to directors and executives is as per the following details:

Cash remuneration

(1) Total directors' remuneration (retainer fee, other annual compensation, and attendance fee) of the 16 directors amounts to Baht 53,172,000.00. Details of the remuneration paid to each director are as follows:

(Unit: Baht)

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
Non-Executive Directors							
1. Mr. Veraphan Teepsuwan ^{1/} - Chairman of the Board of Directors	3,432,000.00	1,529,000.00	2,134,000.00	-	-	-	7,095,000.00
2. Mr. Takayoshi Futae ^{2/} - Vice Chairman - Member of the Nomination and Remuneration Committee	1,554,000.00	750,000.00	786,000.00	-	420,000.00	-	3,510,000.00
3. Mr. Atsushi Murakami ^{3/} - Vice Chairman - Member of the Nomination and Remuneration Committee	1,554,000.00	750,000.00	786,000.00	-	420,000.00	-	3,510,000.00
4. Mr. Takeshi Ogasawara ^{4/} - Member of the Risk and Compliance Committee	1,248,000.00	600,000.00	624,000.00	-	-	420,000.00	2,892,000.00
5. Mr. Toru Matsuda ^{5/} - Member of the Risk and Compliance Committee	1,248,000.00	600,000.00	624,000.00	-	-	420,000.00	2,892,000.00
6. Mr. Hirotake Taguchi ^{6/} - Director	1,456,000.00	700,000.00	728,000.00	-	-	-	2,884,000.00
7. Ms. Junko Kawano ^{7/} - Director	1,040,000.00	500,000.00	520,000.00	-	-	-	2,060,000.00
8. Ms. Nopporn Tirawattanagool - Member of the Nomination and Remuneration Committee - Member of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	840,000.00	840,000.00	6,624,000.00
Independent Directors							
9. Mr. Karun Kittisataporn - Chairman of the Nomination and Remuneration Committee	2,496,000.00	1,200,000.00	1,248,000.00	-	876,000.00	-	5,820,000.00
10. Mr. Virat Phairatphiboon ^{8/} - Member of the Audit Committee - Chairman of the Risk and Compliance Committee	2,496,000.00	1,200,000.00	1,248,000.00	840,000.00	700,000.00	146,000.00	6,630,000.00
11. Ms. Potjanee Thanavaranit - Chairman of the Audit Committee	2,496,000.00	1,200,000.00	1,248,000.00	876,000.00	-	-	5,820,000.00

List of Directors	Remuneration of the Board of Directors			Remuneration of the Audit Committee	Remuneration of the Nomination and Remuneration Committee	Remuneration of the Risk and Compliance Committee	Total Remuneration
	Retainer fee	Attendance fee	Other Annual Compensation				
12. Mr. Phong-adul Kristnaraj ^{9/} - Chairman of the Risk and Compliance Committee - Member of the Audit Committee	873,600.00	420,000.00	436,800.00	294,000.00	-	306,600.00	2,331,000.00
13. Dr. Jamlong Atikul ^{10/} - Member of the Audit Committee - Member of the Nomination and Remuneration Committee	416,000.00	200,000.00	208,000.00	140,000.00	140,000.00	-	1,104,000.00
Executive Directors *							
14. Mr. Noriaki Goto	-	-	-	-	-	-	-
15. Mr. Pornsanong Tuchinda	-	-	-	-	-	-	-
16. Ms. Duangdao Wongpanitkrit	-	-	-	-	-	-	-

Remark: * Executive directors are not entitled to remuneration paid to directors.

^{1/} Waived the right to receive directors' remuneration of 1 month, i.e. September 2018, and gave the amount to the Bank for merit making in the Bank's Kathin Ceremony 2018

^{2/} Resigned on 1 July 2018

^{3/} Appointed as Vice Chairman on 1 July 2018

^{4/} Resigned on 1 July 2018

^{5/} Appointed as Director on 1 July 2018

^{6/} Resigned on 1 August 2018

^{7/} Appointed as Director on 1 August 2018

^{8/} Ceased to serve as Member of the Nomination and Remuneration Committee on 1 November 2018 and Appointed as Chairman of the Risk and Compliance Committee on 1 November 2018

^{9/} Passed away on 7 May 2018

^{10/} Appointed as Director on 1 November 2018

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

(3) The total executives' remuneration paid in 2018 in the form of salary and bonus are as follows:

(3.1) Remuneration paid to the executives as defined by the Capital Market Supervisory Board and Krungsri, i.e. President and Chief Executive Officer, Head and Deputy Head of Commercial Banking, Head and Deputy Head of Retail and Consumer Banking, Head and Deputy Head of JPC/MNC Banking, Chief Information and Operations Officer, Head of Group/Chief Officer and Deputy Head of Group/Deputy Chief Officer, and Executive Vice President and above serving as Managing Director of the companies in Krungsri Group and/or being under the Office of the President and CEO and Finance and Accounting Group/Division totaling 50 persons, amounts to 546,157,006.26 baht.

(3.2) Remuneration paid to the executives as defined by the Bank of Thailand, i.e. Executive Vice President and above, totaling 95 persons, amounts to 891,289,443.58 baht.

Remark:

- 9 new executives joined Krungsri during the year.
- 5 executives resigned from Krungsri during the year.

Other remuneration

Directors and executives are entitled to receive other benefits and welfare in accordance with Krungsri's regulations. Directors are entitled to receive benefits, including rights for medical benefits and annual health check-up, life and accident insurance, company car. Krungsri executives are entitled to receive other benefits and welfare i.e. medical benefits, health check-up, life and accident insurance, welfare loans, social security contribution and provident fund contribution. In 2018, the Bank's provident fund contribution for executives under item (3.1) was 23,249,311.58 baht in total while the provident fund contribution for executives under item (3.2) was 37,668,014.34 baht in total. In addition, Krungsri does not provide any non-cash remuneration such as shares/warrants to executives.



เรื่องเงิน
เรียนง่าย

กรุงศรี
รอบรู้เรื่องเงิน

Simple
to Learn

กรุงศรี
เรื่องเงิน



6 CORPORATE SOCIAL RESPONSIBILITY

As a Domestic Systemically Important Bank (D-SIB), Krungsri is committed to being a responsible financial service provider, operating under the principle of good corporate governance and with responsibility toward society and all stakeholders.

With the mission 'to be a leading regional financial institution with global reach, committed to responsibly meeting the 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 assume responsibility for this.

Our commitment to the creation of shared values is upheld by employees across Krungsri Group as demonstrated through our CSR-in-process practices and CSR-after-process activities. We are committed to promoting sustainable socio-economic and environmental development, and good governance.

guidelines cover internal control systems, internal audit, effective risk management, continuous monitoring and reporting, as well as measures for filing complaints about employees' or other stakeholders' unethical acts or suspicious conduct. Moreover, the Bank has adopted a code of conduct called The Spirit & The Letter, and a manual on good supervision in business operations, revised to align with the international standard framework, CG ASEAN Scorecard, as well as regulatory guidelines from the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand for all executives and employees.

2. FAIR BUSINESS PRACTICES

Krungsri promotes fair competition and proper treatment of stakeholders and members of the supply chain, including

OUR COMMITMENT TO THE CREATION OF SHARED VALUES IS UPHELD BY EMPLOYEES ACROSS KRUNGSRI GROUP AS DEMONSTRATED THROUGH OUR CSR-IN-PROCESS PRACTICES AND CSR-AFTER-PROCESS ACTIVITIES. WE ARE COMMITTED TO PROMOTING SUSTAINABLE SOCIO-ECONOMIC AND ENVIRONMENTAL DEVELOPMENT, AND GOOD GOVERNANCE.

In 2018, Krungsri Group continued to build upon the four CSR pillars:

1. Creating Sustainability Value
2. Giving Back to the Community
3. Preserving Environment
4. Providing Financial Support

As a Domestic Systemically Important Bank (D-SIB), Krungsri is committed to being a responsible financial service provider, operating under the principle of good corporate governance and with responsibility toward society and all stakeholders. Krungsri follows the Stock Exchange of Thailand's corporate social responsibility guidelines and international standards encompassing all economic, social, environmental, and governance matters for sustainable growth.

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. Our established practice

shareholders, business partners, counterparties, customers, competitors, and professional associations joined by Krungsri. To ensure the fair treatment of stakeholders, Krungsri advocates fair competition, promoting responsibility toward society as a business partner, and respect for intellectual property rights to create shared values.

In 2018, Krungsri achieved a corporate governance score of 'Excellent' from the National Corporate Governance Committee. Other awards and marks of recognition with regards to ESG practices included:

- Asia's Icon on Corporate Governance, in recognition of our corporate governance excellence for the fifth consecutive year, at the 14th Corporate Governance Asia Recognition Awards 2018, hosted by Corporate Governance Asia magazine;
- Asiamoney Best Bank Awards 2018: Thailand – Best Bank for CSR;
- The Asset Corporate Award – Platinum from The Asset, for the third consecutive year, considered the highest award for an organization that has attained excellence in all three dimensions of corporate social responsibility, the environment, and good governance.



3. ANTI-CORRUPTION

Krungsri's anti-corruption policies include fraud risk management plans, anti-corruption practices, continuous supervision and monitoring of compliance with anti-corruption policies, whistleblowing, as well as the formation of an anti-corruption committee to effectively manage any instances of corruption within the organization.

We encourage our people to be well-informed and to observe the Bank's anti-corruption policies and practices. All Krungsri employees are required to take 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); Corporate Governance; and Related Party Transactions (RPT) (a newly added, compulsory course in 2018) in order to prevent potential conflicts of interest, create transparency and fairness, and eliminate corruption.

Furthermore, executives and employees of Krungsri Group continued their participation in the 'National Anti-Corruption Day' held by ACT (Thailand), taking part in the movement to act against all forms of corruption at the national level, for the public benefit.

4. RESPECT FOR HUMAN RIGHTS

Respect for the human rights and dignity of all stakeholders is enshrined in Krungsri's values – fair and equitable treatment regardless of ethnicity, faith, gender, or age is the foundation of our human resources development and business relations. Not only does the Bank observe the law and the universal principles of human rights, we also treat all stakeholder groups fairly and equitably; business



practices that violate human rights are prohibited. Equal service for every customer is encouraged: For example, specially designed buildings with facilities for the disabled or physically challenged are provided.

The Bank also realizes the importance of children's rights aligned with business principles as per the Children's Rights and Business Principles (CRBP) set out by UNICEF. A child care facility is provided on the 12th floor of the Head Office.

Furthermore, we provide a procedure for stakeholders who may wish to file human rights violation complaints via our Call Center 1572 or our internal channels for employees.

5. FAIR LABOR PRACTICES

Krungsri respects and observes fair labor practices by honoring employee rights according to the principles of human rights and fundamental rights at work. We offer proper employee welfare, compliance with applicable laws and regulations, as well as social and health protection, including workplace safety. Furthermore, a Safety, Occupational Health and Environment Committee has been established, comprising employees and executives in accordance with the ratio stipulated by law.

Regarding health practices, an annual health check-up is offered to employees along with the provision of the Bank's in-house clinic where professional medics can administer primary care. Moreover, the 'Happy Heart Center' stands ready to provide psychological and consultation services, as we recognize that our employees' mental health can significantly affect their physical health. We also encourage our employees to exercise by arranging evening

yoga and aerobics classes for them. The spacious Krungsri Fitness Center on the 10th floor at the Head Office offers varied exercise equipment, shower rooms, and locker room facilities. Moreover, fitness trainers and nutritionists are available to provide personal consultancy and thus safely achieve the desired results. In addition to having good health, our employees can save money since they do not have to pay for personal fitness training elsewhere.

Krungsri has cultivated proper working conditions with a non-discriminatory and respectful working environment. In 2018, we initiated the Krungsri Pride program, in which employees Group-wide nominated colleagues or supervisors (both permanent and contract staff) who had demonstrated the qualities of excellence in accordance with the program's criteria, to receive honorable awards. The aim was to create an opportunity for Krungsri people to express appreciation of and admiration for their inspirational role models in the organization, as we believe that no reward is greater and more fulfilling than 'valuing and recognizing each other'.

Employees' freedom to establish the Labor Union of Bank of Ayudhya reflects our respect for employee rights and freedom. Also, employees can inquire about welfare and benefits, file complaints, or inform the Human Resources Group of rights and working-condition issues through an internal channel (HR Service 5577) anytime during office hours (8.30-17.30 hrs.).



6. RESPONSIBILITY TOWARD CONSUMERS

Customer centricity is one of our core values, and is vital in our business operations to ensure that we offer suitable financial products and excellent services. Customer centricity has helped the Bank's business continuously meet customer demand and comply with regulations including the rules set by the Bank of Thailand, the Office of 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 2018, Krungsri continued to show its responsibility toward society under the concept 'Simple to Share' through 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 the foundation for a secure life and thus a strong, sustainable society.

Krungsri encourages and supports employees in continuously giving back to society and contributing to social development. In 2018, we held the third annual ESG Open House event under the theme 'ESG – A Key toward Sustainability' to raise employee awareness of sustained social development. Advocated at the event were Krungsri Group's four CSR Pillars: 1) Creating sustainability value; 2) Giving back to the community; 3) Preserving the environment; and 4) Providing financial support. Employees were invited to sign up as Krungsri volunteers in support of all four pillars.

Krungsri's CSR success is grounded in cooperation from all employee groups, which starts with the 'Krungsri Volunteers' efforts. Krungsri Group takes pride in its employees' remarkable contributions to the CSR activities conducted year-round.



Giving Back to Society

Financial Literacy and Educational Support

- Krungsri Financial Literacy Project – 'Simple to Learn'**
 Krungsri aims to remain a responsible financial institution by engaging in social development. The Krungsri Financial Literacy Project, organized continuously since 2015, is one of Krungsri's flagship CSR projects. Krungsri volunteers' mission for this project is to share financial knowledge with primary school students in years four to six under the theme of 'Simple to Learn'. In 2018, an additional 'Young Bookkeeper' activity was introduced to promote good financial discipline in children. The objective is to encourage students to record their daily income and spending in order to develop smart saving and spending habits.

Thanks to the cooperation of employees across Krungsri Group, Krungsri Financial Literacy Project 2018 saw 5,996 employees engage in teaching financial basics to 3,696 students from 71 schools in 27 provinces nationwide, including two schools in Lao PDR. Included in the total number of participating schools were five schools for the deaf which joined through the 'Krungsri Auto Financial Literacy for the Hearing Impaired' project, initiated and run by Krungsri Auto with the objective of expanding financial literacy opportunities supporting hearing-impaired students in overcoming barriers to education. 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.

- Krungsri Financial Literacy Project – 'Simple to Manage'**
 Following the continued success of the Krungsri Financial Literacy Project, with the theme 'Simple to Learn' for primary school students, Krungsri expanded financial education targeting undergraduate students who hold the force to move our country forward, hence the Krungsri Financial Literacy Project under the concept, 'Simple to Manage'. The objectives are to raise awareness of financial management and financial literacy among undergraduate students by providing knowledge in personal financial management that can help them secure their financial future and reach their life goals.

A pilot project in 2018 successfully reached out to 156 university students in the Bangkok area, covering three institutions, with 11 Krungsri employees participating. As the pilot project received positive feedback, we have set a goal of extending the Financial Literacy Project to cover a wider scope of audience as well as geographical coverages.

- Financial Education Initiatives of Subsidiaries**
 Apart from the Bank's flagship Financial Literacy Project, various financial education initiatives were implemented by the subsidiaries throughout 2018. These projects aimed to provide financial knowledge to a wide range of target groups including low-income communities, vendors, industrial workers, as well as our own employees.



- **'Life Roll Onward' by Ngern Tid Lor Company Limited (Ngern Tid Lor)** was launched in 2015 with the objective of providing knowledge of fair and transparent financial opportunities for low-income communities, sustainably targeting vendors, industrial workers, as well as Ngern Tid Lor's employees who wished to enhance their financial knowledge. In 2018, the project conducted a total of 15 sessions with 725 participants and more than 416 Ngern Tid Lor employees serving as coaches.
- **'Hysa for Financial Consumer' and 'Hysa for Kids' by Hattha Kaksekar Limited (HKL)**, a Bank subsidiary operating a microfinance business in Cambodia, provided financial knowledge on debt and savings management for clients, and basic financial tips to become a smart consumer for fourth- and fifth-grade students. Throughout 2018, program participants included more than 500 clients and 3,400 students, with 3,300 HKL volunteers also engaged. Moreover, a seminar on 'The Gateway to Success in Study and Work' was held, wherein high-profile guest speakers presented their real-life success stories to high school students from 10 schools in Kratie Province, Cambodia. 470 students and 10 HKL volunteers participated in the seminar.
- **'Smart Thinking, Smart Spending' by Krungsri Consumer**, started in 2017, intends to enhance knowledge of personal finance and financial planning, which would lead to good household debt management in the long run. Under the concept, 'Smart spending is a way of a wealthy life', the project consists of two activity types, free of charge: personal financial management education via online media targeting the general public; and seminars organized to provide knowledge of financial management and planning as well as extra income opportunities for clients, the general public, and employees.
- **'Krungsri Securities Student Internship Program' by Krungsri Securities** aims to provide knowledge of systematic investment planning to university students in the hope of building future investors. The program has trained more than 300 university students over a 13-year period.

- **Krungsri's THE Trainer volunteers for Money-Smart Next-Gen Project**

The Bank, as a responsible lender, joined a collaborative effort to create a sustainable society by sending 34 Krungsri staff to be trained as 'THE Trainer' volunteers for the financial literacy project of the Thai Bankers' Association (TBA). Initiated by the collaboration of 15 member banks, the project intends to provide sound financial management tenets and discipline to the public, with the first-phase target audience being undergraduate students from 10 institutions in the Bangkok metropolitan area. In 2018, THE Trainers from Krungsri, totaling 11 volunteers, joined with THE Trainers of other commercial banks in sharing financial knowledge with 620 undergraduates from three institutions.

- **Krungsri Auto Library Renovation Project**

Krungsri Auto set a two-year (2017-2018) renovation plan for the libraries which had successfully been delivered through the Krungsri Auto Library project, in order to uphold its goal of encouraging disadvantaged children to pursue education in a sustainable way. The renovation project also involved acquiring more books and modern learning materials such as computers, Wi-Fi routers, and smart televisions, as well as improving the surrounding landscape. In 2018, Krungsri Auto carried out the renovation work at six schools, allowing the plan to meet its target of completely renovating libraries at 13 schools nationwide.

In addition, a number of school grounds improvements as well as presentations of educational and sports equipment were organized throughout the year;

- **Hattha Kasekar Limited** built tanks to store clean water for students and for growing garden plants and vegetables at a primary school in Sihanoukville Province, Cambodia.
- **Krungsri Auto** improved school grounds and donated used computers to Ban Na Di School in Ubon Ratchathani Province, and granted scholarships along with sports equipment to the Border Patrol Police School in Petchaburi Province.
- **Krungsri Securities Plc.** hosted the Krungsri Securities' Off-season Robe Offering Ceremony for Toilet Renovation Project at Wat Laem Ma Kua School in Nakhon Pathom Province, for good hygiene and environmental health of the kindergarten students.

Community Development

- **Krungsri Breast Cancer Awareness**

From 2010 to present, Krungsri has joined the Thanyarak Foundation under the Patronage of HRH the Princess Mother to provide free cancer screenings to disadvantaged women living along Rama III Road and in Yan Nawa District, where the Bank's Head Office is located. In 2018, Krungsri expanded the project to provincial areas by sending a mobile x-ray van to provide mammogram screenings in communities of Samut Sakhon Province. Fifty low-income women received the service, facilitated by 12 Krungsri volunteers.

Moreover, at the Head Office, the Bank held a training session on breast cancer awareness to provide employees with knowledge of breast self-exams. In addition, Krungsri donated 500,000 baht to cover breast cancer screening costs. Over the past nine years, the program has benefited 1,939 women and provided breast cancer knowledge to 346 Krungsri employees.

- **Giving More...Receiving More**

Krungsri, in collaboration with the Red Cross Society's National Blood Center, has been organizing blood donation drives since 2007. In 2018, Krungsri increased the number of drives organized to 17, with 13 at provincial branches and four at the Rama III Head Office. By year end, the program had received a total of 981,200 cc of blood from 2,453 donors.

- **Krungsri Craftwork Project – Recreation for the Disabled**

For three years, Krungsri has been organizing recreational activities to develop craft skills for children with disabilities. In 2018, Krungsri held two handmade fan workshops for the hearing-impaired students from Sotsuksa Schools in Nakhon Pathom and Nontaburi. The participants included 125 students and 94 Krungsri volunteers. This project not only helps improve concentration and creativity, but also develops skills for arts and crafts which could lead to a sustainable career for the disabled.

- **Happy Bags by Krungsri Asset Management Co., Ltd. (KSAM)**

In October 2018, state hospitals launched a campaign to stop providing plastic bags for patients to take medication home. In line with this policy, patients are asked to bring cloth bags with them on each visit. Seeing the need for cloth bags in hospitals, KSAM held an activity for staff to design DIY cloth bags for the Somdet Phra Phuttha Loetla Hospital to use in dispensing medicine for patients in need. Through this activity, KSAM employees were able to simultaneously engage in both a public benefit project and a plastic bag reduction initiative to protect the environment. The activity saw 170 KSAM volunteers participated in preparing a total of 360 cloth bags.

Arts, Culture, and Tradition Support

- **Krungsri Cultural Heritage Preservation**

Krungsri joined with the Department of Fine Arts to help preserve the unique culture and ancient sites of Phra Nakhon Si Ayutthaya Province, the Bank's home province. Krungsri has supported the preservation of historic arts and sites in the province in the form of funds for architectural restoration and landscape improvement activities which have seen generous participation from Krungsri volunteers.

Every year, we invite Krungsri volunteers to take part in this cultural heritage preservation by helping to conserve the temples of Ayutthaya Historical Park. Along with the conservation work, invasive plants are



removed to prevent damage to the ancient buildings – the country's valuable heritage. In 2018, these conservation activities took place five times, with 472 volunteers participating at five temples, namely Wat Phra Ngarm, Wat Phraya Man, Wat Choeng Tha, Wat Jong Krom, and Wat Takrai.

- **Annual Kathin Robe Presentation Ceremonies of Krungsri Group**

Kathin robe presentation ceremonies are arranged by the Bank every year in order to promote Buddhist cultural preservation. In 2018, Krungsri hosted Kathin robe presentation ceremonies at eight temples, namely Wat Logaram in Surat Thani, Wat Ruesi Samran in Uttaradit, Wat Sing in Bangkok, Wat Huai Nam Sap in Chachoengsao, Wat Sri Promprasit in Sing Buri, Wat Suttaram in Bangkok, Wat Pho Sopharam in Ratchaburi, and Wat Thap Sai Thammaram in Prachin Buri. Also, one off-season robe offering ceremony was held to raise funds for Naradhiwas Rajanagarindra Hospital to purchase medical equipment for its pediatric intensive care unit. The total of funds raised was 12,744,611.67 baht.

In addition to the Bank's annual event, this year Ngern Tid Lor Company Limited also organized a Kathin robe presentation ceremony at Wat Pa Rattaphum in Songkhla and an off-season robe offering ceremony at Wat Phusama in Mae Hong Son, which raised funds of 400,000 and 450,000 baht, respectively. The funds were donated to support the construction of temple buildings, to be used for the study and practice of Buddhism.

Financial Support

Scholarships and Other Community Development Activities

As education is crucial for national development, Krungsri continuously promotes and supports the education of Thai youths through various scholarship initiatives. In 2018, Krungsri granted scholarships and supported various social development projects and activities of youth-related organizations and foundations, for example:

- 365,000 baht, or 73 scholarships, granted to youths under the care of various foundations, on the occasion of celebrating the Bank's 73rd anniversary, by Krungsri Foundation;

- 125,000 baht in scholarships granted to youths under the care of the Mahamek Home for Boys, on the occasion of National Youth Day 2018, by Krungsri Foundation;
- 100,000 baht in financial support for the 2018 TNI Scholarships, granted to the Thai-Nichi Institute of Technology;
- 500,000 baht in financial support granted as scholarships to students affected by the unrest in three southern provinces, by Krungsri Consumer;
- 1,000,000 baht donation to the Mae Fah Luang Foundation under Royal Patronage;
- 1,000,000 baht donation to support the Kamlangjai Project under the Royal Initiative of HRH Princess Bajrakitiyabha, by Krungsri Auto and Ngern Tid Lor;
- 950,000 baht donation for public benefits to Wat Pa Na Kham Noi, Udon Thani Province, by Krungsri Auto;
- 668,000 baht (USD 20,000) donation to Kuntha Bopha Hospital to support pediatric treatment, by Hattha Kaksekar Limited;
- 100,000 baht donation to the Foundation for the Deaf under the Royal Patronage of HM the Queen, by Krungsri Auto.

Fundraising

Throughout 2018, Krungsri assisted charitable organizations by giving them free space to hold fundraising activities at our Rama III Head Office, receiving generous support from Krungsri employees through these efforts:

- 1,358,274 baht in proceeds from donation activities for the Pan Kan Shop, which translated into 194 scholarships for youths of the Yuvabadhana Foundation;
- 153,903.52 baht in proceeds from the 'Following HM the Queen's Royal Steps in Supporting Thai Arts and Crafts Fair';
- 113,815 baht in proceeds from donations to and the sale of products of the Operation Smile Thailand Foundation;
- A fundraising campaign, the proceeds of which will be donated to Wat Phrabatnampu in Lop Buri Province, which operates as a hospice for HIV patients;
- Other fundraising programs and activities organized by external parties were also welcomed throughout the year, such as 'Love Earth' tote bag sales by the Thai Red Cross Society, and Mother's Day jasmine flower sales and Kaew Kanlaya flower sales by the National Council on Social Welfare of Thailand.

KRUNGSRI FOUNDATION

'Krungsri Foundation', officially registered since 2017, has supported various social initiatives that align with its objectives in promoting educational development, arts and culture, environmental resources and conservation, sports and public health, along with other public benefit activities under the scope of sustainable development. With the concept 'Simple to Share', the Foundation has cooperated with other charitable entities in undertaking activities for public benefit, leading to sustainable development of the economy and society.

In 2018, Krungsri Foundation continued to demonstrate its commitment toward sustainable societal development through programs related to the promotion and support of access to the education system, and the provision of knowledge and sports to children and youths for enhanced quality of life, as well as disaster relief.

Scholarships

- **73 Years, 73 Scholarships**
Every year since 2010, Krungsri has awarded scholarships on the occasion of the Bank's anniversary. To celebrate

the Bank's 73rd anniversary in 2018, Krungsri Foundation granted a total of 73 scholarships worth 5,000 baht each, or 365,000 baht in total, to underprivileged children who demonstrated academic and personal merit. Scholarships were awarded to children under the care of seven organizations: Sri Sangwan School for Disabled Children; Foundation for the Welfare of the Crippled under the Royal Patronage of HRH the Princess Mother; Pakkret Home for Children with Disabilities; Foundation for the Blind in Thailand under the Royal Patronage of HM the Queen; Maharaj Home for Boys; Setsatian School for the Deaf under the Royal Patronage of HRH Crown Prince Maha Vajiralongkorn; Rajvithi Home for Girls; and Foundation for Slum Child Care under the Royal Patronage of HRH Princess Galyani Vadhana Krom Luang Naradhiwas Rajanagarindra. Over nine consecutive years, Krungsri has granted a total of 621 scholarships through the program.

- **National Youth Day Scholarships**
On the occasion of National Youth Day 2018, Krungsri Foundation granted a total of 125,000 baht in scholarships to 15 students with academic and personal merit under the care of Mahamek Home for Boys. The scholarship



program has been carried out for 33 consecutive years, providing underprivileged children the opportunity to receive education up to university level through the presentation of 495 scholarships in total.

- **Krungsri University Volunteer Project**

With the objective of encouraging university students to utilize their knowledge and skills, particularly in their respective fields of study, for the benefit of communities and society, Krungsri Foundation has initiated the 'Krungsri University Volunteer Project'. The initiative intends to support higher education institutions nationwide in conducting their CSR/volunteer camp activities which relate to educational development, the environment, public health, Thai culture, sports, and recreation, for sustainable growth.

In 2018, the project's first year kicked off with applications of undergraduates from 13 institutions proposing a total of 19 CSR/volunteer camp activities. Among these were interesting social initiatives that cover benefits for most regions of the country, such as installation of solar energy panels and electricity system for the Border Patrol Police learning center; the promotion of legal literacy and enhancement of local wisdom for hilltribe villagers; and a fish aggregating device project for restoration of marine biodiversity. Krungsri Foundation granted a total of 140,000 baht in scholarships to support the implementation of proposals which met the criteria and requirements of the Krungsri University Volunteer Project.

Sports Sponsorship

Krungsri Foundation sees the importance of health promotion and life quality enhancement for those with intellectual disabilities. In 2018, Krungsri Foundation provided support, through funding and volunteering, to Special Olympics Thailand in organizing activities for children with intellectual disabilities using sports in promoting their physical and mental health, and social adaptation.

