



GSB WAY DRIVE SUCCESS WITH HIGHEST PERFORMANCE DELIVERED

ANNUAL REPORT 2018



www.gsb.or.th

CON TENT

- 6** Message from the Chairman
of Government Savings Bank
- 8** Message from President & CEO
of Government Savings Bank
- 14** Operation Direction and Policy in 2019
- 22** Important Financial Information
- 24** Organization Chart
- 26** Board of Directors
- 52** Executives
- 68** Overview of Industry in 2018
- 74** Analysis Report of Performance
and Financial Position
- 92** Risk Management
- 106** Internal Audit
- 112** Good Corporate Governance
- 166** Board of Directors' Financial Statement
Responsibilities Report
- 167** Auditor's Report
- 170** Financial Statements and Notes to Financial Statements
- 234** Regional Office



๑๐๐ ปี

ธนาคารออมสิน



น้อมสำนึกในพระมหากรุณาธิคุณ
พระบาทสมเด็จพระมงกุฎเกล้าเจ้าอยู่หัว ผู้พระราชทานกำเนิดคลังออมสิน

106th Anniversary of Government Savings Bank Sustainable Growth, Making Contribution to Society

Government Savings Bank was established under initiation of His Majesty King Vajiravudh, King Rama VI, who realized the importance of having a safe place for asset storage against thieves. HM the King enacted an act to establish Royal Savings Office on April 1, 1913 with the royal intention to provide a safe place for asset storage and instilled people to know how to save money properly. In this regard, the Royal Savings Office has been performing its duties in accordance with intention of HM the King and received royal support from all successive Kings of Thailand. In 1946, the Royal Savings Office was designated to be "Government Savings Bank" by HM King Bhumibol Adulyadej and the Government Savings Bank Act was enacted to support the GSB operation in the form of a bank since April 1, 1947.

As a result of solid foundation of the GSB, the Bank has been established for over 106 years. Presently, the GSB has been implementing its operation by focusing on developing financial services that meet the needs of Thai people in all segments, driving Thailand towards development of grassroots, creating opportunities for people in all professions, promote local wisdom and improving quality of life of Thai people in all aspects with stability of the Government Savings Bank, not only in the role of financial institution of Thailand but as financial institution of Thai people that are ready to serve and provide happiness to the Thai society sustainably.

MESSAGE FROM THE CHAIRMAN OF GOVERNMENT SAVINGS BANK

In 2019, GSB aims to achieve "sustainable growth and making contribution to society" by adopting corporate value of "GSB WAY 2019: New Age of GSB, Fulfillment of Thai Society with Farsighted Vision, Beyond Limitations".



For overall performance in 2018, operating results of GSB has grown and improved from the previous year in both business area and realization toward “Digi-Thai Banking: Digital for All Thais” and implementing projects in accordance with government policy, such as Informal Debt Solution Project, Government Welfare Card Holder Registration and Potential Development Project, Financial Literacy and Career Development Project to increase incomes for grassroots people and small entrepreneurs, as well as cooperate with partners in both government and private sector to empower Startup operators. As a result, GSB Quality of Grassroots Life Index (GLI) evaluated in term of economic, social and environment in 2018 was at 0.7180, which is higher than 2017 at 0.7049 and Start up Sentiment Index (SSI) in 2018 is at 61.75 which is higher than the median of 50.0.

As a result of outstanding performance in 2018, to the pride of Directors, Executives and staffs of GSB and congratulation from stakeholders, the Government Savings Bank has received several awards from both domestic and international organizations in the section of Corporate, Product, and Organizational Leadership such as the Thailand Quality Class Plus : Customer-TQC+ : Customer 2018 from Office of Thailand Quality Award, Ministry of Industry, “Outstanding State Enterprise Award for 2018”, “CEO Leader Award” and “National Outstanding Innovation Award, on Honorable Mention Award for Innovation” from the Office of the State Enterprise Policy, Ministry of Finance, “The Best Quality Leadership Award 2018” from European Society for Quality Research (ESQR). In addition, the results

of Integrity and Transparency Assessment (ITA) conducted by National Anti-Corruption Commission 2018 for GSB was 96.68, ranked in the third position which improved from last year.

For operational direction in 2019, GSB aims to implement strategic plan for the year 2019 - 2023 which is in line and conforming to “Thailand 4.0” National Strategy and Sustainable Development Goals (SDGs). GSB is ready to “Sustainable Growth, Making Contribution to Society” under “GSB Way 2019: New Age of GSB, Fulfillment of Thai Society with Farsighted Vision Beyond Limitations”.

On behalf of GSB Board of Directors, Executives, staffs and employees, I would like to thank all business partners in both public and private sectors, stakeholders and customers for their continuous trust and support. We would like to assure to you that GSB will commit to deliver our performance with highest professional standard and adhere to good governance principle to strengthen our financial stability and support the Government’s policy to drive economy and society of Thailand to become “Beyond Banking, the Bank for Society” to be alongside customers and Thai people forever.



(Mr. Amnuay Preemonwong)
Chairman
of Government Savings Bank

MESSAGE FROM PRESIDENT & CEO OF GOVERNMENT SAVINGS BANK

In 2018, Government Savings Bank has entered into the new era or GSB New Century: Digi-Thai Banking "Digital for All Thais" and applied the innovations across entire organization. In addition, GSB aims to become "The Best & Biggest Local Bank in Thailand" by adopting "Sufficiency Economy Philosophy" as guideline for its operation.



The Government Savings Bank has been honoring and paying our homage to His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun, King Rama X, through the Royal Anthem movie "Tosamakasatra Ratchakriwong" and was granted to display the Royal Anthem movie in "Government Savings Bank, Un-airuk Branch" booth during "Un-airuk Klai Kwam Naw - River of Rattanakosin" Exhibition. GSB also received royal permission to display official emblem on "Un-airuk" piggy box. In addition, to commemorate the late His Majesty King Bhumibol Adulyadej, on the second anniversary of HM the King's death, GSB employees jointly made merit by offering food to Buddhist monks and lit candles to commemorate and paid our homage to the HM the King. In addition, as a mark on Vajiravudh Day, GSB also made piggy boxes to be given to donors of the Thai Red Cross in the Red Cross Fair 2018 at Lumpini Park.

2018: The Best & Biggest Local Bank in Thailand

Overall performance of GSB in 2018 was good and in line with the expansion of Thai economy of 4.1%, which was better than the previous year's growth of 3.9% due to exports, private consumption and investments. As of December 31, 2018, the Bank had total assets of 2,704,340 Million Baht, with 1.5% growth. Total deposits of issued securities were 2,298,412 Million Baht, with 1.9% growth. Total loans of 2,111,899 Million Baht, with 4.9% growth, and net profit of 30,842 Million Baht, with gross NPLs for 2.81% of total loans. Due to its ability to manage assets and liabilities, liquidity management and management of non-performing assets to be in line with the direction of interest rates in the market, liquidity and risk management, the total funds (after the appropriation of revenue to the Ministry of Finance) was 182,469 Million Baht or 14.72% of total assets, it is higher than the capital requirement of Bank of Thailand.

In 2018, the Bank has, under its own initiative and cooperation with potential partners, developed innovations to enhance service levels and support management in order to become Digi-Thai Banking "Digital for All Thais", as well as further developed products and services and service channels such as launching **Digital Savings** deposit service

via VTM (Virtual Teller Machine) which can be used by customers 24 hours a day. GSB also launched new QR Payment services, such as QR Sathu and e-Donation to allow Buddhists to make donation to temples and charities throughout the country. GSB was the first bank which provide donation services via QR Code. Regarding **service channel**, **SUMO** or Sales & Service Unit on Mobile was introduced to support non-counter deposit/withdraw/transfer service to facilitate customers. Moreover, GSB cooperated with partners to launch new services such as **24-hour Banking Service** via counter service in 7-Eleven without fees for children aged 7-20 years old (GSB was the first bank to offer this type of service), **O2O Village Grocery sponsored by GSB** which is comprehensive e-Commerce service that support sale of grocery stores, village fund and OTOP on the online market via the GSB system. In order to improve management level, GSB has developed Application **COMO (Collection on Mobile)** to assist in asset quality management and **MEMO (Modern Employee on Mobile)** for support in the management of human resources.

Under the goal of becoming "The Best & Biggest Local Bank in Thailand", GSB has been pushed to expand business effectively with existing demands of loan customers, while GSB is able to offer products that meet customers' needs and organize marketing promotion activities suitable for each customer group. MyMo is the most popular service for Mobile Banking system and is most frequently used by customers in Low Income, Middle Income and student groups. At the same time, the Bank has provided care for the society and carried out its missions according to the government policy of 3 savings principles, namely economic saving, social saving and environmental saving for children and youths, elders, grassroots and low-income people and Startup. The Bank has cooperated with 69 higher education institutions to introduce **public university project**, **GSB Yuwapat Raktin Project** and **GSB Startup Academy** to help students who have creative business concepts to become Startup and SMEs in the future, and established Innovation club by GSB Startup as Co-Working Space in more than 20 universities.

As a result of outstanding performance in various aspects, the Government Savings Bank has received several prestige international and domestic awards both in the section of Corporate and Organizational Leadership, such as *“The Best Quality Leadership Awards 2018”* from the European Society for Quality Research (ESQR), *“Thailand Quality Class Plus : Customer-TQC+: Customer 2018”* from the Office of the Thailand Quality Award, Ministry of industry, and 3 SOE Awards there were *“Outstanding State Enterprise Award for 2018”*, *“CEO Leader Award”*, and *“The Best Innovation Award (Virtual School Bank)”* from the Office of the State Enterprise Policy, Ministry of Finance, *“NACC Integrity Awards”* from the Office of the National Anti-Corruption Commission, *“Highly Commended Best CSR Initiative Award”* from the 9th Retail Banker International Asia Trailblazer Awards 2018, Republic of Singapore, *“Social Empowerment Award”* from the Asia Responsible Enterprise Awards 2018, Republic of the Philippines, *“Best Retail Bank of the Year 2018”* and *“Best Bank Service of the Year 2018 Award”* from the survey of Money Expo visitors conducted by Money&Banking Magazine, *“Thailand’s Most Admired Brand 2018”* (4 consecutive years) from BrandAge Magazine and *“THAILAND TOP COMPANY AWARDS 2018, TOP BUSINESS STRATEGY AWARD”* from the University of the Thai Chamber of Commerce in collaboration with Business Magazine. In addition, GSB executives also won *“Financier of the Year 2018 Award”* from Money&Banking Magazine, *“CEO of the Year 2018 Award”* from Dokbia Turakij Newspaper, *“CEO Leader Award 2018”* from Tonboon Visaka Foundation and Daily Mirror Newspaper, *“Brand Maker 2018 Award”* from BrandAge Magazine, *“Good Governance PorRorMor. Award”* for effectively application of good governance in the Advanced Diploma Program in Public Administration and Public Law (PorRorMor.), King Prajadhipok’s Institute.

2019: GSB WAY 2019: New Age of GSB, Fulfillment of Thai Society with Farsighted Vision Beyond Limitations”

Under the concept of sustainable growth and making contribution to society, GSB plans to reorganize its banking operation in 2019 by initiating 3 strategies for 3 types of services as follows:

Traditional Banking GSB is a bank with effective corporate management with application of technology to reduce costs and increase competitiveness as well as manage the business units to provide appropriate returns and risks to create competitiveness and financial security.

Social Banking GSB emphasizes on social and community development with a mission to raise quality of life of grassroots, societies and communities as well as implement missions according to government policies to obtain effective results and control risks, focus on promoting savings and financial discipline and create opportunities for access to basic financial services and funding for low-income earners, small entrepreneurs, Startup or underprivileged people in society.

Digital Banking GSB emphasizes on innovations and offers innovative financial services and channels, develops new business model to create new financial transaction experience, business opportunities and enhance the management to be in line with the changes and behavior of customers in the digital age.

The Bank is adhering to corporate value **“GSB WAY 2019”** which will be used to drive the corporate direction towards Digi-Thai Banking **“Digital for All Thais”**

- Giving for the Greater Good
- Seeking the Next Possibilities
- Brave Beyond the Boundary

On behalf of GSB’s Executives, staffs and employees, I would like to thank all our customers, partners and stakeholders for their continued trust and goodwill. In this regard, GSB will commit to innovate its valuable financial services to obtain the highest satisfaction of all customers. GSB is ready to collaborate with public and private sectors in driving Thailand into sustainable development.



(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank

Award for excellence

GSB manages operation by regarding society, environment and good governance in order to lead the organization to grow sustainability and focusing on effective organizational management, increasing financial stability and commercial competitiveness. The Bank also engages in CSR activities to tangibly respond to government policies. These are important mechanisms that drive the Bank's operations to achieve sustainable goals. With guaranteed awards from various agencies, GSB commits to provide the best banking services in all channels for happiness of Thai people.





GSB WAY

New Age of GSB,
Fulfillment of Thai Society
with Farsighted Vision,
Beyond Limitations

GIVING FOR THE GREATER GOOD

SEeking THE NEXT POSSIBILITIES

BRAVE BEYOND THE BOUNDARY





**DRIVE SUCCESS
WITH HIGHEST
PERFORMANCE
DELIVERED**

In 2019, GSB aims to become
“GSB WAY 2019: New Age of GSB, Fulfillment of
Thai Society with Farsighted Vision Beyond Limitations”
under the concept of sustainable growth and making
contribution to society, under "3 Banking"



**TRADITIONAL
BANKING**



**DIGITAL
BANKING**



**SOCIAL
BANKING**



TRADITIONAL BANKING

Focus on being a bank with effective corporate management, financial security and competitive ability to provide banking services that are convenient to be used by customers by development of traditional service channels to be more convenient, faster and advanced, covering all areas, including bank branches, off-site bank service, Bank Agent and community financial institution. In addition, new partners are ready to encourage customers to use digital services by adopting technology to help manage the operating costs efficiently.





DIGITAL BANKING

Focus on being a bank with advanced financial innovations by developing or collaborating with partners to develop innovative products, services on the Digital Platform, as well as development of new business model to create business opportunities, and improve the management in the organization to be in line with the changes in the digital age and respond to customers' needs in all age groups. Besides attending service at branch, customers can conduct financial transactions on mobile phone via GSB's MyMo application after opening a deposit account such as apply for a loan, apply for debit card, cash withdrawal management system, transfer money or make product payment, purchase investment units via My Merchant function and accumulate points from using the service.



SOCIAL BANKING

Create sustainable society with social branch which will be a new dimension of financial institutions to have dedicated social caring branch. The GSB operates in a tangible format and offer financial advisory services, informal debt resolving center, local information service center, financial logistic center, community exhibition center and O2O, purchase goods and service online, focus on being a social bank that operates business take account of the environment, society and governance; promote savings, create financial discipline, create opportunities to access sources of fund, raise quality of life of grassroots, youths and the elderly and efficiency of Startup on stability and sustainable basis.

GSB WAY 



**DRIVE SUCCESS
WITH HIGHEST
PERFORMANCE
DELIVERED**



Operation
Direction
and Policy
in 2019





The Bank has reviewed its vision, mission and operational direction by the philosophy of Sufficiency Economy as well as to consider and agree on the link of the 20-year National Strategic Plan, the 12th National Economic and Social Development Plan, National Reform Plan and the United Nations Development Goals (SDGs), Thailand 4.0 Policy and the Digital Economy and Social Plan, The government's policy guidelines (SOD), Policy Guideline for SFIs, Strategic Business Plan And strategic plans for state enterprises and financial institutions, including recommendations from policy regulators, such as the Ministry of Finance, the State Enterprise Policy Office (SEPO), the Office of the National Economic and Social Development Board (NESDB) and the direction of the Thai economy and financial technology. The objectives are to respond to the challenges and strategic advantages, special abilities of the organization, risk factors, missions and business models both in the short and long term as well as to balance the needs and expectations of stakeholders and customers, develop and improve the organization in accordance with State Enterprise Performance Appraisal (SEPA) to enhance management to international standards. The vision, mission, values and direction of operations are structured for the enterprise plan of 2019-2023 are as follows:

Vision



Mission



1.

To promote savings and financial disciplines



2.

To support for investment and development



3.

To promote and upgrade grassroots economy and small and medium enterprises for sustainable capability



4.

To provide full-fledged modern financial services, beyond expectation, under acceptable risks



5.

To be the Bank for society with good governance.

Core Value

Core Value is GSB Way linking the vision, mission and strategy of the Bank to implement the corporate culture as follows:



Fulfillment of Thai Society

GIVING FOR THE GREATER GOOD

Volunteer to fulfill Thai society	We have a volunteering mind to raise quality of lives of people in the communities and society of Thailand.
Commit to public interest	We will operate business with integrity, transparency, and accountability, taking into account the benefits of society and organizations.
Adhere to good ethics and sustainability	We adhere to rules, good morality, ethics in every action to bring sustainability to the organization and society.

Farsighted Vision

SEEKING THE NEXT POSSIBILITIES

Learn, experience and train	We keep on learning to develop ourselves to keep pace with the new knowledge and technology in the world.
Rethink and redo to advance further	We open our mind to seek new approaches that are possible to create and develop work advancement.
Encouragement, driving force	We are alert and dedicated to both physical and mental work.

Beyond Limitations

BRAVE BEYOND THE BOUNDARY

Change for growth	We know that changes occur all the time. We are not afraid to do things differently each day and do not allow limitations to stop us.
Integrate power of success	We respect each other's differences and believe in integrating cooperation to achieve common goals.
Create value for customers	We aim to create value in every way for customers to begin, develop and advance further.

The operational strategy of the GSB for Year 2019 -2023 aims to provide guideline to create a balance between corporate security and operations that consider society, environment and good governance which will lead the organization to sustainability and by focusing on effective organization management, reducing administrative costs, management of returns and risks to increase financial security and commercial competitiveness (Traditional Banking) combined with social operations and responding to government policies with good governance, promote savings and financial disciplines, provide opportunities to access basic financial services and funding sources for local economy and small and medium enterprises, youth and elderly including sustainable development (Social Banking) along with the elevation to Digital Banking. In addition, GSB applies financial technology to develop products, services, service channels to increase business opportunities and support the direction of future changes under potential fundamental capabilities that are important mechanism for driving operations to achieve sustainable goals.

The Bank aims to maintain loan ratio to personal customers, grassroots customers and SMEs, particularly Startup, not less than 90% of total loans, with the goal of growing deposits and loans in line with the direction of the Thai economy growth (GDP) under the 4 aspects of operational strategy as follows:

1. Traditional Banking : Financial Strengthening and Competitive Abilities

Focus on being a bank with effective corporate management by restructuring the service model of branches and service processes under utilization of technology or outsource or cooperate with partners to reduce costs and increase competitiveness, as well as adopt preventive asset quality management and manage the business proportion to provide appropriate returns and risks to create competitiveness and financial security.

2. Social Banking : Sustainable Development

Focus on being a social bank that operates business with consideration of environment, society and good governance, effectively carry out social missions, comply with government policy and control risks by separating structure, processes and accounts of social and government policies from commercial unit, as well as promote savings and financial disciplines, provide opportunities to access basic financial sources and assist local economy, new entrepreneurs (Startup), youth and the elderly to be strong and grow sustainably.

3. Digital Banking : Development and Upgrading to Digital Banking

Focus on being a bank with advanced financial innovations, by developing or collaborating with partners to develop innovative products on Digital Platform, including developing new business models to create business opportunities along with improving the management within the organization to be in line with the changes in the digital age.

4. Fundamental Capabilities : Enhancement of Fundamental Capabilities

Focus on restructuring of organization, process capabilities, management and development of leaders and personnel skill to support business operations in the digital age, develop IT to support business and create data security and services, manage information that increases business opportunities, as well as create experiences that exceed customers' expectations (Customer Experience), including raising standards and integrating supervision, risk management, internal control and internal audit to facilitate business operations and conforms to external regulatory criteria.

Plan / Major Projects in 2019

1. Traditional Banking : Financial Strengthening and Competitive Abilities



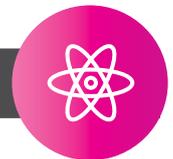
- Improvement and Enhancement of Branch Service (Traditional Branch) Project
- Important Process Improvement Project
- System and Equipment Development for Supporting Debt Management Project
- Service Outsourcing Project

2. Social Banking : Sustainable Development



- Service Improvement to be Social Branch Project
- Wisdom Bank Project
- GSB Yuwapat Raktin Project
- People's University Project
- Project to Develop Customers' Potential and Strength according to Government Policy
- Project to Promote Youth Potential to Excellence
- GSB from Hundred to Million Project
- Elderly Potential Development Project

3. Digital Banking : Development and Upgrading to Digital Banking



- Digital Life Solution Business Model Development Project
- National e-Payment Policy Supporting System Development Project
- Digital Identity Policy Supporting System Development Project

4. Fundamental Capabilities : Enhancement of Fundamental Capabilities



- High Potential Employee Development Project
- IT Infrastructure and Security Project
- GSB Research & Innovation Center Project
- Business Communication and GSB Image Project

However, in 2019, the Bank may be affected from changes in the external environment factors that result in failure to operate in accordance with the plans and targets specified by the Bank. The factors include Thai and Global economy, social change, demographic and customer behavior, innovation and modern financial technology, government policies and regulations, as well as rising competition in the banking industry. In this regard, the Bank will implement risk management by analyzing and evaluating the impact of risk factors and determine guidelines, measures and review the Bank's strategies and business strategies to keep pace with changing situations in order to achieve the overall performance of the Bank to achieve the prescribed goals.



About Government Savings Bank

Government Savings Bank was established under initiation of His Majesty King Vajiravudh, King Rama VI, with intention to promote saving habits and create a safe place for asset storage. HM the King also granted one hundred thousand baht to establish the "Royal Savings Office" according to the Royal Savings Bank Act B.E. 2456 (1913), on April 1, 1913. Later, the name was changed to "Government Savings Bank" according to Government Savings Bank Act B.E. 2489 (1946) and having a status as a juristic person under the supervision of the Ministry of Finance. Currently, GSB is operating under the Government Savings Bank Act (No. 4) 2017 according to the mission specified in the Act and the Statement of Direction which requires the GSB to focus on creating added value for communities and grassroots economy, as well as promote savings with effective management supported by efficient data system.

Business Objectives

1. To encourage children, youth and the people to realize the importance and benefits of savings and to have appropriate savings value and behavior which will lead to better financial discipline and quality of life, as well as to accumulate savings that are sufficient for living and create security for people to prepare for aging society.
2. To allow people and communities at grassroots level have access to legitimate sources of fund, educate them with management knowledge and skills, promote community marketing, place importance to the preservation of the environment to enhance the quality of life with sustainability and stability on the basis of sufficiency.
3. To increase and expand the scope of financial transaction services to meet the needs of all groups of customers, generate revenue, reduce costs, and add value to the Bank in the long term, as well as maintain and build continuous relationships with targeted customers to use the Bank's service throughout the age of the customers.
4. To develop competitiveness and efficiency of internal management process to meet with standard of other financial institutions and build confidence in the operation machinery of the Bank to stakeholders.

Products

The Government Savings Bank has 3 major financial products and services according to the Table 1 as follows:

Products and services		Delivery Protocols / service channels					
		Branch / Service Unit	Internet / Mobile Banking	Self Service Machine	Mobile Vans / Boats / GSB Outdoor Services	Sales Agent	Payment Agent*
Deposits	Deposits	◆	◆	◆	◆		
	Premium Savings Certificate	◆	◆	◆	◆		
	Life insurance deposit	◆	◆		◆		◆
Loans	Business and public sector customers group	◆					
	Personal customer group	◆	◆			◆	◆
	Grassroots customer group	◆					◆
Financial services	Electronic card products	◆	◆		◆	◆	◆
	Electronic financial services	◆	◆	◆	◆	◆	

* Payment agents are Counter service / Pay@post / Cenpay / Big C / Lotus

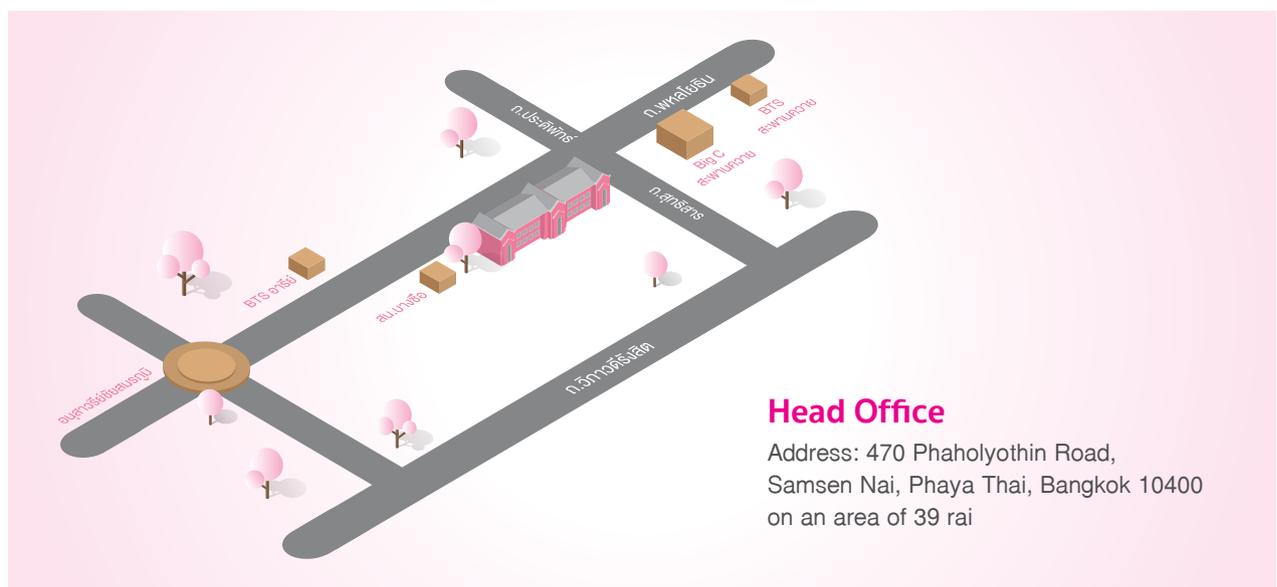
Business operating area and location of the head office



Business operating area: the Bank has 1,085 branches of financial services, 24 service units and 4 district service units (Nurture Branch) (Dec 2017) in all regions of Thailand in order to provide opportunity to access financial services to all customer groups according to the Customer Centric Approach.

- Personal customer group focuses on responding to customers in all age groups (Customer Life Time Value);
- Grassroots customers and government's policy supporting group emphasizes on creating financial discipline and improving the quality of life;
- Business and public sector customers group place importance on creating opportunities for access to sources of fund and financial support for operators to grow sustainably;

The objectives are to meet the needs and to surpass expectations of customers, and allow the Bank to enter new markets, to attract new customers and create opportunities for strengthen current customer relationships, focusing on providing fast and accurate financial services, allowing customers to use the service conveniently and easily, enabling the growth of the foundation economy thoroughly.





Important Financial Information

Unit : Million Baht

Featured in 5 years

	2014	2015	2016	2017	2018	Change (% yoy)
Profit and Loss Statement						
Interest Income	106,955	103,815	104,335	104,302	102,701	(1.5)
Interest Expenses	51,301	45,749	44,087	46,418	38,510	(17.0)
Net Interest Income	55,654	58,066	60,248	57,884	64,191	10.9
Net Fee and Service Income	4,008	4,590	4,780	5,701	5,973	4.8
Other Operating Income	1,319	3,070	3,242	3,747	11,010	193.8
Other Operating Expenses	34,062	34,985	32,776	31,938	33,315	4.3
Operating profit	26,919	30,741	35,494	35,394	47,859	35.2
Bad Debts / Doubtful Accounts / Loss on Impairment and Debt Restructuring	4,688	8,042	9,548	4,184	17,017	306.7
Net Profit	22,231	22,699	25,946	31,210	30,842	(1.2)
Other Net Profit (Loss)	(603)	(1,437)	5,629	16,894	(10,738)	(163.6)
Total Net Profit (Loss)	21,628	21,262	31,575	48,104	20,104	(58.2)
Balance Sheet						
Total Assets	2,259,016	2,400,468	2,509,588	2,663,828	2,704,340	1.5
Investments in Securities	268,815	246,127	283,604	237,395	256,200	7.9
Loans ^{1/}	1,802,971	1,919,659	1,901,851	2,014,123	2,111,899	4.9
Total Liabilities	2,111,917	2,248,713	2,339,181	2,461,939	2,502,401	1.6
Deposits and Debt Securities Issued and Loans ^{1/}	1,952,504	2,082,706	2,159,136	2,256,312	2,298,412	1.9
Part of the Capital	147,099	151,755	170,407	201,889	201,939	0.0
Significant Financial Ratios (%)						
Average Return on Assets (ROA)	1.01	1.00	1.08	1.23	1.19	
Average Return on Equity (ROE)	16.03	15.37	16.59	16.88	15.26	
Net Interest Income Ratio (NIM) ^{2/}	2.51	2.56	2.51	2.35	2.54	
Operating Expenses to Net Income (Cost / Income) ^{3/}	55.98	53.35	48.14	47.44	41.01	
Loans to Deposits and Debt Securities and Loans (L/D)	92.32	92.15	88.06	89.25	91.86	
Capital Adequacy Ratio (CAR)	11.11	10.80	11.54	12.47	14.72	
Tier-1 Ratio Ratio (Tier I Ratio)	10.21	10.24	10.86	11.85	13.56	
Percentage of Gross Non-Performing Loans (gross NPLs)	1.37	1.61	2.04	2.05	2.81	
Allowance for Doubtful Accounts (LLR / NPLs)	148.22	142.84	136.53	134.47	114.23	
Staff	15,366	15,653	15,927	16,286	16,410	
Branch	1,025	1,043	1,056	1,059	1,061	
Service Unit ^{4/}	152	163	154	160	162	
Self Service	7,534	7,764	8,234	8,524	8,536	
School Bank	973	1,086	1,206	1,256	1,256	

^{1/} Loans and deposits include transactions with financial institutions and cooperatives under the Loan of the Financial Institutions Act recorded in interbank and capital market items, both assets and liabilities.

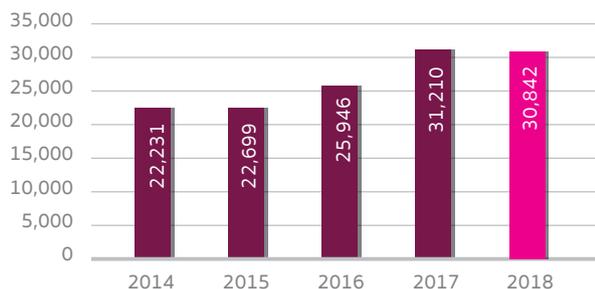
^{2/} Since 2017, the BOT has changed its NIM ratio from "Net Interest Income to Net Asset Value" to "Net Interest Income to Assets that Generate Interest Income"

^{3/} Since 2011, special expenses have been paid for employee benefits in the past according to IAS 19, which would be gradually be recognized over 5 years, 5,346.7 Million Baht per year and money to initiate the provident fund project would be distributed over 10 years until 2020.

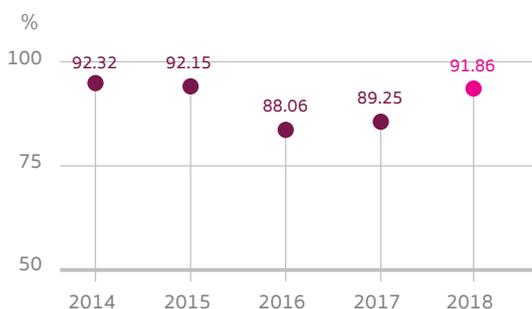
^{4/} Consists of service units on districts, cars and mobile boats.

Net Profit

Million Baht



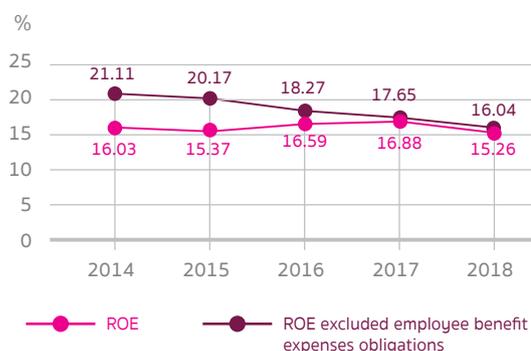
Loans to Deposits and Debt Securities Issued and Loans ^{1/}



ROA



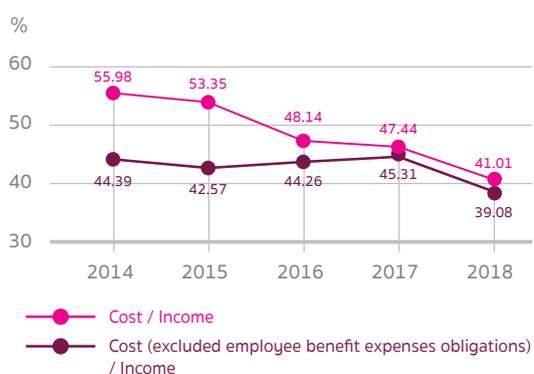
ROE



Quality Assets



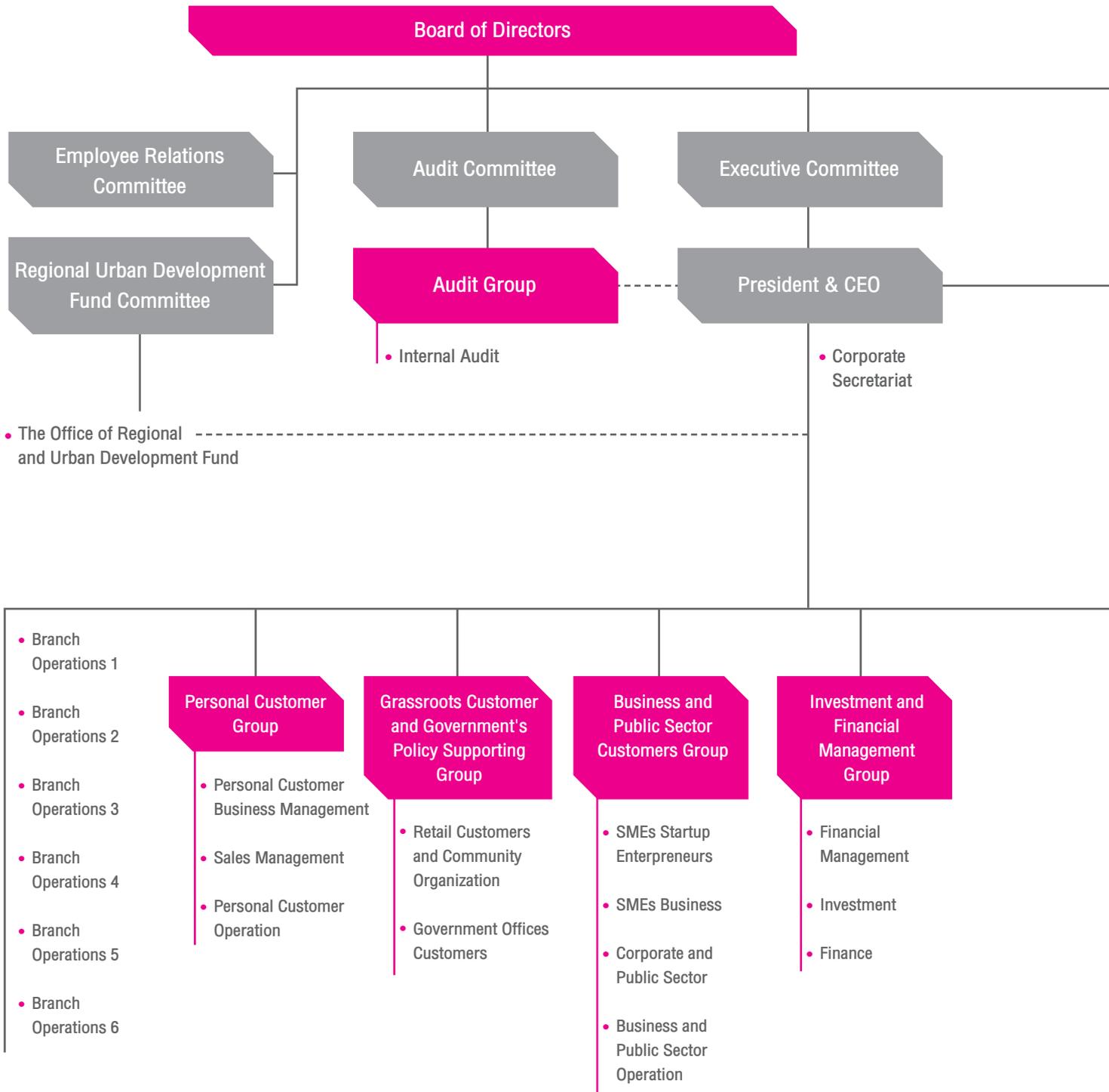
Cost / Income ^{2/}

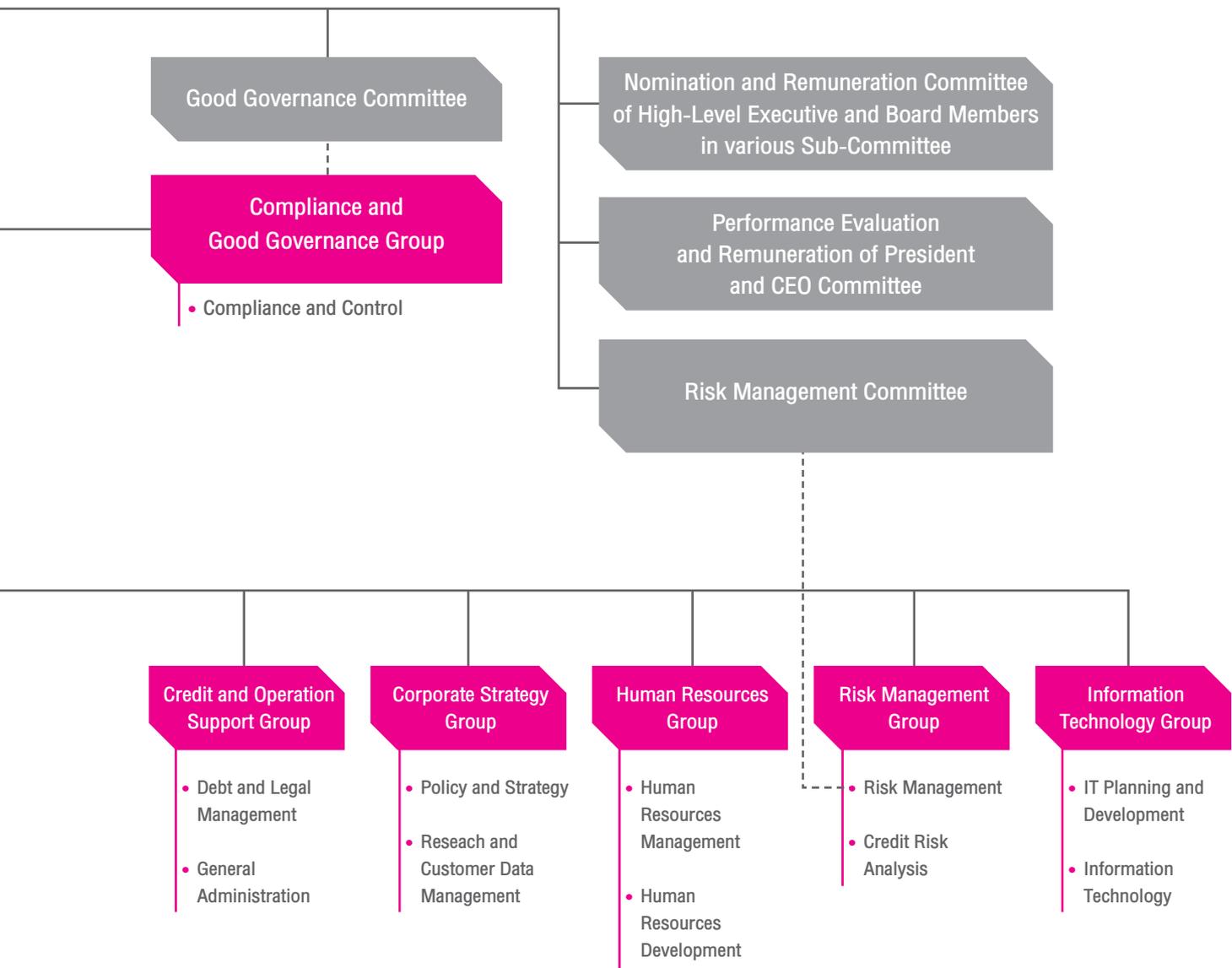


^{1/} Loans and deposits include transactions with financial institutions and cooperatives under the Loan of the Financial Institutions Act recorded in interbank and capital market items, both assets and liabilities.

^{2/} Since 2011, special expenses have been paid for employee benefits in the past according to IAS 19, which would be gradually be recognized over 5 years, 5,346.7 Million Baht per year and money to initiate the provident fund project would be distributed over 10 years until 2020.

Organization Chart





Board of Directors

1 Mr. Amnuay Preemonwong
• Chairman of Board of Directors

2 Mr. Boonchai Charassangsomboon
• Director
• Chairman of Employee Relations Committee
• Member of Executive Committee
• Member of Good Corporate Governance Committee

3 Mr. Poomsak Aranyakasemsuk
• Director
• Chairman of Nomination of GSB Board of Directors Committee
• Chairman of Performance Evaluation and Remuneration of President and CEO Committee
• Chairman of Executive Committee

4 Mr. Jessada Promjart
• Director
• Member of Audit Committee

5 Miss Yaowanooch Wiyaporn
• Director
• Member of Good Corporate Governance Committee
• Member of Nomination of GSB Board of Directors Committee

6 Mrs. Sauwanee Thairungroj
• Director
• Chairman of Audit Committee



7 Miss Tidarat Thanapakpawin

- Director
- Member of Risk Management Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees

8 Mrs. Philaslak Yuktasemwong

- Director
- Member of Audit Committee

9 Mr. Yunyong Teng-Amnuay

- Director
- Member of Nomination of GSB Board of Directors Committee
- Member of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Executive Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees

11 Mr. Taveesak Foongkiatcharoen

- Director
- Chairman of Nomination and Remuneration Committee of High-Level Executive and Board member in various Sub-committees
- Chairman of Good Corporate Governance Committee
- Member of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Executive Committee

10 Mrs. Patcharavalai Jayapani

- Director
- Chairman of Risk Management Committee

12 Mr. Chatchai Payuhanaveechai

- Director and Secretary
- Member of Executive Committee
- Member of Risk Management Committee
- Member of Good Corporate Governance Committee
- Member of Verification Committee





Mr. Amnuay Preemonwong

60 years old

- Chairman of Board of Directors
(He was appointed by the Cabinet Resolution on December 18, 2018)



Education

- Master of Public Administration Program, National Institute of Development Administration (NIDA)
- Bachelor of Laws, Sukhothai Thammathirat University
- Bachelor of Economics, Ramkhamhaeng University



Working Experiences

- 2018 - Present Director-General, Treasury Department
- 2014 - 2018 Deputy Permanent Secretary, Ministry of Finance
- 2011 - 2014 Chief of Inspector General, Ministry of Finance
- 2009 - 2011 Inspector General, Ministry of Finance
- 2008 - 2009 State Property Development Advisor, Treasury Department
- 2006 - 2008 Deputy Director-General, Treasury Department



Training

- Advanced Executive Program, Kellogg School of Management, Northwestern University, U.S.A.
- Anti - Corruption for Executive Program (ACEP) (Class 13/2014), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP) (Class 38/2012), Thai Institute of Directors Association (IOD)
- Financial Statement for Directors (FSD) (Class 11/2011), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP, Class 80/2006), Thai Institute of Directors Association (IOD)
- The National Defence Course (NDC, Class 51), Thailand National Defence College, National Defence Studies Institute (NDSI)
- Top Executive Program in Commerce and Trade: TEPCoT 6, Commerce Academy
- Top Executive Program (Class 17), Capital Market Academy
- Training Course on Administrative Justice for Executives (Class 6), The Office of the Administrative Courts of Thailand
- Top Executives Program in the Energy Education (Class 8), Thailand Energy Academy (TEA)



Other Present Positions

- Chairman of the Board of Directors, Dhanarak Asset Development Company Limited
- Director, PTT Global Chemical Public Company Limited

Mr. Boonchai Charassangsomboon

56 years old

- Director
- Chairman of Employee Relations Committee
- Member of Executive Committee
- Member of Good Corporate Governance Committee
(He held the position until October 4, 2017 and was reappointed by the Cabinet Resolution on December 18, 2018 to hold the position for the second term.)



Education

- Master of Economics, Macquarie University, Sydney, Australia
- Master of Economics in Development Economics, National Institute of Development Administration (NIDA)
- Bachelor of Arts (Political Science) (Sociology and Anthropology), Chulalongkorn University



Working Experiences

- 2018 - Present Inspector General, Ministry of Finance
- 2016 - 2018 Director of The Asian Infrastructure Investment Bank (AIIB)
- 2015 - 2018 International Economic Advisor, Fiscal Policy Office
- 2015 - 2015 Executive Director of the International Economic Policy Bureau, Fiscal Policy Office
- 2013 - 2015 Alternate Executive Director, World Bank Group
- 2010 - 2013 Executive Director of the Macroeconomic Policy Bureau, Fiscal Policy Office
- 2006 - 2010 Minister (Economic and Financial), Office of Economic and Financial Affairs,
Royal Thai Embassy, London, United Kingdom
- 2005 - 2006 Executive Director of Finance, Savings and Investment Policy Bureau, Fiscal Policy Office



Training

- The National Defence Course Class 60/2017, The National Defence College.
- Corporate Governance for Capital Market Intermediaries (CGI), 2016, Thai Institute of Directors Association (IOD)
- Advanced Management Program 183 (AMP 183), 2012, Harvard Business School
- Directors Certification Program (DCP, 2006), Thai Institute of Directors Association (IOD)



Other Present Positions

- Director, Sukhumvit Asset Management Co.,Ltd.



Mr. Poomsak Aranyakasemsuk

55 years old

- Director
- Chairman of Nomination of GSB Board of Directors Committee
- Chairman of Performance Evaluation and Remuneration of President and CEO Committee
- Chairman of Executive Committee
(He held the position until December 17, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018, to hold the position for the second term.)



Education

- Master of Public Administration (M.P.A.), National Institute of Development Administration (NIDA)
- Master of Business Studies (Finance), Massey University, New Zealand
- Bachelor of Economics, Ramkhamhaeng University



Working Experiences

- 2018 - Present Director General, Public Debt Management Office (PDMO), Ministry of Finance
- 2017 - 2018 Inspector General, Ministry of Finance
- 2016 - 2017 State Enterprise Performance Assessment Advisor, State Enterprise Policy Office (SEPO), Ministry of Finance



Training

- The National Defence Course Class 59, The National Defence College
- Executive Development Program, The Wharton School, University of Pennsylvania, U.S.A.
- The Civil Service Executive Development Program, Visionary and Moral Leadership (Class 73/74), Office of the Civil Service Commission
- Director Certification Program (DCP, Class 73/2006), Thai Institute of Directors Association (IOD)



Other Present Positions

- Director, CAT Telecom Public Company Limited
- Director, PTT Oil and Retail Business Company Limited

Mr. Jessada Promjart

57 years old

- Director
- Member of Audit Committee
(He held the position until December 17, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018, to hold the position for the second term.)



Education

- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University

Working Experiences

- 2015 - 2017 Independent Director and Member of Audit Committee, Nation Broadcasting Corporation Company Limited
- 2014 - 2016 Director and Chief Executive Officer, Chukai Public Company Limited
- 2014 - 2014 Vice Chairman, Seed MCOT Company Limited
- 2013 - 2014 Senior Executive Vice President and Acting for Chief Financial Officer, MCOT Public Company Limited
- 2011 - 2012 Director, True Vision Public Company Limited
- 2009 - 2013 Chief Financial Officer (CFO), MCOT Public Company Limited
- 2009 - 2009 Assistant Managing Director, Piyavate Hospital Public Company Limited
- 2008 - 2015 Director, D Land Development Company Limited
- 2008 - 2014 Independent Director and Member of Audit Committee, Chukai Public Company Limited

Training

- The IIA's 2018 International Conference in Dubai, The Institute of Internal Auditor
- The IIA's 2017 International Conference in Sydney, The Institute of Internal Auditor
- Advanced Audit Committee Program (AACP, Class 25/2017) Thai Institute of Directors Association (IOD)
- The IIA's 2016 International Conference in New York, The Institute of Internal Auditor
- Public Director Certification Program (Class 14), Public Director Institute (PDI), King Prajadhipok's Institute

- Ethical Leadership Program (ELP, Class 5/2016), Thai Institute of Directors Association (IOD)
- Advanced Certificate Course in Public Administration and Law for Executives (Class 12), King Prajadhipok's Institute
- Advanced Management Strategies for the Prevention and Suppression (Class 1), Office of the National Anti-Corruption Commission
- TLCA Executive Development Program (EDP, Class 9), Thai Listed Companies Association
- Company Secretary Program (CSP, Class 7/2004), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP, Class 45/2004), Thai Institute of Directors Association (IOD)
- Telecommunication Management Course, Engineering Faculty, Chulalongkorn University

Other Present Positions

- Director and Member of Audit Committee, Expressway Authority of Thailand.
- Director and Member of Audit Committee, IRPC Public Company Limited
- Director and Executive Committee, Y.S.S. (Thailand) Public Company Limited
- Director, Y.S.S Training Company Limited
- Member of Audit Committee, Chulabhorn Medical Institution
- Director of Compliance with the Joint Operation Contract of Color Television Broadcasting between MCOT Public Company Limited and Bangkok Entertainment Company Limited
- Director of Compliance for Agreement of Shopping Center in Triangle Area of Phaholyothin between Railway of Thailand and Central Inter Pattana Company Limited
- Executive Director of Extended Construction, Chulabhorn Hospital and Chulabhorn Medical Institution



Miss Yaowanooch Wiyaporn

60 years old

- Director
- Member of Good Corporate Governance Committee
- Member of Nomination of GSB Board of Directors Committee
(She was appointed by the Cabinet Resolution on December 18, 2018)



Education

- Master of Laws, Chulalongkorn University
- Certificate in Thai Barrister, the Institute of Legal Education of the Thai Bar Association, Period 34, Academic Year 1981
- Bachelor of Laws, Chulalongkorn University



Working Experiences

- 2015 - 2018 Finance and Legal Advisor (Eminent Person)
- 2010 - 2014 Director, Office of Law, The Comptroller General's Department



Training

- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations (Class 16), Public Director Institute (PDI) The Collaboration of King Prajadhipok's Institute and State Enterprise Policy Office in 2017
- Board that Make a Difference Program (BMD), Thai Institute of Directors in 2016
- The Program for Senior Executives on Justice Administration (Class 20), Judicial Training Institute in 2015
- Training Course on Administrative Justice for Provincial Prosecutor (Class 31), The Office of the Administrative Courts of Thailand in 2011
- Diversity Human Resources Management Program, Office of the Civil Service Commission in 2011
- Executive Finance Management Program (Class 1), Fiscal Policy Research Institute Foundation, Ministry of Finance in 2010
- High Level Administrator Course (Class 53), Interior College, Ministry of Interior in 2009
- Directors Certification Program (DCP, Class 124/2009), Thai Institute of Directors (IOD)
- High Level Police Management Program (Class 27), Police College, Police Education Bureau in 2007
- Graduate Diploma Program in Public Law (Class 1), Thammasat University in 1999



Other Present Positions

- Member (Advisory Level) of Designated Areas for Sustainable Tourism Administration Committee, Designated Areas for Sustainable Tourism Administration (Public Organization)
- Director of Fund for Job-seekers Working Abroad, Department of Employment, Ministry of Labor
- Director of Risk Management Subcommittee, Defence Technology Institute (Public Organization)
- Member of Economic, Finance, and Budget Tracking Sub-Committee (Set 4), Bangkok Metropolitan

Mrs. Philaslak Yukkasemwong

61 years old

- Director
- Member of Audit Committee
(She held the position until September 30, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018 to hold the position for the second term.)



Education

- Master of Business Administration (MBA), Tarleton State University, U.S.A.
- Graduate Diploma in Applied Economics, University of Canberra, Australia
- Mini Master of Business Administration (MBA), National Institute of Development Administration (NIDA)
- Bachelor of Communication Arts, Chulalongkorn University



Working Experiences

- 2018 - 2018 Deputy Director-General, Fiscal Policy Office, Ministry of Finance
Director and Member of Performance Evaluation and Remuneration of President and CEO Committee, Government Savings Bank
Director and Member of Audit Committee, Thai-Amadeus Southeast Asia Co., Ltd.
Chairman of Strategic Subcommittee, Chairman of Investment Subcommittee, National Savings Fund, and Chairman of Performance Evaluation of Secretary-General of National Savings Fund Subcommittee
- 2015 - 2017 Executive Director, Asian Development Bank (ADB)
- 2015 - 2015 Deputy Director-General, Fiscal Policy Office, Ministry of Finance
- 2012 - 2015 Executive Director, International Economic Policy Bureau, Fiscal Policy Office, Ministry of Finance
- 2008 - 2012 Minister (Economic and Financial), Office of Economic and Financial Affairs, Royal Thai Embassy, Washington D.C., U.S.A.
- 2006 - 2008 Senior Expert on Macroeconomic and International Economic Policy, Fiscal Policy Office, Ministry of Finance
- 1999 - 2005 Economist 6-8, Fiscal Policy Office, Ministry of Finance
- 1995 - 1998 Manager, Member Supervision, and Vice President, Investor Relations and Communication Department, The Stock Exchange of Thailand
- 1993 - 1994 Economist 6, Fiscal Policy Office, Ministry of Finance
- 1992 - 1993 Chief, Securities Companies Supervision, Securities and Exchange Commission
- 1984 - 1992 Economist 3-5, Fiscal Policy Office, Ministry of Finance



Training

- Director Certification Program (DCP, Class 211/2015), Thai Institute of Directors Association (IOD)
- Public Director Certification Program (Class 13/2015), King Prajadhipok's Institute
- Executive Development Program (Class 75), Office of the Civil Service Commission
- Executive Program in Leadership, Graduate School of Business, Stanford University, U.S.A.
- Executive Development Program, Kellogg School of Management, U.S.A.



Other Present Positions

- Expert Director in finance and investment and strategic subcommittee, National Savings Fund
- Expert Director, International Institute for Trade and Development
- Subcommittee of Education Council on Resources and Finance System for Education



Mrs. Sauwanee Thairungroj

60 years old

- Director
- Chairman of Audit Committee
(She held the position until December 17, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018 to hold the position for the second term.)



Education

- Ph.D. in Economics, Washington State University, United States of America, Fullbright Scholarship
- Master of Economics in Development Economics National Institute of Development Administration (NIDA)
- Bachelor of Economics (International Economics), Thammasat University



Working Experiences

- 2012 - Present President of University of the Thai Chamber of Commerce (UTTC)
- 2018 - Present Director, National Economics and Social Development Board Committee
- 2017 - Present Sub-committee on National Anti-Corruption Policy, pushing the National Strategy on Prevention and Suppression of Corruption Phase 3, Group 6 (2017 - 2021)
- 2017 - Present Honorable Advisor, Alumni Association of the University of the Thai Chamber of Commerce
- 2017 - Present Executive Committee, New Entrepreneur Development Institute (Order No. 114/2017 of Ministry of Commerce)
- 2016 - Present Member of Commission Special Case Committee
- 2016 - Present Director, National Startup Committee, Fiscal Policy Office
- 2016 - Present Honorary Counsel, Committees of the National Reform Steering Assemble on Education
- 2016 - Present Executive Director, Country Reform Network
- 2011 - Present Sub-Commission, Civil Service Sub-Commission on Ethics Promotion for Clean and Transparency Bureaucracy, Office of the Civil Commission (OCSC)
- 2011- Present Director, Anti-Corruption Organization of Thailand
- 2017 - 2018 Advisor, Board of Promotion and Development Bangkok Entrepreneur of Thai Chamber of Commerce (2017 - 2018)
- 2017 - 2018 Director, Thailand SMEs CENTER, the Thai Chamber of Commerce
- 2017 - 2018 Vice Chairman, Board of Tourism and Hospitality Business of Thai Chamber of Commerce
- 2017 - 2018 Advisor, Economic Development Board in Eastern Area, the Thai Chamber of Commerce (2017 - 2018)
- 2017 - 2018 Vice Chairman, Development Cooperation Committee with the University of the Thai Chamber of Commerce and other Educational Institutes of the Thai Chamber of Commerce (2017 - 2018)
- 2017 - 2018 Advisor, Board of Trade of Thailand (2017- 2018)
- 2017 - 2018 Advisor, Board of IMT - GT Trade of Thailand (2017 - 2018)
- 2017 - 2018 Advisor, Board of Tourism and Hospitality Business of the Thai Chamber of Commerce
- 2017 - 2018 Advisor, Board of Labor Skill Development Commission

- 2017 - 2018 Advisor, Board of Education Development of the Thai Chamber of Commerce
- 2017 - 2018 Director, Fisheries and Industrial Affairs Committee of the Thai Chamber of Commerce
- 2017 - 2018 Director, Risk Management Committee of the Thai Chamber of Commerce
- 2017 - 2018 Director, Social Development of the Thai Chamber of Commerce
- 2015 - 2018 Advisor, Direction Research Committee of Development of Social and Economic Knowledge of Thai Households, The Thailand Research Fund
- 2011 - 2018 Advisor, Board of Trade of Thailand's Board of Directors
- 2016 - 2017 Chairman of the Board of Directors of Airport Rail Link Co., Ltd.
- 2015 - 2017 Association President, Private Higher Education Institute of Thailand
- 2015 - 2016 Director, Equality and Sufficiency Economy of the Thai Chamber of Commerce (2015 - 2016)
- 2011 - 2014 Director, Financial Institutions Policy Committee, Bank of Thailand
- 2006 - 2008 Director, The Stock Exchange of Thailand



Training

- The IIA's 2018 International Conference in Dubai, The Institute of Internal Auditor
- Special Course for Executives, Advance Management Program (AMP 178), Harvard Business School
- Design Thinking d.School, Stanford University, U.S.A
- MIT Course ; Sloan School of Management ; Entrepreneur Development Program (EDP 2015)
- The Joint State - Private Sector Course, National Defence College (Class 21), Thailand National Defence College
- Directors Certification Program (DCP, Class 21/2002), Thai Institute of Directors (IOD)
- Executive Program (Class 3), Capital Market Academy
- Audit Committee Program (ACP), Thai Institute of Directors (IOD)



Other Present Positions

- Director, Chairman of Audit Committee, Union Auction Public Company Limited
- Director of Policy and Working Group of Confederation for Public Opinion Research
- Advisor of Top Executive Program in Commerce and Trade : TEPCoT
- Committee on Protection Measures (Expert in International Trade), Department of Foreign Trade, Ministry of Commerce
- Working Group on Corruption Prevention and Suppression, the Thai Chamber of Commerce
- Sub-committee on Evaluation of the Sufficiency Economy Project to enhance the community, Office of the Permanent Secretary, Prime Minister Office
- Director of Master of Economics Program, Financial Globalization Studies, University of the Thai Chamber of Commerce



Miss Tidarat Thanapakpawin

39 years old

- Director
- Member of Risk Management Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees
(She was appointed by the Cabinet Resolution on December 18, 2018)



Education

- Master of Business Administration (MBA) in Finance/Marketing, Willamette University, U.S.A.
- Bachelor of Computer Science, Chulalongkorn University



Working Experiences

- 2019 - Present Member of Copyright Utilization Guidelines Subcommittee, Department of Intellectual Property, Ministry of Commerce
- 2018 - Present Member of Driving Organizational Value Enhancement Subcommittee, Geo-Informatics and Space Technology Development Agency (Public Organization) - GISTDA
- 2018 - Present Member of Occupational Standards Committee on Information and Communication Technology and Digital Content (ICT), Thailand Professional Qualification Institute (Public Organization)
- 2017 - Present Member of Digital Technology Subcommittee for Service and Organization Management, Expressway Authority of Thailand
- 2017 - Present Director of the Thai Federation of ICT Technology Association (TFIT)
- 2017 - Present Consultant, the Standing Committee on Commerce, Industry and Labour, the National Legislative Assembly
- 2017 - Present Workshop Adviser on Young Leadership in Democratic Governance Course, King Prajadhipok's Institute
- 2015 - Present Special Lecturer, School of Digital Media, Sripatum University
- 2014 - 2018 Chairman of Thai Game Software Industry Association
- 2017 - 2017 Director of Course Drafting Committee, Bachelor of Science (Game), College of Arts, Media and Technology, Chaing Mai University
- 2017 - 2017 Member of Working Group for Protection Planning and Promoting the Utilization of Intellectual Property of the Industry and Digital Innovation, Digital Economy Promotion Agency (Depa)
- 2016 - 2016 Member of Creative Digital Media Subcommittee, Ministry of Commerce
- 2015 - 2016 Director of Creative Digital Economy Committee, Thai Chamber of Commerce & Board of Trade of Thailand
- 2013 - 2015 Director, Information Technology Business and Communication, Thai Chamber of Commerce & Board of Trade of Thailand
- 2013 - 2015 Director, Thai Animation and Computer Graphics Association



Training

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)
- Young Leadership in Democratic Governance Course, 2013, King Prajadhipok's Institute
- The Program for Senior Executives on Justice Administration (Class 15), Judicial Training Institute
- Certificate in Intellectual Property Law for Development and Increase of Business Value Course, The Collaboration of The Central Intellectual Property and International Trade Court and IP & IT Associate Judge Club
- Certificate in Administration and Management, University of Washington
- Certificate in Business for International Professionals, University of Washington



Other Present Positions

- Director, Novaleaf Software Co., Ltd
- Director, The Liquor Distillery Organization



Mr. Yunyong Teng-amnuay

64 years old

- Director
- Member of Nomination of GSB Board of Directors Committee
- Member of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Executive Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees (He held the position until December 17, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018, to hold the position for the second term.)



