



GSB
Government Savings Bank



GSB

SUSTAINABLE BANKING

Sustainable Growth and Making Contribution to Society

Annual Report 2019

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GOVERNMENT SAVINGS BANK
GSB SUSTAINABLE BANKING

In remembrance of King Rama VI
who initiated the Savings Office for Thai people.

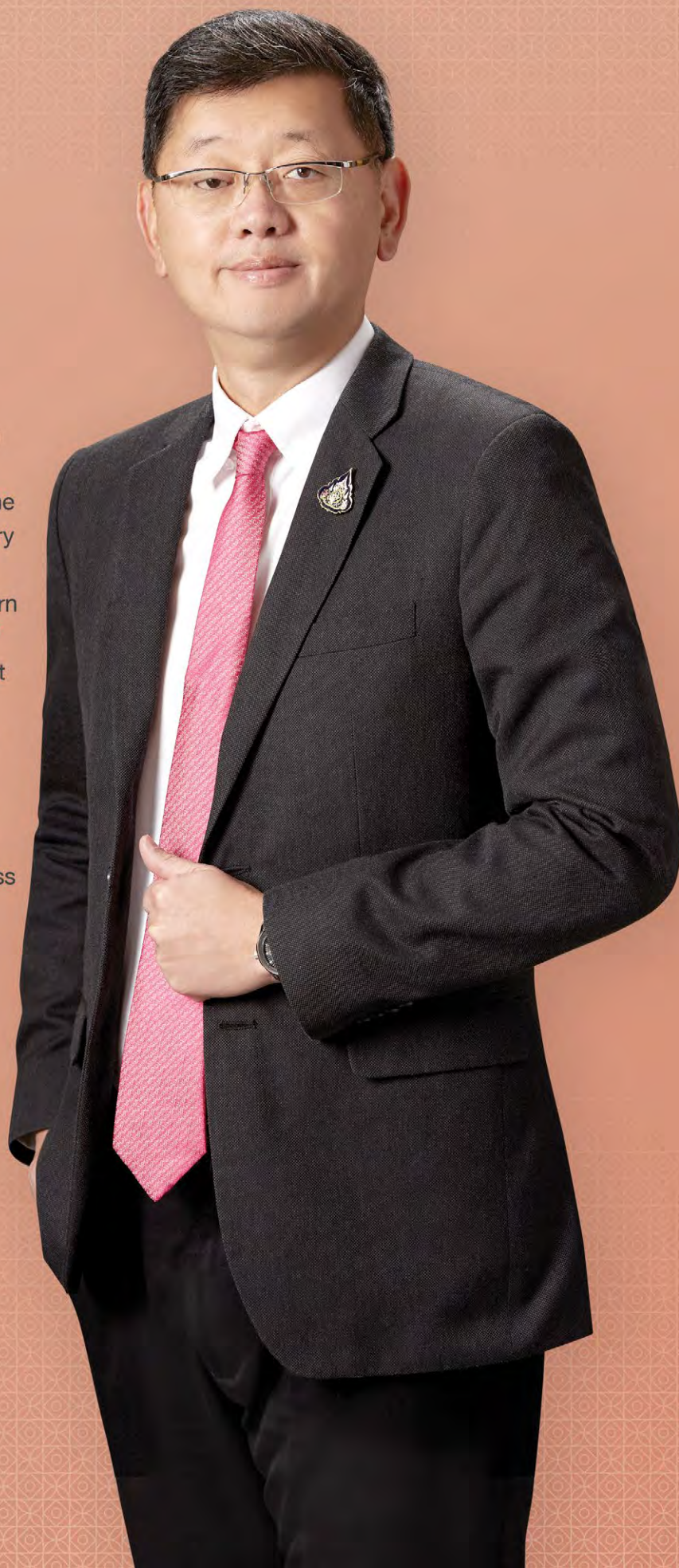
107th Anniversary of Government Savings Bank Sustainable Growth and Making Contribution to Society

Savings service in Thailand was initiated by HM King Vajiravudh (King Rama VI). HM the King enacted an act to establish the Savings Office on April 1, 1913 with the royal intention to provide a secure place for Thai people to store their assets and to educate them on how to save money properly. Later in 1946, HM King Bhumibol Adulyadej designated the Savings Office to be “Government Savings Bank” and enacted the Government Savings Bank Act to support GSB operation in the form of Bank since April 1, 1947.

Government Savings Bank has been stably growing together with Thai society for 107 years, which the anniversary is on April 1, 2020 and has adhered to the principles of good corporate governance by taking into account environment, society and all groups of stakeholders with the concept of “**Sustainable Growth and Making Contribution to Society**” which is to develop financial services that meet the needs of people in all segments, be a driving force for grassroots economic development by providing opportunities for people to access financial services and financial management knowledge in order that they can secure financial future for themselves and families, promote local wisdom, create opportunities for people in all professions; create economic, social and environmental sustainability. Lastly, it is a creative force that drives GSB bank to be “**Sustainable Banking**” for a better quality of life of Thai people in all aspects.