- **The Special Olympics Thailand Games**

Krungsri Foundation presented a 100,000-baht donation in support of the Special Olympics Thailand Games (the national final round) to seek winners to participate in the Special Olympics World Summer Games 2019, United Arab Emirates. The Games provide opportunities for Thai Special Olympics athletes to compete in a national-level event and become the country's representatives in international competitions. In addition, 15 Krungsri volunteers participated in the event as the Sport Technic Admin Team to facilitate all athletes.

- **Motor Activity Training Program**

Krungsri Foundation presented a 50,000-baht donation in support of the Motor Activity Training Program (MATP) for the severely disabled. Organized by Special Olympics Thailand, the program aims to enhance health, movement, sports and life skills of athletes with intellectual disabilities. Also participating were eight Krungsri staff who volunteered to facilitate the athletes in the program.

Disaster Relief

Krungsri Foundation recognizes the importance of lending assistance to the victims of disasters. For operations in 2018, the Foundation donated 350 survival bags to help flood victims in Sangklaburi District, Kanchanaburi Province, and in Bang Saphan Noi District, Prachuap Khiri Khan Province.

With regards to severe cold weather impacting people in remote areas, the Foundation prepared a total of 1,000 blankets delivered to the Thai Red Cross Society and related parties in order to help relieve the suffering of those affected by cold spells in different parts of Thailand.

8. ENVIRONMENTAL CONSERVATION

In-process Environmental Management Approach

- Shred2Share Project with 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 have collaborated with InfoZafe, Thailand's first provider of a 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 for 2018 is shown in the following table:

Shred2Share campaign by InfoZafe	2018
Paper recycled	508.45 tons
CO ₂ emissions reduction	132,199 kg.
Coal reduction	55,930.34 kg.
Water saved	25,422.88 m ³

Remarks: Combined data from Krungsri, Krungsri Auto and Krungsri Comsumer

- Energy and Water Conservation, and Garbage Sorting**

Krungsri's Central Administration Division established an energy management committee responsible for monitoring and assessing the organization's energy consumption. In 2018, our energy consumption decreased by 1.05 percent.

In 2018, the **Garbage Sorting** campaign was promoted to create awareness and a culture of environmental responsibility in the workplace. Different types of bins for sorting waste have been installed on each floor at the Bank's Head Office. Information on the bins, waste types, and garbage sorting has been communicated to employees through internal communications and training. The campaign's goal is to help minimize waste, effluent and waste management costs, and energy and resources consumption, thus helping to save the environment and lessen pollution.

- Carbon Footprint Assessment**

As one of the major financial institutions in Thailand, Krungsri shares in the worldwide concern over climate change caused by the greenhouse effect. Thus, we had our organization's carbon footprint (or Corporate Carbon Footprint: CCF) assessed to quantify greenhouse gases (GHG) emitted from the Bank's activities such as transportation, resource use (electricity, water, and paper), and waste management. The CCF was calculated and presented in tons of carbon dioxide equivalent (tCO₂e). With CCF quantified, effective measures and initiatives regarding greenhouse gas (GHG) emissions reduction can be planned and implemented.

On September 5, 2018, Krungsri (Head Office) was listed and verified as a Carbon Footprint for Organization (CFO) by the Thailand Greenhouse Gas Management Organization (Public Organization) (TGO). Furthermore, the Bank also participated as a pilot organization in the 5th Carbon Offsetting Project organized by TGO, and received an award from the Minister of Natural Resources and Environment on September 19, 2018.

After-process Environmental and Natural Resources Conservation Activity

Krungsri also promotes environmental conservation awareness and habits among our employees through various voluntary activities, particularly those related to forest and natural resource conservation, including mangrove planting and check dam building projects. The environmental conservation activities held throughout 2018 were initiated and organized by the staff with a sense of environmental accountability.



- **Check Dams**

At the end of each year, Krungsri people unite to preserve the environment by building check dams for the forests in northern Thailand. In November 2018, a team of 424 executives and volunteers from Krungsri and our subsidiaries, namely Krungsri Auto and Ngern Tid Lor, as well as invited guests, built a total of 43 check dams to maintain moisture and fertility in the forest of Ban Mae Poen in the Doi Tung Development Project (Royal Working Area), Mae Fah Luang District, Chiang Rai Province. Since 2009, Krungsri has presented over 9 million baht of financial support to the Mae Fah Luang Foundation under Royal Patronage and contributed to the building of a total of 676 check dams. These check dams can help slow the velocity of runoff from watersheds, resulting in retention of soil sediments. This fertilizes the soil, allowing trees to thrive, while soil moisture also acts as an insulator against forest fires.

Furthermore, the Corporate Social Responsibility Department along with other business units, subsidiaries, and employee clubs of the Bank also organized other check dam building projects in various areas for sustainable water management.

- **Mangrove Forest Planting, Upstream Forests, Wild Animals, and Biodiversity**

Krungsri contributed further in supporting environmental conservation through activities promoting biodiversity such as reforesting upstream lands and mangrove forests of supreme ecological value, preserving food sources for wild animals, and cultivating land and marine life. Most activities were initiated by employees themselves, reflecting Krungsri people's strong conscience in fostering a sustainable society and environment. Examples of these activities include:

- Mangrove forest conservation, with more than 5,000 mangrove trees planted in various locations;
- Restoring sustainable water resources for wild animals in non-hunting areas of Khao Phaengma, Wang Nam Keaw District, Nakhon Ratchasima Province, and Khao Somphot, Chai Badan District, Lopburi Province, by building reservoirs and repairing check dams, as well as putting up fences to prevent the animals from entering villages;



- Rehabilitating degraded land encroached upon by villagers, in Thap Lan National Park, Na Di District, Prachin Buri Province, in order to restore moisture in the area and provide a food source for wild animals;
- Releasing 350 Asian sea bass at the Sirindhorn International Environmental Park, Phetchaburi Province, by Krungsri Auto.

- **Collaboration under 'OUR Khung BangKachao' Project**
Krungsri has joined the green development of Khung BangKachao, led by the Chaipattana Foundation. Under a 'social collaboration' framework, over 37 entities including the authorities, private sector, public organizations, academics, and communities, are contributing to the effort to make Khung BangKachao, considered 'the best urban oasis of Asia', an exemplary model of a sustainable and green urban destination. For the first phase of the project, Krungsri is sharing in the responsibility of conserving and developing a green area of 11 rai (17,600 m²).

9. INNOVATION AND DISCLOSURE OF INNOVATIVE CSR PRACTICES

Amid the changes transforming the financial services landscape in line with the Thailand 4.0 strategy, financial technologies and innovations have assumed a greater role in the economic system and society. With 'Making Innovative Changes' as a new core value, and the 'Think Digital First' strategy, the Bank is committed to developing technological innovations. Krungsri aspires to build an innovative culture aiming to approach changes with a view toward the competition as well as a view toward contribution to society. We focus on financial technology (FinTech) development to simplify financial transactions while ensuring that our services are still provided responsibly.

In 2018, Krungsri took another step as a leader in blockchain technology by announcing a successful pilot test for real-time international remittance from Thailand to Singapore using the cutting-edge technology, Krungsri Blockchain Interledger. The pilot test was conducted in a joint effort with MUFG Bank, Mitsubishi Corporation (MC), and Standard Chartered Bank Singapore. The innovation has helped MC further improve its liquidity management efficiency, allowing cross-border funds transfer in a matter of seconds, as well as reducing management costs. The pilot test was carried out under the BOT's regulatory sandbox guidelines.

Furthermore, Krungsri leveraged such innovation to enhance Thailand's supply chain ecosystem through collaboration with Siam City Cement Public Company Limited to develop the Krungsri Supply Chain on Blockchain solution for business operators. For the first time in Thailand, blockchain technology has been deployed to facilitate the supply chain business. The technology will not only increase flow efficiency, and improve the credibility and transparency of shared business-to-business transaction data, but also help small SMEs which are suppliers in having better access to financing. This achievement in enhancing the supply chain ecosystem aligns with Goal 9: Industry, Innovation and Infrastructure, of the Sustainable Development Goals (SDGs).



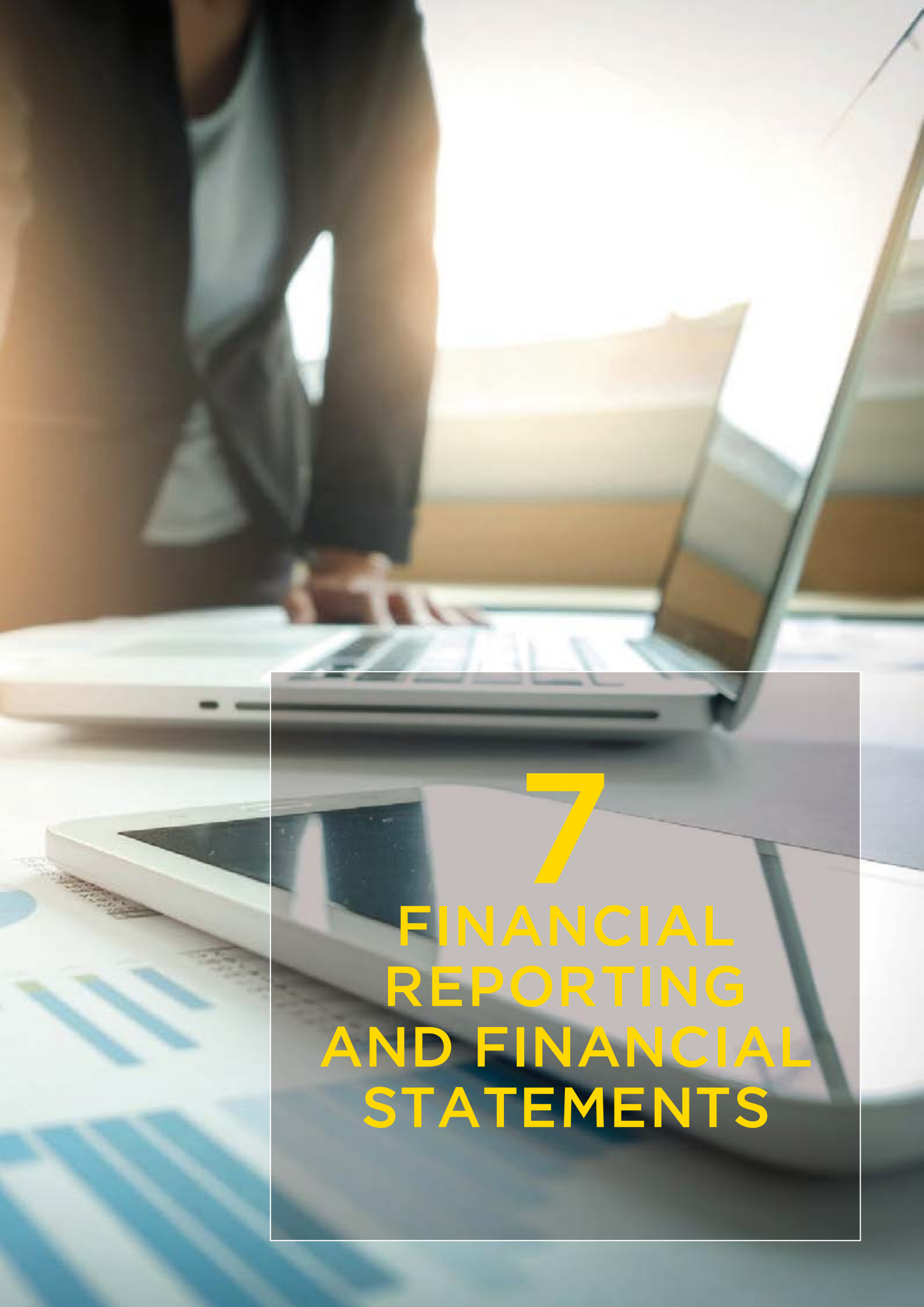
10. SUSTAINABILITY REPORTING

In 2018, Krungsri produced its fifth sustainability development report independent of the Krungsri annual report. The report was prepared in accordance with the GRI Sustainability Reporting Standards (GRI Standards): Core option using the G4 Financial Services Sector Disclosures to communicate to stakeholders the principles and procedures for promoting sustainable development via three dimensions: environmental responsibility, social responsibility, and economic and governance sustainability. In addition, the report addresses business practices aligning with the Sustainable Development Goals 2030 (SDG2030). This reflects our commitment to social responsibility, and reaffirms our transparency and adherence to the principles of good corporate governance. The Krungsri Sustainability Development Report 2018 is available at:

<https://www.krungsri.com/bank/en/Other/CSR/sustainabilitydevelopment-reports.html> or





A person in a business suit is working on a laptop. In the foreground, there are financial charts and a tablet. The text '7 FINANCIAL REPORTING AND FINANCIAL STATEMENTS' is overlaid on the image.

7 FINANCIAL REPORTING AND FINANCIAL STATEMENTS

MANAGEMENT DISCUSSION AND ANALYSIS

EXECUTIVE SUMMARY:

Despite multifaceted challenges confronting the banking sector, ranging from global financial volatility stemming from trade protectionist policies, global monetary policy tightening cycle, digital disruption and digital fee waivers, to new consumer finance regulations, Krungsri delivered a record net profit of 24,813 million baht for 2018, an increase of 1,604 million baht, or 6.9%, over 2017.

The solid earnings contributed to the Bank's agile ability to realign our loan portfolio toward high yield segments, thus resulting in steady growth and achievements in net interest income and non-interest income, contrasting to the industry's moderating trend in non-interest income resulting from digital fee waivers.

Following a strategic decision to realign our Financial Business Group through a collaborative partnership with Siam Asia Credit Access PTE LTD to sell 50% ordinary shares in Ngern Tid Lor Company Limited (NTL), expected to be complete within 1Q/19, this will not only bolster business growth and opportunities for NTL, but will also further strengthen the company's competitive capabilities to stay at the forefront of the title loan industry. Although the transaction is still subject to satisfactory completion of conditions precedent and regulatory filings, it results in a reclassification of NTL's total assets and liabilities as of December 2018 to items classified as held for sales.

Total loans outstanding reached 1,672,018 million baht, a record increase of 121,614 million baht, or 7.8% from December 2017. Loan growth was broad-based covering all customer segments, yet with stronger performance on 2018's strategic focus on loans with higher margins. For the year, high yield retail segments continued to be the key growth drivers with notable increases of 67,369 million baht, or 9.3%, followed by SME and corporate segments which grew 13.5%, or 29,872 million baht, and 4.1%, or 24,373 million baht, respectively.

(Excluding the impact of NTL loan reclassification, total loans would have increased 161,279 million baht, or 10.4%, in 2018. In particular, excluding the 39,665 million baht loan reclassification, retail loans would have increased by 104,281 million baht, or 14.3% for 2018.)

Deposits totaled 1,426,348 million baht, an increase of 107,119 million baht, or 8.1%, from December 2017, largely driven by time deposits with maturities greater than one year and savings deposits.

Compared to 2017, **non-interest income** increased by 2,306 million baht or 7.2%, mainly driven by fees from auto hire purchase, bancassurance, card-related fees, bad debt recoveries, and gains on trading and foreign exchange transactions.

The non-performing loan (NPL) ratio stood at 2.08% in December 2018.

Loan-loss reserves stood at 61,808 million baht, with an excess of 19,741 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements improved to 146.9%. The coverage ratio also improved to 160.8% from 148.4% at the end of December 2017.

(Excluding the impact from NTL reclassification, loan-loss reserves would have stood at 64,482 million baht, with an excess of 21,551 million baht over the Bank of Thailand's reserve requirements, while the actual provisioning ratio when compared to the Bank of Thailand's requirements would have stood at 150.2%, and the coverage ratio at 165.8%.)

Corresponding to the higher net profit, **earnings per share (EPS)** rose to Baht 3.37 in 2018, compared to Baht 3.16 in 2017.

In 2019, barring an escalation in trade protectionism and its potential impacts, the Thai economy is forecast to grow steadily and become more broad-based with GDP growth of 4.1%. With greater clarity on economic policy following an election, domestic expenditure will play a greater role in driving economic growth. Supporting factors include an upward private investment cycle, fast tracking public-private partnership investments, and acceleration of government large-scale infrastructure expenditures. With a favorable operating environment together with our competitive strength and agile execution, Krungsri targets a loan growth of 6-8% for the year.

Summary of Financial Performance and Status:

Key 2018 deliverables:

- **Net Profit:**

Recorded at 24,813 million baht, representing a 6.9% increase over 2017.

- **Loan Growth:**

Increased by 7.8%, or 121,614 million baht, compared to December 2017.

(Excluding the impact of NTL loan reclassification, total loans would have increased 161,279 million baht, or 10.4%, in 2018. In particular, excluding the 39,665 million baht loan reclassification, retail loans would have increased by 104,281 million baht, or 14.3% for 2018.)

- **Deposit Growth:**

Increased by 8.1%, or 107,119 million baht, compared to December 2017, attributed to an increase in time and savings deposits.

- **Net Interest Margin (NIM):**

Improved to 3.81% compared to 3.74% in 2017.

- **Non-Interest Income:**

Increased by 7.2% or 2,306 million baht from 2017, mainly driven by net fees and service income, gains on trading and foreign exchange transactions, and bad debt recoveries.

- **Cost to Income Ratio:**

Recorded at 47.2%, improving from 48.0% in 2017.

- **Non-Performing Loan (NPL) Ratio:**

Recorded at 2.08%, compared to 2.05% in December 2017.

- **Coverage Ratio:**

Recorded at 160.8%, improving from 148.4% in December 2017.

(Excluding the impact from NTL reclassification, coverage ratio stood at 165.8%.)

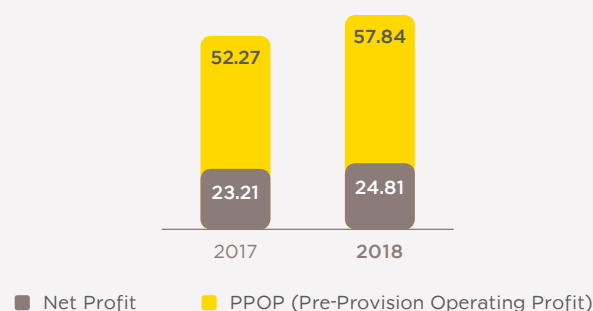
- **Capital Adequacy Ratio:**

Recorded at 15.13%, compared to 15.65% in December 2017.



PPOP & Net Profit

(Billion baht)



In 2018, the operating profit was 57,838 million baht, representing an increase of 5,568 million baht, or 10.7% from 2017, driven by higher net interest income, supported by robust loan portfolio expansion particularly in high yield segments, together with a solid performance in non-interest income.

The net profit increased to 24,813 million baht in 2018, representing a 6.9%, or 1,604 million baht, increase over 2017, largely attributed to robust operating profits.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated	2018	2017	Change YoY	
			Million baht	%
Interest Income	107,132	94,998	12,134	12.8
Interest Expense	31,804	26,463	5,341	20.2
Interest Income, Net	75,328	68,535	6,793	9.9
Fees and Service Income	28,999	26,341	2,658	10.1
Fees and Service Expense	7,751	6,666	1,085	16.3
Fees and Service Income, Net	21,248	19,675	1,573	8.0
Non-interest and Non-fees Income	13,003	12,270	733	6.0
Other Operating Expenses	51,741	48,210	3,531	7.3
Pre-Provision Operating Profit (PPOP)	57,838	52,270	5,568	10.7
Impairment Loss of Loan and Debt Securities	26,180	22,970	3,210	14.0
Income Tax Expense	6,467	5,739	728	12.7
Net Profit	25,191	23,561	1,630	6.9
Other Comprehensive Income, Net	(1,030)	8	(1,038)	(12,975.0)
Total Comprehensive Income	24,161	23,569	592	2.5
Net Profit Attributable To				
Owners of the Bank	24,813	23,209	1,604	6.9
Non-Controlling Interest	378	352	26	7.4
Net Profit	25,191	23,561	1,630	6.9
Total Comprehensive Income Attributable To				
Owners of the Bank	23,783	23,220	563	2.4
Non-Controlling Interest	378	349	29	8.3
Total Comprehensive Income	24,161	23,569	592	2.5
Earning Per Share (Baht)	3.37	3.16	0.21	6.6

FINANCIAL PERFORMANCE

Net Interest Income

Consolidated	2018	2017	Change YoY	
			Million baht	%
INTEREST INCOME				
Interest on loans	69,337	61,095	8,242	13.5
Interest on interbank and money market items	6,213	3,425	2,788	81.4
Hire purchase and financial lease income	29,727	28,209	1,518	5.4
Investments and trading transactions	28	81	(53)	(65.4)
Investments in debt securities	1,827	2,188	(361)	(16.5)
Total Interest Income	107,132	94,998	12,134	12.8
INTEREST EXPENSE				
Interest on deposits	15,079	12,628	2,451	19.4
Interest on interbank and money market items	5,535	3,959	1,576	39.8
Interest on borrowings	4,423	4,079	344	8.4
Contributions to Financial Institution Development Fund and Deposit Protection Agency	6,720	5,751	969	16.8
Borrowing fee expenses	30	28	2	7.1
Other interest expenses	17	18	(1)	(5.6)
Total Interest Expenses	31,804	26,463	5,341	20.2
Interest Income, Net	75,328	68,535	6,793	9.9
Net Interest Margin	3.81%	3.74%		
Yield on Earning Assets	5.42%	5.19%		
Cost of Funds	1.78%	1.60%		

For 2018, interest income was recorded at 107,132 million baht, representing an increase of 12,134 million baht, or 12.8%, compared to 2017. Key items are as follows:

- Interest on loans increased by 8,242 million baht, or 13.5%, reflecting robust loan portfolio expansion, particularly the high yield segments.
- Interest on interbank and money market items increased by 2,788 million baht, or 81.4%, mainly due to higher repurchase agreement transactions.
- Interest on auto hire purchase and financial lease income increased by 1,518 million baht, or 5.4%, mainly due to the steady growth in auto hire purchase loan portfolio.
- Meanwhile, interest on debt securities decreased by 361 million baht, or 16.5%, due to Available for Sale (AFS) portfolio performance.

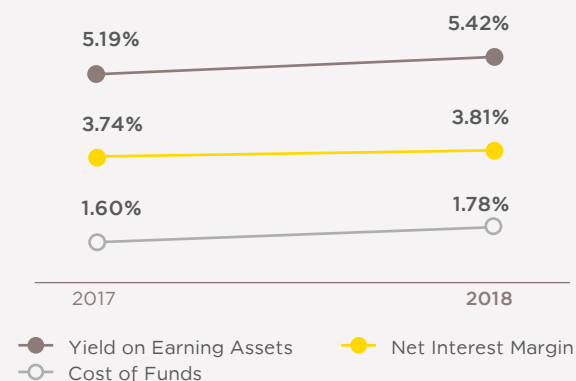
Interest expenses increased by 5,341 million baht, or 20.2% from 2017. Key items are as follows:

- Interest on deposits increased by 2,451 million baht, or 19.4%, reflecting an 8.1% increase in the outstanding deposit balance, particularly time deposits with maturities greater than one year.
- Interest on interbank and money market items increased by 1,576 million baht, or 39.8%, mainly from an increase in interest paid to financial institutions.
- Contributions to the Financial Institutions Development Fund (FIDF) and Deposit Protection Agency (DPA) increased by 969 million baht, or 16.8%, corresponding to a higher deposit volume.

Consequently, net interest income was recorded at 75,328 million baht, representing an increase of 6,793 million baht, or 9.9%, from 2017.

In 2018, cost of funds increased to 1.78% from 1.60% in 2017, driven by an increase in deposit volumes with a higher portion of time deposits. Reflecting Krungsri Group's strategic shift to growing high yield segments, overall yield on earning assets improved significantly to 5.42% from 5.19% in 2017. Consequently, NIM was recorded at 3.81% in 2018, improved from 3.74% in 2017, outperforming the Bank's full year guidance of 3.50-3.70%.

Net Interest Margin (NIM)

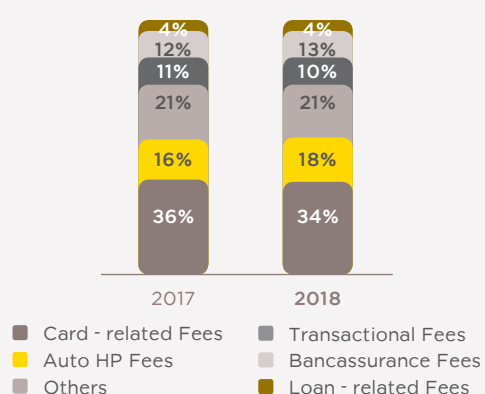


	2017	2018
Yield on Loans	5.95%	6.07%
Cost of Deposits	1.48%	1.56%

Non-Interest Income

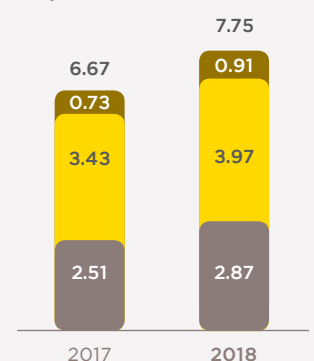
Consolidated	2018	2017	Change YoY	
			Million baht	%
Acceptances, aval and guarantees	525	537	(12)	(2.2)
Other fees and service income	28,474	25,804	2,670	10.3
Fees and service income	28,999	26,341	2,658	10.1
Fees and service expense	7,751	6,666	1,085	16.3
Fees and Service Income, net	21,248	19,675	1,573	8.0
Gains (losses) on trading and foreign exchange transactions	4,737	4,233	504	11.9
Gains (losses) on investments	374	896	(522)	(58.3)
Share of profit (loss) from investment for using equity method	391	302	89	29.5
Bad debt recoveries	5,994	5,161	833	16.1
Other operating income	1,507	1,678	(171)	(10.2)
Total Non-Interest and Non-fees Income	13,003	12,270	733	6.0
Non-Interest Income	34,251	31,945	2,306	7.2

Fees & Service Income Breakdown



Fees & Service Expense

(Billion baht)



For 2018, non-interest income was 34,251 million baht, increasing by 2,306 million baht, or 7.2% year-on-year. Details are as follows:

- Net fees and service income recorded at 21,248 million baht, an increase of 1,573 million baht, or 8.0%. Key factors are:
 - Fees and service income increased by 10.1%, or 2,658 million baht, driven by:
 - Auto hire purchase fees increased by 954 million baht, or 22.3%, corresponding to the robust auto hire purchase loan portfolio expansion, notwithstanding the impact from a new regulation governing auto hire purchase fees.
 - Bancassurance fees increased by 741 million baht, or 24.2%.

- Card-related fees increased by 535 million baht, or 5.7%.
- Wealth & fund management and securities-related fees increased by 511 million baht, or 12.3%.
- Fees and service expenses increased by 16.3%, or 1,085 million baht, mainly from ATM and card network fees.
- Bad debt recoveries increased by 833 million baht, or 16.1%.
- Gains on trading and foreign exchange transactions increased by 504 million baht, or 11.9%, mainly due to an increase in interest rate derivative transactions.
- Gains on investments decreased by 522 million baht, or 58.3%, mainly due to the Available for sales (AFS) portfolio performance.

Other Operating Expenses

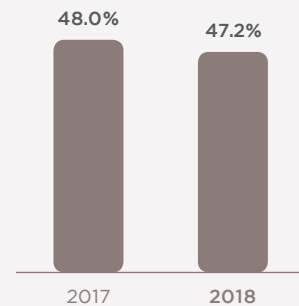
Consolidated	2018	2017	Change YoY	
			Million baht	%
Employee expenses	26,287	24,438	1,849	7.6
Premises and equipment expenses	8,420	8,248	172	2.1
Taxes and duties	2,789	2,605	184	7.1
Directors' remuneration	59	58	1	1.7
Other expenses	14,186	12,861	1,325	10.3
Total Other Operating Expenses	51,741	48,210	3,531	7.3

Total other operating expenses were 51,741 million baht, increased by 3,531 million baht, or 7.3% from 2017.

Key items are as follows:

- Employee expenses increased by 1,849 million baht, or 7.6%, mainly due to annual merit increases, staff promotions, and incentives as well as the number of employees of Krungsri Group which increased by 6.8% from the end of 2017.
- Other expenses increased by 1,325 million baht, or 10.3%, driven by an increase in marketing promotion expenses, corresponding to spending to grow higher yield retail businesses and an increase in impairment on NPAs.

Cost to Income Ratio



In 2018, the cost to income ratio was recorded at 47.2%, improving from 48.0% in 2017, as a result of our continued efforts to enhance operating efficiency together with our effective expense management.

Impairment loss of loans and debt securities

Consolidated	2018	2017	Change YoY	
			Million baht	%
Impairment loss on debt instrument (reversal)	0	(50)	50	100.0
Bad Debt and Doubtful Accounts	24,464	21,508	2,956	13.7
Loss on Debt Restructuring	1,716	1,512	204	13.5
Total impairment loss of loan and debt securities	26,180	22,970	3,210	14.0

As of December 31, 2018, the loan-loss provision was recorded at 26,180 million baht, representing an increase of 3,210 million baht, or 14.0%, on a year-on-year basis,

corresponding to a higher loan volume and our prudential provision as a consequence of the robust loan growth for the period.