Education

- Doctorate of Computer Science, Information Technology, Iowa State University, U.S.A.
- Master of Computer Science, Chulalongkorn University
- Bachelor of Engineering, Electrical Engineering (First Class Honor), Chulalongkorn University



Working Experiences

- 2015 - Present Special Lecturer, Faculty of Engineering, Chulalongkorn University
- 2015 - Present Special Lecturer, International College, King Mongkut's Institute of Technology Ladkrabang (KMITL)
- 1976 - 2014 Lecturer, Department of Computer Engineering, Faculty of Engineering, Chulalongkorn University



Training

- Corporate Governance for Directors and Senior Executives of Regulator of State Enterprises and Public Organizations Course (Class 19), King Prajadhipok's Institute



Other Present Positions

- Director, Computer Systems Procurement Commission, Ministry of Digital Economy and Society
- Professional Director, Electronic Transaction Committee, Ministry of Digital Economy and Society
- Chairman of Security and Safety Sub-committee, Electronic Transaction Committee, Ministry of Digital Economy and Society
- Member of Standardization Related to Electronic Transactions Sub-Committee, Electronic Transaction Committee, Ministry of Digital Economy and Society
- Director of Academic Expert Group on Energy and Information Technology, National Research Council of Thailand
- Professional Director, Information Technology and Communication for Education Committee, Ministry of Education
- Chairman of Working Group for the team reviewing the budget for information and communication technology, Ministry of Education
- Director, University Network: UniNET Policy Committee, Office of the Higher Education Commission, Ministry of Education
- Director, Digital Platform Development Project Committee for National Learning Reform
- Director of Information Security Association Committee

Mr. Taveesak Foongkiatcharoen

63 years old

- Director
- Chairman of Nomination and Remuneration Committee of High-Level Executive and Board member in various Sub-committees
- Chairman of Good Corporate Governance Committee
- Member of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Executive Committee
(He held the position until December 17, 2018 and was reappointed by the Cabinet Resolution on December 18, 2018 to hold the position for the second term.)



Education

- Bachelor of Business Administration, Thammasat University
- Bachelor of Laws, Thammasat University



Working Experiences

- 2009 – April 2018 Executive Director, P Planner Company Limited
- 2013 and 2017 Director, Small and Medium Enterprise Development Bank of Thailand
- 2005 – 2009 President, Thai Credit Guarantee Corporation (TCG)



Training

- Director Certification Program (DCP, Class 261/2018), Thai Institute of Directors Association (IOD)
- Business Law Certificate Program, Thammasat University
- The Senior Administrators Program (2005), Sasin Graduate Institution of Business Administration and Kellogg School of Management



Other Present Positions

- Director of Function International Co., Ltd.
- Director and Member of Nomination, Remuneration and Human Resources Management Committee, Dhipaya Insurance PLC.



Mrs. Patcharavalai Jayapani

63 years old

- Director
- Chairman of Risk Management Committee
(She was appointed by the Cabinet Resolution on December 18, 2018)



Education

- Doctor of Business Administration (DBA), Finance, Chulalongkorn University
- Master of Business Administration (International Finance and Business, University of Wisconsin, U.S.A.)
- Bachelor of Accountancy (Banking and Finance), Chulalongkorn University



Working Experiences

- 2014 - Present Director, Financial Policy Committee, Chulalongkorn University
- 2006 - Present Director, Property Management Committee, The Thai Red Cross Society
- 2012 - 2014 Director, University Council Committee, Chulalongkorn University
- 2004 - 2012 Head of Banking and Finance Department, Faculty of Commerce and Accountancy, Chulalongkorn University
- 2004 - 2009 Director, Thailand Futures Exchange Public Company Limited



Training

- Director Accreditation Program (DAP), Thai Institute of Directors Association (IOD)
- The Sydney Future Executives Program, Sydney Stock Exchange, Australia
- The 22nd Annual Futures & Options Expo Conference, Futures Industry Association



Other Present Positions

- Pensioner, Chulalongkorn University

Mr. Chatchai Payuhanaveechai

59 years old

- Director and Secretary
- Member of Executive Committee
- Member of Risk Management Committee
- Member of Good Corporate Governance Committee
- Member of Verification Committee



Education

- Doctor of Philosophy Program (Ph.D.) in Public Administration, Eastern Asia University
- Honorary Doctor of Philosophy Program (Ph.D.) in Business Administration (Management), Rajamangala University of Technology Lanna
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Public Policy) and Management, Kasem Bundit University
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Finance and Banking), Sripatum University
- Master of Business Administration (MBA), Chulalongkorn University
- Bachelor of Business Administration (BBA), Thammasat University



Working Experiences

- 2015 - Present President & CEO, Government Savings Bank
- 2015 - 2018 Director, MFC Asset Management Public Company Limited
- 2012 - 2014 Deputy Managing Director, Kasikorn Bank Public Company Limited
- 2008 - 2014 Director, Kasikorn Leasing Company Limited



Training

- Advanced Master of Management Program (AMM, Class 2), Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- The Program for Senior Executives on Justice Administration (Class 21), College of Justice, Ministry of Justice
- Top Executive Program (Class 22), Capital Market Academy
- Advanced Certificate Course in Public Administration and Law for Executives (Class 6), King Prajadhipok's Institute
- Director Certification Program (DCP, Class 116), Thai Institute of Directors Association (IOD)
- Certificate Course in Good Governance for Medical Executives (MDKPI, Class 2), King Prajadhipok's Institute and the Medical Council of Thailand
- The Royal Initiative for Advanced Leadership Program about Politics and Governance (RAP, Class 1), Pillars for the Kingdom Organization (Thailand)
- Pillars for the Kingdom Program: The Royal Initiative for Advanced Leadership (RIAL, Class 2), Pillars for the Kingdom Organization (Thailand)



Other Present Positions

- Vice Chairman and Executive Director, Dhipaya Life Assurance Public Company Limited
- Director and Executive Director, Dhipaya Insurance Public Company Limited



Mr. Kulit Sombatsiri

55 years old

- Chairman of the Board of Directors
(He held the position
until September 30, 2018)



Education

- Master of Public Administration, Public Finance, San Diego State University, U.S.A.
- Master of Business Administration, University of Southern California, U.S.A.
- Bachelor of Arts, Public Administration, Ramkhamhaeng University



Working Experiences

- 2015 - 2018 Director-General, The Customs Department, Ministry of Finance
- 2016 - 2017 Director, Sukhumvit Asset Management Co., Ltd.
- 2015 - 2016 Director, The Government Lottery Office, Ministry of Finance
- 2014 - 2015 Director-General, Fiscal Policy Office, Ministry of Finance
- 2014 - 2015 Chairman of the Board of Directors, National Credit Bureau Co., Ltd.
- 2011 - 2014 Inspector General, Ministry of Finance
- 2010 - 2011 State Enterprise Development Advisor, State Enterprise Policy Office
- 2008 - 2010 Deputy Director-General, State Enterprise Policy Office, Ministry of Finance
- 2007 - 2008 Executive Director, Bureau of Monetary Management, Treasury Department
- 2005 - 2006 Deputy Secretary General, Office of the National Broadcasting and Telecommunications Commission



Training

- Director Certification Program (DCP, 124/2009), Thai Institute of Directors Association (IOD)
- Top Executives in the Energy Education Program (Class 6), Thailand Energy Academy
- Executive Program, Capital Market Academy (Class 10)
- Executive Development Program (EDP, Class 40), The Civil Service Development Institute, Office of the Civil Service Commission (OCSC)
- The National Defence Course Class 54, The National Defence College



Other Present Positions

- Chairman of Board of Directors, State Railway of Thailand
- Director and Member of the Remuneration Committee, Petroleum Exploration and Production Business PLC.

Mr. Prapas Kong-led

56 years old

- Director
- Chairman of Employee Relations Committee
- Chairman of Verification Committee
- Member of Performance Evaluation and Remuneration of High-Level Executives and Board Members in Various Committees (He held the position until May 31, 2018)



Education

- International Tax Program Certificate and Master of Laws (ITP/LL.M.), Harvard Law School, Harvard University, Massachusetts, U.S.A.
- Certificate in Legal Tax, the Institute of Legal Education of the Thai Bar Association
- Certificate in Thai Barrister, the Institute of Legal Education of the Thai Bar Association
- Bachelor of Laws (Second Class Honor), Ramkhamhaeng University

Working Experiences

- 2018 - Present Director-General, State Enterprise Policy Office
- 2017 - 2018 Director-General, Public Debt Management Office
- 2015 - 2017 Deputy Permanent Secretary, Ministry of Finance
- 2015 - 2015 Inspector General, Ministry of Finance
- 2012 - 2015 Legal Counsel, Ministry of Finance
- 2012 - 2012 Chief Judge of the Criminal Court
- 2003 - 2012 Judge of Central Tax Court
- 2001 - 2003 Judge of the Ministry worked as Judge of Central Tax Court

Training

- Senior Justice Administration Course (SJAC, Class 21), College of Justice, Judicial Training Institute
- Senior Executive Program for Nation-Building (SNB), Class 3, Nation-Building Institute
- Public Director Certification Program (Class 15), Public Director Institute (PDI), King Prajadhipok's Institute
- The National Defence Course Class 56, The National Defence College (Academic Year 2012 - 2013)
- Certificate in Top Executives in the Energy Education Program, Thailand Energy Academy (Class 6)
- Top Executive Program, Capital Market Academy (CMA, Class 21)
- Chartered Director Class (CDC, Class 9/2015), Thai Institute of Directors Association (IOD)

- Risk Management Program for Corporate Leaders (RCL, Class 2/2015), Thai Institute of Directors Association (IOD)
- Successful Formulating & Execution of Strategy (SFE, Class 22/2014), Thai Institute of Directors Association (IOD)
- Director Certification Program Update (DCPU, Class 2/2014), Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP, Class 172/2013), Thai Institute of Directors Association (IOD)
- Financial Statements for Directors (FSD, Class 20/2013), Thai Institute of Directors Association (IOD)
- Financial Institutions Governance Program (FGP, Class 6/2013), Thai Institute of Directors Association (IOD)
- Role of the Compensation Committee (RCC, Class 16/2013), Thai Institute of Directors Association (IOD)
- Role of the Nomination and Governance Committee (RNG, Class 4/2013), Thai Institute of Directors Association (IOD)
- Audit Committee Program (ACP, Class 44/2013), Thai Institute of Directors Association (IOD)
- Role of the Chairman Program (RCP, Class 32/2013), Thai Institute of Directors Association (IOD)
- International Tax Law Course, Center for Commercial Law Studies, Queen Mary, University of London
- Executive Development Program on International Business Transaction and Taxation, Duke Center for International Development, Duke University, U.S.A.
- 60th International Congress of the International Fiscal Association, International Fiscal Association, Amsterdam, the Netherlands
- 59th International Congress of the International Fiscal Association, International Fiscal Association, Buenos Aires, Argentina
- 57th International Congress of the International Fiscal Association, International Fiscal Association, Sydney, Australia
- International Taxation, The University of New South Wales, Australia

Other Present Positions

- Director, Dhipaya Insurance Public Company Limited
- Chairman National Credit Bureau Co., Ltd.
- Director, Law Reform Commission of Thailand



Mr. Sutthichai Sungkamanee

62 years old

- Director
- Chairman of Risk Management Committee
- Chairman of Executive Committee
- Member of Good Corporate Governance Committee
- Member of Verification Committee
(He held the position until December 17, 2018)



Education

- Honorary Doctorate of Philosophy, Administration Management for Development, Rajabhat Ratchanakarin University
- Bachelor of Business Administration (Finance/Financial Management), University of the Thai Chamber of Commerce



Working Experiences

- 2014 - 2016 Inspector General, Ministry of Finance
- 2013 - 2014 Director-General, The Revenue Department, Ministry of Finance
- 2013 - 2013 Inspector General, Ministry of Finance
- 2012 - 2013 Deputy Director-General, The Revenue Department, Ministry of Finance
- 2008 - 2012 Director, Regional Revenue Office 3, The Revenue Department, Ministry of Finance



Training

- Top Executive Development Program (Class 67), Office of the Civil Service Commission
- The National Defence Course Class 55, The National Defence College



Other Present Positions

- Chairman, Nirvana Daii Public Company Limited
- Director, National Credit Bureau Company Limited

Mr. Pitsanu Vichitcholchai

64 years old

- Director
- Chairman of Audit Committee
(He held the position until December 17, 2018)



Education

- Master of Economics, Central Missouri State University, Warrensburg, Missouri, U.S.A.
- Bachelor of Economics, West Virginia University, U.S.A.



Working Experiences

- 2016 - 2017 Managing Director, Fixed Income Department, AEC Securities Public Company Limited
- 2014 - 2016 Managing Director, Country Group Securities Public Company Limited
- 2012 - 2014 Senior Managing Director, KTB Securities (Thailand) Company Limited
- 2010 - 2012 Chief Executive Officer, Globlex Securities Company Limited
- 2002 - 2010 Senior Managing Director, Globlex Securities Company Limited
- 2001 - 2005 Associated Judge, The Central Intellectual Property and International Trade Court
- 1991 - 2000 Assistant Director and Director, Deutsche Morgan Grenfell Securities (Thailand) Company Limited
- 1988 - 1991 Senior Vice President of Institution and Foreign Department, Phatra Securities Public Company Limited



Training

- Corporate Governance for Executives Course (CGE, Class 12/2018), Thai Institute of Directors Association (IOD)
- The IIA's 2018 International Conference in Dubai , The Institute of Internal Auditor
- The IIA's 2017 International Conference in Sydney, The Institute of Internal Auditor
- Public Director Certification Program (Class 15), Public Director Institute (PDI), King Prajadhipok's Institute
- Role of the Chairman Program (Class 39/2016), Thai Institute of Directors Association (IOD)
- Advanced Audit Committee Program (AACP, Class 20/2015), Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP, Class 22/2004), Thai Institute of Directors Association (IOD)



Other Present Positions

- Director and Executive Director, MFC Asset Management PLC.



Mrs. Wannipa Bhakdibutr

55 years old

- Director
- Chairman of Performance Evaluation and Remuneration of President and CEO Committee
- Chairman of Consideration of Remuneration for President and CEO Sub-committee
- Chairman of Nomination and Remuneration Committee of High-Level Executives and Board Members in Various Sub-committees
- Member of Risk Management Committee
(She held the position until September 12, 2018)



Education

- Master of Business Administration, San Diego State University, U.S.A.
- Bachelor of Economics (First Class Honor), Kasetsart University



Working Experiences

- 2016 - Present President, Osotspa Public Company Limited
- 2003 - 2016 Vice President, Unilever Thai Trading Company Limited
- 1999 - 2003 Director, Unilever Thai Trading Company Limited



Other Present Positions

None

Mr. Chusak Salee

65 years old

- Director
- Member of Audit Committee
(He held the position until January 15, 2018)



Education

- Master of Business Administration, Sul Ross State University, Texas, U.S.A.
- Bachelor of Science, Agricultural Science, Kasetsart University



Working Experiences

- 2010 - 2016 Managing Director, Sri Ayudhya General Insurance Public Company Limited
- 1997 - 2016 Managing Director, Sri Ayudhya Capital Public Company Limited
- 2004 - 2007 Director, Krungsri Asset Management Company Limited
- 1998 - 2004 Director, Ayudhya Development Leasing Co., Ltd.
- 1993 - 1997 Deputy Managing Director, Thana One Finance and Securities Public Company Limited
- 1990 - 1993 President, Citicorp Leasing (Thailand) Co., Ltd.
- 1985 - 1993 Vice President, Consumer Banking, Citibank Thailand
- 1979 - 1984 Assistant Manager of Corporate Lending Department, Tisco Bank Public Company Limited



Training

- The IIA's 2018 International Conference in Sydney, The Institute of Internal Auditor
- Director Certification Program, Thai Institute of Directors Association (IOD)



Other Present Positions

- Director, Sri Ayudhya Capital Public Company Limited
- Director, Sri Ayudhya General Insurance Public Company Limited



Miss Sompis Charoenkiatikul

65 years old

- Director
- Member of Executive Committee
- Member of Risk Management Committee
(She held the position until May 24, 2018)



Education

- Master of Science (Accounting), Thammasat University
- Bachelor of Accounting (Second Class Honor), Thammasat University



Working Experiences

- 2011 - 2013 Senior Executive Vice President, Chief Risk Officer, Krungthai Bank Public Company Limited
- 2010 - 2011 Senior Executive Vice President, Credit Risk Transaction Management Group, Krungthai Bank Public Company Limited Company Limited
- 2009 - 2010 Senior Executive Vice President, Corporate Banking Group, Krungthai Bank Public Company Limited
- 2009 - 2015 Director, KTB Advisory Company Limited
- 2009 - 2014 Director and Executive Director, KT ZMICO Securities Company Limited
- 2003 - 2013 Director, Thai Nam Plastic Public Company Limited



Training

- The Executive Program for Senior Management (Ex - PSM 5), Fiscal Policy Research Institute Foundation
- Financial Executive Development Program (Class 13/2004), the Thai Institute of Banking and Finance Association



Other Present Positions

None

Mrs. Pongpen Ruengvirayudh

63 years old

- Director
- Chairman of Executive Committee
- Chairman of Good Corporate Governance Committee
(She held the position until September 2, 2018)



Education

- Mater of Finance, KATHOLIEKE University, Belgium
- Master of Accounting, Thammasat University
- Bachelor of Accounting, Thammasat University



Working Experiences

- 2012 - 2015 Deputy Governor, Monetary Stability, Bank of Thailand
- 2010 - 2012 Assistant Governor, Financial Markets Operation Group, Bank of Thailand
- 2006 - 2010 Senior Director, Financial Markets and Reserve Management Department, Bank of Thailand



Training

- Capital Market Academy (CMA, Class 3)
- Thammasat Leadership Program (TLPTU 3), Thammasat University
- Investments in Foreign Assets and Monetary Policy
- Advance Management Program, Wharton School of Management



Other Present Positions

- Chairman of the Board of Directors, Sukhumvit Asset Management Co., Ltd.
- Subcommittee on Investment Management, Social Security Office
- Subcommittee on Risk Management, Government Pension Fund



General Jiradej Mokkhasmit

64 years old

- Director
- Chairman of Employee Relations Committee
- Chairman of Performance Evaluation and Remuneration of President and CEO Committee
- Chairman of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees
- Member of Consideration of Remuneration for President and CEO Sub-committees
(He held the position until December 17, 2018)



Education

- Bachelor of Science, Chulachomklao Royal Military Academy



Working Experiences

- 2014 - Present Member of the National Legislative Assembly
- 2013 - 2016 Independent Director, Thai Oil Public Company Limited
- 2013 - 2014 Chairman of Advisory, Royal Thai Army
- 2012 - 2013 Assistant Commander in Chief, Royal Thai Army
- 2010 - 2012 Deputy Chief of Staff, Royal Thai Army
- 2009 - 2010 1st Corps Commander, Royal Thai Army
- 2008 - 2009 Deputy Army Area Commander 1, Royal Thai Army



Training

- Infantry Officer Advanced Course, U.S.A.
- Regimental Officer Advanced Course, Australia
- Command and General Staff College Course
- The National Defence Course Class 50, The National Defence College
- Certificate in Top Executives in the Energy Education Program, Thailand Energy Academy, Class 3
- Director Accreditation Program (DAP, Class 16/2004)



Other Present Positions

None

Mrs. Siriporn Nopwattanapong

57 years old

- Director
- Chairman of Risk Management Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees

(She was appointed by the Cabinet Resolution on December 18, 2018)



Education

- Doctor of Philosophy Program (Ph.D.) in Social Sciences (Economics), Ramkhamhaeng University
- Master of Economic (International Economic), Thammasat University
- Bachelor of Engineering (Industrial Engineering), Chulalongkorn University



Working Experiences

- 2012 - 2018 Executive Vice President, Communication and Branding Group, Krungthai Bank Public Company Limited
- 2009 - 2012 Executive Vice President, Government & State Enterprise Relations Group, Krungthai Bank Public Company Limited
- 2008 - 2009 Senior Vice President, Retail Banking Product and Network Department, Krungthai Bank Public Company Limited
- 2006 - 2008 First Vice President, Financial Product Department, Krungthai Bank Public Company Limited
- 2005 - 2006 First Vice President, Personal Financial Product Department, Krungthai Bank Public Company Limited



Training

- Advanced Certificate Course in Public Economics Management for Executives (Class 9), King Prajadhipok's Institute
- The Civil Service Executive Development Program: Visionary and Moral Leadership (Class 74), Office of the Civil Service Commission (OCSC)



Other Present Positions

None

Executives

Mr. Chatchai Payuhanaveechai

President & CEO
59 years old



Education

- Doctor of Philosophy Program (Ph.D.) in Public Administration, Eastern Asia University
- Honorary Doctor of Philosophy Program (Ph.D.) in Business Administration (Management), Rajamangala University of Technology Lanna
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Public Policy) and Management, Kasem Bundit University
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Finance and Banking), Sripatum University
- Master of Business Administration (MBA), Chulalongkorn University
- Bachelor of Business Administration (BBA), Thammasat University

Working Experiences

- 2015 - Present President & CEO, Government Savings Bank
- 2015 - 2018 Director, MFC Asset Management Public Company Limited
- 2012 - 2014 Deputy Managing Director, Kasikorn Bank Public Company Limited
- 2008 - 2014 Director, Kasikorn Leasing Company Limited

Training

- Advanced Master of Management Program (AMM), Class 2, Graduate School of Public Administration, National Institute of Development Administration (NIDA)
- The Program for Senior Executives on Justice Administration (Class 21), College of Justice, Ministry of Justice
- Top Executive Program (Class 22), Capital Market Academy
- Advanced Certificate Course in Public Administration and Law for Executives (Class 6), King Prajadhipok's Institute
- Director Certification Program (DCP, Class 116), Thai Institute of Directors Association (IOD)
- Certificate Course in Good Governance for Medical Executives (MDKPI), Class 2, King Prajadhipok's Institute and the Medical Council of Thailand
- The Royal Initiative for Advanced Leadership Program about Politics and Governance (RAP), Class 1, Pillars for the Kingdom Organization (Thailand)
- Pillars for the Kingdom Program: The Royal Initiative for Advanced Leadership (RIAL), Class 2, Pillars for the Kingdom Organization (Thailand)

Other Present Positions

- Vice Chairman and Executive Director, Dhipaya Life Assurance Public Company Limited
- Director and Executive Director, Dhipaya Insurance Public Company Limited

Mr. Boonson Jenchaimahakoon

First Senior Executive
Vice President
(Information
Technology Group)
55 years old



Miss Kornpranom Wongmongkol

Senior Executive
Vice President
(Risk Management Group)
59 years old



Education

- Master of Sciences (Industrial Engineering and Industrial Management) Asian Institute of Technology (AIT)
- Bachelor of Science (Mathematics), Kasetsart University

Working Experiences

- 2015 - Present First Senior Executive Vice President (Information Technology Group), Government Savings Bank
- 2010 - 2015 Senior Executive Vice President (Information Technology Group), Government Savings Bank

Training

- Director Certificate Program (DCP, Class 149), Thai Institute of Directors Association (IOD)
- Executive of Trade and Commerce Program (TEPCoT), Class 6, Commerce Academy, the Thai Chamber of Commerce
- Leadership Succession Program (LSP), Class 1, Institute of Research and Development for Public Enterprises (IRDP)
- Executive Certification Program on Administrative Justice, Class 6, The Office of the Administrative Courts of Thailand
- Advanced Insurance Program, Class 6, Office of Insurance Commission (OIC)

Other Present Positions

- Representative Director, Dhipaya Insurance Public Company Limited

Education

- Doctor of Philosophy Program (Ph.D.) in Public and Business Administration Jurisprudence, Sripatum University
- Master of Business Administration (International Business), University of the Thai Chamber of Commerce
- Master of Arts (Education Management), Southern Missouri State University, USA
- Bachelor of Education, Chulalongkorn University
- Certificates of Credit Risk Analysis : ABN AMRO Academy, Singapore
- Certificates of Credit Lending Program : Moody's Institution

Working Experiences

- 2017 - Present Senior Executive Vice President (Corporate Strategy Group), Government Savings Bank
- 2012 - 2016 Senior Executive Vice President (Credit and Operation Support), Government Savings Bank
- 2008 - 2012 Executive Vice President (Risk Management), Government Savings Bank
- 2008 - 2016 Director, Bangkok Commercial Asset Management Public Company Limited
- 2012 - 2016 Director, Dhipaya Life Insurance Public Company Limited
- 2011 - 2014 Director, Marketing Organization Department of Interior
- 2007 - 2009 Director, G Steel Plc.
- 2006 - 2007 Acting Managing Director, Financial Institution Asset Management Corporation
- 2003 - 2006 Director of Corporate Banking (UOB)
- 2001 - 2002 Director of Corporate Loan Group, DBS Bank (DTDB)

Training

- Human Resources Management and Labour Relations, Faculty of Economic, Chulalongkorn University
- Executive Program, Capital Market Academy, Class 3
- Programs of Thai Institute of Director (IOD)
 - Corporate Governance for Capital Market Intermediaries (CGI 16/2016)
 - Monitoring of the Quality of Financial Reporting (MFR 6/2008)
 - Monitoring the System of Internal Control and Risk Management (MIR 3/2008)
 - Monitoring the Internal Audit Function (MIA 3/2008)
 - Director Certification Program (DCP) 85/2007
- The Analysis & Valuation of Mortgage-Back Securities, Value Vision (Nida's Institution)

Other Present Positions

- Director, TSFC Securities Public Company Limited

Mr. Numporn Yommana

First Senior Executive Vice President (Human Resources Group)
59 years old



Mr. Isara Wongrung

Senior Executive Vice President (Personal Customer Group)
52 years old



Education

- Master of Public Administration, Chulalongkorn University
- Bachelor of Economics, Ramkhamhaeng University

Working Experiences

- 2018 - Present First Senior Executive Vice President (Human Resources Group), Government Savings Bank
- 2015 - 2018 Senior Executive Vice President (Human Resources Group), Government Savings Bank
- 2010 - 2015 Executive Vice President (Human Resources), Government Savings Bank
- 2008 - 2010 Inspector General (Deposit and Electronic Banking), Government Savings Bank
- 2004 - 2008 - Senior Vice President, Human Resources Department
- Senior Vice President, Premium Savings Certificate and Deposit Department
- Senior Executive Vice President, Office of the President & CEO, Government Savings Bank

Training

- Problem Solving & Decision Making Program
- Senior Management Leadership Development, Nanyang Business School and Government Savings Bank and HayGroup, Singapore
- Economics-Finance Management for Executive, Class 3, King Prajadhipok's Institute
- Leadership Succession Program (LSP), Institute of Research and Development for Public Enterprise (IRDP)
- Public Director Institute Program (PDI) Class 17, King Prajadhipok's Institute

Other Present Positions

- Director, the Thai Institute of Banking and Finance Association
- Director, MFC Asset Management Public Company Limited

Education

- Master of Business Administration (Business Management and Finance), Assumption University (Tisco Bank Scholarship Student)
- Bachelor of Business Administration (Management and Marketing), Assumption University (Assumption University Scholarship Student)

Working Experiences

- 2015 - Present Senior Executive Vice President (Personal Customer Group), Government Savings Bank
- 2018 - Present Vice Chairman, World Savings and Retail Banking Institute (WSBI) (3 year term)
- 2016 - Present Director / Investment Committee / Risk Management Committee / Recruitment and Remuneration Committee, Dhipaya Insurance Public Company Limited
- 2015 - 2018 Managing Director, World Savings and Retail Banking Institute (WSBI) (3 year term)
- 2014 - 2015 Independent Director / Audit Committee and Chairman of Recruitment and Remuneration Committee, ACAP Advisory Public Company Limited
- 2014 - 2015 Independent Director / Audit Committee, Professional Waste Technology (1999) Public Company Limited
- 2012 - 2014 Executive Chairman, Kasikorn Leasing Company Limited (Deputy Managing Director Kasikornbank Public Company Limited)

Training

- The National Defense Course, Class 60, the National Defense College of Thailand (2017-2018)
- Executive Program, Capital Market Academy (Class 24/2017)
- Financial and Fiscal Management Program for Senior Executive, Class 2, The Comptroller General's Department (CGD), Thailand Ministry of Finance
- Advanced Certificate Course in Power of The Kingdom Batch#1, Chulalongkorn Executive Program, Chulalongkorn University
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive, Class 15, King Prajadhipok's Institute

Other Present Positions

- Committee of Providing Employment and Training Opportunities for Offenders, Ministry of Justice
- Honorary Advisor to Committee of the National Legislative Assembly
- Honorary Advisor to Music Association of Thailand under Patronage of His Majesty the King
- Honorary Advisor to Home Builder Association
- Consultant of TV Channel for Education and Occupations
- Consultant of Thai-Asean Cultural and Economic Council
- Vice President to Advanced Certificate Course in Thammasat Leadership Program Batch#5 (TLP 5), Thammasat University
- Vice President to Advanced Security Management Program Batch#5 (ASMP 5), The Association National Defence College of Thailand

Mr. Chokchai Kunawat

Senior Executive Vice President (Credit and Operation Support Group)
55 years old



Ms. Jiraporn Nugitrangson

Senior Executive Vice President (Grassroots Customer and Government's Policy Supporting Group)
58 years old



Education

- Master of Business Administration / Commerce, Chulalongkorn University
- Bachelor of Law, Chulalongkorn University
- Certificate of Commercial Credit Skills Assessment : Omega Performance Corporation

Working Experiences

- 2016 - Present Senior Executive Vice President (Credit and Operation Support Group), Government Savings Bank
- 2015 - 2016 Executive Vice President, (Debt and Legal Management), Government Savings Bank
- 2013 - 2015 Inspector General (Marketing), Government Savings Bank
- 2004 - 2013 Senior Vice President (Business Loan Recovery Department), Government Savings Bank

Training

- Director Certification Program (DCP) 262/2018, Thai Institute of Directors Association (IOD)
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive, Class 21, King Prajadhipok's Institute
- Leadership Succession Program (LSP), Class 8 : Institute of Research and Development for Public Enterprises (IRDP)
- Thailand and Asean Economic Community Program, Class 5, King Prajadhipok's Institute
- Financial Executive Development Program (FINEX), Class 22, The Thai Institute of Banking and Finance Association (TIBFA)
- RCL 9/2017 Risk Management Program for Corporate Leaders : Thai Institute of Directors (IOD)

Other Present Positions

- Director, TRIS Corporation Company Limited
- Vice President, MBA Chula Alumni Association, Chulalongkorn University
- Director, Law Chula Alumni Association, Chulalongkorn University
- Committee of The GSB Foundation, Government Savings Bank
- Board Committee of Director Evaluation, Thai Rating and Information Services Corporation Company Limited (TRIS)

Education

- Bachelor of Science Program in Agricultural Economics, Kasetsart University

Working Experiences

- 2016 - Present Senior Executive Vice President (Grassroots and Public Sector Customers Group), Government Savings Bank
- 2015 - 2016 Executive Vice President (Personal Customer Operation), Government Savings Bank
- 2015 Executive Vice President (Grassroots Customer), Government Savings Bank
- 2010 - 2016 Executive Vice President (Personal Loan Group), Government Savings Bank

Training

- GSB Leadership Program for Senior Management, Nanyang Technological university (NTU), Singapore
- GSB Advanced Executive Program, in New York, USA, IBM Executive Business Institute
- Financing for Energy Efficiency and Renewable Energy Project Kenan Institute Asia
- GSB Middle Management Leadership Program : Nanyang Business School, GSB and HeyGroup in Singapore
- Advanced Financial Management
- Risk Management Program for Corporate Leaders (RCL), Class 9/2017, Thai Institute of Directors Association (IOD)

Other Present Positions

- Representative Director, Thai Smart Card Company Limited

Mr. Amornrit Chanprasit

Senior Executive
Vice President
(Business and
Public Sector
Customer Group)
59 years old



Mr. Therdtham Suvichavorraphan

Senior Executive
Vice President
(Audit Group)
55 years old



Education

- Bachelor of Law, Ramkhamhaeng University

Working Experiences

- 2018 - Present Senior Executive Vice President (Business and Public Sector Group), Government Savings Bank
- 2016 - 2018 Senior Executive Vice President (Compliance and Good Governance Group), Government Savings Bank
- 2015 - 2016 Executive Vice President, Branch Operations 5, Government Savings Bank
- 2013 - 2015 Inspector General, Government Savings Bank

Training

- Certificate Courses - Corporate Governance for Directors and Senior Executives, King Prajadhipok's Institute
- The new frontier of banking business in the digital world Program
- Credit Skill for Creditor Expert (Module A,D) Program, Loan Committee, Class 4, Thammasat University
- Leadership Succession Program (LSP), Class 6/2016, Institute of Research and Development for Public Enterprises (IRDP), Thammasat University
- Business analysis Program, Faculty of Economic, Chulalongkorn University
- Senior Management Leadership Development (Training for Successor), Nanyang Business School and Government Savings Bank and HayGroup in Singapore
- Compliance Officer Program, Class 10, Faculty of Law, Chulalongkorn University

Other Present Positions

- Representative Director, Thanachart Fund Management Co., Ltd.

Education

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Business Administration, Ramkhamhaeng University

Working Experiences

- 2016 - Present Senior Executive Vice President (Audit Group), Government Savings Bank
- 2013 - 2016 Executive Vice President (Internal Audit Department), Government Savings Bank
- 2009 - 2013 Senior Vice President (Internal Audit Department), Government Savings Bank

Training

- Certificate Courses - Corporate Governance for Directors and Senior Executives, King Prajadhipok's Institute
- International Conference, The Institute of Internal auditors
- Leadership Succession Program (LSP), Class 4, Institute of Research and Development of Public Enterprises (IRDP)
- Director Accreditation Program (DAP), Class 118, Thai Institute of Directors Association (IOD)
- Fraud and Corruption Prevention Conference

Other Present Positions

- Director, MFC Asset Management Public Company Limited
- Executive Director, Fraud Management Club, The Thai Bankers Association
- Executive Director, Buddhism and Mission Royal Intention Foundation 2008, National Office of Buddhism
- Signer License Agent, The Vocational College under the Patronage of GSB Foundation
- President of Bank and Financial Institution Internal Auditors Club
- Director, GSB Foundation

Miss Paphakorn Ratanasate

Senior Executive
Vice President
(Investment and Financial
Management Group)
54 years old



Mrs. Supaporn Saitong-in

Senior Executive
Vice President
(Compliance and
Good Governance
Group)
58 years old



Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accountancy (B.Acc), Chulalongkorn University

Working Experiences

- 2018 - Present Senior Executive Vice President (Investment and Financial Management Group), Government Savings Bank
- 2016 - 2018 Executive Vice President (Investment), Government Savings Bank
- 2015 - 2016 Executive Vice President (Policy and Strategy), Government Savings Bank
- 2014 - 2015 Inspector General (Investment and Financial Management Group), Government Savings Bank

Training

- GSB Leadership Program for Senior Management, Nanyang Technological University (NTU), Singapore
- Training for Successor, Nanyang Technological University (NTU), Singapore
- Ethical Leadership Program (EPL), Class 14/2018 Thai Institute of Directors Association (IOD)
- Leadership Development Program for AEC
- Financial Executive Development Program Class 21 by Bank of Thailand (BOT), The Thai Bankers' Association and The Thai Institute of Banking and Finance Association
- Advanced Financial Management, Chulalongkorn University
- Chartered Wealth Manager, American Academy of Financial Management

Other Present Positions

- Representative Director, Thanachart Fund Management Co., Ltd.

Education

- Master of Business Administration (MBA), National Institute of Development Administration (NIDA)
- Bachelor of Accountancy (B.Acc), Chulalongkorn University

Working Experiences

- 2018 - Present Senior Executive Vice President (Compliance and Good Governance Group), Government Savings Bank
- 2017 - 2018 Executive Vice President (Compliance and Control), Government Savings Bank
- 2016 - 2017 Executive Vice President (Policy and Strategy), Government Savings Bank
- 2013 - 2016 Senior Vice President (Corporate Strategy Department), Government Savings Bank
- 2011 - 2013 Senior Vice President (Credit Risk Management Department), Government Savings Bank
- 2010 - 2011 Senior Vice President (Corporate Development Department), Government Savings Bank
- 2007 - 2010 Senior Vice President (Budgeting and Planning Department), Government Savings Bank

Training

- GSB Leadership Program for Senior Management Nanyang Technology University (NTU), Singapore
- IT Governance and Cyber Resilience Program (ITG), Class 9/2018
- Ethical Readership Program (ELP), Class 10/2017
- Successful Formulation & Execution of Strategy (SFE), Class 28/2016
- GSB Management Leadership Program, Marshall School of Business, USA
- GSB Middle Management Leadership Program, Singapore

Other Present Positions

None

Mr. Santhan Yoosiri

Senior Executive Vice President
(Corporate Strategy Group)
56 years old



Mr. Pichet Dhammavipark

Senior Executive Vice President
(Business and Public Sector Customers Group)
60 years old



(He held the position until September 30, 2018)

Education

- Master of Finance, Kasetsart University
- Bachelor of Business Administration (Finance and Banking), Assumption University

Working Experiences

- 2561 - Present Senior Executive Vice President, Corporate Strategy Group, Government Savings Bank
- 2015 - 2018 Executive Vice President, Human Resources Group, Government Savings Bank
- 2013 - 2015 Executive Vice President, Risk Management Department, Directly report to President and CEO, Government Savings Bank
- 2010 - 2013 Senior Vice President, Human Resources Department, Government Savings Bank

Training

- Advanced Certificate Course in Public Economics Management for Executives (Class 13), King Prajadhipok's Institute
- Innovation for Sustainable Development Organization and Society Class 1, Institute for Good Governance Promotion
- IT Governance and Cyber Resilience Program, 2018, Thai Institute of Directors Association (IOD)
- Learning and Sharing with Winner Organizations Singapore Winner Special Site Visit & BE Winners Sharing Conference, 2018, Thailand Productivity Institute

Other Present Positions

None

Education

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

Working Experiences

- 2016 - Present Senior Executive Vice President (Business and Public Sector Customers Group), Government Savings Bank
- 2010 - 2016 Executive Vice President, Government Savings Bank
- 2008 - 2010 Inspector General, Government Savings Bank
- 2004 - 2008 Senior Vice President, Regional office, Government Savings Bank

Training

- Intermediate Certificate Courses - Good Governance for Medical Executives (Class 5), King Prajadhipok's Institute
- Advanced Certificate Course in Thammasat Leadership Program Batch#4 (TLP 4), Thammasat University

Other Present Positions

- Audit Committee and Director, Thanachart Fund Management Company Limited
- Investment Committee, Stock Exchange of Thailand

Mrs. Wipaporn Chairatana

Senior Executive
Vice President
(Risk Management
Group)

56 years old

(She held the position
until October 1, 2018)



Education

- Master of Business Administration, Thammasat University
- Bachelor of Accountancy, Thammasat University

Working Experiences

- 2015 - Present Senior Executive Vice President
(Risk Management Group), Government Savings Bank
- 2010 - 2015 Executive Vice President (Financial Management and
International Business), Government Savings Bank
- 2008 - 2010 Inspector General, (Financial Management and
International Business), Government Savings Bank
- 2007 - 2008 Inspector General, (Investment), Government Savings Bank

Training

- The National Defense Course, Class 59, the National Defense College
of Thailand
- Advanced Certificate Course in Public Administration and Law Executive
(Class 15), Prajadhipok's Institute
- Director Certification Program (DCP) 199/2015, Thai Institute of Directors
Association (IOD)
- Financial Professional, Class 3, Academy of Finance and Economy,
Ministry of Finance
- Fical Management Program, Class 1, Academy of Finance and
Economy, Ministry of Finance

Other Present Positions

- Director, Thammasat Business School Alumni Association, Thammasat
University
- Persons in the list of State Enterprises Directors for the year 2016
(3rd time), (Experts in finance, banking, accounting and commerce
(Trade / Investment), State Enterprise Policy Office (SEPO),
Ministry of Finance
- Member of the Board, University Business Incubator Center, KMITL-UBI
- Director, Thai Smart Cards Co., Ltd.

Mr. Suriya Karabutr

Executive Vice President,
Branch Operations 1



Mrs. Woranun Tunsakul

Executive Vice President,
Branch Operations 2



Mrs. Anong Varin

Executive Vice President,
Branch Operations 3



Mrs. Pachaleeporn Voraviboonsavat

Executive Vice President,
Branch Operations 4



Miss Kedsiri Sawadrat

Executive Vice President,
Branch Operations 5



Mrs. Jantira Koprapatpong

Executive Vice President,
Branch Operations 6



Mr. Anurak Sangeamjit

Executive Vice President,
Personal Customer Business Management



Mrs. Rojarek Simapivapan

Executive Vice President,
Sales Management



Mr. Pisnu Wuttiprasit

Executive Vice President,
Personal Customer Operation



Mrs. Khanitha Karison

Executive Vice President,
Government Officers Customers



Mrs. Prangmas Dheandhanoo

Executive Vice President,
Retail Customers and Community Organization



Mr. Veerachai Amorntakolsuwech

Executive Vice President,
Corporate and Public Sector



Mr. Pinij Danmanee

Executive Vice President,
Business and Public Sector Operation



Mr. Tititit Norravee

Executive Vice President,
SMEs Startup Entrepreneurs

Mrs. Siriwan Prasertchai

Executive Vice President,
Financial Management



Mrs. Nongnuch Pupipatphol

Executive Vice President,
Finance

Mr. Kitti Pinrod

Executive Vice President,
Investment



Mr. Prasert Kongchun

Executive Vice President,
Debt and Legal Management

Miss Thanita Viroonhagul

Executive Vice President,
General Administration



Miss Noppawan Ratanawekin

Executive Vice President,
Research and Customer Data Management

Mrs. Boonrak Udomittipong

Executive Vice President,
Policy and Strategy



Mrs. Jeeranan Khetsakun

Executive Vice President,
Human Resources Development

Mrs. Nuchjarin Sirichan

Executive Vice President,
Human Resources Management



Mr. Sarawut Nanakorn

Executive Vice President,
IT Planning and Development

Miss Somsri Saengchalin

Executive Vice President,
Information Technology



Mr. Wutipong Piromyaporn

Executive Vice President,
Risk Management



Mr. Apiwat Kaveeruttachaveng

Executive Vice President,
Credit Risk Analysis



Mrs. Pishsinee Thangtrongjit

Executive Vice President,
Corporate Secretariat



Miss Nillawan Lekcharoensook

Executive Vice President,
Compliance and Control



Mr. Montree Boondee

Executive Vice President,
Internal Audit



Mr. Chukiat Titihirunjaroen

Inspector General,
Business and Public Sector Customers Group



Mr. Pairoj Swangtrakul

Inspector General,
Credit and Operation Support Group



Miss Natthanakon Boonwong

Inspector General,
Directly report to President and CEO



Mr. Patiphan Anusornpanich

Inspector General,
Grassroots Customer
and Government's Policy Supporting Group





Overview of Industry in 2018

Banking Business in 2018-2019



“The banking business is still growing steadily, reflecting from the increased in net profit.”

Banking Business in 2018

The banking business grew better than 2017, although the trend of fee income will decrease from National e-Payment system provided by the government sector, and high level of household debt, which is a factor that put pressure on income and tightened lending policy. Meanwhile, there are favorable results from expansion of public investment that accelerated investment in infrastructure development and investment in the Eastern Economic Corridor (EEC) project, which should start investment in the beginning of 2018, tends to increase confidence of the private sector. Moreover, economic situation has shown signs of a recovery, resulting in higher number of consumers who use financial services for loans and deposits than the previous year. Especially business loans have experienced positive growth according to increase in consumption and consumer loans which showed better sign since Q3 of 2017.

However, as a result of transformation of financial service model of financial institutions that focus on online customers, therefore, it is expected that the number of branches and bank employees will continue to decrease.



Net profit of commercial banks will continued to decelerate due to lower fee incomes.



Loan growth improved from 2017



Non-performing loans are still at a high level.



Financial institutions tend to adopt online technology to provide online service to meet changing consumer behavior.

Loans Situation in 2018

• Business loan expansion

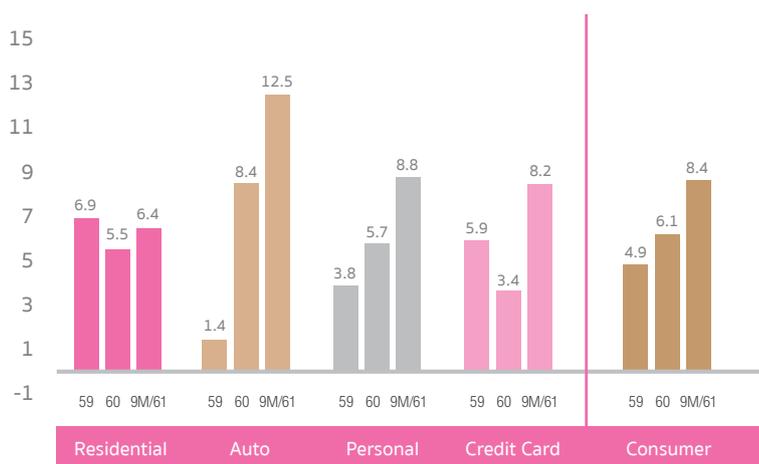


Source: The Bank of Thailand (BOT)

Overview of business loans in 2018 was expected to increase from 2017, reflected by higher loans granted in the first 9 months of 2018, increase by 5.2 percent. The real estate loans grew by 9.48 percent as a result of many new residential projects launched by operators and the accelerated sale of outstanding housing which is consistent with the granting of loans.

The construction sector has been growing steadily at 8.69 percent. Meanwhile, public utility loans was slow down by -2.56 percent from the previous year which had 3.6 percent growth.

• Consumer loans expansion



Source: The Bank of Thailand (BOT)

Overview of consumer loans in 2018

was expected to expand by more than 8 percent, reflected by consumer loans in the first 9 months of 2018 which grew by 8.4 percent in every loan port, especially car hire purchase loans which continued to expand by 12.5 percent, consistent with car sales which experienced outstanding growth after the end of the first-car scheme and stimulation campaigns offered by car hire purchase service business. Meanwhile, personal loans and credit card loans grew by 8.8 percent and 8.2 percent respectively, as consumers required additional money for urgent expenditures and increase liquidity.

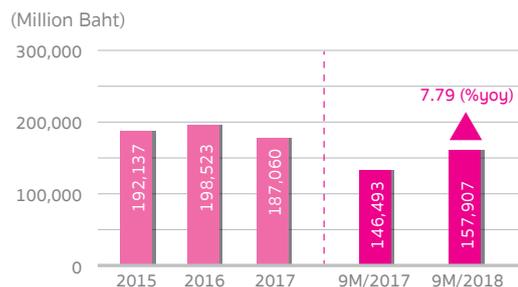
Profits of commercial banks in 2018 for the first 9 months increased by 7.79 percent (% yoy) or 11,414 million baht as a result of the continuous expansion of the commercial bank loans in consistent with economic growth which grew mainly from consumer loans.

**Top 5 banks with highest net profits (9M/2018)
(Million Baht)**



Source: Operating results of commercial banks
Gathered by Economic Research Department, Government Savings Bank

Net profits of commercial banks (%yoy)



Source: The Bank of Thailand (BOT)

Prospect of Banking Business in 2019

In 2019, commercial bank business is expected to expand due to the growth of retail loans in the personal loans and car/motorcycle hire purchase sectors and loan provision to large operators in businesses related to investment in infrastructure and Eastern Economic Corridor (EEC) project. In addition, commercial banks enhanced the ability to provide new business services, such as the loan approval via digital platform, the introduction of AI / Chatbot to upgrade services through various channels, as well as cooperated with partners to provide new services to high-net-worth individuals as a new channel to generate income to compensate lower fee incomes and reduce the banks' costs.

• Retail loans

Most commercial banks focus primarily on retail lending, evidently, by introducing personal loan services via digital channels, especially on mobile applications to facilitate easy access to consumer loans. In addition, the banks aim to expand car/motorcycle hire purchase loans to be in line with automotive market which continue to grow since 2018. On the other hand, housing loans is still grew but less than from 2018 due to more tightened housing loan control measures implemented by the Bank of Thailand. As a result, the banks tend to focus on housing loan refinancing instead by choosing customer group with good credit.

- **Business loans**

The banking sector continues to provide loan provisions to operators who conduct businesses related to investment in infrastructure and Eastern Economic Corridor (EEC) project. Moreover, large banks also are actively offering loans through overseas branches to support Thai operators which expands investment to overseas countries.

For non-performing loans (NPL) in 2019, banks are still concerned that non-performing loans may accelerate due to expansion of personal loans, housing loans and SMEs loans in the last 1-2 years. In addition, loan customers who previously undergone debt restructuring but became bad debts again, especially SMEs and retail loans. The bank sector found that most SMEs who defaulted on payment used revolving credit or O/D credit for wrong purposes such as to purchase land or vehicles instead of business operation or inventory. Meanwhile, concerning factor of bad debts in retail loans is only a small group of consumers have high purchasing power.

Therefore, in 2019, the banks continued to focus on personal loans and effective management of debt quality in order to prevent increase of NPLs. Currently, the banks has introduced Technology Machine Learning to analyze data and process Credit Scoring to screen potential customers as well as implement plan to manage the debt in a systematic manner, for example, when a customer defaulted payment, banks will inform and negotiate with the customer immediately in the first week. If the payment default continued for 1-2 months, negotiation on debt restructuring would be initiated immediately.



Challenges in Banking Business

Challenges in banking business in 2019 are as follows:

- **Intense competition** Currently, commercial banks do not just competing with competitors in the same business but also have to compete with operators in other industries as well such as coffee retail business, retail business and gas station business which offer their own e-wallet service, such as the Starbucks card, 7-11 card and blue card etc.
- **Non-performing loans** resulting from using loans not in accordance with objectives, such as in SMEs loans, personal loans and car hire purchase loans, may increase NPLs. Moreover, there was also risk factor from expected declining export volume, which may affect operators in the automotive industry and SMEs customers in export sectors.
- **Tightened housing loans regulatory criteria** affected consumers' decision to purchase the second property. This measure will cause the housing loan market in 2019 to decline and affect the large banks with a high proportion of mortgage portfolio, resulting in a decrease in the share of the port.
- **Lower fee incomes** caused the banks to readjust their strategies to generate incomes from other financial services, especially large commercial banks with high revenue from digital transactions.
- **High investment costs in technology affected banks' operating results.** Commercial banks are focusing on developing digital business which requires substantial investment continuously for many years. This may have adverse effect on net profits of the banks which experienced high level of growth in the recent years.
- **Approval for provision and control measure standard for P2P Lending.** Although, currently, the Bank of Thailand does not allow P2P Lending services, commercial banks have initiated management plan and prepare to cope with future changes because P2P Lending is considered as an alternative for small entrepreneurs to access to financial sources, which will directly affect the banks' loan provision.
- **Risk from cyber crime.** As there are increasing security breaches in digital service channels due to more consumers began to conduct financial transactions via digital platform. the banking sector has to monitor cyber security, especially personal information which is considered a major challenge to the banking business.



All commercial banks, including the GSB, continuously focus on developing digital businesses to meet current consumer demands.

Analysis Report
of Performance
and Financial
Position



1. Performance Overview

Under the direction of operations in 2018, the Bank focused on carrying out its missions into the 2nd century with stability and sustainability, to realize "GSB New Century: Digi-Thai Banking - Digital for All Thais" by developing and cooperating with partners to utilize technology and innovation to develop financial products and services, as well as service channels in order to conveniently deliver financial products and services, easy to access, safe and confident for customers to use the bank's services in the digital age, at the same time, promote savings and financial disciplines, provide financial literacy for youth and people in various forms. The objectives are to help local economy and Start up to improve their business that are in line with the goal of sustainable development, as well as increase the potential of the bank's infrastructure to keep pace with changes and support business operations in

the digital age. The Bank also focuses on personnel development and information technology to elevate standard of corporate governance management, risk management, control and internal audit to comply with international standards. From the financial statement for the year 2018, which has been audited by State Audit Office of the Kingdom of Thailand, GSB has total assets as at December 31, 2018 amounting to 2,704,340 Million Baht, the 3th bank with largest assets among Thai banks, and net profit of 30,842 Million Baht, decreased by 368 Million Baht or 1.2% from the previous year, after including other comprehensive income (loss) from valuation of available-for-sale investments with market prices and loss from estimates based on actuarial principles, the total revenues were 20,104 Million Baht, decreased by 28,000 Million Baht.

Unit : Million Baht

Statement of Comprehensive Income	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Net Interest Income	64,191	57,884	6,307	10.9
Net Fee and Service Income	5,973	5,701	272	4.8
Other Operating Income	11,010	3,747	7,263	193.8
Other Operating Expenses	33,315	31,938	1,377	4.3
Bad Debt, Doubtful Accounts and Losses of Impairment	17,017 ^{2/}	4,184	12,833	306.7
Net Profit	30,842	31,210	(368)	(1.2)
Net Profit (Loss) on Others	(10,738)	16,894	(27,632)	(163.6)
Total Income	20,104	48,104	(28,000)	(58.2)
Average of Return on Assets (ROA)	1.25 ^{1/} / 1.19	1.29 ^{1/} / 1.23		
Average of Return on Equity (ROE)	16.04 ^{1/} / 15.26	17.65 ^{1/} / 16.88		

^{1/} In case of excluding expenses for starting a provident fund scheme (instalment payment for 10 years, in 2018 = 1,565.40 Million Baht and in 2017 = 1,430.69 Million Baht)

^{2/} The Bank has readjusted loan classification and provision for restructured debtors to comply with the regulations and policy guidelines for Specialized Financial Institutions and set aside additional allowance for doubtful accounts for loans granted for the Teachers Association Funeral Welfare Society which was paid by OTEP (special mention loan classification) according to the criteria of the Bank of Thailand.

Important Items in Profit and Loss Statement

Unit : Million Baht

1.1 Net Interest Income	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Interest income	102,701	104,302	(1,601)	(1.5)
Loans ^{3/}	94,056	95,481	(1,425)	(1.5)
Interbank and Capital Market Items	4,109	4,315	(206)	(4.8)
Investment	4,536	4,506	30	0.7
Interest expenses	38,510	46,418	(7,908)	(17.0)
Deposit ^{4/}	18,962	28,007	(9,045)	(32.3)
GSB Premium Savings Certificate	12,282	11,520	762	6.6
Interbank and Capital Market Items	993	1,007	(14)	(1.4)
Issued Debt Securities and Loans	1,180	942	238	25.3
Funds Transferred to Specialized Financial Institutions Development Fund	5,093	4,942	151	3.1
Net Interest Income	64,191	57,884	6,307	10.9
Return on Assets	4.35%	4.26%		
Financial Costs	1.64%	2.02%		
Average Net Interest Income to Assets that Generate Interest Income (NIM)	2.54%	2.35%		

^{3/} Include interest income on interbank loans included in interbank and capital market interest income.

^{4/} Include interest expenses on deposits from financial institutions and cooperatives included in intercompany interest expenses and capital market.

In 2018, GSB has a Net Interest Income of 64,191 Million Baht, increased by 6,307 Million Baht or 10.9% from 2017 as a result of increase in Earning Assets and Asset and Liability Management (ALM) that are in line with market interest rates, liquidity and risk management. In addition, there is recognition of reserve costs for additional life welfare saving. As a result, interest and prize expenses were lower than the previous year, while interest income declined due to interest relief measures for Chor.Por.Kor. - Chor.Por.Sor. Loans Project under the memorandum to amend the agreement between the Bank and Office of the Welfare Promotion Commission for Teachers and Education Personnel (OTEP). Another factor is credit risk management which emphasizing on secured loans with relatively low returns. Nonetheless, the Bank is still able to maintain average net interest income to assets that generate interest income (NIM) at 2.54 percent which increased from 2017 which was at 2.35 percent.

Unit : Million Baht

1.2 Net Fee and Service Income

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Fee and Service Income	7,104	6,461	643	10.0
Fee and Service Expense	1,131	760	371	48.8
Net Fee and Service Income	5,973	5,701	272	4.8
Net Fee and Service Income / Net Income	7.36%	8.47%		

In 2018, Net Fee and Service Income was 5,973 Million Baht, an increase of 272 Million Baht or 4.8% from 2017. The revenue was from loan service fees (from corporate loans, SMEs loans and personal loans), income from commission / insurance premium payment, as the Bank offered special interest rate promotions for customers who obtain insurance for credit limit protection. The Bank also earned incomes from card and electronic services as a result of offering of new credit/debit card services to match different lifestyles and digital service channels, with various marketing activities and promotions throughout the year.