Message from Chairman of Government Savings Bank

2019 is recognized as one of the most significant years in Thai history with the auspicious coronation of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua, the 10th King of the Chakri Dynasty. His first royal command “I shall continue, preserve, and build upon the royal legacy and shall reign with righteousness for the benefit and happiness of the people forever.” has brought great joy and happiness to the Thai people of the whole Kingdom.



Thai economy in 2019 decelerated from the previous year due to the global economy slowdown. For GSB's overall performance of 2019, the assets grew and the quality of assets improved, compared to the previous year. The ratio of Non-performing loans (NPLs) were lower than an average ratio of five large commercial banks and specialized financial institutions. Our commercial and social mission to take care of over 22 million customers in all groups as well as running the Bank's business under government policies have been implemented successfully as assigned in order to reduce inequality and financial gaps, together with the development and improvement of grassroots economy by applying three creation mechanisms which are creations of Knowledge/Career, Market/Income and Opportunity to access sources of funds through Informal Debt Solution project, People's University project for the development of state welfare card holders, "GSB Yuwapat Raktin" project to build on innovations from local knowledge as well as housing loan measures and SMEs loans under the "Pracharath Sang Thai" project. As a result, GSB's Quality of Grassroots Life Index (GLI) assessed in terms of economy, society and environment was at 0.6890 (level High = 0.67-1.00) and overall customer satisfaction rate from the survey's result increased from 4.22 points in 2018 to 4.39 in 2019.

With our professional management and good governance, GSB was esteemed by various organizations and received several awards such as the "Thailand Quality Class Plus: Operation TQC⁺ 2019" award from the Office of Thailand Quality Award, Ministry of Industry, "Outstanding State Enterprises of 2019 Award" in the category of outstanding organization management from the State Enterprise Policy Office, Ministry of Finance, and the Integrity and Transparency Assessment: "ITA Awards 2019" from the Office of the National Anti-Corruption Commission with a score of 96.31, AA rating, ranked 4th of 54 state enterprises and 12th of 8,299 organizations participating in the assessment.

For 2020, GSB has an operational direction under GSB's 2020-2024 strategic plan which is in line with the 20-year National Strategy, the Ministry of Finance's strategic plan and strategic plan of state enterprises for financial institutions. Our vision is "To be the leader in promoting savings and to create happiness and stability of Thai people for sustainable development of the country through digital technology" under the operational strategy of Traditional Banking, Social Development Banking, Digital Banking and Fundamental Capabilities in order to become "GSB Sustainable Banking".

On behalf of GSB Board of Directors, executives, officers and employees, I would like to thank our business partners, both the public and private sectors, stakeholders and customers for their loyalty and support for driving the national economy growth and stability in order to improve the quality of life and well-being of Thai people in all groups, all ages as well as strengthening Startup and SMEs entrepreneurs. Thus, GSB is "Beyond Banking, it is the Bank for Society".



(Mr. Patchara Anuntasilpa)

Chairman of Government Savings Bank

Message from President & CEO of Government Savings Bank

The year 2019 began with the official royal coronation of the 10th King of the Chakri dynasty that adhered to ancient traditions. The official name of His Majesty King Rama X is “ Phrabat Somdet Phra Paramentara Ramathibbodi Sri Sindra Mahavajiralongkorn Mahisorn Bhumibol Ratchavarangkun Kitisiri Somboon Adulyadej Sayamindra Thibetratvarodom Borommanath Bophit Phra Vachiraklao Chao Yu Hua”. Therefore, GSB has expressed its loyalty to His Majesty King Rama X and organized honorary projects such as “10 Sook Chalerm La Puang Pracha Civilize” which invited Thai people to extend their blessing to His Majesty King Rama X through online systems, “Chalermrach Chatkaew Kasattra” celebration event at GSB Head Office, constructing 10 Chalermprakiet buildings for Somdet Phra Yupharat Foundation, ordination ceremony of 1,010 monks nationwide to honor His Majesty King Rama X in which the Supreme Patriarch offered 3 sets of monk’s robes and gave moral speech to ordination participants, producing 30-second TV spot in honor of His Majesty’s multifarious royal duties broadcasting through various media and a 1-minute TV program, 100 episodes, namely “ Roi Panitan Jit-a-sa Om Kwam Dee” which was broadcasted between May-July, 2019.



107th Anniversary of Government Savings Bank “Sustainable Growth and Making Contribution to Society” to be “GSB Sustainable Banking”

2019: Sustainable Growth and Making Contribution to Society

Thailand’s economy grew by 2.4 percent in 2019, compared to 3.9 percent in the previous year due to continued contraction in the export sector affected by the trade war and the continuously strengthening Thai bath according to the global economy.