FINANCIAL STATUS

Statement of Financial Position

Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
ASSETS				
Cash	34,680	38,244	(3,564)	(9.3)
Interbank and money market items, net	245,553	330,797	(85,244)	(25.8)
Investments, net	134,749	83,934	50,815	60.5
Investments in subsidiaries and joint ventures, net	2,620	2,222	398	17.9
Loans to customers	1,749,254	1,619,358	129,896	8.0
Accrued interest receivable	4,326	3,917	409	10.4
Deferred revenue	(77,236)	(68,954)	(8,282)	(12.0)
Allowance for doubtful accounts	(59,791)	(54,173)	(5,618)	(10.4)
Revaluation allowance for debt restructuring	(1,569)	(1,303)	(266)	(20.4)
Properties for sale, net	3,478	3,685	(207)	(5.6)
Assets classified as held for sale	39,536	0	39,536	na.
Others	98,022	131,045	(33,023)	(25.2)
TOTAL ASSETS	2,173,622	2,088,772	84,850	4.1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Deposits	1,426,348	1,319,229	107,119	8.1
Interbank and money market items, net	244,097	279,721	(35,624)	(12.7)
Debt issued and borrowings	155,650	142,866	12,784	8.9
Liabilities directly associated with assets classified as held for sale	13,784	0	13,784	na.
Others	90,025	120,969	(30,944)	(25.6)
TOTAL LIABILITIES	1,929,904	1,862,785	67,119	3.6
Issued and paid-up share capital	73,558	73,558	0	0.0
Retained earning	114,050	95,198	18,852	19.8
Others	56,110	57,231	(1,121)	(2.0)
TOTAL SHAREHOLDERS' EQUITY	243,718	225,987	17,731	7.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	2,173,622	2,088,772	84,850	4.1
Book value per share (Baht)	33.13	30.72	2.41	7.8

As of December 31, 2018, total assets stood at 2,173,622 million baht, representing an increase of 84,850 million baht, or 4.1%, from December 2017. Key items are as follows:

- Total loans (net of deferred revenue) increased by 121,614 million baht, or 7.8%.

(Excluding the impact of NTL loan reclassification, total loans would have increased 161,279 million baht, or 10.4%, in 2018.)

- Net investments increased by 50,815 million baht, or 60.5%, mainly resulting from a higher AFS portfolio balance.
- Assets classified as held for sale increased by 39,536 million baht, mainly attributed to reclassification of NTL loans.
- Net interbank and money market items decreased by 85,244 million baht, or 25.8%, caused by a decrease in repurchase agreements of 116,050 million baht, offset by an increase in loans and deposits with financial institutions of 7,021 million baht, and 23,785 million baht, respectively.
- Other assets decreased by 33,023 million baht, or 25.2%, mainly owing to a decrease in claim on securities.

As of December 31, 2018, total liabilities stood at 1,929,904 million baht, representing an increase of 67,119 million baht, or 3.6%, from December 2017. Key items are as follows:

- Deposits increased by 107,119 million baht, or 8.1%, largely driven by time deposits with maturities greater than one year.
- Debt issued and borrowings increased by 12,784 million baht, or 8.9%, driven by net issuance of Krungsri Group's debentures of 24,540 million baht, offset by 12,225 million baht corresponding to NTL liabilities reclassification.
- Liabilities directly associated with assets classified as held for sales increased by 13,784 million baht, mainly due to the reclassification of debt issued and borrowings of NTL.
- Net interbank and money market items decreased by 35,624 million baht, or 12.7%, mainly due to a decrease in loans from financial institutions of 16,458 million baht and a decrease in repurchase agreements of 20,788 million baht.
- Other liabilities decreased by 30,944 million baht, or 25.6%, driven by a decrease in liabilities to deliver securities of 34,395 million baht.

Total shareholders' equity rose to 243,718 million baht, an increase of 17,731 million baht, or 7.8%, from December 2017 due to an increase in equity holders' net profit of 24,813 million baht for 2018, which was partially offset by dividends paid of 6,252 million baht.

Book value per share as of December 31, 2018 increased to Baht 33.13, compared to Baht 30.72 at the end of 2017.

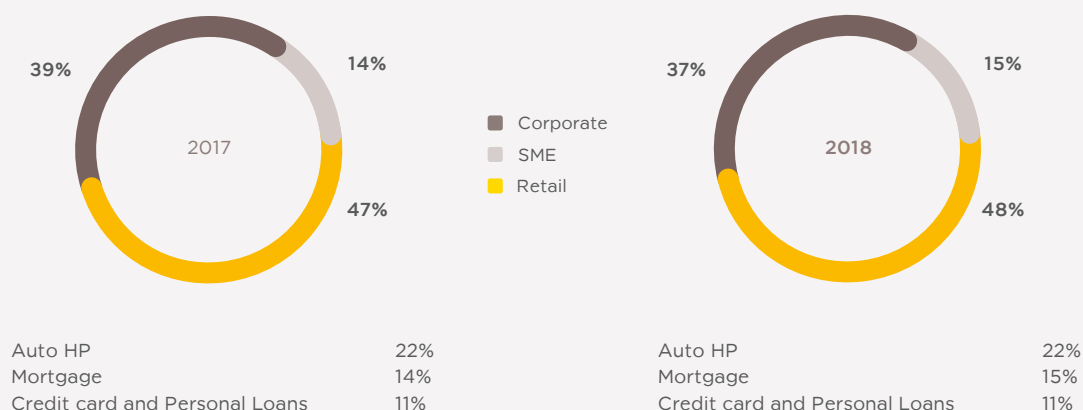
Loans to customers

Loans by segment

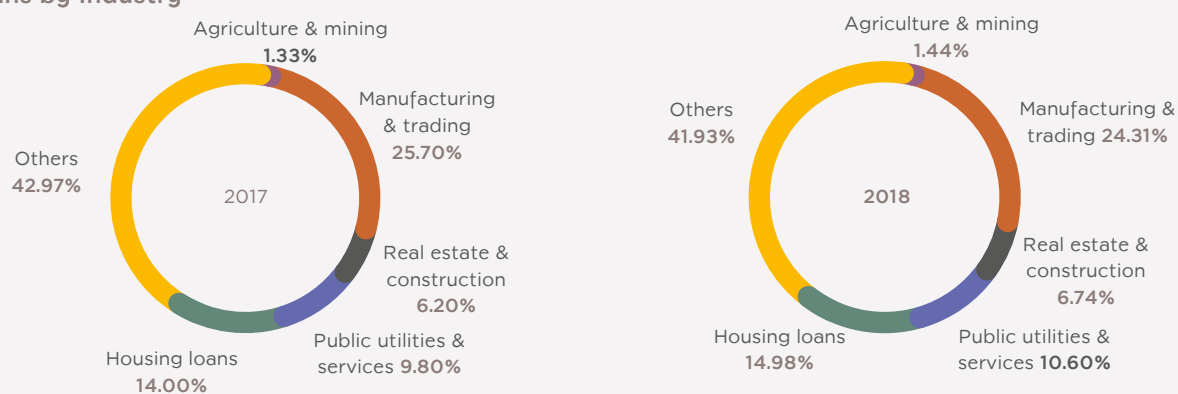
Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
Corporate	626,170	601,797	24,373	4.1
- Thai Corporate	422,911	431,136	(8,225)	(1.9)
- International Corporate (JPC/MNC)	203,259	170,661	32,598	19.1
SMEs	250,499	220,627	29,872	13.5
Retail	795,349	727,980	67,369	9.3
- Hire purchase	367,199	336,627	30,572	9.1
- Mortgage	250,484	217,098	33,386	15.4
- Credit cards and personal loans	177,666	174,255	3,411	2.0
Total *	1,672,018	1,550,404	121,614	7.8

* Loans to customers net of deferred revenue

Loans by Segment



Loans by Industry



As of December 31, 2018, total outstanding loans (net of deferred revenue) stood at 1,672,018 million baht, an increase of 121,614 million baht, or 7.8% from December 2017, which grew across segments.

(Excluding the impact of NTL loan reclassification, total loans would have increased 161,279 million baht, or 10.4%, in 2018.)

As of the end of December 2018, commercial loans, comprising corporate and SME customers, accounted for 52% of the total loan portfolio, while retail lending represented the remaining 48%.

Details of loan performance by segment are as follows:

Corporate loans grew by 4.1%, or 24,373 million baht from December 2017, of which Thai Corporate loans contracted due to repayments of 8,225 million baht, or 1.9%, while International Corporate (JPC/MNC) loans robustly increased by 19.1%, or 32,598 million baht, mirroring an uptrend in global economic strength, and our abilities to further leverage MUFG's global capabilities.

Mirroring improvements in both domestic investments and consumption, **SME loans** grew by 13.5%, or 29,872 million baht from December 2017. The growth of SME loans for 2018 was broad-based, covering both SME-M and SME-S segments, underpinning Thailand's sustained economic recovery and Krungsri's supply chain business solutions.

(Excluding the 2,753 million baht NTL loan reclassification impact, SME loans would have increased by 32,625 million baht, or 14.8% for 2018.)

The **retail loan segment** registered a growth of 67,369 million baht, or 9.3% from December 2017.

(Excluding the 36,912 million baht NTL loan reclassification impact, retail loans would have increased by 104,281 million baht, or 14.3% for 2018.)

Auto hire purchase loans grew by 9.1%, or 30,572 million baht from December 2017, reflecting robust domestic car sales and our ability to leverage digital platform to deliver customer experience excellence which resulted in customers acquisition.

(Excluding the 11,732 million baht NTL loan reclassification impact, auto hire purchase loans would have increased by 42,304 million baht, or 12.6% for 2018.)

Mortgage loans grew by 15.4%, or 33,386 million baht from December 2017. The growth of mortgage loans was supported by Krungsri's strategic focus on digital solutions to improve customer experiences.

Credit cards and personal loans grew by 2.0%, or 3,411 million baht from December 2017, underpinning an improvement in private consumption as well as benefits obtained from digital infrastructure investment which resulted in improved customer acquisitions.

(Excluding the 25,180 million baht NTL loan reclassification impact, credit cards and personal loans would have increased by 28,591 million baht, or 16.4% for the year.)

Loan classification and provision

(Unit: million baht)

Consolidated	Dec. 31, 2018		Dec. 31, 2017		Change	
	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision	Loans and Accrued Interest Receivable	Provision
Normal	1,583,364	12,418	1,462,823	11,863	120,541	555
Special mention	54,533	6,375	53,876	2,998	657	3,377
Substandard	10,066	5,148	11,279	5,938	(1,213)	(790)
Doubtful	5,500	2,787	7,021	3,902	(1,521)	(1,115)
Doubtful of loss	22,881	13,322	19,322	11,020	3,559	2,302
Total	1,676,344	40,050	1,554,321	35,721	122,023	4,329
Surplus Reserve *		19,741		18,452		1,289
Total	1,676,344	59,791	1,554,321	54,173	122,023	5,618

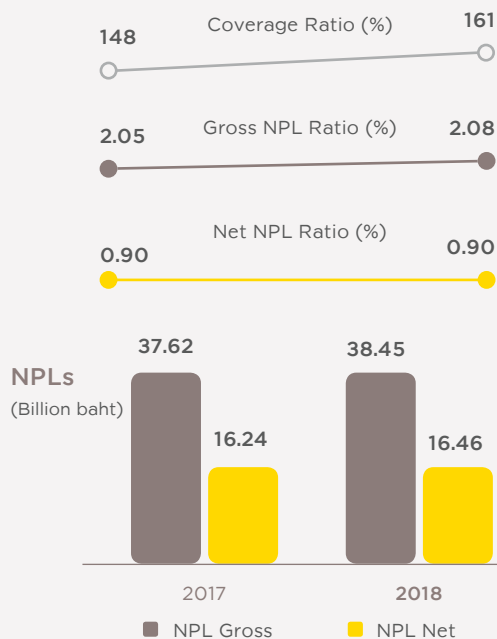
* (Excluding the impact from NTL reclassification, surplus reserve over the Bank of Thailand's requirement would have been 21,551 million baht.)

Non-performing loans

Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
Non-Performing Loans (Net)	16,455	16,243	212	1.3
Non-Performing Loans (Gross)	38,446	37,622	824	2.2
Loans Loss Reserves (LLR)	61,808	55,841	5,967	10.7
Coverage Ratio *	160.8%	148.4%	12.4%	8.4
BOT Requirement	42,066	37,389	4,677	12.5
Actual / Required LLR *	146.9%	149.4%	(2.5%)	(1.7)

* (Excluding the impact from NTL reclassification, coverage ratio would have stood at 165.8% and the actual provision ratio when compared to the Bank of Thailand's requirements at 150.2%.)

NPLs and Coverage Ratio



NPL by Segment

Consolidated	Dec. 31, 2018	Dec. 31, 2017
Corporate	1.1 %	1.3%
SME	6.3%	7.4%
Retail	2.0%	1.8%
Hire Purchase	1.8%	1.5%
Mortgage	2.6%	2.4%
Personal Loan, Credit Card, and Other	1.6%	1.7%

As of December 31, 2018, gross NPLs stood at 38,446 million baht, an increase of 824 million baht, or 2.2%, from 37,622 million baht at the end of 2017. Krungsri conducted the NPL sales of 1,464 million baht in 4Q/18.

The ratio of gross NPLs as of December 2018 stood at 2.08%, compared to 2.05% in 2017. By segment, asset qualities improved for both corporate and SME loans, while the NPL ratio of hire purchase loans increased slightly.

As of December 31, 2018, loan-loss reserves stood at 61,808 million baht, with an excess of 19,741 million baht over the Bank of Thailand's reserve requirements. Correspondingly, the actual provisioning ratio when compared to the Bank of Thailand's requirements stood at 146.9%.

Maintaining as a prudential safeguard, the coverage ratio continued to improve to 160.8% in December 2018, compared to 148.4% at the end of 2017.

(Excluding the impact from NTL reclassification, surplus reserve over the Bank of Thailand's requirement would have been 21,551 million baht, coverage ratio would have stood at 165.8% and the actual provision ratio when compared to the Bank of Thailand's requirements at 150.2%.)

Investment in Securities

As of December 31, 2018, Krungsri Group had investments in government securities with a book value of 101,316 million baht for the primary purpose of maintaining liquidity under the Bank of Thailand requirements, including liquid assets and intraday holding of liquidity. In addition, private sector securities held by Krungsri Group had a total value of 33,433 million baht.

Funding Structure

Deposits

Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
Current	35,391	36,798	(1,407)	(3.8)
Savings	591,183	550,962	40,221	7.3
Time	799,774	731,469	68,305	9.3
< 6 Months	360,275	341,517	18,758	5.5
6 Months and < 1 Year	127,892	285,292	(157,400)	(55.2)
1 Year and over 1 Year	311,607	104,660	206,947	197.7
Total Deposit	1,426,348	1,319,229	107,119	8.1

Borrowing

Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
Debenture	108,640	96,325	12,315	12.8
Subordinated debenture	42,735	42,808	(73)	(0.2)
Other	4,275	3,733	542	14.5
Total Borrowing	155,650	142,866	12,784	8.9

As of December 31, 2018, deposits totaled 1,426,348 million baht, an increase of 107,119 million baht, or 8.1%, from December 2017, attributed to an increase in time deposits of 68,305 million baht and savings deposits of 40,221 million baht. With the upward momentum for interest rates projected, Krungsri launched a 15-month time deposit campaign with interest rate of 1.75% in 3Q/18 and a 18-month time deposit campaign with interest rate of 1.85% in 4Q/18.

As a result, the proportion of current and savings deposits (CASA) as a percentage of total deposits decreased to 43.9%, compared to 44.6% in December 2017.

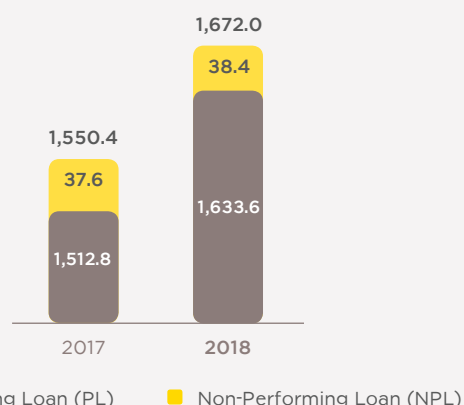
As of December 31, 2018, total borrowing stood at 155,650 million baht, increasing by 12,784 million baht, or 8.9% from December 2017, mainly driven by an increase in net issuance of Krungsri Group's debentures of 12,315 million baht. Details are as follows:

- 1) The Bank issued new long-term debentures in the amount of 15,000 million baht in 1Q/18 (with a maturity of 3 years carrying an interest rate of 1.91%) and 14,000 million baht in 3Q/18 (with a maturity of 3 years carrying an interest rate of 2.22%), offset by a redemption of long-term debentures totaling 25,000 million baht throughout 2018.
- 2) Krungsri Group's subsidiaries issued new debentures in the amount of 32,040 million baht, offset by matured debentures totaling 11,500 million baht.
- 3) The above-mentioned net issuances were offset by reclassification of NTL debt issued and borrowings totaling 12,225 million baht.

Consequently, the loan to deposit ratio improved to 117%, and the loan to deposit plus bills of exchange and debentures ratio improved to 109% compared to December 2017.

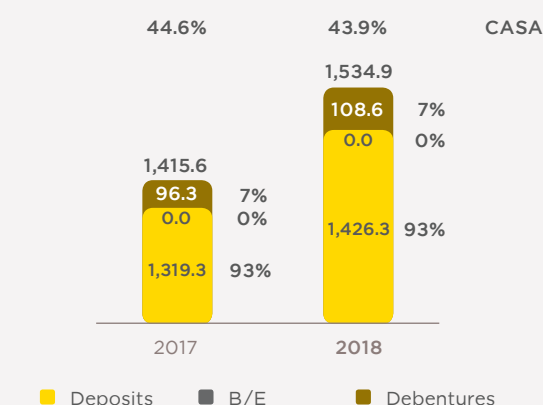
Loans

(Billion baht)



Deposits + B/E + Debentures

(Billion baht)



	2017	2018
L/D	118%	117%
L/D+B/E+Debentures	110%	109%

Contingencies

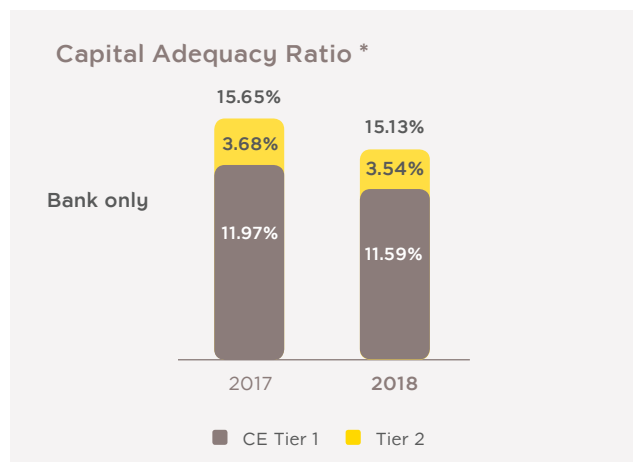
Consolidated	Dec. 31, 2018	Dec. 31, 2017	Change	
			Million baht	%
Avals to bills and Guarantees of loans	3,541	3,005	536	17.8
Liability under unmatured import bills	1,955	1,437	518	36.0
Letters of credit	5,818	7,744	(1,926)	(24.9)
Other contingencies	95,063	100,010	(4,947)	(4.9)
Total	106,377	112,196	(5,819)	(5.2)

Krungsri Group's contingencies as of December 31, 2018 totaled 106,377 million baht, a decrease of 5,819 million baht, or 5.2%, from December 31, 2017. The decrease was mainly caused by a decrease in other contingencies of 4,947 million baht, mainly due to other guarantees and unused credit limits.



Statutory Capital

As of December 31, 2018, the Bank's capital increased to 228,976 million baht, equivalent to 15.13% of risk-weighted assets, comprising common equity tier 1 capital of 11.59% and tier 2 capital of 3.54%.



* The BOT requires the Bank to maintain a minimum CAR at 8.5% and gradually increase the conservation buffer by 0.625% per year from January 1, 2016 until reaching 2.5% by January 1, 2019.

Billion baht	Dec. 31, 2017	Dec. 31, 2018
CE Tier 1	167.53	175.38
Tier 2	51.50	53.60
Total Capital	219.03	228.98

Remark: BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

CREDIT RATINGS

The Bank's credit ratings assigned by Moody's Investors Service, Standard & Poor's, Fitch Ratings, and TRIS Rating as of December 31, 2018 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)		baa3
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 Ratings (Foreign Currency)		
Long Term		A-
Subordinated Debt		BBB+
Short Term		F2
Viability Rating		bbb
Support		1
Outlook		Stable
National Ratings		
Long Term-Debenture		AAA (tha)
Subordinated Debt		AA+ (tha)
Short Term		F1+ (tha)
Outlook		Stable
4. TRIS Rating		
National Ratings		
Company Rating		AAA
Issue Rating (subordinated)		AA+
Outlook		Stable

REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries and all financial information appearing in the annual report. These financial statements have been prepared in accordance with Thai Financial Reporting Standards. The Bank has chosen appropriate accounting policies applied on consistent basis, including careful consideration together with prudent and the best estimations where necessary and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent auditors who have given their unmodified opinions. The financial statements reflect the true and fair financial position and operating results of the Bank and its subsidiaries, thus being useful to all shareholders and investors.

The Board of Directors has also adopted and maintained appropriate and effective systems of risk management and internal control so that we can be reasonably assured that accounting records are accurate, complete and adequate to maintain the assets of the Bank and these controls also identify weaknesses requiring preventive measures against fraud or other significant irregularities in the operations of the Bank.

In this regard, the Board of Directors has appointed an Audit Committee, consisting of three independent directors, to be responsible for reviewing the quality of financial reporting and internal control mechanisms appropriately and efficiently and reviewing the Bank's performance in accordance with the laws relevant to the business of the Bank including the related party transactions to ensure that the aforementioned transactions are reasonable and optimized to the Bank. The opinion of the Audit Committee with regard to these matters appears in the Report of the Audit Committee which is presented in this Annual Report.

The Board of Directors is of the opinion that the Bank's internal controls are satisfactory and allow for reasonable confidence in the reliability of the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2018.



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Bank of Ayudhya Public Company Limited comprises three independent directors, who have sufficient knowledge and experience to reliably review the financial statements and the Chairman of the Audit Committee does not serve as the Chairman of the Board of Directors and any other sub-committees. The members of the Audit Committee are:

1.	Ms. Potjanee	Thanavaranit	Chairman of the Audit Committee
2.	Mr. Virat	Phairatphiboon	Audit Committee Member
3.	Dr. Jamlong	Atikul	Audit Committee Member

Dr. Jamlong Atikul was appointed as an Audit Committee member on 1 November 2018 to replace Mr. Phong-Adul Kristnaraj who was deceased. Ms. Puntipa Hannoraseth, Head of Internal Audit Group, serves as the Secretary to the Audit Committee.

The Audit Committee performs its tasks as per the scope and responsibilities specified in the Audit Committee Charter as assigned by the Board of Directors. In 2018, the Audit Committee held a total of 21 meetings with management and senior executives in charge of concerned units and internal auditors. Also the Committee held two meetings with the external auditor without the presence of the management, and reported the results of each meeting to the Board of Directors for acknowledgement. The details of actions taken by the Audit Committee can be summarized as follows:

- **Financial reports**

The Audit Committee has reviewed the Bank's quarterly, semi-annual and annual financial statements as well as the consolidated financial statements of the Bank and its subsidiaries by holding meetings with the external auditor and executives of the Accounting Division to consider financial statements, and is of the opinion that financial reports of the Bank and its subsidiaries and any disclosed documents relating to the Bank's financial performance are accurate, adequate, reliable and reflect the true and fair view of the financial status of the Bank and comply with accounting standards, practices, and the requirements of the Bank of Thailand and the Office of the Securities and Exchange Commission. The Audit Committee also held special meetings with the external auditor without the presence of the management to enquire about independence in performing their duties and expressing opinions, cooperation obtained from the Bank as well as issues that may result in significant loss or fraud. In 2018, the auditor did not have any material findings or reports of any suspicious behavior.

- **Internal control system and internal audit**

The Audit Committee has reviewed effectiveness and adequacy of the internal control system by considering internal audit results of the Bank and the companies in the financial business group (the Bank and the group companies), the results of internal control adequacy assessment by using the internal control assessment form developed by the Office of the Securities and Exchange Commission under the concept of COSO (the Committee of Sponsoring Organizations of the Treadway Commission), a summary of fraud investigation reports, as well as reviewing and monitoring of the Bank's and the group companies' findings identified by the regulatory authorities as well as the external auditor. The Audit Committee is of the opinion that the internal control system of the Bank and its group companies is sufficient, appropriate and effective, while root causes were specified, rectification actions and preventive measures were appropriately undertaken. The Audit Committee acknowledged the assessment results of the Internal Control over Financial Reporting process and concluded that internal controls and the financial reporting preparation process were designed and implemented effectively. In 2018, there was no significant issue reported.

For internal audit activities, the Audit Committee considered the independence and adequacy of internal audit resources, and endorsed the revision of the Charter and the Audit Policy of the Internal Audit Group before submission to the Board of Directors. It also approved the Internal Audit Group's medium-term business plan, staff development and training plan, and audit plans as well as revised audit plan, monitored monthly auditing activities, and regularly provided recommendations to the Internal Audit Group. In addition, the Audit Committee is of the opinion that

the Head of Internal Audit Group has adequate educational background, work experience, and training to carry out its duties. An annual performance evaluation of the Head of Internal Audit Group was conducted.

The Audit Committee consented to the annual credit review plan prior to submission to the Board of Directors, and considered credit review results and a follow-up on corrective actions undertaken by departments concerned. In this regard, the Audit Committee also enquired about findings identified from the review to ensure that the credit granting processes of the Bank and its group companies are appropriate.

- **Related party transactions or transactions that may create conflicts of interest**

The Audit Committee considered related party transactions or transactions that may create conflicts of interest before submission to the Board of Directors. The Audit Committee is of the opinion that they are conducted on an arm's length basis and that relevant information is transparently disclosed based on the principle of prudence, integrity, transparency and the Bank's optimized benefits.

- **Good governance**

The Audit Committee received complaints and acknowledged the results of complaint resolutions from the responsible departments and is of the opinion that complaint resolution management has been appropriately and transparently conducted.

- **Risk management**

The Audit Committee considered minutes of the Risk and Compliance Committee and the Risk Management Committee meetings and is of the opinion that the Bank's risk management is adequate, and that preventive guidelines and measures are in place to appropriately handle potential situations.

- **Compliance with regulatory requirements**

The Audit Committee oversaw and monitored the operations, business undertaking or actions taken by the Bank and its group companies to ensure compliance with requirements and laws relevant to the banking business as well as the Bank's policies and procedures, by considering the results of regulatory compliance supervision as per reports of the Compliance Committee and audit results reported by the Audit Group, the Bank of Thailand, and the external auditor on a regular basis.

- **External auditor**

The Audit Committee considered, selected, and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited as the independent auditors of the Bank and its group companies for 2018 by taking into consideration the qualifications specified by the Bank of Thailand, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, whereby a qualified auditor shall not have any relationships with or interest in the Bank, its management, major shareholders or related parties in a manner that affect the independent operations, and shall not hold positions such as director, employee, contractual staff or any positions in the Bank and its group companies. The Audit Committee also considered appropriateness of audit fee in order to submit to the Board of Directors for further submission to the shareholders' meeting to approve the nomination of the auditor and the audit fee. In addition, the Audit Committee prudently considered the independence of the external auditor in providing non-audit services.

- **Others**

The Audit Committee Charter was reviewed and updated for greater clarity and comprehensiveness.

The Audit Committee has assessed its annual performance in order to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors. In 2018, the overall assessment result is at the score of 3.93 out of 4.00.

The Audit Committee had performed its duties as specified in its Charter with prudence, independence, and transparency, and provided constructive comments and recommendations for equitable sharing of benefits among stakeholders, with the Bank's and its group companies' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial statements of the Bank and its subsidiaries are fairly presented in all material aspects in accordance with financial reporting standards and regulatory requirements as well as with adequate and appropriate disclosure. It is also of the opinion that the external auditor is independent and has performed all its duties professionally. The Audit Committee notes that the Bank and the group companies have sound corporate governance, adequate and effective risk management, internal controls, and internal audits. The Bank has regularly monitored important changes so that it is well prepared to face potential risks that may arise in the future.

Ms. Potjanee Thanavarant
Chairman of the Audit Committee

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) is appointed by the Board of Directors, and is currently composed of four Bank directors, two of which are independent directors, namely Mr. Karun Kittisataporn who serves as Chairman of the NRC and Mr. Jamlong Atikul, and the other two are non-executive directors, namely Mr. Atsushi Murakami and Ms. Nopporn Tirawattanagool. The current committee composition is in compliance with the Charter of the Nomination and Remuneration Committee (the NRC Charter) which stipulates that the NRC shall consist of at least 3 independent directors or non-executive directors whereby the Chairman must be an independent director of the Bank.