Nonetheless, the Bank waived collection of transaction fees for Mobile/Internet Banking (including Message Alert) from 1 April 2018 onwards.



4.8%

In 2018, GSB has generated higher revenue from Net Fee and Service Income than in 2017 by 272 Million Baht or 4.8%, from loan service fees and incomes from electronic card and service via provision of credit/debit card service.

Unit : Million Baht

1.3 Other Operating Income

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Other operating income				
Net Profit (loss) on Trading and Foreign Exchange	95	90	5	5.6
Net Profit (loss) on Investments	7,635	257	7,378	2,870.8
Dividend Income	1,940	2,389	(449)	(18.8)
Other Operating Income	1,340	1,011	329	32.5
Total Revenue from Other Operations	11,010	3,747	7,263	193.8
Operating Income to Net Income	13.56%	5.56%		

In 2018, Other Operating Income was 11,010 Million Baht, an increase of 7,263 Million Baht, or 193.8% of 2017, especially from the capital gain from sales of IRPC ordinary shares to limit Single Lending Limit (SLL) to not exceeding 15 percent of the total capital fund, according to the criteria prescribed by the BOT, recover of NPLs, miscellaneous income and foreign currency conversion which were higher than the previous year.

Unit : Million Baht

1.4 Operating Expenses

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Other Operating Expenses				
Expenses on Employees	15,313	14,554	759	5.2
Awards for Directors and Employees	4,011	3,888	123	3.2
Expenditure on Premises and Equipment	5,689	5,254	435	8.3
Compensation Agency	1,724	3,122	(1,398)	(44.8)
Other Expenses	6,578	5,120	1,458	28.5
Total Other Operating Expenses	33,315	31,938	1,377	4.3
Operating Expenses to Net Income	41.01%	47.44%		

In 2018, the Bank had other operating expenses of 33,315 Million Baht, 1,377 Million Baht or 4.3% higher than 2017. Key items include:

- Other expenses increased by 1,458 Million Baht (Public Service Account (PSA) for 606 Million Baht, interest expenses for litigation and advertising expenses);
- Employee expenses increased by 759 Million Baht (Early Retirement Program);
- Building and equipment expenses increased by 435 Million Baht (computer material cost and office rental);
- Directors, and employees' remuneration increased by 123 Million Baht (based on operating performances);
- Compensation Agency for loan repayments decreased by 1,398 Million Baht (as the Bank and OTEP has entered into memorandum to amend the agreement to terminate financial support to OTEP and use the financial support to reduce interest charges for debtors who have good financial discipline according to the stipulated conditions from June 2018 onwards)

Unit : Million Baht

1.5 Bad Debts, Doubtful Accounts, and Impairment Losses and Debt Restructuring

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Bad Debt	4,509	1,648	2,861	173.6
Doubtful Account	12,482	2,536	9,946	392.2
(Reversal) Loss on Impairment of Debt Securities	26	-	26	100.0
Total Bad Debt, Doubtful Account and Loss on Impairment and Debt Restructuring	17,017	4,184	12,833	306.7

In 2018, the Bank had Bad Debt and Doubtful Accounts by 17,017 Million Baht that higher than 2017 by 12,833 Million Baht or 306.7 percent from the provision for doubtful accounts of professional development loan, housing loan, loan to fix public debt, and corporate business loan respectively. The Bank has readjusted loan classification and provision for restructured debtors to comply with the regulations and policy guidelines for Specialized Financial Institutions and set aside additional allowance for doubtful accounts for loans granted for the Teachers Association Funeral Welfare Society which was paid by OTEP (special mention loan classification) according to the criteria of the Bank of Thailand.

2. Financial Position

Unit : Million Baht

Statements of Financial Position	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Total Assets	2,704,340	2,663,828	40,512	1.5
Interbank and Net Capital Market Items	288,716	394,910	(106,194)	(26.9)
Net Investments	256,200	237,395	18,805	7.9
Loans ^{1/}	2,111,899	2,014,123	97,776	4.9
Total Liabilities	2,502,401	2,461,939	40,462	1.6
Deposits and Issued Debt Securities and Loans ^{2/}	2,298,412	2,256,312	42,100	1.9
Part of the Capital	201,939	201,889	50	0.0

^{1/} Total loan to financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2018 amounted to 188,486 Million Baht, and in 2017 amounted to 216,731 Million Baht

^{2/} Total deposits from financial institutions and cooperatives under Interest on Loan of Financial Institutions Act in 2018 amounted to 15,981 Million Baht, and in 2017 amounted to 21,189 Million Baht.

At the end of 2018, the total assets of the Bank were 2,704,340 Million Baht, an increase of 40,512 Million Baht or 1.5% from the end of 2017 due to launching of deposit products that have been popular. In addition, the surplus was used to invest in the interests of credit and investment in Bond and Equity instrument.

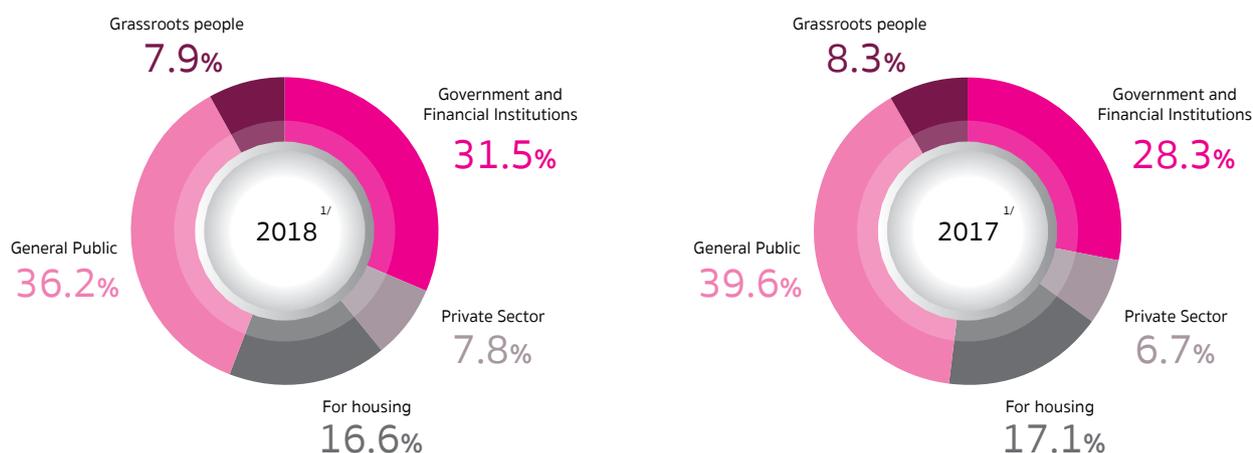
Important Items in the Statement of Financial Position

2.1 Loans

As of December 31, 2018, the Bank had loans of 2,111,899 Million Baht (including loans to financial institutions and cooperatives), an increase of 97,776 Million Baht or 4.9% from the end of 2017. The proportion of loans to individuals was 60.7%. The loans to government, state enterprises and financial institutions were 31.5%, and 7.8% for private businesses as follows:

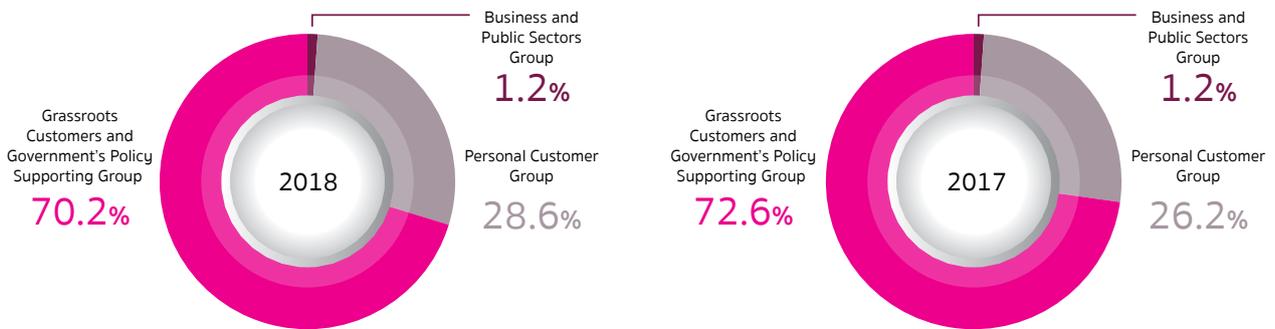
- **Loans to the Government, State Enterprises and Financial Institutions** increased by 95,757 Million Baht (16.8%), mainly due to short-term and long-term loans to the Ministry of Finance, Bangkok Mass Transit Authority (BMTA) and the State Railway of Thailand (SRT). Meanwhile, the Bank received loan repayment from financial institutions (Bank for Agriculture and Agricultural Cooperatives and Soft Loan Program)
- **Loans to Private Sector** increased by 29,558 Million Baht (21.9%) due to launching of 82 SMEs Business Sub-Centers and business expansion of each operator group.
- **Personal Loans** decreased by 27,539 Million Baht (2.1%), mainly from Professional Development Loans, Personal Loans (Welfares) and Loan to grassroots people (Social and Community Loan and People's Bank Loan) with the following details:
 - Loan for professional development decreased by 36,473 Million Baht (Teacher and Educational Personnel), Personal Loans (Welfares) decreased by 17,729 Million Baht and Social and Community Loans decreased by 5,992 Million Baht, People's Bank Loan decreased by 1,154 Million Baht from recovered amount and closing of the payment account as well as credit financing caution.
 - Meanwhile, Sai Thong Loan (Multipurpose) increased by 17,148 Million Baht, Housing Loans increased by 7,416 Million Baht, loans to fix the public debt increased by 2,693 Million Baht, Row House Loans increased by 2,644 Million Baht, Happy Life Loan increased by 1,626 Million Baht, Credit Cards and Cash Loans increased by 1,580 Million Baht.

Proportion of Loans



^{1/} Total loan to financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2018 amounted to 188,486 Million Baht, and in 2017 amounted to 216,731 Million Baht

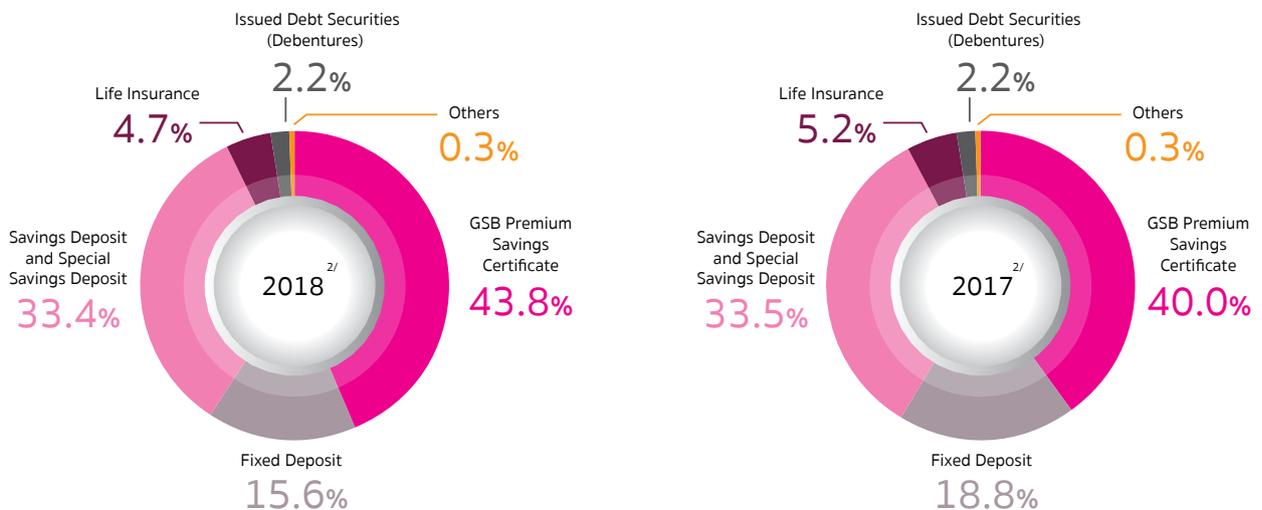
Proportion of Loan Customers



2.2 Deposits and Issued Debt Securities

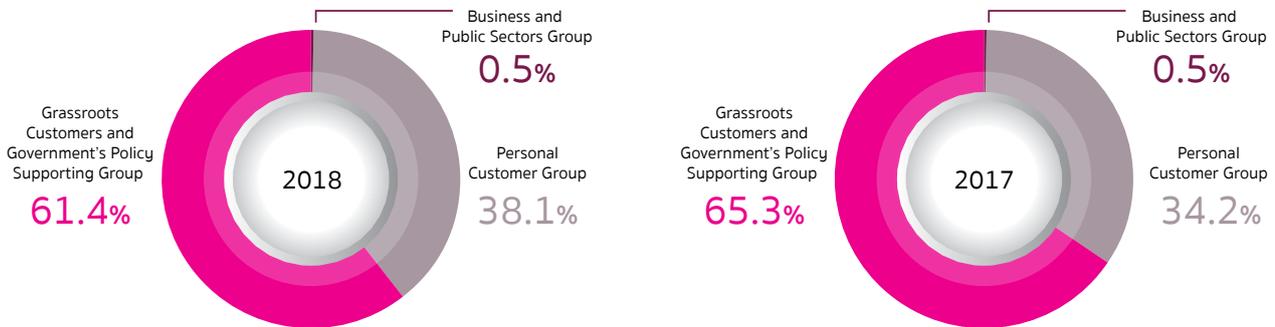
As at December 31, 2018, deposits (including deposits from financial institutions and cooperatives) amounted to 2,248,412 Million Baht, the total deposits and Issued debt securities was 2,298,412 Million Baht, increased by 42,100 Million Baht or 1.9% from the previous year, as a result of launching of new products with attractive conditions and rate of returns and sales promotion activities throughout the year, such as 5-year Special GSB Premium Savings Certificate promotional activities, digital salak activities through MyMo and deposit promotions at various financial exhibitions in order to support deposits that are gradually matured and prepare liquidity for credit approval according to the mission and government policy, including activities to promote savings on important days such as National Children's Day, Government Savings Bank Day and National Savings Day etc.

Proportion of Deposits



^{2/} Total deposits from financial institutions and cooperatives under Interest on Loan of Financial Institutions Act in 2018 amounted to 15,981 Million Baht, and in 2017 amounted to 21,189 Million Baht.

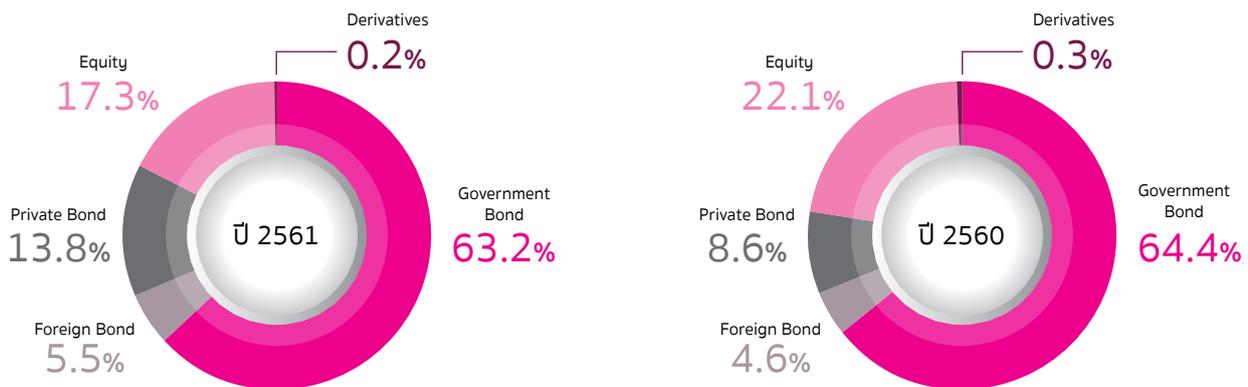
Proportion of Deposit Customers



2.3 Net Investment

Net investments as at December 31, 2018 amounted to 256,200 Million Baht, an increase of 18,805 Million Baht or 7.9% from the previous year, in particular, investment in debentures, Government bonds, short-term BOT bonds, investment units, promissory notes of Ministry of Finance and overseas bonds respectively. Meanwhile, the total investments were more than 53,000 Million Baht. Some of these investments were sold from time to time for speculation, included adopting port in accordance with plan and strategy investment. The Bank still focuses on investing in Government Bond instruments without obligation for liquidity management taking into account investments in assets with good prospects and appropriate returns in accordance with the Bank's investment policy framework. The Bank has sold ordinary shares of IRPC Public Company Limited (IRPC) in accordance with restriction of Single Lending Limit (SLL) to not exceeding 15 percent of the total capital fund.

Proportion of Investment



2.4 Part of the Capital

Capital expenditure of the Bank as of December 31, 2018 amounted to 201,939 Million Baht, an increase of 50 Million Baht from the previous year from the annual net profit was 30,842 Million Baht. Meanwhile, surplus from change in value of available-for-sale investments (Mark to Market) decreased by 10,323 Million Baht from the year 2017 and the loss on employee benefit provision (TAS 19) according to actuarial principles in the amount of 415 Million Baht. Meanwhile, the Ministry of Finance received 20,054 Million Baht in 2018.

2.5 Legal Capital Funds

The Bank has calculated the fund's maturity under the Basel II guidelines in accordance with Criteria for supervision of Specialized Financial Institutions (SFIs) and the Bank of Thailand covering the type of risk and reflect the risk of the Bank's assets and liabilities. As at December 31, 2018 the Bank has fund of 182,469 Million Baht representing 14.72% of total risk weighted assets higher than the minimum criteria for 8.5% was determined by Bank of Thailand. The Bank's Tier-1 capital was 168,161 Billion Baht, or 13.56% of total weighted assets. (Mostly from retained earnings after deductions from the Ministry of Finance each year) and Tier 2 capital amounted to 14,308 million baht, equivalent to 1.16 percent (In 2018, the value added from the land valuation is considered as Tier 2).

The rate does not include the second half of the year. If the net profit for the second half of the year is appropriated by the Ministry of Finance after the State Audit Office of the Kingdom of Thailand (SAO) has audited and certified the financial statements, the Bank will have more capital.

Unit : Million Baht

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Tier 1	168,161	150,028	18,133	12.1
Tier 2	14,308	7,817	6,491	83.0
Total Fund	182,469	157,845	24,624	15.6
Weighted assets at risk	1,239,733	1,265,913	(26,180)	(2.1)
Total Assets: Total Risk Weighted Assets	14.72%	12.47%		
Tier 1 Capital: Total Risk Weighted Assets	13.56%	11.85%		

2.6 Quality Loans

	2018	2017	Change (yoy)	
			Increase (Decrease)	%
Non-performing loans (gross NPLs)	59,395	41,203	18,192	44.2
Ratio of Total Loans (%)	2.81	2.05		
Non-performing loans after allowance for doubtful accounts (net NPLs)	21,644	12,882	8,762	68.0
Proportion of Net Loans (%)	1.06	0.66		
Allowance for doubtful accounts in the financial statements	67,848	55,405	12,443	22.5
Proportion on non-performing loans (%)	114.23	134.47		
Allowance for doubtful accounts in accordance with the Bank of Thailand's guidelines	67,848	54,301	13,547	24.9
Reserve already reserved for the reserve (%)	100.00	102.03		

As of December 31, 2018, the Bank had gross NPLs totaling 59,395 Million Baht or 2.81% of total loans (including interbank and money market items), which increased 18,192 Million Baht from 2017 with gross NPLs at 2.05% from improvement of the classification criteria for debtors that have restructured to meet the specialized financial institutions criteria of the Bank of Thailand. At end of 2018, Net NPLs amounted to 21,644 Million Baht or 1.06% of net loans, increased 8,762 Million Baht from 2017 which reported net NPLs of 0.66%. The Bank has strategy/measures to lessen debt repayment conditions to control debt quality to a level lower than the average of the banking system.

The Bank's allowance for doubtful accounts booked in the financial statements as of December 31, 2018 amounted to 67,848 Million Baht, increased 12,443 Million Baht from the end of 2017 from loans particularly loans for professional development, housing loans, loan to fix public debt, and corporate loans according to the increasing NPLs respectively, downgrading from sub-standard to doubtful and doubtful of loss. The Bank has readjusted loan classification and provision for restructured debtors to comply with the regulations and policy guidelines for Specialized Financial Institutions and set aside additional allowance for doubtful accounts for loans granted for the Teachers Association Funeral Welfare Society which was paid by OTEP for debtors who had not yet been classified as NPLs (special mention loan classification) according to the instruction of the Bank of Thailand during 2015 - 2018 in the total amount of 21,365 Million Baht.

2.7 Sources and Uses of Funds

As of December 31, 2018, the Bank had assets of 2,704,340 Million Baht, with total liabilities of 2,502,401 Million Baht and equity of 201,939 Million Baht, representing a debt to equity ratio of 12.4 times.

Major sources of funding include Deposits accounted for 94.9%, Net Interbank and capital market items accounted for 3.0%, Issued Debt Securities and loans accounted for 2.1% of total assets. While the source of funds of major banks consists of Loans accounted for 77.6%, Net interbank and capital market items accounted for 12.8%, and net investment accounted for 9.6%.

Deposits with maturity of less than one year are more than the sources of funds. This is considered normal business of the Bank. However, deposits with a majority of banks. Most of time deposits in the bank will be constantly renewed when the contract is due. Therefore, it is likely that such deposits will be with the bank for longer than the contract period. As a result, the Bank can allocate deposits, investments, loans to ensure that the Bank's liquidity is at an appropriate level and that it can meet its financial obligations.

Sources and Uses of Funds	2018	%	2017	%	Change (yoy)	
					Increase (Decrease)	%
Source of funds						
Duration ≤ 1 year	1,471,354	62.6	1,508,676	64.3	(37,322)	(2.5)
Deposits	1,404,279	59.7	1,399,733	59.7	4,546	0.3
Net interbank and capital market items	67,075	2.9	108,943	4.6	(41,868)	(38.4)
Issued debt securities and loans	-	-	-	-	-	-
Duration > 1 year	880,736	37.4	837,652	35.7	43,084	5.1
Deposits	828,152	35.2	785,390	33.5	42,762	5.4
Net interbank and capital market items	2,584	0.1	2,262	0.1	322	14.2
Issued debt securities and loans	50,000	2.1	50,000	2.1	-	-
Total	2,352,090	100.0	2,346,328	100.0	5,762	0.2
Use of funds						
Duration ≤ 1 year	784,249	29.6	816,647	30.9	(32,398)	(4.0)
Net interbank and capital market items	320,945	12.1	422,087	16.0	(101,142)	(24.0)
Net Investments	71,310	2.7	71,628	2.7	(318)	(0.4)
Loans to debtors	391,994	14.8	322,932	12.2	69,062	21.4
Duration > 1 year	1,871,970	70.4	1,829,076	69.1	42,894	2.3
Net interbank and capital market items	19,051	0.7	40,582	1.5	(21,531)	(53.1)
Net Investments	184,220	6.9	165,110	6.2	19,110	11.6
Loans to debtors	1,668,699	62.8	1,623,384	61.4	45,315	2.8
Total	2,656,219	100.0	2,645,723	100.0	10,496	0.4

2.8 Maintenance of Liquid Assets

As of December 31, 2018, the Bank's average assets decreased from the previous year. The ratio of liquid assets to deposits, loan to deposit ratio and the ratio of dependence on major sources of capital, comply with risk thresholds and risk limits set by the Bank.

The Bank has a policy on liquidity risk management as a guideline. These will be reviewed annually to suit the changing banking situation and transactions. Risk limits and risk warnings are set for liquidity-to-deposit ratios to provide sufficient liquidity for the Bank. There is also an Asset and Liability Management Committee (ALCO) responsible for controlling to maintain sufficient liquidity in the operation. The risk management process has been developed continuously, such as stress testing, liquidity emergency response and liquidity risk reporting.

2.9 Analysis of Cash Flow Statement

For the year ended December 31, 2018, the Bank had cash and cash equivalents of 33,865 Million Baht, an increase of 3,772 Million Baht or 12.5% from the end of 2017.

- **Net cash used in operating activities** was 45,910 Million Baht. The operating profit before changes in operating assets and liabilities was 38,727 Million Baht. The operating liabilities increased by 7,476 Million Baht as operating assets increased by 293 Million Baht.
- **Net cash used in investing activities** was 19,739 Million Baht. Cash used in investments in securities amounted to 167,168 Million Baht. Cash paid for purchase of land, buildings, and equipment amounting to 1,811 Million Baht. Cash paid for intangible assets and leasehold right were 78 Million Baht and 9 Million Baht, respectively. Proceeds from sales of investments in securities amounted to 148,998 Million Baht. Proceeds from dividends received from associated companies amounted to 324 Million Baht. Cash received from the sale of land, buildings, and equipment amounted to 5 Million Baht.
- **Net cash used in financing activities** was 22,397 Million Baht as the money was submitted to the Ministry of Finance as national revenue in the amount of 20,054 Million Baht and long-term loans from financial institutions of 2,343 Million Baht.

2.10 Credit Rating

As of December 31, 2018, the Bank's stable rating from 2017 at "AAA" organized by credit rating agency called TRIS Rating. The rating reflects TRIS Rating's view to business profile and the financial performance of the Bank. The high possibility that the government will support when the Bank has financial problems. Government Savings Bank Act, B.E. 2489 (1967) states that GSB's obligations in respect of principal repayments, borrowings, interest on deposits and other repayments. It will be guaranteed by the government. The details are as follows:

Credit Rating Agency	December 31, 2018	December 31, 2017
TRIS Rating		
Company Rating	AAA	AAA
Trends of credit rating	Stable	Stable

AAA

organized by credit rating agency called TRIS Rating. The rating reflects TRIS Rating's view to business profile and the financial performance of the Bank



3. Compare the Operating Performance with Goals of Business Plan/Key Project for the Year 2018

Government Savings Bank has set up a 5-year enterprise plan, annual work plan and budget. The business plan for each customer group as a guideline for the operation. The planning process integrates with BSC, EVM, Risk Management and SEPA. There are workshops at the Board and top executives in group, sector, department and regional office with communicate plan to action through the various channels including the transfer to indicators (KPIs) from the Bank level to the individual level.

At the end of 2018, the operating performance was as follows:

Unit : Million Baht

Finance	Plan	Outcomes	Analyze Plan Variance
Net Profit	28,200	30,842	Profit from selling common stock and manage assets and liabilities in line with market interest rates and liquidity, resulting in an increase in the yield of assets that generate more income and lower interest costs
Net Additional Deposit	78,500	42,100	The Bank takes into account sufficient liquidity for operations and appropriate cost of funds. There are deposits with maturity period throughout the year 2018, amount of 1.45 Trillion Baht.
Net Additional Loan	53,000	97,776	From government and state enterprise loans, both short-term and long-term loans to the Ministry of Finance for investment in infrastructure projects, SMEs loans and corporate loans and credit according to government's policy.
NPLs of Total Loans (percentage)	3.05	2.81	From the management of non-performing loans by setting up 80 Sub-Centers to control and manage debts to increase efficiency in monitoring and correcting non-performing loans closely including measures to ease the repayment conditions and recording amendments to the agreement (MOU) with OTEP to resolve debt problems of teachers and educational personnel.
NIM (percentage)	2.33	2.54	Increase in earning assets and the management of assets and liabilities (ALM) are in line with market interest rates, liquidity and risk management. In addition, there is recognition of reserve costs for additional life welfare saving. As a result, the yield on assets that generate higher yields than the plans and interest costs (Cost of Fund) is lower than the plan.
Cost/Income (percentage)	47.81	41.01	From the management of operating expenses lower than the plan by improving operational efficiency and continuous cost control, together with the creation of effective income, causing the total net income to be higher than the plan.

Non-Finance	Operational Performance for the Year 2018
1. Sustainable Development : SD	
Children and Youth	<ul style="list-style-type: none"> • Established 1,256 School Banks with savings of more than 978 million baht. • Established 1,457 Virtual School Bank with 206,988 students participating in the program through various activities. There were 1,795 students who received G Coin and exchanged for scholarships worth 1.78 million baht. • Organized school sports events. There were 22,150 students participating in the events. • Organized music contest (Symphonic Band/Thai folk songs). There were 6,754 students participating in the contest. • Organized academic competition (Math / Science / English / History / Buddhism). There were 199,538 students participating in the contest. • Provided education through GSB Activity: Fulfill the Dreams, Create Morality and Leading to University. There are 3,421 students participating in the activity.
Grassroots / Unserved-Underserved / State welfare card holders	<ul style="list-style-type: none"> • Create Financial Literacy and develop career potential. <ul style="list-style-type: none"> - Provide training on Financial Literacy. <ul style="list-style-type: none"> • Grassroots and state welfare card holders, 27,217 persons; • Financial advisor (health clinic), 41,226 persons; • Customer groups which enter rehabilitation process (Underserved), 5,925 persons; - Develop career potential through programs of universities, 26,278 persons. - Signed a memorandum of agreement with the Government Savings Bank Foundation of the Federal Republic of Germany and the Fiscal Policy Office (FPO) to develop financial literacy systems in Thailand. • Create marketing and sales channels <ul style="list-style-type: none"> - Organized Pracha Rat Wayupak Rak Prachachon and Pracharat Market GSB Tourtin Thai weekend market. There are 1,925 stores participating in the event. - GSB e-Market place by developing O2O-Village Grocery sponsored system by GSB which is the center of product sales. - Promote ecotourism by organized "GSB Smart Home Stay" contest to enhance tourism community to be strong and people in the community to have better quality of life. • Encourage retail shops to accept payment via QR Payment (MyMo Pay & GSB Pay & GSB Payment Gateway). There were 157,060 stores which installed the system.
Elderly group	<ul style="list-style-type: none"> • Deposit products including elderly public demand deposits and special elderly demand deposit. There were 54,377 service users. • Loan products include housing loans for parents, public loans for elderly and housing loans for elderly (Reverse Mortgage). There were 2,340 service users. • Elderly potential development activities. There were 723 participants.

Non-Finance	Operational Performance for the Year 2018
SMEs Startup Group	<ul style="list-style-type: none"> • Create opportunities and develop potential of entrepreneurs to become SMEs Startup <ul style="list-style-type: none"> - 10 Team of Savings from GSB Hundred to Million Baht Project which aimed to promote and support youths, aged between 16-25 years old, to create new business concepts, to learn and enhance business experience. - GSB Innovation Club 20 Project which provided Co-Working Space in universities for organizing Smart Start Idea contest for students. The objectives were to stimulate creativity and new innovation that can be developed further into practical business in the future.
2. Product and Service Development and Service Channel	
New financial products and services innovations	<ul style="list-style-type: none"> • Pre-Screening online via Line GSB Society. • Application GSB SMEs 4.0. • Cooperate with Counter Service in 7-Eleven stores to provide cash deposit-withdrawal service via account and Mobile Banking (MyMo) application of the Government Savings Bank which was launched on October 31, 2018.
Service channels	<ul style="list-style-type: none"> • Establish 5 digital branches to provide Video Teller Machine (VTM) services which has self-service feature for customers to communicate with employees via the VTM screen 24 hours a day. • Develop an account opening system via Smart Device for off-site customer service in order to allow customers in all communities to have access to GSB's services. • Launched Queue Application Service
3. Enhancement of Fundamental Capabilities to keep pace with Changes in Digital Age	
Re-Organization & Re-Process Management	<ul style="list-style-type: none"> • Establishment of 18 retail credit approval bureau; • Establishment of 82 SMEs Business Sub-centers; • Establish 74 debt control and management centers / 18 districts; • Design DIGITAL BUSINESS AND FINTECH Structure
Human resource management and development	<ul style="list-style-type: none"> • Provide trainings/seminars for 42,388 participants • Provide more than 100 e-learning courses for 21,057 participants consisting of <ol style="list-style-type: none"> 1) 33 Human Resources (HR) courses (2,892 participants) 2) 17 Internal Audit / Control Risk Management and Anti-Corruption courses (40,018 participants) 3) 15 Banking Business courses (1,712 participants) 4) 8 Information Technology (IT) courses (56,017 participants) 5) 4 Debt Management courses (897 participants) 6) Other 23 courses (1,930 participants)

Non-Finance	Operational Performance for the Year 2018
Human resource management and development (continued)	<ul style="list-style-type: none"> • Successor 98 people including: <ol style="list-style-type: none"> 1) Executive Director of Department, GSB provide 27 available positions for Executive Director of Department 2) Executive Deputy Director of Department/District, GSB provide 71 available positions for Executive Deputy Director of Department/District • Talent 76 people • Provide 8 scholarships for domestic master and doctorate degrees for the Bank's employees • Improve the performance management tools in the form of Digital Platform via MEMO (Modern Employee on Mobile).
Work System	<ul style="list-style-type: none"> • Develop the system to support the National e-Payment policy; • Develop information system for AML/CFT; • Develop Collection Scoring Model; • Develop Application Scoring Model (Credit Card / Cash Card); • Develop Credit Scoring Model (for SMEs loan customers with credit not exceeding 20 million baht); • Develop Behavior Scoring model; • Develop work systems to support IFRS9.

Overall budget for the year 2018 amounted to 43,162 Million Baht. Actual disbursement of 34,134 Million Baht including the saving of 2,114 Million Baht, accounting for 84 percent of the budget. The total operating expenses were 83% of the budget and capital expenditure with the total budget disbursement of 93 percent of the budget.

4. The Operating Performance of State Policy Transaction

State Policy Transaction	Project Timeline	Credit Line (Million Baht)	Number of Participants	Outstanding Loans (Million Baht)
1. Loan Project to Help Independent Self-Employed Entrepreneurs Affected by the Flood and Hurricane in 2010	2010-2016	2,000	85	0.04
2. Financial Assistance Program for Business Operators in the Three Southern Border Provinces	2010-2016 Extends the time for 1 st Session to end of 2014 2 nd Extension to end of 2017 3 rd Extension to end of 2022	25,000	12	20,474
3. GSB Loan Development for Flood Protection System to Industrial Estate / Park / Industrial Zone	2013-2028	15,000	5	1,818

State Policy Transaction	Project Timeline	Credit Line (Million Baht)	Number of Participants	Outstanding Loans (Million Baht)
4. Loan Project for Flood Protection System in Industrial Estate	2013-2028	3,546	1	1,852
5. Village Promotion Measures	2015- 2023	30,000	20,148	15,252
6. Low Interest Loan Project for Working Capital of Small and Medium Enterprises (SMEs)	2015- 2022	100,000	18	66,070
7. Low Interest Loan Program for Working Capital for Small and Medium Enterprises (SMEs) Phase 2	2016- 2023	50,000	17	27,362
8. Pracharath Housing Loan Project	2016-2046	20,000	6,462	4,397
9. Low Interest Loan Program to Help Fishermen “Thailand’s Fisheries Move Forward”	2016-2024	500	350	277
10. Project for Public Loans for People	2016-2021	Unspecified	27,133	437
11. Low Interest Loan Program to Modify Machinery and Increase Productivity for Small and Medium Enterprises (SMEs)	2016-2025	30,000	16	20,210
12. The Government’s Measures to Solve the Public Debt Problem under the Government Policy	2016-2036	Unspecified	9,527	5,413
13. Public Loan Project (Disaster Victims)	2017-2022	4,000	3,531	79
14. Loan Project to Relieve Small and Medium Enterprises (SMEs) who suffered from flood disaster in 2017	2017-2022	2,500	3	2
15. Retail Loan Program for Emergency Use	2017-2022	5,000	102,680	2,535
16. Transformation Loan Project (Low Interest Loan Program to Modify Machinery and Increase Productivity for SMEs Phase 2)	2018-2025	20,000	39	1,877
17. Retail Loan Program for Emergency Use Phase 2	2018-2025	10,000	104,289	4,070
18. Government Welfare Card Holder Potential Development Project		Unspecified	546	22
- Loans for Government Welfare Card Holder Potential Development (3 Projects)	2018-2025			
1) GSB Home Stay Loans	2018-2025			
2) Franchise Business Loans	2018-2028			
3) Street Food Loans				
Total			274,862	172,147



Risk Management



1. GSB Risk Management Overview

Presently, the world is changing and developing rapidly. Information technology advancement has become a part in driving new innovations that change business models. Many business organizations and financial institutions have adopted various innovations to create financial benefits in order to develop products and services that meet the needs of customers and new generations in the digital age society.

Therefore, the Bank gives priority to risk management in parallel with the business operations by formulating policy to cover risks in each area as well as to enhance effectiveness of the Bank's risk management system in accordance with the standards of the regulator as well as to make comprehensive preparation to support changes in the digital society era.

The Bank adheres to the principles of integrated risk management that covers risk management throughout the organization in order to drive risk management by establishing a policy framework from the GSB Board of Directors. In this regard, Risk Management Committee has been providing opinions and recommendations to the management to ensure appropriate risk management in accordance with the Bank's policy, universal standard and the guidelines of the regulatory authorities. Each risk owner is responsible for risk identification, evaluation of risk level based on the Bank's guidelines, implementation of risk management measures to contain risks within the acceptable level (Risk Appetite), monitoring and reporting of the risk status and review of adequacy and efficiency of the risk management measures to ensure that risks are managed in a timely manner. Meanwhile, Risk Management Group is in charge of coordinating with and providing supports for risk owners to operate according to the policy and report key risk status to the Board of Directors, Audit Committee and Risk Management Committee on a regular basis so as to continuously foster risk management culture among the management and employees until it becomes part of the corporate culture.



2. Risk Management Structure

The Bank has determined Committee structure to oversee risk management strategy and policy, monitor risk management operations of the management as well as to monitor the implementation of the management in order to manage risk in accordance with the principles of governance and compliance with laws, regulations, announcements and compliance as mechanism to accelerate task achievement and achieve expected achievements. Main committees of risk management are as below:

1) GSB Board of Directors

has duties to determine vision, direction, and strategy of the Bank, and take into account all possible risks to ensure the management's efficient and effective implementation in line with the vision, direction, and strategy set forth.

2) Risk Management Committee

has the responsibilities to stipulate, revise and approve risk management policy and risk management master plan, as well as endorse risk management strategies and plans in various perspectives to suit the changing circumstances and transactions of the Bank; assess, monitor and supervise the Bank's risk level to be within Risk Appetite; and report the Bank's risk status to the Board of Directors and the Audit Committee on a regular basis. Moreover, the Risk Management Committee Charters require the Bank to emphasize on operational integration regarding Good Corporate Governance, risk management and compliance with the requirements of law, regulations, notifications and criteria as mechanism to accelerate task achievement and achieve Integrity-Driven Performance.

3) Good Governance and Corporate Social Responsibility Committee

plays the role in defining policies, strategies, goals and action plans as well as regulation concerning good governance guidelines, compliance to regulations, review of bank credit in accordance with applicable laws and regulations, rules and procedures for good governance, review policies and assess the effectiveness of risk management in compliance with rules as deemed necessary and appropriate, as well as emphasizes on operational integration regarding good corporate governance, risk management and compliance with the requirements of law, regulations, notifications and criteria to achieve Integrity-Driven Performance.

4) Audit Committee

has the responsibilities to review efficiency and effectiveness of internal control process, corporate governance process, risk management process, compliance with laws, rules, regulations, operational procedures, Cabinet's Resolutions and the Bank's announcements or orders, and to consider related-party transactions or transactions that may cause conflict of interest or fraud and affect the Bank's operations.

5) Executive Committee

has the duties to consider and propose policy, strategy, business plans, monitor plans, investment direction and regulations, loan issuance plans and other GSB business recommendations that are presented for Board of Directors approval, as well as recommends suitable and effective organizational structure.

6) Assets and Liabilities Management Committee

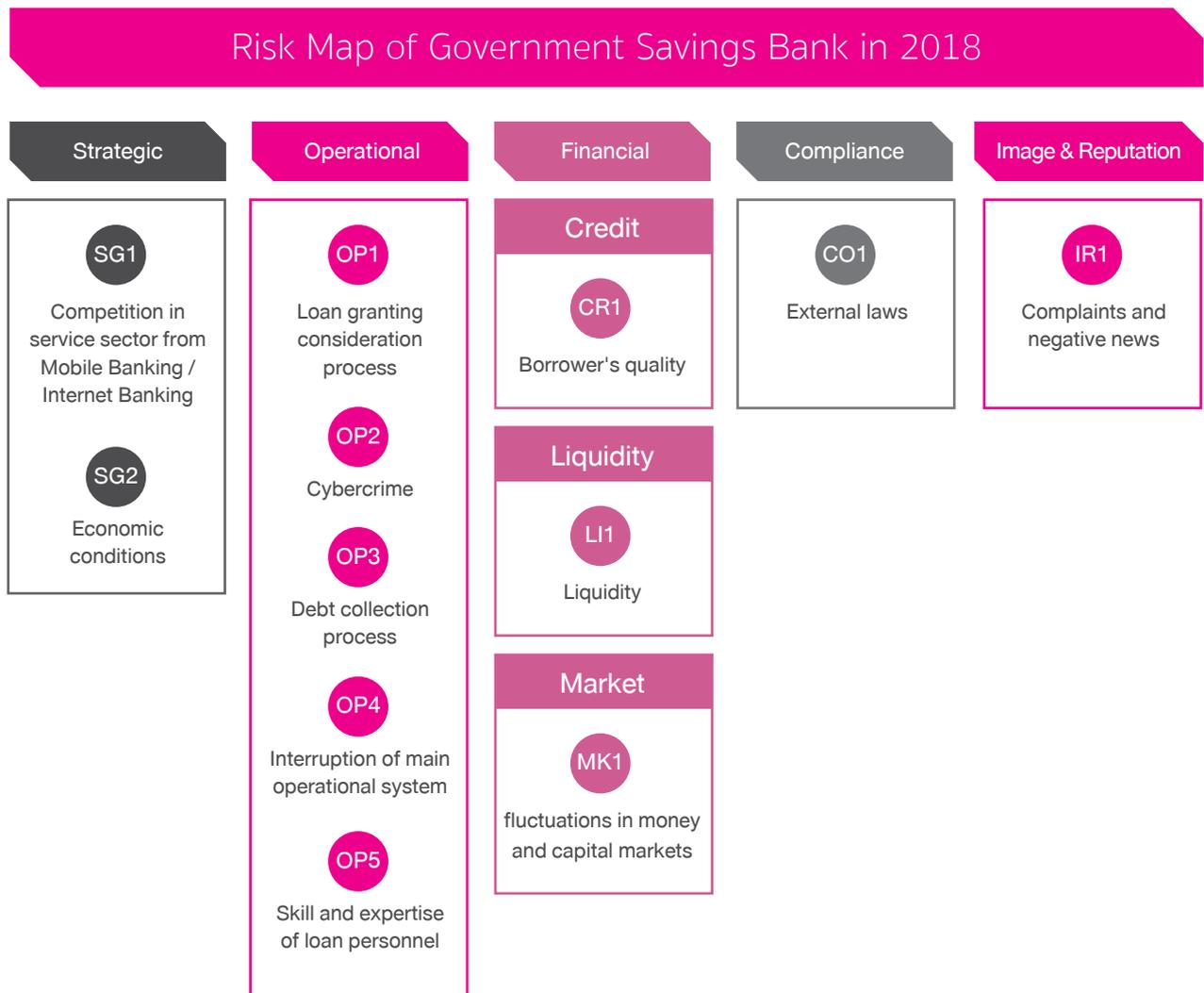
is in charge of stipulating the Bank's policy and guidelines for assets and liabilities management; set strategies for risk management in terms of interest rate, liquidity, foreign exchange, and other relevant areas to be aligned with the Bank's risk management policy.

Moreover, operation level committees have been set up for risk management in main business undertakings, namely Credit Committee, Investment Committee, Business Continuity Management Committee, Fraud Prevention Committee, and so forth.

3. Risk Map

The Bank gives an importance on risk management and determines integrated risk management principles and policies and nurtures culture of risk awareness throughout the organization by setting up risk management division, group and committee. In addition, the GSB Board of Directors would supervise and control risk levels to be under risk appetite and risk tolerance to ensure that the Bank has effective risk management and cope with the uncertainty that may occur in a timely manner, especially economic ambiguity, fluctuations in money and capital markets, disruptions of financial technology which cause intense competition, as well as risks from operations and changes in rules and relevant laws that may affect the Bank's business operations. In the past, the Bank has been monitoring, analyzing and evaluating the impact on regular basis to ensure that the risk management is in line with the Bank's mission and strategic plan as well as compliance with regulatory guidelines of the Bank of Thailand and Ministry of Finance.

The Bank has prepared risk map to be used as a guideline for risk management so that the Bank can effectively realize its objectives and goals. Business Unit and Support Unit, which are Risk Owner, play a key role in risk evaluation by analyze and identify key risk factors relating to Strategy Map and Key Performance Indicators (KPIs) of operating units and the Bank as well as determine measures to reduce/control risk to be within acceptable level. In 2017, the Bank has 12 significant risk factors as follows:



Moreover, the Bank places emphasis on Key Risk Indicators which are Early Warning system by sending email directly to the group executives or related teams to review risk and determine risk management measures/plan to comply with the current situation and reduce/control risks by taking into account the appropriate cost of risk. The Bank has prescribed Key Risk Indicators as follows:

Financial KRIs	Non Financial KRIs
1. NPLs rate per Credit Balance	1. Continuity of customer service
2. Net loan increase	2. Legal impact
3. Number of holders of Mobile Banking / Internet Banking electronic card	3. Impact on reputation and image
4. Value at Risk (VaR)	
5. Loans to Deposits and Debt Securities and Loans (L/D) ratio	

4. Strategic Risk

Strategic risks mean the risks arising from the Bank’s strategies and action plans or from implementation thereof that is inappropriate and unaligned with the prevailing internal and external environments, hence possible impacts on the direction of annual action plans and the Bank’s revenue and capital fund. Therefore, GSB Board of Directors and senior executives have determined strategic risk policy and guideline, which will be reviewed and improved to be in line with the current situation and follow up on strategic risk reports regularly to ensure that the risk is under risk appetite and risk tolerance.

In 2018, the Bank faced with strategic risk factors from financial competition in the Digital Banking and Fintech era to compete for potential customers and cooperated with partners to expand customer base to create competitive advantage. Therefore, restructuring of organization, work process and personnel to keep up with such changes, therefore, are challenges in every organization. Investment to change technology to increase service efficiency and management as well as to prevent new forms of cyber threats, impose more operating costs on the Bank, while limiting incomes, especially the cancellation of transaction fees via digital channels. As a result of promotion of Cashless Society policy of the government, the fee income has declined. In addition, the rules of regulators are getting more stringent, such as Market Conduct, single accounting standards, etc. resulting in more complicated procedures when offering Bank’s products and services.

In 2018, the Bank has reviewed the operational direction to become The Best and Biggest Local Bank in Thailand under the main mission of promoting savings, creating financial discipline and is a source of funding for the grassroots economy. Meanwhile, the Bank also try to control costs without having to close down some of its branches by

1. Adjust the business size of the branch office to suit its potential in the area (Re-size) or reduce the branch size
2. Merge and relocate branches to potential areas (Re-Locate)
3. Remodel the branch office to be suitable for customers in the area (Re-Model)

By changing the business model from focusing on service to Sale in the part of customer service and restructuring the Bank to include Digital Banking Business Development Department and to develop innovative financial services and create new marketing strategies. In addition, the Bank also emphasizes on management of non-performing loans (NPLs) and liquidity management in order to control the cost of deposits at an appropriate level. As a result, the Bank posted better overall performance than expected target in 2018.



5. Market Risk

Market risks arise from movements or fluctuations of interest rates, foreign exchange rates and prices of financial instruments in the money and capital markets, which may cause negative impacts on the Bank’s revenues and capital funds.

In 2018, the global economy as a whole experienced slight sluggish growth, the expected GDP¹ growth was lowered from 3.8 percent to 3.7 percent as a result of the pressure of trade war between the United States and China. However, the US economy still continues to expand in line with labor market conditions. Meanwhile, economy of the EU, United Kingdom, Japan and China experienced growth decline. There is high volatility in global financial markets. Moreover, central banks of various countries began to taper Quantitative Easing Policy such as the Federal Reserve (Fed) raised interest rates for 4 times from 1.25-1.50 percent to 2.25-2.50 percent. At the same time, the European Central Bank began to stop buying bonds and various Central Bank in Asia also began to adjust their monetary policy in accordance with economic expansion.

For Thailand, the economy grew from domestic demand with forecasted GDP² growth of 4.1 percent. However, investors began to reduce investment in risky assets due to concerns about trade war issues. As of the end of 2018, the SET Index³ declined 189.83 points, or 10.82 percent from the end of last year. Meanwhile, yield on government bonds (yields)⁴ has increased in almost every range (discount prices) as a result of increase in Fed Fund Rate, the Monetary Policy Committee (MPC) raised the policy rate by 0.25% to 1.75% in order to maintain the stability of the Thai financial system, while the baht value slightly appreciated against the US dollar compared to the end of last year.

GSB manages portfolios carefully in compliance with investment policy, commercial account status management policy and risk management policies as determined by the Board of Directors. Market risk management system was developed to limit risk within Risk Appetite. These are regularly reviewed by the Risk Management Committee. The Asset and Liability Management Committee oversees interest rate and interest rate risk management in accordance with the circumstance. There are also committees and executives who closely monitor the portfolios and risk exposure. The Bank’s market risk management process in 2018 can be concluded as follows:



- Source: 1. International Monetary Fund (IMF)
 2. Bank of Thailand (BOT)
 3. The Stock Exchange of Thailand (SET)
 4. The Thai Bond Market Association (Thai BMA)

Thailand GDP growth of

4.1%

the Monetary Policy Committee (MPC) raised the policy rate by 0.25% to

1.75%

in order to maintain the stability of Thai financial system

1) Revision of market risk management policy and interest rate risk management in banking book policy

To ensure its alinement with the regulatory criteria of the Bank of Thailand, including strategies and Business plan of the Bank.

2) Development of market risk measurement and assessment tools including:

- Measurement and assessment of impacts from risk factors that may affect investment portfolio value such as Mark to Market and Present Value of 1 basis point (PV01).
- Assessment of potential maximum losses from transactions made under normal situations, such as the use of Value at Risk (VaR) criteria to measure risks in the event of the change of risk factors under certain confidence level and holding period, and with back testing performed regularly to ensure the effectiveness of the VaR.
- Assessment of interest rate risk by timing mismatch analysis of maturity and interest rate change of assets and liabilities (repricing gap) and sensitivity analysis as to the impact of interest rate changes on net interest income (NII Sensitivity) of the Bank.
- Consistent review of risk limits and risk trigger for both trading and banking accounts and consistent review thereof to suit the changing situations, such as NII Sensitivity, PV01, VaR, Duration, etc.
- Conduct Stress Test for Market Risk and interest rate which is a simulation exercise under drastic changes in market risk and interest rate risk factors which might impair the Bank's revenues and capital funds basing on the situations referred to the Bank of Thailand's guidelines and the Bank's additional requirements. The results of the Stress Test are reported every quarter. In 2018, the test results for all situations complied with the stipulated criteria.
- Assessment of efficiency of risk hedging derivatives to ensure that derivatives are actually effective for risk prevention.

3) Monitoring and Reporting Market Risks as below:

- Preparation of investment and market risk status reports on daily, monthly and quarterly basis for submission to the relevant committees and executives.
- Utilize IT system (Investment System) for ongoing market risk monitoring and control that will give early warning before occurrence of any damaging event or risks exceeding the acceptable levels, and discontinuing transactions that are on the verge of exceeding risk limits set forth.

6. Liquidity Risk

Liquidity risks are the risks that may arise from the Bank's failure to settle debts and commitments at due dates if the assets available cannot be converted into cash, or if sufficient funds cannot be acquired, or even if the funds are available but carry unacceptably high costs to the extent (Funding Liquidity Risk) that will erode the Bank's revenues and capital funds at present or in the future. Liquidity risk may also occur when the Bank is unable to terminate or offset risk with the assets in hand, or the assets have to be disposed of at the price lower than the cost due to low liquidity of the assets or market liquidity shortage (Trading Liquidity Risk).

In 2018, the overall liquidity of the banking system declined from the previous year due to incremental loan expansion than deposits and fund raising through debt instruments B/E. Loan increased in accordance with economic growth, especially business loans related to export and tourism sectors, despite economic slowdown in the second half of the year after the impact of the trade war and decline of Chinese tourists. Meanwhile, retail loans continued to grow steadily due to car hire purchase loans after the end of the first-car tax rebate policy, expansion of consumer loans due to increased purchasing power and housing loans as a result of accelerated transfer of ownership before the enforcement of the Bank of Thailand housing loan controlling measures. However, large corporate loans declined as companies tended to raise funds through the issuance of debt and equity instruments. Meanwhile, deposits increased in the same level of credit because most banks still focus on cost management. Therefore, the price competition was not so intense. Nonetheless, at the end of the year, long-term deposit products were launched to control costs due to the rising interest rate trend in accordance with the interest rate policy.

GSB has been providing loans to government and state enterprises and many government projects such as loans to support the development of State Welfare cardholders, GSB SMEs Strengthening loan and SMEs Start Up loan. Moreover, the Bank has issued new deposit products with different maturity periods such as 5-month, 8-month and 11-month special savings deposit, 3-year and 5-year Special PSCs Lottery to allow customer to manage costs and risks in accordance with the increasing interest rate trend. As a result, the Bank can provide sufficient liquidity to support the operation of each period and can manage liquidity risks under the Risk Appetite.

The Bank sets the policy for liquidity risk management by the Board of Directors. The Risk Management Committee is responsible for approving monitoring and controlling of liquidity risk measure and system. In addition, the Asset and Liability Management Committee (ALCO) has the responsibilities to take charge of determining asset and liability management guidelines and setting liquidity risk management strategy to control the risk under the Risk Appetite. Also, a liquidity management taskforce consisting of executives from relevant units has been set up to consider and determine guidelines for deposit mobilization, investment, and loan provision to be in line with the business action plan. This aims at maintaining the Bank's liquidity at an appropriate level and available for fulfilling financial obligations. The Bank's liquidity risk management in 2018 can be summarized as below:



1) Revision of the liquidity risk management policy to be in line with the Bank of Thailand's guiding principles as well as the Bank's business strategy and business plan.

2) Development of liquidity risk measurement and assessment tools consisting of:

- Preparation of liquidity gap report for remaining contractual period and behavioral modification as well as making of Funding Concentration report.
- Liquidity risk measurement and assessment using financial ratios, such as loans to deposits ratio and liquid assets to deposits ratio, proportion of major funding source etc.
- Review of liquidity risk limits and triggers and identified high liquid assets (Liquidity Cushion) to ensure the Bank has adequate liquidity to serve its business operation.
- Review of stress test assumptions in relation to liquidity risks, conducted three simulation tests according to BOT guidelines including (1) Institution-specific crisis (2) Market-wide crisis and (3) combination of both. The Bank identified specific criteria for each simulation including deposit outflows and estimated securities' hair-cuts. Stress test results were reported quarterly and showed that in 2018 the Bank had adequate liquidity to cope with all crisis situations.
- Review of contingency liquidity plan, identified executives and related working units' roles and responsibilities and working processes as well as identified Early Warning Signals that indicated unusual liquidity. The contingency liquidity plan was tested to ensure its preparedness to cope with liquidity and crises problems promptly.

3) Monitoring and reporting liquidity risks including:

- Preparation of liquidity risks status reports on daily, weekly, monthly and quarterly basis, and projection of important liquidity ratios for submission to relevant executives and committees.
- Development of Asset and Liability Management (ALM) system for analyzing and assessing liquidity risk



7. Credit Risk

Credit Risk mean the probability of customers' or contract parties' failure to repay debts payment or non-compliance with obligations agreed upon, or inability to repay debts resulting in downgrading of credit ratings which may impair the Bank's revenues and capital funds.

The Bank is well aware of risks from current economic and social uncertainties and has closely monitored the debt quality and improved loan provision criteria and risk management to be better suit the current situation. Moreover, the Bank has systematically developed its risk management procedures in accordance with the best practice, rationalized loan underwriting process, and developed credit risk management tools to support quality credit expansion and investments, as well as monitored and controlled credit risk to an acceptable level. Details are summarized as below:

1) Credit Risk Management Policy

For effective credit risk management in the same direction and conforming with the Bank's strategy and policies.

2) Determine business loan policy

To serve as a framework and standard guidelines for better Bank's business loan performance.

3) Set up retail loan policies

To serve as a framework and standard guidelines for effective Bank's retail banking operations.

4) Determining policy for classification and retention of bank reserves

To be used as a guideline for classifying and retaining bank reserves to create stability. Adequate reserves will allow bank to avoid significant adverse effect that may arise from the impairment of assets held by the Bank.

5) Determine policy to consider risk acceptance and the minimum criteria for risk acceptance for credit cards and cash card loans

To be used as a framework for criteria and guidelines for providing credit cards and cash card loans.

6) Determine the authority to review and renew the business credit line including a review of the credit process and practices to align with the organizational structure

By setting check and balance process that complies with the principles of good risk management.

7) Identification on debt repayment ability including

7.1 Standardize debt repayment criteria for retail customers or DTI ratios to ensure that borrower has adequate funds for their living and to prevent future NPLs.

7.2 Standardize each business's net profit to be used as suitable criteria to determine debt repayment ability.

8) Credit Product Program (CPP)

To serve as a primary guideline for business loans consideration that the Bank will support, and business credit risk considerations for loan approval and renewal credit line with a business loan and/or total investment (Total Exposure) not exceeding 20 Million Baht (Check List : CL).

9) Determine Industry Limit

As guideline for loan approval process and ensure that loans are not concentrated in any particular industry or business.

10) Determine limits or ceiling for loans, investment or commitments for each counterparty country (Country Limit)

In order for the Bank to have a risk protection system for the counterparty country as well as allocate sufficient and appropriate reserves to support the impact that may occur from increased transactions.

11) Review of the Prime Bank qualification criteria

To consider qualifications for eligible Prime Bank.

12) Development and improvement of Credit Scoring Model

Consists of Credit Scoring Model (including Application Scoring, Behavior Scoring, Collection Scoring), credit risk rating model, and credit risk rating so as to screen customers in a more appropriate and efficient manner, including a Bureau Score for consideration in conjunction with the Credit Scoring Model.

13) Putting in place work systems to support the loan approval process of the Bank up to the standards and increase efficiency of risk management, such as

- 13.1 Loan origination and process system (LOPs), comprising loan origination system (LOR), collateral management system (CMS), and legal system (LS) to increase efficiency of loan approval process and competition ability.
- 13.2 Systems to analyze information of corporate customer loan risks, consisting of Business Data Analysis System (Enlite), financial analysis system (Optimist) and credit scoring calculation system (Blaze Advisor), and score calculation system for credit cards and credit card loans (Strategy Management).
- 13.3 Data base for risk management (Risk Data Mart) to support BIS ratio calculations, Stress Test and Credit Portfolio Management.