In 2018, the Nomination and Remuneration Committee held a total of 18 meetings and carried out supervisory role with regard to nomination and remuneration according to the duties and responsibilities as set forth in the NRC Charter including formulation of policies, rules, and procedures for nomination and selection as well as determination of remuneration and other benefits for directors, members of the committees reporting directly to the board, and senior executives of the Bank as well as directors and managing directors or persons holding equivalent positions with other titles of the entities in which the Bank holds 50% or more of shares. The results of all the undertakings were summarized and proposed to the Board of Directors. Key activities included:

- Selecting and nominating candidates as directors to replace those who retired by rotation or resigned and to fill the vacancy according to the selection process by taking into consideration the appropriate proportion, number of members, diversity and composition of the Board of Directors to efficiently support the Bank's business strategies.
- Nominating directors as members of the committees reporting directly to the board and reviewing the appropriateness of number and names of members of the committees reporting directly to the board as well as considering the director succession plan.
- Nominating qualified candidates as senior executives of the Bank and ensuring that the viable succession plan has been established and annually reviewed as part of sustainable human resource management.
- Reviewing remuneration structure and rate for directors, members of the committees reporting directly to the board, and senior management of the Bank as well as directors and managing directors of companies in Krungsri financial business group taking into account scope of responsibilities, performance, industry benchmark, and economic situation.
- Revising the NRC Charter to ensure that the NRC roles, duties and responsibilities duly comply with the requirements and rules stipulated by relevant regulatory bodies according to the good corporate governance principles.
- Providing constructive advice to Human Resources Group with regard to execution of human resource management strategies including areas of personnel recruitment and retention, optimum organization structure (Right Size & Right Shape), determination of fair and equitable compensation, while keeping in mind the relevant risks faced by the Bank in the prevailing business environment.

The Nomination and Remuneration Committee has performed duties as set forth in the NRC Charter with prudence and transparency as well as compliance with relevant laws and regulations and the good corporate governance principles for the utmost benefits of the Bank and shareholders.



Mr. Karun Kittisataporn
Chairman of the Nomination and Remuneration Committee

REPORT OF THE RISK AND COMPLIANCE COMMITTEE

The Risk and Compliance Committee (RCC) consists of three directors as follows:

1.	Mr. Virat Phairatphiboon	(Independent Director)	Chairman
2.	Ms. Nopporn Tirawattanagool	(Non-executive Director)	Member
3.	Mr. Toru Matsuda	(Non-executive Director)	Member

In this regard, Ms. Nopporn Tirawattanagool assumed the position of Acting Chairperson of the Risk and Compliance Committee replacing Mr. Phong-adul Kristnaraj, the former Chairman, who passed away on May 7, 2018. Thereafter, Mr. Virat Phairatphiboon was appointed as the Chairman of the Risk and Compliance Committee on October 24, 2018. In addition, Mr. Toru Matsuda was appointed to replace Mr. Takeshi Ogasawara, who resigned from the Bank's director position on July 1, 2018.

Mr. Saengchart Wanichwatphibun, the Chief Compliance Officer, assumed the role of the Risk and Compliance Committee Secretary.

As per the Charter, approved and delegated by the Bank's Board of Directors, the Risk and Compliance Committee ('the Committee') assesses, recommends, and monitors the overall risk management and the compliance framework and practices of the Bank, as well as the companies within the financial business group. The Committee also has an oversight role on the Bank's good governance practices in accordance with the established policies, procedures and processes to prevent any undesirable impact on the Bank and the companies within the financial business group. In 2018, the Committee held 11 meetings, whereby the minutes of the meetings had already been reported to the Board of Directors. A summary of the Committee's overall proceeding in the year 2018 is as follows:

1. The Policy Aspect

In 2018, the Committee conducted a review of and made recommendations to 45 Policies of the Bank pertaining to risk and compliance as well as other relevant policies, prior to proposing them to the Board of Directors for consideration. It was conducted to ensure their consistency with relevant regulations, requirements and guidelines as stipulated by the regulators.

2. The Risk Management and Compliance Practices Aspect

The Committee reviewed, monitored, and provided advices on the overall risk and compliance strategies to ensure that the risk management and compliance measures and practices remained effective in operating the business of the Bank as well as the companies within the financial business group.

3. The Other Aspect

The Committee proposed a revision of the RCC Charter to the Board of Directors for consideration to align it with the Notification of the Bank of Thailand No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions, with regard to the duties, responsibilities and composition of the Risk and Compliance Committee. The level of governance was enhanced by establishing the independence of the Risk Management Group in alignment with the Notification. Furthermore, the Committee conducted a review of the Compliance Annual Report and Plan and proposed it to the Board of Directors before making the submission of the Report to the Bank of Thailand and other relevant regulators.

In summary, the Committee has responsibly performed its roles and responsibilities as stipulated by the Charter while upholding the integrity, transparency, consistency and business corporate governance in the best interests of the Bank and the companies in the financial business group. Furthermore, the Committee has conducted a self assessment on the performance of the Committee with the objective of utilizing the assessment results as a guideline to continue to enhance the Committee's roles and responsibilities more efficiently.



Mr. Virat Phairatphiboon
Chairman of the Risk and Compliance Committee

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS BANK OF AYUDHYA PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the "Bank and subsidiaries") and the Bank's financial statements of Bank of Ayudhya Public Company Limited (the "Bank"), which comprise the consolidated and Bank's statements of financial position as at December 31, 2018, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank's financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at December 31, 2018, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRSs").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and Bank's financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and Bank's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Key Audit Procedures
Allowance for doubtful accounts	
The allowance for doubtful accounts is considered to be a matter of most significance as it requires the application of judgment and use of subjective assumptions by management of the Bank and subsidiaries. The Bank and subsidiaries recognized both general and specific allowances of loans to customers, in accordance with the Bank of Thailand (the "BOT")'s notifications.	- Understood whether there were any changes in accounting policies and procedures regarding allowance for credit losses. If any, assessed the reasonableness of the changes and identified the impact of the changes. - Tested the design and operating effectiveness of the controls over loan classification, collateral value, right in collateral and loan credit review.

Key Audit Matters	Key Audit Procedures
Allowance for doubtful accounts	
The specific allowances used the specific percentage on loan classification based on collateralized approach on fair value of collateral whether its valuation is evaluated appropriately. The general allowances used the qualitative factors in assessment the ability to pay of debtors, including deteriorating economic and industry. Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 4.5 and 7.7 to the financial statements, respectively.	- Tested the accuracy of loan classification and calculation of the specific allowance based on the specific percentage according to the BOT's notifications. For the valuation of collateral, the appraisal method and amount evaluated by independent authorized appraiser was approved by the Bank's appraisal committee and complied with the BOT's regulation. The appraisal date was in a period of time determined in the BOT's notification. - Tested the adequacy of allowance and the appropriateness of management assumption on general provision and analysis the economic and industry. Tested the loan impairment methodology calculated the expected loss of the loan portfolio by segmentation based on historical data to assess the adequacy of allowance.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank's financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Bank.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK

February 27, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

FINANCIAL STATEMENTS

FINANCIAL POSITION

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

BAHT: '000

ASSETS	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
CASH	34,679,453	38,244,197	33,467,518	37,671,005
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.2)	245,553,368	330,797,381	239,262,061	325,640,238
CLAIM ON SECURITY	12,739,466	47,134,759	12,739,466	47,134,759
DERIVATIVES ASSETS (Note 7.3)	14,114,996	14,561,586	14,118,477	14,572,899
INVESTMENTS, NET (Note 7.4)	134,749,046	83,934,465	134,432,727	83,702,705
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET (Note 7.5)	2,619,961	2,222,431	58,261,091	57,869,606
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 7.6)				
Loans to customers	1,749,254,185	1,619,357,880	1,612,370,410	1,473,612,160
Accrued interest receivables	4,325,799	3,916,985	2,534,581	2,295,796
Total loans to customers and accrued interest receivables	1,753,579,984	1,623,274,865	1,614,904,991	1,475,907,956
<u>Less</u> Deferred revenue	(77,236,147)	(68,953,805)	(64,003,015)	(50,190,371)
<u>Less</u> Allowance for doubtful accounts (Note 7.7)	(59,790,567)	(54,172,854)	(45,696,125)	(38,493,249)
<u>Less</u> Revaluation allowance for debt restructuring (Note 7.8)	(1,569,084)	(1,302,828)	(100,722)	(48,016)
Net loans and accrued interest receivables	1,614,984,186	1,498,845,378	1,505,105,129	1,387,176,320
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	564,690	500,108	564,690	500,108
PROPERTIES FOR SALE, NET (Note 7.9)	3,478,358	3,684,841	2,188,153	2,088,299
PREMISES AND EQUIPMENT, NET (Note 7.10)	26,238,751	26,401,168	24,246,855	24,344,496
GOODWILL AND OTHER INTANGIBLE ASSETS, NET (Note 7.11)	16,642,318	16,756,121	3,767,460	3,630,013
DEFERRED TAX ASSETS (Note 7.12)	4,273,990	4,823,047	256,391	-
ACCOUNTS RECEIVABLE FOR INVESTMENTS	804,663	1,315,317	804,663	1,315,317
ASSETS CLASSIFIED AS HELD FOR SALE (Note 7.13)	39,536,149	-	2,413,540	-
OTHER ASSETS, NET (Note 7.14)	22,642,989	19,551,268	18,273,336	14,163,285
TOTAL ASSETS	2,173,622,384	2,088,772,067	2,049,901,557	1,999,809,050

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2018

BAHT: '000

LIABILITIES AND EQUITY	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	As at December 31, 2018	As at December 31, 2017	As at December 31, 2018	As at December 31, 2017
DEPOSITS (Note 7.15)	1,426,348,223	1,319,228,951	1,420,893,299	1,316,704,846
INTERBANK AND MONEY MARKET ITEMS, NET (Note 7.16)	244,097,059	279,720,847	246,253,800	284,477,010
LIABILITY PAYABLE ON DEMAND	5,990,667	6,296,314	5,990,573	6,296,270
LIABILITY TO DELIVER SECURITY	12,739,466	47,134,759	12,739,466	47,134,759
DERIVATIVES LIABILITIES (Note 7.3)	13,539,514	15,723,571	13,542,540	15,723,571
DEBT ISSUED AND BORROWINGS (Note 7.17)	155,649,788	142,866,150	115,987,549	111,994,878
BANK'S LIABILITY UNDER ACCEPTANCE	564,690	500,108	564,690	500,108
PROVISIONS (Note 7.18)	7,763,695	7,467,766	6,867,642	6,549,941
DEFERRED TAX LIABILITIES (Note 7.12)	3,765	106,529	-	103,853
ACCOUNTS PAYABLE FOR INVESTMENTS	103,091	1,587,891	103,091	1,587,891
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Note 7.13)	13,783,913	-	-	-
OTHER LIABILITIES (Note 7.20)	49,320,226	42,151,955	31,029,920	23,210,217
TOTAL LIABILITIES	1,929,904,097	1,862,784,841	1,853,972,570	1,814,283,344
EQUITY				
SHARE CAPITAL (Note 7.21)				
Authorized share capital 7,574,143,747 ordinary shares of Baht 10 each	75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital 7,355,761,773 ordinary shares of Baht 10 each	73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES	52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES	2,150,878	3,496,606	2,587,947	3,820,139
RETAINED EARNINGS				
Appropriated				
Legal reserve	5,890,800	5,006,800	5,890,800	5,006,800
Unappropriated	108,159,015	90,190,736	61,013,873	50,262,400
TOTAL BANK'S EQUITY	242,637,060	225,130,509	195,928,987	185,525,706
NON-CONTROLLING INTEREST	1,081,227	856,717	-	-
TOTAL EQUITY	243,718,287	225,987,226	195,928,987	185,525,706
TOTAL LIABILITIES AND EQUITY	2,173,622,384	2,088,772,067	2,049,901,557	1,999,809,050

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
INTEREST INCOME (Note 7.29)	107,131,778	94,997,812	74,597,475	64,955,061
INTEREST EXPENSES (Note 7.30)	31,803,439	26,463,003	29,635,978	24,738,869
INTEREST INCOME, NET	75,328,339	68,534,809	44,961,497	40,216,192
FEES AND SERVICE INCOME	28,999,346	26,340,619	15,447,471	13,736,349
FEES AND SERVICE EXPENSES	7,751,461	6,665,529	5,292,126	4,145,390
FEES AND SERVICE INCOME, NET (Note 7.31)	21,247,885	19,675,090	10,155,345	9,590,959
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET (Note 7.32)	4,736,450	4,233,207	4,718,472	4,215,117
GAINS (LOSSES) ON INVESTMENTS, NET (Note 7.33)	374,038	895,933	(25,962)	795,933
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD	391,199	301,603	-	-
DIVIDEND INCOME	202,052	194,826	7,232,737	3,221,218
BAD DEBTS RECOVERIES	5,994,398	5,161,214	1,297,357	845,386
GAINS ON SALE PROPERTIES FOR SALE	263,856	516,064	138,606	363,045
OTHER OPERATING INCOME	1,040,936	967,236	880,229	858,236
TOTAL OPERATING INCOME	109,579,153	100,479,982	69,358,281	60,106,086
OTHER OPERATING EXPENSES				
Employee's expenses	26,286,521	24,437,909	17,425,801	16,604,677
Directors' remuneration	59,390	57,775	53,172	52,130
Premises and equipment expenses	8,419,599	8,248,116	6,285,022	6,326,456
Taxes and duties	2,789,060	2,605,339	1,828,903	1,749,670
Others	14,186,040	12,860,814	7,768,628	6,968,724
Total other operating expenses	51,740,610	48,209,953	33,361,526	31,701,657
IMPAIRMENT LOSS ON LOANS AND DEBT SECURITIES (Note 7.34)	26,180,100	22,970,491	15,768,699	13,578,693
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	31,658,443	29,299,538	20,228,056	14,825,736
INCOME TAX EXPENSES (Note 7.35)	6,467,289	5,738,988	2,562,530	2,142,481
NET PROFIT	25,191,154	23,560,550	17,665,526	12,683,255

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified subsequently to profit or loss:				
Gain (Loss) on remeasuring available-for-sale investments	(1,223,637)	162,971	(1,223,637)	162,971
Loss arising from translating the financial statements of a foreign operation	(139,134)	(527,143)	-	-
Income tax relating to components of other comprehensive income (Note 7.36)	272,003	68,589	244,727	(32,595)
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain (loss) on defined benefit plans (Note 7.18)	67,783	378,329	(38,672)	297,771
Share of other comprehensive income of joint venture	6,331	1,449	-	-
Income tax relating to components of other comprehensive income (Note 7.36)	(13,689)	(75,666)	7,734	(59,554)
Total other comprehensive income, net	(1,030,343)	8,529	(1,009,848)	368,593
TOTAL COMPREHENSIVE INCOME	24,160,811	23,569,079	16,655,678	13,051,848
NET PROFIT ATTRIBUTABLE				
Owners of the Bank	24,812,637	23,209,271	17,665,526	12,683,255
Non-controlling interest	378,517	351,279	-	-
	25,191,154	23,560,550	17,665,526	12,683,255
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
Owners of the Bank	23,782,175	23,220,052	16,655,678	13,051,848
Non-controlling interest	378,636	349,027	-	-
	24,160,811	23,569,079	16,655,678	13,051,848
EARNINGS PER SHARE OF OWNERS OF THE BANK				
BASIC EARNINGS PER SHARE BAHT	3.37	3.16	2.40	1.72
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES SHARES	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CHANGES IN EQUITY

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

CONSOLIDATED FINANCIAL STATEMENTS											
	Owners of the Bank									Non-	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total	Controlling Interest	
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Foreign Currency Translation	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	Bank's Equity		
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	99,412	(5,217,755)	4,371,800	73,308,328	208,179,337	588,671	208,768,008
Change in revaluation surplus	-	-	(273,668)	-	-	-	-	273,668	-	-	-
Dividend payment (Note 7.21.2)	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(81,936)	(6,334,333)
Increase in legal reserve	-	-	-	-	-	-	635,000	(635,000)	-	-	-
Total comprehensive income	-	-	-	130,377	(423,838)	-	-	23,513,513	23,220,052	349,027	23,569,079
Change in shareholding in subsidiaries company	-	-	-	-	893	-	-	(17,376)	(16,483)	955	(15,528)
Balance as of December 31, 2017	73,557,618	52,878,749	8,148,936	888,958	(323,533)	(5,217,755)	5,006,800	90,190,736	225,130,509	856,717	225,987,226
Balance as of January 1, 2018	73,557,618	52,878,749	8,148,936	888,958	(323,533)	(5,217,755)	5,006,800	90,190,736	225,130,509	856,717	225,987,226
Change in revaluation surplus	-	-	(253,282)	-	-	-	-	253,282	-	-	-
Dividend payment (Note 7.21.2)	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(114,714)	(6,367,111)
Increase in legal reserve	-	-	-	-	-	-	884,000	(884,000)	-	-	-
Total comprehensive income	-	-	-	(978,910)	(111,859)	-	-	24,872,944	23,782,175	378,636	24,160,811
Change in shareholding in subsidiaries company	-	-	-	-	(1,677)	-	-	(21,550)	(23,227)	(39,412)	(62,639)
Balance as of December 31, 2018	73,557,618	52,878,749	7,895,654	(89,952)	(437,069)	(5,217,755)	5,890,800	108,159,015	242,637,060	1,081,227	243,718,287

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

	THE BANK'S FINANCIAL STATEMENTS							Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	(5,217,755)	4,371,800	43,954,658	178,726,255
Change in revaluation surplus	-	-	(273,668)	-	-	-	273,668	-
Dividend payment (Note 7.21.2)	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve	-	-	-	-	-	635,000	(635,000)	-
Total comprehensive income	-	-	-	130,377	-	-	12,921,471	13,051,848
Balance as of December 31, 2017	73,557,618	52,878,749	8,148,936	888,958	(5,217,755)	5,006,800	50,262,400	185,525,706
Balance as of January 1, 2018	73,557,618	52,878,749	8,148,936	888,958	(5,217,755)	5,006,800	50,262,400	185,525,706
Change in revaluation surplus	-	-	(253,282)	-	-	-	253,282	-
Dividend payment (Note 7.21.2)	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Increase in legal reserve	-	-	-	-	-	884,000	(884,000)	-
Total comprehensive income	-	-	-	(978,910)	-	-	17,634,588	16,655,678
Balance as of December 31, 2018	73,557,618	52,878,749	7,895,654	(89,952)	(5,217,755)	5,890,800	61,013,873	195,928,987

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

STATEMENTS OF CASH FLOWS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	31,658,443	29,299,538	20,228,056	14,825,736
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	3,945,241	3,887,437	2,939,162	2,984,804
Interest expenses from finance lease	10,444	1,299	8,927	819
Impairment loss on loans and debt securities	26,180,100	22,970,491	15,768,699	13,578,693
Gain on translation in foreign currencies	(1,343,344)	(13,872,500)	(1,343,344)	(13,872,500)
Unrealized (gain) loss from revaluation of derivatives	(1,956,249)	8,354,876	(1,945,389)	8,343,365
Share of profit from investment using equity method	(391,199)	(301,603)	-	-
(Gain) loss on investments	(374,038)	(895,933)	25,962	(795,933)
Increase in discount on investments	29,879	114,378	29,879	114,378
Gain on sales of properties for sale	(263,856)	(516,064)	(138,606)	(363,045)
(Gain) loss on sales of premises and equipment	(2,066)	12,292	14,805	39,123
Loss on impairment of properties for sale	624,508	481,011	275,391	250,825
Loss on impairment of premises and equipment (reversal)	1,873	132	-	(76)
Loss on impairment of other assets (reversal)	(61,247)	105,088	75,456	61,733
Increase in other reserves	211,743	86,834	256,884	346,090
Interest income, net	(75,328,339)	(68,534,809)	(44,961,497)	(40,216,192)
Income tax refunded	1,789	-	-	-
Interest received	106,745,694	94,930,634	74,352,560	64,868,176
Interest paid	(30,054,466)	(26,076,307)	(27,952,453)	(24,305,089)
Dividend income	(202,052)	(194,826)	(7,232,737)	(3,221,218)
Dividends received	202,982	198,339	202,634	197,808
Increase in other accrued expenses	840,926	1,065,296	1,070,316	501,169
Income tax paid	(6,928,428)	(5,436,105)	(2,616,868)	(1,833,534)
Income from operations before changes in operating assets and liabilities	53,548,338	45,679,498	29,057,837	21,505,132
(Increase) decrease in operating assets				
Interbank and money market items	85,650,809	(132,802,223)	85,260,469	(133,497,714)
Current investments - securities for trading	(1,632,762)	275,604	(1,630,764)	275,866
Loans to customers	(191,342,613)	(132,833,393)	(142,989,302)	(106,839,735)
Properties for sale	11,586,122	8,696,473	8,734,929	5,753,772
Other assets	(3,368,167)	(4,543,475)	(4,224,706)	(3,927,740)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	107,601,941	215,417,046	104,671,122	218,266,666
Interbank and money market items	(32,593,024)	(15,574,105)	(35,192,447)	(13,900,926)
Liability payable on demand	(255,324)	2,292,117	(255,374)	2,292,384
Other liabilities	6,089,209	(4,160,288)	4,049,148	(5,462,818)
Net cash from operating activities	35,284,529	(17,552,746)	47,480,912	(15,535,113)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	70,212,435	129,361,447	70,212,435	129,311,447
Cash paid for purchases of investments in securities	(121,251,286)	(80,581,297)	(121,168,725)	(80,369,111)
Cash paid for investment in subsidiaries	(62,638)	(15,528)	(3,205,025)	(2,259,060)
Dividend received from subsidiaries	-	-	7,031,033	3,026,924
Proceeds from sales of premises and equipment	(495,818)	78,792	18,327	7,720
Cash paid for purchases of premises and equipment	(2,182,631)	(3,926,441)	(1,199,787)	(3,102,329)
Cash paid for purchases of other assets	(1,341,369)	(1,094,420)	(1,048,438)	(822,612)
Net cash from investing activities	(55,121,307)	43,822,553	(49,360,180)	45,792,979
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	63,282,494	279,104,267	29,000,000	266,731,361
Cash paid for repayment of debts issued and borrowings	(38,269,675)	(296,555,730)	(25,007,329)	(288,655,440)
Cash paid for repayment of liabilities under finance lease agreements	(76,726)	(21,316)	(67,617)	(21,316)
Dividend payment	(6,367,112)	(6,334,333)	(6,252,397)	(6,252,397)
Net cash from financing activities	18,568,981	(23,807,112)	(2,327,343)	(28,197,792)
Total	(1,267,797)	2,462,695	(4,206,611)	2,060,074
Loss arising from translating the financial statements of a foreign operation	(66,015)	(278,541)	-	-
Effect of exchange rate change on cash	3,124	(59,987)	3,124	(59,987)
Net increase (decrease) in cash and cash equivalents	(1,330,688)	2,124,167	(4,203,487)	2,000,087
Cash and cash equivalents as at January 1,	41,701,147	39,576,980	37,671,005	35,670,918
Cash and cash equivalents as at December 31,	40,370,459	41,701,147	33,467,518	37,671,005

Notes to consolidated and the Bank's financial statements form an integral part of these statements



Mr. Noriaki Goto
President and Chief Executive Officer



Miss Duangdao Wongpanitkrit
Director

NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.) ("MUFG") and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at December 31, 2018 and 2017, the Bank has 17 subsidiaries as follows:

- 1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, has changed its registered address from 1222, 16th Floor, Bank of Ayudhya, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok to 550, Krungsri Ploenchit Tower, 14th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited was incorporated in Thailand on November 27, 1995 has changed its registered address from 87/2, 26th, 30th and 48th Floor, CRC Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Patumwan District, Bangkok to 550, Krungsri Ploenchit Tower, 16th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 Ngern Tid Lor Company Limited was incorporated in Thailand on October 24, 2006, has changed its registered address from 89/170, 4th, 5th, 9th and 10th Floor, Juthamard Building, Viphavadi Rangsit Road, Talad Bangkhen Subdistrict, Laksi District, Bangkok to 428 Ari Hills Building 9th-15th Floor, Phahonyothin Road, Sam Sen Nai Subdistrict, Phaya Thai District, Bangkok in April 2018. The subsidiary's main business is hire-purchase loan and secured personal loan for vehicles and motorcycles.
- 1.4 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994, has changed its registered address from 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is credit cards and personal loans.
- 1.5 General Card Services Limited was incorporated in Thailand on January 24, 1995, has changed its registered address from 87/1, 1st-6th and 8th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is credit cards and personal loans.
- 1.6 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996, has changed its registered address from 87/1, 1st-6th and 8th-11th Floor, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is credit cards and personal loans.
- 1.7 Siam Realty and Services Security Company Limited was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is car rental services and personnel services.
- 1.8 Total Services Solutions Public Company Limited was incorporated as a public company limited in Thailand on May 19, 1997 and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary's main business is collection services.

- 1.9 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996 and is located at 898, Ploenchit Tower Building, 1st-2nd Floor zone A, 12th and 18th Floor zone B, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.10 Krungsri Ayudhya AMC Limited was incorporated in Thailand on August 18, 2000 and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell assets transferred from financial institutions.
- 1.11 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004 and is located at 898, Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.
- 1.12 Krungsri Factoring Company Limited was incorporated in Thailand on February 1, 2007 and is located at 1222, Bank of Ayudhya, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring.
- 1.13 Krungsri Life Assurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, has changed its registered address from 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is as a life insurance broker.
- 1.14 Krungsri General Insurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, has changed its registered address from 87/1, Capital Tower, All Seasons Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok to 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok in February 2018. The subsidiary's main business is as a general insurance broker.
- 1.15 Krungsri Finnivate Company Limited was incorporated in Thailand on March 27, 2017 and is located at 1222, has changed its registered address from 10th Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok to 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok in September 2018. The subsidiary's main business is venture capital.
- 1.16 Krungsri Leasing Services Company Limited, as at December 31, 2018 and 2017, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 75% and 78% and Ayudhya Capital Services Company Limited of 25%, and 12%, respectively, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014 and is located at 355, Unit 12, Kamphengmeung Road, Phonethan Village, Sayseththa District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.
- 1.17 Hattha Kaksekar Limited was incorporated in Cambodia in November 1996, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is providing loans, deposits and other financial services.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions ("FAP"), the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"), where the form of financial statements is based on Thai Accounting Standard No. 1 (Revised 2017) "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with the Bank of Thailand ("BOT") Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of a Financial Group dated December 4, 2015.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The financial statements are presented in Thai Baht, which is the Bank's functional currency. All financial information presented in Thai Baht has been rounded in the financial statements to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

The Bank prepares its financial statements in the Thai language in conformity with Thai Financial Reporting Standards ("TFRSs") and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.

Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective in 2018

New Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

Thai Financial Reporting Standards ("TFRS")

TFRS 1	First-time Adoption of International Financial Reporting Standards
TFRS 15	Revenue from Contracts with Customers

Thai Financial Reporting Standard Interpretation ("TFRIC")

TFRIC 22	Foreign Currency Transactions and Advance Consideration

Thai Financial Reporting Standards (TFRSs) Revised 2018

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards Revised 2018 which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standards ("TAS")

TAS 28 (Revised 2018)	Investment in Associates and Joint Ventures
TAS 40 (Revised 2018)	Investment Property

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2018)	Share-based Payment
TFRS 4 (Revised 2018)	Insurance Contracts

Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 32	Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The management of the Bank and its subsidiaries will adopt such TFRSs in the Bank and subsidiaries' financial statements when it becomes effective. The management of the Bank and its subsidiaries have assessed the impact of these TFRSs and considered the adoption of TFRSs does not have any significant impact on the financial statements of the Bank and its subsidiaries in the period of initial application, except Thai Financial Reporting Standards that are relevant to financial instruments, the management of the Bank and its subsidiaries are in the process to assess the impact of these TFRSs on the financial statements of the Bank and its subsidiaries in the period of initial application.

- 2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at December 31,	
			2018	2017
Subsidiaries				
Ayudhya Development Leasing Company Limited	Hire-purchase and Leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Service Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	99.84	99.84
Krungsri Factoring Company Limited	Factoring	Thailand	100.00	100.00
Krungsri Life Assurance Broker Limited ⁽¹⁾	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited ⁽¹⁾	General insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture Capital	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited ⁽²⁾	Hire-purchase, leasing and sales finance	Lao PDR	100.00	90.00
Hattha Kaksekar Limited	Micro finance	Cambodia	100.00	100.00

⁽¹⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

⁽²⁾ As at December 31, 2018 and 2017, indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and 78% and Ayudhya Capital Services Company Limited of 25% and 12%, respectively.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries' financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Cash and cash equivalents

In the Bank's statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Derivatives

The Bank and its subsidiaries have recognized derivatives transactions as follows:

4.2.1 Derivatives for trading are recorded at fair value and profit or loss from the price appraisal is recognized as income or expense in the statements of profit or loss and other comprehensive income.

4.2.2 Derivatives for hedging are recorded and profit or loss from the price appraisal is recognized as income or expense based on the accrual basis in line with the underlying transactions.