14) Monitor and control credit risks including:

- 14.1 Setting single lending limit to control risks and prevent the Bank from lending, invest, under obligation, or make transaction resemble giving out loan and to avoid Concentration Risk in any single customer or concerned parties.
- 14.2 Monitoring of industry limits to diversify risks and ensure no concentration in any particular industry.
- 14.3 Determine limits or ceiling for loans, investment or commitments for each counterparty country (Country Limit) to control risk and ensure that loans are not concentrated in any particular country or group of countries which have related economies.
- 14.4 Rationalization of credit review guidelines in line with regulatory criteria.
- 14.5 Monitor structure and quality of loan portfolios in line with the Bank's policy as well as monitor and control credit concentration regularly; Credit concentration by loan type, Business sector and Single Lending, to ensure the Bank's sufficient capital fund to run business if any event occurs that may affect a particular group of debtors or any business sector.

15) Establish an effective debt management process

to prevent and fix overdue debt including litigation or compromise process and property foreclosure management.

16) Provision of training and skill development

In areas of credit, investment and credit risk management, and support building of work culture among relevant staff members on a consistent basis.

17) Monitor and report risk to the Risk Management Committee and related Committees on regular basis.



8. Operational Risk

Operational risks mean the risks that may arise from lack of good corporate governance or good governance in relation to internal work process, personnel, work systems, or external circumstances, which may impair the Bank's revenues and capital funds. These also include legislative risks.

In 2018, operational risks facing financial institutions were on the upward trend, triggered by such external factors in particular, scams from outsiders, such as group of perpetrators disguised and used Identity Cards of other people to open a bank account and entice others to transfer money into the bank account which frequently appeared on the news. In addition, there are various scams including stealing information of debit cards and credit cards by using Skimmer. These events affect both costs and reputation and image of the Bank. The Bank has thus given importance to efficient operational risk management, by communicating to employees about the guidelines for accepting customers / opening deposit accounts, and strictly comply with KYC / CDD measure, provide Web Base Service of the Department of Administration, which is a system for customers' authentication. The system is used to verify the information and status of the customer's ID card who request for opening an account or make transactions at the Bank. GSB also advised and recommended customers to maintain security for using electronic card services to reduce important operational risk and able to cope with unexpected situations appropriately and on timely basis. In addition, in order to increasing competitiveness, the Bank focused on providing and developing digital services and products as well as assigned the IT Risk department to monitor and prevent IT threats and risks.

The Bank has instituted operational risk management processes. Every unit diagnose risk identification, assessment, follow-up, control and regular reports, to acknowledge and control operational risks to acceptable levels. Key operational risk management tools include:

1) Conduct of Risk Control Self Assessment (RCSA).

It is a tool to identify, evaluate and control risk including planning and key risk management consideration in order to allow the Bank to manage and cover significant risks and have adequate risk control under the acceptable risk level. RCSA will be reviewed at least once a year or when there are changes in key risk factors that affect the Bank's operations.

2) Loss Data Collection from operational risk.

The Bank developed a system to collect loss data from operational risk both from the past and at the present so as to facilitate report preparation through Loss Data Collection System. Loss data has also been collected systematically which will help the Bank analyze and monitor risks efficiently.

3) Key Risk Indicators (KRIs).

KRIs is a tool to monitor the Bank's risks to be a warning when errors happen or exceed to acceptable level of operational risk. The Bank needs to develop a proper management plan to prevent any damage.

4) Business Continuity Management (BCM).

BCM is a tool to relieve level of severity caused from the Bank's risks conducted regularly through the Bank's policies, standard, work processes, and significant Risk Assessment (RA) and threat that affects the Bank's ongoing services. In addition, the Business Impact Analysis (BIA) from disruption of service was performed to determine the important sequences of critical transactions and implemented the Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP) of major business transactions to ensure that the disruption of normal operation will not impact the core transactions and those can be carried out on a continuous basis or get back to normal environment in an appropriate time. In 2018, the Bank has set direction for Business Continuity Management to be consistent with and support Digital Banking by reviewing various related processes and tested business continuity plan in important business transactions and Disaster Recovery Plan (DRP) for core banking systems focusing on cyber threats by conducted interconnect tests integrating with maps related to business continuity management.

In addition, the Bank has established a policies, regulations to enhance the Bank's operational risk management:

- **The Bank has implemented Operational Risk Management policy** as a tool for determining operational scope and guidelines on the Bank's operational risk management by focusing on creating and developing the efficient operational risk management to be the core culture of the organization. This will help build confidence to customers, increase competitiveness, and add value to the Bank and stakeholders in a sustainable manner in accordance with the good risk management practices. The Bank also has a sufficient and appropriate capital calculation principle to prepare for its 9 operational risks of the Bank.
- **New product policies** are used as a framework and guidelines for launching new products to increase the Bank competitiveness, create revenue growth, expand customer base, and ensure clear and standard product launch processes that reduce failures.
- **Outsourcing Policy** is used for hiring external service providers in line with the Bank of Thailand guidelines. Three main principles are outsourcing risk management, business continuity management and customer service /customer protection and customer information security management.
- **Business Continuity Management Policy and Business Continuity Management Framework** are used to determine bank wide policies, standards, and work processes to ensure when any event disrupts normal operations, critical transactions can be carried on uninterruptedly or restored in due time. The Bank uses Risk Assessment (RA), Business Impact Analysis (BIA), operation target recovery, Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to mitigate potential disruptions, plan testing and promoting business continuity management to be organizational culture.
- **The Bank's insurance policies** use guidelines that protect against and reduce asset and liability risks. Appropriate insurance coverage is outlined and effectively managed to align with supervision unit guidelines. The Bank also established guidelines for selecting secure and efficient insurance companies to ensure acceptable level risks.

The Bank annually reviews policies in line with changing environments including: Bank operations, organization restructure so that supervisory units, the Board of Directors and stakeholders remain confident of the Bank's management and operational risk management efficiency.



9. Capital Adequacy

Capital adequacy risks occur when inadequate capital is available to support business expansion or to accommodate any unexpected loss or damage as well as any changing regulations and circumstances.

GSB place emphasis on effective capital management by maintaining minimum capital fund stipulated by the regulation controlling the specialized financial institutions prescribed by the Bank of Thailand (BOT), and adopted capital adequacy ratio calculation under Basel II (Pillar I) as follows:

- Standardized Approach “SA” for credit risk;
- Standardized Approach “SA” for market risk;
- Basic Indicator Approach “BIA” for operational risk;

Simultaneously, external and internal factors that may affect the Bank’s fund status will be monitored and analyzed and reported to the Risk Management Committee on regular basis. Risk factors and events that may affect the capital adequacy will be tested in a form of the Portfolio View of Risk. If the evaluation results indicated any possibilities that BIS Ratio is lower than the acceptable level, risk management team will report senior executives and Risk Management Committee to immediately prepare responding plan to ensure that the Bank has an adequate level of capital.

As of November 30, 2018, the Bank had a BIS Ratio of 14.82%, which is higher than the minimum requirement of the Bank of Thailand, of not less than 8.5%, with Tier-1 Capital ratio of 13.59%, higher than the minimum requirement of the BOT of not less than 4.25%. Major composition of the capital funds are mainly retained earnings. Meanwhile, majority of risk assets are credit risk assets which are the main transactions of the Bank.

In 2018, the Bank has conducted Internal Capital Adequacy Assessment Process (ICAAP) according to Basel II prescribed by the Bank of Thailand to prepare for compliance with International Financial Reporting Standard No. 9 (IFRS9) to assess the impact that may have on capital adequacy and provide appropriate and timely support.

Internal Audit





Internal Audit

The Internal Audit processes is an assurance services and provides independent and fair consulting service which would enhance corporate value through improved organizational performance. The process enables the Bank to achieve its overall objectives by reviewing and evaluating its risk management, internal control and supervision processes in compliance with International Standards for the Professional Practice of Internal Auditing, Ministry of Finance Internal Audit Committee and State Enterprise Internal Audit Unit B.E. 2555 (2012), and Internal Audit Procedures Manual B.E. 2555 (2012) Standards.

The Bank's Board of Directors, Audit Committee and management team recognize the importance and promote independency of internal Auditor when implementing internal audit planning and process. Our co-objective is to evaluate Bank internal control efficiency and effectiveness in order to protect or reduce operational risks.

In 2018, the Audit Group complied with the state-enterprise internal audit framework as follows:



Internal auditor qualifications

All GSB internal auditors must at least possess a bachelor degree or higher educational certificates. The Audit Group pro-actively helps internal auditors to continuously develop their knowledge and skills to improve their ability to perform duties in accordance with internal audit professionals' code of ethics. Each auditor must attend not less than 40 hours training per year. Currently, our internal auditors have obtained a total of four professional certifications, including six auditors obtained Certified of Information System Auditor (CISA), two auditors obtained Certified of Public Accountant (CPA), eighteen auditors received Certified of Professional Internal Auditors of Thailand (CPIAT), and ten auditors possessed Certified Information Security Management System Auditor 2 Lead Auditor Training Course (Based on ISO/IEC 27001: 2013 standard) designations.

Internal audit unit structure

The Internal Audit group can perform its roles independently and report to the Audit Committee and the GSB President and CEO. In addition, we have set up Internal Audit Charter to stipulate specific internal audit roles and responsibilities and published to all GSB employees. All internal auditors must disclose conflicts of interest prior to performing their duties.

Management team relationships

The Audit Group collaborated with senior executives and related executives to discuss and plan auditing process and improved internal control process according to executives' recommendations from the audit reports.

Audit Group responsibilities

The Audit Group responsibilities include auditing for complete and reliable financial information, legal, regulatory and policy compliance and ensuring that operational and working process that may affect corporate objectives and goals are adequately controlled. It also includes evaluating and assuring that Bank's resources are utilized based on cost-efficient basis. COSO compliance is achieved through continuous environment risk evaluations that are followed-up with performance result reviews that include measuring fraud prevention internal control adequacy and efficiency.

Operations and reports

The Audit Group has developed master internal audit scheme which consists of strategic audit plan, comprehensive annual audit plans, human resource management plan, personnel development plan and other resource management plans to evaluate risks that may hinder the abilities of the unit and Bank to achieve overall targets. The Internal Audit applies all Risk-Management-Group identified risk factors to develop and implement efficient audit plans to ensure that Bank can achieve its overall corporate goals. The Audit Group has developed auditing method by adopting various advanced tools, equipment and technology to assist in the operation, including the use of data management system to collect information to create more effective auditing plan. After internal audit process, internal auditors would give suggestions for improvement, follow-up on results and review compliance with recommendations of internal auditors on monthly basis. Quarterly and annual reports are submitted to the Bank's President and CEO and Audit Committee.

Maintaining internal auditor quality

After the internal audit process, the Audit Group requires auditors to conduct self-quality-performance assessments and in-house quality-performance assessments. The assessment results would be used to improve internal audit efficiency.



Performance Report of Audit Committee of Government Savings Bank 2018

GSB Audit Committee consists of three independent directors who are qualified in many areas, with sufficient knowledge and experience to review the reliability of the financial statements. The Audit Committee has performed their duties in accordance with the scope of authority, duties and responsibilities specified in the Charter of the Audit Committee delegated by the GSB Board of Directors, which are in accordance with the regulations of the Ministry of Finance regarding the Audit Committee and the Internal Audit Unit of the State Enterprise B.E. 2555 (2012), Operational Manual of Audit Committee in State Enterprises, Ministry of Finance. The Audit Committee emphasizes on efficient and effective internal audit process to promote value creation and prevent damage that may occur to the bank, as well as focus on transparency.

In 2018, the Board of Directors appointed Audit Committee as follows:

1. According to GSB Order No. 2-29/2017 regarding the appointment of Audit Committee as of March 30, 2017, effective from February 21, 2017 to March 1, 2018, except Mr. Chusak Salee who shall be effective to January 15, 2018 as he would reach 65 years of age, namely;

Mr. Pitsanu	Vichitcholchai	Chairman of Audit Committee
Mr. Jessada	Promjart	Member of Audit Committee
Mr. Chusak	Salee	Member of Audit Committee

2. According to GSB Order No. 2-32/2018 regarding the appointment of Audit Committee as of April 11, 2018, effective from March 2, 2018 to December 7, 2018, namely;

Mr. Pitsanu	Vichitcholchai	Chairman of Audit Committee
Mr. Jessada	Promjart	Member of Audit Committee
Mrs. Sauwanee	Thairungroj	Member of Audit Committee

3. According to GSB Order No. 2-11/2019 regarding the appointment of Audit Committee as of January 22, 2019, effective from December 21, 2018 to present, namely;

Mrs. Sauwanee	Thairungroj	Chairperson of Audit Committee
Mr. Jessada	Promjart	Member of Audit Committee
Mrs. Philaslak	Yukkasemwong	Member of Audit Committee

Senior Executive Vice President of GSB Audit Group roles as secretary of Audit Committee.

During the year 2018, Audit Committee held 11 meetings with executives, internal auditors and auditors (State Audit Office of the Kingdom of Thailand) to discuss on related agendas and focus on creating Good Corporate Governance. The Board of Directors has reported meeting summary to GSB Board of Directors.

Financial Statement Review

Audit Committee reviewed the financial statements before and after the auditor's review by quarter and auditing of financial statements before and after Auditor's review annually, together with audit groups, auditors, and the management. The Committees consider the analysis of the Bank's performance and financial position on significant issues. The Committees also provide helpful feedback to ensure the financial reporting process, accurate information, reliability, and in line with the generally accepted accounting standards and financial reporting standards. The financial statements disclosed sufficient, complete, timely, reliable and useful material information for users of financial statements, including monitoring the preparation to support compliance with Thai Financial Reporting Standards (TFRS 9) of the Bank.

Reviewing the Effectiveness and Efficiency of Internal Control Processes and Good Corporate Governance Process

The Audit Committee has reviewed the adequacy of the internal control system by considering audit results of the internal auditor and audit results of the Bank regulators, and emphasizing the importance of systematic internal control, and integration of good governance groups and risk management group according to principle of Governance, Risk and Compliance to create a good governance process for the Bank. The objectives are to ensure that the internal control system and management of GSB is appropriate, concise and effective. In addition, the Audit Committee also monitored and supervised the operation, corrected the issues found from both internal and external audits to be appropriate and timely, follow up on reports of audit results regarding control and IT security of operating systems and databases (Sumo & MyMo), cyber security of Internet Banking and GSB Pay services to be in compliance with international standards.

Reviewing the Risk Management Process

The Audit Committee has reviewed monthly and quarterly risk analysis reports as well as monitored results and approaches of risk management, risk factors and incurred damages to ensure that GSB's risk management in all aspects are appropriate, effective and under acceptable level. The Audit Committee also to provide guidance for a robust control system, prevention of risk, corruption and fraud that might happen.

Review of Compliance with Laws and Regulations of the Bank and Regulatory Agencies

The Audit Committee has followed up the progress of the internal auditor's recommendations, monitored the implementation and revision of the audit of the Bank of Thailand and the State Audit Office of the Kingdom of Thailand, including review and follow-up of GSB's regulations, procedures, announcements and orders related to operations on regular basis. The Audit Committee emphasized on preventive audit process and provided value-added advice as well as encourage the Bank to apply IT system in the audit process in order to ensure that all departments complying with the laws and GSB's regulations and bank regulators.

Supervision of Internal Audit

The Audit Committee has reviewed and approved the audit committee charter to determine the appropriateness of duties and responsibilities, scope of work, rights, duties and independence of the Board. They also approve the revision of the 2018 Annual Internal Audit Manual and the Master Plan for Internal Auditing by covering all matters under the responsibility of Audit Committee. In addition, to strengthen confidence of the internal audit work, Quality Assurance and Performance Improvement Plan for Internal Audit were prepared for 2019. The Audit Committee also promoted and encouraged internal auditors to develop their knowledge and skills and special qualifications related to internal auditing, and professional development on continuous basis in order to support the Bank's operation which changes constantly.

Discussion with the Auditor

The Audit Committee has discussed with the auditor about the scope and guidelines of the auditing process, the findings, and the recommendations to avoid duplicate checks. This is to bring about good coordination and follow up on the improvement of operations as suggested by the auditor as well as consider the auditor's remuneration as deemed appropriate to be proposed to the GSB Board of Directors for approval and conducted meetings with the auditors without management to consider the scope of work and auditing guidelines of the auditors.

Discussion with Management Group Level and Sector Level

The Audit Committee has consulted with group and sector executive level to understand the policies, management approaches, internal controls, risk management of working groups and sectors, including problems in the management. This is to find preventions and solutions and do not affect the Bank.

Maintaining the Quality of Audit Committee

Audit Committee has reviewed and revised the charter of Audit Committee. Self-assessment in accordance with good practices of the Office of the State Enterprise Policy Commission, Ministry of Finance is conducted. The Board also encourages Audit Committee to attend the training to increase knowledge related to the duties and responsibilities of Audit Committee and supporting the performance of duties of Audit Committee to achieve efficiency and objectives set out in the charter of Audit Committee.

Auditor's Remuneration

Government Savings Bank is a state enterprise with the State Audit Office of the Kingdom of Thailand as the auditor. The auditor's remuneration fee is 3,280,000.00 Baht.

The Audit Committee has performed their duty with prudence and expressed a straightforward and transparent opinion for maximum benefit of the Bank. The Audit Committee believes that financial statements of GSB and information disclosure are complete, reliable and comply with accounting standards in accordance with generally accepted accounting principles, risk management, effective internal control system in sufficiency level. Internal auditors carried out their assignment with independence covering high risk working processes and in compliance with the audit standard, as well as supervise the Bank's operation to be in accordance with the law or regulations for the maximum benefit of the Bank without restrictions on obtaining information, resources, and cooperation from GSB.



(Mrs. Sauwanee Thairungroj)
Chairman of Audit Committee



Good
Corporate
Governance

Good Corporate Governance

GSB has adopted Good Corporate Governance principles in its management to achieve its mission and in line with National Strategy. The Bank believes that conducting business on the basis of honesty, transparency, fairness, compliance with rules and laws will allow the Bank to grow sustainably and stably. The Bank has promoted good governance culture led by good example of the Board of Directors and executives at various levels for employees to create consciousness in compliance with Good Corporate Governance principles, ethics and morality.

In addition, the Bank also focuses on organization structures and management mechanisms within the organization which connects relationship between the Board of Directors, executives, employees and staffs. The Bank's important objectives in bringing the organization adopt Good Corporate Governance with credibility and able to increase economic value, creating maximum benefits for all stakeholders of the GSB and contribute to sustainable national development.

Good Corporate Governance Principles

The Bank has consistently adhered to and followed the principles of Good Corporate Governance, by complying with international Good Corporate Governance guidelines, such as guidelines for Organisation for Economic Co-operation and Development (OECD) and in accordance with "Principles and Guidelines for Good Governance for State Enterprises for the year 2009" of the State Enterprise Policy Office (SEPO). Therefore, the Bank has determined good corporate governance principles for executives, employees and staffs to be used as practical guidelines, which consist of the following seven important principles

1. Accountability

Responsibility for performance

2. Responsibility

awareness of duty with sufficient capacity and efficiency.

3. Equitable Treatment

honest and equality must be taken in action to all stakeholders, for example, procurement must be fair and equitable. If there is a complaint, action should be taken with logical description.

4. Transparency

must be transparent in two ways:

4.1 Transparent operation

4.2 Transparent Information
Disclosure to all parties involved.

5. Value Creation

value creation for both short and long term. Any change or value-adding activity should increase competitive competency.

6. Ethics

to promote Good Corporate Governance and Ethics

7. Participation

to promote the dissemination of opportunities for the public to engage in commenting on actions that may have an impact on the environment, health, hygiene, quality of life and well-being of the community or local area.

Good Corporate Governance Policy

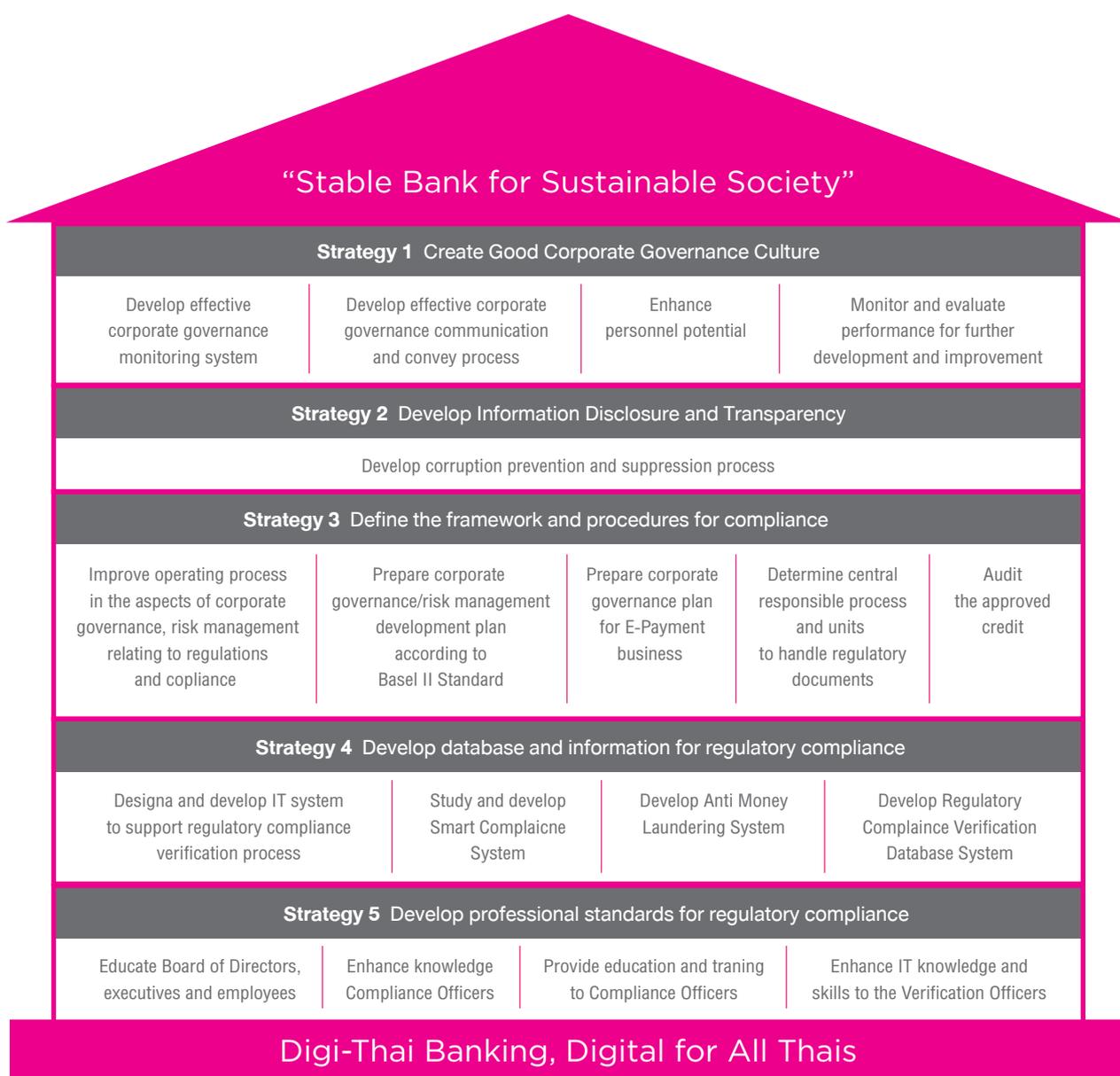
The Board of Directors has intention to promote the Bank to have effective business operation, corporate governance and excellent management. GSB focuses on creating benefits for all stakeholders with integrity, transparency, and effective operations. The Bank provides opportunity for stakeholders to participate in the joint decision-making and collaborative action which corresponds to the Principles of Corporate Governance in accordance with international practices at all times. The Board of Directors has established written Good Corporate Governance policy which compiled the principles of Good Corporate Governance and good practices of the Board of Directors as follows:

1. The management and all employees are committed to apply the key principles of good corporate governance. There are seven aspects which are accountability, responsibility, equitable treatment, transparency, value creation, ethics and participation to be used in the operation. The management structure is related to the Board of Directors and the management.
2. The Board of Directors will perform their duties with dedication and responsibility. There is a clear separation of roles and responsibilities between the Chairman of the Board and the Director of the Bank.
3. The Board of Directors play an important role in shaping the Bank's vision, strategy, policies and plans. Risk factors should be considered along with appropriate management guidelines. Accounting system and auditing must be transparent to ensure reliability.
4. The Board of Directors and executives must be leaders in ethics to be a good example of the Bank's corporate governance practices to help monitor and supervise on problem solving, Conflict of Interest and connected transactions.
5. The Board of Directors may appoint specific committees as appropriate to help scrutinize important tasks carefully.
6. The Board of Directors must provide annual self-assessment as a frame to monitor the performance of the Board of Directors.
7. The Board of Directors should consider and determine the Bank's Code of Conduct to all management and employees as a guide of working practice.
8. Disclosure of the Bank information in both financial and non-financial matters should be provided reliably and timely to ensure that all stakeholders are equally informed. There are also agencies responsible for disseminating bank information to customers and the general public.
9. There is a system of personnel selection that will take over the key management positions at all levels with appropriate and transparent recruitment process.
10. Oversee that clear anti-corruption policies and practices have been established and communicated to all levels of the Bank and to third parties for actual implementation and give attention to all forms of anti-corruption.

Good Corporate Governance Implementation Plan

The Bank has adopted a good corporate governance policy. The Master Plan of Corporate Governance for the years 2018 - 2022 is the framework for the implementation. The five strategies are as follows:

- Strategy 1 Create Good Corporate Governance Culture
- Strategy 2 Develop Information Disclosure and Transparency
- Strategy 3 Define the framework and procedures for compliance
- Strategy 4 Develop database and information for regulatory compliance
- Strategy 5 Develop professional standards for regulatory compliance





Compliance with Good Corporate Governance Principles and Guidelines

Responsibilities of the Board of Directors

Structure and Responsibilities of the Board of Directors

The Cabinet has appointed GSB Board of Directors from January 1 to December 17, 2018 as follows:

No.	Name			Position
1	Mr. Kulit	Sombatsiri	(until September 30, 2018)	Chairman
2	Mr. Prapas	Kong-led	(until May 31, 2018)	Director
3	Mr. Sutthichai	Sungkamanee		Director
4	Mr. Pitsanu	Vichitcholchai		Director
5	Mrs. Wannipa	Bhakdibutr	(until September 12, 2018)	Director
6	Mr. Jessada	Promjart		Director
7	Miss Sompis	Charoenkiatikul	(until May 24, 2018)	Director
8	Mr. Chusak	Salee	(until January 15, 2018)	Director
9	General Jiradej	Mokkhasmit		Director
10	Mrs. Philaslak	Yukkasemwong	(January 23, 2018 - September 30, 2018)	Director
11	Mr. Taveesak	Foongkiatcharoen	(since January 23, 2018)	Director
12	Mrs. Pongpen	Ruengvirayudh	(January 23, 2018 - September 2, 2018)	Director
13	Mrs. Sauwane	Thairungroj	(since January 23, 2018)	Director
14	Mr. Yunyong	Teng-Amnuay	(since January 23, 2018)	Director
15	Mr. Poomsak	Aranyakasemsuk	(since June 19, 2018)	Director
16	Mr. Chatchai	Payuhanaveechai		Director and Secretary

GSB Board of Directors which have been appointed to be in the position from December 18 to December 31, 2018 are as follows:

No.	Name			Position
1	Mr. Amnuay	Preemonwong	Representative of Ministry of Finance	Chairman
2	Mr. Poomsak	Aranyakasemsuk	Representative of Ministry of Finance	Director
3	Mr. Boonchai	Charassangsomboon	Representative of Ministry of Finance	Director
4	Mr. Jessada	Promjart		Director
5	Miss Yaowanooch	Wiyaporn		Director
6	Mrs. Sauwane	Thairungroj		Director
7	Miss Tidarat	Thanapakpawin		Director
8	Mrs. Philaslak	Yukkasemwong		Director
9	Mr. Yunyong	Teng-Amnuay		Director
10	Mr. Taveesak	Foongkiatcharoen		Director
11	Mrs. Patcharavalai	Jayapani		Director
12	Mrs. Siriporn	Nopwattanapong		Director
13	Mr. Chatchai	Payuhanaveechai		Director and Secretary

Authority

Government Savings Bank Act, B.E. 2489 (A.D. 1946) and amended the authority to control and manage the Bank as follows:

“The Minister of Finance shall have the powers and duties on Government Savings Bank. There is a committee called. “GSB Board of Directors” consists of one Chairman and not less than six other directors, but not more than thirteen people which the Cabinet appointed and GSB President & CEO is the director and the secretary. The Board has the power to set policies and supervise in general. The business of Government Savings Bank includes general terms and conditions of various types of businesses. The Director shall be the Manager of Government Savings Bank. The Authority shall have the power to administer the affairs and work of Government Savings Bank in accordance with the law, rules, regulations, and regulations of Government Savings Bank as assigned by the Board which have the power to appoint, promote or pay disciplinary action may be taken or dismissed from the position of the employee in accordance with the rules and conditions prescribed by the Board, the Bank’s policy and regulation, or the regulations of the Board of Directors.”

In the year 2018, the operation of GSB was in line with the situation of the current economic change. This is to ensure that the operation of GSB is continuous and more effective. The promulgation of Government Savings Bank Act (No. 4), B.E. 2560 (2017), which has added provisions on the capital increase of Government Savings Bank and amending the powers and duties of the Board. The Board of Directors of Government Savings Bank have the authority to consider and approve the budget of the Bank as well as to announce the statement of financial position and annual report.

Qualifications of Directors

The Bank’s directors must have qualifications and not be prohibited under the Qualifications Act B.E. 2518 (A.D. 1975) and amendments, Government Savings Bank Act B.E. 2489 (A.D. 1946) and and the amendments, Payment System Act, B.E. 2560 (A.D. 2017) and the notifications of the Bank of Thailand on Governance.

The Board of Directors consists of experts in various fields such as Economics, Accounting, Business Administration, Law and Public Administration. The Board are qualified, knowledgeable and practical. All directors dedicate their time to perform the duties of the Board of Directors taking the time to participate in the Bank’s activities.

Independency of Directors

The Independent Director of Government Savings Bank is defined by the Office of the State Enterprise Policy Committee as “an external director who is not an executive of a state enterprise and not being an executive director or a director who is empowered by state enterprise. He should be independent of major shareholders, executives and related persons. It can equally protect the interests of the state or shareholders. It can help to prevent conflicts of interest between state-owned enterprises and their related parties.” and consideration of the definition of Directors who are executives and designated by position stipulated by the Notification of the Bank of Thailand No. SorKhor. 3/2016 Re: Good Governance of Specialized Financial Institutions

“Executive Directors” means

- (1) Directors who are responsible for management in the positions of Manager, Deputy Manager, Assistant Manager or equivalent position with another name.
- (2) Directors who are responsible for the operation or participation in any management as the executive and shall include the Executive Committee.
- (3) Authorized signatory directors except in the case of execution which would create obligation of the Bank in accordance with the lists approved by the Board of Directors on a case-by-case basis and joint signing with other directors. As at December 31, 2018.

Tenure

The Chairman of the Board of Directors or the Board of Directors appointed by the Cabinet shall hold office for a term of three years, with the Chairman of the Board of Directors or the Bank’s Director vacating office may be re-appointed not more than 2 consecutive terms.

Subcommittee

The Board of Directors has appointed sub-committees to analyze and give opinions to the Board of Directors. Subcommittees have the following components and responsibilities:

1. Executive Committee

From January 1 - January 15, 2018

No.	Name	Position
1	Mr. Prapas Kong-led	Chairman
2	Miss Sompis Charoenkiatikul	Director
3	GSB President & CEO	Director and Secretary

From January 16 - March 1, 2018

No.	Name	Position
1	Mr. Sutthichai Sungkamanee	Chairman
2	Miss Sompis Charoenkiatikul	Director
3	GSB President & CEO	Director and Secretary

From March 2 - October 3, 2018

No.	Name	Position
1	Mrs. Pongpen Ruengvirayudh (until September 2, 2018)	Chairman
2	Mr. Sutthichai Sungkamanee	Director
3	Miss Sompis Charoenkiatikul (until May 24, 2018)	Director
4	Mr. Yunyong Teng-Amnuay	Director
5	GSB President & CEO	Director
6	GSB Inspector General (Miss Nattanakorn Boonwongse)	Secretary

From October 4 - December 20, 2018

No.	Name	Position
1	Mr. Sutthichai Sungkamanee	Chairman
2	Mr. Yunyong Teng-Amnuay	Director
3	GSB President & CEO	Director
4	GSB Inspector General, report to GSB President & CEO	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk	Chairman
2	Mr. Boonchai Charassangsomboon	Director
3	Mr. Taveesak Foongkiatcharoen	Director
4	Mr. Yunyong Teng-Amnuay	Director
5	GSB President & CEO	Director
6	GSB Inspector General (Miss Nattanakorn Boonwongse)	Secretary

- Consider and propose policies, strategies, business plans, plan to control and monitor the management to the GSB Board of Directors for approval.
- Propose direction and investment guidelines, other credit and business operations to GSB Board of Directors for approval.
- Approval of investment credit and other business operations of Government Savings Bank as assigned by the Board of Directors.
- Monitoring investment, credit and other business operations to ensure that they are in accordance with the plan and goals of GSB.
- Screening or approving general debt restructuring and debt problems, valuation criteria for collateral, write off and changes to the terms and conditions of investment as assigned by the Board of Directors.
- Consider and give comments on investment, credit and the procurement which are under the approval of the GSB Board of Directors.
- Consider the Strategic Plan, Budget, and Agreement for the Annual Performance Evaluation of GSB.
- Follow up on comments and suggestions. According to the strategic plan and budget of GSB.
- Consider, approve or approve budget transfers and/or change budgets which have been allocated as assigned by the Board of Directors.
- Consider and propose appropriate and effective organizational structure, including suggestions, policies and strategies on personnel, compensation and welfare of employees and employees to the GSB Board of Directors for consideration and approval.
- Supervise and advise on the performance of GSB relating to organizational structure, personnel, compensation and welfare of employees and staffs as well as promote dynamic and sustainable development of the Bank.
- Consider and propose number of required workforce and recruitment method to be consistent with the structure of GSB to the Board of Directors.
- Supervise, monitor and provide advice on HR development at all levels to be ready in all aspects, allow employees to have vision, knowledge, good personality and conscience.
- Supervise, monitor and provide advice on employment of educational institutions, external Consultants or advisors to develop the HR management system of GSB.
- Focus on integrating work processes in corporate governance, risk management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

2. Audit Committee

From January 1 - March 1, 2018

No.	Name	Position
1	Mr. Pitsanu Vichitcholchai	Chairman
2	Mr. Jessada Promjart	Director
3	Mr. Chusak Salee (until January 15, 2018)	Director
4	GSB Senior Executive Vice President - Audit Group	Secretary

From March 2 - December 20, 2018

No.	Name	Position
1	Mr. Pitsanu Vichitcholchai	Chairman
2	Mr. Jessada Promjart	Director
3	Mrs. Sauwanee Thairungroj	Director
4	GSB Senior Executive Vice President - Audit Group	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mrs. Sauwanee Thairungroj	Chairman
2	Mr. Jessada Promjart	Director
3	Mrs. Philaslak Yuktasemwong	Director
4	GSB Senior Executive Vice President - Audit Group	Secretary

- Review quarterly and annual financial reports to ensure that all financial reports are properly prepared and in accordance with generally accepted accounting principles and adequate disclosure, completed and reliable.
- Review the effectiveness and efficiency of internal control processes, Good Governance Process and Risk Management Process.
- To review the operation of Government Savings Bank in accordance with the laws, rules, regulations and procedures, Cabinet Resolutions or Notices Relating to the GSB's operation.
- To review the Bank's internal audit system well and the independence of the audit group.
- Review and approve Audit Group Charter, master plan for internal audit, performance evaluation agreement and the operating manual of the monitoring group.
- Prepare audit committee charter to be in line with the scope of responsibilities in the GSB's operation. The Charter must be approved by the Board of Directors and shall be reviewed at least once a year.
- Coordinate with management, auditors and other regulatory bodies to achieve the objectives prescribed by the GSB effectively and efficiently.
- Coordinate with auditors regarding audit results and may also suggest to audit or review any items deemed necessary, including propose remuneration of the auditor to the Board of Directors.
- Supervise personnel development, consider the adequacy of the number and skills of internal auditors in the context of GSB environment and key features including qualification and professional skills, computer, business and other skills as deemed appropriate.
- To propose recommendations to the GSB Board of Directors for the appointment, transfer, promotion, promotion and evaluate the performance of the top executives of the audit group. The top executives of Government Savings Bank offer opinions for consideration.
- Focus on integrating work processes in Corporate Governance, Risk Management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

- Director appointed as a new Audit Committee should receive the information necessary to perform the duties as an Audit Committee by receiving relevant documents and discuss with the management, the Auditor, the Internal Auditor in order to have an understanding of relevant issues.
- Consider connected transactions or transactions that may lead to conflicts of interest or potential fraud that may affect the performance of GSB, disclosure of information of GSB, especially in the case of transactions that may have conflicts of interest, including the public service account to be accurate and complete.

3. Risk Management Committee

From January 1 - March 1, 2018

No.	Name	Position
1	Mr. Sutthichai Sungkamanee	Chairman
2	Mrs. Wannipa Bhakdibutr	Director
3	Miss Sompis Charoenkiatikul	Director
4	GSB President & CEO	Director
5	GSB Senior Executive Vice President - Risk Management Group	Secretary

From March 2 - December 20, 2018

No.	Name	Position
1	Mr. Sutthichai Sungkamanee	Chairman
2	Mrs. Wannipa Bhakdibutr (until September 12, 2018)	Director
3	Miss Sompis Charoenkiatikul (until May 24, 2018)	Director
4	Mr. Taveesak Foongkiatcharoen	Director
5	Mr. Yunyong Teng-Amnuay	Director
6	GSB President & CEO	Director
7	GSB Senior Executive Vice President - Risk Management Group	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mrs. Patcharavalai Jayapani	Chairman
2	Mrs. Siriporn Nopwattanapong	Director
3	Miss Tidarat Thanapakpawin	Director
4	GSB President & CEO	Director
5	GSB Senior Executive Vice President - Risk Management Group	Secretary

- Determine policies to propose to the GSB Board of Directors for consideration regarding overall Risk Management, which must cover major risks such as strategic risk, credit risk, market risk, liquidity risk, operational risk and risks affecting the reputation of the bank.
- Establish Risk Management Policies to be in line with the strategy to cover evaluation, monitor and supervision of risk exposure of GSB to the appropriate level.
- Approve systems for measuring, monitoring and controlling risks.

- Review the adequacy of risk management policies and procedures which includes the effectiveness of the process and the implementation of the prescribed policies.
- Ensure adequate resources for risk management such as personnel in the Risk Management Department, work system to support risk management.
- Considering the rules / procedures for entering into transactions or the issuance of new product of derivatives transactions that affect the risk before proposing for approval transactions by the Board of Directors or Committee assigned by GSB.
- Monitor and report the risk status of GSB to the Board of Directors and the Audit Committee on what needs to be adjusted in order to comply with the policies and strategies specified.
- Focus on integrating work processes in corporate governance, risk management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

4. Good Corporate Governance Committee

From January 1 - March 1, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr	Chairman
2	Mr. Sutthichai Sungkamanee	Director
3	GSB President & CEO	Director
4	GSB Senior Executive Vice President - Human Resources Group	Director
5	GSB Senior Executive Vice President - Business and Public Sector Customers Group	Director
6	GSB Senior Executive Vice President - Compliance and Good Governance Group	Secretary

From March 2 - October 3, 2018

No.	Name	Position
1	Mrs. Pongpen Ruengvirayudh (until September 12, 2018)	Chairman
2	Mr. Sutthichai Sungkamanee	Director
3	Mr. Taveesak Foongkiatcharoen	Director
4	GSB President & CEO	Director
5	GSB Senior Executive Vice President - Human Resources Group	Director
6	GSB Senior Executive Vice President - Business and Public Sector Customers Group	Director
7	GSB Senior Executive Vice President - Compliance and Good Governance Group	Secretary

From October 4 - December 20, 2018

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mr. Sutthichai Sungkamanee (until December 17, 2018)	Director
3	GSB President & CEO	Director
4	GSB Senior Executive Vice President - Human Resources Group	Director
5	GSB Senior Executive Vice President - Business and Public Sector Customers Group	Director
6	GSB Senior Executive Vice President - Compliance and Good Governance Group	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mr. Boonchai Charassangsomboon	Director
3	Miss Yaowanooch Wiyaporn	Director
4	GSB President & CEO	Director
5	GSB Senior Executive Vice President - Human Resources Group	Director
6	GSB Senior Executive Vice President - Business and Public Sector Customers Group	Director
7	GSB Senior Executive Vice President - Compliance and Good Governance Group	Secretary

- Define policies, strategies, goals and action plans as well as the regulations, Good Corporate Governance Guidelines Regulatory compliance and credit review of the Bank to comply with the laws and regulations, Rules and how to manage the good business presented to GSB Board of Directors.
- Determine best practices guideline for the Board of Directors, Good Corporate Governance for the State Enterprise, approved by the Cabinet to GSB Board of Directors.
- Promote and disseminate corporate governance culture, encourages the Board of Directors, executives, employees, the community, customers and the general public to participate in the activities.
- Review the policy and evaluate the effectiveness of risk management in the area of compliance with the rules as deemed necessary and appropriate in order to ensure that the regulatory compliance of the Bank is at suitable level.
- Assess the annual performance of Regulatory Compliance Department to prevent conflicts of interest and promote independence.
- Approve Annual Compliance Report
- Control and monitor the operation of good corporate governance, regulatory compliance and regular credit review to report to the GSB Board of Directors to learn about abnormal or unethical matter immediately. The report must be presented to the Board of Directors for acknowledgement at least on quarterly basis including good corporate governance reports, regulatory compliance and annual credit review.
- Suggest measures or guidelines needed to promote implementation of good corporate governance, regulatory compliance and effective annual credit review to the GSB Board of Directors and GSB Management.
- For the benefit of the duties set out in the above charter, Committees appointed by the current Board of Directors may be invited to give comments on or consider related issues and have the power to issue an inquiry or request any person involved in the implementation of the Charter to provide statement, written clarification or submit account, document or any other evidence to review or consideration as deemed appropriate.
- Focus on integrating work processes in corporate governance, risk management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

5. Employee Relations Committee

From January 1 - February 27, 2018

No.	Name	Position
1	Mr. Prapas Kong-led	Chairman
2	9 Representatives of Employers	Director
3	9 Representatives of Employees	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

From February 28 - July 23, 2018

No.	Name	Position
1	Mr. Prapas Kong-led (until May 31, 2018)	Chairman
2	9 Representatives of Employers	Director
3	9 Representatives of Employees	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

From July 24 - December 31, 2018

No.	Name	Position
1	General Jiradej Mokkhasmit	Chairman
2	9 Representatives of Employers	Director
3	9 Representatives of Employees	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

- Consider the improvement of the operating efficiency of GSB to promote and develop labor relations.
- Find a way to reconcile and settle disputes in Government Savings Bank.
- Consider updating the working regulations which will be beneficial to employers, employees and the Bank.
- Conduct mutual consultation to resolve employee complaints, including complaints about disciplinary action.
- Consultation to improve employment conditions.
- Appointment of Screening Working Group to be under Employee Relations Committee
- Perform any other actions as prescribed in the State Enterprise Labor Relations Act.
- Focus on integrating work processes in corporate governance, risk management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

6. GSB President Performance Assessment and Remuneration Consideration Committee

From January 1 - January 15, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr	Chairman
2	Mr. Pipat Khanthong (until September 30, 2017)	Director
3	GSB Senior Executive Vice President - Human Resources Group	Secretary

From January 16 - March 1, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr	Chairman
2	General Jiradej Mokkhasmit	Director
3	GSB Senior Executive Vice President - Human Resources Group	Secretary

From March 2, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr (until September 12, 2018)	Chairman
2	General Jiradej Mokkhasmit	Director
3	Mrs. Philaslak Yukkasmwong (until September 30, 2018)	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

From October 4 - December 20, 2018

No.	Name	Position
1	General Jiradej Mokkhasmit	Chairman
2	Mr. Taveesak Foongkiatcharoen	Director
3	Mr. Yunyong Teng-Amnuay	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk	Chairman
2	Mr. Taveesak Foongkiatcharoen	Director
3	Mr. Yunyong Teng-Amnuay	Director
4	GSB Senior Executive Vice President - Human Resources Group	Secretary

- Suggest method of evaluating the performance of GSB President & CEO to be in accordance with the employment contract as President & CEO of Government Savings Bank to the Board of Directors for consideration and approval.
- Evaluate and report the results of the performance evaluation of GSB President & CEO to the Board of Directors under the agreement made with the Board of Directors according to the terms of employment contract.
- Recommend the appropriate remuneration rates of GSB President & CEO to GSB Board of Directors.
- Suggest remuneration rate for GSB President & CEO annually, according to level of performance evaluation results, the criteria and methods of assessment approved by the Board of Directors.
- Focus on integrating work processes in corporate governance, risk management, and compliance with laws, regulations, rules, regulations, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

7. GSB Executive Nomination and Remuneration Consideration Committee and Sub-Committee

From January 1 - January 15, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr	Chairman
2	Mr. Sutthichai Sungkamanee	Director
3	Mr. Pipat Khanthong (until September 30, 2017)	Director
4	GSB President & CEO	Secretary

From January 16 - June 18, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr	Chairman
2	Mr. Prapas Kong-led (until May 31, 2018)	Director
3	General Jiradej Mokkahasmit	Director
4	GSB President & CEO	Secretary

From June 19 - October 3, 2018

No.	Name	Position
1	Mrs. Wannipa Bhakdibutr (until September 12, 2018)	Chairman
2	Mrs. Philaslak Yukkasmwong (until September 30, 2018)	Director
3	General Jiradej Mokkahasmit	Director
4	GSB President & CEO	Secretary

From October 4 - December 20, 2018

No.	Name	Position
1	General Jiradej Mokkahasmit	Chairman
2	Mr. Taveesak Foongkiatcharoen	Director
3	Mr. Yunyong Teng-Amnuay	Director
4	GSB President & CEO	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mrs. Siriporn Nopwattanapong	Director
3	Miss Tidarat Thanapakpawin	Director
4	GSB President & CEO	Secretary

- Define policies, procedures, recruitment methods, appoint staff in positions of First Senior Executive Vice President, Senior Executive Vice President or equivalent, Executive Vice President or equivalent, except the top executives of the audit group to propose to the Board of Directors for approval.
- Selection and nomination of qualified persons to serve as directors in various Committees assigned and appointed by the Board of Directors to be proposed to the Board of Directors.
- Selection and nomination of qualified candidates for appointment of First Senior Executive Vice President, Senior Executive Vice President or equivalent, Executive Vice President or equivalent, except the top executives of the audit group to be proposed to the Board of Directors.
- Determine the policy and the amount of remuneration and other benefits for directors in various committees, of First Senior Executive Vice President, Senior Executive Vice President of equivalent, Executive Vice President or equivalent. It must have clear and transparent criteria to be proposed to the Board of Directors for consideration and approval.
- To oversee Directors in Sub-Committees, of First Senior Executive Vice President, Senior Executive Vice President of equivalent, Executive Vice President or equivalent to get the right return on their duties and responsibilities. Directors who are assigned more responsibilities and responsibilities should receive appropriate remuneration for their assigned duties and responsibilities.
- Set up guidelines for evaluating the performance of Board Members in Committees, First Senior Executive Vice President, Senior Executive Vice President of equivalent, Executive Vice President or equivalent, except the top executives of the audit group to consider annual adjustment. It must take into account the responsibilities and the risks involved.
- Disclose the policy and details of the recruitment process in Annual Report.
- Disclosure of remuneration policy and disclosure of remuneration in various forms. Prepare a report on the remuneration at least the details of the operational goals and the opinions of GSB Executive Nomination and Remuneration Consideration Committee and Sub-committee are set out in Annual Report.
- Select and nominate qualified persons to be appointed as acting President & CEO of Government Savings Bank to the Board of Directors for approval and the authority to follow the regulations of Government Savings Bank on acting in that position.

8. GSB Executive Nomination Committee

From October 4 - December 20, 2018

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mr. Yunyong Teng-Amnuay	Director
3	Representative of State Enterprise Policy Office	Director
4	GSB President & CEO	Secretary

From December 21 - December 31, 2018

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk	Chairman
2	Mr. Yunyong Teng-Amnuay	Director
3	Miss Yaowanooch Wiyaporn	Director
4	Representative of State Enterprise Policy Office	Director
5	GSB President & CEO	Secretary

- Select and determine criteria for recruiting qualified persons to be Director of Government Savings Bank according to the appointment guidelines for State Enterprise Committee of State Enterprise Policy Office.
- Recrute qualified persons by considering the appropriate person according to the criteria.
- Examine qualifications of qualified persons and propose opinions for consideration.
- Presenting a list of qualified candidates who have been nominated for consideration in the next step.
- Appoint working committee or invite both internal and external individuals or related department to carry out tasks assigned by GSB Board of Directors.



Board of Directors meeting and remunerations

Board of Directors' Meetings

The Board of Directors recognizes the importance of carefully planned meetings and obtain accurate information to make decisions on issues for effective and efficient operations. The meeting is scheduled once a month throughout the year. Special meetings may be held as deemed appropriate. In 2018, there were a total of 18 Board of Directors Meetings, which were 15 regular meetings, one workshop for Board of Directors and top executives to review the vision, mission, values and operational directions of the year 2019 - 2023, and another one meeting without the executives. The meeting agendas were sent to the directors 7 days prior to the meeting date. The Board of Directors attended the meeting according to the meeting criteria and in meetings of directors that may be involved or have interests in any agendas, the meeting should abstain from voting on the agenda or leave the meeting room.



Directors meeting attendance 2018

Board of Directors										
No.	Government Savings Bank Board of Directors	Board of Committee	Executives Committee	Audit Committee	Risk Management Committee	Good Corporate Government Committee	Employee Relations Committee	GSB President and CEO Performance Assesment and Remuneration Consider		
1	Mr. Kulit Sombatsiri (Chairman)	13/13								
2	Mr. Prapas Kong-ied	5/8	1/1				4/5			
3	Mr. Sutthichai Sungkamanee	14/17	19/21		10/11	8/8				
4	Mr. Pitsanu Vichitcholchai	17/17		11/11						
5	Mrs. Wannipa Bhakdibutra	8/13			3/8	1/2		3/3		
6	Mr. Jessada Promjart	15/18		11/11						
7	Ms. Sompit Charoenkiatikul	8/8	10/11		4/4					
8	General Jiradej Mokkahasmit	13/17					5/5	3/3		
9	Mr. Chusak Salee	-		1/1						
10	Mrs. Philaslak Yukkaseiwong	12/12						2/2		
11	Mr. Taveesak Foongkiatcharoen	17/17			9/9	6/6				
12	Mrs. Pongpen Ruengvirayudh	11/11	13/13			4/4				
13	Mrs. Sauwane Thairungroj	14/17		8/10						
14	Mr. Yunyong Teng-Amnuay	15/17	17/17		9/9					
15	Mr. Poomsak Aranyakasemsuk	8/10								
16	Mr. Amnuay Preemonwong (Chairman)	1/1								
17	Mr. Boonchai Charassangsomboon	1/1								
18	Mrs. Philaslak Yukkaseiwong	1/1								
19	Mrs. Patcharavalai Jayapani	1/1								
20	Miss Tidarat Thanapakpawin	1/1								
21	Miss Yaowanooch Wiyaporn	1/1								
22	Mrs. Siriporn Nopwattanapong	-/1								
23	Mr. Chatchai Payuhanaveechai (President and CEO)	17/17	22/22		10/11	8/8				
	%	88.13	96.47	93.94	86.54	96.43	90.00	100.00		

Unit : Time

	Fact-Finding Committee	Nomination and Remuneration Committee, Top Executive and Board Committees	Performance Evaluation and Remuneration of President and CEO Committee	Nomination of GSB Board of Directors Committee
	2/2	1/1		
	-/2	1/1		
		2/3	1/1	
		4/4	1/1	
		1/1	1/1	
		2/2		1/1
		2/2		1/1
	2/2	4/5		1/1
	66.67	89.47	100.00	100.00

Remarks:

- No. 1 Mr. Kulit Sombatsiri resigned from the position of GSB Chairman, effective from October 1, 2018
- No. 2 Mr. Prapas Kong-ied resigned from the position of GSB Director, effective from June 1, 2018
- No. 5 Mrs. Wannipa Bhakdibutra resigned from the position of GSB Director, effective from September 13, 2018
- No.7 Ms. Sompit Charoenkiatikul retired from the position due to the age of 65 years on June 25, 2018
- No. 9 Mr. Chusak Salee retired from the position due to the age of 65 years on January 16, 2018
- No. 10 - 14 was appointed to be member of the GSB Board of Directors under Cabinet resolutions on January 23, 2018.
- No. 10 Mrs. Philaslak Yukkaseuwong resigned from the position of GSB Director, effective from October 1, 2018
- No. 12 Mrs. Pongpen Ruengvirayudh resigned from the position of GSB Director, effective from September 3, 2018
- No. 15 Mr. Poomsak Aranyakasemsuk was appointed to be member of the GSB Board of Directors in accordance with Cabinet resolutions on June 19, 2018.
- No. 15 Mr. Poomsak Aranyakasemsuk was acting GSB Chairman of the Board of Directors from October 4, 2018 - December 17, 2018.
- No. 3, 4, 6, 8, 11 and 13 - 15 resigned from member of the GSB Board of Directors on December 18, 2018.
- No. 6, 11 and 13-15 was appointed to be member of the GSB Board of Directors for the second term in accordance with Cabinet resolutions on December 18, 2018.
- No. 16 Mr. Amnuay Preemonwong was appointed to be GSB Chairman of the Board of Directors in accordance with Cabinet resolutions on December 18, 2018.
- No. 17-22 was appointed to be member of the GSB Board of Directors in accordance with Cabinet resolutions on December 18, 2018.

Meeting Premium and Remuneration for GSB Board of Director 2018

Board of Directors									
No.	Government Savings Bank Board of Directors	Board of Committee	Executives Committee	Audit Committee	Risk Management Committee	Good Corporate Government Committee	Employee Relations Committee	GSB President and CEO Performance Assessment and Remuneration Consider	Fact-Finding Committee
1	Mr. Kulit Sombatsiri (Chairman)	112,500.00	-	-	-	-	-	-	-
2	Mr. Prapas Kong-ied	40,000.00	12,500.00	-	-	-	50,000.00	-	25,000.00
3	Mr. Sutthichai Sungkamanee	110,000.00	110,000.00	-	125,000.00	20,000.00	-	-	-
4	Mr. Pipat Kanthong	-	-	-	-	-	-	-	-
5	Mr. Pitsanu Vichitcholchai	120,000.00	-	150,000.00	-	-	-	-	-
6	Mrs. Wannipa Bhakdibutra	80,000.00	-	-	30,000.00	12,500.00	-	37,500.00	-
7	Mr. Jessada Promjart	120,000.00	-	120,000.00	-	-	-	-	-
8	Mrs. Pratana Mongkolkul	-	-	-	-	-	-	-	-
9	Ms. Sompit Charoenkiatikul	50,000.00	50,000.00	-	40,000.00	-	-	-	-
10	Mr. Boonchai Charassangsomboon	-	-	-	-	-	-	-	-
11	General Jiradej Mokkahasmit	110,000.00	-	-	-	-	62,500.00	30,000.00	-
12	Mr. Chusak Salee	-	-	14,838.71	-	-	-	-	-
13	Mrs. Philaslak Yukkase Wong	80,000.00	-	-	-	-	-	20,000.00	-
14	Mr. Taveesak Foongkiatcharoen	110,000.00	-	-	80,000.00	62,500.00	-	-	-
15	Mrs. Pongpen Ruengvirayudh	70,000.00	75,000.00	-	-	50,000.00	-	-	-
16	Mrs. Sauwane Thairungroj	110,000.00	-	89,677.42	-	-	-	-	-
17	Mr. Yunyong Teng-Amnuay	110,000.00	80,000.00	-	70,000.00	-	-	-	-
18	Mr. Poomsak Aranyakasemsuk	67,500.00	-	-	-	-	-	-	-
19	Mr. Amnuay Preemonwong (Chairman)	12,500.00	-	-	-	-	-	-	-
20	Mr. Boonchai Charassangsomboon	10,000.00	-	-	-	-	-	-	-
21	Mrs. Philaslak Yukkase Wong	10,000.00	-	-	-	-	-	-	-
22	Mrs. Patcharavalai Jayapani	10,000.00	-	-	-	-	-	-	-
23	Miss Tidarat Thanapakpawin	10,000.00	-	-	-	-	-	-	-
24	Miss Yaowanooch Wiyaporn	10,000.00	-	-	-	-	-	-	-
25	Mrs. Siriporn Nopwattanapong	-	-	-	-	-	-	-	-
26	Mr. Chatchai Payuhanaveechai (President and CEO)	120,000.00	100,000.00	-	30,000.00	80,000.00	-	-	-
Total meeting premium		1,472,500.00	427,500.00	374,516.13	375,000.00	225,000.00	112,500.00	87,500.00	25,000.00

- Remarks:
1. No. 1 Mr. Kulit Sombatsiri resigned from the position of GSB Chairman, effective from October 1, 2018
 2. No. 2 Mr. Prapas Kong-ied resigned from the position of GSB Director, effective from June 1, 2018
 3. No. 4 Mr. Pipat Kanthong resigned from the position of GSB Director, effective from October 1, 2017
 4. No. 6 Mrs. Wannipa Bhakdibutra resigned from the position of GSB Director, effective from September 13, 2018
 5. No. 8 Mrs. Pratana Mongkolkul resigned from the position of GSB Director, effective from January 31, 2017
 6. No. 9 Ms. Sompit Charoenkiatikul retired from the position due to the age of 65 years on June 25, 2018
 7. No.10 Mr. Boonchai Charassangsomboon resigned from the position of GSB Director, effective from October 5, 2018
 8. No. 12 Mr. Chusak Salee Retired from the position due to the age of 65 years on January 16, 2018

Unit : Baht

Nomination and Remuneration Committee, Top Executive and Board Committees	Performance Evaluation and Remuneration of President and CEO Committee	Nomination of GSB Board of Directors Committee	Monthly Remuneration	Total Meeting Premium	Total Meeting Premium and Remuneration	Board of Directors Bonus 2018 for 2017 Performance	Total Board of Directors Meeting Premium, Remuneration and Bonus
-	-	-	200,000.00	112,500.00	312,500.00	525,000.00	837,500.00
-	-	-	60,000.00	127,500.00	187,500.00	420,000.00	607,500.00
-	-	-	120,000.00	365,000.00	485,000.00	420,000.00	905,000.00
-	-	-	-	-	-	315,000.00	315,000.00
-	-	-	120,000.00	270,000.00	390,000.00	420,000.00	810,000.00
25,000.00	12,500.00	-	93,999.96	197,500.00	291,499.96	420,000.00	711,499.96
-	-	-	120,000.00	240,000.00	360,000.00	420,000.00	780,000.00
-	-	-	-	-	-	33,870.97	33,870.97
-	-	-	58,064.50	140,000.00	198,064.50	420,000.00	618,064.50
-	-	-	-	-	-	194,637.10	194,637.10
45,000.00	10,000.00	-	120,000.00	257,500.00	377,500.00	360,000.01	737,500.01
-	-	-	14,838.71	14,838.71	29,677.42	420,000.00	449,677.42
10,000.00	10,000.00	-	82,903.22	120,000.00	202,903.22	-	202,903.22
20,000.00	-	12,500.00	102,903.22	285,000.00	387,903.22	-	387,903.22
-	-	-	73,569.88	195,000.00	268,569.88	-	268,569.88
-	-	-	102,903.22	199,677.42	302,580.64	-	302,580.64
20,000.00	-	10,000.00	102,903.22	290,000.00	392,903.22	-	392,903.22
-	-	-	73,032.18	67,500.00	140,532.18	-	140,532.18
-	-	-	-	12,500.00	12,500.00	-	12,500.00
-	-	-	-	10,000.00	10,000.00	-	10,000.00
-	-	-	-	10,000.00	10,000.00	-	10,000.00
-	-	-	-	10,000.00	10,000.00	-	10,000.00
-	-	-	-	10,000.00	10,000.00	-	10,000.00
-	-	-	-	10,000.00	10,000.00	-	10,000.00
-	-	-	-	-	-	-	-
-	-	-	120,000.00	330,000.00	450,000.00	-	450,000.00
120,000.00	32,500.00	22,500.00	1,565,118.11	3,274,516.13	4,839,634.24	4,368,508.08	9,208,142.32

9. No. 13 Mrs. Philaslak Yukkasmwong resigned from the position of GSB Director, effective from October 1, 2018

10. No. 15 Mrs. Pongpen Ruengvirayudh resigned from the position of GSB Director, effective from September 3, 2018

11. No. 18 Mr. Poomsak Aranyakasemsuk was acting GSB Chairman from October 4, 2018 - December 17, 2018.

12. No. 3, 5, 7, 11, 14, and 16 - 18 retired from member of the GSB Board of Directors on December 18, 2018.

13. No. 7, 14 and 16 - 18 was appointed to be member of the GSB Board of Directors for the second term in accordance with Cabinet resolutions on December 18, 2018.

14. No. 19 Mr. Amnuay Preemonwong was appointed to be GSB Chairman in accordance with Cabinet resolutions on December 18, 2018.

15. No. 20 - 25 was appointed to be member of the GSB Board of Directors in accordance with Cabinet resolutions on December 18, 2018.

Directors' Remuneration

Directors' remuneration and benefits consist of 3 parts as follows:

1. Monthly Remuneration (according to Cabinet's resolution on July 2, 2013, effective from August 1, 2013)

- Chairman 20,000 Baht per month
- Director 10,000 Baht per month

2. Meeting allowance

- Chairman 12,500 Baht per meeting
- Director 10,000 Baht per meeting

For the Directors whom attend only one meeting per month

Directors appointed as Subcommittee and Other Committees which appointed by the provisions of the law of The Cabinet Resolution or the Board of Directors. The meeting allowance is to be paid by meeting at the same rate as meeting allowances. Only directors who attend the meeting will receive the meeting allowance for the committees / sub-committees / other working groups. Total not more than 2 committees, no more than 1 time per month.

3. Bonus is paid according to the Bank's operating results based on bonus calculation is as follows:

Chairman

- 1st Part: Bonus of 75,000 Baht for net profit of 100 Million Baht and below
- 2nd Part: Additional bonus based on operating results (net profit)
 - Additional bonus of 87,500 Baht for net profit of more than 11,000 Million Baht but not more than 13,000 Million Baht;
 - Additional bonus of 12,500 Baht for every 2,000 Million Baht increase in net profit.
- 3rd Part depends on the evaluation results according to the Memorandum of Agreement on Performance Assessment between the GSB and the Ministry of Finance.
 - 25% to 100% increase in bonus if obtain assessment score of 3.5 points and above in accordance with normal rules.

Directors

- 1st Part: Bonus of 60,000 Baht for net profit of 100 Million Baht and below
- 2nd Part: Additional bonus based on operating results (net profit)
 - Additional bonus of 70,000 Baht for net profit of more than 11,000 Million Baht but not more than 13,000 Million Baht;
 - Additional bonus of 10,000 Baht for every 2,000 Million Baht increase in net profit.
- 3rd Part depends on the evaluation results according to the Memorandum of Agreement on Performance Assessment between the GSB and the Ministry of Finance.
 - 25% to 100% increase in bonus if obtain assessment score of 3.5 points and above in accordance with normal rules.

Remuneration of GSB President & CEO

The Board of Directors has assigned GSB Executive Nomination and Remuneration Consideration Committee to evaluate the performance of GSB President & CEO under agreement with GSB Board of Directors and terms of the employment contract and submit the results as well as suggest the appropriate remuneration rates of GSB President & CEO to the Board of Directors for consideration.

Executives' Remuneration

Type of income	2014 Expenses		2015 Expenses		2016 Expenses		2017 Expenses		2018 Expenses	
	GSB President & CEO	GSB First Senior Executive Vice President	GSB President & CEO	GSB First Senior Executive Vice President	GSB President & CEO	GSB First Senior Executive Vice President	GSB President & CEO	GSB First Senior Executive Vice President	GSB President & CEO	GSB First Senior Executive Vice President
Salaries	1,891,290.33	2,478,456.00	7,716,129.01	9,778,620.00	8,580,000.00	8,019,684.00	9,438,000.00	2,640,000.00	9,600,000.00	2,640,000.00
Compensations	-	-	-	-	3,306,912.44	-	3,677,142.86	-	4,044,857.14	-
Meeting allowances	446,600.00	329,548.40	458,709.68	38,290.32	460,000.00	12,000.00	460,000.00	15,000.00	450,000.00	24,000.00
Bonus	350,000.00	1,092,369.36	-	13,963,896.93	363,548.39	4,357,463.12	367,500.00	1,161,745.56	420,000.00	1,399,650.36
Total	2,687,890.33	3,900,373.76	8,174,838.69	23,780,807.25	12,710,460.83	12,389,147.12	13,942,642.86	3,816,745.56	14,514,857.14	4,063,650.36

Self-Development of Board of Directors

The Bank has a policy to encourage directors to attend various training courses to enhance knowledge related to the role of the Directors in order to allow them to understand their roles and duties in accordance with the Good Corporate Governance principles. This includes enhancing knowledge and new perspectives on management of financial institution, business administration, technology and innovation to allow Directors to perform duties effectively and efficiently. Every Director has been trained by the Thai Institute of Directors (IOD). In 2018, the Bank encouraged Directors to attend various seminars and training courses as follows:

1. Corporate Governance for Executives (CGE) Course organized by the Thai Institute of Directors (IOD);
2. Corporate Governance Program for Directors and Senior Executives of the Regulator, State Enterprises and Public Organizations organized by King Prajadhipok's Institute;
3. Corporate Governance in Digital Era Course organized by Fiscal Policy Research Institute;
4. 1st Class and 2nd Class of Advance Master Management Program (AMM), National Institute of Development Administration;
5. IIA International Conference in Dubai, 2018, The Institute of Internal Auditor;

In addition, the Bank provided a special lecture to educate the Board of Directors on various topics including "Cyber Security" lectured by Mr. Parinya Homanek, Cybertron Co., Ltd., "Moving Toward Digital Banking : Opportunities and Threats in Thailand" by Mr. Michael Cristito Araneta, Assistant Vice President, Internation Data Corporation (IDC) Financial Insights and Mr. Jarit Sinthu, Executive of IDC (Thailand) Advisor of Project to study business structure of the Government Savings Bank for supporting Digital Business and Fintech and sermon on the topic of "Realizing Change and Oneself" by Phra Maha Wutthichai Wachirametee (W. Wachira Methee), President of Vimuttayalaya Foundation, and Cherntawan International Meditation Center. In addition, the Bank invited the Board of Directors to participate in the SMEs startup & Aging Society Project to drive and develop the economy according to the government policy in Japan with the following details:

1. Paid a courtesy call on the Ambassador Extraordinary and Plenipotentiary of Thailand in Japan and learnt about development guidelines of local SMEs in Japan in accordance with the Cool Japan policy and the Smart City Project.
 - Cool Japan is a policy aiming to promote "Japanese Culture" and generate income from overseas countries by promoting national products and culture, including fashion, cartoons, Japanese food, services such as spas, hotels and tourism for foreigners to experience Japanese culture. In this regard, the Japanese government has collaborated with private companies to set up Cool Japan Funds to allow entrepreneurs to have access to funds and fulfillment of private business, provide assistance in the area that is unable to be accessed by private sector, and is a project that conforming to Cool Japan Policy.
 - Smart City Project is development and directional plan for sustainability which emphasize on 3 main areas including environment, health and innovation. The government is the main supporter of both policy and budget for the project under cooperation from private organizations on technological support.
2. Study visit on Aging Society at Healthcare New Frontier Promotion Headquarters Office, Kanagawa Prefectural Government.
 - Japan is experiencing an Aging Society. It is expected that by the year 2020, 29 percent of the total population will be elderly and increase to 39 percent by 2050. In this regard, the Kanagawa prefecture government has prepared ME-BYO plan to support Aging Society. The plan aims to manage the health of both healthy elderly and patients. ME-BYO industry has been initiated to promote good health among elderly and provide opportunity to receive advance medical treatment, develop new business model to provide services and create specialized products using medical technology and innovation for the elderly.

3. Study visit at Kanagawa Life Innovation Center
 - Life Innovation Center (LIC), Kanagawa prefecture, is One-stop Service Center which was established on 2016 to promote and reform the medical industry and cell therapy treatment. The center's main role are conduct of research and development (R&D) as a prototype for development, production of medicines, medical equipment, treatment of various diseases and illnesses, personal training and support to adapt to the industry to innovate medical technology that has high potential for future use.
4. Study visit at TEPIA Technology Museum
 - TEPIA is the place to illustrate the latest modern technology of Japan from selected Japanese technology companies to inspire visitors such as Kibiro Robot manufactured by FRONTTEO Communications, Inc. /FRONTTEO, Inc. Kibiro is a robot that can think, process and move similar to human. This robot will recognize and understand the face and voice of human beings, and can also communicate using simple conversations.
5. Study visit at Tokyo Kocha Tokyo Startup Station
 - Tokyo Kocha Tokyo Startup Station is a service center that provide advice and consultation for business beginners by providing business information and consultation, financial management, establishment, technology management, labor, tax, business plan and legal aspects by lawyers and business experts on daily basis free of charge. The Station also introduces and provides business matching and allocates service area for searching information, planning and business negotiations free of charge, as well as organize seminars, business planning and advice for housewives and females who want to start a small business on their own.

Orientation for New Directors

In 2018, the Cabinet approved the appointment of new members into the Board of Directors as follows:
The Cabinet's Resolution on January 23, 2018 approved the appointment of 5 new members into the Board of Directors to replace the resigned directors and directors who reached the age of sixty five years old as follows

1. Mrs. Philaslak	Yukkasemwong
2. Mr. Taveesak	Foongkiatcharoen
3. Mrs. Pongpen	Ruengvirayudh
4. Mrs. Sauwanee	Thairungroj
5. Mr. Yunyong	Teng-Amnuay

The Cabinet's Resolution on June 19, 2018 approved the appointment of Mr. Poomsak Aranyakasemsuk to be a new member of the Board of Directors to replace the resigned Director.

The Cabinet's Resolution on December 18, 2018 approved the appointment of Chairman and Directors, total 12 persons, into the GSB Board of Directors to replace the Chairman and Directors who have completed the term of office of three years.

1. Mr. Amnuay	Preemonwong	Chairman
2. Mr. Poomsak	Aranyakasemsuk	Director
3. Mr. Boonchai	Charassangsomboon	Director
4. Mr. Jessada	Promjart	Director
5. Miss Yaowanooch	Wiyaporn	Director
6. Mrs. Sauwanee	Thairungroj	Director
7. Miss Tidarat	Thanapakpawin	Director
8. Mrs. Philaslak	Yukkasemwong	Director
9. Mr. Yunyong	Teng-Amnuay	Director
10. Mr. Taveesak	Foongkiatcharoen	Director
11. Mrs. Patcharavalai	Jayapani	Director
12. Mrs. Siriporn	Nopwattanapong	Director

Therefore, for the newly appointed members to know important information about GSB, business operations, and scope of duties and responsibilities of the Board of Directors, the Bank has arranged an orientation for new directors.

Self-Assessment of Directors

The Board of Directors undertake to conduct self-assessments to evaluate their roles, duties and the past performance, as well as problems and obstacles incurred during the year, in conformance with Good Corporate Governance Principles. In 2018, the following one self-assessment programs were undertaken:

Self Assessment of Directors were undertaken with open-ended questions on six topics: meeting participation, independence, readiness to discharge duties, attention to duties and responsibilities, performance of Board duties, and other opinions and recommendations. The assessment results were excellent

Board Evaluations included open-ended questions on six topics: Board meetings, communications, work procedures, management relations, Board structure, Directors' qualifications and other opinions and recommendations. The evaluation results were excellent.

The Board of Directors reviewed the 2018 self-assessment results and provided opinions, recommendations and new practice guidelines to ensure Good Corporate Governance and efficient management.

List of State Enterprises and Companies in Which GSB Directors Hold Positions as Directors

Information regarding positions held by GSB Directors as Directors or Senior Executives in State Enterprises and Companies or other Agencies

As of December,31 2018

GSB Board of Directors		List of State Enterprises and Companies or other Agencies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
1. Mr. Kulit Sombatsiri	Chairman	1. Thai Customs 2. State Railway of Thailand 3. PTT Exploration and Production Public Company Limited	Director-General Chairman Director and Director of Remuneration
2. Mr. Prapas Kong-ied	Director	1. State Enterprise Policy Office 2. Dhipaya Insurance Public Company Limited 3. Don Muang Tollway Public Company Limited 4. Law Reform Commission of Thailand	Director-General Director Director Director
3. Mr. Sutthichai Sungkamanee	Director	1. Nirvana Daii Public Company Limited 2. National Credit Bureau	Chairman Director
4. Mr. Pitsanu Vichitcholchai	Director	1. MFC Asset Mangement Plc.	Director and Executive Board
5. Mrs. Wannipa Bhakdibutra	Director	1. Osotspa Company Limited	President Director

GSB Board of Directors		List of State Enterprises and Companies or other Agencies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
6. Mr. Jessada Promjart	Director	1. Expressway Authority of Thailand 2. IRPC Public Company Limited 3. Y.S.S. (Thailand) Company Limited 4. Y.S.S. Training Company Limited 5. Chulabhorn Royal Academy 6. Director of Compliance with the Joint Operation Contract of Color Television Broadcasting between MCOT Public Company Limited and Bangkok Entertainment Company Limited 7. Director of Compliance for Agreement of Shopping Center in Triangle Area of Phaholyothin between Railway of Thailand and Central Inter Pattana Company Limited 8. Extension Construction Committee, Chulabhorn Hospital and Chulabhorn Medical Institution	Director and Director of Audit Committee Director and Director of Audit Committee Director and Executive Board Director Director of Audit Committee Director Director Executive Board
7. Ms. Sompit Charoenkiatikul	Director	None	-
8. Mr. Chusak Salee	Director	1. Sri Ayudhya Capital Public Company Limited 2. Sri Ayudhya General Insurance Public Limited	Director Director
9. General Jiradej Mokkhasmit	Director	1. The Secretariat of the National Legislative Assembly	Member
10. Mr. Taveesak Foongkiatcharoen	Director	1. Function International Company Limited 2. Dhipaya Insurance Plc.	Director Director and Member of Nomination, Remuneration and Human Resources Management Committee
11. Mrs. Pongpen Ruengvirayudh	Director	1. Sukhumvit Asset Management Company Limited 2. Social Security Fund 3. The Government Pension Fund (GPF)	Chairman Subcommittee on Investment Management Subcommittee on Risk Management,
12. Mrs. Sauwanee Thairungroj	Director	1. The University of the Thai Chamber Commerce 2. National Economics and Social Development Board Committee 3. Alumni Association of the University of the Thai Chamber of Commerce 4. New Entrepreneur Development Institute 5. Commission Special Case Committee 6. Fiscal Policy Office 7. Committees of the National Reform Steering Assemble on Education 8. Country Reform Network 9. Office of the Civil Commission (OCSC)	President and Director of Master of Economics Program, Financial Globalization Studies Director Honorable Advisor Executive Committee Honorable Member Director, National Startup Committee Honorary Counsel, Executive Board Sub-Commission, Civil Service Sub-Commission on Ethics Promotion for Clean and Transparency Bureaucracy

GSB Board of Directors		List of State Enterprises and Companies or other Agencies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
		10. Anti-Corruption Organization of Thailand 11. Union Auction Public Company Limited	Director Director, Chairman of Audit Committee
		12. Department of Foreign Trade, Ministry of Commerce 13. Office of the Permanent Secretary, Prime Minister Office	Committee on Protection Measures (Expert in International Trade) Sub-committee on Evaluation of the Sufficiency Economy Project to enhance the community
13. Mr. Yunyong Teng-Amnuay	Director	1. Chulalongkorn University 2. International College, King Mongkut's Institute of Technology Ladkrabang (KMITL) 3. Ministry of Digital Economy and Society 4. National Research Council of Thailand 5. Office of the Higher Education Commission, Ministry of Education 6. Digital Platform Development Project Committee for National Learning Reform 7. Information Security Association Committee	Speical Lecturer, Faculty of Computer Engineering, Special Lecturer - Director, Computer Systems Procurement Commission - Professional Director, Electronic Transaction Committee - Chairman of Security and Safety Sub-committee, Electronic Transaction Committee - Director, Standardization Related to Electronic Transactions Sub-Committee, Electronic Transaction Committee - Director of Academic Expert Group on Energy and Information Technology - Professional Director, Information Technology and Communication for Education Committee Chairman of Working Group for the team reviewing the budget for information and communication technology Director, University Network: UniNET Policy Committee Director Director
14. Mr. Poomsak Aranyakasemsuk	Director	1. Public Debt Management Office (PDMO) 2. CAT Telecom Public Company Limited 3. PTT Oil and Retail Business Company Limited	Director General Director Director
15. Mr. Amnuay Preemonwong	Chairman	1. Treasury Department 2. Dhanarak Asset Development Company Limited 3. PTT Global Chemical Public Company Limited	Director-General Chairman Director
16. Mr. Boonchai Charassangsomboon	Director	1. Ministry of Finance 2. Sukhumvit Asset Management Co.,Ltd.	Inspector General, Director

GSB Board of Directors		List of State Enterprises and Companies or other Agencies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
17. Miss Yaowanooch Wiyaporn	Director	1. Designated Areas for Sustainable Tourism Administration (Public Organization)	Member (Advisory Level) of Designated Areas for Sustainable Tourism Administration Committee
		2. Department of Employment, Ministry of Labor	Director of Fund for Helping People to Work in Aboard
		3. Defence Technology Institute (Public Organization)	Director of Risk Management Subcommittee
18. Miss Tidarat Thanapakpawin	Director	1. Department of Intellectual Property, Ministry of Commerce	Member of Copyright Utilization Guidelines Subcommittee
		2. Geo-Informatics and Space Technology Development Agency (Public Organization) - GISTDA	Member of Driving Organizational Value Enhancement Subcommittee
		3. Thailand Professional Qualification Institute (Public Organization)	Member of Occupational Standards Committee on Information and Communication Technology and Digital Content (ICT)
		4. Expressway Authority of Thailand	Member of Digital Technology Subcommittee for Service and Organization Management
		5. Thai Federation of ICT Technology Association (TFIT)	Director
		6. The National Legislative Assembly	Consultant, the Standing Committee on Commerce, Industry and Labour
		7. King Prajadhipok's Institute	Workshop Adviser on Young Leadership in Democratic Governance Course
		8. Sripatum University	Special Lecturer, School of Digital Media
		9. Novaleaf Software Co., Ltd	Director
		10. Liquor Distillery Organization	Director
19. Mrs. Philaslak Yukkasemwong	Director	1. National Savings Fund	Expert Director in finance and investment and strategic subcommittee
		2. International Institute for Trade and Development	Expert Director
		3. Education Council on Resources and Finance System for Education	Subcommittee
20. Mrs. Patcharavalai Jayapani	Director	1. Chulalongkorn University	Director, Financial Policy Committee
		2. The Thai Red Cross Society	Director, Property Management Committee

GSB Board of Directors		List of State Enterprises and Companies or other Agencies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
21. Mrs. Siriporn Nopwattanapong	Director	None	-
22. Mr. Chatchai Payuhanaveechai (President and CEO)	Director and Secretary	1. Dhipaya Life Assurance Public Company Limited 2. Dhipaya Insurance Public Company Limited	Vice Chairman and Executive Director Director and Executive Director

Remarks:

- No. 1 Mr. Kulit Sombatsiri resigned from the position of GSB Chairman, effective from October 1, 2018
- No. 2 Mr. Prapas Kong-ied resigned from the position of GSB Director, effective from June 1, 2018
- No. 5 Mrs. Wannipa Bhakdibutra resigned from the position of GSB Director, effective from September 13, 2018
- No. 7 Ms. Sompit Charoenkiatikul retired from the position due to the age of 65 years on June 25, 2018
- No. 8 Mr. Chusak Salee retired from the position due to the age of 65 years on January 16, 2018
- No.11 Mrs. Pongpen Ruengvirayudh resigned from the position of GSB Director, effective from September 3, 2018
- No. 14 Mr. Poomsak Aranyakasemsuk was acting GSB Chairman from October 4, 2018 - December 17, 2018.
- No.19 Mrs. Philaslak Yukkanemwong resigned from the position of GSB Director, effective from October 1, 2018
- No. 3 - 4, 6, 9 - 10 and 12 - 14 retired from member of the GSB Board of Directors on December 18, 2018.
- No. 6, 10 and 12 - 14 was appointed to be member of the GSB Board of Directors for the second term in accordance with Cabinet resolutions on December 18, 2018.
- No. 15 Mr. Amnuay Preemonwong was appointed to be GSB Chairman in accordance with Cabinet resolutions on December 18, 2018.
- No. 16 - 21 was appointed to be member of the GSB Board of Directors in accordance with Cabinet resolutions on December 18, 2018.

GSB Directors and Senior Executives' Holding of Positions in Related Businesses (Data as of 2018)

No.	Name of GSB Directors and Senior Executives		GSB Directors																	
			GSB	Related Companies ⁽¹⁾																
				1	2	3	4	5	6	7	8	9								
1	Mr. Kulit	Sombatsiri	Chairman																	
2	Mr. Prapas	Kong-ied	Director	✓																
3	Mr. Sutthichai	Sungkamane ^{1/}	Director			✓														
4	Mr. Pitsanu	Vichitcholchai ^{1/}	Director		✓															
5	Mrs. Wannipa	Bhakdibutra	Director																	
6	Mr. Jessada	Promjart	Director																	✓
7	Ms. Sompit	Charoenkiatikul	Director																	
8	Mr. Chusak	Salee	Director			✓														
9	General Jiradej	Mokkhasmit	Director																	
10	Mr. Taveesak	Foongkiatcharoen ^{1/}	Director	✓																
11	Mrs. Pongpen	Ruengvirayudh	Director																	
12	Mrs. Sauwane	Thairungroj	Director																	
13	Mr. Yunyong	Teng-Amnuay	Director																	
14	Mr. Poomsak	Aranyakasemsuk	Director																	
15	Mr. Amnuay	Preemonwong	Chairman																	
16	Mr. Boonchai	Charassangsomboon	Director																	
17	Miss Yaowanooch	Wiyaporn	Director																	
18	Miss Tidar	Thanapakpawin	Director																	
19	Mrs. Philaslak	Yukkasemwong	Director																	
20	Mrs. Patcharavalai	Jayapani	Director																	
21	Mrs. Siriporn	Nopwattanapong	Director																	
22	Mr. Chatchai	Payuhanaveechai	President and CEO	✓	✓															✓
23	Mr. Boonson	Jenchaimahakoon	First Senior Executive Vice President																	✓
24	Miss Kornpranom	Wongmongkol	First Senior Executive Vice President																	✓
25	Mr. Numporn	Yommana	First Senior Executive Vice President		✓															
26	Mr. Isara	Wongrung	Senior Executive Vice President																	✓
27	Ms. Jiraporn	Nugitrangson	Senior Executive Vice President																	✓
28	Mr. Chokchai	Kunawat	Senior Executive Vice President																	✓
29	Mr. Amornrit	Chanprasit	Senior Executive Vice President																	✓
30	Mr. Therdtham	Suvichavorraphan	Senior Executive Vice President		✓															
31	Miss Paphakorn	Ratanasate ^{2/}	Senior Executive Vice President																	✓
32	Mr. Santhan	Yoosiri	Senior Executive Vice President																	
33	Mrs. Supaporn	Saitong-in	Senior Executive Vice President																	
34	Mrs. Wipaporn	Chairatana	Senior Executive Vice President																	✓
35	Mr. Vitai	Ratanakorn	Senior Executive Vice President																	✓
36	Mr. Pichet	Dhammavipak	Senior Executive Vice President																	✓

Remarks :

- No. 1 Mr. Kulit Sombatsiri resigned from the position of GSB Chairman, effective from October 1, 2018.
- No. 2 Mr. Prapas Kong-ied resigned from the position of GSB Director, effective from June 1, 2018.
- No. 5 Mrs. Wannipa Bhakdibutra resigned from the position of GSB Director, effective from September 13, 2018.
- No. 7 Miss Sompit Charoenkiatikul retired from the position due to the age of 65 years on June 25, 2018
- No. 8 Mr. Chusak Salee retired from the position due to the age of 65 years on January 16, 2018
- No. 10 Mrs. Philaslak Yukkasemwong resigned from the position of GSB Director, effective from October 1, 2018.
- No. 12 Mrs. Pongpen Ruengvirayudh resigned from the position of GSB Director, effective from September 3, 2018.
- No. 15 Mr. Poomsak Aranyakasemsuk was appointed to be Acting GSB Chairman from October 4, 2018 - December 17, 2018.
- No. 3 - 4, 6, 9, 11 and 13 - 15 retired from the positions of GSB Directors, effective from December 18, 2018.
- No. 6, 11 and 13 - 15 were appointed to be member of the GSB Board of Directors for the second term in accordance with Cabinet resolutions on December 18, 2018.
- No. 16 Mr. Amnuay Preemonwong was appointed to be GSB Chairman in accordance with Cabinet resolutions, effective from December 18, 2018.
- No. 17 - 22 were appointed to be GSB Directors in accordance with Cabinet resolutions, effective from December 18, 2018.

Symbols : means Vice Chairman
 means Director

- 1/ means is under consideration in accordance with the Cabinet resolution on December 18, 2018 regarding the appointment of GSB Chairman and Directors in the GSB Board of Directors.
- 2/ means Appointed in accordance with resolution of GSB Director No. 13/2561 dated October 16, 2018 and is, currently, under proposal to the Ministry of Commerce for consideration.
- 3/ means Mrs. Wipaporn Chairatana submitted Letter No. BorSor. 242/2561, dated June 20, 2018, Subject: Request for resignation from the Director position to Thai Smart Card Co., Ltd. resigned from the Director position on October 1, 2018 due to resignation from the Government Savings Bank because of retirement at 55 years of age or over.

Definitions : (1) Related company refers to a juristic person in which GSB has a shareholding of more than 10%
(2) Companies with common director(s) or executive(s) refers to companies or state enterprise in which director(s) or Senior executive(s) of GSB hold a position and GSB has zero or not more than 10% shareholding.

Related Business

Companies with common Director(s) or Executive(s) ⁽²⁾

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
<input checked="" type="checkbox"/>	✓																				
		✓																			
			<input checked="" type="checkbox"/>																		
				✓																	
					✓	✓	✓	✓	✓	✓											
											✓	✓									
													✓								
														<input checked="" type="checkbox"/>							
															✓						
																✓	✓				
																		<input checked="" type="checkbox"/>	✓		
																					✓
																					✓

Related companies

- Dhipaya Insurance Plc.
 - Mr. Prapas Kong-ied (He holds the position of Director until May 2018)
 - Mr. Taveesak Foongkiatcharoen (He holds the position of Director until July 2018 to Present)
- MFC Asset Mangement Plc.
 - Mr. Chatchai Payuhanaveechai (He holds the position of Director until March 2018)
 - Mr. Therdtham Suvichavorraphan (He holds the position of Director until April 2018 to Present)
- National Credit Bureau
 - Mr. Chusak Salee (He holds the position of Director until January 2018)
 - Mr. Sutthichai Sungkamanee (He holds the position of Director until February 2018 to Present)
- TRIS Corporation Limited
- Thanachart Fund Management Company Limited
 - Mr. Vitai Ratanakorn (He holds the position of Director until January 2018)
 - Mr. Amornrit Chanprasit (He holds the position of Director untill February 2018 to Present)
 - Mr. Pichet Dhammavipak (He holds the position of Director until September 2018)
 - Miss Paphakorn Ratanasate (She holds the position of Director until October 2018)
- Dhipaya Life Insurance Plc.
- Thai Smart Card Company Limited^{3/}
 - Mrs. Wipaporn Chairatana (She holds the position of Director until September 2018)
- TSFC Securities Public Company Limited
- IRPC Public Company Limited
 - Mr. Jessada Promjart (He holds the position of Director until January 2018)

Companies with common Director(s) or Senior Executive(s)

- State Railway of Thailand
- PTT Exploration and Production Public Company Limited
- Don Muang Tollway Public Company Limited
- Nirvana Daii Public Company Limited
- Osotspa Company Limited
- Expressway Authority of Thailand
- IRPC Public Company Limited
- Y.S.S. (Thailand) Company Limited
- Y.S.S. Training Company Limited
- MCOT Public Company Limited and Bangkok Entertainment Company Limited
- Railway of Thailand and Central Inter Pattana Company Limited
- Sri Ayudhya Capital Public Company Limited
- Sri Ayudhya General Insurance Public Company Limited
- Function International Company Limited
- Sukhumvit Asset Management Company Limited
- Union Auction Public Company Limited
- CAT Telecom Public Company Limited
- PTT Oil and Retail Business Company Limited
- Dhanarak Asset Development Company Limited
- PTT Global Chemical Public Company Limited
- Novaleaf Software Company Limited
- Liquor Distillery Organization

Succession Plan

The Bank carries out succession development projects with the objective to prepare potential successors to replace retired executives or empty position, to effectively manage the Bank's operation during business fluctuations or changes in the future. The selection process is based on systematic rules and procedures through the process of developing and implementing external training systems with top management of Thailand to ensure that executives are able to drive the organization's operations to achieve their vision and mission in line with Digi-Thai Banking's Goals. The Bank has prepared succession plan for top four executive positions as follows:

1. GSB President & CEO

GSB has developed important issues for the Bank's business, direction, innovation and business driving in various dimensions to support the 5-year banking strategy and the growth of the banking business in the digital age. Professional Leadership Development Program (PLDP) for individuals is arranged, as well as field visits to external training institutions in Thailand and overseas countries.

3. Executive Vice President of GSB

Develop a strategy in line with the Bank's strategy. Thailand 4.0 / Digital Economy, as well as the study of external institutions.

2. Senior Executive Vice President of GSB

Develop business critical issues, directions, and innovations to manage the Bank's business in the Digital Banking era and build a Professional Leadership Development Program (PLDP).

4. Senior Vice President of Department / Regional Office

Potential Development (P-PAC) was evaluated through dermatoglyphics and analysis of individual potential to determine suitable approaches for individual development to be consistent with the Competency Model of the organization. The evaluated results are used as an assessment tool for further development plan focusing on knowledge, leadership management, innovation and Fintech technology. Promoting anti-corruption and monitoring programs as well as study visits in leading organizations to observe their management and innovations.

In addition, the Bank has established Human Resource Master Plan for the years 2019-2023 with key strategies to develop personnel with high potential to replace retired executives and prepare leaders in the future and accommodate future business changes which would drive the Bank's business and operating results to be able to support business changes in the digital age. The Bank will have a sufficient number of successors in every line of works to fill all vacant or retirement positions. Successful candidates will be developed in accordance with the Bank's guidelines. The successor is monitored and evaluated every year.



Human Resource and Manpower

Human resource and manpower as of December 31, 2018

Group	Line of Work	Department/Region	Quota	No. of Person	Empty Position
Compliance and Good Governance Group			5	5	
	Compliance and Control	Operation Control Department	58	56	2
		Good Corporate Governance Department	14	14	
		Business Control Department	28	27	1
		Anti-Corruption Management Department	42	38	4
		Credit Review Department	50	48	2
	Compliance and Control Total		197	187	10
Compliance and Good Governance Group Total			202	192	10
Audit Group			20	19	1
	Internal Audit	IT Audit Department	41	39	2
		Special Audit Department	11	10	1
		Branch Internal Audit Department	96	85	11
		Head Office Internal Audit Department	44	43	1
	Internal Audit Total		286	268	18
Audit Group Total			306	287	19
Human Resources Group			5	5	
	Human Resources Management	Human Resources Management Department	124	117	7
		Welfare and Quality of Life Promoting Department	84	78	6
	Human Resources Management Total		213	200	13
	Human Resources Development	Human Resources Development Department	51	48	3
		Organization Development Department	34	33	1
	Human Resources Development Total		90	86	17
Human Resources Group Total			308	291	
Information Technology Group			5	5	
	Information Technology Group	IT Security Department	43	42	1
		Digital Banking Business Development Department	27	13	14
		Information Technology Operation		4	4
	Information Technology Operation	IT Service Department	155	153	2
		IT Operations Department	105	102	3
	Information Technology Operation Total		264	259	5
	IT Planning and Development	IT Project Management Department	22	20	2
		Core Customer Service Application Department	64	60	4
		Management System Department	68	61	7
		Electronic Application Department	50	47	3
IT Planning Department		44	43	1	
IT Planning and Development Total		252	235	17	
Information Technology Group Total			591	554	37

Group	Line of Work	Department/Region	Quota	No. of Person	Empty Position
Risk Management Group			5	1	4
	Risk Management	Risk Management Department	14	14	
		Credit Risk Management Department	44	42	2
			39	39	
	Risk Management Total		97	95	2
	Credit Risk Analysis	Corporate Credit and Investment Risk Analysis Department	5	5	
		Personal Loan Risk Analysis Department	25	23	2
SMEs Credit Risk Analysis Department 1		152	151	1	
SMEs Credit Risk Analysis Department 2		40	38	2	
		29	29		
Credit Risk Analysis Total		251	246	5	
Risk Management Group Total			353	342	11
Operation Support Group			8	7	1
	General Administration	Supplies Management Department	4	3	1
		General Service Department	100	97	3
		Design and Construction Management Department	229	216	13
			87	81	6
	General Administration Total		420	397	23
	Debt and Legal Management	Litigation Department	4	4	
		Debt Control and Management Department	24	23	1
		Foreclosed Properties Management Department	24	23	1
		Legal Department	43	43	
		Legal Administration Department	33	30	3
Business Loan Recovery Department		68	66	2	
	Personal Loan Recovery Department	47	44	3	
		89	83	6	
Debt and Legal Management Total		332	316	16	
Operation Support Group Total			760	720	40
Corporate Strategy Group			5	5	
	Corporate Policy and Strategy	Planning and Budget Management Department	4	4	
		Banking Strategy Department	48	44	4
			50	48	2
	Corporate Policy and Strategy		102	96	6
	Research and Customer Data Management	Customer Data Management Department	4	4	
		Economic, Business and Grassroots Economy Research Department	35	34	1
		31	31		
Research and Customer Data Management Total		70	69	1	
Corporate Strategy Group Total			177	170	7
Investment and Financial Management Group			9	6	3
	Finance	Accounting Department	4	4	
		Financial Operations Department	141	136	5
			83	82	1
	Finance Total		228	222	6
	Investment	Investment Business Department	11	8	3
		Fixed Income Department	42	40	2
Investment Operation Department		37	36	1	
		37	37		
Investment Total		127	121	6	

Group	Line of Work	Department/Region	Quota	No. of Person	Empty Position
	Financial Management		4	14	
		Foreign Exchange Department	39	42	2
		Treasury Department	18	39	
		Asset and Liability Management Department	33		
		Treasury Operation Department	35		
	Financial Management Total		129	122	7
Investment and Financial Management Group Total			493	471	22
Grassroots Customer and Government's Policy Supporting Group			7	6	1
		Grassroots Customer and Government's Policy Supporting Management Department	23	23	
	Government Officers Customers		4	4	
		Product, Marketing Management and Government Officers Customers Development Department 1	18	17	1
		Product, Marketing Management and Government Officers Customers Development Department 2	18	16	2
		Government Officers Customers Support and Operation Department	24	24	
	Government Officers Customers Total		64	61	3
	Retail Customers and Community Organization		6	4	2
		Product, Marketing Management and Retail Customer Development Department	46	42	4
		Product, Marketing Management and Community Organization Customer Development Department	45	43	2
		Informal Debt Recovery Management Department	24	24	
		Retail Customers and Community Organization Support and Operation Department	19	19	
	Retail Customers and Community Organization Total		140	132	8
Grassroots Customer and Government's Policy Supporting Group Total			234	222	12
Business and Public Sector Customers Group			8	4	4
		Business and Public Sector Management Department	35	35	
	Business and Public Sector Operation		5	5	
		International Trade and Business Operations Department	23	19	4
		Property Valuation Department	33	33	
		Loan Administration and Collateral Control Department	94	91	3
	Business and Public Sector Operation Total		155	148	7
	SMEs Business		5	2	3
		SMEs Business for Bangkok and Metropolitan Department	23	21	2
		SMEs Business for Region Department	26	26	
		SMEs Business Center Management Department	488	471	17
	SMEs Business Total		542	520	22
	Corporate and Public Sector		4	4	
		Corporate Customer Department	29	27	2
		Public and Institute Loans Department	26	24	2
		Cooperative and Local Administration Loan Department	31	30	1
	Corporate and Public Sector Total		90	85	5
	SMEs Startup Entrepreneurs		5	2	1
		SMEs Start up Marketing Department	13	10	3
		SMEs Start up Entrepreneurs Department	13	12	1
		SMEs Start up Business Development Department	13	11	2
	SMEs Startup Entrepreneurs Total		44	37	7
Business and Public Sector Customers Group Total			874	829	45

Group	Line of Work	Department/Region	Quota	No. of Person	Empty Position
Personal Customer Group			5	4	1
		Personal Customer Management Department	26	22	4
	Sales Management	Premier Banking Department	16	15	1
		Personal Customer Business Sales Management Department	51	48	3
		Customer Relations Department	95	86	9
			91	80	11
	Sales Management Total		253	229	24
	Personal Customer Business Management	Merchant Acceptance Business Department	23	22	1
		Service Business and Electronic Product Management Department	34	25	9
		Deposit Product and Marketing Management Department	60	54	6
		Cash Card and Credit Card Product and Marketing Management Department	49	43	6
		Deposit Card Product and Marketing Management Department	36	29	7
		Personal Loan Product and Marketing Management Department	26	25	1
			41	39	2
	Personal Customer Business Management Total		269	237	32
	Personal Customer Operation Management	Deposit Business Operations Department	6	6	
		Electronic Banking Operations Department	155	151	4
		Electronic Card and Acquiring Operation Department	147	140	7
		Personal Loan Operation Department	69	66	3
		Credit Service Supporting Department	24	24	
			96	94	2
Personal Customer Group Total			1,050	973	77
Under supervision of Regional Urban Development Fund Office Committee		Regional Urban Development Fund Office (RUDF)	1	1	
Under supervision of GSB President and CEO			9	6	3
		Branch Management Department	58	58	
		Business Proportion Management Department	18	16	2
		Service and Sales Channels Support Department	51	47	4
	Corporate Secretariat		6	5	1
		Social and Environmental Development Department	37	35	2
		Corporate Secretariat Department	69	61	8
		Corporate Communications Department	101	100	1
	Corporate Secretariat Total		213	201	12
	Branch Operations 1		25	23	2
		Government Savings Bank Regional Office 1	1,002	967	35
		Government Savings Bank Regional Office 2	1,096	1,051	45
		Government Savings Bank Regional Office 3	907	876	31
	Branch Operations 1 Total		3,030	2,917	113
	Branch Operations 2		4	4	
		Government Savings Bank Regional Office 4	722	680	42
		Government Savings Bank Regional Office 5	1,021	993	28
		Government Savings Bank Regional Office 6	955	924	31
	Branch Operations 2 Total		2,702	2,601	101

Group	Line of Work	Department/Region	Quota	No. of Person	Empty Position	
	Branch Operations 3		5	4	1	
		Government Savings Bank Regional Office 7	886	865	21	
		Government Savings Bank Regional Office 8	842	827	15	
		Government Savings Bank Regional Office 9	849	823	26	
	Branch Operations 3 Total			2,582	2,519	63
	Branch Operations 4			4	4	
		Government Savings Bank Regional Office 10		981	937	44
		Government Savings Bank Regional Office 11		1,083	1,037	46
		Government Savings Bank Regional Office 12		920	874	46
	Branch Operations 4 Total			2,988	2,852	136
	Branch Operations 5			5	4	1
		Government Savings Bank Regional Office 13		818	787	31
		Government Savings Bank Regional Office 14		986	948	38
		Government Savings Bank Regional Office 15		1,432	1,376	56
	Branch Operations 5 Total			3,241	3,115	126
	Branch Operations 6			4	4	
		Government Savings Bank Regional Office 16		936	887	49
		Government Savings Bank Regional Office 17		810	780	30
		Government Savings Bank Regional Office 18		705	667	28
	Branch Operations 6 Total			2,455	2,348	107
	Under supervision of GSB President and CEO Total			17,339	16,675	664
	Grand Total			22,688	21,727	961

Employees' Remuneration

The Bank paid salaries, bonuses and welfare for the past three years (2016-2018) as shown in table below:

Detail	2016 Expenses		2017 Expenses		2018 Expenses	
	Officers	Employees	Officers	Employees	Officers	Employees
Salaries	7,695,246,062.50	956,637,025.14	7,655,170,388.67	976,246,489.10	8,204,315,843.47	1,107,029,102.98
Bonuses	3,261,674,025.14	-	3,353,501,320.23	-	4,035,414,299.01	-
Welfare (include employees)	769,238,477.32		713,791,329.44		747,544,922.97	
Total	11,726,158,564.96	956,637,025.14	11,722,463,038.34	976,246,489.10	12,987,275,065.45	1,107,029,102.98

Role of Stakeholders

The Bank recognizes the rights and roles of various stakeholders inside and outside the Bank. It has set the role to meet the needs and expectations of stakeholders.

Principles

The Board should recognize the rights of stakeholders as required by law. Stakeholders should be supervised by the Bank in accordance with the applicable laws. The Board encourages the Bank to cooperate with stakeholders to create stability, create jobs, and establish a sustainable financial position. The Board should recognize and ensure that the rights of stakeholders are protected and treated.

Good Practice

1. The Board should determine who the stakeholder group is, and prioritize it for consideration without error or to make the business fail or fail.
2. The Board should develop a stakeholder engagement mechanism for the promotion of the Bank's Performance to achieve sustainable security and should disclose relevant information to those stakeholders sufficiently to be able to effectively engage in such participation.
3. The Board should set clear policy on environmental and social protection. The public hearing should be held in the event that the Bank conducts any project or activities that may affect the quality of the environment, health, wellbeing, quality of life or other community or local interests.
4. The Board of Directors should have a mechanism that ensures that the business operates ethically, with social and environmental responsibility and not violating the rights of stakeholders to be guideline for all departments of the Bank to be able to achieve the main goals on sustainable basis by creating corporate responsibility policy or guideline to employees, customers, business partners, communities, environment, fair competition and anti-corruption.
5. The Board of Directors should be aware of the need for resources to be used and realize that utilization of each type of resource is interrelate with another types of resources.
6. The Board of Directors should realize that different business models cause different impact on resources as well. Therefore, in order to choose business model, the BODs should consider the impact and efficiency of the resources, based on ethics, accountability and create value for the bank sustainably.
7. The Board of Directors should ensure that in achieving the objectives and goals of the Bank, the management has reviewed, developed and supervised the use of resources to be efficiently and effectively, considering the changes of internal and external factors.



Information Disclosure and Transparency

Information disclosure is a key operational transparency indicator for building stakeholder trust, but it is also a mechanism for examining the Bank operations. The Bank stresses correct and accurate information disclosures that enhance stakeholder decision-making and broadens communication channels.

GSB Information Center gathers data from all work units and makes formal financial and non-financial disclosures to all internal and external stakeholders. The Bank disseminates information through the following channels:

1. External disclosures via the Bank website: www.gsb.or.th, e-mail: news@gsb.or.th, ATM screens, Call Center, and TV, radio, newspaper, publications and magazines, including LCD screens at branches.
2. Internal disclosures through its Intranet, PR Boards, Digital Signage, GSB Magazine, LED moving sign-boards and public address sound systems.

The Official Information Act B.E. 2540

As a state enterprise under Ministry of Finance and a public agency, GSB has presented information about the Bank to provide the public and stakeholders with access to the Bank information as follows:

1. Procurement disclosures

The Bank provides procurement and employment information on the Internet including procurement and employment announcements, TOR drafts, bids, bid results, disposal and auction sales.

2. Disclosure of the Bank and customer information to requesting agencies and third parties

The Bank cooperates with legally authorized agencies' that request documentary evidentiary information and request for the Bank staff court testimonies. These agencies include: Officer of the Auditor General, Bank of Thailand, Ministry of Finance, Office of the Securities and Exchange Commission, Office of the National Anti-Corruption Commission, Anti-Money Laundering Office, the Court, Legal Execution Department, Revenue Department, Department of Special Investigation and Office of the Consumer Protection Board. (information only provided if requests conform with current laws and regulations as well as compliance with Bank regulations)

Complaint Management

The Bank manages and handles complaints through the Complain Tracking Application of GSB and has classified the complaints into two categories:

1. General issues refer to product information and customer service to be resolved within 15 days.
2. Significant / Urgent matters refers to issues directly affecting customers related to property damage, life, and the Bank image to be resolved within 3 days.

Complaints and Fraudulent Practice Notices

The Bank focus on prevention and anti-corruption. This is an urgent and important policy that must be taken seriously at the national level. Customers and the general public can report complaints and clues. Corrections or comments to the Bank through the following channels:

1. Call Center 1115 or call 0 2299 8000.
2. E-mail: news@gsb.or.th
3. GSB Website: <http://www.gsb.or.th/contact/form.php>
4. Facebook: GSB Society
5. A letter or complaint sent to GSB President & CEO, Customers Relations Department, Special Audit Department, or head of department / GSB branches nationwide
6. Feedback Box Suggestions and Complaints at Government Savings Bank Head Office and its branches nationwide.
7. Reporting or reporting fraud to the Anti-Corruption Commission of GSB through Operation Control Department.
8. Special Audit Department is a special inspection body message or as commanded and investigate the facts when there is fraud or misbehavior.
9. Other channels such as complaints through social network media according to complaints, (Newspaper, television, etc.), external agencies such as the Bank of Thailand, Office of the Prime Minister (GCC 1111), Ministry of Finance, Center of Dhamma Office of the Consumer Protection Board, Office of the Auditor General.

Protection and Confidentiality of Complainants

To protect the rights of complainants and informants who act in good faith. The Bank will conceal the name, address or any information that may identify the complainant or the data provider. Keep the information of the complainant and the information provider confidential. Only those responsible for investigating the complaint to access such information.

1. The person who reported the complaint or the complainant can choose not to disclose the name, address, telephone number, contact information. If the disclosure would cause insecurity. If there is a self-disclosure, it will be able to report progress, more helpful info to clarify the facts or ease the damage faster and faster.
2. The information received is confidential and no clue who reveals clues or the complainant to the public without consent.
3. Those who report clues or complaints about corrupt practices. Will be protected In accordance with relevant laws and regulations of the Bank.
4. If the complaint is false or for slander, there will be a disciplinary offense.

The staff and employees of the Bank can report complaints and frauds or provide recommendations to the Board of Directors and executives including GSB's Fraud Prevention Committee via E-mail directly from GSB Intranet.

Complainant Protection Measure

Reporters, complainants, or whistle-blower are not required to disclose themselves, if the disclosure would cause insecurity or any damage. However, if it is self-disclosure, it will be able to help report progress, clarify facts, or mitigate the damage more conveniently and quickly. Relevant information is kept confidential and will be disclosed as necessary and taking into account the safety and damage of the complainant, the source of the information, or those involved. If the complaint case is become false, bullying or slander, will be considered a disciplinary offense.

Channels for accepting comments of the Government Savings Bank are as follows

The infographic displays ten channels for accepting comments, each with an icon and a brief description:

- Employee**: Give comments and recommendations and inquire for any information.
- Call Center 1115**: 24 HOUR SERVICE. Inquire for any information, give comments and recommendations and complaints.
- E-Mail**: Unit.CMng@gsb.or.th. Just one click!!! Your information will be submitted to the Bank.
- Website**: www.gsb.or.th, www.gsbgen.com. PR news, the Bank's announcement.
- Social Network**: Click 'Like' and 'Share' to receive information of the Bank at Facebook GSB Society, Twitter, YouTube, Instagram.
- Send written notification to**: President and CEO.
- Comment Box**: Give comments and recommendations and complaints in all GSB branches nationwide.
- Activity**: Set up PR booth, organize conference, seminar and training.
- External Agency**: The Office of the Permanent Secretary, the Prime Minister's Office Ministry of Finance, the Bank of Thailand, State Audit Office of the Kingdom of Thailand, Anti-Corruption Operation Center, Damrongtham Center (Ministry of the Interior).
- Public Media**: Represented by a newspaper icon.
- Survey**: In-depth interview, questionnaire, Focus Group.
- QR Code Scan**: Give comments via your mobile phones in all GSB branches nationwide.



Ethics and Code of Conduct

The Bank has established the code of conduct to encourage and ensure that all employees behave in an ethical manner in good interaction with customers, partners and stakeholders systematically. The Board has set policies and oversight of the Code of Conduct, Business ethics, ethics of Directors, executives and employees through ethics assessment and Code of Conduct of Government Savings Bank starting with the Cultivation of moral, ethical awareness, knowledge and comprehension establishment, awareness in implementation of audit and evaluation. In this regard, the Bank requires all executives and employees to sign their names in acknowledge slip to confirm and indicate that they would strictly comply with Ethics and Code of Conduct of GSB.

Ethics and Code of Conduct

GSB Ethics consists of 2 parts:

Part 1 Ethical standards as core values for government officials

Directors, executives and employees are required to comply with the laws, regulations, notifications, orders, conventions and practices of the Bank in order to maintain the common interest, political neutral, facilitate and provide services to the people according to the principles of good governance. They must adhere to the nine core values of ethics as follows:

1. Commitment to morality and ethics.
2. Having good consciousness, honesty, integrity and responsibility.
3. Prioritize benefits of the country and the Bank over one's own benefits: no conflict of interest nor providing undue and wrongful benefits to any person.
4. Adhere to principle of righteousness, fairness and lawfulness.
5. Providing services to the people in a timely, courteous and non-discriminatory manner.
6. Provide complete and accurate information to the public without distorting the facts.
7. Commitment to the achievement of standardized work, quality, transparency and accountability.
8. Adherence to democracy with the monarchy.
9. Comply with professional ethics of the Bank.

Part 2 Ethical Standards of Government Savings Bank

Directors, executives and employees must abide by and comply with all laws, regulations, notifications, orders, conventions and practices of the Bank for the benefit of the public. It also facilitates and provides services to the people in accordance with good governance. They must adhere to 12 ethical standards as follows:

1. Cooperate and support government policies for the benefit of the country.
2. Act strictly according to the laws, rules, regulations, notifications, orders, rules and regulations of the Bank. Cooperate with other employees to ensure similar employee performance.
3. Perform duties with honesty, transparency, accountability and responsibility, adhere to code of ethics, respect human dignity and not violating the rights and freedoms of other people.
4. Perform duties in full force, dedicate intellect knowledge and ability to achieve success and efficiency to maximize the benefits to the Bank and the country.
5. Maintain confidentiality of customers, partners and the Bank strictly. Disclosure is only possible when authorized and authorized or as required by law.
6. Perform duties for the best interests of the Bank. Do not seek personal benefits, nor abuse or allow others to abuse their authority for their designated positions, whether directly or indirectly, to seek benefits from the Bank for oneself or others. Do not allow the personal benefits or benefits of the person who has a relationship with themselves that may conflict with the Bank's objectives.

7. Cooperate with each other on the Bank's business. Maintaining unity among those in the Banking circle create no cause rupture or aversion among those in the Bank. Respect and honor each other. Ignore any actions that cause others to suffer. Provide sincere support to colleagues.
8. Do not copy or remove the works of others for their own benefit without the source or do not take the works of others to impersonate their works.
9. Do not report false or offer dishonest opinions to supervisors. Be polite, obedient, and do not show hardship to your supervisors. The subordinate must comply with the orders of supervisors who order in the business of the Bank in favor of the Bank's operations. Do not cross over supervisors, except performed as ordered by supervisors or higher level or approved as special case from time to time.
10. Develop social and environmental community as well as create and conserve, natural resources.
11. Adhere to and comply with good corporate governance principles and Code of Conduct.
12. Do not comment to outsiders or media in matters relating to the Bank's affairs that may affect the reputation and operation of the Bank, unless authorized or assigned by the authorized person. And ignore publishing or forward the message, information is inaccurate, misleading, or misleading through online media or other media, which could result in the loss of or damage to the employee's management, staff, employees, or employees or affect the reputation and image of the Bank.

Executives and employees must adhere to two additional ethical standards:

1. Develop self to morality, improve knowledge and the skills to work to always benefit to the Bank by studying for knowledge and experience.
2. Provide service with politeness, interpersonal relations, fastness and convenience to contact as well as improving service regularly by considering to the benefits and satisfaction of customers.

GSB Code of Conduct

GSB has set a code of ethics for all stakeholders. This is a guideline for the staff of Government Savings Bank, divided into 3 levels:

1. Code of Conduct for GSB employees
2. Code of Conduct for GSB executives
3. Code of Conduct for GSB Board of Directors

All executives and employees must adhere to GSB's Code of conduct. In addition to the code of conduct, executives must be good role models for all employees.

1. Code of Conduct for GSB Employees

1.1 Employees' Code of Conduct toward the Bank

- (1) Perform duties with honesty, fairness and perseverance.
- (2) Use full potential to perform responsibly for the Bank's maximum benefit: not abuse one's authority to seek benefit for oneself or others and undertake no conflict of interest actions.
- (3) Perform with good attitude and loyalty: maintain the Bank's reputation and image, not defame nor provided information that may tarnish the Bank reputation, provide information that enhances external party understanding and maintain the Bank's good image.
- (4) Accept no expensive or valuable gifts or other benefits from others who are not relatives: (traditional occasions not exceeding 3,000 Baht from each person.

- (5) Keep non-disclosed Bank information and news and information not yet approved by authorized persons strictly confidential.
- (6) Aware of IT security and maintain security for information system of the Bank.
- (7) Utilize the Bank property efficiently and carefully for maximum benefit, seek no personal benefits from such properties, and assist in maintaining clean and orderly properties and workplaces.
- (8) Strict and untiring attention to all activities which can enhance the Bank quality, efficiency, and development.
- (9) Adhering to the Bank professional code of conduct.

1.2 Employees' Code of Conduct toward Executives

- (1) Respect, be polite and humble to supervisors, follow lawful orders and perform work accordingly.
- (2) Report no false information nor give dishonest opinions to supervisors, and don't slander executives without facts.
- (3) Do not attempt to lobby or demand for a required position.

1.3 Employees' Code of Conduct toward Colleagues

- (1) Maintain and nurture harmony, participate in activities to strengthen relationship among colleagues.
- (2) Provide knowledge, transfer work experiences or advise colleagues.
- (3) Listen to colleague and subordinate opinions and suggestions: use such opinions and suggestions for the Bank benefit.
- (4) Supporting and assisting colleagues in need within one's limits.
- (5) Don't make personal criticism or disclose information that discredit colleagues or tarnish Bank's image.
- (6) Treat colleagues politely and with respect.

1.4 Employees' Code of Conduct toward Oneself

- (1) Develop oneself to consistently ensure effective and efficient performance.
- (2) Adhere to laws, ethics and righteousness; seek no wrongful positions nor benefits from supervisors or any other persons.
- (3) Good attitude and pride as GSB's employee - maintain own reputation and honor as GSB employee.
- (4) Be punctual and dedicate time and full potential to performing duties: don't come to work late, leave early or use working time for personal matters (with reason).

1.5 Employees' Code of Conduct toward Customers and General Public

- (1) To be sincere and provide quality services willingly in a polite and gentle manner.
- (2) Provide fair and equal services without discrimination.
- (3) Protect customer benefits, comply with conditions, keep promises made with customers, report any conflicts of interest to supervisors immediately; perform transparently.
- (4) Keep customer personal information strictly confidential: not disclose such information to others except with customer consent, don't use information to seek benefits for oneself or others.
- (5) Welcome customer comments and suggestions and be ready to provide correct information according to one's status. If matter cannot be handled nor within scope of responsibility, explain or recommend possible solutions or persons for further action.
- (6) Give advice or information or disclose complete and correct service information to ensure customers understand benefits.

1.6 Employees' Code of Conduct toward Competitors

- (1) Behave and treat competitors in compliance with rule of law and fair competition.
- (2) Encourage actions and activities that contribute to mutual understanding and support in appropriate occasions.
- (3) View competitors as business acquaintances that enhance Bank's continuous self-development.

1.7 Employees' Code of Conduct toward Society

- (1) Devote oneself for public benefit or society by contributing energy, ideas and funds and taking part in both internal and external social activities. Such devotion however should not damage the Bank operations.
- (2) Do not engage in any actions that may damage society and the environment.

2. Code of Conduct for GSB Executives

2.1 Executives' Code of Conduct toward the Public Sector

- (1) Perform duties with honesty for the public sector benefit in general.
- (2) Manage Bank prudently.
- (3) Apply management knowledge and skills to full potential at all times.
- (4) Report the Bank's status regularly, completely and truthfully.
- (5) Report both realistic positive and negative Bank outlooks, supported by sufficient information.
- (6) Seek no self-benefit or for other persons by using Bank information that has not yet been disclosed to the public.
- (7) Disclose no confidential Bank information to outsiders.
- (8) Take no conflict of interest actions with the Bank.

2.2 Executives' Code of Conduct toward the Bank

- (1) Perform duties honestly and do not engage in any actions that may cause conflicts of interest.
- (2) Perform management duties to full potential, cautiously and prudently under corporate governance principles for the Bank's maximum benefit.
- (3) Keep the Bank information strictly confidential and seek no benefits for oneself or others using non-disclosed the Bank information.

2.3 Executives' Code of Conduct toward Employees

- (1) Provide fair remuneration to employees.
- (2) Continuously maintain caring and safe work environment for health and assets of employees.
- (3) Appointing, transferring, rewarding and punishing employees with sincerity: based on appropriate knowledge of employees skills and capabilities.
- (4) Attaching importance to employees' skills and knowledge development by providing regular and fair opportunities to all employees.
- (5) Open to employee professional opinions and suggestions.
- (6) Strictly complying with employee laws and regulations.
- (7) Manage operations by avoiding any unfair acts which may affect employee work and employment security.
- (8) Treat employees politely and respect human individuality and dignity.
- (9) Encourage employees to thoroughly understand employee code of conduct and roles, as well as inculcate appropriate Code of Ethics behavior.
- (10) Provide employee opportunities to report legal violations.
- (11) Provide employees work safety and welfare confidence.
- (12) Ensure employees optimize Bank's limited resources.