4.3 Investments

The Bank and its subsidiaries' investments which consist of debt securities and equity securities are classified as trading securities, available-for-sale securities, held-to-maturity securities or general investments.

In addition, the Bank complies with the BOT's Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of Financial Group dated December 4, 2015, requiring commercial banks to present the investments as investments, net and investments in subsidiaries, associates and joint ventures, net.

Investments are initially recognized on the trade date.

Trading securities represent securities acquired with the intention to hold short-term to benefit from the anticipated changes in market value. Trading securities are carried at fair value. Realized gains or losses from the sales of trading securities and unrealized gains or losses on the changes in fair value are recognized as gains (losses) on trading and foreign exchange transactions in the statements of profit or loss and other comprehensive income. Interest earned and dividends received from trading securities are recognized using the accrual basis of accounting as interest income and dividend income, respectively.

Debt securities which the Bank and subsidiaries have the intention and ability to hold until maturity are classified as held-to-maturity and carried at the amortized cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Debt and equity securities with readily determinable market values that are not classified as either trading securities or held-to-maturity securities are classified as available-for-sale securities and carried at fair value. The unrealized gains or losses related to available-for-sale securities are reported as other comprehensive income in equity until realized upon the sale, disposition or a permanent decline in value occurs on such securities. Gain or loss on disposal or loss on impairment is recognized in the statements of profit or loss and other comprehensive income.

Non-marketable equity securities and marketable equity securities acquired from troubled debt restructuring are classified as general investments and carried at cost, net of valuation allowances for impairment, if any. Valuation allowances are established to recognize an unrealized loss in the statements of profit or loss and other comprehensive income when impairment is determined by management.

Premiums and discounts are amortized and accreted into income as adjustments to interest income using the effective interest rate method.

In the consolidated financial statements, investments in associates and joint ventures are accounted for by the equity method. In the Bank's financial statements, investments in subsidiaries and associates are accounted for by the cost method.

When an investment is assessed as being impaired, the amount of impairment is recognized as expense in the statements of profit or loss and other comprehensive income.

Equity securities which are non-listed securities are stated at cost, except in the case where a permanent decline in value is deemed to have occurred with the loss charged to the statements of profit or loss and other comprehensive income.

Cost of securities sold during the year is computed by using the weighted average method. Realized gains or losses from sales of debt and equity securities are included in the statements of profit or loss and other comprehensive income.

4.4 Loans to customers

Overdrafts are stated at the drawn amounts including interest.

Hire-purchase receivables and finance lease receivables are carried at contract amount plus initial direct cost.

Other loans are stated at the principal amounts.

Unearned discount from notes are presented in deferred revenue.

Unearned interest income and deferred subsidy income on hire-purchase contract and finance lease are presented in deferred revenue and amortized by the effective interest rate method.

Initial direct cost is amortized by the effective interest rate method.

4.5 Allowance for doubtful accounts

Allowance for doubtful accounts is determined through methods in accordance with the BOT's regulations. The Bank and its subsidiaries categorize their loan portfolio and determine allowance for doubtful accounts subject to different levels of provisioning. Allowance for doubtful accounts for loans classified as normal and special mention are calculated based on the minimum percentage in accordance with the BOT's guidelines by using the value of collateral for calculation of reserve. For loans classified as substandard, doubtful and doubtful of loss, the allowance rate is 100 percent of the difference between the outstanding loan value and present value of expected cash flow from proceeds from disposal of the collateralized assets which exclude collateral in the form of machinery. With the exception of a subsidiary that carries out a leasing business, the reserve calculation is determined by including the value of machinery as collateral. In addition, the Bank and its subsidiaries estimate an additional allowance for doubtful debts over the minimum percentage as specified in the BOT's guidelines.

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

Loans to customers are written-off in the year that they are determined to be irrecoverable. Bad debts written-off during the year are recorded as a deduction from the allowance for doubtful accounts. Bad debts and doubtful accounts are shown as expenses in the statements of profit or loss and other comprehensive income.

Bad debt recovery is recorded as income in the statements of profit or loss and other comprehensive income when received.

4.6 Troubled debt restructuring

Losses on troubled debt restructurings resulting from the reduction of principal and accrued interest and other form such as modifications of terms, asset transfers, equity securities transfers, and etc. are recognized as expenses in the statements of profit or loss and other comprehensive income.

For troubled debt restructurings with a modification of terms, the Bank has applied the BOT's criteria requiring the Bank to choose between the collateral method to estimate a loss amount and the net present value method which represents expected future cash flows by applying the discounted market interest rate on the restructuring date. Losses from such debt restructurings are recognized in the statements of profit or loss and other comprehensive income.

The Bank has recalculated the fair value of restructured debts in every month based on the discounted market interest rate as of the processing date and based on the discounted market interest rate as of the financial statements date that shown every quarter, except for commercial loan, the recalculation based on the discounted interest rate at contractual rate. The Bank adjusts the valuation on debt restructured for any change on monthly basis, in accordance with the BOT's criteria. The valuation adjustment on restructured debt shall not cause the book value of restructured debt to exceed the investment value on restructured debt.

Restructured debt with assets or equity securities transferred for debt repayment either in whole or in part are recorded at the fair value, net of estimated selling expenses, not to exceed the investment value on such debt and the right-to-claim interest income.

For investments in receivables incurred prior to January 1, 2013, that are subsequently restructured, the Bank has calculated the fair value of restructured debt as of the restructuring date and recognized the difference between book value and fair value in the statements of profit or loss and other comprehensive income for the year and classified investments in receivables as loans in accordance with the BOT's criteria.

4.7 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest (including previously unrecognized contractual interest) or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

4.8 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank's suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Leased assets

Leases under which the Bank and its subsidiaries assume substantially all the risks and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalized at the lower of its fair value or the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10-50 years
Equipment, furniture, fixtures, office equipment and vehicles	2-10 years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other expenses in the statements of profit or loss and other comprehensive income.

4.9 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software amortization is calculated by the straight-line method over the expected future economic benefit period between 3 - 10 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network, are calculated by the straight-line method over the expected future economic benefit period between 8 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.10 Assets classified as held for sale

Assets or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal group, are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to financial assets and deferred tax assets. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in the statements of profit or loss and other comprehensive income.

4.11 Recognition of income

Interest income from loans to customers and other income are recognized on an accrual basis, except interest income on finance lease and hire-purchase contract is recognized by the effective interest rate method.

Interest income from investment in debt securities and investment in loans are recognized by the effective interest rate method.

The Bank and its subsidiaries are required by the BOT to stop accruing interest income from debtors when more than three months past due and reverse this accrued interest income from interest income. Thereafter, interest income from these debtors shall be recognized on a cash basis.

The asset management subsidiary recognizes interest income from investments in receivables and loans by using the market interest rate plus a risk premium that represents the discounted rate in calculating present value of future cash flows expected to be collected from receivables, except for certain receivables being doubtful of collection where the subsidiary recognizes interest income from such investments in receivables and loans on a cash basis.

The hire-purchase business recognizes income for finance leases and hire-purchase contracts by the effective interest rate method.

4.12 Recognition of expenses

The Bank and its subsidiaries recognize expenses, including interest expenses on an accrual basis.

4.13 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

4.13.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.13.2 Post-employment benefit obligations

- Pension plan

The employees who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave the Bank. On January 1, 1998, the Bank established the provident fund for its employees to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and interest thereon are less than the pension receivable under the pension plan, the Bank will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an

actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Actuarial gains (losses) are recognized in other comprehensive income.

4.13.3 Benefit from carry forward leave

The benefit from cumulative carry forward leave is recognized as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

4.13.4 Other benefit

The employee of a subsidiary will receive "other benefit" upon resignation or retirement in accordance with the subsidiary's policy.

The cumulative of other benefit is recognized as a provision in the statement of financial position.

The expense is categorized as defined contribution plan and recorded as employee's expenses in the statements of profit or loss and other comprehensive income.

4.14 Contributions to the Financial Institution and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and other comprehensive income.

4.15 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.16 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

4.16.1 Current tax

The current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.16.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Bank and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Bank and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

The Bank and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when the Bank and its subsidiaries have legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Bank and its subsidiaries present income tax expenses or income related to profit or loss in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income in equity.

4.17 Earnings per share

Basic earnings per share are calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the year.

4.18 Foreign currency transactions

4.18.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on trading and foreign exchange transactions, net in the statements of profit or loss and other comprehensive income.

4.18.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.19 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Negative goodwill arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as acquisition costs. Since January 1, 2011, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Negative goodwill is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognizes the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognized using the net book value at the date of business combination.

The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank's equity in the statement of financial position.

5. RISK MANAGEMENT

5.1 Information of risk of the Bank

Through financial instruments both on-statement of financial position and off-statement of financial position, the Bank conducts its normal course of business to meet the financing needs of its customers, as well as for its investment purposes and to reduce exposure due to the fluctuations in foreign exchange rates and interest rates. The off-statement of financial position's financial instruments include commitments to extend credit, standby letters of credit, financial guarantees, interest rate swap and forward foreign exchange contracts. These instruments involve, to varying degrees, elements of credit, interest rate and foreign exchange risk in excess of the amount recognized in the financial statements. The contractual notional amounts of these instruments reflect the extent of the Bank's involvement in particular classes of financial instruments.

The introduction of new derivative products require an approval from the Board of Directors. Operating processes, including the breach of prescribed limits, and risk control are governed under the Derivatives Product Program and BOT's notification regarding guidelines on risk management for derivatives transactions.

In 2018 Bank has continuously conducted the forward-looking risk management and closely monitor to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT. In addition, Bank has continued to study and make the preparation for the enhancement on market risk measurement to align with new international's framework issued by Basel Committee on Banking Supervision (BCBS) such as Fundamental Review of the Trading Book (FRTB) and Interest Rate Risk in Banking Book (IRRBB) etc., with continuous MUFG strong support and knowledge sharing.

Credit risk

Credit risk refers to the risk that customer or counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank reviews the policy on a regular basis and the Bank has adopted the policy in dealing with counterparties and obtaining sufficient collateral or other security where appropriate, as a mean of mitigating the risk of financial losses from defaults.

In the case of recognized financial assets, the carrying amount of the assets recorded in the statement of financial position, net of allowance for doubtful accounts (see Note 7.7), represents the Bank's maximum exposure to credit risk.

The Bank considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position's financial instruments will not adhere to the terms of the contract with the Bank when settlement becomes due.

The Bank's exposure to credit loss in the event of non-performance by the other party to the off-statement of financial position's financial instrument for commitments to extend credit, standby letters of credit, and financial guarantees written is represented by the contractual notional amount of those instruments.

The Bank uses the same credit policies in making commitments and conditional obligations as it does for the on-statement of financial position's financial instruments. For interest rate swap and forward foreign exchange contracts, the contractual notional amounts do not represent exposure to credit loss. The Bank controls the credit risk of its financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

Interest rate risk

Interest rate risk refers to the risk arising from changes in interest rates that have an adverse effect on the net interest earnings and the shareholders' equity. Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and contingencies, and from the mismatch of their repricing rates.

Interest rate risk management is carried out by the Risk Management Committee (RMC) and the Asset and Liability Management Committee (ALCO), which have been empowered by the Board of Directors with the authority to manage interest rate risk. ALCO is responsible for determining interest rate risk management, together with monitoring and controlling interest rate risk to ensure that it is within an acceptable risk appetite and in line with the interest rate risk management policy as approved by the Board of Directors. The Bank will review such policy on a regular basis to commensurate with operating environments and changes in business.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk tool is employed for the trading book position to predict the Bank's potential maximum loss.

Foreign exchange rate risk

Foreign exchange risk refers to the loss affecting income and/or shareholders' equity from the exchange rate fluctuations that affected foreign currency transactions and foreign currency assets and liabilities.

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from services provided to the Bank's customers. The Bank also has positions in emerging currency e.g. MYR/THB and IDR/THB under Appointed Cross Currency Dealers (ACCD) established to support the settlement in local currency among those countries.

In addition, the Bank enters into forward foreign exchange contracts as part of the risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board of Directors and controlling procedures set by the relevant departments and Committees.

The Bank's Board of Directors is in charge of setting the limits for each specific currency and aggregate net FX position under an acceptable risk level and regularly reviews to be in line with business strategy and change in market circumstance, meanwhile the RMC ensures that the limits remain within the specified amount. The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as a tool to manage the exchange rate risk and prepares a report on regular basis for the Bank's senior management in the relevant departments.

Equity price risk

Price risk refers to the loss affecting income and/or shareholders' equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purposed. In managing equity position risk which is held, according to initial intention, as long-term, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the positions.

The Bank's Board of Directors sets the total limit at an acceptable risk level and reviews it annually. The Bank monitors the level of risk under the specified risk limits using the Value-at-Risk Method to manage the equity price risk and prepares a report on regular basis for the Bank's management in relevant departments.

Liquidity risk

Liquidity risk means risk resulting from the Bank's failure to pay its debts and obligations by the due dates because of an inability to convert liquid assets into cash, or its failure to procure enough fund, or, if it can, the fund comes with an exceptionally high cost that may affect income and capital fund now and in the future.

Liquidity risk management of Bank is under the supervision of the ALCO and RMC. ALCO also monitors and manages liquidity risk to ensure that it is at an acceptable risk appetite and in line with the liquidity risk management policy as approved by the Board of Directors. The Bank reviews such policy on a regular basis to commensurate with business strategy and market circumstance that may be changed.

To ensure the efficiency of the liquidity risk management, the Bank has established the liquidity risk management policy and guideline. In addition, liquidity contingency plan and guideline are formulated and regularly tested to ensure readiness to deal with crisis situations and successfully restore the situation to normal.

The Bank also realizes the significance of adequate measurement tools for the size and complexity of transactions both on - and off - balance sheet as well as regulatory compliance. The Bank complies with Liquidity Coverage Ratio (LCR) at the minimum requirement of 80 percent in 2018 and will eventually be 100 percent on January 1, 2020 and Net Stable Funding Ratio (NSFR) guidelines with the minimum requirement of 100 percent, effective on July 1, 2018. For monitoring and management, the Bank applies LCR for short-term liquidity management to ensure maintaining adequate liquid assets and NSFR for long-term liquidity management to ensure maintaining a stable funding. In addition, the Bank has reinforced the information and technological infrastructure model for managing liquidity risk on an on-going basis of reporting frequency.

Disclosure of Liquidity Coverage Ratio (LCR) under BOT's Notification Sor.Nor.Sor. 2/2561 regarding Liquidity coverage ratio disclosure standards dated January 25, 2018, on the Bank's website with details as follows:

Information as at	June 30, 2018
Date of disclosure	October 31, 2018
Location of disclosure	https://www.krungsri.com/bank/en/InvestorRelations/FinancialInformationandReports/liquidity-coverage-ratio.html

The disclosure as at December 31, 2018 will be provided on or before April 30, 2019 on the above Bank's website as indicated in the BOT's notification.

5.2 Assets and liabilities classified by maturity of interest repricing

The Bank and its subsidiaries' financial assets and liabilities classified by maturity of interest repricing as at December 31, 2018 and 2017 are summarized as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2018						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	171,721	2,148	5,500	-	-	66,184	245,553
Investments, net	19,818	45,041	63,872	540	-	5,478	134,749
Loans to customers	876,828	209,873	433,736	37,033	38,446	76,102	1,672,018
Financial liabilities							
Deposits	1,012,872	268,821	109,262	2	-	35,391	1,426,348
Interbank and money market items, net	152,498	82,377	5,449	420	-	3,353	244,097
Debt issued and borrowings	20,068	27,672	65,879	42,009	-	22	155,650

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2017						Total
	Not over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	
Financial assets							
Interbank and money market items, net	284,587	2,083	2,300	-	-	41,827	330,797
Investments, net	9,101	33,711	33,970	1,970	-	5,182	83,934
Loans to customers	842,885	217,768	356,783	24,541	37,622	70,805	1,550,404
Financial liabilities							
Deposits	969,734	288,909	23,764	24	-	36,798	1,319,229
Interbank and money market items, net	241,207	31,397	2,780	474	-	3,863	279,721
Debt issued and borrowings	5,259	31,549	63,865	42,168	-	25	142,866

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2018						
	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	170,300	2,098	5,500	-	-	61,364	239,262
Investments, net	19,818	45,041	63,872	540	-	5,162	134,433
Loans to customers	870,647	178,471	424,602	36,618	32,285	5,744	1,548,367
Financial liabilities							
Deposits	1,013,584	262,209	108,537	-	-	36,563	1,420,893
Interbank and money market items, net	156,211	82,377	3,877	420	-	3,369	246,254
Debt issued and borrowings	12,003	13,000	49,000	41,985	-	-	115,988

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2017						
	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	Non-Interest Bearing	Total
Financial assets							
Interbank and money market items, net	282,463	1,983	2,300	-	-	38,894	325,640
Investments, net	9,101	33,711	33,970	1,970	-	4,951	83,703
Loans to customers	850,300	179,975	334,138	24,048	30,419	4,542	1,423,422
Financial liabilities							
Deposits	971,572	283,876	23,439	22	-	37,796	1,316,705
Interbank and money market items, net	244,668	31,397	4,061	474	-	3,877	284,477
Debt issued and borrowings	4,010	21,000	45,000	41,985	-	-	111,995

5.3 Interest bearing financial instruments

The following table presents the Bank's average outstanding balances and interest amounts of interest bearing financial instruments for the years ended December 31, 2018 and 2017.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	262,351	6,213	2.4	189,941	3,425	1.8
Investments	81,620	1,855	2.3	97,751	2,269	2.3
Loans to customers	1,622,585	99,064	6.1	1,473,633	89,304	6.1
Total	1,966,556	107,132		1,761,325	94,998	
Interest bearing financial liabilities						
Deposits	1,348,215	21,437	1.6	1,142,519	17,955	1.6
Interbank and money market items	246,658	5,534	2.2	279,338	3,959	1.4
Debt issued and borrowings	166,707	4,832	2.9	157,359	4,549	2.9
Total	1,761,580	31,803		1,579,216	26,463	

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2018			2017		
	Average Balance	Interest Amount	Average Rate (%)	Average Balance	Interest Amount	Average Rate (%)
Interest bearing financial assets						
Interbank and money market items	259,882	6,202	2.4	187,472	3,413	1.8
Investments	81,384	1,855	2.3	97,473	2,269	2.3
Loans to customers	1,478,309	66,540	4.5	1,355,068	59,273	4.4
Total	1,819,575	74,597		1,640,013	64,955	
Interest bearing financial liabilities						
Deposits	1,343,904	20,598	1.5	1,137,844	17,145	1.5
Interbank and money market items	249,611	5,500	2.2	283,375	4,004	1.4
Debt issued and borrowings	122,528	3,538	2.9	128,825	3,590	2.8
Total	1,716,043	29,636		1,550,044	24,739	

5.4 Maturities of financial assets and liabilities

The following table presents the Bank and its subsidiaries' maturities of financial assets and liabilities as at December 31, 2018 and 2017.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2018							
	At Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	68,883	166,017	2,944	5,954	1,537	-	218	245,553
Investments, net	-	4,499	31,990	92,221	539	-	5,500	134,749
Loans to customers	38,835	268,161	322,999	631,949	371,628	38,446	-	1,672,018
Financial liabilities								
Deposits	626,574	421,338	269,172	109,262	2	-	-	1,426,348
Interbank and money market items, net	12,838	143,018	82,434	5,387	420	-	-	244,097
Debt issued and borrowings	-	20,129	26,764	66,738	42,009	-	10	155,650

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2017							
	At Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	48,008	275,593	2,891	3,020	1,082	-	203	330,797
Investments, net	-	7,257	17,453	52,561	2,084	-	4,579	83,934
Loans to customers	64,205	243,889	285,943	598,353	320,392	37,622	-	1,550,404
Financial liabilities								
Deposits	587,760	418,468	289,192	23,785	24	-	-	1,319,229
Interbank and money market items, net	11,115	263,326	2,065	2,742	473	-	-	279,721
Debt issued and borrowings	-	5,348	32,921	62,554	42,035	-	8	142,866

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2018							
	At Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	64,660	165,538	2,892	5,954	-	-	218	239,262
Investments, net	-	4,499	31,990	92,221	537	-	5,186	134,433
Loans to customers	38,096	237,177	261,341	609,333	370,135	32,285	-	1,548,367
Financial liabilities								
Deposits	632,059	418,088	262,209	108,537	-	-	-	1,420,893
Interbank and money market items, net	16,695	142,882	82,378	3,879	420	-	-	246,254
Debt issued and borrowings	-	12,001	13,000	49,002	41,985	-	-	115,988

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2017							
	At Call	Not Over 3 Months	Greater than 3-12 Months	Greater than 1-5 Years	Greater than 5 Years	Non-Performing Loans	No Maturity	Total
Financial assets								
Interbank and money market items, net	44,270	275,357	2,791	3,019	-	-	203	325,640
Investments, net	-	7,257	17,453	52,561	2,083	-	4,349	83,703
Loans to customers	63,285	229,963	220,290	560,859	318,606	30,419	-	1,423,422
Financial liabilities								
Deposits	593,275	416,094	283,854	23,460	22	-	-	1,316,705
Interbank and money market items, net	14,606	263,301	2,041	4,056	473	-	-	284,477
Debt issued and borrowings	-	4,010	21,000	45,000	41,985	-	-	111,995

5.5 Fair value of financial instruments

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most a liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date
- Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable
- Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial assets and liabilities as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018			2017		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	34,679	34,679	-	38,244	38,244
Interbank and money market items, net	-	245,553	245,553	-	330,797	330,797
Derivatives assets	14,037	78	14,115	14,520	42	14,562
Investments, net	118,029	16,720	134,749	67,152	16,782	83,934
Loans to customers and accrued interest receivables, net	-	1,614,984	1,614,984	-	1,498,845	1,498,845
Total	132,066	1,912,014	2,044,080	81,672	1,884,710	1,966,382
Financial liabilities:						
Deposits	-	1,426,348	1,426,348	-	1,319,229	1,319,229
Interbank and money market items, net	-	244,097	244,097	-	279,721	279,721
Liability payable on demand	-	5,991	5,991	-	6,296	6,296
Derivatives liabilities	11,075	2,464	13,539	12,741	2,983	15,724
Debt issued and borrowings	-	155,650	155,650	-	142,866	142,866
Total	11,075	1,834,550	1,845,625	12,741	1,751,095	1,763,836

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018			2017		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	33,468	33,468	-	37,671	37,671
Interbank and money market items, net	-	239,262	239,262	-	325,640	325,640
Derivatives assets	14,041	77	14,118	14,531	42	14,573
Investments, net	118,027	16,406	134,433	67,152	16,551	83,703
Loans to customers and accrued interest receivables, net	-	1,505,105	1,505,105	-	1,387,176	1,387,176
Total	132,068	1,794,318	1,926,386	81,683	1,767,080	1,848,763
Financial liabilities:						
Deposits	-	1,420,893	1,420,893	-	1,316,705	1,316,705
Interbank and money market items, net	-	246,254	246,254	-	284,477	284,477
Liability payable on demand	-	5,991	5,991	-	6,296	6,296
Derivatives liabilities	11,079	2,464	13,543	12,741	2,983	15,724
Debt issued and borrowings	-	115,988	115,988	-	111,995	111,995
Total	11,079	1,791,590	1,802,669	12,741	1,722,456	1,735,197

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2018				2017			
	Fair value			Carrying amount	Fair value			Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	14,037	14,037	14,037	-	14,520	14,520	14,520
Investments - trading	2	929	931	931	-	355	355	355
Investments								
- available-for-sale	4,360	112,738	117,098	117,098	3,082	63,715	66,797	66,797
Derivative liabilities								
- trading book	-	11,075	11,075	11,075	-	12,741	12,741	12,741

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2018				2017			
	Fair value			Carrying amount	Fair value			Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	14,041	14,041	14,041	-	14,531	14,531	14,531
Investments - trading	-	929	929	929	-	355	355	355
Investments								
- available-for-sale	4,360	112,738	117,098	117,098	3,082	63,715	66,797	66,797
Derivative liabilities								
- trading book	-	11,079	11,079	11,079	-	12,741	12,741	12,741

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the years ended December 31, 2018 and 2017.

Valuation technique for financial assets and liabilities measured at fair value are as follows:

Derivatives - trading book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Financial assets and liabilities not measured at fair value

Fair value of financial assets and liabilities which are not measured at fair value and their fair value hierarchy level classification is summarized as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS										
	2018					2017				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	34,679	34,679	34,679	-	-	38,244	38,244	38,244
Interbank and money market items, net	-	-	245,553	245,553	245,553	-	-	330,797	330,797	330,797
Derivatives assets - banking book	136	-	-	136	78	45	-	-	45	42
Held to maturity and general investments	-	15,996	720	16,716	16,720	-	16,043	783	16,826	16,782
Loans to customers and accrued interest receivables, net	-	-	1,614,984	1,614,984	1,614,984	-	-	1,498,845	1,498,845	1,498,845
Total	136	15,996	1,895,936	1,912,068	1,912,014	45	16,043	1,868,669	1,884,757	1,884,710
Financial liabilities:										
Deposits	1,426,892	-	-	1,426,892	1,426,348	1,319,620	-	-	1,319,620	1,319,229
Interbank and money market items, net	-	-	244,097	244,097	244,097	-	-	279,721	279,721	279,721
Liability payable on demand	-	-	5,991	5,991	5,991	-	-	6,296	6,296	6,296
Derivatives liabilities - banking book	2,285	-	-	2,285	2,464	3,045	-	-	3,045	2,983
Debt issued and borrowings	149,863	5,711	2	155,576	155,650	139,337	4,464	10	143,811	142,866
Total	1,579,040	5,711	250,090	1,834,841	1,834,550	1,462,002	4,464	286,027	1,752,493	1,751,095

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS										
	2018					2017				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	33,468	33,468	33,468	-	-	37,671	37,671	37,671
Interbank and money market items, net	-	-	239,262	239,262	239,262	-	-	325,640	325,640	325,640
Derivatives assets - banking book	136	-	-	136	77	45	-	-	45	42
Held to maturity and general investments	-	15,996	406	16,402	16,406	-	16,043	552	16,595	16,551
Loans to customers and accrued interest receivables, net	-	-	1,505,105	1,505,105	1,505,105	-	-	1,387,176	1,387,176	1,387,176
Total	136	15,996	1,778,241	1,794,373	1,794,318	45	16,043	1,751,039	1,767,127	1,767,080
Financial liabilities:										
Deposits	1,421,325	-	-	1,421,325	1,420,893	1,317,022	-	-	1,317,022	1,316,705
Interbank and money market items, net	-	-	246,254	246,254	246,254	-	-	284,477	284,477	284,477
Liability payable on demand	-	-	5,991	5,991	5,991	-	-	6,296	6,296	6,296
Derivatives liabilities - banking book	2,285	-	-	2,285	2,464	3,045	-	-	3,045	2,983
Debt issued and borrowings	116,031	-	2	116,033	115,988	112,864	-	10	112,874	111,995
Total	1,539,641	-	252,247	1,791,888	1,791,590	1,432,931	-	290,783	1,723,714	1,722,456

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Held to maturity and general investments

The carrying amount of held to maturity and general investments presented in the statement of financial position is the approximated fair value, except for investment in asset-backed security which fair value calculated based on discounted cash flows.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for doubtful accounts.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated long-term senior securities and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives - banking book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

5.6 Capital funds

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

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at December 31, 2018 and 2017, the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

Unit : Million Baht

	Basel III Consolidated Supervision	
	2018	2017
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	5,891	5,007
Cumulative profit after appropriation	95,768	78,166
Other reserves		
Other comprehensive income	7,281	8,590
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(22,188)	(21,056)
Total Common Equity Tier 1 capital	207,971	191,926
Additional Tier 1 capital		
Non-Controlling interest	1,040	1,307
Total Tier 1 capital	209,011	193,233
Tier 2 capital		
Subordinated debentures	41,985	41,985
General provision	18,235	16,745
Non-Controlling interest	249	206
Total Tier 2 capital	60,469	58,936
Total capital fund	269,480	252,169

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III Consolidated Supervision	
	2018	2017	2018	2017
Total Common Equity Tier 1 capital / Total risk weighted assets	6.375	5.75	12.46	12.56
Total Tier 1 capital / Total risk weighted assets	7.875	7.25	12.52	12.64
Total capital / Total risk weighted assets	10.375	9.75	16.15	16.50
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			269,480	252,169
Capital ratio after deducting capital add-on arising from Single Lending Limit			16.15	16.50

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Unit : Million Baht

	Basel III The Bank	
	2018	2017
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	5,891	5,007
Cumulative profit after appropriation	53,786	44,704
Other reserves		
Other comprehensive income	7,805	8,938
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(13,324)	(12,337)
Total Common Equity Tier 1 capital	175,377	167,531
Additional Tier 1 capital	-	-
Total Tier 1 capital	175,377	167,531
Tier 2 capital		
Subordinated debentures	41,985	41,985
General provision	11,614	9,517
Total Tier 2 capital	53,599	51,502
Total capital fund	228,976	219,033

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III The Bank	
	2018	2017	2018	2017
Total Common Equity Tier 1 capital / Total risk weighted assets	6.375	5.75	11.59	11.97
Total Tier 1 capital / Total risk weighted assets	7.875	7.25	11.59	11.97
Total capital / Total risk weighted assets	10.375	9.75	15.13	15.65
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			228,976	219,033
Capital ratio after deducting capital add-on arising from Single Lending Limit			15.13	15.65

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 ratio. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT's Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 29, 2018
Information as at	June 30, 2018

The disclosure for the year ended December 31, 2018 will be provided on or before April 30, 2019 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles requires management to make estimates and assumptions under certain circumstances. Such estimates and assumptions affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements which may differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for doubtful accounts

The Bank and its subsidiaries estimate the minimum allowance for doubtful accounts in accordance with the BOT's guidelines. In addition, the Bank and its subsidiaries estimate an additional allowance which the management has considered based on the uncollectible loss from past experience, current economic conditions, and the ability to repay loans and accrued interest receivable. The Bank and its subsidiaries consider the value of collateral when deemed the primary source of repayment comes from the sales of the collateral.

A significant factor in the determination of the allowance for doubtful accounts is the value of collateral. Collateral pledged typically consists of land, buildings, and buildings under construction. Value of such collateral is based on independently and/or internally performed appraisals.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank provides a provision for contingent liabilities with high credit risk such as loan guarantees, avals or non cancellable contingent liabilities at the same provision rate as that provided for the same debtor on the statement of financial position.

6.8 Significant judgement on classification of joint arrangement

Tesco Card Services Limited is a separate limited liability company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of interests under the joint arrangement agreement which requires unanimous consent from the parties to the agreement for the relevant activities. Furthermore, there is no contractual arrangement or any other facts and circumstances indicate that Ayudhya Capital Services Company Limited and the party to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. For Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited, they are also separate limited liability companies that Tesco Card Services Limited wholly holds 100% of interest. Accordingly, Tesco Card Services Limited, Tesco Life Assurance Broker Limited and Tesco General Insurance Broker Limited are classified as a joint venture of the Bank and its subsidiaries.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Increase (decrease) in revaluation surplus on investments	(1,224)	163	(1,224)	163
Amortization of premises appraisal surplus transferred to retained earning	(291)	(326)	(291)	(326)
Properties for sale debt repayment	11,705	8,070	8,875	5,322
Properties and premises transferred to be properties for sale	96	20	96	20

7.1.2 Changes in liabilities arising from financing activity for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Beginning balance	142,890	160,372	112,005	133,949
Financing cash flows	18,569	(23,807)	(2,327)	(28,198)
Other non-cash items	945	(10)	764	2
Liabilities directly associated with assets classified as held for sale	(12,225)	-	-	-
Ending balance	150,179	136,555	110,442	105,753

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	10,951	118,609	129,560	15,903	233,150	249,053
Commercial banks	2,201	7,214	9,415	1,629	2,603	4,232
Specialized financial institutions	-	1,313	1,313	-	6,279	6,279
Other financial institutions	-	39,201	39,201	392	38,610	39,002
Total	13,152	166,337	179,489	17,924	280,642	298,566
Add Accrued interest receivables	-	82	82	-	108	108
Less Allowance for doubtful accounts	-	(448)	(448)	-	(366)	(366)
Total domestic items	13,152	165,971	179,123	17,924	280,384	298,308
Foreign items						
US Dollar	27,375	10,177	37,552	16,647	2,090	18,737
Yen	24,722	-	24,722	10,735	-	10,735
Euro	674	-	674	638	-	638
Other currencies	2,959	520	3,479	2,064	315	2,379
Total	55,730	10,697	66,427	30,084	2,405	32,489
Add Accrued interest receivables	1	2	3	-	-	-
Total foreign items	55,731	10,699	66,430	30,084	2,405	32,489
Total domestic and foreign items	68,883	176,670	245,553	48,008	282,789	330,797

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018			2017		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	10,951	118,609	129,560	15,903	233,150	249,053
Commercial banks	157	7,084	7,241	161	2,473	2,634
Specialized financial institutions	-	1,313	1,313	-	6,279	6,279
Other financial institutions	-	39,197	39,197	392	38,608	39,000
Total	11,108	166,203	177,311	16,456	280,510	296,966
<u>Add</u> Accrued interest receivables	-	82	82	-	107	107
<u>Less</u> Allowance for doubtful accounts	-	(448)	(448)	-	(366)	(366)
Total domestic items	11,108	165,837	176,945	16,456	280,251	296,707
Foreign items						
US Dollar	25,850	8,647	34,497	14,765	1,008	15,773
Yen	24,722	-	24,722	10,735	-	10,735
Euro	674	-	674	638	-	638
Other currencies	2,306	118	2,424	1,676	111	1,787
Total	53,552	8,765	62,317	27,814	1,119	28,933
<u>Add</u> Accrued interest receivables	-	-	-	-	-	-
Total foreign items	53,552	8,765	62,317	27,814	1,119	28,933
Total domestic and foreign items	64,660	174,602	239,262	44,270	281,370	325,640

7.3 Derivatives

7.3.1 Fair value and the notional amount classified by type of risk as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	Fair value / Readjustment based on an accrual basis		Notional Amount	Fair value / Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	9,383	9,750	1,079,935	9,162	10,633	945,452
Interest rate	4,732	3,789	748,891	5,400	5,091	712,294
Total	14,115	13,539	1,828,826	14,562	15,724	1,657,746

Unit: Million Baht

Risk type	THE BANK'S FINANCIAL STATEMENTS					
	2018			2017		
	Fair value / Readjustment based on an accrual basis		Notional Amount	Fair value / Readjustment based on an accrual basis		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	9,383	9,750	1,079,935	9,162	10,633	945,452
Interest rate	4,735	3,792	751,658	5,411	5,091	713,863
Total	14,118	13,542	1,831,593	14,573	15,724	1,659,315

7.3.2 Proportion of derivatives transactions classified by type of counterparty on the basis of notional amount as at December 31, 2018 and 2017 are as follows:

Counterparty	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Proportion (%)	Proportion (%)	Proportion (%)	Proportion (%)
Financial institution	54.11	57.38	54.03	57.32
Related company	17.20	15.37	17.33	15.45
Third party	28.69	27.25	28.64	27.23
Total	100.00	100.00	100.00	100.00

7.4 Investments, net

Investments, net as at December 31, 2018 and 2017 consist of the following:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
	2018				2017			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	929	1	(1)	929	355	-	-	355
Domestic marketable equity securities	3	(1)	-	2	-	-	-	-
	932	-	(1)	931	355	-	-	355
<u>Less</u> Revaluation allowance	(1)			-	-			-
Total	931			931	355			355
Securities Available-for-Sale								
Government and state enterprise securities	100,571	20	(204)	100,387	51,612	235	-	51,847
Private sector's debt securities	11,451	189	(6)	11,634	10,601	392	-	10,993
Domestic marketable equity securities	5,193	613	(724)	5,082	3,757	605	(121)	4,241
	117,215	822	(934)	117,103	65,970	1,232	(121)	67,081
<u>Add</u> Revaluation allowance	(112)			-	1,111			-
<u>Less</u> Allowance for impairment	(5)			(5)	(284)			(284)
Total	117,098			117,098	66,797			66,797
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,000			
Investment in accounts receivable	311				452			
	16,311				16,452			
<u>Less</u> Allowance for impairment	(14)				(14)			
Total	16,297				16,438			
Securities for General Investments								
Domestic non-marketable equity securities	589				525			
Foreign non-marketable equity securities	1				3			
	590				528			
<u>Less</u> Allowance for impairment	(167)				(184)			
Total	423				344			
Total Investments, net	134,749				83,934			

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2018				2017			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	929	1	(1)	929	355	-	-	355
	929	1	(1)	929	355	-	-	355
<u>Less</u> Revaluation allowance	-			-	-			-
Total	929			929	355			355
Securities Available-for-Sale								
Government and state enterprise securities	100,571	20	(204)	100,387	51,612	235	-	51,847
Private sector's debt securities	11,451	189	(6)	11,634	10,322	392	-	10,714
Domestic marketable equity securities	5,193	613	(724)	5,082	3,757	605	(121)	4,241
	117,215	822	(934)	117,103	65,691	1,232	(121)	66,802
<u>Add</u> Revaluation allowance	(112)			-	1,111			-
<u>Less</u> Allowance for impairment	(5)			(5)	(5)			(5)
Total	117,098			117,098	66,797			66,797
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,000			
Investment in accounts receivable	311				452			
	16,311				16,452			
<u>Less</u> Allowance for impairment	(14)				(14)			
Total	16,297				16,438			
Securities for General Investments								
Domestic non-marketable equity securities	275				278			
Foreign non-marketable equity securities	1				3			
	276				281			
<u>Less</u> Allowance for impairment	(167)				(168)			
Total	109				113			
Total Investments, net	134,433				83,703			

For the years ended December 31, 2018 and 2017, revaluation surplus (deficit) on investments presented in the equity consists of the following:

Unit : Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2018	2017
Beginning balance	1,111	948
Net amount transferred to profit or loss	(275)	(312)
Net change in fair value	(948)	475
Ending balance	(112)	1,111

As at December 31, 2018 and 2017, the Bank and its subsidiaries had investments in general investments in the consolidated financial statements of 2 companies and 3 companies, respectively, and the Bank's financial statements of 1 company, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

7.5 Investments in subsidiaries and joint ventures, net

Investments in subsidiaries and joint ventures, net as at December 31, 2018 and 2017 consist of the following:

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS			
				2018			
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,333	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	67	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	220	-
Investments in joint ventures, net					1,040	2,620	-

Unit: Million Baht

				CONSOLIDATED FINANCIAL STATEMENTS			
				2017			
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,000	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	60	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	162	-
Investments in joint ventures, net					1,040	2,222	-

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

Unit: Million Baht

			THE BANK'S FINANCIAL STATEMENTS				
			2018				
			Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend	
Subsidiaries							
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-	
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	4,956	
Ngern Tid Lor Company Limited ⁽¹⁾	Hire-purchase and motorcycle loans	Common stock Preferred stock	} 4,990	100.00	2,412	1,700	
					1	-	
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-	
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-	
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-	
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-	
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-	
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	375	
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-	
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-	
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-	
Krungsri Finnovate Company Limited	Venture capital	Common stock	700	100.00	700	-	
Hattha Kaksekar Limited	Micro finance	Common stock	2,536	100.00	7,713	-	
Investments in subsidiaries						63,713	7,031
Less Allowance for impairment						(5,452)	-
Investments in subsidiaries, net						58,261	7,031

⁽¹⁾ Investment in Ngern Tid Lor Company Limited was reclassified to assets held for sale 50% of cost value.

Unit: Million Baht

			THE BANK'S FINANCIAL STATEMENTS				
			2017				
			Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)
Subsidiaries							
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-	
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	2,759	
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock Preferred stock	3,290	100.00	3,126	-	
					1	-	
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-	
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-	
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-	
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-	
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-	
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	268	
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-	
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-	
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-	
Krungsri Finnovate Company Limited	Venture capital	Common stock	700	100.00	700	-	
Hattha Kaksekar Limited	Micro finance	Common stock	1,031	100.00	6,208	-	
Investments in subsidiaries					62,922	3,027	
Less Allowance for impairment					(5,052)	-	
Investments in subsidiaries, net					57,870	3,027	

The summarized financial information of joint ventures

Net profit and total comprehensive income of joint ventures for the years ended December 31, 2018 and 2017 are as follow:

Unit : Million Baht

	2018		2017	
	Net profit	Total comprehensive income	Net profit	Total comprehensive income
Joint ventures	782	744	603	386

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Unit : Million Baht

	2018	2017
Cash flows from operating activities		
Income before income tax	107	188
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts	-	21
Loss on impairment of properties for sale	48	17
Depreciation and amortization	1	1
Gain on sales of properties for sale	(102)	(118)
Employment benefits expenses	4	7
Interest income, net	(65)	(145)
Interest received	65	145
Income tax paid	(21)	(41)
Income from operations before changes in operating assets and liabilities	37	75
(Increase) decrease in operating assets		
Investment in receivables	21	22
Loans to customers	-	2
Properties for sale	266	338
Other assets	19	59
Decrease in operating liabilities		
Other liabilities	(42)	(24)
Net cash from operating activities	301	472
Cash flows from investing activities		
Net cash from investing activities	(1)	-
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	300	472
Cash and cash equivalents as at January 1,	1,429	957
Cash and cash equivalents as at December 31,	1,729	1,429

7.6 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2018 and 2017 are as follows:

(1) Classified by products

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Overdrafts	65,542	60,432	65,495	60,382
Loan against contract	862,481	792,493	862,019	810,399
Trade bill	293,963	283,266	296,299	285,321
Hire-purchase receivable	440,153	400,930	378,571	309,557
Lease contract receivable	13,276	14,707	4,428	3,923
Credit card receivable	66,923	62,007	-	-
Others	6,916	5,523	5,558	4,030
Total	1,749,254	1,619,358	1,612,370	1,473,612
<u>Less</u> Deferred revenue	(77,236)	(68,954)	(64,003)	(50,190)
Loans to customers after deferred revenue, net	1,672,018	1,550,404	1,548,367	1,423,422
<u>Add</u> Accrued interest receivables	4,326	3,917	2,535	2,296
Loans to customers and accrued interest receivable after deferred revenue, net	1,676,344	1,554,321	1,550,902	1,425,718
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
- Individual approach	(28,718)	(26,805)	(24,533)	(21,992)
- Collective approach	(11,332)	(8,916)	(9,549)	(6,984)
2) Surplus reserve	(19,741)	(18,452)	(11,614)	(9,518)
<u>Less</u> Revaluation allowance for debt restructuring	(1,569)	(1,303)	(101)	(48)
Total loans to customers, net	1,614,984	1,498,845	1,505,105	1,387,176

(2) Classified by currency and residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,582,019	10,703	1,592,722	1,452,878	11,159	1,464,037
US Dollar	41,178	30,949	72,127	55,437	26,225	81,662
Other currencies	990	6,179	7,169	980	3,725	4,705
Total	1,624,187	47,831	1,672,018	1,509,295	41,109	1,550,404

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,483,104	9,813	1,492,917	1,345,001	10,426	1,355,427
US Dollar	41,178	9,497	50,675	55,437	8,983	64,420
Other currencies	990	3,785	4,775	980	2,595	3,575
Total	1,525,272	23,095	1,548,367	1,401,418	22,004	1,423,422

(3) Classified by business type and classification

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	21,970	1,027	140	118	836	24,091
Manufacturing and trading	381,543	10,617	2,178	1,268	10,810	406,416
Real estate and construction	106,983	3,406	451	260	1,704	112,804
Public utilities and services	162,620	12,416	222	138	1,797	177,193
Housing loans	240,703	3,255	1,414	1,008	4,104	250,484
Others	665,459	23,572	5,661	2,708	3,630	701,030
Total	1,579,278	54,293	10,066	5,500	22,881	1,672,018

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	18,510	1,080	109	121	800	20,620
Manufacturing and trading	371,182	12,402	3,396	2,620	8,803	398,403
Real estate and construction	89,539	3,946	806	374	1,541	96,206
Public utilities and services	138,883	10,781	270	244	1,693	151,871
Housing loans	209,100	2,749	1,238	1,191	2,820	217,098
Others	631,929	22,681	5,460	2,471	3,665	666,206
Total	1,459,143	53,639	11,279	7,021	19,322	1,550,404

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,830	1,011	121	83	198	19,243
Manufacturing and trading	376,754	10,580	2,169	1,078	10,280	400,861
Real estate and construction	105,673	3,369	443	256	1,653	111,394
Public utilities and services	162,608	12,415	222	138	1,489	176,872
Housing loans	238,397	3,254	1,412	1,004	4,091	248,158
Others	565,962	18,229	3,189	2,417	2,042	591,839
Total	1,467,224	48,858	7,556	4,976	19,753	1,548,367

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	14,663	1,071	85	78	163	16,060
Manufacturing and trading	366,965	12,152	3,370	2,590	8,201	393,278
Real estate and construction	88,414	3,936	792	372	1,467	94,981
Public utilities and services	138,869	10,781	270	244	1,376	151,540
Housing loans	207,318	2,749	1,236	1,187	2,805	215,295
Others	532,545	13,540	2,377	1,811	1,995	552,268
Total	1,348,774	44,229	8,130	6,282	16,007	1,423,422

(4) Classified by type of classification

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2018			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,583,364	1,049,728	1, 2	12,418
Special mention	54,533	41,361	2, 18	6,375
Substandard	10,066	7,049	51, 100	5,148
Doubtful	5,500	3,753	46, 100	2,787
Doubtful of loss	22,881	11,488	100	13,322
Total	1,676,344	1,113,379		40,050 ⁽¹⁾
2. Surplus Reserve				19,741 ⁽²⁾
Total				59,791

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2017			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,462,823	985,804	1, 2	11,863
Special mention	53,876	39,273	2, 15	2,998
Substandard	11,279	7,561	50, 100	5,938
Doubtful	7,021	4,724	46, 100	3,902
Doubtful of loss	19,322	9,251	100	11,020
Total	1,554,321	1,046,613		35,721 ⁽¹⁾
2. Surplus Reserve				18,452 ⁽²⁾
Total				54,173

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2018 and 2017, of Baht 11,332 million and Baht 8,916 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at December 31, 2018 and 2017, at the rate of 1% of Baht 83,661 million and Baht 102,882 million equal to Baht 837 million and Baht 1,029 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

⁽³⁾ % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2018 and 2017, of Baht 1,569 million and Baht 1,303 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2018 and 2017, of Baht 448 million and Baht 366 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2018			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,469,613	944,802	1, 2	10,911
Special mention	49,004	36,184	2, 12	5,811
Substandard	7,556	4,565	49, 100	3,494
Doubtful	4,976	3,273	55, 100	2,409
Doubtful of loss	19,753	9,554	100	11,457
Total	1,550,902	998,378		34,082 ⁽¹⁾
2. Surplus Reserve				11,614 ⁽²⁾
Total				45,696

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2017			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,350,928	883,154	1, 2	10,549
Special mention	44,371	30,378	2, 10	2,287
Substandard	8,130	4,511	38, 100	3,731
Doubtful	6,282	4,043	38, 100	3,425
Doubtful of loss	16,007	7,319	100	8,984
Total	1,425,718	929,405		28,976 ⁽¹⁾
2. Surplus Reserve				9,518 ⁽²⁾
Total				38,494

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at December 31, 2018 and 2017, of Baht 9,549 million and Baht 6,984 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at December 31, 2018 and 2017, at the rate of 1% of Baht 83,661 million and Baht 102,882 million, equal to Baht 837 million and Baht 1,029 million, respectively.

⁽³⁾ % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

⁽⁴⁾ Excluding revaluation allowance for debt restructuring as at December 31, 2018 and 2017, of Baht 101 million and Baht 48 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at December 31, 2018 and 2017, of Baht 448 million and Baht 366 million, respectively.

For the years ended December 31, 2018 and 2017, the Bank entered into agreements to sell non-performing loans (NPLs) to the third parties as follows:

Unit : Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2018	2017
Book value	1,462	2,858
Net book value	974	2,084
Sale price	974	2,084

As at December 31, 2018 and 2017, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

Unit : Million Baht

	2018		
	The Bank	AMC	The Bank and AMC
Non-performing loans	32,285	445	32,730
Percentage of total loans	1.87	100.00	1.90
Non-performing loans, net	14,925	306	15,231
Percentage of total loans, net	0.87	100.00	0.89

Unit : Million Baht

	2017		
	The Bank	AMC	The Bank and AMC
Non-performing loans	30,419	491	30,910
Percentage of total loans	1.78	100.00	1.81
Non-performing loans, net	14,279	334	14,613
Percentage of total loans, net	0.85	100.00	0.86

As at December 31, 2018 and 2017, the Bank and its subsidiaries' non-performing loans are Baht 38,446 million and Baht 37,622 million, respectively.

(5) Troubled debt restructuring

For the years ended December 31, 2018 and 2017, the Bank and its subsidiaries had restructured the following debts:

Unit : Million Baht

Form of Restructuring	CONSOLIDATED FINANCIAL STATEMENTS							
	2018				2017			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	22,315	5,143	-	-	23,613	6,363	-	-
Reduction of principal and interest	6,655	328	-	-	6,694	330	-	-
Various forms of restructuring	934	4,203	-	-	929	6,647	-	-
Total	29,904	9,674	-	-	31,236	13,340	-	-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	2018				2017			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	2,119	2,576	-	-	2,358	4,817	-	-
Various forms of restructuring	934	4,203	-	-	929	6,647	-	-
Total	3,053	6,779		-	3,287	11,464		-

For the years ended December 31, 2018 and 2017, the Bank and its subsidiaries calculated the net realizable value for the troubled debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit : Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
Method	2018				2017			
	Average Aging (Year)	Number of Debtors	Amount of Debt		Average Aging (Year)	Number of Debtors	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	4.81	21,862	3,478	3,398	4.75	23,112	5,195	5,181
Fair value of collateral	8.45	453	1,665	1,663	8.11	501	1,168	1,166

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Method	2018				2017			
	Average Aging (Year)	Number of Debtors	Amount of Debt		Average Aging (Year)	Number of Debtors	Amount of Debt	
			Before Restructuring	After Restructuring			Before Restructuring	After Restructuring
Present value of future cash flows	5.15	1,679	911	894	4.83	1,906	3,653	3,637
Fair value of collateral	8.70	440	1,665	1,663	8.98	452	1,164	1,162

For the years ended December 31, 2018 and 2017, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of profit or loss and other comprehensive income as follows:

Unit : Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Losses on debt restructured	1,716	1,512	91	39
Interest received from debt restructured	990	1,128	919	691

As at December 31, 2018 and 2017, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the years ended December 31, 2018 and 2017, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Balances of total debt restructured	22,399	20,542	17,697	15,801
Balances of debt restructured during the year	8,867	11,271	6,044	9,426

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	98,837	245,971	108,621	453,429
<u>Less</u> Unearned interest income				(77,166)
Present value of the minimum lease payments				376,263
<u>Less</u> Allowance for doubtful accounts				(13,215)
Total lease receivables, net				363,048

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017			
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	100,122	231,619	83,896	415,637
<u>Less</u> Unearned interest income				(68,929)
Present value of the minimum lease payments				346,708
<u>Less</u> Allowance for doubtful accounts				(12,848)
Total lease receivables, net				333,860

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	2018			
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	71,522	210,930	100,547	382,999
<u>Less</u> Unearned interest income				(63,943)
Present value of the minimum lease payments				319,056
<u>Less</u> Allowance for doubtful accounts				(9,479)
Total lease receivables, net				309,577

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
2017				
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	58,715	179,117	75,648	313,480
<u>Less</u> Unearned interest income				(50,174)
Present value of the minimum lease payments				263,306
<u>Less</u> Allowance for doubtful accounts				(6,984)
Total lease receivables, net				256,322

7.7 Allowance for doubtful accounts

Allowance for doubtful accounts as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	11,863	2,998	5,938	3,902	11,020	18,452	54,173
Doubtful accounts	980	4,466	5,985	2,298	7,550	3,103	24,382
Bad debts written off	(66)	(1,023)	(6,335)	(3,410)	(4,738)	-	(15,572)
Bad debts written off from sales of NPLs	-	-	-	(1)	(509)	-	(510)
Transferred to assets held for sale	(359)	(66)	(439)	-	-	(1,810)	(2,674)
Other	-	-	(1)	(2)	(1)	(4)	(8)
Ending balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,426	3,100	7,254	2,388	9,050	16,056	48,274
Doubtful accounts	1,579	468	4,866	4,416	7,845	2,407	21,581
Bad debts written off	(124)	(570)	(6,177)	(2,886)	(5,103)	-	(14,860)
Bad debts written off from sales of NPLs	(3)	-	(1)	(11)	(774)	-	(789)
Other	(15)	-	(4)	(5)	2	(11)	(33)
Ending balance	11,863	2,998	5,938	3,902	11,020	18,452	54,173

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,549	2,287	3,731	3,425	8,984	9,518	38,494
Doubtful accounts	428	4,547	1,409	2,395	4,720	2,097	15,596
Bad debts written off	(66)	(1,023)	(1,646)	(3,410)	(1,738)	-	(7,883)
Bad debts written off from sales of NPLs	-	-	-	(1)	(509)	-	(510)
Other	-	-	-	-	-	(1)	(1)
Ending balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
	2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	9,378	2,157	4,819	2,035	6,837	7,422	32,648
Doubtful accounts	1,298	700	108	4,287	5,170	2,099	13,662
Bad debts written off	(124)	(570)	(1,195)	(2,886)	(2,255)	-	(7,030)
Bad debts written off from sales of NPLs	(3)	-	(1)	(11)	(768)	-	(783)
Other	-	-	-	-	-	(3)	(3)
Ending balance	10,549	2,287	3,731	3,425	8,984	9,518	38,494

As at December 31, 2018 and 2017, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Allowance for doubtful accounts*	42,066	37,389	34,631	29,389

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

The Bank and its subsidiaries recorded allowance for doubtful accounts* in the financial statements as follows:

Unit: Million Baht

	2018	2017
Consolidated financial statements	61,808	55,841
The Bank and Krungsri Ayudhya AMC Limited	46,532	39,220
The Bank's financial statements	46,245	38,907

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

As at December 31, 2018 and 2017, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2018			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	-	-	-
Total	2	-	-	-

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS				
	2017			
	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	5	1,180	673	524
Total	5	1,180	673	524

7.8 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Beginning balance	1,303	1,188	48	28
Increase during the year	1,716	1,512	91	39
Amount written off	(1,450)	(1,397)	(38)	(19)
Ending balance	1,569	1,303	101	48

7.9 Properties for sale, net

Properties for sale, net as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
Type of Properties for Sale	Balance as at January 1, 2018	Acquisition	Disposition	Transferred to assets held for sale	Balance as at December 31, 2018
1. Assets acquired from debt repayment					
1.1 Immovable	4,145	83	(526)	-	3,702
1.2 Movable	892	11,622	(11,212)	(94)	1,208
Total	5,037	11,705	(11,738)	(94)	4,910
2. Others	87	94	(21)	-	160
Total properties for sale	5,124	11,799	(11,759)	(94)	5,070
Less Provision for impairment	(1,439)	(1,543)	1,353	37	(1,592)
Total properties for sale	3,685	10,256	(10,406)	(57)	3,478

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Acquisition	Disposition	Balance as at December 31, 2017
1. Assets acquired from debt repayment				
1.1 Immovable	4,750	37	(642)	4,145
1.2 Movable	763	8,033	(7,904)	892
Total	5,513	8,070	(8,546)	5,037
2. Others	89	20	(22)	87
Total properties for sale	5,602	8,090	(8,568)	5,124
<u>Less</u> Provision for impairment	(1,346)	(1,353)	1,260	(1,439)
Total properties for sale	4,256	6,737	(7,308)	3,685

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2018	Acquisition	Disposition	Balance as at December 31, 2018
1. Assets acquired from debt repayment				
1.1 Immovable	2,431	81	(302)	2,210
1.2 Movable	544	8,794	(8,363)	975
Total	2,975	8,875	(8,665)	3,185
2. Others	87	94	(21)	160
Total properties for sale	3,062	8,969	(8,686)	3,345
<u>Less</u> Provision for impairment	(974)	(245)	62	(1,157)
Total properties for sale	2,088	8,724	(8,624)	2,188

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2017	Acquisition	Disposition	Balance as at December 31, 2017
1. Assets acquired from debt repayment				
1.1 Immovable	2,760	26	(355)	2,431
1.2 Movable	337	5,296	(5,089)	544
Total	3,097	5,322	(5,444)	2,975
2. Others	90	19	(22)	87
Total properties for sale	3,187	5,341	(5,466)	3,062
<u>Less</u> Provision for impairment	(799)	(229)	54	(974)
Total properties for sale	2,388	5,112	(5,412)	2,088

Immovable assets for sale classified by external and internal appraisers as at December 31, 2018 and 2017 consist of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Immovable assets-Foreclosed assets				
Appraised by external appraisers	1,400	1,400	1,345	1,345
Appraised by internal appraisers	2,302	2,745	865	1,086
Total	3,702	4,145	2,210	2,431

7.10 Premises and equipment, net

Premises and equipment, net as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Increase	Decrease	Transferred to assets held for sale	Other	Balance as at December 31, 2018
Land						
Cost	4,306	5	(35)	-	-	4,276
Appraisal increase (Year 2016)	7,086	-	(25)	-	-	7,061
Appraisal decrease (Year 2016)	(37)	-	-	-	-	(37)
Premises						
Cost	7,505	2,298	(57)	-	-	9,746
Appraisal increase (Year 2016)	11,641	-	(17)	-	-	11,624
Appraisal decrease (Year 2016)	(86)	-	2	-	-	(84)
Equipment	16,322	2,635	(2,453)	(569)	(7)	15,928
Leasehold improvement	3,892	578	(608)	(666)	(5)	3,191
Total	50,629	5,516	(3,193)	(1,235)	(12)	51,705
<u>Less</u> Accumulated depreciation						
Premises						
- Cost	(4,343)	(368)	30	-	-	(4,681)
- Appraisal increase (Year 2016)	(8,540)	(281)	7	-	-	(8,814)
Equipment	(11,123)	(1,720)	2,323	262	2	(10,256)
Leasehold improvement	(2,496)	(365)	593	425	-	(1,843)
Total	(26,502)	(2,734)	2,953	687	2	(25,594)
Construction in progress	2,274	330	(2,476)	-	-	128
Premises and equipment, net	26,401					26,239

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017
Land					
Cost	4,307	-	(1)	-	4,306
Appraisal increase (Year 2016)	7,102	-	(16)	-	7,086
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,344	164	(3)	-	7,505
Appraisal increase (Year 2016)	11,649	-	(8)	-	11,641
Appraisal decrease (Year 2016)	(86)	-	-	-	(86)
Equipment	15,859	1,887	(1,388)	(36)	16,322
Leasehold improvement	3,582	363	(49)	(4)	3,892
Total	49,720	2,414	(1,465)	(40)	50,629
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(4,013)	(331)	1	-	(4,343)
- Appraisal increase (Year 2016)	(8,221)	(324)	5	-	(8,540)
Equipment	(10,905)	(1,518)	1,275	25	(11,123)
Leasehold improvement	(2,074)	(460)	35	3	(2,496)
Total	(25,213)	(2,633)	1,316	28	(26,502)
Construction in progress	714	1,697	(137)	-	2,274
Premises and equipment, net	25,221				26,401

Unit : Million Baht

	2018	2017
Depreciation for the years	2,734	2,633

As at December 31, 2018 and 2017, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 10,568 million and Baht 11,479 million, respectively.