2.4 Executives' Code of Conduct toward Customers and General Public

- (1) Provide acceptable level of quality services.
- (2) Disclose services information completely and correctly, and without facts distortion.
- (3) Service provisions must not cause customers to misunderstand the quality, price, quantity or any other conditions.
- (4) Establish complaints system, so customers and general public can easily file complaints, and receive prompt feedback.
- (5) Strictly maintain customers' and people's information confidentiality: not using information for one's own or related persons' wrongful benefit.
- (6) Strictly complying with customer and general public contract terms and conditions.
- (7) If conditions cannot be delivered, notify customers and the general public promptly for solutions.
- (8) Seek no undue gain from poor service quality nor establish unfair business terms and conditions.
- (9) Introduce new innovative services that meet customer and general public needs.

2.5 Executives' Code of Conduct toward Business Partners

- (1) Do not demand or accept or pay dishonest benefits from or to business partners.
- (2) Any evidence of demands or acceptance of dishonest benefits, promptly disclose to business partners and seek fair solutions.

2.6 Executives' Code of Conduct toward Competitors

- (1) Behave and operate under fair competition rules.
- (2) Seek no confidential information dishonestly or inappropriately: including bribing competitors' staff, etc.
- (3) Make no attempt to tarnish competitors' reputation by slandering without facts.

2.7 Executives' Code of Conduct toward Society

- (1) Perform no acts which may cause damage to natural resources and environment.
- (2) Return part of Bank profits to activities beneficial to the society on a regular basis.
- (3) Continuously instilling employee social responsibility conscience at all levels.
- (4) Stricly supervising operating performance in compliance with regulatory bodies' objectives and laws.
- (5) Not assist, supporting nor, allowing oneself to be used as a tool for avoiding compliance with laws, rules and regulations.
- (6) Cooperating with regulatory bodies and reporting all legal and regulatory breaches and noncompliance.
- (7) Do not use the Bank funds for political purpose.

3. Code of Conduct for GSB Board of Directors

3.1 Board of Directors' Code of Conduct toward the Bank

- (1) Perform duties honestly and transparently for the Bank's maximum benefit and do not engage in any actions that may cause conflicts of interest.
- (2) Apply management knowledge and skills to full potential and perform management duties with prudence.
- (3) Protect the Bank's honor, reputation and good image.
- (4) Disclose no confidential the Bank information to outsiders.
- (5) Use no personal authority or allow other persons to use authority to directly or indirectly seek wrongful benefits.

3.2 Board of Directors' Code of Conduct toward Employees

- (1) Treat employees politely, avoid unfair actions, and listen to comments and suggestions.
- (2) Determine fair employee safety, remuneration and welfare policies.
- (3) Encourage employee knowledge and competence development.
- (4) Monitor the Bank procedures in reference to employees' code of conduct and roles to ensure compliant behaviors.

3.3 Board of Directors' Code of Conduct toward Customers and General Public

- (1) Encourage quality services provision to customers.
- (2) Support guidelines that enhance continuous customer and general public benefit.
- (3) Encourage innovation development that meets customer and general public needs.
- (4) Disclose complete and correct services information without distortion.
- (5) Directing the Bank to provide a system for customers and the public to give comments about the service and allow customers and the public to receive response quickly.

3.4 Board of Directors' Code of Conduct toward Society

- (1) Encourage the Bank corporates social responsibility that upholds national traditions and culture.
- (2) Ensure the Bank strict compliance with the spirit of laws and rules imposed by regulatory authorities.



Good Corporate Governance Practices and Activities

For the year 2018, GSB has supported activities to promote good corporate governance among the Board of Directors, Executives and employees' level throughout the organization continuously as follows



- Improve the good corporate governance policy by adding roles, duties and responsibilities of the Directors regarding corruption, promotion of innovation and promoting business with responsibility.
- The Bank aims to become “Bank with Good Corporate Governance” as part of the Mission and determine Core Values as “Social responsibility and dedication to duties for the organization and insist on accuracy to excellence in all aspects” and define corporate culture as “Employees with honesty, trustworthy, cheerful teamwork and loyalty to the organization, nation, religion and HM the King.
- Create good corporate governance learning process for personnel at all levels as follows:
 1. Board of Directors and Executives have attended seminars of various organizations such as Corporate Governance Program for Directors and Senior Executives of State Enterprises and Public Organizations organized by King Prajadhipok’s Institute and Thai Institute of Directors (IOD).
 2. Management and employees at all levels have attended training courses on good corporate governance as follows:
 - (1) “Good governance and compliance with the rules and regulations of regulators”
 - (2) “Regulatory criteria and operational requirements from external agencies under supervision”
 - (3) “Excellent branch management according to the regulatory requirements”
 - (4) “Ethics, Code of Conducts and Compliances”
 - (5) “Correct management and operation in accordance with rules and regulations”
 - (6) “Good corporate governance practices”
 - (7) “Basic knowledge for Corporate Governance Group, Audit Group and Risk Management Group”
 - (8) E-learning on the topic “Good Corporate Governance: Accountability” and “Ethics and Morals”
 3. The Bank has a letter to protect the confidentiality of customers, partners and Bank, including misuse of inaccurate, false or inappropriate online media information which are violations of the Computer-Related Crime Act and the Code of Ethics and Morals of the Government Savings Bank.

4. The Bank has prepared the Code of Conduct Handbook of Government Savings Bank and presented to the Board of Directors, executives, employees and employees in all levels to study, learn, understand and realize that ethics and morals are important matters that can be applied to daily life and works. The Handbook is prepared in the form of soft copy with sample images in the form of E-book and QR Code so that executives, employees and staffs can download and store on computers or mobile phones and can be easily viewed. In addition, the Bank has published ethical and moral requirements of the GSB in the form of an infographic.



5. Disseminate good corporate governance principles, ethics and morals of the Government Savings Bank via various channels such as bank website / Intranet / E-mail All User / GSB Magazine and social media such as Facebook, Line / exhibitions.



- Organize exhibition booths, disseminate good corporate governance principles and code of ethics of the Government Savings Bank



Communication and convey good corporate governance by organizing CG Day Event in order to communicate and convey management guidelines with good corporate governance principles of the organization's leaders and to build confidence and trust for all stakeholders of the Bank.

In 2018, the Bank has organized the following activities

1. GSB CG DAY 2018 under the topic “CG@Heart”

Under the topic “CG@Heart” Mr. Poomsak Aranyakasemsuk, Acting GSB Chairman, presided over the event and delivered speech on good corporate governance policy for the Directors, executives and employees of Government Savings Bank. In addition, Mr. Chatchai Payuhanaveechai, GSB President & CEO, provided vision on “CG@Heart”. Moreover, Directors, executives and staffs of GSB jointly declared their commitment to comply with the principles in good faith. There were 330 participants attended the event.



2. The Bank conducted Good Corporate Governance Day (CG Day) Tour 2018

On Thursday, November 8, 2018, the Bank conducted Good Corporate Governance Day (CG Day) Tour 2018 to convey corporate governance policy for employees at Branch Operations 6 under the topic “Comply with the rules: risk minimization and avoid corruption” at Peace Laguna Resort and Spa, Krabi. Mr. Taveesak Foongkiatcharoen, GSB Director and Chairman of Good Corporate Governance Group, presided over the event and delivered speech on good corporate governance policy. Moreover, GSB President & CEO jointly introduced guidelines for applying good corporate governance principles to concrete practices. Moreover, Directors, executives and staffs of GSB jointly declared their commitment to apply the principles in their operation. The Bank also organized semina on “Fraud and Warning Sign” at Government Savings Bank Sector 16 - 18. There were 320 participants.



3. GSB White Day 2018

GSB White Day 2018 under the theme “GSB White Transparent and Corruption - Free” on Tuesday, June 19, 2018, at the Burachat Meeting Hall, Building 1, 1st Floor, Government Savings Bank, Head Office. There are about 300 participants which consist of guests from external agencies, Directors, executives and employees of GSB. During the event, there were special lectures and discussions from many experts, such as special lectures on the topic of "Corruption 4.0", lectured by Mr. Prayad Phuangchampa, Deputy Secretary-General of the National Anti-Corruption Commission and topic discussions on "Decrypt Bribery", organized by Professor (Special), Vicha Mahakhun, Chairman of the Anti-Corruption Foundation, Mr. Wichian Phongsathorn, Vice President of Anti-Corruption Organization of Thailand and Dr. Bundit Nijathavorn, Director of the Thai Institute of Directors.





4. Organize activities to support campaigns for executives and employees to comply with the principles of good corporate governance, ethics and morals continuously throughout the year as follows:

- 4.1 The Bank has a project to present Outstanding Ethics and Moral Award annually to executives, and employees who have good morals and ethics, have self-responsibility for work and society and be a good role model for other employees as well as encouraging employees to adhere to the Code of Ethics and moralities of the Government Savings Bank.

According to award criteria in 2018, Good Corporate Governance Committee initiated Ethics Seedling Award (for employees / staffs with working periods from 3 years - less than 5 years) which is a separated award from Outstanding Ethics and Moral Award at the Bank level (for executives, employees, staffs who have a working period of 5 years and above) in order to promote the new generation employees to behave ethically and morally and be a good example for colleagues. In addition, the Bank also created ethical network and reduce corruption problems among employees who have been working in the bank for less than 5 years, as well as present additional awards at the central level/branch business to create motivation and campaign to encourage personnel to behave ethically and morally throughout the organization.

In addition, Committees of each department are authorized to propose names of candidates, instead of original affiliation, including 1) Central unit (Department Committee / Division Committee / Line Group, Work Group / GSB President & CEO as the case may be), 2) Branch Business Division (District Committee / Regional Office Committee / Line Committee, as the case may be) so that Committee of each department can completely screen qualified persons with ethical and moral behaviour and create the participation of personnel throughout the organization including enabling awards to be recognized. In 2018, awards presentation ceremony was held on November 1, 2018.

- 4.2 The Bank has enforced "No Gift Policy" during New Year festival to refrain from receiving gifts from both internal and external organizations to prevent wrongful exploitation and potential conflict of interest including enhancing transparency in operations as well as organize activities to donate gifts that executives, employees and employees received from stakeholders and are not convenient to be returned to charitable organization for public benefit. In 2018, the gifts were presented to the Priest Hospital and organizing activities for donating money and necessary supplies to the Priest Hospital.

4.3 The Bank has announced statement to require executives, employees and staffs of the Government Savings Bank to adhere to the following areas

- (1) Operational Transparency. The Bank discloses information and procurement related information with transparent accuracy, clarity, completeness and up-to-date. General Public and Stakeholders of the Bank can access the Bank's information conveniently and quickly as well as allowed to give comments in order to improve or further develop the Bank's operation and handle complaints.
- (2) Accountability. Perform duties with honesty, transparency, accountability and responsibility. Provide services with fairness without discrimination, adhere to equality, fairness and assume responsibility when making mistakes in decisions and operations.
- (3) Corruption - Free. An organization with anti-corruption policy and malpractice without abusing their authority for benefits of themselves or others, adhering to and complying with the GSB Code of Ethics and Bank's values.
- (4) Integrity Culture. Cultivating values and creating anti-corruption culture, not tolerating corruption, avoid malpractices, distinguish personal interests and common interests, have measures to prevent and suppress corruption, and conflicts of interest.
- (5) Work Integrity. Comply with operation manual by adhering to the principles of honesty and transparency in the operation, focus on systematic management and development of human resources based on value, promote transparency and allow inspection.

4.4 The Bank participated in the International Anti-Corruption Day (Thailand). In 2018, the government collaborated with NACC, Office of Public Sector Anti-Corruption Commission and Anti-Corruption Organization of Thailand and alliance networks to jointly organize an event under the concept "Zero Tolerance, Thai people will not tolerated for corruption" on Friday, December 7, 2018, at IMPACT Exhibition Hall 2, IMPACT Exhibition and Convention Center Muang Thong Thani, Nonthaburi Province.

4.5 Conducted activities for donating clothes to local residents near Huay Pla Kung Temple, Saeng Kaew Temple and Phothiyan Temple in Chiang Rai Province.

4.6 Collaborated with Phaya Thai District Office to organize "Big Cleaning Day - Light Up Your Home"

4.7 Disseminate good corporate governance knowledge media by making info graphic Screen Server for employees throughout the organization.

• Monitoring and Evaluation

The Bank has reviewed awareness, understanding and compliance with the Good Corporate Governance Guideline and Code of Ethics of executives, employees and staffs of Government Savings Bank in order to use the review results to develop and improve the process of supervision and revise Good Corporate Governance Guideline and Code of Ethics to be more appropriate as well as to be used as a guideline for dissemination of knowledge and understanding and raise awareness among executives, employees and staffs to adopt ethics and moralities in their work as corporate culture and gained trust and confidence from all stakeholders of the Bank. The result found that executives and employees had good understanding of GSB Ethics and Code of Conduct for 91.20 percent, and 92.30 percent of the Practice according to GSB Ethics and Code of Conduct.

Executives and employees had good Practice according to GSB Ethics and Code of Conduct for

92.30
percent



Board of Directors' Financial Statement Responsibilities Report

GSB Board of Directors is responsible for the Bank's financial statements as well as the information appearing in the annual report. The financial Statements were developed according to generally accepted accounting principles and standards and accompanied by appropriate accounting policies. Financial statements must accurately and reasonably reflect Bank performance and provide transparent and adequate disclosure.

The Board of Directors established and maintained proper and efficient risk management, internal control, internal audit and supervision processes to ensure financial information is accurate and sufficient to protect the Bank's assets and prevent corruption, fraud or significant unusual activities.

The Board of Directors appointed Audit Committee of independent directors. The Audit Committee is responsible for reviewing the quality of financial reports, internal control systems, and connected transactions and ensuring all activities are sufficiently and appropriately executed. The Audit Committee forwarded its recommendations in its Audit Committee Report.

The Board of Directors announce the quarterly financial statements of the Bank and its statement of financial position as of the end of the year. The auditor has verified the accuracy by the time required by regulatory authority.

The Board of Directors agreed that overall internal control processes were appropriate for the Bank's business and the financial statements for year ended December 31, 2018 are reliable, accurate and lawful according to generally accepted accounting principles, standards and related regulations.

(Mr. Amnuay Preemonwong)
Chairman of the Board of Directors
Government Savings Bank

(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank



Auditor's Report

Propose to GSB Board of Directors

Qualified Opinion

The State Audit Office of the Kingdom of Thailand (SAO) has reviewed the financial statements of has audited the accompanying consolidated financial statements of Government Savings Bank (GSB), which comprise of the consolidated statement of financial position exhibiting investments by the equity method and separate financial statements of the Bank as at December 31, 2018, the Statement of Profit and Loss and Other Comprehensive Income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

In the opinion of The State Audit Office of the Kingdom of Thailand, except for the possible effects of the matter as described in the basis for Qualified Opinion section of this report, the financial statements referred to above present fairly, in all material respects, the financial position of Government Savings Bank as at December 31, 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Qualified Opinion

As described in Note 5.7.2, the Bank has capital to provide loans with ordinary shares as collateral amount of 3,014.26 Million Baht which was approved by the Cabinet Resolution on August 8, 2006, approved in principle that the Ministry of Finance sells shares which is partly owned by the Ministry of Finance to the Bank in which the Ministry of Finance is entitled to repurchase the shares back from the Bank within 3 years and determine the redemption price rate of return and conditions for holding such common shares which will not waive the Bank's control over ordinary shares. Later, the Ministry of Finance has continuously extended the repurchase period every 3 years. On August 21, 2018, the Ministry of Finance has a letter notifying that there is no intention to repurchase such ordinary shares without changing the rules relating to waivers of control in ordinary shares held by the Bank. Subsequently, GSB issued a letter to the Ministry of Finance to request the Ministry of Finance to consider remedy for the incurred effects on the Bank and amend conditions for holding shares. Presently, GSB has not received any response from the Ministry of Finance. In this regard, State Audit Office is unable to find sufficient appropriate audit evidence and cannot adopt other methods of examination, to our satisfaction, whether GSB will receive remedies and the value of effect.

State Audit Office of the Kingdom of Thailand has audited in accordance with standard of the Ombudsman and the auditing standards. The responsibilities of the Office are stated in the paragraph of responsibility of the auditor on the audit of financial statements in the office's list. The Office is independent of the Bank in accordance with the standards of the Office and the Code of Ethics of professional accountants as prescribed by the Federation of Accounting Professions. In respect of the audit of financial statements, the Office has complied with all other ethical responsibilities in accordance with the Thai Capital Market Supervisory Board and the Code of Ethics. The Office believes that the audit evidence is sufficient and appropriate to serve as a basis for the comment of State Audit Office of the Kingdom of Thailand.

Other Information

Management is responsible for other information. Other Information included in the annual report. It does not include the financial statements and reports of the auditors cited in the annual report. The management will prepare an annual report to the State Audit Office of the Kingdom of Thailand after the date set out in the auditor's report.

The Office's opinion on the financial statements does not cover other information. The Office does not provide affirmation on any other information.

The responsibility of the Office regarding the financial statements is to review and consider whether other information has conflicts with the financial statements, with the knowledge gained from the audit of the Office or whether any other information is contrary to the facts.

When the Office reads the annual report and found that there is a material misstatement, the Office must communicate with the person responsible for oversight.

Responsibilities of Management and Those for Overseeing the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibility for Auditing the Financial Statements.

The review of State Audit Office of the Kingdom of Thailand is intended to provide an assurance that the consolidated financial statements are free from misstatement, whether caused by fraud or error. The Office offers the auditor's report, which includes the opinion of the Office, with assurance that it is of high confidence but does not guarantee that the auditing standards will always be able to detect any issues that are against the facts. Unfavorable information may be due to fraud or error is considered that any item of fact or all of the facts would be detrimental to the economic decision of the user of these financial statements.

In the audit of the State Audit Office of the Kingdom of Thailand in accordance with the audit standards, the Office discretion and professional observation throughout the examination. The Office operations include:

- Identify and assess the risk of misstatements in the financial statements, whether due to fraud or errors. The Office designs and operates audit procedures to respond to those risks. The audit evidence is adequate and appropriate as a basis for the opinion of the Office. The risk of non-disclosure of information as a result of fraud is higher than the risk of error because corruption may be about conspiracy, falsification of documentation, intentional omissions, misrepresentation of information, or interference with internal controls.

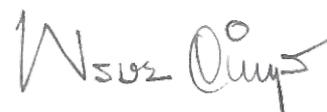
- Understand the internal control system related to the audit to design appropriate monitoring procedures. It is not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.

- Review the appropriateness of the accounting policies used by the management and the reasonableness of the accounting estimates and the disclosures made by the management.

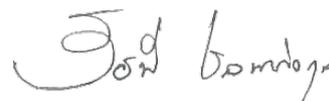
- A summary of the appropriateness of applying the accounting standard of the management and the audit evidence to conclude that there is uncertainty about an event or situation that may cause doubt about the Bank's ability to continue operations. If the Office concluded that there is uncertainty, The Office must mention in the report of the auditor of the Office. The notice of the Office shall be changed. The conclusion of the Office shall be based on the audit evidence received up to the date of the report. However, future events or circumstances may cause the Bank to cease its operations.

- Evaluate the presentation, structure and content of the consolidated financial statements. Include disclosures of financial statements and events in such a way that accurate information is presented.

The State Audit Office of the Kingdom of Thailand communicates with those who are responsible for overseeing important matters, including the scope and timing of the planned audit and significant issues found from the audit including flaws in the internal control system if the Office found during the inspection.



(Mr. Pornchai Jumroonpanichkul)
Deputy Auditor General



(Miss Ratchanee Chohnakijkul)
Director of Finance Audit
and Supplies Administration Office 4

State Audit Office of the Kingdom of Thailand

Date: April 1, 2019

Government Savings Bank
Financial Statements
As of December 31, 2018

Unit : Thousand Baht

	Note	Investments by equity method		Bank-only financial statement	
		2018	2017	2018	2017
Assets					
Cash	5.2	33,864,750	30,092,814	33,864,750	30,092,814
Interbank and money market items - net	5.3	339,996,142	462,668,652	339,996,142	462,668,652
Claims on Securities		37,339,454	-	37,339,454	-
Derivative assets	5.4	670,627	657,002	670,627	657,002
Investments - net	5.5	254,153,651	235,362,391	254,153,651	235,362,391
Investments in associated companies - net	5.6	2,002,907	1,958,334	1,375,919	1,375,919
Loans to customers and accrued interest receivables - net	5.7				
Loans to customers		1,886,232,467	1,757,877,772	1,886,232,467	1,757,877,772
Accrued interest receivables		6,523,719	6,492,605	6,523,719	6,492,605
Total loans to customers and accrued interest receivables		1,892,756,186	1,764,370,377	1,892,756,186	1,764,370,377
Less Deferred revenue		482,332	458,900	482,332	458,900
Less Allowance for doubtful accounts	5.8	65,193,961	52,992,437	65,193,961	52,992,437
Less Revaluation allowance for debt restructuring	5.9	36,014	10,879	36,014	10,879
Total loans to customers and accrued interest receivables - net		1,827,043,879	1,710,908,161	1,827,043,879	1,710,908,161
Loans to PSA customers and accrued interest	5.39				
Loans to PSA customers					
Non-PSA compensation		174,459,877	188,437,110	174,459,877	188,437,110
PSA compensation		506	938	506	938
PSA accrued interest receivables					
Non-PSA compensation		246,715	171,780	246,715	171,780
Total loans to PSA customers and accrued interest receivables - net		174,707,098	188,609,828	174,707,098	188,609,828
Less PSA Deferred revenue		2,559,972	2,236,047	2,559,972	2,236,047
Total loans to PSA customers and accrued interest receivables - net		172,147,126	186,373,781	172,147,126	186,373,781
Debtors waiting for PSA compensation	5.39.2	1,104,146	2,371,956	1,104,146	2,371,956
Assets pending sales - net	5.10	3,235,899	2,428,437	3,235,899	2,428,437
Land, building and equipment - net	5.11	26,418,580	25,730,778	26,418,580	25,730,778
Other intangible assets - net	5.12	1,161,857	1,330,645	1,161,857	1,330,645
Other assets - net	5.13	5,827,575	4,527,595	5,827,575	4,527,595
Total assets		2,704,966,593	2,664,410,546	2,704,339,605	2,663,828,131

Notes to the financial statements are an integral part of these financial statements

Government Savings Bank
Financial Statements (Continued)
 As of December 31, 2018

Unit : Thousand Baht

	Note	Investments by equity method		Bank-only financial statement	
		2018	2017	2018	2017
Liabilities and Equity					
Deposits	5.14	2,232,430,751	2,185,122,288	2,232,430,751	2,185,122,288
Interbank and money market items - net	5.15	69,659,284	111,205,802	69,659,284	111,205,802
Liabilities payable on demand		1,210,693	1,010,071	1,210,693	1,010,071
Liabilities to deliver securities		37,339,454	-	37,339,454	-
Derivative liabilities	5.4	106,165	91,156	106,165	91,156
Issued debt securities and loans	5.16	50,000,000	50,000,000	50,000,000	50,000,000
Provisions	5.17	56,508,304	55,682,323	56,508,304	55,682,323
Accrued deposit and PSC interest payables	5.18	46,187,191	49,425,112	46,187,191	49,425,112
Accrued expenses		6,624,454	6,604,581	6,624,454	6,604,581
Other liabilities	5.19	2,334,329	2,798,129	2,334,329	2,798,129
Total liabilities		2,502,400,625	2,461,939,462	2,502,400,625	2,461,939,462
Equity					
Capital granted by HM King Rama VI		100	100	100	100
Other components of equity	5.20	23,116,191	33,535,457	23,082,556	33,404,863
Accumulated profit					
Allocated					
Reserves for business expansion		30,128,888	27,007,881	30,128,888	27,007,881
Unallocate		149,320,789	141,927,646	148,727,436	141,475,825
Total equity		202,565,968	202,471,084	201,938,980	201,888,669
Total liabilities and equity		2,704,966,593	2,664,410,546	2,704,339,605	2,663,828,131

Notes to the financial statements are an integral part of these financial statements



(Mr. Amnuay Preemonwong)
 Chairman of the Board of Directors
 Government Savings Bank



(Mr. Chatchai Payuhanaveechai)
 President and CEO
 Government Savings Bank

Government Savings Bank

Income Statement

Unit : Thousand Baht

As of December 31, 2018

	Note	Financial statements exhibiting investments by equity method		Bank-only financial statement	
		2018	2017	2018	2017
Interest Income	5.28	96,607,635	98,364,635	96,607,635	98,364,635
Interest expenses	5.29	35,428,966	42,448,209	35,428,966	42,448,209
Interest Income - net		61,178,669	55,916,426	61,178,669	55,916,426
Fees and service income		7,101,311	6,450,576	7,101,311	6,450,576
Fees and service expenses		1,028,727	684,852	1,028,727	684,852
Fees and service income - net	5.30	6,072,584	5,765,724	6,072,584	5,765,724
Gain on trading and foreign exchange - net	5.31	94,634	89,932	94,634	89,932
Gain on investment - net	5.32	7,635,090	257,194	7,635,090	257,194
Share of profit on investment by equity method		464,873	300,346	-	-
Dividend income		1,616,688	2,153,789	1,940,542	2,388,698
Other operating income		1,305,364	1,011,244	1,305,364	1,011,244
Public Service Account income	5.39.4	6,130,695	5,948,822	6,130,695	5,948,822
Total operating income		84,498,597	71,443,477	84,357,578	71,378,040
Other operating expenses					
Personnel expenses		13,827,499	13,095,326	13,827,499	13,095,326
Director remuneration		4,405	4,058	4,405	4,058
Employee remuneration		3,641,934	3,496,826	3,641,934	3,496,826
Director Compensation		4,858	4,362	4,858	4,362
Premises and equipment expenses		5,170,764	4,731,650	5,170,764	4,731,650
Remuneration for dept collection agency	5.33	1,567,492	2,811,902	1,567,492	2,811,902
Others		5,379,872	4,602,973	5,379,872	4,602,973
Total other operating expenses		29,596,824	28,747,097	29,596,824	28,747,097
Public Service Account expenses	5.39.5	6,901,357	7,236,462	6,901,357	7,236,462
Bad debts, doubtful accounts and loss (reversal) on impairment	5.34	17,017,559	4,184,407	17,017,559	4,184,407
Net profit		30,982,857	31,275,511	30,841,838	31,210,074
Other comprehensive profit (loss)					
Item that will be reclassified subsequently to profit or loss					
Gain on impairment of securities available-for-sale	5.20	(10,322,307)	6,618,036	(10,322,307)	6,618,036
Share of other comprehensive profit on affiliated companies	5.20	(96,959)	72,187	-	-
Total item that will be reclassified subsequently to profit or loss		(10,419,266)	6,690,223	(10,322,307)	6,618,036
Item that will not be reclassified subsequently to profit or loss					
Change of Surplus on Asset Valuation					
Actuarial Losses	5.20	-	17,547,247	-	17,547,247
Employee Benefits Scheme		(415,120)	(7,270,965)	(415,120)	(7,270,965)
Share of other comprehensive (loss) on affiliated companies		513	(501)	-	-
Total item that will not be reclassified subsequently to profit or loss		(414,607)	10,275,781	(415,120)	10,276,282
Total other comprehensive (loss) - net		(10,833,873)	16,966,004	(10,737,427)	16,894,318
Total comprehensive profit		20,148,984	48,241,515	20,104,411	48,104,392

Notes to the financial statements are an integral part of these financial statements



(Mr. Amnuay Preemonwong)
Chairman of the Board of Directors
Government Savings Bank



(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank

Government Savings Bank

Statement of Changes in Equity

As of December 31, 2018

Unit : Thousand Baht

		Financial statements exhibiting investment by equity method							
Note	Capital granted by HM King Rama VI	Other components of equity				Total other components of equity	Accumulated profit		Total
		Capital Surplus of Asset Valuation	Capital (lower) Surplus Change in Value Investment for Sales	Share of other comprehensive profit (loss) on affiliated companies	Share of other comprehensive profit (loss) on affiliated companies		Allocated Reserves for business expansion	Unallocated Reserves for business expansion	
	100	-	9,239,580	58,407	-	9,297,987	24,413,284	137,141,198	170,852,569
5.21	-	-	-	-	-	-	2,594,597	(2,594,597)	-
5.21	-	-	-	-	-	-	-	(16,623,000)	(16,623,000)
	-	17,547,247	6,618,036	72,187	-	24,237,470	-	24,004,045	48,241,515
	100	17,547,247	15,857,616	130,594	-	33,535,457	27,007,881	141,927,646	202,471,084
	100	17,547,247	15,857,616	130,594	-	33,535,457	27,007,881	141,927,646	202,471,084
5.21	-	-	-	-	-	-	3,121,007	(3,121,007)	-
5.21	-	-	-	-	-	-	-	(20,054,100)	(20,054,100)
	-	-	(10,322,307)	(96,959)	-	(10,419,266)	-	30,568,250	20,148,984
	100	17,547,247	5,535,309	33,635	-	23,116,191	30,128,888	149,320,789	202,565,968

Notes to the financial statements are an integral part of these financial statements



(Mr. Amnuay Preeonwong)
Chairman of the Board of Directors
Government Savings Bank



(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank

Government Savings Bank

Statement of Changes in Equity

As of December 31, 2018

Unit : Thousand Baht

	Bank Statements							Total	
	Note	Capital granted by HM King Rama VI	Other components of equity			Accumulated profit			
			Capital Surplus of Asset Valuation	Capital (lower) Surplus Change in Value Investment for Sales	Total other components of equity	Allocated Reserves for business expansion	Unallocated		
Balance as of January 1, 2017		100	-	9,239,580		9,239,580	24,413,284	136,754,313	170,407,277
Reserves for business expansion	5.21	-	-	-	-	-	2,594,597	(2,594,597)	-
Contribution to Ministry of finance	5.21	-	-	-	-	-	-	(16,623,000)	(16,623,000)
Total comprehensive profit (loss)		-	17,547,247	6,618,036		24,165,283	-	23,939,109	48,104,392
Balance as of December 31, 2017		100	17,547,247	15,857,616		33,404,863	27,007,881	141,475,825	201,888,669
Balance as of January 1, 2018		100	17,547,247	15,857,616		33,404,863	27,007,881	141,475,825	201,888,669
Reserves for business expansion	5.21	-	-	-	-	-	3,121,007	(3,121,007)	-
Contribution to Ministry of finance	5.21	-	-	-	-	-	-	(20,054,100)	(20,054,100)
Total comprehensive profit (loss)		-	-	(10,322,307)		(10,322,307)	-	30,426,718	20,104,411
Balance as of December 31, 2018		100	17,547,247	5,535,309		23,082,556	30,128,888	148,727,436	201,998,980

Notes to the financial statements are an integral part of these financial statements



(Mr. Arnuay Preemonwong)
Chairman of the Board of Directors
Government Savings Bank



(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank

Government Savings Bank

Statement of Cash Flows

As of December 31, 2018

Unit : Thousand Baht

	Financial statements exhibiting investments by equity method		Bank Statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Net profit	30,982,857	31,275,511	30,841,838	31,210,074
Adjustment to reconcile net profit with cash receivables (payables) from operating activities				
Depreciation and amortization	1,704,909	1,673,703	1,704,909	1,673,703
Bad debts and doubtful accounts	17,032,141	4,198,588	17,032,141	4,198,588
Loss from debt restructuring	26,103	-	26,103	-
Loss on debt restructuring	125,600	(300,654)	125,600	(300,654)
Adjusted investment amortized Loss on transfer of securities amortized	922	5,022	922	5,022
Unrealized gain - tradable	(18,098)	(6,503)	(18,098)	(6,503)
(Reversal of) Loss on impairment of investments	-	(98,101)	-	(98,101)
Gain on sales of assets	(854)	(41,501)	(854)	(41,501)
Gain on sales of assets pending sale	(136,408)	(115,504)	(136,408)	(115,504)
Gain on sales of investment in securities	(7,635,090)	(159,093)	(7,635,090)	(159,093)
Gain on sales of investment in securities - tradable	(49,675)	(73,759)	(49,675)	(73,759)
(Gain) Loss on foreign currency translation	(29,220)	998,233	(29,220)	998,233
Loss (Gain) on forward contracts	1,581	(1,090,446)	1,581	(1,090,446)
(Gain) Loss on forward contracts - tradable	(197)	443	(197)	443
(Reversal of) Loss on discount of assets pending sales	(367)	16,190	(367)	16,190
(Reversal of) Loss on impairment of assets	-	(50,305)	-	(50,305)
Loss on Land Revaluation	-	49,425	-	49,425
Increase in estimated liabilities	410,860	1,157,415	410,860	1,157,415
Increase in provisions Decrease in other accrued income	(42)	1,442	(42)	1,442
Increase in other accrued expenses	45,293	1,112,373	45,293	1,112,373
Receivables from donation	(63,783)	(1,887)	(63,783)	(1,887)
Share of profit on investment by equity method	(464,873)	(300,346)	-	-
	41,931,659	38,250,246	42,255,513	38,485,155
Net interest income	(59,849,688)	(52,784,675)	(59,849,688)	(52,784,675)
Dividend income	(1,616,688)	(2,153,789)	(1,940,542)	(2,388,698)
Interest cash receivables	98,418,177	98,268,607	98,418,177	98,268,607
Interest cash payables	(41,773,025)	(40,053,395)	(41,773,025)	(40,053,395)
Divident cash receivables	1,616,688	2,153,789	1,616,688	2,153,789
Operating profit before changes in operating assets and liabilities	38,727,123	43,680,783	38,727,123	43,680,783

Notes to the financial statements are an integral part of these financial statements

Government Savings Bank

Statement of Cash Flows (Continued)

As of December 31, 2018

Unit : Thousand Baht

	Financial statements exhibiting investments by equity method		Bank Statements	
	2018	2017	2018	2017
Cash flows from operating activities (Continued)				
(Increase) Decrease in operating assets				
Interbank and money market items	122,774,059	17,155,990	122,774,059	17,155,990
Investment in securities - tradable	(3,563,928)	(3,659,057)	(3,563,928)	(3,659,057)
Loans to customers	(132,841,546)	(201,812,765)	(132,841,546)	(201,812,765)
Loans to PSA debtors	13,951,010	536,083	13,951,010	536,083
PSA compensation debtors	1,267,810	885,811	1,267,810	885,811
Assets pending sales	(839,245)	(394,501)	(839,245)	(394,501)
Other assets	(1,041,133)	(817,552)	(1,041,133)	(817,552)
Increase (Decrease) in operating liabilities				
Deposits	47,308,463	47,781,184	47,308,463	47,781,184
Interbank and money market items	(39,203,835)	23,482,568	(39,203,835)	23,482,568
Liabilities payable on demand	200,622	199,846	200,622	199,846
Payable under State Policy Transactions	-	(308,446)	-	(308,446)
Other liabilities	(829,538)	(153,479)	(829,538)	(153,479)
Net Cash (used in) Derived from Operating Activities	45,909,862	(73,423,535)	45,909,862	(73,423,535)
Cash flows from investment activities				
Cash payables on purchase of land, buildings and equipment	(1,810,887)	(2,001,699)	(1,810,887)	(2,001,699)
Cash receivables on sales of land, buildings and equipment	4,867	45,699	4,867	45,699
Cash payables on purchase of investment in securities	(167,168,291)	(119,757,910)	(167,168,291)	(119,757,910)
Cash receivables on sales of investment in securities	149,321,795	176,957,516	148,997,941	176,722,607
Cash payables on purchase of investment in affiliated companies	-	(389,504)	-	(389,504)
Cash receivables on dividend from affiliated companies	-	-	323,854	234,909
Cash payables on purchase of intangible assets	(77,394)	(46,409)	(77,394)	(46,409)
Cash payable on leasehold right	(8,989)	(12,886)	(8,989)	(12,886)
Net Cash from (used in) investing activities	(19,738,899)	54,794,807	(19,738,899)	54,794,807
Cash flows from financing activities				
Long-term Debt Securities	-	50,000,000	-	50,000,000
Long-term loans of financial institutions	(2,342,684)	(13,589,828)	(2,342,684)	(13,589,828)
Delivery of income to the MOF	(20,054,100)	(16,623,000)	(20,054,100)	(16,623,000)
Net cash from (used in) investment activities	(22,396,784)	19,787,172	(22,396,784)	19,787,172
Impact of foreign exchange rates on cash	(2,243)	(2,241)	(2,243)	(2,241)
Net increase in cash and cash equivalents	3,771,936	1,156,203	3,771,936	1,156,203
Cash and cash equivalents as of January 1	30,092,814	28,936,611	30,092,814	28,936,611
Cash and cash equivalents as of December 31	33,864,750	30,092,814	33,864,750	30,092,814

Notes to the financial statements are an integral part of these financial statements



(Mr. Amnuay Preemonwong)
Chairman of the Board of Directors
Government Savings Bank



(Mr. Chatchai Payuhanaveechai)
President and CEO
Government Savings Bank



Notes to Financial Statements

1. General Information

Government Savings Bank (GSB or the Bank) is a juristic person established according to Government Savings Bank Act B.E. 2489 (1946), having headquarter located at No. 470 Phaholyothin Road, Samsen nai, Phayathai, Bangkok. The Bank's core business operations are deposit services, sales and purchases of government bonds, profit-oriented investments as approved by the Minister, and any other banking activities. GSB has branches throughout the country.

2. Significant Accounting Policies and Principles

2.1 Basis of presentation of financial statement

The Bank's Financial Statements exhibiting investments by the equity method and separate financial statements for the year ended December 31, 2018 are prepared pursuant to the Federation of Accounting Professions' Financial Reporting Standards and Accounting Guidelines as well as accounting principles generally accepted and Regulation of Ministry of Finance Re: State Enterprises financial and accounting Standard, B.E. 2548 (2005). The Bank also adopts format for presenting the Financial Statements in conformity with Thai Accounting Standard No. 1 (Revised 2017) Re: Presentation of Financial Statements. The transactions therein are presented, pursuant to Bank of Thailand (BOT) Notification No. SorKorSor. 1/2559 dated June 29, 2016 Re: Preparation and Announcement of the Financial Statements of Specialized Financial Institutions and related Notifications of Bank of Thailand by gathering the accounts of all GSB branches round the country and the accounting items of the Regional Urban Development Fund Office, which is one of the Bank's bureaus, already having deferred the transactions.

The Bank prepares the financial statements and presents currency denominations in Thai Baht which is the currency used in the Bank's operation. The financial statements are expressed in the unit of Thousand Baht and the notes to the financial statements are expressed in the unit of Million Baht unless indicated otherwise.

Financial statements expressing the investment fund following the equity method

Financial statements expressing the investment fund following the equity method exhibits investments in equity securities of the associates by equity method. The initial recognition is made at the cost including transaction costs. The book value of investments in the associates will increase or decrease after the acquisition date with the shares of profit or loss attributable to the associate companies in proportion to the investment of the Bank and the dividends received from the associate companies.

Financial statement particular for the Bank

Financial statement particular for the Bank recorded the investment accounts in the associates at costs deducting allowance for impairment (if any) and dividends received from associate companies are recognized as dividend incomes.

2.2 Accounting Standards and Financial Reporting Standards enforced with current accounting period

The Bank adopts the current and revised Accounting Standards, Financial Reporting Standards, Accounting and Financial Reporting Standards Interpretation, and Conceptual Framework for Financial Reporting of Federation of Accounting Professions which are enforced on financial statements for accounting periods beginning on or after January 1, 2018. The Bank has assessed and found no material impact on the Bank's Financial Statements for the period they have taken effect.

2.3 New and Revised Accounting Standards and Financial Reporting Standards which have been announced but not yet enforced

The Federation of Accounting Professions has issued the following Accounting Standards and Financial Reporting Standards regarding the Bank's operation which have been announced in the Royal Gazette but not yet taken effect in 2018 as follows:

		Accounting Standards	Effective date
TAS 1	(Revised 2018)	Presentation of Financial Statements	January 1, 2019
TAS 7	(Revised 2018)	Statement of Cash Flows	January 1, 2019
TAS 8	(Revised 2018)	Accounting policies, changes in accounting estimates and errors.	January 1, 2019
TAS 10	(Revised 2018)	Event after the reporting period	January 1, 2019
TAS 16	(Revised 2018)	Property, Plant and Equipment	January 1, 2019
TAS 17	(Revised 2018)	Leases	January 1, 2019
TAS 19	(Revised 2018)	Employee Benefits	January 1, 2019
TAS 20	(Revised 2018)	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2019
TAS 21	(Revised 2018)	The Effects of Changes in Foreign Exchange Rates	January 1, 2019
TAS 24	(Revised 2018)	Related Party Disclosures	January 1, 2019
TAS 27	(Revised 2018)	Separate Financial Statement	January 1, 2019
TAS 28	(Revised 2018)	Investments in Associates and Joint Venture	January 1, 2019
TAS 32		Financial Instruments: Presentation	January 1, 2020
TAS 34	(Revised 2018)	Interim Financial Reports	January 1, 2019
TAS 36	(Revised 2018)	Impairment of Assets	January 1, 2019
TAS 37	(Revised 2018)	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2019
TAS 38	(Revised 2018)	Intangible Assets	January 1, 2019
		Financial Reporting Standards	Effective date
TFRS 4	(Revised 2018)	Insurance Contracts	January 1, 2019
TFRS 5	(Revised 2018)	Non-current Assets Held for Sale and Discontinued Operations	January 1, 2019
TFRS 7		Financial Instruments: Disclosure	January 1, 2020
TFRS 8	(Revised 2018)	Operating Segments	January 1, 2019
TFRS 9		Financial Instruments	January 1, 2020
TFRS 12	(Revised 2018)	Disclosure of Interests in Other Entities	January 1, 2019
TFRS 13	(Revised 2018)	Fair Value Measurement	January 1, 2019
TFRS 15		Revenue from contracts with customers	January 1, 2019
TFRS 16		Financial Lease	January 1, 2020
		Accounting Standards Interpretation	Effective date
TSIC 15	(Revised 2018)	Operating Leases - Incentives	January 1, 2019
TSIC 27	(Revised 2018)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2019
TSIC 32	(Revised 2018)	Intangible Assets - Web Site Cost	January 1, 2020

		Financial Reporting Standards Interpretation	Effective date
TFRIC 1	(Revised 2018)	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2019
TFRIC 4	(Revised 2018)	Determining whether an Arrangement contains a Lease	January 1, 2019
TFRIC 10	(Revised 2018)	Interim Financial Reporting and Impairment	January 1, 2019
TFRIC 14	(Revised 2018)	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction for Accounting Standards (Revised 2018) on Employee Benefits	January 1, 2019
TFRIC 21	(Revised 2018)	Levies	January 1, 2019

For the new and revised TAS, TFRS, TSIC and TFRIC are designated to be adopted by Financial Statements for accounting periods beginning on or after January 1, 2019 onward, the Bank has assessed that there is no material impact on the Bank's accounting policies and financial statements. Meanwhile, for accounting standards and financial reporting standards, financial instruments and financial lease which shall be applied to the financial statements for the accounting period beginning on or after January 1, 2020 onwards, the Bank is in the process of assessing the impact of such accounting standards and financial reporting standards.

2.4 Summary of significant accounting policies

2.4.1 Revenue recognition

Interest Income

Interest incomes of interbank transactions and money market are recognized based on accrual basis.

Interest incomes on investments in debt instruments are recognized on effective interest rate method.

Interest incomes from loans are recognized based on accrual basis. Interest income on loans with interest accrued for more than three months from the due date will not be recognized and reversed in full. In addition, the loans with interest accrued for less than three months from the due date but is classified as loss, doubtful of loss or doubtful account will be recognized upon repayment and recorded based on new accrual basis when the debt is paid fully. Incomes from debtors who undergo restructuring will not be recognized throughout the agreement term and income will be recognized on collection basis.

Deferred interest incomes from loans on the date of loan repayment will gradually be recognized as income on a monthly basis throughout the contractual term.

Fee and service incomes

Fee and service incomes are recognized based on accrual basis.

Income or accrued income from special privilege reward redemption program that allows customers to earn and accrue points which then be redeemable for gifts or future discount on products or services is allocated by fair value of accrued points as deferred income. It will then be recognized as income according to the amount of redeemable points actually claimed by customers.

Dividend income

Dividend income is recognized upon entitlement to dividend payment.

Other income

Other income is recognized on an accrual basis.

Income from public service accounts

Interest income compensation from public service accounts under the Cabinet Resolution will be recognized based on an accrual basis throughout the duration of each project. Meanwhile, compensation for damages will be recognized when payment is received.

2.4.2 Expense recognition

The Bank recognizes the deposit interest expenses, interest on all types of loans, lottery award expenses, funds transferred to the Specialized Financial Institution Development, and other operating expenses based on an accrual basis.

The expenditure on public service accounts is recognized by allocating the expenses of costs, fees and services, and other operating expenses. The method of allocation on the expenses has been approved by Fiscal Policy Office (FPO).

2.4.3 Cash and cash equivalents

Cash and cash equivalents refer to cash in hand and cash items under collection.

2.4.4 Derivatives

Derivatives transactions are recognized on the trade date by the following methods:

Tradable derivatives are stated at a fair value. Gain (loss) on change in fair value is recognized as income or expense in Statement of Profit and Loss and Other Comprehensive Income and incorporated into net gain (loss) on trading and foreign exchange.

Hedging derivatives are measured by the same method as that used for valuing the hedged items and are recognized as income or expense in the same manner as the hedged items.

2.4.5 Investments

Investments of the Bank consist of debt instruments and equity instruments, classified into investment in tradable securities, securities available-for-sale, debt instruments held to maturity, general investments.

Investments in tradable securities

Marketable debt instruments or equity instruments which held in a short term and will be sold for profit taking from securities price changes are presented at a fair value. Unrealized gain or loss on change in the fair value are presented in Statement of Profit and Loss and Other Comprehensive Income and incorporated into net gain (loss) on trading and foreign exchange.

Investments in securities available-for-sale

Marketable debt instruments or equity instruments which are neither held for trading nor held to maturity are presented at a fair value. Unrealized gain or loss on change in fair value are presented in Statement of Profit (Loss) and Other Comprehensive Income. The accumulated balance is presented in other components of equity. Upon sales of securities, the unrealized gain or loss on change in the fair value will be reversed before recognition of gain or loss on sales of securities in Statement of Profit and Loss and Other Comprehensive Income.

The Bank will appraise impairment of securities available-for-sale right away once there is a proof to support impairment of securities. The lower value on mark to market of securities available-for-sale presented in other components of equity will be reversed to the loss from impairment or surplus on mark-to market value of securities in other components of equity will be reversed to mark down the value of investment before the loss in impairment is recognized in Statement of Profit and Loss and other Comprehensive Income. The Bank will reverse the loss of impairment in investment available-for-sale whenever there is no proof of impairment in securities.

Debt instruments held to maturity

Debt securities purchased with the intention and ability of holding the investments to maturity are classified as debt instruments held to maturity and are reported at the amortized cost net of allowance for impairment.

The impairment of debt instrument held to maturity will be appraised by the Bank when it is quite sure that all or some of principle or interest cannot be collected as written in an agreement. The Bank will recognize the loss on impairment in Statement of Profit and Loss and Other Comprehensive Income. The loss on impairment of debt instrument held to maturity will be reversed when the loss on impairment is none or decreased but it should not be more than the amortized cost of that debt instrument held to maturity.

General investments

Non-marketable equity instruments are classified as general investments and are presented at cost net of allowance for impairment.

The Bank will appraise the impairment in general investment when there is an indicator of impairment by comparing the book value of investments to the value expected to be recovered. If the book value of investments is higher than the value expected to be recovered, loss on impairment will be recognized in Statement of Profit and Loss and Other Comprehensive Income. The loss on impairment in general investment will be reversed when there is no more indicator on impairment.

Trade of investments in securities is reported on the trade date by recording initial investment accounts with the price of total purchase plus total direct payment in order to get the amount of investments. When investments are on sales, the Bank will calculate cost price of investments on sales using the weighted average method. Gain/Loss on sales of tradable securities is presented in net gain (loss) on trading and foreign exchange, whereas other types of investments are stated in net gain (loss) on investments.

Fair value of debt instruments is calculated from the yield rate quoted by the Thai Bond Market Association, and fair value of marketable equity instruments is based on the latest bid on a domestic market, which is regulated by a state agency and on which the said securities are traded, prevailing as of the end of the last business day of the fiscal period and investments in non-liquid investment units and funds are measured at fair value based on Net Asset Value as of the reporting date.

2.4.6 Investments in Associate companies

Equity Instruments in businesses invested by the Bank will be considered as investments in associate companies when the Bank has significant influence over the business activities, includes directly and indirectly at least 20% of voting right, decision making on financial and operation policies but not includes controlling such policies. In Separate financial statements of the Bank, investments in Associate companies is presented by cost net of allowance for impairment and in Financial statements exhibiting investment by equity method, investments in Associate companies is presented by equity method.

The Bank will appraise the impairment in investments in Associate companies when there is an indicator of impairment by comparing the book value of investments to the value expected to be recovered. If the book value of investments is higher than the value expected to be recovered, loss on impairment will be recognized in Statement of Profit and Loss and Other Comprehensive Income. The loss on impairment will be reversed when there is no more indicator on impairment.

2.4.7 Loans

Loans are presented in terms of outstanding principal amount, and accrued interest receivables on loans are recorded separately, except in case of overdrafts.

Personal loans which is guaranteed by life insurance deposit is presented in outstanding principal amount. In-advance interest receivable on life insurance loans is presented in a separate item deductible from life insurance loans.

Hire purchase receivables are stated by the amount of debts under agreements, net of commission fee and deferred initial direct cost on hire purchase financing. Deferred revenue is presented in a separate item deductible from loans.

Unearned discount on notes receivable, in-advance interest receivable on loans and unearned financial income are presented in deferred revenue as deductible from loans.

2.4.8 Allowance for doubtful accounts

The Bank sets aside an allowance for doubtful accounts in accordance with the provisioning guidelines set forth in BOT Notification No. SorNorSor. 14/2559 dated October 11, 2016 regarding Guidelines on Assets Classification and Provision of Specialized Financial Institutions as follows:

Type of classification	Provisioning rate
Normal (0-1 month overdue)	1%
Special mention (more than 1-3 months overdue)	2%
Sub-standard (more than 3-6 months overdue)	100%
Doubtful (more than 6-12 months overdue)	100%
Doubtful of loss (more than 12 months overdue)	100%

For general loans, minimum allowance for doubtful accounts is set aside based on the percentage stipulated by BOT, calculating from outstanding principal amount of debt excluded accrued interest receivable after collateral value deduction, or debt amount after deduction of current cash flow value expected to collect from debtors, or current cash flow value expected from collateral disposal. The collateral value used is based on the type of collateral and the date of the most updated appraisal of the collateral.

Allowance for doubtful accounts on hire purchase loans is set aside based on the percentage stipulated by BOT, calculating from hire purchase receivables net amount after deduction of deferred revenue.

Personal loans which is guaranteed by life insurance deposit is set aside an allowance for doubtful accounts based on the percentage set by BOT, calculating from outstanding principal amount of debt before deduction of collateral value.

For normal and special mention accounts, the Bank has set additional allowance in accordance with the minimum guidelines set forth in BOT by considering the loss from changes in economy, law and other factors which may have impact on debtor's payment ability.

For other uncollectible doubtful accounts, allowance is set aside in full. Doubtful accounts are recorded as expenses in the fiscal period of such recognition and reversed when they are settled.

Bad debt write-off during the year is deducted from allowance for doubtful accounts.

Bad debts and doubtful accounts are recognized as expenses, while bad debts recovery is stated as other income in Statement of Profit and Loss and Other Comprehensive Income.

2.4.9 Troubled debt restructuring (TDR)

1. Loss on troubled debt restructuring arising from reduction of principal and accrued interest on defaulted loans and from various restructuring methods such as transfer of assets, change of repayment conditions, debt restructuring in mixed forms, etc. is fully recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income.

2. In case of a relaxation of repayment conditions without reduction of principal and accrued interest before debt restructuring, the Bank estimates the present value of cash flow expected to be recovered by using the interest rate under the conditions specified in the TDR agreement as a discount rate. In case where such interest rate is lower than the financial cost rate, the financial cost rate is used as the discount rate instead. If the estimated current cash flow value is lower than the book value (the principal amount plus accrued interest receivable recorded in the outstanding balance of restructured debt), the allowance for loss on troubled debt restructuring is fully recognized in Statement of Profit and Loss and Other Comprehensive Income for the relevant fiscal period.

Composition of financial costs are such as the cost of deposits, loans, contributions to the Specialized Financial Institution Development Fund and operating expenses.

3. The components of financial costs encompass costs of deposits, contribution to SFI Development Fund and operation expenses. In case of the Bank accepting transferred assets, financial instruments, or debt-equity conversion for debt repayment, total accounts receivable are entirely written off. Losses arising are charged to Statement of Profit and Loss and Other Comprehensive Income instantly upon the receipt of transfer by taking into account the original allowance for doubtful accounts provided. The value of transferred assets is recorded at a fair value and not higher than the book value of the debt plus accrued interest receivable to which the Bank is entitled by law.

In case of partial settlement of debt through the transfer of assets, financial instruments or debt-equity conversion, the Bank follows the practice in No. 3 in the first place. For the remaining amount of debt, if there is a relaxation of lending criteria, the Bank will follow the practice in No. 2.

2.4.10 PSA Accounts receivable pending compensation

PSA Accounts receivable pending compensation refers to the Bank's rights to receive compensation for the losses from the government as stipulated in Cabinet resolutions or letter of order in written form from public service account.

2.4.11 Assets pending sales

Assets pending sales are immovable properties earlier mortgaged as loan security and acquired by the Bank as debt settlement and from purchase at a court-ordered auction sale, which will thereafter be disposed of by the Bank. These assets are stated at the fair value or at the outstanding debt plus accrued interest receivable, inclusive of interest entitled by creditors on the asset acquisition date, whichever is lower, and are also recorded as partial debt repayment. The Bank will appraise the asset value and make allowance for the downward deviation from the book value in full amount (100%), which is recognized as other operating expenses or income in Statement of Profit and Loss and Other Comprehensive Income. The Bank does not calculate the depreciation for the assets pending sales.

Gain or loss on disposal of assets pending sales is recognized as other operating income or expenses in Statement of Profit and Loss and Other Comprehensive Income.

2.4.12 Land, buildings, equipment and depreciation

Land, buildings, equipment consist of land, buildings (both freehold and leasehold), durable goods and work in process. The Bank recognizes initial cost of land, buildings and equipment which includes direct cost from acquiring the assets or from maintaining the assets to be ready to use in any purposes. The Bank calculates the final values by cost method or revaluation method using the same accounting policy as Land, buildings, equipment in the same category.

Land is presented at revaluating price less allowance for asset impairment (if any). The price if land will be regularly revaluated every 3-5 year by qualified outsource estimator in accordance with BOT's policy. If the fair value of land is fluctuated and changed significantly, the land will be revaluated again so that the land value presented will not be significantly different from fair value at the end of the reporting period. If the land has less value after revaluation or less than capital surplus recognized by the landlord of the same land, the Bank will recognized the decreasing value in Statement of Profit and Loss and Other Comprehensive Income. If the land has more value, the Bank will recognize the increasing value in capital surplus in landlord's asset revaluation except the decreasing value is already recognized as the loss in Statement of Profit and Loss and Other Comprehensive Income from previous revaluation. The increasing value in the second revaluation will be recognized only the surplus value from the decreasing one of the same land.

Buildings (both freehold and leasehold) and durable goods are presented at cost less accumulated depreciation and allowance for asset impairment (if any).

Depreciation is recorded as expenses in Statement of Profit and Loss and Other Comprehensive Income and computed on a straight-line basis according to the estimated useful life of each item of assets, as follows:

Buildings and other constructions	11 - 90 years
Buildings constructed on leased land	20 - 87 years or based on lease contract term
Leased building improvements	5 years
Durable goods	5 - 8 years

The Bank reviews the remaining value and the useful life of assets at every year-end so as to properly reflect the actual usage at present and the expected economic benefits in the future. This is considered a change in accounting estimates and the Bank recognizes the effect from such change by the immediate recognition method. As regards the assets fully depreciated but still in use, the Bank does not make any change to the estimate.

Loss on impaired land, buildings and equipment is recognized as other operating expenses in Statement of Profit and Loss and Other Comprehensive Income.

Land, buildings and equipment will be amortized when they are disposed or no longer have economic benefits in the future from the usage or the dispose of land, building and equipment. Profit or loss on assets sale is recognized as other income or operating expenses in Statement of Profit and Loss and Other Comprehensive Income.

2.4.13 Intangible assets

Intangible assets, comprising computer programs, are stated at cost less accumulated amortization and allowance for asset impairment (if any).

The Bank will recognize the initial intangible assets from cost. The cost of computer programs are the expenses in buying computer programs and in acquiring the ownership of computer programs.

Computer programs, having a useful life of around 1-21 years, is amortized on a straight-line basis over the useful life and is recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income.

The Bank reviews the remaining value and the useful life of intangible assets at every year-end so as to properly reflect the actual usage at present and the expected economic benefits in the future. This is considered a change in accounting estimates and the Bank recognizes the effect from such change by the immediate recognition method. Regarding the computer programs which are fully amortized but still in use, the Bank does not make any change to the estimate.

Loss on impaired intangible assets is recognized as other operating expenses in Statement of Profit and Loss and Other Comprehensive Income.

Intangible assets will be excluded when they are on sale or economic benefits in the future from the usage or the sale of Intangible assets are not expected. Profit or loss on Intangible assets sale is recognized as other income or operating expenses in Statement of Profit and Loss and Other Comprehensive Income.

2.4.14 Leasehold right

Leasehold rights consist of leasehold rights to rent the land for establishing the branch and installing public ATM.

Leasehold right is presented at cost less amortization which is calculated on a straight-line basis and according to the lease contract term. It will be recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income.

2.4.15 Assets from donation

Assets from donation are land and other assets which are donated. The Bank recognizes assets from donation from its appraisal value or fair value at the date being donated. Assets from donation are stated at the donation price and accounted for as unearned income from donation, then gradually recognized as income from donation throughout the useful life of the relevant assets.

2.4.16 Life Insurance deposit

Life insurance deposit is a deposit for life insurance and for savings as income and education insurance. The return is in the form of dividends, pensions and coverage in accordance with insurance's condition. The Bank makes payments according to the deposit conditions.

The Bank has the debts of life insurance deposit as in the features of deposits and insurance with the accounting policies as follows:

1. Life insurance deposit shown in the deposit account with net balances from operating expenses from depositors.
2. The accrued interest on life insurance under Clause 1 is shown in the interest deposit account and bonds payable.

For life insurance deposits as in the features of deposits recorded by the Bank under Clauses 1 and 2 at the end of the reporting period, the reserves will be calculated following the mathematic method of Net Premium Valuation (NPV).