As at December 31, 2018 and 2017, the Bank and its subsidiaries had equipment which are under finance leases, with the original costs amounting to Baht 1,064 million and Baht 464 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2018	Increase	Decrease	Other	Balance as at December 31, 2018
Land					
Cost	4,306	5	(35)	-	4,276
Appraisal increase (Year 2016)	7,086	-	(25)	-	7,061
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,505	2,298	(57)	-	9,746
Appraisal increase (Year 2016)	11,641	-	(17)	-	11,624
Appraisal decrease (Year 2016)	(86)	-	2	-	(84)
Equipment	12,036	1,722	(1,858)	-	11,900
Leasehold improvement	2,423	176	(216)	-	2,383
Total	44,874	4,201	(2,206)	-	46,869
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(4,343)	(368)	29	-	(4,682)
- Appraisal increase (Year 2016)	(8,541)	(281)	7	-	(8,815)
Equipment	(8,622)	(1,223)	1,836	-	(8,009)
Leasehold improvement	(1,247)	(197)	205	-	(1,239)
Total	(22,753)	(2,069)	2,077	-	(22,745)
Construction in progress	2,223	294	(2,394)	-	123
Premises and equipment, net	24,344				24,247

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017
Land					
Cost	4,307	-	(1)	-	4,306
Appraisal increase (Year 2016)	7,102	-	(16)	-	7,086
Appraisal decrease (Year 2016)	(37)	-	-	-	(37)
Premises					
Cost	7,344	164	(3)	-	7,505
Appraisal increase (Year 2016)	11,649	-	(8)	-	11,641
Appraisal decrease (Year 2016)	(86)	-	-	-	(86)
Equipment	11,914	1,224	(1,102)	-	12,036
Leasehold improvement	2,230	228	(35)	-	2,423
Total	44,423	1,616	(1,165)	-	44,874
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(4,013)	(331)	1	-	(4,343)
- Appraisal increase (Year 2016)	(8,222)	(324)	5	-	(8,541)
Equipment	(8,595)	(1,087)	1,060	-	(8,622)
Leasehold improvement	(961)	(305)	19	-	(1,247)
Total	(21,791)	(2,047)	1,085	-	(22,753)
Construction in progress	695	1,631	(103)	-	2,223
Premises and equipment, net	23,327				24,344

Unit : Million Baht

	2018	2017
Depreciation for the years	2,069	2,047

As at December 31, 2018 and 2017, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 8,258 million and Baht 8,913 million, respectively.

As at December 31, 2018 and 2017, the Bank had equipment which are under finance leases, with the original costs amounting to Baht 863 million and Baht 445 million, respectively.

7.11 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2018	Increase	Decrease	Transferred to assets held for sale	Other	Balance as at December 31, 2018
Cost						
Goodwill	12,557	-	-	-	(18)	12,539
Software	8,542	1,299	(2)	(324)	(1)	9,514
Other intangible assets	5,757	3	(1)	(17)	(1)	5,741
Total	26,856	1,302	(3)	(341)	(20)	27,794
Accumulated amortization						
Software	(5,316)	(1,020)	3	115	1	(6,217)
Other intangible assets	(4,764)	(152)	1	-	-	(4,915)
Total	(10,080)	(1,172)	4	115	1	(11,132)
Allowance for impairment	(20)	-	-	-	-	(20)
Goodwill and other intangible assets, net	16,756					16,642

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2017	Increase	Decrease	Other	Balance as at December 31, 2017	
Cost						
Goodwill	12,470	329	-	(242)	12,557	
Software	8,347	1,205	(1,001)	(9)	8,542	
Other intangible assets	5,763	7	-	(13)	5,757	
Total	26,580	1,541	(1,001)	(264)	26,856	
Accumulated amortization						
Software	(5,252)	(1,061)	990	7	(5,316)	
Other intangible assets	(4,609)	(154)	(2)	1	(4,764)	
Total	(9,861)	(1,215)	988	8	(10,080)	
Allowance for impairment	(20)	-	-	-	(20)	
Goodwill and other intangible assets, net	16,699				16,756	

Unit : Million Baht

	2018	2017
Amortization for the years	1,172	1,215

As at December 31, 2018 and 2017, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 3,124 million and Baht 2,197 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Increase	Decrease	Balance as at December 31, 2018
Cost				
Goodwill	1,054	-	-	1,054
Software	6,883	968	-	7,851
Other intangible assets	57	-	-	57
Total	7,994	968	-	8,962
Accumulated amortization				
Software	(4,317)	(830)	-	(5,147)
Other intangible assets	(47)	(1)	-	(48)
Total	(4,364)	(831)	-	(5,195)
Goodwill and other intangible assets, net	3,630			3,767

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2017	Increase	Decrease	Balance as at December 31, 2017
Cost				
Goodwill	1,054	-	-	1,054
Software	6,929	962	(1,008)	6,883
Other intangible assets	57	-	-	57
Total	8,040	962	(1,008)	7,994
Accumulated amortization				
Software	(4,409)	(897)	989	(4,317)
Other intangible assets	(46)	(1)	-	(47)
Total	(4,455)	(898)	989	(4,364)
Goodwill and other intangible assets, net	3,585			3,630

Unit : Million Baht

	2018	2017
Amortization for the years	831	898

As at December 31, 2018 and 2017, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 2,465 million and Baht 1,637 million, respectively.

7.12 Deferred tax

Deferred tax assets and deferred tax liabilities as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Deferred tax assets	4,274	4,823	256	-
Deferred tax liabilities	(4)	(106)	-	(104)
Net	4,270	4,717	256	(104)

Movements of deferred tax assets and deferred tax liabilities during the years are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	Balance at January 1, 2018	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Transferred to assets held for sale	Others	Balance at December 31, 2018
Deferred tax assets						
Impairment of assets	373	(30)	-	(8)	-	335
Loans and accrued interest receivables, net	5,971	210	-	(616)	-	5,565
Provisions	1,576	(133)	(14)	(9)	1	1,421
Others	690	339	214	(93)	(50)	1,100
Total	8,610	386	200	(726)	(49)	8,421
Deferred tax liabilities						
Asset appraisal surplus	2,110	(136)	-	-	-	1,974
Investments	102	121	(58)	-	-	165
Others	1,681	410	-	(81)	2	2,012
Total	3,893	395	(58)	(81)	2	4,151
Deferred tax assets - net	4,717	(9)	258	(645)	(51)	4,270

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2017	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Others	Balance at December 31, 2017
Deferred tax assets					
Impairment of assets	343	30	-	-	373
Loans and accrued interest receivables, net	5,592	379	-	-	5,971
Provisions	1,515	134	(73)	-	1,576
Others	463	137	92	(2)	690
Total	7,913	680	19	(2)	8,610
Deferred tax liabilities					
Asset appraisal surplus	2,178	(68)	-	-	2,110
Investments	76	-	26	-	102
Others	1,402	399	-	(120)	1,681
Total	3,656	331	26	(120)	3,893
Deferred tax assets - net	4,257	349	(7)	118	4,717

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	Balance at January 1, 2018	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2018
Deferred tax assets				
Impairment of assets	268	(6)	-	262
Loans and accrued interest receivables, net	1,392	276	-	1,668
Provisions	1,312	(86)	7	1,233
Others	128	158	187	473
Total	3,100	342	194	3,636
Deferred tax liabilities				
Asset appraisal surplus	2,037	(63)	-	1,974
Investments	223	-	(58)	165
Others	944	297	-	1,241
Total	3,204	234	(58)	3,380
Deferred tax assets (liabilities) - net	(104)	108	252	256

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	Balance at January 1, 2017	Items as recognized into Profit or Loss	Items as recognized into Other Comprehensive Income	Balance at December 31, 2017
Deferred tax assets				
Impairment of assets	233	35	-	268
Loans and accrued interest receivables, net	977	415	-	1,392
Provisions	1,277	94	(59)	1,312
Others	193	(57)	(8)	128
Total	2,680	487	(67)	3,100
Deferred tax liabilities				
Asset appraisal surplus	2,105	(68)	-	2,037
Investments	198	-	25	223
Others	671	273	-	944
Total	2,974	205	25	3,204
Deferred tax assets (liabilities) - net	(294)	282	(92)	(104)

7.13 Assets classified as held for sale and liabilities directly associated with assets classified as held for sale net

Investment in Ngern Tid Lor Company Limited ("NTL") is presented as assets classified as held for sale resulting from the following agreements 1) the sale and purchase of shares of NTL agreement by selling 50% of the ordinary shares in NTL to Siam Asia Credit Access PTE LTD, a company ultimately owned by a consortium led by CVC Capital Partners Asia Fund IV and Equity Partners Limited Group and 2) the shareholders agreement in relation to the shareholding in NTL.

However, this transaction is subject to satisfactory completion of conditions precedent and regulatory filings.

Details of assets classified as held for sale and liabilities directly associated with assets held for sale as at December 31, 2018 are as follows:

Consolidated financial statements

Unit: Million Baht

	2018
Assets	
Cash	392
Interbank and money market items	319
Loan and accrued interest receivable, net	37,041
Properties for sale, net	57
Premises and equipment, net	548
Goodwill and other intangible assets, net	225
Deferred tax assets	645
Other assets	309
	39,536
Liabilities	
Debt issued and borrowings	12,225
Provision	75
Other liabilities	1,484
	13,784

For the year ended December 31, 2018, NTL contributed net profit of Baht 1,379 million.

The Bank's financial statements

The Bank reclassified 50% of investment in NTL to assets classified as held for sale of Baht 2,414 million.

7.14 Other assets, net

Other assets, net as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Accrued income	1,862	2,018	344	324
Prepayment	1,120	1,168	679	664
Other receivables	14,066	12,011	11,825	8,680
Margin call to counterparty	3,406	3,032	3,406	3,032
Others	2,189	1,322	2,019	1,463
Total	22,643	19,551	18,273	14,163

7.15 Deposits

Deposits as at December 31, 2018 and 2017 are as follows:

(1) Classified by product

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current deposit	35,391	36,798	36,563	37,796
Savings deposit	591,183	550,962	595,496	555,479
Time deposit				
- Less than 6 months	360,275	341,517	361,383	342,587
- 6 months and less than 1 year	127,892	285,292	126,490	283,739
- 1 year and over	311,607	104,660	300,961	97,104
Total	1,426,348	1,319,229	1,420,893	1,316,705

(2) Classified by currency and residence of depositors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,351,999	2,231	1,354,230	1,255,331	1,949	1,257,280
US Dollar	41,662	15,198	56,860	36,758	11,881	48,639
Other currencies	9,931	5,327	15,258	8,251	5,059	13,310
Total	1,403,592	22,756	1,426,348	1,300,340	18,889	1,319,229

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	2018			2017		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,362,001	1,904	1,363,905	1,264,789	1,619	1,266,408
US Dollar	41,663	1,844	43,507	36,758	1,737	38,495
Other currencies	9,931	3,550	13,481	8,251	3,551	11,802
Total	1,413,595	7,298	1,420,893	1,309,798	6,907	1,316,705

7.16 Interbank and money market items, net (Liability)

Interbank and money market items, net (liability) as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018			2017		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	-	-	-	1,166	1,166
Commercial banks	1,548	27,802	29,350	628	47,190	47,818
Specialized financial institutions	2	5,686	5,688	25	6,804	6,829
Other financial institutions	10,359	1,368	11,727	8,184	1,913	10,097
Total domestic items	11,909	34,856	46,765	8,837	57,073	65,910
Foreign items						
US Dollar	-	195,903	195,903	1,208	211,533	212,741
Euro	74	-	74	243	-	243
Other currencies	855	500	1,355	827	-	827
Total foreign items	929	196,403	197,332	2,278	211,533	213,811
Total domestic and foreign items	12,838	231,259	244,097	11,115	268,606	279,721

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018			2017		
	At Call	Time	Total	At Call	Time	Total
Domestic items						
Bank of Thailand and Financial Institution Development Fund	-	-	-	-	1,166	1,166
Commercial banks	548	25,802	26,350	628	47,190	47,818
Specialized financial institutions	2	5,686	5,688	25	6,804	6,829
Other financial institutions	15,216	3,369	18,585	11,675	3,914	15,589
Total domestic items	15,766	34,857	50,623	12,328	59,074	71,402
Foreign items						
US Dollar	-	194,702	194,702	1,208	210,797	212,005
Euro	74	-	74	243	-	243
Other currencies	855	-	855	827	-	827
Total foreign items	929	194,702	195,631	2,278	210,797	213,075
Total domestic and foreign items	16,695	229,559	246,254	14,606	269,871	284,477

Additional information on interbank and money market items, net (liability) is as follows:

As at December 31, 2017, the outstanding balances of borrowing from the Bank of Thailand is Baht 1,166 million, bearing an interest rate at 0.01% per annum. The borrowing is restricted to a soft loan program for flood relief in year 2011 provided to small and medium enterprises (SME) and individuals at a rate not over 3% per annum. The soft loan program duration is 5 years and end on December 31, 2018.

7.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2018			2017		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	41,985	-	41,985
	USD	7.50 - 10.85	2019-2027	-	750	750	-	823	823
Senior debentures	THB	1.60 - 2.25	2019-2021	107,865	-	107,865	96,325	-	96,325
	KHR	8.50	2021	-	775	775	-	-	-
Bill of exchange	THB	-	-	1	-	1	8	-	8
Other borrowings	THB	0.00 - 7.15	2021-2023	2	251	253	2	276	278
	USD	0.00 - 7.59	2019-2023	-	4,021	4,021	-	3,381	3,381
	KHR	-	-	-	-	-	-	66	66
				149,853	5,797	155,650	138,320	4,546	142,866

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS									
	Currency	Interest rate (%)	Maturity	2018			2017		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	41,985	-	41,985
Senior debentures	THB	1.85 - 2.25	2019-2021	74,000	-	74,000	70,000	-	70,000
Bill of exchange	THB	-	-	1	-	1	8	-	8
Other borrowings	THB	0.00	2023	2	-	2	2	-	2
				115,988	-	115,988	111,995	-	111,995

Additional information on debts issued and borrowings is as follows:

- On August 11, 2016, the Bank issued subordinated debentures No. 1/2016 in amount of Baht 10,000 million for a 10-year and 6-month tenor at the fixed interest rate of 3.5% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.
- On May 24, 2017, the Bank issued subordinated debentures No. 1/2017 in amount of Baht 17,007 million for a 10-year and 6-month tenor at the fixed interest rate of 3.9% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.
- On November 17, 2017, the Bank issued subordinated debentures No. 2/2017 in amount of Baht 14,978 million for a 10-year tenor at the fixed interest rate of 3.4% per annum, payable quarterly in February, May, August, and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

7.18 Provisions

Provisions for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance at January 1, 2017	Increase (Decrease)	Balance at December 31, 2017	Increase (Decrease)	Balance at December 31, 2018
Provision for post-employment benefits obligation	5,241	80	5,321	296	5,617
Others	2,092	55	2,147	-	2,147
Total	7,333	135	7,468	296	7,764

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance at January 1, 2017	Increase (Decrease)	Balance at December 31, 2017	Increase (Decrease)	Balance at December 31, 2018
Provision for post-employment benefits obligation	4,480	51	4,531	340	4,871
Others	1,976	43	2,019	(22)	1,997
Total	6,456	94	6,550	318	6,868

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans under the Thai Labor Protection Act, which are considered as unfunded defined benefit plans. These plans are recognized as provision in the statement of financial position.

Movements in the present value of the defined benefits obligation for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Opening defined benefits obligation	5,321	5,241	4,531	4,480
Current service cost	432	446	334	343
Interest cost	132	165	110	141
Actuarial (gains) losses				
- Experience	56	27	42	40
- Demographic assumptions	(126)	(476)	(32)	(382)
- Financial assumptions	2	70	29	44
Benefit paid	(186)	(153)	(169)	(132)
Transfer employee from subsidiaries	(2)	1	2	(3)
Transferred to liabilities directly associated with assets classified as held for sale	(36)	-	-	-
Other	24	-	24	-
Closing defined benefit obligation	5,617	5,321	4,871	4,531

Actuarial (gains) losses are recognized in other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Included in retained earnings:				
As at 1 January	316	695	163	461
Recognized during the years	(68)	(379)	39	(298)
As at 31 December	248	316	202	163

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the defined benefit plans for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current service cost	432	446	334	343
Interest on obligation	132	165	110	141
	564	611	444	484

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at December 31, 2018 and 2017 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2018	2017
Financial assumptions		
Discount rate	1.73% - 4.50%	1.16% - 4.50%
Salary increase rate	6.0%	6.0%
Retirement age	55 and 60 years	55 and 60 years

Significant Actuarial Assumptions - Impact on increase (decrease) in Defined Benefit Obligation as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Discount rate - 1% increase	(521)	(526)	(434)	(427)
Discount rate - 1% decrease	601	611	498	492
Salary increase rate - 1% increase	892	946	792	831
Salary increase rate - 1% decrease	(799)	(840)	(713)	(742)

7.19 Finance lease liabilities

Finance lease liabilities as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018			2017		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	116	13	129	11	1	12
One year to five years	775	38	813	11	-	11
Total	891	51	942	22	1	23

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018			2017		
	Principal	Interest	Payment	Principal	Interest	Payment
Within one year	65	9	74	6	-	6
One year to five years	642	31	673	4	-	4
Total	707	40	747	10	-	10

7.20 Other liabilities

Other liabilities as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Accrued expenses	16,600	14,032	12,359	9,653
Tax payable	3,994	4,165	2,174	1,846
Deposit	3,548	4,282	1,386	1,283
Unearned income from customer loyalty program	2,916	2,804	-	3
Other payables	5,402	3,822	3,896	2,724
Margin call from counterparty	3,246	1,962	3,246	1,962
Others	13,614	11,085	7,969	5,739
Total	49,320	42,152	31,030	23,210

7.21 Share capital

7.21.1 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.21.2 Dividend payment

The Annual General Meeting of Shareholders No. 105 held on April 27, 2017, approved the dividend payment for the six-month period ended December 31, 2016 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 25, 2017.

The Board of Directors' Meeting No. 8/2017 held on August 23, 2017, approved the interim dividend payment for the six-month period ended June 30, 2017 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 21, 2017.

The Annual General Meeting of Shareholders No. 106 held on April 26, 2018, approved the dividend payment for the six-month period ended December 31, 2017 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 21, 2018.

The Board of Directors' Meeting No. 8/2018 held on August 22, 2018, approved the interim dividend payment for the six-month period ended June 30, 2018 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 20, 2018.

7.22 Assets with obligations and restrictions

As at December 31, 2018 and 2017, government and state enterprise securities with book value of Baht 13,344 million and Baht 59 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.23 Contingencies

Contingencies as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Avals to bills	1,108	1,636	1,108	1,636
Guarantees of loans	2,432	1,369	2,432	1,369
Liability under unmatured import bills	1,955	1,437	1,955	1,437
Letters of credit	5,818	7,744	5,818	7,744
Other contingencies				
- Unused overdraft limit	5,266	6,390	5,266	6,390
- Unused credit line	34,693	36,052	39,694	41,915
- Other guarantees	54,895	57,196	54,895	57,196
- Others	210	372	210	372
Total	106,377	112,196	111,378	118,059

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2023 with a local company. As at December 31, 2018 and 2017, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 3,720 million and Baht 1,034 million, respectively.

As at December 31, 2018 and 2017, the Bank and its subsidiaries have commitments to pay regarding the information technology services the amounts of Baht 2,409 million and Baht 2,659 million, respectively.

As at December 31, 2018 and 2017, the Bank has commitment payment amount of Baht 338 million and Baht 645 million as a result of entering to the construction agreement of the office building, respectively.

7.24 Related party transactions

The Bank has business transactions with subsidiaries, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand's Notification Sor.Nor.Sor. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management processes, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the Bank of Thailand's requirements.

Related party transactions are as follows:

- 7.24.1 Assets, liabilities and contingencies with certain officers from the levels of Bank's Directors, Executive Vice Presidents and higher, and Vice Presidents/ equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
	2018										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Total	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Joint ventures											
Tesco Card Services Limited	-	5,900	20	-	270	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	4	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	9	594	-	-	5	-	-
Less Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
Total	-	5,841	20	-	283	1,326	-	-	8	-	-
Related companies having joint major shareholders or directors											
Less Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
Total	19	9,276	27	447	26	9,878	180	6	26	19,229	680
Individual and related parties											
Less Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-
Total	-	543	-	-	-	3,468	-	-	804	-	-
Total	27,699	15,659	47	3,975	694	14,672	195,440	1,360	4,203	394,474	3,417

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
	2017										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	11,889	-	-	1,987	458	-	211,311	1,429	1,430	308,370	7,115
Total	11,889	-	-	1,987	458	-	211,311	1,429	1,430	308,370	7,115
Joint ventures											
Tesco Card Services Limited	-	10,006	21	-	83	402	-	-	1	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	136	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	574	-	-	2	-	-
Less Allowance for doubtful accounts	-	(100)	-	-	-	-	-	-	-	-	-
Total	-	9,906	21	-	83	1,112	-	-	3	-	-
Related companies having joint major shareholders or directors											
Less Allowance for doubtful accounts	-	(72)	-	-	-	-	-	-	-	-	-
Total	4	7,728	25	621	16	9,265	172	50	11	18,320	1,471
Individual and related parties											
Less Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-
Total	-	468	-	-	-	4,665	-	-	774	-	-
Total	11,893	18,030	46	2,608	557	15,042	211,483	1,479	2,218	326,690	8,586

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	2018										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Total	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Subsidiaries											
Ayudhya Development Leasing Company Limited	-	6,623	3	-	3	13	-	-	2	-	236
Ayudhya Capital Auto Lease Public Company Limited	-	12,054	46	-	73	925	-	-	179	-	-
Ngern Tid Lor Company Limited	-	18,860	8	-	8	291	-	-	2	-	6
Ayudhya Capital Services Company Limited	-	26,841	90	-	109	1,323	-	-	25	-	3
General Card Services Limited	-	10,803	20	-	91	517	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	2,079	4	-	716	1,495	-	-	17	-	1
Siam Realty and Services Security Company Limited	-	560	-	-	1	58	-	-	52	-	-
Total Services Solutions Public Company Limited	-	-	-	-	1	1,484	-	-	6	-	-
Krungsri Asset Management Company Limited	-	-	-	-	90	-	4,522	-	56	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	1,729	-	-	76	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	2	2,336	-	2	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	190	-	-	-	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	735	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	839	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

	2018										
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)											
Krungsri Leasing Services Company Limited	-	5,377	4	-	2	122	-	-	-	-	-
Hattha Kaksekar Limited	-	464	5	4	3	-	-	4	-	2,767	-
Krungsri Finnovate Company Limited	-	-	-	-	2	401	-	-	-	-	-
Total	-	83,661	180	4	1,101	10,124	6,858	4	420	2,767	281
<u>Less</u> Allowance for doubtful accounts	-	(837)	-	-	-	-	-	-	-	-	-
Total	-	82,824	180	4	1,101	10,124	6,858	4	420	2,767	281
Joint ventures											
Tesco Card Services Limited	-	5,900	20	-	40	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	594	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
Total	-	5,841	20	-	40	1,326	-	-	3	-	-
Related companies having joint major shareholders or directors											
	19	9,366	27	447	-	9,878	180	6	24	19,229	680
<u>Less</u> Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
Total	19	9,277	27	447	-	9,878	180	6	24	19,229	680
Individual and related parties											
	-	447	-	-	-	3,366	-	-	551	-	-
Total	27,699	98,389	227	3,979	1,526	24,694	202,298	1,364	4,363	397,241	3,698

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

2017

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo- Mitsubishi UFJ, Ltd.)	11,889	-	-	1,987	458	-	211,311	1,429	1,430	308,370	7,115
Total	11,889	-	-	1,987	458	-	211,311	1,429	1,430	308,370	7,115
Subsidiaries											
Ayudhya Development Leasing Company Limited	-	7,171	2	-	3	7	-	-	1	-	44
Ayudhya Capital Auto Lease Public Company Limited	-	19,669	78	-	77	675	-	-	111	-	-
Ngern Tid Lor Company Limited	-	3,390	1	-	15	213	-	-	-	-	2
Ayudhya Capital Services Company Limited	-	29,020	87	-	80	1,026	-	-	12	-	3
General Card Services Limited	-	10,554	20	-	88	353	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	27,225	32	-	718	1,183	-	-	9	-	1
Siam Realty and Services Security Company Limited	-	585	-	-	1	90	-	-	58	-	-
Total Services Solutions Public Company Limited	-	-	-	-	2	1,333	-	-	10	-	-
Krungsri Asset Management Company Limited	-	-	-	-	116	-	3,440	-	18	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	1	1,429	-	-	64	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	2	2,053	-	8	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	198	-	-	-	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	1,051	-	-	1	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	1,427	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)											
2017											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)											
Krungsri Leasing Services Company Limited	-	3,993	2	-	2	26	-	-	-	-	-
Hattha Kaksekar Limited	-	1,275	7	11	2	-	-	-	-	1,569	-
Krungsri Finnovate Company Limited	-	-	-	-	2	471	-	-	-	-	-
Total	-	102,882	229	11	1,109	9,484	5,493	-	293	1,569	85
<u>Less</u> Allowance for doubtful accounts	-	(1,029)	-	-	-	-	-	-	-	-	-
Total	-	101,853	229	11	1,109	9,484	5,493	-	293	1,569	85
Joint ventures											
Tesco Card Services Limited	-	10,006	21	-	50	402	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	136	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	574	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(100)	-	-	-	-	-	-	-	-	-
Total	-	9,906	21	-	50	1,112	-	-	-	-	-
Related companies having joint major shareholders or directors											
	4	7,728	25	621	-	9,265	172	50	10	18,320	1,471
<u>Less</u> Allowance for doubtful accounts	-	(72)	-	-	-	-	-	-	-	-	-
Total	4	7,656	25	621	-	9,265	172	50	10	18,320	1,471
Individual and related parties											
Total	11,893	119,778	275	2,619	1,617	24,379	216,976	1,479	2,308	328,259	8,671

As at December 31, 2018 and 2017, the Bank charges interest rates to related parties at 0.95% - 23.82% p.a. and 0.75% - 26.47% p.a., respectively.