The Bank tests the adequacy of the debts of life insurance as recorded by the Bank in accordance with Clauses 1 and 2 at the end of the reporting period by using the current estimation of future cash flow from insurance contracts used in the insurance sector based on Gross Premium Valuation (GPV) and the discount rate following the guidelines of the Office of Insurance Commission "OIC".

Healthcare benefits for life insurance depositors and additional provision based on the deposit balance are recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income.

2.4.17 Provisions

Provisions are recognized in Financial Statements when the Bank debts which results from incidents in the past and there is possibility that the Bank will lose economic benefits from paying that debts. It consists of the provisions in obligations which are items outside the Financial Statements, provisions in employee's defined benefits, the indemnity from the prosecution and other provisions. The provisions will be reviewed regularly. The increasing or decreasing changes in provisions will be recognized in Statement of Profit and Loss and Other Comprehensive Income.

Contingent liabilities and obligations which are items outside the Financial Statements are recognized as provisions in the Financial Statements as follows:

1. Provisions are set for obligations which are items outside the Financial Statements of sub-standard, doubtful, doubtful loss, and loss loans to ensure its resilience against any loss.
2. Contingent liabilities and obligations which are items outside the Financial Statements are recognized as provisions in the Financial Statements when they meet all the following conditions:
 - 2.1 The Bank has current obligations, either legal or constructive, which result from incidents in the past;
 - 2.2 Payment for such obligations will lead to a rather high possibility that the Bank will lose economic benefits of its resources; and
 - 2.3 Reliable estimates of the value of obligations can be made.

2.4.18 Employee Benefits

The Bank provides a number of benefit plans for its employees as follows:

Short-term employee benefits

Short-term employee benefits consist of salary, overtime pay and bonus, including other short-term benefits under the employment contract and the present legal or constructive obligation to pay the benefits as a result of past service provided by employees where the obligation can reliably be estimated. Short-term employee benefits are recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income based on an accrual basis.

Post-employment benefit plans

1. Defined contribution plan

Defined contribution plan is a post-employment benefit plan for employees. The Bank established a provident fund under the Provident Fund Act B.E. 2530 (1987) and became a registered fund approved by the Ministry of Finance on June 29, 2005. The provident fund is managed by an external fund manager. The Bank's liability is limited to the amount of contributions it is obligated to pay to the fund at a rate ranging from 9% to 12% according to the individual employees' length of service, whereas employees who are the fund members may opt for any contribution rate between 3% and 15% of their respective salary and will receive this benefit upon termination of employment from the Bank pursuant to the fund's regulations.

Provident fund is classified as a defined contribution plan. Contributions paid by the Bank are recognized as personnel expenses in profit and loss.

2. Defined benefit plan

Defined benefit plan is a post-employment benefit plan, besides a defined contribution plan, comprising gratuities/pensions, retirement gifts, merit pays, living gratuities and special gratuities. The obligation in respect of defined benefit plan is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. The said benefit is discounted based on the yield rate of government bonds that have maturity dates approximating the terms of the Bank's obligations. The calculation is performed by a qualified actuary, using the projected unit credit method done by the experts in insurance mathematics for the profits (loss) from the Actuarial Gain/Loss in the type of benefits after the recognition in other comprehensive incomes. The provisions will be recognized from the current value of obligation in employee benefits in Financial Statement. The post-employment benefit will be recognized as expenses in profit and loss.

Other long-term employee benefits

The Bank offers other long-term employee benefits to the eligible employees in return for their service in the current and former periods before retirement such as long service awards. The obligations in respect of other long-term employee benefits are recognized in the Financial Statements and the payment in other long-term employee benefits as expenses in profit and loss, calculated on the same basis as the defined benefit plan. Actuarial gain/loss and relevant expenses are recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income.

Layoff Benefits Plan

Layoff benefit comes from the Bank's decision to lay off its employees or employee's decision to accept benefit offers in exchange of the layoff. Layoff Benefits Plan such as Early Retirement Plan, the Bank will recognize the layoff benefits as expenses in profit and loss when the Bank can no longer cancel the offer of that benefit plan.

Layoff benefits are expected to be paid in the total amount of 12-month at the end of the reporting period when the layoff benefits are recognized in accordance with the regulations of short-term employee benefits plan. If the layoff benefits are not expected to be paid in the total amount of 12-month at the end of the reporting period, the Bank will comply the regulations of other long-term employee benefits plan.

2.4.19 Foreign currency translation

The Bank's items denominated in foreign currencies are foreign currencies from foreign currency exchange service, assets, debts, incomes and expenses paid in foreign currencies. Items denominated in foreign currencies arising during the period are converted and recorded in Thai Baht at the immediate exchange rate prevailing as of the transaction date. The remaining foreign currency balance, as of the reporting period, of assets and liabilities is converted and recorded in Thai Baht at the exchange rate announced by the BOT. Assets and liabilities which are non-monetary items will be presented as the original cost converted in Thai Baht as of the transaction date.

Profits and losses from currency exchange rates and foreign currency translation will be presented in Statement of Profit and Loss and Other Comprehensive Income.

2.4.20 Long-term lease contracts

Financial leases

Lease contracts where the risks and returns on majority ownership have been transferred to the Bank, as a lessee, are classified as financial leases. Financial leases are recorded as assets at the fair value of leased assets or the present value of amounts payable under the lease contracts, whichever is lower. Assets acquired under financial leases are subject to depreciation calculation throughout the useful life of the leased assets. Obligations under the lease contracts less financial expenses are recognized as liabilities. Rental fees payable are divided into amounts deductible from liabilities under contracts, resulting in a fixed interest rate for each of the remaining installments in respect of the outstanding debt balance. Financial expenses are recognized in Statement of Profit and Loss and Other Comprehensive Income.

Operating leases

Long-term contracts for assets leasing where the risks and returns on majority ownership still rest with the lessors are classified as operating leases and are recognized as expenses in Statement of Profit and Loss and Other Comprehensive Income on a straight-line basis throughout the lease terms.

3. Risk Management

3.1 Overview of the Bank's Risk

3.1.1 Credit risk

Credit risk refers to risk arising from failure by the Bank's customers or counterparties to comply with the credit repayment contract, or fail to comply with the obligation as agreed with the Bank, or customers seem likely default on repayment, resulting to credit risk downgrade, which could have impacts on the Bank's fund and revenue.

The Bank is well aware of risks from current economic and social uncertainty and has closely monitored the debt quality and improved loan provision criteria and risk management to be better suit the current situation. Moreover, the Bank has systematically developed its risk management procedures in accordance with the best practice, rationalized loan underwriting process, and developed credit risk management tools to support quality credit expansion and investments, as well as monitored and controlled credit risk to an acceptable level. Details are summarized as below:

1. Credit Risk Management Policy for effective credit risk management in the same direction and conforming with the Bank's strategy and policies.

2. Determine business loan policy to serve as a framework and standard guidelines for better Bank's business loan performance.

3. Set up retail loan policies to serve as a framework and standard guidelines for effective Bank's retail banking operations.

4. Determining policy for classification and retention of bank reserves to be used as a guideline for classifying and retaining bank reserves to create stability. Adequate reserves will allow bank to avoid significant adverse effect that may arise from the impairment of assets held by the Bank.

5. Determine policy to consider risk acceptance and the minimum criteria for risk acceptance for credit cards and cash card loans to be used as a framework for criteria and guidelines for providing credit cards and cash card loans.

6. Determine the authority to review and renew the business credit line including a review of the credit process and practices to align with the organizational structure by setting check and balance process that complies with the principles of good risk management.

7. Identification on debt repayment ability including

- 7.1 Standardize debt repayment criteria for retail customers or DTI ratios to ensure that borrower has adequate funds for their living and to prevent future NPLs.

- 7.2 Standardize each business's net profit to be used as suitable criteria to determine debt repayment ability.

8. Credit Product Program (CPP) to serve as a primary guideline for business loans consideration that the Bank will support, and business credit risk considerations for loan approval and renewal credit line with a business loan and/or total investment (Total Exposure) not exceeding 20 Million Baht (Check List : CL).

9. Determine Industry Limit as guideline for loan approval process and ensure that loans are not concentrated in any particular industry or business.

10. Determine limits or ceiling for loans, investment or commitments for each counterparty country (Country Limit) in order for the Bank to have a risk protection system for the counterparty country as well as allocate sufficient and appropriate reserves to support the impact that may occur from increased transactions.

11. Review of the Prime Bank qualification criteria to consider qualifications for eligible Prime Bank.

12. Development and improvement of Credit Scoring Model consists of Credit Scoring Model (including Application Scoring, Behavior Scoring, Collection Scoring), credit risk rating model, and credit risk rating so as to screen customers in a more appropriate and efficient manner, including a Bureau Score for consideration in conjunction with the Credit Scoring Model.

13. Putting in place work systems to support the loan approval process of the Bank up to the standards and increase efficiency of risk management, such as

- 13.1 Loan origination and process system (LOPs), comprising loan origination system (LOR), collateral management system (CMS), and legal system (LS) to increase efficiency of loan approval process and competition ability.

- 13.2 Systems to analyze information of corporate customer loan risks, consisting of Business Data Analysis System (Enlite), financial analysis system (Optimist) and credit scoring calculation system (Blaze Advisor), and score calculation system for credit cards and credit card loans (Strategy Management).
- 13.3 Data base for risk management (Risk Data Mart) to support BIS ratio calculations, Stress Test and Credit Portfolio Management.
- 14. Monitor and control credit risks including:
 - 14.1 Setting single lending limit to control risks and prevent the Bank from lending, invest, under obligation, or make transaction resemble giving out loan and to avoid Concentration Risk in any single customer or concerned parties.
 - 14.2 Monitoring of industry limits to diversify risks and ensure no concentration in any particular industry.
 - 14.3 Determine limits or ceiling for loans, investment or commitments for each counterparty country (Country Limit) to control risk and ensure that loans are not concentrated in any particular country or group of countries which have related economies.
 - 14.4 Rationalization of credit review guidelines in line with regulatory criteria.
 - 14.5 Monitor structure and quality of loan portfolios in line with the Bank's policy as well as monitor and control credit concentration regularly; Credit concentration by loan type, Business sector and Single Lending, to ensure the Bank's sufficient capital fund to run business if any event occurs that may affect a particular group of debtors or any business sector.
- 15. Establish an effective debt management process to prevent and fix overdue debt including litigation or compromise process and property foreclosure management.
- 16. Provision of training and skill development in areas of credit, investment and credit risk management, and support building of work culture among relevant staff members on a consistent basis.
- 17. Monitor and report risk to the Risk Management Committee and related Committees on regular basis.

3.1.2 Market Risk

Market Risk means the risk arising from the movement of interest rates, foreign exchange rates, equity price, and commodity prices having negative impact on the income and fund capital.

In order to manage market risk, the Bank has established market risk management policy which requires the Board of Directors and the Risk Management Committee to be responsible for approving systems to measure, monitor and control market risks. The objectives are to control risks that may occur in both trading and banking accounts to be under the acceptable level (Risk Appetite) by defining the risk limits and trigger which are suitable for investment portfolios and stress testing on the market every quarter by specifying the simulation scenario that may occur from the severe change of risk factors to be consistent with the BOT's guidelines that may negatively affect income and capital of the Bank to ensure that it can handle any damage that may occur during crisis as follows:

(1) Interest rate risk

Interest rate risk refers to risk associated with interest rate movements that adversely affect the Bank's revenues and/or economic value, consisting of interest rate risk in the Banking book and interest rate risk in the trading account.

The interest rate risk in the Banking book arises from a mismatch of repricing of assets and liabilities. The Bank aligns its assets and liabilities structure with the interest rate movement and conducts risk management by analysis and report on repricing gap to measure the interest rate change impact on net interest income (NII sensitivity) in the next one year in comparison with the defined limits. This is to ensure that the impact of changes in interest rates is under acceptable risk levels.

For interest rate risk in trading accounts at the end of December 2018, the remaining debt instruments of the Bank constitute of only 3.35% of the total investment portfolio. GSB also adopts risk control tools such as Present Value of 1 basis point (PV01) and evaluate maximum damage that may occur from transactions under normal conditions by using the Value at Risk model (VaR) with 1-day Variance - Covariance at 99.00 percent confidence level which allows Back Testing of VaR according to the BOT's guidelines on regular basis.

The table below illustrates the Bank's average outstanding balance and amount of interest for interest-bearing financial instruments for the years ended December 31, 2018 and 2017:

Unit : Million Baht

	2018			2017		
	Avg. Outstanding of balance	Amount Interest	Avg. Outstanding of Interest rate (%)	Avg. Outstanding of balance	Amount Interest	Avg. Outstanding of Interest rate (%)
Interest-bearing financial assets						
Interbank and money market items	332,338.62	5,424.39	1.63	393,018.50	6,384.06	1.62
Investments	192,546.35	4,512.99	2.34	197,341.11	4,490.10	2.28
Loan to Loan customers	1,817,084.57	86,647.68	4.77	1,676,123.45	87,474.19	5.22
Loan to PSA customer	183,958.15	6,093.20	3.31	190,606.64	5,937.56	3.12
Total	2,525,927.69	102,678.26	4.06	2,457,089.70	104,285.91	4.24
Interest-bearing financial liabilities						
Deposits	2,209,137.12	36,159.54	1.64	2,156,055.07	44,225.48	2.05
Interbank and money market items	81,145.21	1,170.32	1.44	94,172.48	1,251.12	1.33
Issued debt securities and loans	50,105.00	1,179.83	2.36	47,563.34	941.92	2.34
Total	2,340,387.33	38,509.69	1.65	2,297,790.89	46,418.52	2.03

(2) Foreign exchange risk

Foreign exchange risk refers to risk incidental to exchange rate volatility having adverse impact on the Bank's income and capital funds as a result of its foreign exchange transactions. The Bank controls the risks by defining the Limit and Trigger such as Warning Indicator, etc. Moreover, the financial derivatives are used to hedge against foreign exchange risk by entering into forward contract which is controlled by the departments and committees concerned.

(3) Equity instrument price risk

Equity instrument price risk refers to risk stemming from changes in equity instrument prices having adverse impact on the Bank's income and capital funds, divided into equity instrument price risk in the Banking book and equity instrument price risk in the trading book.

Equity instrument price risk in the Banking account at the end of December 2018, the Bank invests in common shares and funds in the available-for-sale portfolio approximately 4.92% and 11.77% of the Bank's total investment portfolio. To cushion against this risk, the Bank evaluate maximum damage that may occur from transactions under normal conditions by using the Value at Risk model (VaR) with 30-day Variance - Covariance at 99.00 percent confidence level which allows Back Testing of VaR according to the BOT's guidelines on regular basis.

The Bank has not invested in common shares in the Bank's tradable securities portfolio, thus there is no equity instrument price risk.

(4) Risks in commodity prices

The risks in commodity prices mean the risks of changes in the prices of commodities that adversely affect the Bank's income and fund capital. However, the Bank does not invest in commodities so it has no commodity price risk.

3.1.3 Liquidity risk

Liquidity risk refers to risk arising from failure by the Bank to repay liabilities and contingencies on due dates due to inability to liquidate assets into cash or to acquire sufficient funds or ability to acquire funds but at an unacceptably higher cost (Funding Liquidity Risk) thus likely affecting the Bank's income and capital funds both at present and in the future. Liquidity risk may also stem from failure by the Bank to mitigate or offset risk with the assets it is holding, forcing it to dispose of the assets at a price lower than acquisition cost due to either low liquidity of the assets or illiquid market (Trading Liquidity Risk).

In Liquidity risk management, the Board of Directors and Risk Management Committee will approve, monitor and control liquidity risk. The Bank's Assets and Liabilities Management Committee (ALCO) is responsible for monitoring compliance with risk management framework and liquidity risk limit in order to control risk at acceptable level (Risk Appetite) and acceptable degree of uncertainty (Risk Tolerance). Liquidity management working group has the duty to formulate a guideline on deposit mobilization, investments and lending in alignment with the Bank's business plan in order to maintain the Bank's liquidity at a proper level and enable it to fulfill all financial obligations.

The Bank measures and evaluates liquidity risk by using a liquidity gap report prepared both in the remaining time to maturity and with behavioral adjustments. The Bank also conducts a stress testing of liquidity risk quarterly with three simulations including

- (1) Institution-specific crisis
- (2) Market-wide crisis and
- (3) Combination of both.

Several assumptions are formulated such as unusual outflows of deposits with difference on proportions, identifying haircut rate. In addition, the Bank develops the contingency liquidity plan and early warning indicators to discover uncommon situation that needs the Bank's preparation and identifies roles and responsibilities of executives and relevant working units. The Bank also arranges working processes, the way to manage liquidity in several cases as well as tests the contingency liquidity plan for its preparedness to react against problems and liquidity crisis efficiently, and identifies the size of quality asset with liquidity cushion to ensure that Bank has adequate liquidity for its operations either normal situation or crisis.

The Bank controls this risk by using risk limits and risk triggers, comprising loans to deposits ratio and bonds, liquid assets to deposits ratio, etc. The report will be conducted to monitor the risks in the liquidity daily, weekly, monthly, and quarterly to propose to the executives and relevant bureaus. The liquidity asset ratio per deposit As at December 31, 2018, equaled to 18.65% slightly decreasing from December 31, 2017, equaling to 21.86% which is still higher than BOT standard (not less than 6.00%) and in accordance with the defined limit and trigger.

The table shows the remaining balances of financial assets and financial liabilities classified by the remaining periods of the contract As at December 31, 2018 and 2017, as follows:

Unit : Million Baht

	2018					Total
	Not more than 1 Month	More than 1 month and not more than 3 month	More than 3 month and not more than 1 year	More than 1 year	No time limits	
Financial Assets						
Interbank and money market items-net	292,649.30	6,795.70	21,500.22	19,050.92	-	339,996.14
Investments *	1,251.53	21,912.55	48,145.30	182,800.16	1,420.03	255,529.57
Loans to customers	61,612.47	29,441.40	216,278.65	1,578,899.95	-	1,886,232.47
Loans to PSA customers	52,856.86	13,577.56	18,226.97	89,798.99	-	174,460.38
Total	408,370.16	71,727.21	304,151.14	1,870,550.02	1,420.03	2,656,218.56
Liabilities						
Deposits	713,496.62	243,229.92	447,552.69	828,151.52	-	2,232,430.75
Interbank and money market items-net	60,619.87	4,122.56	2,332.41	2,584.44	-	69,659.28
Issued debt securities and loans	-	-	-	50,000.00	-	50,000.00
Total	774,116.49	247,352.48	449,885.10	880,735.96	-	2,352,090.03

Unit : Million Baht

	2017					Total
	Not more than 1 Month	More than 1 month and not more than 3 month	More than 3 month and not more than 1 year	More than 1 year	No time limits	
Financial Assets						
Interbank and money market items-net	399,516.63	11,775.21	10,795.18	40,581.63	-	462,668.65
Investments *	7,384.98	21,596.16	42,646.88	163,594.37	1,515.92	236,738.31
Loans to customers	51,391.84	34,491.59	157,403.39	1,514,590.95	-	1,757,877.77
Loans to PSA customers	13,654.37	49,011.00	16,979.99	108,792.69	-	188,438.05
Total	471,947.82	116,873.96	227,825.44	1,827,559.64	1,515.92	2,645,722.78
Liabilities						
Deposits	653,395.46	333,457.98	412,879.53	785,389.32	-	2,185,122.29
Interbank and money market items-net	84,278.55	20,083.73	4,581.24	2,262.28	-	111,205.80
Issued debt securities and loans	-	-	-	50,000.00	-	50,000.00
Total	737,674.01	353,541.71	417,460.77	837,651.60	-	2,346,328.09

* Total investment in associate companies

3.2 Fair value of financial instruments

Following table shown book value and the estimated fair value of financial instrument, as the outstanding balance summary appearing in the financial statements As at December 31, 2018 and 2017:

Unit : Million Baht

Type of financial instrument	Financial statements exhibiting investment by equity method			
	2018		2017	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	33,864.75	33,864.75	30,092.81	30,092.81
Interbank and money market items-net	339,996.14	339,996.14	462,668.65	462,668.65
Derivative	670.63	670.63	657.00	657.00
Investments-net *	256,156.56	256,352.72	237,320.73	237,743.41
Loans to customers-net	1,827,043.88	1,827,043.88	1,710,908.16	1,710,908.16
Loans to PSA customers-net	172,147.12	172,147.12	186,373.78	186,373.78
PSA Accounts receivable pending compensation by Public Service	1,104.15	1,104.15	2,371.96	2,371.96
Total	2,630,983.23	2,631,179.39	2,630,393.09	2,630,815.77
Financial liabilities				
Deposits	2,232,430.75	2,232,430.75	2,185,122.29	2,185,122.29
Interbank and money market items-net	69,659.28	69,659.28	111,205.80	111,205.80
Liabilities payable on demand	1,210.69	1,210.69	1,010.07	1,010.07
Derivative	106.17	106.17	91.16	91.16
Issued debt securities and loans	50,000.00	50,000.00	50,000.00	50,000.00
PSA Accounts payables Accrued interest on deposits and bonds	46,187.19	46,187.19	49,425.11	49,425.11
Total	2,399,594.08	2,399,594.08	2,396,854.43	2,396,854.43

Unit : Million Baht

Type of financial instrument	Bank-only financial statements			
	2018		2017	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash	33,864.75	33,864.75	30,092.81	30,092.81
Interbank and money market items-net	339,996.14	339,996.14	462,668.65	462,668.65
Derivative	670.63	670.63	657.00	657.00
Investments-net *	255,529.57	256,352.72	236,738.31	237,743.41
Loans to customers-net	1,827,043.88	1,827,043.88	1,710,908.16	1,710,908.16
Loans to PSA customers-net	172,147.12	172,147.12	186,373.78	186,373.78
PSA Accounts receivable pending compensation by Public Service	1,104.15	1,104.15	2,371.96	2,371.96
Total	2,630,356.24	2,631,179.39	2,629,810.67	2,630,815.77
Financial liabilities				
Deposits	2,232,430.75	2,232,430.75	2,185,122.29	2,185,122.29
Interbank and money market items-net	69,659.28	69,659.28	111,205.80	111,205.80
Liabilities payable on demand	1,210.69	1,210.69	1,010.07	1,010.07
Derivative	106.17	106.17	91.16	91.16
Issued debt securities and loans	50,000.00	50,000.00	50,000.00	50,000.00
PSA Accounts payables Accrued interest on deposits and bonds	46,187.19	46,187.19	49,425.11	49,425.11
Total	2,399,594.08	2,399,594.08	2,396,854.43	2,396,854.43

* Total investment in associate companies

3.3 Assets and Liabilities fair value

The Bank categorized fair value measurement into three levels based on the type of inputs used for valuation technique as follows:

- Level 1 - Inputs were quoted prices (unadjusted) in active markets for the same assets and liabilities accessible by the Bank on the measurement date.
- Level 2 - Inputs other than quoted prices in Level 1 that were observable directly or indirectly for those assets or liabilities.
- Level 3 - Unobservable inputs adopted for those assets or liabilities.

Fair value measurement techniques of regular transactions that were categorized into Level 2 are as follows:

- Derivatives calculated by standard model commonly used in the market, using observable inputs including interest rates, currency exchange rates, to discount future cash flows for fair value measurement.
- Unlisted securities available-for-sale were measured at Net Assets Value as of reporting date.
- Government and state enterprise debt securities and corporate securities investments for trading and available-for-sale were measured at yield rates of Thai Bond Market Association.

As at December 31, 2018 and 2017, the Bank's assets and liabilities fair value were categorized according to the levels as follows:

Unit : Million Baht				
2018				
	Level 1	Level 2	Level 3	Total
Assets				
Derivatives				
Tradable derivatives	-	0.79	-	0.79
Hedging derivatives	-	0.31	-	0.31
Investments				
Trading investments	-	8,566.63	-	8,566.63
Available-for-sale investments	24,824.10	90,912.68	-	115,736.78
Total	24,824.10	99,480.41	-	124,304.51
Liabilities				
Derivatives				
Tradable derivatives	-	0.06	-	0.06
Hedging derivatives	-	0.63	-	0.63
Total	-	0.69	-	0.69

Unit : Million Baht				
2017				
	Level 1	Level 2	Level 3	Total
Assets				
Derivatives				
Tradable derivatives	-	0.57	-	0.57
Hedging derivatives	-	0.10	-	0.10
Investments				
Trading investments	-	5,226.38	-	5,226.38
Available-for-sale investments	37,114.50	155,208.19	-	192,322.69
Total	37,114.50	160,435.24	-	197,549.74
Liabilities				
Derivatives				
Tradable derivatives	-	0.03	-	0.03
Hedging derivatives	-	0.45	-	0.45
Total	-	0.48	-	0.48

3.4 Capital fund

As at December 31, 2018 and 2017, the Bank's capital fund was calculated based on BOT guideline set forth under Basel II framework.

GSB's capital fund under Basel II framework is as follows:

Unit : Million Baht

	2018	2017
Tier 1 capital		
Capital granted by HM King Rama VI	0.10	0.10
Allocated accumulated profit-net	30,128.89	27,007.88
Net profit after allocation	138,900.84	130,290.69
deducted transaction from Tier 1 Capital	(869.09)	(7,270.96)
Total of Tier 1 Capital	168,160.74	150,027.71
Tier 2 capital		
Reserve for normal assets *	11,794.97	-
Profit from revaluation of instruments	-	1,103.84
deducted transaction from Tier 2 Capital	2,513.03	6,713.50
Total of Tier 2 Capital	14,308.00	7,817.34
Total Capital fund	182,468.74	157,845.05

* On March 9, 2018, the Bank has been approved by the Bank of Thailand to include incremental value of land valuation in Tier 2 capital.

According to the requirements of the Bank of Thailand, the specialized financial institutions are required to maintain the capital adequacy ratio of not less than 8.50% provided that the Tier 1 capital must not be less than 4.25% of total risk assets.

As at December 31, 2018 and 2017, the Bank maintained the capital adequacy ratio to the total risk assets according to Basel II principles as follows:

	Percentage	
	2018	2017
Total capital fund	14.72	12.47
Tier 1 capital	13.56	11.85

4. Estimates and Assumptions

In order to prepare the financial statements in conformity with the generally accepted accounting principles and financial reporting standards, the Bank's management has to use several estimates and assumptions, which thereby affect the amounts related to income, expenses, assets and liabilities, as well as the disclosure of information on contingent assets and liabilities. Thus, the real amounts incurred may differ from the estimates.

The estimates and assumptions are reviewed consistently. Changes in accounting estimates are recorded in the fiscal period when the change occurs and future period which is affected. Information on the estimates of uncertainties and key hypotheses for determining the accounting policies is disclosed in notes to financial statements for the fiscal period where there are material effects.

5. Additional Information

5.1 Additional information of cash flows

Significant non-cash items for the year ended at December 31, 2018 and 2017 are as follows:

Unit : Million Baht

	Financial statements exhibiting investments by equity method		Separate financial statements of the Bank	
	2018	2017	2018	2017
Revaluation surplus on lands (Increase)	-	17,547.25	-	17,547.25
Revaluation surplus (decreased) on available-for-sale investments	(10,322.31)	6,618.03	(10,322.31)	6,618.03
Share of other comprehensive profit on associate companies for increased (decreased)	(96.45)	71.69	-	-
Assets pending sales acquired from asset transfer for increased (decreased) debt settlement	28.02	319.67	28.02	319.67
Assets pending sales transferred to net increased (decreased) land, buildings and equipment	196.58	3.83	196.58	3.83

5.2 Cash

Unit : Million Baht

	2018	2017
Cash	30,706.87	28,033.53
Foreign Currencies	31.39	34.75
Cash under collection	3,126.49	2,024.53
Total cash	33,864.75	30,092.81

5.3 Inter-bank and money market items-net (assets)

Unit : Million Baht

	2018			2017		
	At call	Term	Total	At call	Term	Total
(1) Domestic items						
Bank of Thailand and Financial institutions Development Fund	16.51	258,122.00	258,138.51	2.37	387,241.00	387,243.37
Commercial Banks	78.90	29,067.00	29,145.90	76.27	5,700.00	5,776.27
Specialized financial institutions	0.14	42,467.50	42,467.64	0.19	51,040.50	51,040.69
Other financial institutions	-	10,198.45	10,198.45	400.00	18,256.78	18,656.78
Total	95.55	339,854.95	339,950.50	478.83	462,238.28	462,717.11
<u>Plus</u> Accrued interest receivable	0.01	252.42	252.43	-	193.46	193.46
<u>Less</u> Allowance for doubtful accounts	-	209.65	209.65	4.00	248.56	252.56
Total domestic items	95.56	339,897.72	339,993.28	474.83	462,183.18	462,658.01
(2) Foreign items						
US dollar	0.12	-	0.12	5.48	-	5.48
Yen	0.03	-	0.03	0.02	-	0.02
Euro	0.18	-	0.18	4.43	-	4.43
Other currencies	2.53	-	2.53	0.71	-	0.71
Total foreign items	2.86	-	2.86	10.64	-	10.64
Total domestic and foreign items	98.42	339,897.72	339,996.14	485.47	462,183.18	462,668.65

As at December 31, 2018 and 2017, the balance of Loan which is Interbank and money market items will be discontinuing on an accrual basis in accordance with BOT's principal as of 10.49 Million Baht and 48.02 Million Baht respectively.

5.4 Derivatives

As at December 31, 2018 and 2017, the Bank's derivatives were comprised of:

- Derivatives assets of 670.63 Million Baht and 657.00 Million Baht respectively; and
- Derivatives liabilities of 106.17 Million Baht and 91.16 Million Baht respectively.

5.4.1 Tradable derivatives

The fair value and notional amount of hedging derivatives, classified by type of risk, As at December 31, 2018 and 2017 were as follows:

Unit : Million Baht

Type of risk	2018			2017		
	Fair Value*		Notional Amount or Effective Notional Amount	Fair Value*		Notional Amount or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	0.79	0.06	85.50	0.57	0.03	99.59
Total	0.79	0.06	85.50	0.57	0.03	99.59

* Fair value refers to gain (loss) on revaluation to reflect the fair value as of the date of the Financial Statements.

The proportion, determined based on the notional amount, of derivatives transactions classified by type of counterparty As at December 31, 2018 and 2017 was as follows:

(%)

Counterparty	2018	2017
Third parties	100.00	100.00
Total cash	100.00	100.00

5.4.2 Hedging derivatives

The fair value and notional amount of hedging derivatives, classified by type of risk hedging, As at December 31, 2018 and 2017 were as follows:

Table 1 Risk hedging in the fair value

Unit : Million Baht

Type of risk	2018			2017		
	Fair Value*		Notional Amount or Effective Notional Amount	Fair Value*		Notional Amount or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	669.84	106.11	14,634.90	656.43	91.13	11,626.07
Total	669.84	106.11	14,634.90	656.43	91.13	11,626.07

* Fair value refers to gain (loss) on revaluation to reflect the fair value as of the date of the Financial Statements

As at December 31, 2018 and 2017, derivative assets were 669.84 Million Baht and 656.43 Million Baht respectively, and derivative liabilities were 106.11 Million Baht and 91.13 Million Baht subsequently. Fair value measurement by foreign exchange rates according to the Bank of Thailand announcement as day-end of reporting period were derivative assets of 669.53 Million Baht and 656.33 Million Bath respectively, and derivative liabilities of 105.48 Million Baht and 90.68 Million Baht subsequently.

5.5 Investment - net

As at December 31, 2018 and 2017, the Bank classified its investments in securities as follows:

5.5.1 Tradable securities	Unit : Million Baht	
	2018	2017
	Fair Value	Fair Value
Government and state enterprise securities	8,566.63	5,226.38
Total	8,566.63	5,226.38

5.5.2 Securities available-for-sale	Unit : Million Baht	
	2018	2017
	Fair Value	Fair Value
Government and state enterprise securities	72,077.37	140,323.24
Private sector bonds	933.24	1,168.57
Foreign debt securities	76.23	83.13
Domestic marketable equity instruments	24,824.10	37,522.25
Others	17,825.84	13,225.50
Total	115,736.78	192,322.69

5.5.3 Debt instruments held to maturity	Unit : Million Baht	
	2018	2017
	Cost /Amortized cost	Cost /Amortized cost
Government and state enterprise securities	81,230.66	7,335.78
Private sector bonds	34,381.68	19,225.69
Foreign debt securities	13,934.57	10,948.52
Total	129,546.91	37,509.99

5.5.4 General investments	Unit : Million Baht	
	2018	2017
	Cost	Cost
Domestic non-marketable equity instruments	4,558.86	395.73
Others *	0.00	0.00
Total	4,558.86	395.73
<u>Less</u> Allowance for impairment	4,255.53	92.40
Total	303.33	303.33
Total investments - net	254,153.65	235,362.39

* Others of 0.00 Million Baht which were investments in foreign securities with a cost price of 3,919.00 Million Baht.

As at December 31, 2018 and 2017, securities available-for-sale which were domestic marketable equity instruments with a fair value of 24,824.10 Million Baht and 37,522.25 Million Baht were inclusive of the transactions for which the allowance for impairments was recognized in the amount of 689.12 Million Baht and 689.12 Million Baht respectively.

As at December 31, 2018, securities available-for-sale which were domestic non-marketable equity instruments with a fair value of 4,558.86 Million Baht was inclusive of ordinary shares of Islamic Bank of Thailand in the amount of 4,163.13 Million Baht which the Bank has already set up the allowance for impairment in full amount (Note 5.6.2).

5.5 Investment - net (Continued)

The Bank's investments in which it holds 10% or more of paid-up capital and which were not classified as investments in subsidiaries and associate companies can be shown by type of business as follows:

Type of business	Unit : Million Baht	
	2018	2017
Manufacturing and commerce	1,518.72	1,579.20
Fund and financial business	9,515.68	12,834.54
Others	12.58	12.58
Total	11,046.98	14,426.32

As at December 31, 2018 and 2017, other available-for-sale investments have investments in private funds amounting to 6,579.90 Million Baht and 642.07 Million Baht respectively.

- The fair value of investments in private funds, classified by fund manager, was as follows:

	2018 (Fair Value)							Total
	SKFM	Krung Thai	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	
Deposits at bank								
Current	0.48	-	-	-	-	-	0.23	0.71
Savings	-	42.19	8.12	6.15	50.04	159.96	293.49	559.95
	0.48	42.19	8.12	6.15	50.04	159.96	293.72	560.66
Investment in other securities								
- Bonds and treasury bills								
Bonds issued by the bank	-	-	-	-	49.92	-	10.00	59.92
	-	-	-	-	49.92	-	10.00	59.92
- Equity instruments								
Common stocks	256.31	215.37	98.35	31.10	1,036.72	2,787.45	1,627.44	6,052.74
Funds	-	-	-	-	-	-	19.83	19.83
	256.31	215.37	98.35	31.10	1,036.72	2,787.45	1,647.27	6,072.57
Other receivables	0.00	0.02	0.10	0.00	1.36	30.03	5.96	37.47
	0.00	0.02	0.10	0.00	1.36	30.03	5.96	37.47
Other payables	0.09	8.52	0.06	0.00	0.23	11.23	130.59	150.72
	0.09	8.52	0.06	0.00	0.23	11.23	130.59	150.72
	256.70	249.06	106.51	37.25	1,137.81	2,966.21	1,826.36	6,579.90

The Bank's accumulated returns on investment in private funds brought forward amount to 464.33 Million Baht, an increasing of 59.32 Million Baht during the period, but decrease 80.10 Million Baht during the period from the closing of the fund. Therefore, as at December 31, 2018, the total accumulated return from investment in private funds was 443.55 Million Baht.

5.5 Investment - net (Continued)

Unit : Million Baht

	2017 (Fair Value)							Total
	SKFM	Krung Thai	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	
Deposits at bank								
Current	29.72	-	-	-	-	-	-	29.72
Savings	-	10.29	7.76	10.21	-	-	-	28.26
	29.72	10.29	7.76	10.21	-	-	-	57.98
Investment in other securities								
- Equity instruments								
Common stocks	354.73	92.00	112.43	31.10	-	-	-	590.26
	354.73	92.00	112.43	31.10	-	-	-	590.26
Other receivables	1.21	0.03	0.91	0.00	-	-	-	2.15
	1.21	0.03	0.91	0.00	-	-	-	2.15
Other payables	0.20	3.25	4.87	0.00	-	-	-	8.32
	0.20	3.25	4.87	0.00	-	-	-	8.32
	385.46	99.07	116.23	41.31	-	-	-	642.07

The Bank's accumulated returns on investment in private funds brought forward amount to 397.99 Million Baht, an increasing of 84.57 Million Baht during the period, but decrease 18.23 Million Baht during the period from the closing of the fund. Therefore, as at December 31, 2017, the total accumulated return from investment in private funds was 464.33 Million Baht.

- Changes of investments in private funds were as follows:

Unit : Million Baht

	2018							Total
	SKFM	Krung Thai	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	
Beginning balance (cost price)	278.00	116.00	26.35	18.16	-	-	-	438.51
Securities purchase/transfer	-	168.00	-	-	1,250.00	3,250.00	2,000.00	6,668.00
Securities sale/transfer	(46.52)	-	(0.75)	(1.98)	-	-	-	(49.25)
Total (cost price)	231.48	284.00	25.60	16.18	1,250.00	3,250.00	2,000.00	7,057.26
Unrealized gains	25.22	(34.94)	80.91	21.07	(112.19)	(283.79)	(173.64)	(477.36)
Ending balance (fair value)	256.70	249.06	106.51	37.25	1,137.81	2,966.21	1,826.36	6,579.90

Unit : Million Baht

	2017							Total
	SKFM	Krung Thai	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	
Beginning balance (cost price)	298.36	60.00	32.36	48.53	-	-	-	439.25
Securities purchase/transfer	-	56.00	-	-	-	-	-	56.00
Securities sale/transfer	(20.36)	-	(6.01)	(30.37)	-	-	-	(56.74)
Total (cost price)	278.00	116.00	26.35	18.16	-	-	-	438.51
Unrealized gains	107.46	(16.93)	89.88	23.15	-	-	-	203.56
Ending balance (fair value)	385.46	99.07	116.23	41.31	-	-	-	642.07

5.5 Investment - net (Continued)

As at December 31, 2018 and 2017, investment in private funds which Krung Thai Asset Management Public Company Limited to act as the trustee is in value of 249.06 Million Baht and 99.07 Million Baht respectively. According to the Cabinet's Resolution on September 8, 2015, Government Savings Bank in cooperation with the Small and Medium Enterprise Development Bank of Thailand and Krung Thai Bank Public Company Limited set up the joint venture fund of 2,000.00 Million Baht totaling 6,000.00 Million Baht which was the fund following the SMEs promoting measures via the co-investment. The form of fund to be established depends in the competences and suitability in the management of each financial institute. Such joint venture fund is intended to co-invest in the start-up SMEs with high potential or the opportunity to grow or in a business group that is beneficial to the country's economic growth or as a supplier to the large public and private sectors or a member of the Thai Chamber of Commerce or government agencies as follows:

Unit : Million Baht

Funds	Investment Amount	2018		2017	
		Cost Price	Fair Values	Cost Price	Fair Values
SMEs Private Equity Trust Fund No. 1	500.00	172.00	160.05	100.00	90.95
SMEs Private Equity Trust Fund No. 2	500.00-750.00	56.00	41.42	8.00	2.75
SMEs Private Equity Trust Fund No. 3	500.00-1,000.00	56.00	47.59	8.00	5.37
Total		284.00	249.06	116.00	99.07

5.6 Investments in Associated companies – Net

As at December 31, 2018 and 2017, the Bank's investments in associated companies were as follows:

Unit : Million Baht

	Financial statements exhibiting investments by equity method		Separate financial statements of the Bank	
	2018	2017	2018	2017
Beginning balance	1,958.34	1,431.70	5,539.05	5,149.54
Share of profit (loss) on investment by equity method	368.42	372.04	-	-
Plus Purchase / transfer	-	389.51	(4,163.13)	389.51
Less Dividend received	323.85	234.91	-	-
Total	2,002.91	1,958.34	1,375.92	5,539.05
Less Allowance for impairment	-	-	-	4,163.13
Ending balance	2,002.91	1,958.34	1,375.92	1,375.92

5.6.1 Separate Financial Statements of the Bank

As at December 31, 2018 and 2017, the Bank's investments in associated companies were as follows:

Unit : Million Baht

Company name	Type of Business	Type of Securities	Percentage of invested securities		Investment (cost method)	
			2018	2017	2018	2017
Thanachart Fund	Finance business	Common share	25.00	25.00	25.00	25.00
MFC Asset Management Plc.	Finance business	Common share	24.94	24.97	353.53	353.53
Islamic Bank of Thailand	Finance business	Common share	-	39.81	-	4,163.13
Dhipaya Insurance Plc.	Insurance business	Common share	25.00	25.00	997.39	997.39
Total					1,375.92	5,539.05
Less Allowance for devaluation					-	4,163.13
Investments in associated companies-net					1,375.92	1,375.92

5.6 Investments in Associated companies-Net (Continued)

5.6.2 Financial Statements Exhibiting Investments by Equity Method

The Bank's investments in associated companies As at December 31, 2018 and 2017 were as follows:

Unit : Million Baht

Company name	Type of Business	Type of Securities	Percentage of invested securities		Investments (cost method)		Investments (equity method)	
			2018	2017	2018	2017	2018	2017
Thanachart Fund Management Co., Ltd.	Finance business	Common share	25.00	25.00	25.00	25.00	108.25	84.54
MFC Asset Management Plc.	Finance business	Common share	24.94	24.97	353.53	353.53	279.23	310.87
Islamic Bank of Thailand	Finance business	Common share	-	39.81	-	4,163.13	-	-
Dhipaya Insurance Plc.	Insurance business	Common share	25.00	25.00	997.39	997.39	1,615.43	1,562.93
Total					1,375.92	5,539.05	2,002.91	1,958.34
Less Allowance for devaluation					-	4,163.13	-	-
Investments in associate companies-net					1,375.92	1,375.92	2,002.91	1,958.34

As at December 31, 2018, the Bank recognized share of profit and investment in associate companies based on the equity method of 368.42 Million Baht calculated from the unaudited Statement of Profit and Loss and Other Comprehensive Income for the year ended December 31, 2018 of the associate companies. Meanwhile, Islamic Bank of Thailand recognized share of profit by audited Statement of Profit and Loss and Other Comprehensive Income for nine months ended September 30, 2018 but would not recognize the share of net profit or loss before November 9, 2018, which was the date that the Bank changed its investment proportion. The Bank believes that there will be no adjustment which has significant impact on the financial statements.

The Extraordinary General Meeting of the Islamic Bank of Thailand No. 1/2017 held on March 30, 2017 has approved to increase of the registered capital by allocating newly issued ordinary shares in the amount of not more than 1,810,000.00 million shares at the par value of 1 Satang to be offered to existing shareholders. The Bank did not exercise its right to purchase such ordinary shares. As a result, the investment in the Islamic Bank of Thailand as of November 9, 2018 decreased from 39.81% to 0.22% of registered and paid-up ordinary shares. As a consequent, the Bank has no power to participate in decision makings regarding the financial and operating policies of the Islamic Bank of Thailand.

As of December 31, 2018, the Bank has 4,091.53 million shares in Islamic Bank of Thailand totaling 4,163.13 Million Baht which the Bank has already set up allowance for impairment in full amount under general investments (Note 5.5.4).

The Bank received new share warrants of MFC Assets Management Plc. which were allocated to the existing ordinary shareholders at the ratio of 2 existing shares per 1 unit of warrant. A total of 14.70 million warrant units were allocated to the Bank. The warrants will be due on March 30, 2017. The Bank uses the right to purchase 1.93million ordinary shares. Meanwhile, the Bank has already disposed the remaining warrants of 12.77 million units. As at December 31, 2018, the Bank's investment fund in the MFC Asset Management Public Company Limited has the remaining balance of 31.33 Million Shares in the amount of 353.53 Million Baht calculated as the proportion in the paid ordinary shares of 24.94%.

5.6.3 Financial status and performance results of associated companies

Summary of financial status and performance results of associated companies are as follows:

Unit : Million Baht

Company name	Financial Statement					
	2018			2017		
	"Unaudited"			"Audited"		
	Total Assets	Total Liabilities	Equity	Total Assets	Total Liabilities	Equity
Thanachart Fund Management Co., Ltd.	658.73	235.22	423.51	542.80	214.14	328.66
MFC Asset Management Plc.	1,404.10	240.49	1,163.61	1,513.99	251.76	1,262.23
Islamic Bank of Thailand	-	-	-	72,149.91	91,759.61	(19,609.70)
Dhipaya Insurance Plc.	22,346.32	16,815.20	5,531.12	18,885.51	13,543.49	5,342.02
Total	24,409.15	17,290.91	7,118.24	93,092.21	105,769.00	(12,676.79)

Unit : Million Baht

Company name	Statement of Profit and Loss and Other Comprehensive Income			
	2018		2017	
	"Unaudited"		"Audited"	
	Total Revenue	Net Profit (loss)	Total Revenue	Net Profit (loss)
Thanachart Fund Management Co., Ltd.	1,868.27	654.58	1,342.02	425.63
MFC Asset Management Plc.	915.47	167.20	908.57	(142.68)
Islamic Bank of Thailand	-	-	3,739.01	2,878.93
Dhipaya Insurance Plc.	8,153.70	1,024.67	7,111.65	789.53
Total	10,937.44	1,846.45	13,101.25	1,521.09

5.7 Loans to Customers and Accrued Interest Receivable – Net

5.7.1 Classified by type of loans

Unit : Million Baht

	2018	2017
Overdrafts	37,681.48	29,550.71
Loans (Clause 5.7.2)	1,577,800.87	1,510,854.14
Notes	270,499.84	217,209.03
Receivables under hire purchase agreement	250.28	263.89
<u>Less</u> Deferred revenue	482.33	458.90
Total loans, net of deferred revenue (Clause 5.7.4)	1,885,750.14	1,757,418.87
<u>Plus</u> accrued interest receivable	6,523.71	6,492.61
Total loans, net of deferred revenue, plus accrued interest receivable	1,892,273.85	1,763,911.48
<u>Less</u> Allowance for doubtful accounts		
1. Minimum allowance required by BOT criteria		
- by loan	44,754.70	36,493.36
- by group (CPK Loans paid by OTPE)	20,439.26	15,395.24
2. Excess allowance	-	1,103.84
<u>Less</u> Revaluation allowance for debt restructuring	36.01	10.88
Total loans to customers and accrued interest receivable-net	1,827,043.88	1,710,908.16

As at December 31, 2018 and 2017, loan to customers and net accrued interest receivables include the government policy loan project lent by the Bank (Clause 5.39.2 of the Notes) as follows:

Unit : Million Baht

Project	Amount	2018	2017
The project of loan with low interest to be spent as cycling capital for small and medium enterprises (SMEs)	100,000.00	2,017.21	2,692.55
The project of loan with low interest to be spent as cycling capital for small and medium enterprises (SMEs) in Phase 2	50,000.00	2,097.00	2,780.88
The project of loan with low interest to be spent in modifying the machinery and increasing the productivity for small and medium enterprises (SMEs)	30,000.00	306.12	401.64
Total		4,420.33	5,875.07

The Bank's credits include the loans from making the transactions to support the government sector's fiscal measures but not the loans to the debtors according to public service accounts as follows:

Unit : Million Baht

	2018	2017
Loans - Financial support to flood victims in 2011 (Note 5.15)	-	3,349.97

As at December 31, 2018 and 2017, remaining balance of loans to customers which the Bank stopped recognizing on an accrual basis in accordance with BOT principle is 282,846.65 Million Baht and 234,884.77 Million Baht respectively.

5.7.2 Classified by loan program

Unit : Million Baht

	2018			2017		
	Loans	Allowance for doubtful accounts	Net loans	Loans	Allowance for doubtful accounts	Net loans
Loan for occupation development	467,930.29	39,362.93	428,567.36	504,376.39	26,125.58	478,250.81
Housing loan	345,206.35	3,272.67	341,933.68	337,762.32	2,790.22	334,972.10
Public sector and state enterprise loan	206,811.75	28.42	206,783.33	130,495.22	39.02	130,456.20
Welfare loan	119,828.24	895.28	118,932.96	102,617.88	778.10	101,839.78
Sai Thong loan	112,478.39	7,937.52	104,540.87	130,152.18	8,048.32	122,103.86
General business loan	78,588.06	794.47	77,793.59	73,733.46	733.89	72,999.57
People's Bank loan	68,772.24	5,690.73	63,081.51	69,432.18	6,419.33	63,012.85
Corporate loan	50,932.78	1,325.47	49,607.31	39,718.70	1,251.97	38,466.73
Row House loan	35,033.38	1,158.68	33,874.70	32,371.27	1,047.91	31,323.36
Happy Life loan	29,419.12	23.15	29,395.97	27,793.29	20.37	27,772.92
Others	62,800.27	3,520.35	59,279.92	62,401.25	3,627.42	58,773.83
Total	1,577,800.87	64,009.67	1,513,791.20	1,510,854.14	50,882.13	1,459,972.01

Loan for occupation development are provided for improvement of living condition of teachers, civil servants, local officials and military officials.

Welfare loan are intended for government and state enterprise officials, private sector officers and retired government officials.

People's Bank loan are offered to small entrepreneurs, people earning fixed income or those not having a career yet but wishing to be small independent entrepreneur. The loans are for using as capital fund or working capital in their business, or payment of necessary expenses in their living or other debts.

Sai Thong loan are for education, tourism, medical practitioner, consumption, working in oversea and multipurpose.

As of December 31, 2018 and 2017, public sector and state enterprise loans included loan with ordinary shares as collateral amount of 3,014.26 Million Baht which was approved by the Cabinet Resolution on August 8, 2006, approved in principle that the Ministry of Finance sells shares which is partly owned by the Ministry of Finance to the Bank in the amount of 78.866 million shares at Baht 38.22 per share (Closing price of the said ordinary shares as of April 1, 2019, was Baht 10.40 per share) and allowed the government sector (Ministry of Finance and State Enterprises whose shares are wholly held or owned by the Ministry of Finance) to hold shares in such companies of not less than 70% of the total issued shares, as well as approved the Ministry of Finance to determine the price and conditions for selling shares to the Bank. In this regard, the Ministry of Finance has set rules for selling such ordinary shares to the Bank with the right to repurchase the shares back from the Bank within 3 years and determine the redemption price, rate of return and prohibit the Bank to transfer shares and the rights and duties arising from the purchase of this share to a third party. In case the company whose shares are currently held by the Bank organizes general meeting of shareholders, the Bank must proceed according to the opinion of the Ministry of Finance, which will not waive the Bank's control over ordinary shares. In this regard, within the said period, the Ministry of Finance will discuss with the Bank to consider approaches to buy back shares which is a guideline for the operation that will not cause damage to the Bank.

The Ministry of Finance has continuously extended the repurchase period every 3 years. On August 21, 2018, the Ministry of Finance has a letter notifying that there is no intention to repurchase such ordinary shares without changing the rules relating to waivers of control in ordinary shares held by the Bank.

5.7.2 Classified by loan program (Continued)

Subsequently, the Board of Directors resolved to expedite the discussion with the Ministry of Finance which the Bank has informed in writing to the Ministry of Finance on September 18, 2018 and February 15, 2019 to request the Ministry of Finance to consider remedy for the incurred effects on the Bank and amend conditions for holding shares which will not cause damage to the Bank in order to be presented to the Cabinet's Meeting. Currently, the Bank is waiting for consideration from the Ministry of Finance.

As at December 31, 2018 and 2017, other loans included loans which the Regional Urban Development Fund Office (RUDF) provided to municipalities in the amount of 354.35 Million Baht and 380.02 Million Baht respectively.

5.7.3 Classified by currency and customers' domiciles

Unit : Million Baht

	2018			2017		
	Domestic	Oversea	Total	Domestic	Oversea	Total
Thai Baht	1,875,269.39	10,442.90	1,885,712.29	1,746,152.80	11,245.23	1,757,398.03
US Dollar	17.01	-	17.01	-	-	-
Other currencies	20.84	-	20.84	20.84	-	20.84
Total	1,875,307.24	10,442.90	1,885,750.14	1,746,173.64	11,245.23	1,757,418.87

5.7.4 Classified by type of business and loan classification criteria

Unit : Million Baht

	2018					
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
Agriculture and mining	11,709.49	884.55	436.91	183.88	569.86	13,784.69
Manufacturing and commercial	54,401.88	1,527.44	276.84	231.58	703.56	57,141.30
Real estate and construction	19,855.57	850.63	93.97	115.01	445.95	21,361.13
Public utilities and services	120,062.64	2,224.21	459.65	100.98	2,275.16	125,122.64
Housing loan	317,495.67	14,133.81	4,943.99	2,316.63	6,317.34	345,207.44
Others	1,171,981.07	112,462.70	17,891.48	7,720.03	13,077.66	1,323,132.94
Total	1,695,506.32	132,083.34	24,102.84	10,668.11	23,389.53	1,885,750.14

Loans to customers classified by other types of business amounted of 1,323,132.94 Million Baht mostly included loans of 467,930.29 Million Baht for occupation development (including loan customers according to Chor Por Kor - Chor Por Sor loan project agreement between Office of the Welfare Promotion Commission for Teachers and Educational Personnel and Government Savings Bank amounted of 393,464.08 Million Baht) and Public sector and state enterprise loan of 382,491.77 Million Baht.

Unit : Million Baht

	2017					
	Pass	Special mention	Substandard	Doubtful	Doubtful of loss	Total
Agriculture and mining	9,370.58	878.92	90.52	79.21	680.32	11,099.55
Manufacturing and commercial	44,472.69	1,148.20	80.96	112.48	841.29	46,655.62
Real estate and construction	16,112.04	880.15	56.34	205.98	466.47	17,720.98
Public utilities and services	73,672.35	2,069.66	495.31	198.92	2,453.88	78,890.12
Housing loan	311,858.89	16,623.20	1,737.53	2,233.01	5,311.02	337,763.65
Others	1,121,411.47	118,406.48	5,826.71	5,444.38	14,199.91	1,265,288.95
Total	1,576,898.02	140,006.61	8,287.37	8,273.98	23,952.89	1,757,418.87

5.7.4 Classified by type of business and loan classification criteria (Continued)

Loans to customers classified by other types of business amounted of 1,265,288.95 Million Baht mostly included loans of 504,376.39 Million Baht for occupation development (including loan customers according to Chor Por Kor - Chor Por Sor loan project agreement between Office of the Welfare Promotion Commission for Teachers and Educational Personnel and Government Savings Bank amounted of 418,698.55 Million Baht) and welfare loans of 295,083.13 Million Baht.

5.7.5 Classified by loan classification criteria

Unit : Million Baht

	2018			
	Loans and accrued interest receivable	Net amount used* for setting the allowance	Rate used for setting the allowance (%)	Allowance for doubtful account
1. Minimum allowance according to BOT criteria				
Normal	1,701,639.75	650,949.82	1	6,509.50
Special mention	132,464.22	101,977.50	2	21,808.72
Sub-standard	24,112.25	12,971.20	100	12,971.20
Doubtful	10,668.10	7,731.19	100	7,731.19
Doubtful of loss	23,389.53	16,173.35	100	16,173.35
2. Excess allowance				-
Total	1,892,273.85	789,803.06		65,193.96

Unit : Million Baht

	2017			
	Loans and accrued interest receivable	Net amount used* for setting the allowance	Rate used for setting the allowance (%)	Allowance for doubtful account
1. Minimum allowance according to BOT criteria				
Normal	1,582,904.03	697,032.95	1	6,970.33
Special mention	140,476.90	108,982.06	2	17,024.92
Sub-standard	8,303.68	5,725.46	100	5,725.46
Doubtful	8,273.98	5,447.74	100	5,447.74
Doubtful of loss	23,952.89	16,720.15	100	16,720.15
2. Excess allowance				1,103.84
Total	1,763,911.48	833,908.36		52,992.44

* Net amount used for setting the allowance for doubtful account calculated by outstanding principal excluding accrued interest receivable after deduction of collateral or debt amount after current value of cash flow expected to receive from debtors or current value of cash flow expected to receive from collateral disposal, except leasehold contract debtors which are net amount after deduction of deferred revenue.

As at December 31, 2018 and 2017, special mention loans comprised of loan customers according to Chor Por Kor - Chor Por Sor loan project agreement between Office of the Welfare Promotion Commission for Teachers and Educational Personnel and Government Savings Bank. The Bank set the additional allowance for doubtful accounts for such special mention loans of 20,439.26 Million Baht and 15,395.24 Million Baht, respectively.

5.7.6 Non-Performing Loans

As at December 31, 2018 and 2017, GSB recorded non-performing loans (NPLs) comprising sub-standard, doubtful and doubtful of loss loans. Total loans including the loans to the customers following the transactions of the government's policy of inter-bank and money market items were as follows:

	Unit : Million Baht	
	2018	2017
NPLs before deduction of allowance for doubtful of loss	59,394.55	41,203.43
As percentage of total loans	2.81	2.05
NPLs after deduction of allowance for doubtful of loss	21,643.51	12,881.90
As percentage of total loans	1.06	0.66

5.7.7 Troubled Debt Restructuring (TDR)

For the years ended December 31, 2018 and 2017, the Bank recorded loss on debt restructuring and interest income from debt restructuring in Statement of Profit and Loss and Other comprehensive income as follows:

	Unit : Million Baht				
	2018				
Debt restructuring method	Number of Debtor(s)	Account-based debt		Transferred assets	
		Before debt restructuring	After debt restructuring	Type of Assets	Fair Value
Changes in repayment condition	1	61.62	61.62		-
Total	1	61.62	61.62		-

	Unit : Million Baht				
	2017				
Debt restructuring method	Number of Debtor(s)	Account-based debt		Transferred assets	
		Before debt restructuring	After debt restructuring	Type of Assets	Fair Value
Changes in repayment condition	-	-	-		-
Total	-	-	-		-

For the year ended December 31, 2018 and 2017, the Bank recognized loss on debt restructuring and interest income from debt restructuring in Statement of Profit and Loss and Other Comprehensive Income as follows:

	Unit : Million Baht	
	2018	2017
Loss from debt restructuring	26.10	-
Interest income from debt restructuring	0.97	-

As at December 31, 2018 and 2017, the Bank recorded an outstanding balance of restructured loans in the Financial Statements as follows:

	Unit : Million Baht	
	2018	2017
Outstanding balance of restructuring loans	864.01	802.65

Average age of debt restructuring period for the year ended December 31, 2018, there are 15 years

5.7.8 Leasehold contract debtors

Unit : Million Baht

	2018			
	Payment amount in due course according to the contract			
	Less than 1 year	Over 1-5 year	Over 5 year	Total
The sum total of initial investment according to leasehold contract	26.87	104.30	119.11	250.28
<u>Less</u> deferred financial revenue				89.60
Current value of minimum repayment amount according to leasehold contract				160.68
<u>Less</u> allowance for doubtful of loss				159.81
Leasehold contract debtors - Net				0.87

Unit : Million Baht

	2017			
	Payment amount in due course according to the contract			
	Less than 1 year	Over 1-5 year	Over 5 year	Total
The sum total of initial investment according to leasehold contract	30.29	107.59	126.01	263.89
<u>Less</u> deferred financial revenue				93.37
Current value of minimum repayment amount according to leasehold contract				170.52
<u>Less</u> allowance for doubtful of loss				130.50
Leasehold contract debtors - Net				40.02

5.8 Allowance for doubtful account

Unit : Million Baht

	2018						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful of loss	Excess allowance	Total
Beginning balance	6,970.33	17,024.92	5,725.46	5,447.74	16,720.15	1,103.84	52,992.44
Doubtful accounts	(460.83)	4,783.80	6,141.90	2,283.45	3,935.46	-	16,683.78
Transfer during a period	-	-	1,103.84	-	-	(1,103.84)	-
Bad debt write-off	-	-	-	-	(4,482.26)	-	(4,482.26)
Ending balance	6,509.50	21,808.72	12,971.20	7,731.19	16,173.35	-	65,193.96

5.8 Allowance for doubtful account (Continued)

Unit : Million Baht

	2017						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful of loss	Excess allowance	Total
Beginning balance	12,960.18	5,639.41	6,361.85	6,289.03	14,506.33	4,978.35	50,735.15
Doubtful accounts	(5,989.85)	5,511.00	(636.39)	(841.29)	3,860.63	2,000.00	3,904.10
Transfer during a period	-	5,874.51	-	-	-	(5,874.51)	-
Bad debt write-off	-	-	-	-	(1,646.81)	-	(1,646.81)
Ending balance	6,970.33	17,024.92	5,725.46	5,447.74	16,720.15	1,103.84	52,992.44

As at December 31, 2018 and 2017, the allowance for doubtful accounts amounted to 65,193.96 Million Baht and 52,992.44 Million Baht subsequently including the allowance for doubtful accounts of the project of the loans with low interest to be used as the cycling capital for small and medium enterprises (SMEs) and Phase 2, and the project of the loans with low interest to modify machinery and increase productivity for small and medium enterprises (SMEs) amounting 2.26 Million Baht and 4.92 Million Baht subsequently (Note 5.7.1).