As at December 31, 2018 and 2017, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 837 million and Baht 1,029 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.24.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 7.5 and has investments in related companies for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
2018					
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Related company					
Sri Ayudhya Capital Public Company Limited	Investment holding company	296	7.17	326	16
Less Allowance for impairment				(5)	-
Investment in related company, net				321	16

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS					
2017					
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount
Related company					
Sri Ayudhya Capital Public Company Limited	Investment holding company	250	8.50	326	37
Less Allowance for impairment				(5)	-
Investment in related company, net				321	37

7.24.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
2018					2017			
Income		Expenses			Income		Expenses	
Interest income	Non-interest income	Interest expenses	Non-interest expenses		Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)					1	(373)	3,037	570
Total					1	(373)	3,037	570
Joint ventures								
Tesco Card Services Limited					232	495	-	6
Tesco Life Assurance Broker Limited					-	6	2	-
Tesco General Insurance Broker Limited					-	23	4	-
Total					232	524	6	6
Related companies having joint major shareholders or directors								
Total					253	1,140	59	275
Individual and related parties								
Total					503	1,296	3,135	852

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	2018				2017			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	13	2,226	4,463	490	1	(373)	3,037	570
Total	13	2,226	4,463	490	1	(373)	3,037	570
Subsidiaries								
Ayudhya Development Leasing Company Limited	230	19	-	(7)	218	14	-	(5)
Ayudhya Capital Auto Lease Public Company Limited	572	396	11	695	1,056	541	17	581
Ngern Tid Lor Company Limited	282	31	-	1	171	49	-	1
Ayudhya Capital Services Company Limited	690	321	1	(58)	738	280	-	4
General Card Services Limited	228	47	-	2	228	44	-	8
Krungsriayudhya Card Company Limited	162	227	9	197	597	143	1	191
Siam Realty and Services Security Company Limited	12	6	-	526	13	4	-	529
Total Services Solutions Public Company Limited	-	2	19	49	-	2	18	51
Krungsri Asset Management Company Limited	-	1,059	65	8	-	949	38	14
Krungsri Ayudhya AMC Limited	-	5	2	(3)	-	6	1	(3)
Krungsri Securities Public Company Limited	-	21	24	4	-	21	20	10
Krungsri Factoring Company Limited	-	1	-	(1)	-	4	-	(1)
Krungsri Life Assurance Broker Limited	-	1	4	-	-	1	11	-
Krungsri General Insurance Broker Limited	-	1	5	-	-	1	14	-
Krungsri Leasing Services Company Limited	279	-	-	-	153	5	-	-
Hattha Kaksekar Limited	54	14	-	-	36	23	-	-
Krungsri Finnivate Company Limited	-	8	-	-	-	6	-	-
Total	2,509	2,159	140	1,413	3,210	2,093	120	1,380
Joint ventures								
Tesco Card Services Limited	195	34	-	(5)	232	30	-	5
Tesco Life Assurance Broker Limited	-	1	1	-	-	-	2	-
Tesco General Insurance Broker Limited	-	14	4	-	-	11	4	-
Total	195	49	5	(5)	232	41	6	5
Related companies having joint major shareholders or directors								
	216	94	66	222	253	1,134	59	190
Total	216	94	66	222	253	1,134	59	190
Individual and related parties								
	17	8	19	-	14	5	14	-
Total	2,950	4,536	4,693	2,120	3,710	2,900	3,236	2,145

7.24.4 For the years ended December 31, 2018 and 2017, compensations paid to key management personnel under TAS 24 (Revised 2017) "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Short-term employee benefits	2,016	1,883	1,271	1,215
Post-employment benefits	59	58	38	39
Other long-term benefits	1	20	1	17
Total	2,076	1,961	1,310	1,271

7.24.5 For the years ended December 31, 2018 and 2017, related party transactions among subsidiaries included collection services and other services of Baht 954 million and Baht 961 million, respectively, and office and vehicle rental and facilities service of Baht 77 million and Baht 71 million, respectively.

7.24.6 For the years ended December 31, 2018 and 2017, subsidiaries had related party transactions from the licenses relevant to technology and software of Baht 53 million and Baht 51 million, respectively.

7.24.7 For the years ended December 31, 2018 and 2017, related party transactions among subsidiaries from other services were Baht 1,509 million and Baht 1,511 million, respectively.

7.24.8 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and MUFG Bank, Ltd. Bangkok Branch (MUFG's Bangkok Branch) (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU's Bangkok Branch)) by acquisition of the business of MUFG's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and MUFG Bank, Ltd. (MUFG) (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU)) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of MUFG's Bangkok Branch under the Conditional Branch Purchase Agreement, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG to MUFG's Bangkok Branch and other services as necessary and appropriate to ensure continued service to MUFG's Bangkok Branch's customers after the transfer of the assets. The Bank and MUFG will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of MUFG's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If MUFG agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility. Total facility amount is JPY 900,000 million or USD equivalent which equals to Baht 292,500 million using the exchange rate of Baht 32.50 : JPY 100.

7.25 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, during the years ended December 31, 2018 and 2017, the subsidiary had sold assets to managements in the amount of Baht 8 million and Baht 6 million with the book value of Baht 6 million and Baht 6 million, respectively.

7.26 Long-term leases

The Bank and its subsidiaries have entered into land and/or buildings and equipment lease agreements for branch offices and operation. The Bank and its subsidiaries are committed to pay future rental as at December 31, 2018 and 2017 which are summarized as follows:

Unit: Million Baht

TYPE OF LEASE	PERIOD	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Land and/or premises and equipment	Within 1 year	1,191	1,278	853	1,082
	Greater than 1-5 years	1,223	1,349	1,034	1,073
	Greater than 5 years	147	218	44	25
	Total	2,561	2,845	1,931	2,180

7.27 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transactions for preparation of consolidated financial statements.

During the years ended December 31, 2018 and 2017, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Retail	Commercial	Others	Total
Interest income, net	53,568	21,711	49	75,328
Other operating income	27,322	8,230	(1,301)	34,251
Total operating income	80,890	29,941	(1,252)	109,579
Operating expenses	38,584	12,015	1,142	51,741
Impairment loss of loans and debt securities	20,274	4,009	1,897	26,180
Profit (loss) before tax	22,032	13,917	(4,291)	31,658
Taxation	4,411	2,612	(556)	6,467
Net profit (loss)	17,621	11,305	(3,735)	25,191
Total assets	936,252	1,397,667	(160,297)	2,173,622

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2017			
	Retail	Commercial	Others	Total
Interest income, net	46,556	21,924	55	68,535
Other operating income	25,172	8,302	(1,529)	31,945
Total operating income	71,728	30,226	(1,474)	100,480
Operating expenses	36,569	11,356	285	48,210
Impairment loss of loans and debt securities	16,349	4,534	2,087	22,970
Profit (loss) before tax	18,810	14,336	(3,846)	29,300
Taxation	3,779	2,689	(729)	5,739
Net profit (loss)	15,031	11,647	(3,117)	23,561
Total assets	820,603	1,441,891	(173,722)	2,088,772

7.28 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	2018			
	Domestic	Foreign	Elimination	Total
Total assets	2,146,407	46,304	(19,089)	2,173,622
Interbank and money market items, net (Assets)	237,901	7,652	-	245,553
Investments, net*	137,368	1	-	137,369
Loans to customers and accrued interest receivable, net	1,583,687	31,297	-	1,614,984
Deposits	1,408,643	17,705	-	1,426,348
Interbank and money market items, net (Liabilities)	237,017	7,080	-	244,097
Debt issued and borrowings	149,389	6,261	-	155,650

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2017			
	Domestic	Foreign	Elimination	Total
Total assets	2,062,031	39,196	(12,455)	2,088,772
Interbank and money market items, net (Assets)	323,049	7,748	-	330,797
Investments, net*	86,156	1	-	86,157
Loans to customers and accrued interest receivable, net	1,474,719	24,126	-	1,498,845
Deposits	1,305,174	14,055	-	1,319,229
Interbank and money market items, net (Liabilities)	274,989	4,732	-	279,721
Debt issued and borrowings	137,045	5,821	-	142,866

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2018			
	Domestic	Foreign	Elimination	Total
Total assets	2,047,725	7,577	(5,400)	2,049,902
Interbank and money market items, net (Assets)	235,613	3,649	-	239,262
Investments, net*	192,694	-	-	192,694
Loans to customers and accrued interest receivable, net	1,504,068	1,037	-	1,505,105
Deposits	1,418,767	2,126	-	1,420,893
Interbank and money market items, net (Liabilities)	246,252	2	-	246,254
Debt issued and borrowings	115,988	-	-	115,988

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2017			
	Domestic	Foreign	Elimination	Total
Total assets	1,997,683	9,274	(7,148)	1,999,809
Interbank and money market items, net (Assets)	321,187	4,453	-	325,640
Investments, net*	141,572	-	-	141,572
Loans to customers and accrued interest receivable, net	1,386,140	1,036	-	1,387,176
Deposits	1,314,657	2,048	-	1,316,705
Interbank and money market items, net (Liabilities)	284,475	2	-	284,477
Debt issued and borrowings	111,995	-	-	111,995

*Includes investments in subsidiaries and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2018			
	Domestic	Foreign	Elimination	Total
Interest income	103,080	4,385	(333)	107,132
Interest expenses	30,381	1,766	(343)	31,804
Net interest income	72,699	2,619	10	75,328
Fees and service income, net	21,126	122	-	21,248
Other operating income	21,057	55	(8,109)	13,003
Other operating expenses	84,248	1,770	(8,097)	77,921
Profit (loss) from operating before tax	30,634	1,026	(2)	31,658

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS				
	2017			
	Domestic	Foreign	Elimination	Total
Interest income	91,583	3,603	(188)	94,998
Interest expenses	25,212	1,446	(195)	26,463
Net interest income	66,371	2,157	7	68,535
Fees and service income, net	19,634	41	-	19,675
Other operating income	19,139	91	(6,960)	12,270
Other operating expenses	76,516	1,617	(6,953)	71,180
Profit from operating before tax	28,628	672	-	29,300

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
	2018			
	Domestic	Foreign	Elimination	Total
Interest income	74,535	62	-	74,597
Interest expenses	29,626	10	-	29,636
Net interest income	44,909	52	-	44,961
Fees and service income, net	10,132	23	-	10,155
Other operating income	22,337	16	(8,111)	14,242
Other operating expenses	57,168	73	(8,111)	49,130
Profit (loss) from operating before tax	20,210	18	-	20,228

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
2017				
	Domestic	Foreign	Elimination	Total
Interest income	64,891	64	-	64,955
Interest expenses	24,729	10	-	24,739
Net interest income	40,162	54	-	40,216
Fees and service income, net	9,568	23	-	9,591
Other operating income	17,197	55	(6,953)	10,299
Other operating expenses	52,029	204	(6,953)	45,280
Profit (loss) from operating before tax	14,898	(72)	-	14,826

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.29 Interest income

Interest income for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Interbank and money market items	6,213	3,425	6,202	3,413
Investment and trading transactions	28	81	28	81
Investment in debt securities	1,827	2,188	1,827	2,188
Loans to customers	69,337	61,095	46,797	44,392
Hire purchase and finance lease	29,727	28,209	19,743	14,881
Total interest income	107,132	94,998	74,597	64,955

7.30 Interest expenses

Interest expenses for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Deposits	15,079	12,628	14,253	11,832
Interbank and money market items	5,534	3,959	5,500	4,004
Contributions to Financial Institution Development Fund and Deposit Protection Agency	6,720	5,751	6,720	5,751
Debt issued and borrowings				
- Subordinated debenture	1,606	1,500	1,523	1,409
- Other	2,817	2,579	1,635	1,728
Borrowing fee expense	30	28	1	11
Other	17	18	4	4
Total interest expenses	31,803	26,463	29,636	24,739

7.31 Fees and service income, net

Fees and service income, net for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Fees and service income				
- Acceptances, aval and guarantees	525	537	527	537
- Other	28,474	25,804	14,920	13,199
Total fees and service income	28,999	26,341	15,447	13,736
Fees and service expenses	7,751	6,666	5,292	4,145
Total fees and service income, net	21,248	19,675	10,155	9,591

7.32 Gains on trading and foreign exchange transactions, net

Gains on trading and foreign exchange transactions, net for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	4,345	4,264	4,327	4,231
- Derivative of interest rates	408	(46)	412	(25)
- Debt securities	5	7	5	7
- Equity securities	(26)	7	(26)	2
- Other	4	1	-	-
Total	4,736	4,233	4,718	4,215

7.33 Gains (Losses) on investments, net

Gains (Losses) on investments, net for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Gains on sales of investments				
- Available-for-sale	372	892	372	892
- General investments	2	4	2	4
	374	896	374	896
Losses on impairments				
- Subsidiaries	-	-	(400)	(100)
Total	374	896	(26)	796

7.34 Impairment loss on loans and debt securities

Impairment loss on loans and debt securities (reversal) for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Interbank and money market items	82	(73)	82	(73)
Impairment loss on debt instrument (reversal)	-	(50)	-	(50)
Loans to customers	24,382	21,581	15,596	13,662
Loss on troubled debt restructuring	1,716	1,512	91	39
Total	26,180	22,970	15,769	13,578

7.35 Income tax expenses

Income tax expenses for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current tax for the years	6,458	6,088	2,671	2,424
Deferred tax	9	(349)	(108)	(282)
Total income tax expenses	6,467	5,739	2,563	2,142

Reconciliation of effective tax rate

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	2018		2017		2018		2017	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	31,658		29,300		20,228		14,826	
Income tax at the domestic tax rate	6,332	20.00	5,860	20.00	4,046	20.00	2,965	20.00
Add Tax effect of income and expense that are not exempt for tax purposes	2,218	7.01	867	2.96	143	0.71	97	0.65
Less Tax effect of income and expense that are exempt for tax purposes	(2,083)	(6.58)	(988)	(3.38)	(1,626)	(8.05)	(920)	(6.21)
Income tax expenses as per statements of profit or loss and other comprehensive income	6,467	20.43	5,739	19.58	2,563	12.66	2,142	14.44

7.36 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the years ended December 31, 2018 and 2017 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
	2018			2017		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	(1,224)	245	(979)	163	(33)	130
Gains (losses) arising from translating the financial statements of a foreign operation	(139)	27	(112)	(527)	101	(426)
Item that will not be reclassified subsequently to profit or loss						
Actuarial gains (losses) on defined benefit plans	68	(14)	54	379	(75)	304
Share of other comprehensive income of joint venture	7	-	7	1	-	1
Other comprehensive income	(1,288)	258	(1,030)	16	(7)	9

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	2018			2017		
	Amount before tax	Tax income (expenses)	Net amount After tax	Amount before tax	Tax income (expenses)	Net amount After tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on remeasuring available-for-sale investment	(1,224)	245	(979)	163	(33)	130
Item that will not be reclassified subsequently to profit or loss						
Actuarial gains (losses) on defined benefit plans	(38)	7	(31)	298	(59)	239
Other comprehensive income	(1,262)	252	(1,010)	461	(92)	369

7.37 Approval of financial statements

These financial statements have been approved for issue by the Board of Directors on February 27, 2019.

AUDITOR'S FEE

Audit fees*

The Bank and its affiliates paid audit fees as the following:

- To the Bank and its affiliates' auditors of 27,401,500 Baht.
- To auditing firms, individuals or businesses whom the Bank's auditors employed, USD 96,745.

Non-audit fees

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

The Bank's auditors

- In the past year, sum of 702,000 Baht, and in the future, an additional sum of 150,000 Baht will be paid for services previously agreed upon but not yet fully provided.

Auditing firms, individuals, or businesses whom the Bank's auditors employed

- In the past fiscal year, sum of 170,130 Baht, and in the future, an additional sum of 396,970 Baht will be paid for services agreed upon in the previous year but not yet fully provided.

* Audit fees do not include other actual expenses, such as transportation and per diem payments.

GENERAL INFORMATION

COMPANY INFORMATION

Name of company:	Bank of Ayudhya Public Company Limited
Registration number:	0107536001079
Business type:	Commercial bank
Head office address:	1222 Rama III Road, Bang Phongphang, Yan Nawa, Bangkok 10120
Telephone:	0-2296-2000
Facsimile:	0-2683-1304
Krungsri call center:	1572
Website:	www.krungsri.com

Investors can study more about Krungsri from Annual Registration Statement (Form 56-1), disclosed in www.sec.or.th or company website www.krungsri.com.

Nature of Business

The Bank engages in business as defined by the Commercial Banking Act, the Securities Act, the Securities and Exchange Commission's regulations, the Stock Exchange of Thailand, and related notices. The Bank's services are classified into three core categories:

- 1. Deposit services** - The Bank accepts deposits from ordinary persons and business organizations, which are divided into four types:
 - Current accounts
 - Savings accounts
 - Time deposits
 - Foreign currency deposits
- 2. Loan services** - The Bank provides different loan services as follows:
 - Overdrafts (O/D)
 - Loans, including promissory notes and term loans to business customers
 - Housing loans and personal loans to retail customers
 - Foreign currency loans
 - Trade finance credit
 - Other loan services, such as aval/acceptance, letter of guarantee/Bank guarantee, letter of credit and financial status certification issue, etc.
- 3. Other services**
 - Banking services through e-channels
 - Domestic money transfer services
 - International money transfer services
 - Electronic banking services to facilitate international trade via Krungsri Trade Link
 - Automatic account debit and credit (auto payments), life insurance and non-life insurance brokerage services
 - Investment banking services
 - Securities business services
 - Cash management services
 - Transaction banking services
 - Foreign currency purchase/sale in advance and financial tools for risk management, exchange rates and interest rates
 - Trade finance services
 - Government bonds, treasury bills and state enterprise bonds

THE BANK'S SECURITIES

Number of Registered and Paid-up Capital as of December 31, 2018

Registered capital: 75,741,437,470.00 baht
 Number of shares: 7,574,143,747 Par value: 10.00 baht

Paid-up capital: 73,557,617,730.00 baht
 Number of shares: 7,355,761,773 Par value: 10.00 baht

Debt Instruments or Convertible Securities

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2018
Long Term Bonds (Non-Collaterals)				
1. Subordinated Instrument No. 1/2016 (BAY272A) Amount: 10,000.00 Issue date: August 11, 2016 Debenture rating (Fitch): AA+ Agent: None	3.50%	February 11, 2027 (10-year and 6 - month)	-	10,000.00
2. Subordinated Instrument No. 1/2017 (BAY27NA) Amount: 17,007.00 Issue date: May 24, 2017 Debenture rating (Fitch): AA+ Agent: None	3.90%	November 24, 2027 (10-year and 6 - month)	-	17,007.00
3. Subordinated Instrument No. 2/2017 (BAY27NB) Amount: 14,978.00 Issue date: November 17, 2017 Debenture rating (Fitch): AA+ Agent: None	3.40%	November 17, 2027 (10 years)	-	14,978.00
4. Debenture No. 1/2016 (BAY193A) Amount: 12,000.00 Issue date: February 29, 2016 Debenture rating (Fitch): AAA Agent: None	1.86%	March 1, 2019 (3 years)	-	12,000.00
5. 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
6. Debenture No. 3/2016 Series 2 (BAY19OA) 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
7. Debenture No. 1/2017 (BAY203A) Amount: 10,000.00 Issue date: March 29, 2017 Debenture rating (Fitch): AAA Agent: None	2.25%	March 29, 2020 (3 years)	-	10,000.00

(Unit: Million baht)

Type of Debentures	Interest Rates (p.a.)	Maturity Date	Conditions	Unredeemed amount and value as of December 31, 2018
8. Debenture No. 2/2017 (BAY20NA) Amount: 10,000.00 Issue date: November 3, 2017 Debenture rating (Fitch): AAA Agent: None	1.85%	November 3, 2020 (3 years)	-	10,000.00
9. Debenture No. 1/2018 (BAY211A) Amount: 15,000.00 Issue date: January 26, 2018 Debenture rating (Fitch): AAA Agent: None	1.91%	January 26, 2021 (3 years)	-	15,000.00
10. Debenture No. 2/2018 (BAY217A) Amount: 14,000.00 Issue date: July 12, 2018 Debenture rating (Fitch): AAA Agent: None	2.22%	July 12, 2021 (3 years)	-	14,000.00

Remarks : - Thailand Securities Depository Co., Ltd. is the Registrar for the Bank's ordinary share.
- Securities Services Operations Department is the Registrar for the Bank's Debenture.

Debentures redeemed during 2018

(Unit: Million baht)

Type of Debentures	Amount	Issue Date	Maturity Date
Long Term Bonds (Non-Collaterals)			
1. Debenture No. 1/2015 Series 2 (BAY182A)	4,000.00	February 27, 2015	February 27, 2018
2. Debenture No. 2/2016 Series 1 (BAY186A)	5,000.00	June 24, 2016	June 24, 2018
3. Debenture No.2/2015 Series 2 (BAY189A)	7,000.00	September 30, 2015	September 30, 2018
4. Debenture No.3/2016 Series 1 (BAY180A)	9,000.00	October 27, 2016	October 27, 2018

The Bank obligations on share issuance in the future

-None-

SHAREHOLDING STRUCTURE

As of the latest record date on September 6, 2018,

The list of shareholders holding ordinary shares over 0.5% of the total shares (7,355,761,773 issued and paid-up ordinary shares at a par value of THB 10 per share) is as follows:

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

Remark: * On April 1, 2018, the Bank of Tokyo-Mitsubishi UFJ, Ltd. was renamed to MUFG Bank, Ltd.

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

DIVIDEND PAYOUT POLICY

1. Our Dividend Payout Policy

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

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

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

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

The Bank's dividend payments are subject to regulatory requirements including notification of the Bank of Thailand.

2. Our Subsidiaries' Dividend Payout Policy

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

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

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

REFERRAL PARTIES

Name, office, telephone and facsimile of referral parties:

Registrar

- Ordinary shares : Thailand Securities Depository Co., Ltd.
93 The Stock Exchange of Thailand Building,
Rachadapisek Road, Din Daeng, Bangkok 10400
Tel: 0-2009-9999, Fax: 0-2009-9991
- Subordinated Instrument No. 1/2016 : Bank of Ayudhya PCL
- Subordinated Instrument No. 1/2017 : 1222 Rama III Road, Bang Phongphang,
- Subordinated Instrument No. 2/2017 : Yan Nawa, Bangkok 10120
- Long Term Debenture No. 1/2016 : Tel: 0-2296-4772, 0-2296-5696 and 0-2296-2030
- Long Term Debenture No. 2/2016 : Fax: 0-2683-1302
- Long Term Debenture No. 3/2016
- Long Term Debenture No. 1/2017
- Long Term Debenture No. 2/2017
- Long Term Debenture No. 1/2018
- Long Term Debenture No. 2/2018

Debenture Holder Representative

- Subordinated Instrument No. 1/2016 : None
- Subordinated Instrument No. 1/2017 : None
- Subordinated Instrument No. 2/2017 : None
- Long Term Debenture No. 1/2016 : None
- Long Term Debenture No. 2/2016 : None
- Long Term Debenture No. 3/2016 : None
- Long Term Debenture No. 1/2017 : None
- Long Term Debenture No. 2/2017 : None
- Long Term Debenture No. 1/2018 : None
- Long Term Debenture No. 2/2018 : None

Auditors

- : Mr. Chavala Tienpasertkij Certified Public Accountant Registered No. 4301
- Dr. Suphamit Techamontrikul Certified Public Accountant Registered No. 3356
- Mrs. Nisakorn Songmanee Certified Public Accountant Registered No. 5035
- Mr. Yongyuth Lertsurapibul Certified Public Accountant Registered No. 6770

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

Legal Advisors

- : Mr. Kanok Indrambarya
- Pol. Gen. Ajiravid Subarnbhesaj
- Bank of Ayudhya PCL
- 1222 Rama III Road, Bang Phongphang,
- Yan Nawa, Bangkok 10120
- Tel: 0-2296-3881 and 0-2296-3883, Fax: 0-2683-1436

DISTRIBUTION NETWORK

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

AS OF DECEMBER 31, 2018

HEAD OFFICE

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

Telephone:

0-2296-2000

Krungsri Call Center:

1572

Facsimile:

0-2683-1304

Website

www.krungsri.com

BRANCH AND FINANCIAL SERVICES CENTERS

Number of branches in Thailand*

703

Greater Bangkok and vicinity

298

Upcountry

405

Number of overseas branches outside Thailand

2

Foreign Currency Exchange Booths

90

Exclusive Banking Zones

42

Remark: * For more information, please visit our website (www.krungsri.com).

GROUP OF COMPANIES

SUBSIDIARIES AND JOINT VENTURES

Krungsri AMC

Krungsri Ayudhya AMC Ltd.

Bank of Ayudhya PCL Head Office, Floor 11
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2296-4100
Facsimile : 0-2683-1400

Krungsri Factoring

Krungsri Factoring Co., Ltd.

Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2208-2849
Facsimile : 0-2208-2858

Krungsri Leasing

Ayudhya Development Leasing Co., Ltd.

Krungsri Ploenchit Office, Floor 14
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2208-2300
Facsimile : 0-2208-2274

Krungsri Auto

Ayudhya Capital Auto Lease PCL

Krungsri Ploenchit Office, Floor 16
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-6010, 0-2740-7400
Facsimile : 0-2627-8211

Krungsri Microfinance

Ngern Tid Lor Co., Ltd.

Ari Hills, Floor 9-15
428 Phahonyothin Road,
Samsennai, Phayathai, Bangkok 10400
Telephone : 0-2792-1888
Facsimile : 0-2792-1819

Hattha Kaksekar Limited

606, Street 271, Sansam Kosal 3 Village,
Sangkat Boeng Tumpun 1, Khan Mean Chey,
Phnom Penh, the Kingdom of Cambodia

Krungsri Consumer

Ayudhya Capital Services Co., Ltd.

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8000

Krungsri Leasing Services Co., Ltd.

House No.355, Nui 12 Khampheang Meung Road,
Phonethan Village, Saysettha District,
Vientiane Capital, Lao PDR.

General Card Services Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8111
Facsimile : 0-2627-8381

Krungsriayudhya Card Co., Ltd.

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2646-3000
Facsimile : 0-2646-3001

Krungsri Life Assurance Broker Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8028
Facsimile : 0-2627-4117

Krungsri General Insurance Broker Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 0-2627-8029
Facsimile : 0-2627-4117

Tesco Card Services Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 1712
Facsimile : 0-2627-8615

Tesco Life Assurance Broker Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 1712
Facsimile : 0-2627-8611

Tesco General Insurance Broker Limited

Krungsri Ploenchit Office,
550 Ploenchit Road, Lumpini, Pathumwan,
Bangkok 10330
Telephone : 1712
Facsimile : 0-2627-8611

Krungsri Securities**Krungsri Securities PCL**

898 Ploenchit Tower Floor 3
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone : 0-2659-7000
Facsimile : 0-2646-1100

Krungsri Asset Management**Krungsri Asset Management Co., Ltd.**

898 Ploenchit Tower Floor 1-2 Zone A,
and Floor 12, 18 Zone B
Ploenchit Road, Pathumwan, Bangkok 10330
Telephone : 0-2657-5757
Facsimile : 0-2657-5777

Krungsri Services**Siam Realty and Services Security Co., Ltd.**

Bank of Ayudhya PCL Head Office (Tower C Floor 5A)
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2296-3435, 0-2296-2364
Facsimile : 0-2296-2369

Total Services Solutions PCL

Bangna Tower B
2/3 Moo 14, Bangna-Trad Road, K.M.6.5
Bangkaew, Bangplee, Samutprakarn 10540
Telephone : 0-2714-5199
Facsimile : 0-2777-0009

Venture Capital**Krungsri Finnovate Co.,Ltd.**

Bank of Ayudhya PCL Head Office, Floor 21
1222 Rama III Road, Bang Phongphang,
Yan Nawa, Bangkok 10120
Telephone : 0-2646-3649

**COMPANIES THAT THE BANK
HOLD SHARES OF 10% BUT
LESS THAN 20% OF ITS
PAID-UP CAPITAL****P.P. Parawood Co., Ltd.**

111/1 Moo 1 Tambonbanchang,
Phanatnikom, Chonburi 20140
Telephone : (038) 464-270-73

Rent Trade and Service Co., Ltd.

UM Tower, 9/222-224, Ramkhamhaeng Road,
Suanluang, Bangkok 10250
Telephone : 0-2017-7200
Facsimile : 0-2017-7201

Finnomina Company Limited ⁽¹⁾

Thaniya Plaza, Floor 17, Zone D,
52 Silom Road, Suriyawong, Bangrak,
Bangkok 10500
Telephone : 0-2026-5100

**COMPANIES WITH SHARES
ACQUIRED THROUGH DEBT
RESTRUCTURING****Lenso Phonecard Co., Ltd.**

292 Srinakarin Road, Huamark, Bangkok,
Bangkok 10240
Telephone : 0-2351-8116
Facsimile : 0-2351-8009

UMC Metals Limited

32/40 Sino-Thai Tower, Floor 16,
Sukhumvit 21 Road (Asok)
North Klongteoy, Wattana, Bangkok 10110
Telephone : 0-2259-2942-5
Facsimile : 0-2259-2946

Remark : ⁽¹⁾ Indirectly holding via Krungsri Finnovate Co.,Ltd. of 13.158%

SUMMARY OF SPECIFIED ITEMS PER FORM 56-2

ITEM	PAGE
1. Policy and overall business operations	
- Income structure	80
- Major changes in business operation	34
2. Nature of business	34-83
3. Risk factors and risk management	84-97
4. General information	
- Company information	331
- Other companies where shareholding is 10% or more	78
- Other references	336
5. Shareholders	334
6. Dividend payout policy	335
7. Management structures	
- Structure and scope of power and duty of the committees	134
- Names of directors and nominating process	140
- Board of Directors meeting	141
- Profile of executives and corporate secretary	156
- Nomination of directors and executives	136
- Shareholding of executives	154
- Remuneration for directors and executives	198
- Supervision of the use of inside information	129

ITEM	PAGE
8. Good corporate governance	98
9. Corporate Social Responsibility	200
10. Internal control and risk management	130
11. Related party transactions	313
12. Important financial information	
- Financial highlights	22
- Consolidated and the Bank's financial statements	240-329
13. Management Discussion and Analysis	216

Produced by
Environmental, Social and Governance Division
Bank of Ayudhya Public Company Limited

Email: irgroup@krungsri.com

Design: Graphic Station Company Limited



กรุงศรี
krungsri

A member of MUFG
a global financial group

BANK OF AYUDHYA PUBLIC COMPANY LIMITED

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

Call 1572 | www.krungsri.com |       Krungsri Simple