As at December 31, 2018 and 2017, the allowance for special mention loans amounted to 21,808.72 Million Baht and 17,024.92 Million Baht subsequently including the allowance for doubtful accounts of loan customers according to Chor Por Kor - Chor Por Sor loan project agreement between Office of the Welfare Promotion Commission for Teachers and Educational Personnel and Government Savings Bank (Note 5.7.5).

5.9 Revaluation allowance for debt restructuring

Unit : Million Baht

	2018		2017	
	2018	2017	2018	2017
Beginning balance	10.88	10.88	10.88	10.88
Increase during the period	26.10	-	-	-
Amortization	0.97	-	-	-
Ending balance	36.01	10.88	10.88	10.88

5.10 Assets pending sales-net

Unit : Million Baht

	2018			
	Beginning balance	Increased	Disposed/transferred	Ending balance
Immovable assets	2,460.00	1,406.05	598.96	3,267.09
<u>Less</u> Allowance for impairment	31.56	18.38	18.75	31.19
Total assets pending sales-net	2,428.44	1,387.67	580.21	3,235.90

Unit : Million Baht

	2017			
	Beginning balance	Increased	Disposed/transferred	Ending balance
Immovable assets	1,634.14	1,191.22	365.36	2,460.00
<u>Less</u> Allowance for impairment	15.37	19.19	3.00	31.56
Total assets pending sales-net	1,618.77	1,172.03	362.36	2,428.44

5.10 Assets pending sales-net (Continued)

As at December 31, 2018 and 2017, the Bank has Immovable Assets Pending Sales as debt payment categorized by Appraiser as follow:

	Unit : Million Baht	
	2018	2017
External Appraiser	2,613.18	1,749.21
Internal Appraiser	653.91	710.79
Total	3,267.09	2,460.00

For the year ended December 31, 2018 and 2017, the Bank gained 136.41 Million Baht and 115.50 Million Baht from assets pending sales subsequently.

5.11 Land, Buildings and Equipment - Net

Unit : Million Baht

	2018											
	Cost price				Accumulated depreciation				Allowance for devaluation			Land building and equipment net
	Beginning balance	Increased/ (decrease)	Disposed/ transferred	Ending balance	Beginning balance	Depreciation	Disposed/ transferred	Ending balance	Beginning balance	Increased/ (decrease)	Disposed/ transferred	
Land												
Original Cost	2,089.63	304.89	(25.81)	2,368.71	-	-	-	-	-	-	-	2,368.71
Appraise (Increase)	17,547.25	-	-	17,547.25	-	-	-	-	-	-	-	17,547.25
Appraise (Decrease)	(49.42)	-	-	(49.42)	-	-	-	-	-	-	-	(49.42)
Building	7,385.93	316.81	(27.92)	7,674.82	4,013.95	214.56	(26.70)	4,201.81	369.96	-	369.96	3,103.05
Equipment	9,957.44	1,222.99	(483.82)	10,696.61	7,634.49	1,036.15	(481.03)	8,189.61	-	-	-	2,507.00
Assets in Process	818.35	885.03	(761.39)	941.99	-	-	-	-	-	-	-	941.99
Total	37,749.18	2,729.72	(1,298.94)	39,179.96	11,648.44	1,250.71	(507.73)	12,391.42	369.96	-	369.96	26,418.58

Unit : Million Baht

	2017											
	Cost price				Accumulated depreciation				Allowance for devaluation			Land building and equipment net
	Beginning balance	Increased/ (decrease)	Disposed/ transferred	Ending balance	Beginning balance	Depreciation	Disposed/ transferred	Ending balance	Beginning balance	Increased/ (decrease)	Ending balance	
Land												
Original Cost	2,007.15	117.15	(34.67)	2,089.63	-	-	-	-	50.30	(50.30)	-	2,089.63
Appraise (Increase)	-	17,547.25	-	17,547.25	-	-	-	-	-	-	-	17,547.25
Appraise (Decrease)	-	(49.42)	-	(49.42)	-	-	-	-	-	-	-	(49.42)
Building	6,899.25	518.04	(31.36)	7,385.93	3,818.16	222.84	(27.05)	4,013.95	369.96	-	369.96	3,002.02
Equipment	9,876.91	950.94	(870.41)	9,957.44	7,515.81	987.40	(868.72)	7,634.49	-	-	-	2,322.95
Assets in Process	732.64	1,069.65	(983.94)	818.35	-	-	-	-	-	-	-	818.35
Total	19,515.95	20,153.61	(1,920.38)	37,749.18	11,333.97	1,210.24	(895.77)	11,648.44	420.26	(50.30)	369.96	25,730.78

As at December 31, 2018 and 2017, the Bank had buildings and equipment that had been fully depreciated but were still in use with the cost price of 6,902.17 Million Baht and 6,118.93 Million Baht subsequently.

5.12 Other Intangible Assets - Net

Unit : Million Baht

	2018								
	Cost price				Accumulated depreciation				Other Intangible Assets-net
	Beginning balance	Increased	Disposed/ transferred	Ending balance	Beginning balance	Depreciation	Disposed/ transferred	Ending balance	
Computer Program	3,313.03	272.95	(26.53)	3,559.45	1,982.39	441.73	(26.53)	2,397.59	1,161.86
Total	3,313.03	272.95	(26.53)	3,559.45	1,982.39	441.73	(26.53)	2,397.59	1,161.86

Unit : Million Baht

	2017								
	Cost price				Accumulated depreciation				Other Intangible Assets-net
	Beginning balance	Increased	Disposed/ transferred	Ending balance	Beginning balance	Depreciation	Disposed/ transferred	Ending balance	
Computer Program	3,133.02	428.67	(248.66)	3,313.03	1,777.46	453.02	(248.09)	1,982.39	1,330.64
Total	3,133.02	428.67	(248.66)	3,313.03	1,777.46	453.02	(248.09)	1,982.39	1,330.64

In 2018, the Bank changed a useful life of computer program (Note 2.4.13), resulting in an increase in amortization of 39.83 Million Baht and decrease in net profit by the same amount.

As at December 31, 2018 and 2017, the Bank had computer programs that had been fully amortized but were still in use with the cost price of 534.48 Million Baht and 431.80 Million Baht subsequently.

5.13 Other Assets - Net

Unit : Million Baht

	2018	2017
Accrued income	1,045.36	1,270.38
Leasehold right	25.93	29.42
Receivables from sales of investments	896.22	367.58
Auction asset purchase - suspended	2,760.00	1,869.23
Other receivables and miscellaneous assets	1,098.12	990.99
Waiting for updates - loans	1.94	-
Total	5,827.57	4,527.60

Receivables from sales of investments of 892.22 Million Baht are comprised of sale transactions duly concluded but settlement for which not yet been made.

Suspended auction asset purchase of 2,760.00 Million Baht is the suspended outstanding balance of loan accounts thereby adjustment and appropriation for loan repayment will be made upon availability of receipt-payment account from Legal Execution Department or provincial legal execution offices.

Other receivables and miscellaneous assets of 1,098.12 Million Baht are comprised of:

- Regional Urban Development Fund Office (RUDF) other receivables of 15.73 Million Baht
- Receivables pending transfer - fraud and deficit amounts of 0.33 Million Baht, consisting of a fraud amount of 273.24 Million Baht less full allowance for doubtful accounts, and a deficit amount of 13.80 Million Baht less full allowance for doubtful accounts of 13.47 Million Baht, leaving a balance of 0.33 Million Baht.
- Other receivables pending transfer of 305.65 Million Baht
- Others of 776.41 Million Baht

5.14 Deposits

5.14.1 Classified by Types of Deposit

Unit : Million Baht

Types of deposit	2018		2017	
At-call deposit		4,057.13		2,941.40
Savings		526,818.91		491,389.01
Deposit payable at the end of period				
- Fixed term special savings	235,460.69		259,924.93	
- Fixed deposit	352,373.07		410,990.34	
- PSCs and bond	1,003,293.61		900,286.61	
- Life Insurance				
- Insurance	53,900.45		54,725.87	
- deposit	53,267.78	1,698,295.60	61,776.27	1,687,704.02
Other deposits		3,259.11		3,087.86
Total		2,232,430.75		2,185,122.29

Savings deposit of 526,818.91 Million Baht include the guarantee contributions (pension category 1) made by the Bank employees, amounting to 94.72 Million Baht, which cannot be withdrawn during their employment period with the Bank.

Other deposits of 3,259.11 Million Baht are inclusive of the neglected accounts of 3,256.88 Million Baht covering accounts with a remaining balance of not more than 10,000.00 Baht for which the depositors have not been in contact with the Bank in the specified period. For accounts with a remaining balance of not more than 500.00 Baht, an account maintenance fee is charged pursuant to Ministerial Notification no. 44 (2003) issued by virtue of Government Savings Bank Act B.E. 2489 (1946) regarding savings deposit services.

Life insurance deposit in the nature of insurance

As at December 31, 2018 and 2017, the Bank had the debts of life and family allowance deposits in the nature of insurance as follows:

Unit : Million Baht

	2018		2017	
In the nature of insurance				
- Life insurance deposit	53,900.45		54,725.87	
- Accrued interest receivables of Life insurance deposits (Note 5.18)	19,986.38	73,886.83	21,424.36	76,150.23
In the nature of insurance				
- Life insurance deposit	53,267.78		61,776.27	
- Accrued interest receivables of Life insurance deposits (Note 5.18)	11,631.07	64,898.85	9,668.84	71,445.11
Total		138,785.68		147,595.34

5.14.1 Classified by Types of Deposit (Continued)

The Bank analyzed the sensitivity on the change in the assumption used for counting the value of the debts of life and family allowance deposits in the nature of insurance As at December 31, 2018 as follows:

	Unit : Million Baht
	Increased debt (Decreased)
	2018
Discount rates	
Increased of 0.25%	(1,868.86)
Decreased of 0.25%	1,955.64
Mortality rates	
Increased of 25%	41.50
Decreased of 25%	(31.95)
Expenses	
Increased of 10%	181.10
Decreased of 10%	(181.10)

5.14.2 Classified by currency and depositors' domiciles

	Unit : Million Baht					
	2018			2017		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Thai Baht	2,229,277.15	3,153.60	2,232,430.75	2,182,040.32	3,081.97	2,185,122.29
Total	2,229,277.15	3,153.60	2,232,430.75	2,182,040.32	3,081.97	2,185,122.29

5.15 Net Inter-bank and Money market Items (Debt)

	Unit : Million Baht					
	2018			2017		
	At-call	Fixed term	Total	At-call	Fixed term	Total
Domestic						
Bank of Thailand and Financial Institutions Development Fund	55.48	-	55.48	7.35	2,342.68	2,350.03
Commercial Banks	23.44	52,600.01	52,623.45	2.09	86,750.02	86,752.11
Specialized Financial Institutions	4.21	1,000.00	1,004.21	1.95	665.00	666.95
Other Financial Institutions	4,895.40	11,080.74	15,976.14	5,370.31	16,066.40	21,436.71
Total	4,978.53	64,680.75	69,659.28	5,381.70	105,824.10	111,205.80

As at December 31, 2017, net inter-bank and money market items of 111,205.80 Million Baht included promissory notes issued by the Bank for borrowing from BOT of 2,342.68 Million Baht for on lending to those affected by the flood crisis in accordance with the Emergency Decree on Financial Aids for People Affected by Flood B.E. 2555 dated January 26, 2012 and BOT's Notification no. SorKorNgor. 12/2555 Re: Financial Assistance for People Affected by Flood in 2011 dated February 16, 2012 in the total amount of 300,000 Million Baht, of which up to 210,000 Million Baht is loans from BOT to financial institutions and at least 90,000 Million Baht (Note 5.7.1) is financed by financial institutions. Such allocated loan amount can be disbursed in full or until December 31, 2013. Maturity of the promissory notes is up to 5 years from the issuance date and no later than December 31, 2018. BOT charges interest of 0.01% p.a. from financial institutions and banks charge up to 3% p.a. from those damaged by the flood. After receiving full or partial payment from flood hit persons before the due date of the promissory notes, the Bank is required to repay BOT in proportion to the received payment plus interest. The Bank recognizes interest expense on the outstanding promissory notes every month end and pays interest on the outstanding promissory notes semi-annually, i.e. end of June and end of December, and BOT collects the payment on the first business day of the following month. As at December 31, 2018, the project was ended which the Bank has settled the debt in accordance with the promissory note and interest payment to the Bank of Thailand.

5.16 Issuance Debt Instruments and Loans

Unit : Million Baht

	Currency	Interest rate (Percent)	Due	2018			2017		
				Domestic	Overseas	Total	Domestic	Overseas	Total
Bonds									
No. 1/2017	Baht	2.36	2565	36,000.00	-	36,000.00	36,000.00	-	36,000.00
No. 2/2017	Baht	2.33	2565	14,000.00	-	14,000.00	14,000.00	-	14,000.00
Total				50,000.00	-	50,000.00	50,000.00	-	50,000.00

Bonds in amount of 50,000.00 Million Baht.

On February 23, 2017, the Bank issued and sold Senior Bonds No. 1/2017 with the total value of issuance was 36,000.00 Million Baht in maturity of 5 years. The fixed interest rate was 2.36% per year. The interest installment shall be paid every 6 months on February and August 23 of every year.

On May 11, 2017, the Bank issued and sold Senior Bonds No. 2/2017 with the total value of issuance was 14,000.00 Million Baht in maturity of 5 years. The fixed interest rate was 2.33% per year. The interest installment shall be paid every 6 months on May and November 11 of every year.

5.17 Provisions

Unit : Million Baht

	2018		2017	
Employee benefit plans				
Gratuities / Pensions	46,898.51		45,771.11	
Living gratuities	1,975.80		2,059.01	
Special gratuities	2,382.71		2,458.56	
Compensation	3,798.80		3,932.96	
Retirement gifts	121.54		122.53	
Long-service gifts	248.32	55,425.68	255.91	54,600.08
Other contingent liabilities (Note 5.23.1)		1,081.69		1,081.69
Contingent liabilities from prosecution (Note 5.23.2)		0.93		0.55
Total provisions		56,508.30		55,682.32

5.17 Provisions (Continued)

Employee benefit plans

Present value of employee benefit commitments under the employee benefit plan as at December 31, 2018 and 2017 were reconciled as shown below:

Unit : Million Baht

	2018	2017
Employee benefit plans		
Beginning balance	54,600.08	46,171.14
Current service cost	1.36	-
Interest cost	1,444.96	1,437.22
Loss (Profit) from actuarial estimates assumptions	1,416.33	1,721.59
- Demographic Assumptions		
- Financial Assumption	35.25	899.05
- from benefits payment	(475.12)	7,713.75
Special remuneration	850.04	(1,444.90)
Benefits paid during the period	(2,447.22)	(1,897.77)
Total of Employee benefit plans	55,425.68	54,600.08

In 2018, the Bank implemented early retirement program which is considered as significant change to the employee benefit commitments. The Bank therefore assessed the present value of the obligation for the employee benefit plan, resulting in decrease in employee benefit commitments by 476.76 Million Baht. According to the actuarial calculation, gains in post-employment benefits plan was in amount of 453.97 Million Baht, which will be recognized in other Comprehensive Income in retained earnings item. In addition, profits in other long-termed benefit plan in amount of 22.79 Million Baht, which will be recognized in Statement of Profit and Loss. The key assumptions for calculation are as follows:

	2018	2017
Average discount rate	1.76% - 4.40%	1.54% - 4.14%
Average rate of salary increase for employees	3.00% - 10.00%	4.00% - 10.00%
Average rate of salary increase for contract staff	6.00%	6.00%
Average turnover rate of employees	0.00% - 1.50%	0.00% - 1.50%
Average turnover rate of contract staff	0.00% - 22.00%	0.00% - 20.00%
Mortality Rate	2.00%	1.50%
Early retirement	55 years old - less than 60 years old	55 years old - less than 60 years old
Retirement	60 years old	60 years old

5.17 Provisions (Continued)

The Bank conducted a sensitivity analysis of key assumptions for calculation as at December 31, 2018 was as follows:

Unit : Million Baht

	Estimated liabilities Increased (Decreased) 2018
Post-employment benefits	
Discount rates	
Increase of 0.50%	(3,491.21)
Decrease of 0.50%	3,872.69
Increase rates of salary	
Increase of 1.00%	2,859.78
Decrease of 1.00%	(2,558.06)
Other long-term benefits	
Discount rates	
Increase of 0.50%	(11.37)
Decrease of 0.50%	12.35
Inflation rates	
Increase of 1.00%	28.29
Decrease of 1.00%	(24.28)

Estimated maturity of employee benefit payments As at December 31, 2018 and 2017 were as follows:

	2018	2017
Weighted average duration of employee benefit payments	19 years	20 years

Unit : Million Baht

	2018	2017
Expected number and durations of employee benefit payments		
Post-employment benefits		
Expected payments within 1 year	2,600.72	2,092.69
Expected payments more than 1 year to 2 years	2,549.66	2,232.45
Expected payments more than 2 year to 3 years	2,660.97	2,386.90
Expected payment more than 3 years to 4 years	2,728.33	2,535.93
Expected payment more than 4 years to 5 years	2,872.90	2,653.91
Expected payment more than 5 years to 10 years	16,213.71	15,777.91
Expected payment more than 10 years	91,534.43	100,498.10

5.17 Provisions (Continued)

Unit : Million Baht

	2018	2017
Expected number and durations of employee benefit payments		
Other long-term benefits		
Expected payments within 1 year	22.79	20.50
Expected payments more than 1 year to 2 years	10.47	12.61
Expected payments more than 2 year to 3 years	18.20	21.89
Expected payment more than 3 years to 4 years	16.17	20.25
Expected payment more than 4 years to 5 years	19.27	23.57
Expected payment more than 5 years to 10 years	92.31	106.92
Expected payment more than 10 years	716.75	741.47

5.18 Interest on deposits and bonds payable

As at December 31, 2018 and 2017, interest income on deposits and bonds amounted to 46,187.19 Million Baht and 49,425.11 Million Baht, respectively, including accrued life insurance deposit interest (Note 5.14.2) as follows:

Unit : Million Baht

	2018	2017
Accrued life insurance deposit interest		
- In the nature of insurance	19,986.38	21,424.36
- In the nature of deposit	11,631.07	9,668.84
Total	31,617.45	31,093.20

5.19 Other liabilities

Unit : Million Baht

	2018	2017
Check in to the depositor account	1,462.34	1,505.71
Property foreclosed	298.92	-
Other payables and Miscellaneous Liabilities	573.07	1,292.18
Pending improvement-credit	-	0.24
Total	2,334.33	2,798.13

Receivables from purchase of investments of 298.92 Million Baht are comprised of purchase transactions duly concluded but settlement for which not yet been made.

Other payables and miscellaneous liabilities was 573.07 Million Baht, consisting of

- Suspended - assets pending sales was 972.74 Million Baht
- Waiting for transfer - PromptPay, amount of 1,429.22 million baht, was inter-banks retail transfer transaction that has not settled.
- and other in the amount of 1,029.55 Million Baht

5.20 Other components of equity

Unit : Million Baht

Financial statements exhibiting investment by equity method						
	2018			2017		
	Change			Change		
	Beginning Balance	During the period	End of period	Beginning Balance	During the period	End of period
Surplus Asset Revaluation	17,547.25	-	17,547.25	-	17,547.25	17,547.25
Surplus (Deficit) on revaluation of investments	15,857.61	(10,322.31)	5,535.30	9,239.58	6,618.03	15,857.61
Share of other comprehensive profit on associated companies	130.60	(96.96)	33.64	58.41	72.19	130.60
Total	33,535.46	(10,419.27)	23,116.19	9,297.99	24,237.47	33,535.46

Unit : Million Baht

Bank Statements						
	2018			2017		
	Change			Change		
	Beginning Balance	During the period	End of period	Beginning Balance	During the period	End of period
Surplus Asset Revaluation	17,547.25	-	17,547.25	-	17,547.25	17,547.25
Surplus (Deficit) on revaluation of investments	15,857.61	(10,322.31)	5,535.30	9,239.58	6,618.03	15,857.61
Total	33,404.86	(10,322.31)	23,082.55	9,239.58	24,165.28	33,404.86

5.21 Net profit allocation

GSB is approved by State Enterprise Policy Office to allocate net profit for the year 2017 and 2016 as follows:

Unit : Million Baht

	Profit of 2017	Profit of 2016
Annual net income	31,210.07	25,945.97
Reserve for expansion	3,121.01	2,594.60
Directors Bonus	4.79	4.04
Employee Bonus	4,031.61	3,355.54
Deliver Revenue	16,523.10	13,904.00

For the appropriation of net income for the year 2017, the Bank has transferred the interim revenue on October 20, 2017 in the amount of 5,739.00 Million Baht, which must be remitted in 2018 amounting to 10,055.00 Million Baht. On April 25, 2018, and deposited additional revenue on the same date amounting to 729.10 Million Baht. The total proceeds from the appropriation of net income for the year 2017 was 16,523.10 Million Baht. The Bank has allocated net profit for the six-month period ended June 30, 2018 to be transferred as interim revenue for H1 on October 22, 2018 in the amount of 9,270.00 Million Baht.

5.21 Net profit allocation (Continued)

For the appropriation of net income for 2016, the Bank has transferred the interim revenue on October 20, 2016 in the amount of 3,020.00 Million Baht, which must be remitted in 2017, amounting to 10,098.00 Million Baht. On April 4, 2017, and additional income of 786.00 Million Baht was delivered on December 18, 2017. The total proceeds from the appropriation of net income for the year 2016 was 13,904.00 Million Baht.

5.22 Assets with obligations and restrictions

Unit : Million Baht

	2018	2017
Government and state enterprise securities		
- Collateral for repurchase agreements	14,966.46	87,454.94
property foreclosed	498.33	262.51
Total	15,464.79	87,717.45

5.23 Contingent Liabilities

5.23.1 Obligations are as follows:

Unit : Million Baht

	2018	2017
Letter of Credit	89.69	48.10
Other commitments		
- Bank overdrafts that have not been withdrawn	30,013.51	26,032.25
- Other guarantees	6,118.50	5,484.65
- Others	206.34	-
Total	36,428.04	31,565.00

As at 31 December 2018 and 2017, the Bank had commitments of other guarantees amounting to 6,118.50 Million Baht and 5,484.65 Million Baht, respectively. As recognized in the contingent liabilities of 1,081.69 Million Baht and 1,081.69 Million Baht, respectively (Note 5.17)

5.23.2 Contingent liabilities arising from litigation

As at December 31, 2018, the Bank had contingent liabilities from being sued by third parties or claim for compensation for undetermined damage amount of 75 cases, with total computable monetary value claims of 1,391.04 Million Baht. This included the cases which the Bank will likely be ordered to make settlement according to the law. In this regard, the Bank has assessed the damage and recognized in the contingent liabilities of 0.93 Million Baht (Note 5.17).

5.24 Related party transactions

Unit : Million Baht

	2018			2017		
	Loans		Deposits	Loans		Deposits
	Balance	Allowance for Doubtful Accounts may be lost		Balance	Allowance for Doubtful Accounts may be lost	
1. Associate company	-	-	189.44	743.09	7.43	285.41
Total	-	-	189.44	743.09	7.43	285.41
2. Transaction with related parties						
Key management personnel and close persons have the power to control or jointly control or a key executive.	15,000.00	150.00	1,122.78	40,059.77	70.18	1,142.75
Total	15,000.00	150.00	1,122.78	40,059.77	70.18	1,142.75
3. Transaction with Related Persons						
Key executives and close persons	375.72	97.28	536.59	367.03	1.34	622.57
Total	375.72	97.28	536.59	367.03	1.34	622.57
Net Total	15,375.72	247.28	1,848.81	41,169.89	78.95	2,050.73

5.25 Other benefits paid to directors and management

The Bank does not pay any other benefits to its directors and executives. In addition to the usual benefits, such as meeting allowances, salaries, bonuses, transportation expenses and welfare benefits,

For the years ended 31 December 2018 and 2017, the remuneration paid to key executives was as follows:

Unit : Million Baht

	2018	2017
Short-term benefits	409.68	366.57
Post-employment benefits	63.84	67.99
Other long-term benefits	0.13	0.15
Total	473.65	434.71

5.26 Long-term leases

As at 31 December 2018 and 2017, the Bank had commitments to pay land and/or building lease and car rental the amounts due are based on the period from the statement of financial position date.

Unit : Million Baht

	Time remaining	2018			
		The amount to be paid by the period			
		Over 1 year	Up to 1 year Less than 5 Year	Over 5 years	Total
Land and/or building lease agreement	1 Jan 2019 - 17 Dec 2039	343.21	232.45	2.49	578.15
Car rental	1 Jan 2019 - 31 Oct 2023	408.77	729.70	-	1,138.47
Total		751.98	962.15	2.49	1,716.62

5.26 Long-term leases (Continued)

Unit : Million Baht

	Time remaining	2017 The amount to be paid by the period			
		Over 1 year	Up to 1 year Less than 5 Year	Over 5 years	Total
Land and/or building lease agreement	1 Jan 2018 -17 Dec 2039	358.09	256.47	3.01	617.57
Car rental	1 Jan 2018 -31 Oct 2022	377.93	706.00	-	1,083.93
Total		736.02	962.47	3.01	1,701.50

As at 31 December 2018, the Bank has a long-term lease agreement with a contract term of 1-29 years. The term of the agreement is between 1990 and 2039 and/or building of 638 contracts and 28 car rental agreements, which are subject to future rental payments of approximately 1,716.62 Million Baht.

5.27 Significant positions and performance by domestic and foreign transactions

5.27.1 Status by transaction

Unit : Million Baht

	Financial statements in which the equity method is applied					
	2018			2017		
	Domestic Transactions	Foreign Transactions	Total	Domestic Transactions	Foreign Transactions	Total
Total assets	2,704,966.59	-	2,704,966.59	2,664,410.55	-	2,664,410.55
Interbank transactions and						
Net Asset Value (Assets)	339,996.14	-	339,996.14	462,668.65	-	462,668.65
Net Investments *	256,156.56	-	256,156.56	237,320.73	-	237,320.73
Loans to debtors and						
Accrued interest receivables	1,827,043.88	-	1,827,043.88	1,710,908.16	-	1,710,908.16
Deposits	2,232,430.75	-	2,232,430.75	2,185,122.29	-	2,185,122.29
Interbank transactions and						
Net Money Market (Liabilities)	69,659.28	-	69,659.28	111,205.80	-	111,205.80
Debt securities issued	50,000.00	-	50,000.00	50,000.00	-	50,000.00

Unit : Million Baht

	Bank Statements					
	2018			2017		
	Domestic Transactions	Foreign Transactions	Total	Domestic Transactions	Foreign Transactions	Total
Total assets	2,704,339.61	-	2,704,339.61	2,663,828.13	-	2,663,828.13
Interbank transactions and						
Net Asset Value (Assets)	339,996.14	-	339,996.14	462,668.65	-	462,668.65
Net Investments *	255,529.57	-	255,529.57	236,738.31	-	236,738.31
Loans to debtors and						
Accrued interest receivables	1,827,043.88	-	1,827,043.88	1,710,908.16	-	1,710,908.16
Deposits	2,232,430.75	-	2,232,430.75	2,185,122.29	-	2,185,122.29
Interbank transactions and						
Net Money Market (Liabilities)	69,659.28	-	69,659.28	111,205.80	-	111,205.80
Debt securities issued	50,000.00	-	50,000.00	50,000.00	-	50,000.00

* Total investment in associate companies

5.27.2 Operating results classified by transaction

Unit : Million Baht

	Financial statements in which the equity method is applied					
	2018			2017		
	Domestic Transactions	Foreign Transactions	Total	Domestic Transactions	Foreign Transactions	Total
Interest income	96,607.64	-	96,607.64	98,364.64	-	98,364.64
Interest expenses	35,428.97	-	35,428.97	42,448.21	-	42,448.21
Net interest income	61,178.67	-	61,178.67	55,916.43	-	55,916.43
Fee income and Net Service	6,072.58	-	6,072.58	5,765.72	-	5,765.72
Other operating income	17,247.35	-	17,247.35	9,761.33	-	9,761.33
Other operating expenses	53,515.74	-	53,515.74	40,167.97	-	40,167.97
Net profit	30,982.86	-	30,982.86	31,275.51	-	31,275.51

Unit : Million Baht

	Bank statements					
	2018			2017		
	Domestic Transactions	Foreign Transactions	Total	Domestic Transactions	Foreign Transactions	Total
Interest income	96,607.64	-	96,607.64	98,364.64	-	98,364.64
Interest expenses	35,428.97	-	35,428.97	42,448.21	-	42,448.21
Net interest income	61,178.67	-	61,178.67	55,916.43	-	55,916.43
Net fee and service income	6,072.58	-	6,072.58	5,765.72	-	5,765.72
Other operating income	17,106.33	-	17,106.33	9,695.89	-	9,695.89
Other operating expenses	53,515.74	-	53,515.74	40,167.97	-	40,167.97
Net profit	30,841.84	-	30,841.84	31,210.07	-	31,210.07

5.28 Interest income

Unit : Million Baht

	2018	2017
Interbank Transaction and Money Market	5,424.39	6,384.06
Investment and Trade	22.58	16.29
Investments in debt securities	4,512.99	4,490.10
Loans	86,644.44	87,468.19
Leasing	3.24	6.00
Total Interest Income	96,607.64	98,364.64

5.29 Interest expenses

Unit : Million Baht

	2018	2017
Deposits	18,824.29	27,794.21
Reward	12,281.44	11,519.77
Interbank Transactions and Money Market	1,131.09	1,220.56
Funds transferred to the Specialized Financial Institution Development Fund	5,093.04	4,942.06
Debt issued		
- Debentures	1,175.80	936.25
Loans	0.03	2.50
Fee for the loan	4.00	3.17
Transfer to expense, interest, public service accounts. (Note 5.38.5)	(3,080.72)	(3,970.31)
Total Interest Expense	35,428.97	42,448.21

5.30 Net fee and service income

Unit : Million Baht

	2018	2017
Fees and service income		
Approval and guarantees	54.93	51.35
ATM fees	884.66	852.36
Income from VISA cards	1,320.78	1,329.34
Loan fee	1,317.98	1,004.73
Commission income	1,863.46	1,774.50
Others	1,662.31	1,449.11
Transfer to fee and service income		
From Debtors, Public service accounts (Note 5.39.4)	(2.81)	(10.82)
Total fee and service income	7,101.31	6,450.57
Fees and Services Expenses		
ATM Pool Expenses	259.36	234.09
Expenses for Mobile Banking	349.68	153.35
Expenses for credit card business - compensation	177.74	79.03
Telecommunication fees	241.96	238.08
Others	102.90	55.90
Transfer to other expenses by public service accounts. (Note 5.39.5)	(102.91)	(75.60)
Total fees, charges and services	1,028.73	684.85
Net fee and service income	6,072.58	5,765.72

5.31 Net income from trading and foreign exchange transactions

Unit : Million Baht

	Profit (Loss) Net	
	2018	2017
1) Profit (loss) on trading and foreign exchange transactions		
Foreign currency and foreign exchange derivatives	28.44	(1,080.77)
Debt certificate	67.77	80.26
Total	96.21	(1,000.51)
2) Profit (loss) from hedging	(1.58)	1,090.44
Total	94.63	89.93

5.32 Net income from investments

Unit : Million Baht

	Profit (Loss) Net	
	2018	2017
1) Profit from sales		
Available-for-sale investments	7,635.09	159.09
Total	7,635.09	159.09
2) Reversal (loss) on impairment		
Equity securities Available-for-sale investments	-	98.10
Total	-	98.10
Total	7,635.09	257.19

5.33 Compensation for creditors

Unit : Million Baht

	2018	2017
Agency Compensation-Credit	61.68	63.21
Agency Compensation-Social Credit	1,662.61	3,059.08
Transfer to operating expenses, public service accounts.	(156.80)	(310.39)
Total	1,567.49	2,811.90

For the years ended December 31, 2018 and 2017, the Company and its subsidiaries paid a total of 1,567.49 Million Baht and 2,811.90 Million Baht, respectively, including special allowances for debt repayment according to Chor Por Kor - Chor Por Sor loan project agreement between Office of the Welfare Promotion Commission for Teachers and Educational Personnel and Government Savings Bank in the amount of 1,242.21 Million Baht and 2,533.35 Million Baht, respectively.

5.34 Impairment allowances for doubtful accounts and loss on impairment (reversal)

Unit : Million Baht

	2018	2017
Interbank transactions and money market	(42.90)	(76.77)
Debt securities held to the ended period	16,683.78	3,904.10
Loans to debtors	26.10	-
Credit to Debtors on Public service accounts	350.58	357.08
Total	17,017.56	4,184.41

5.35 Contribution to provident fund

Unit : Million Baht

	2018	2017
Provident Fund	501.13	470.22
Expense of money initiated	1,163.21	1,090.02
Expenditure Benefits	402.20	340.67
Total	2,066.54	1,900.91

5.36 Early retirement program

The Bank has implemented early retirement program in 2018. There are 430 employees participating in the program which was effective from September 1, 2018, which the bank has to pay to the project participants as follows:

Unit : Million Baht

	2018
Living pensions	182.03
Rewards	290.98
Special remunerations	480.50
Cost of starting fund	137.24
Expenses for the benefit of starting fund	50.74
Total	1,141.49

5.37 Islamic Financial Services

The Bank provides financial services in accordance with Islamic law, which is free of interest service. There are some types of accounts available such as Hajj and Umrah Mukhabha, and the investment is for rent, Selling Products Investment in various securities and joint venture. The Bank was first opened in December 1998, currently there are 343 branches of the Islamic Financial Services Online (open deposit account). Of these, there are full Islamic financial services of 243 branches (type of account that provides deposit and investment service).

5.38 Regional Urban Development Fund Office (RUDF)

Government Savings Bank has managed Social Investment Fund and Urban Development Fund in the region until the end of the project's termination period under Social Investment Program of the Ministry of Finance. The Ministry of Finance approves Government Savings Bank to end the management of Social Investment Fund. Government Savings Bank will continue to manage Urban Development Fund in the region. Regional Urban Development Fund Office is set up in the region to run Regional Development Fund instead of Social Fund Office. It is an independent agency under the supervision of Government Savings Bank. The management of the Board in the form of the original. And allow Government Savings Bank to lend to Urban Development Fund in the region to local governments in the form of Syndication Loan for investment projects in infrastructure and public utilities. In the amount not exceeding 1,000.00 Million Baht in accordance with GSB Regulation No. 408 on Regional Development Fund. The management fee is 10.00% of the loan disbursed under the loan agreement, calculated on the date of disbursement under the loan agreement. According to the Memorandum of Understanding on Management and Management of Urban Development Funds in the Region As at December 31, 2018, the Bank provided loans to Regional Urban Development Fund Office in the amount of 428.94 Million Baht.

For the year ended 31 December 2005, the financial statements of the Bank include the accounts of Regional Urban Development Fund Office of the region which is a part of GSB Organizational Structure. The intercompany transactions have been eliminated.

The financial statements of Regional Urban Development Fund Office as included in the Bank's financial statements as at 31 December 2018 and 2017 (after deduction of related party transactions) consisted of:

	Unit : Million Baht	
	2018	2017
Asset	371.26	396.61
Debt	0.98	0.81
Part of the capital	187.05	179.17
Income	21.59	24.00
Expense	13.71	14.17

5.39 Public Service Account (PSA)

5.39.1 Summary Information for Public service accounts

	Unit : Million Baht	
Incomes and Expenses	2018	2017
Asset		
Credit to debtors on public service accounts		
Accrued interest receivable (Note 5.39.2)	172,147.12	186,373.78
Accounts receivable pending transactions		
on state net transactions (Note 5.39.2)	1,104.15	2,371.96
Total asset	173,251.27	188,745.74

5.39.1 Summary Information for Public service accounts (Continued)

Unit : Million Baht

Incomes and Expenses	2018	2017
Revenue from public service accounts (Note 5.39.4)	6,130.70	5,948.82
<u>Deduct</u> from public service accounts (Note 5.39.5)	6,901.36	7,236.46
<u>Deduct</u> bad debt doubtful and impairment losses on public service accounts (Note 5.34)	350.58	357.08
Profit (Loss) Net	(1,121.24)	(1,644.72)

5.39.2 Assets according to Public Service Account

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions	
			2018	2017	2018	2017
1. Loan Project for Rescuing Independent Self-Employed Persons Affected by Flood and Storm in 2010	Loan amount of 2,000.00 Million Baht to self-employed persons affected by floods and windstorms. Government compensates for future damage.	2010-2016	0.04	0.17	-	-
2. Financial Assistance Program for Business Operators in the Three Southern Order Provinces	Loan amount of 25,000.00 Million Baht to commercial banks and specialized financial institutions. At the interest rate of 0.10% per year The government compensates for costs equal to 12-month fixed deposit rates for most depositors. <u>Plus</u> operating expenses 0.98% per year deduct from the lender rate of return 0.01% plus operating expenses 0.98% per year <u>deduct</u> from the lender rate of return 0.01%	2010-2013 Extend 1 st session to end of 2014 2 nd extension to end of 2017 3 rd extension to the end of 2022	20,473.55	13,284.88	74.11	290.38
3. GSB Loan Development for Flood Protection System to Industrial Estate / Industrial Estates / Parks / Industrial Zones,	Loan Amount of 15,000.00 Million Baht to 6 Industrial Estate / industrial estates / parks / Industrial Zonenamely Bangpa-in, Bangkadee, Rojana, Hightech, interest rate is 0.01% per year The government compensates for costs equal to 12-month fixed deposit rates for most depositors operating expenses plus 0.98% per year deduct rate of return on interest rate 0.01% per year	2013-2028	1,818.15	1,950.91	12.96	14.75
4. Loan Project for Flood Protection System in Industrial Estate	Loan Amount of 3,546.24 Million Baht directly to the Industrial Estate Authority of Thailand to build a flood protection system with interest charged at 0.01% per year. The government compensates for costs equal to 12-month fixed deposit rates for most depositors. <u>Plus</u> operating expenses 0.98% per year <u>deduct</u> rate of return on interest rate 0.01% per year.	2013-2028	1,851.97	1,998.26	14.15	15.86

5.39.2 Assets according to Public Service Account (Continued)

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions																		
			2018	2017	2018	2017																	
5. Housing Promotion Project-Village Level	<p>Loan Amount of 30,000 Million Baht to a village and urban fund that is classified as A and B type of up to 1 Million Baht at interest rates as follows:</p> <p>Year 1-2 Interest at 0.00% per year Year 3-7 Interest is equal to financial cost, plus 1.00% per year</p> <p>The government compensates the cost in year 1-2 at the rate of 2.21% per year, without compensation for future damages.</p>	2015-2023	15,252.08	19,394.68	-	24.27																	
6. Low interest Loan Project for Working Capital of Small and Medium Enterprises (SMEs)	<p>Loan Amount of 100,000 Million Baht to commercial banks and specialized financial institutions. at the interest rate of 0.10% per year for lending to SMEs at the interest rate of 4.00% per year, the Bank can use the program limit (Note 5.7.1)</p> <p>The interest rate compensation is equal to the cost of 2.21% per year <u>plus</u> the operating expense of 0.75% per year. <u>deduct</u> rate of return on the institution loan is 0.10% per year.</p>	2015-2022	66,070.27	76,657.09	629.37	630.91																	
7. Low Interest Loan Program for Working Capital for Small and Medium Enterprises (SMEs) Phase 2	<p>Loan Amount of 50,000 Million Baht to commercial banks and specialized financial institutions. At the interest rate of 0.10% per year for lending to SMEs at the interest rate of 4.00% per year, the Bank can use the program limit (Note 5.7.1)</p> <p>The interest rate compensation is equal to the cost of 2.21% per year <u>plus</u> the operating expense of 0.75% per year, <u>deduct</u> rate of return on the institution loan is 0.10% per year.</p>	2016-2023	27,362.24	33,611.05	306.87	1,044.71																	
8. Public Home Project (Baan Pracha Rath Project)	<p>Loan Amount of 20,000 Million Baht for Post Finance Housing at the following interest rates:</p> <table border="1" data-bbox="395 1680 826 2016"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Loan</th> </tr> <tr> <th>Up to 700,000 baht</th> <th>More than 700,000 Baht but not more than 1.5 Million Baht</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0% per year</td> <td>3% per year</td> </tr> <tr> <td>2-3</td> <td>2% per year</td> <td>3% per year</td> </tr> <tr> <td>4-6</td> <td>5% per year</td> <td>5% per year</td> </tr> <tr> <td>7 years or more</td> <td>MRR-1.475 per year</td> <td>General Customer MRR-1.475% per year, Customers with agreements MRR.-1.725% per year</td> </tr> </tbody> </table>	Year	Loan		Up to 700,000 baht	More than 700,000 Baht but not more than 1.5 Million Baht	1	0% per year	3% per year	2-3	2% per year	3% per year	4-6	5% per year	5% per year	7 years or more	MRR-1.475 per year	General Customer MRR-1.475% per year, Customers with agreements MRR.-1.725% per year	2016-2046	4,396.72	4,336.24	Did not receive compensation	Did not receive compensation
Year	Loan																						
	Up to 700,000 baht	More than 700,000 Baht but not more than 1.5 Million Baht																					
1	0% per year	3% per year																					
2-3	2% per year	3% per year																					
4-6	5% per year	5% per year																					
7 years or more	MRR-1.475 per year	General Customer MRR-1.475% per year, Customers with agreements MRR.-1.725% per year																					

5.39.2 Assets according to Public Service Account (Continued)

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions	
			2018	2017	2018	2017
9. Low Interest Loans to Assist Fisherman. "Thailand's Fisheries Move Forward"	<p>Loan Amount of 500 Million Baht to help fishermen affected by illegal fishing tackle at the interest rate as follows:</p> <p>Year 1 0.00% per year Year 2-7 4.00% per year</p> <p>The government compensates the interest rate of 3.00% per year.</p>	2016-2024	276.92	333.04	0.54	0.16
10. Public Loans for People Project	<p>Provides loans to freelance professionals to finance their careers in solving problems and alleviating difficulties in living. Payment of other liabilities including informal debt at the interest rate as follows:</p> <p>Year 1 Interest 0.00% per month Year 2-5 Interest 1.00% per month</p>	2016-2021	436.40	852.27	Did not receive compensation	Did not receive compensation
11. Low Interest Loan for Machine Change and Production Efficiency for Small and Medium Enterprises (SMEs)	<p>Loan Amount of 30,000 Million Baht to commercial banks and specialized financial institutions at 0.10% per year for lending to SMEs to adjust machinery and increase production efficiency. The interest rate is 4.00% per year. The Bank can use the program limit (Note 5.7.1).</p> <p>The government compensates the cost of 6-month fixed deposit rates for general depositors plus 1.85% per year, up to a maximum of 3.00% per year.</p>	2016-2024	20,210.36	23,889.28	56.19	269.94
12. Civil Society Project to Solve Public Debt Problems under Government Policy.	<p>To ease the burden on the Bank customers who wish to participate in the project. The temporary suspension of debt payment or the extension of repayment period to reduce the burden of payment.</p>	2016-2036	5,413.16	5,715.63	Did not receive compensation	Did not receive compensation
13. Public Loans for People Project (Disaster Victims)	<p>Loan Amount of 4,000 Million Baht for working capital to solve problems and alleviate the suffering of the flood and disaster victims in the interest rate as follows:</p> <p>Year 1 Interest 0.00% per month Year 2-5 Interest 1.00% per month</p>	2017-2022	79.39	159.47	Did not receive compensation	Did not receive compensation
14. Loans to Small and Medium Enterprises (SMEs) affected by Floods Project (2017)	<p>Loan Amount of 2,500 Million Baht to alleviate the suffering of the SMEs victims affected by flood 2017 as follows:</p> <p>Year 1 Interest rate MLR - 2.00 per year Year 2-5 MLR interest per year</p>	2017-2022	1.72	2.23	Did not receive compensation	Did not receive compensation

5.39.2 Assets according to Public Service Account (Continued)

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions																		
			2018	2017	2018	2017																	
15. Retail Loans for Emergency Use Project	<p>Loan amount of 5,000 Million Baht loan to help low income people and small farmers who need to make emergency payments or troubleshoot household problems must not refinance their debt in a flat rate of no more than 0.85% per month.</p> <p>Government compensation for damages as follows:</p> <table border="1"> <thead> <tr> <th>NPL Level</th> <th>Government compensation for damages</th> <th>Amount Million Baht</th> <th>Coverage ratio</th> </tr> </thead> <tbody> <tr> <td>No more than 25</td> <td>100%</td> <td>2,500</td> <td rowspan="4">No more than 40%</td> </tr> <tr> <td>More than 25 No more than 37.50</td> <td>70%</td> <td>875</td> </tr> <tr> <td>More than 37.50 No more than 50</td> <td>50%</td> <td>625</td> </tr> <tr> <td>Total</td> <td></td> <td>4,000</td> </tr> </tbody> </table> <p>Compensation limits are divided into the amount of compensation to Government Savings Bank of 2,000.00 Million Baht and for Bank for Agriculture and Agricultural Cooperatives for 2,000.00 Million Baht.</p>	NPL Level	Government compensation for damages	Amount Million Baht	Coverage ratio	No more than 25	100%	2,500	No more than 40%	More than 25 No more than 37.50	70%	875	More than 37.50 No more than 50	50%	625	Total		4,000	2017-2022	2,534.62	4,188.58	-	-
NPL Level	Government compensation for damages	Amount Million Baht	Coverage ratio																				
No more than 25	100%	2,500	No more than 40%																				
More than 25 No more than 37.50	70%	875																					
More than 37.50 No more than 50	50%	625																					
Total		4,000																					
16. Transformation Loan Project (Low Interest Loan Program to Modify Machines Phase 2)	<p>Loan amount of 20,000.00 Million Baht provided through commercial banks and specialized financial institutions at the rate of 0.10 percent per year, to be used for granting loans to SMEs in the 10 S - Curve business groups which intend to upgrade and change technology. The bank can use credit under the project.</p> <p>The government compensates the interest rate difference as follows.</p> <ol style="list-style-type: none"> At the rate of 2.00 percent per year in case of banks granting loans to SMEs At the rate of 2.50 percent per year in case of banks providing loans through commercial banks and specialized financial institutions. 	2018 - 2025	1,877.21	-	0.89	-																	
17. Workshops for Career Development and Financial Literacy for Small Entrepreneurs in the Urban Communities	<p>Budget amount of 150.00 million baht to provide financial literacy to small entrepreneurs, independent professionals or those interested in training for 150,000 families, 1 representative per family, distributed in every province nationwide.</p>	2016	-	-	-	80.98																	

5.39.2 Assets according to Public Service Account (Continued)

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions																			
			2018	2017	2018	2017																		
18. Retail Loan Program for Emergency Use Phase 2	<p>Loan amount of 10,000.00 Million Baht to help low income people and small farmers who need to make emergency payments or troubleshoot household problems must not refinance their debt in a flat rate of no more than 0.85% per month.</p> <p>Government compensation for NPLs of the project as follows:</p> <table border="1"> <thead> <tr> <th>NPL Level</th> <th>Government compensation for damages</th> <th>Amount Million Baht</th> <th>Coverage ratio</th> </tr> </thead> <tbody> <tr> <td>No more than 25</td> <td>100%</td> <td>2,500</td> <td rowspan="3">No more than 40%</td> </tr> <tr> <td>More than 25 No more than 37.50</td> <td>70%</td> <td>875</td> </tr> <tr> <td>More than 37.50 No more than 50</td> <td>50%</td> <td>625</td> </tr> <tr> <td>Total</td> <td></td> <td>4,000</td> <td></td> </tr> </tbody> </table>	NPL Level	Government compensation for damages	Amount Million Baht	Coverage ratio	No more than 25	100%	2,500	No more than 40%	More than 25 No more than 37.50	70%	875	More than 37.50 No more than 50	50%	625	Total		4,000		2018 - 2568	4,070.12	-	-	-
NPL Level	Government compensation for damages	Amount Million Baht	Coverage ratio																					
No more than 25	100%	2,500	No more than 40%																					
More than 25 No more than 37.50	70%	875																						
More than 37.50 No more than 50	50%	625																						
Total		4,000																						
19. Government Welfare Card Holder Potential Development Project																								
19.1 Government Welfare Account Officer (AO)	Budget amount of 189.00 Million Baht to pay compensation to Account Officer (AO) that are responsible for supervising and giving advice to Government welfare card holders	2018	-	-	9.07	-																		
19.2 Loans for Government Welfare Card Holder Potential Development (3 Projects)			22.20	-	Did not receive compensation	-																		
1) GSB Home Stay Loan	To be used as capital or working capital in the operations related to the Thai homestay business with credit limit not exceeding 50,000.00 baht per customer. Maximum loan period is 7 years with interest rate as follows: Year 1 interest rate of 0.00 per month Year 2 onward, interest rate of 0.50 - 0.75 per month (Flat rate) based on type of securities	2018 - 2025																						

5.39.2 Assets according to Public Service Account (Continued)

Unit : Million Baht

Project	Project Overview	Project timeline	Loans to debtors according to the Government's policy and accrued interest receivables net		Accounts receivable pending transactions on state net transactions	
			2018	2017	2018	2017
19. Government Welfare Card Holder Potential Development Project (continued)						
19.2 Loans for Government Welfare Card Holder Potential Development (3 Projects)						
2) Franchise Business Loans	In order to finance franchise business or business expansion with credit limit of not exceeding 50,000.00 baht per customer. In case of short-term loans, the credit shall be reviewed annually. In case of long-term loans, the loan shall be granted for no more than 7 years at the following interest rates: Year 1 interest rate of 0.00 per month Year 2 onward, interest rate of 0.50 - 0.75 per month (Flat rate) based on type of securities	2018 - 2025				
3) Street Food Loans	To be used as capital or working capital in the business operations with credit limit not exceeding 50,000.00 baht per customer at the interest rate as follows: Year 1 interest rate of 0.00 per month Year 2 onward, interest rate of 0.50 - 0.75 per month (Flat rate) based on type of securities	2561 - 2028				
Grand Total			172,147.12	186,373.78	1,104.15	2,371.96

5.39.3 Asset Classification and Provision of Public Service Account

Unit : Million Baht

	2018				
	No. Case	Accrued Interest Receivable	Collateral Value	Rate used to set allowance for doubtful accounts (Percent)	Allowance for doubtful account
Normal	225,924	169,896.14	6,390.53	1	1,633.03
Special mentioned	27,804	3,576.01	950.22	2	51.65
Substandard	7,871	447.49	131.19	100	315.43
Suspicious	9,099	385.06	87.21	100	297.85
Classified as doubtful	4,164	402.40	140.39	100	262.01
Total	274,862	174,707.10	7,699.54		2,559.97

5.39.3 Asset Classification and Provision of Public Service Account (Continued)

Unit : Million Baht

	2017				
	No. Case	Accrued Interest Receivable	Collateral Value	Rate used to set allowance for doubtful accounts (Percent)	Allowance for doubtful account
Normal	167,198	186,308.44	6,538.17	1	1,796.08
Special mentioned	11,656	1,614.35	865.40	2	14.81
Substandard	2,900	297.22	55.72	100	240.63
Suspicious	1,702	197.59	97.22	100	100.37
Classified as doubtful	537	192.23	108.07	100	84.16
Total	183,993	188,609.83	7,664.58		2,236.05

5.39.4 Income from Public Service Account

Unit : Million Baht

Program	2018	2017
Revenue from PSA Receivables Transaction		
Interest income from PSA Receivables	1,751.74	838.56
Fee income and services from Receivables		
Public service accounts (Note 5.30)	2.81	10.82
Other income from Receivables	1.49	0.44
Government Revenue Transactions Offered by Government	4,341.46	5,099.00
Revenue from Public service accounts	33.20	-
Total	6,130.70	5,948.82

5.39.5 Expenditures on Public Service Accounts

Unit : Million Baht

Program	2018	2017
Expenditure on Public service accounts (Note 5.29)	3,080.72	3,970.31
Expenditure on Public service accounts	3,717.73	3,190.55
Other expenses by public service accounts (Note 5.30)	102.91	75.60
Total	6,901.36	7,236.46

5.40 Approval of financial statements

GSB President & CEO approved this financial statement on April 1, 2019.



Regional Office

Regional Office 1

470 Building 17, 2nd floor and 3rd floor, Phahonyothin Road, Samsennai, Phayathai, Bangkok 10400
Tel. 0-2299-8475, 0-2299-8472-3, 0-2299-8183, 0-2299-8184
Fax 0-2299-8473, 0-2299-8187
E-mail: rm1@gsb.or.

Regional Office 2

1769, 4th floor, New Phetchaburi Road, Bangkok, Huay Kwang, Bangkok 10310
Tel. 0-2257-0142 - 5
Fax 0-2257-0147 - 8
E-mail: rm2@gsb.or.th

Regional Office 3 (Temporary Office)

709 Petchkasem Road, Bang Na, Phasicharoen, Bangkok 10160
Tel. 0-2804-6849, 0-2804-6903
Fax 0-2413-2234
E-mail: rm3@gsb.or.th

Regional Office 4

927/16, 4th floor, Sethakit 1 Road, Mahachai, Mueang , Samut Sakhon 74000
Tel. 0-3441-3146-7
Fax 0-3441-3146-7 ext. 341112
E-mail: rm4@gsb.or.th

Regional Office 5

145 Tiwanon Road, Tasai, Mueang, Nonthaburi 11000
Tel. 0-2951-1573-6
Fax 0-2951-1572
E-mail: rm5@gsb.or.th, rm5a@gsb.or.th

Regional Office 6

310/12 Sawan withee Road, Pak Nam Pho, Mueang, Nakhon Sawan 60000
Tel. 0-5623-1561-3, 0-5622-2419
Fax 0-5622-2350, 0-5623-1564
E-mail: rm6@gsb.or.th

Regional Office 7

192 Barom-Asana Road, Tha It, Mueang , Uttaradit 53000
Tel. 0-5540-3699, 0-5540-3665, 0-5540-3667, 0-5540-3668
Fax 0-5540-3664, 0-5540-3668
E-mail: rm7@gsb.or.th, rm7a@gsb.or.th

Regional Office 8

4 Moo 5, Chiang Mai-San Kamphaeng Road, Thasara, Mueang, Chiang Mai 50000
Tel. 0-5311-6270-4
Fax 0-5311-6275
E-mail: rm8@gsb.or.th

Regional Office 9

254 Moo 3, Pa O Don Chai, Mueang, Chiang Rai 57000
Tel. 0-5372-7160, 0-5372-7163
Fax 0-5372-7150
E-mail: rm9@gsb.or.th

Regional Office 10

39, Moo 1, Mitrapab Road (Udon Thani-Nong Khai), Nong Bua, Mueang, Udon Thani 41000
Tel. 0-4232-6622
Fax 0-4232-6622
E-mail: rm10@gsb.or.th

Regional Office 11

293/1 Na Mueang Road, Nai Mueang, Mueang, Khon Kaen 40000
Tel. 0-4324-1261, 0-4323-6629
Fax 0-4323-6629, 0-4324-3487
E-mail: rm11@gsb.or.th

Regional Office 12

343, 3rd floor, Moo 9, Nonpueng, Warin Chamrap, Ubon Ratchathani 34190
Tel. 0-4542-4260, 0-4542-4262, 0-4542-4267
Fax 0-4542-4274, 0-4542-4278
E-mail: rm12@gsb.or.th

Regional Office 13

19 Yotha Road, Nai Mueang, Mueang, Nakhon Ratchasima 30000
Tel. 0-4426-3445-52
Fax 0-4423-0154, 0-4424-1325
E-mail: rm13@gsb.or.th, rm13a@gsb.or.th

Regional Office 14

129 Moo 3, Klong Suan Ploo, Phra Nakhon Si Ayutthaya, Phra Nakhon Si Ayutthaya 13000
Tel. 0-3533-6594, 0-3533-6596
Fax 0-3533-6595, 0-3533-6597
E-mail: rm14@gsb.or.th

Regional Office 15

55 Sukhumvit Road, Sansuk, Mueang, Chonburi 20130
Tel. 0-3838-7022-4
Fax 0-3838-7025-6
E-mail: rm15@gsb.or.th

Regional Office 16

20, 2nd floor, Rat-U-Thit Road, Mueang, Surat Thani 84000
Tel. 0-7727-2207, 0-7728-6207
Fax 0-7727-2589
E-mail: rm16@gsb.or.th

Regional Office 17

289 Moo 5, Nakhon Si Thammarat-Pak Phanang Road,
Pak Nakhon, Mueang, Nakhon Si Thammarat 80000
Tel. 0-7534-0705, 0-7534-6971
Fax 0-7534-6972
E-mail: rm17@gsb.or.th

Regional Office 18

30/6 Wichianchom Road, Bo Yang, Mueang, Songkhla 90000
(Temporary building)
11 Saiburi Road, Bo Yang, Mueang, Songkhla 90000
(Old building)
Tel. 0-7431-1222
Fax 0-7431-1222 ext. 2013
E-mail: rm18a@gsb.or.th



ธนาคาร

ออมสิน

Government Savings Bank



GOVERNMENT SAVINGS BANK

470 Phahonyothin Road, Sam Sen Nai, Phayathai, Bangkok 10400

Tel. 0-2299-8000 | Call Center 1115 | www.gsb.or.th