For GSB’s performance as of December 31, 2019, the Bank’s total assets were 2,797,068 Million Baht, grew by 4.88 percent, deposits and debt issued were 2,412,934 Million Baht, grew by 4.98 percent, total loans of 2,152,718 Million Baht, grew by 1.93 percent of total loan amount of over 500,000 Million Baht, especially loans for government sector and retail loans while the ratio of gross NPLs to total loans stood at 2.65 percent with net profits of 24,208 Million Baht (general provision of 4,075 Million Baht), total capital funds were 184,833 Million Baht, representing 15.52 percent of total risk assets which was higher than the capital maintenance ratio set by the BOT, and revenue contribution to the Ministry of Finance was 12,677 Million Baht (a total of 186,153 Million Baht since 1999)

GSB...Taking care of all customer groups. In 2019, the Bank expanded its customer base by 20 percent of general customers and customers with no access to financial service systems. The Bank developed products and services to support financial needs of each group of customers, especially a mobile banking service (MyMo: Mobile Banking), resulting in an increase of financial transactions by 86 percent (from 59 percent in 2017) which achieved the Bank’s objective of becoming a bank in the digital age.

The Bank established “GSB Research Center” to support macroeconomic, industrial business and grassroots economy data for internal, external, and general public along with improving the SMEs Credit Business Center, Retail Credit Approval Center as well as Debt Control and Management Center to streamline its work processes.

Aside from business operations, the Bank carried out social missions and government policies in parallel as follows:

1. Supporting Savings and Creating Financial Disciplines through various campaigns as well as creating innovations to support savings such as School Bank and GSB Virtual School Bank consisting of 2,851 schools and 2.65 million students. The Bank increased channels of savings “Dek Dee Om Free at 7-Eleven and over 220,000 top-up vending machines nationwide with more than 1.7 million transactions and provided demand deposits “Youth Savings” and Elderly deposits with special interest rates while maintaining demand deposit rates during the policy rate cut. Moreover, the Bank organized training programs for children, youth and communities, including assessing financial and savings skills of GSB customers. The Thailand Development Research Institute (TDRI) concluded that GSB’s customers, especially those who were trained had more financial skills than customers from other financial institutions and the proportion of GSB’s customers on household savings was higher than the national savings level.

2. Strengthening and Raising the Grassroots Economy to reduce inequality and financial gap as well as developing the grassroots economy by supporting projects in accordance with the government’s policy for the registration and payment of state welfare cards as well as the development of state welfare holders. The Bank strengthened and improved the grassroots economy through three mechanisms which are **Create Knowledge/ Career** by organizing vocational training programs along with providing financial knowledge for more than 200,000 people under the People University project, “GSB Yuwapat Raktin” project and “GSB Chumchon Tonbab Pracharat Si Chompoo” project, **Create Market/Income** by organizing flea markets throughout the country, including Pracharat Market and GSB Street Food with more than 2,000 participating stores, enhancing Thai homestays and community tourism by cooperating with Airbnb to increase more than 50 percent of community income, and **Create opportunity to access sources of funds** by supporting merchants and small businesses to use QR Payment or transfer/Make a payment via MyMo in order to have financial profiles as a database for loan consideration comprising street food loans, franchise business loans, homestay loans, motorcycle-taxi loans and daily QR loans. The Bank could provide loans to over 400,000 small businesses with loan amount of over 35,000 Million Baht. In addition, the Bank had plans to improve 100 branches to be “GSB Sustainable Banking Center” with now 11 branches have been already improved.

3. Developing SMEs Startups to Increase Competitiveness to Drive the Country through Innovation by creating an incubation project for entrepreneurs to become “The Best SMEs Startup” that can run business in

real life which was organized for the 7th consecutive year, with 7,155 teams participating, totaling 15,231 people/ establishing the “Innovation Club & Startup Academy” in 40 universities/creating a “Smart Start Idea by GSB Startup” project to seek creative works and innovation that were useful and meet business needs through the contest, with students submitting 3,275 works/organizing “GSB Smart SMEs Smart Startup 2019” under the concept “GSB Journey to Success” at BITEC Bangna to present the potential of ideas and new innovations for SMEs and startups as well as supporting a new generation to create more opportunities for new entrepreneurs. For entrepreneurs who needed capital, the Bank already provided GSB SMEs Startup loans for 3,054 people amounting to 7,051 Million Baht. The Bank also invested in three Venture Capital funds with 30 established funds in the amount of 629 Million Baht and 28 more in progress, in the amount of 1,440 Million Baht. In addition, at the end of the year, the Bank launched “Pracharat Sang Thai”, SMEs loan project with low interest and special conditions to stimulate Thai economy, enhance business liquidity and support single account creation.

As a result of excellent management and mission accomplishment in 2019, the Bank received several domestic and international awards as follows:

Organization level: “Thailand Quality Class Plus: Operation TQC⁺ 2019” award from the National Quality Award Office, Ministry of Industry, “SOE Awards 2019” for Outstanding Organizational Management from the State Enterprise Policy Office, Ministry of Finance, “Outstanding Brands” award from 2019 Asia CEO Summit & Award Ceremony, “The International Diamond Prize for Excellence in Quality” award from European Society for Quality Research (ESQR), “Prime Ministry Award : National Startup 2019” for Best Brotherhood of the year” from the National Innovation Agency (Public organization), “Best Retail Bank of the Year 2019” award, “Best Bank for SMEs” award from the leading financial magazine, “Thailand’s Most Admired Brand 2019” for 5th consecutive year, “Innovation Brand” award from BrandAge magazine, “Asia Responsible Enterprise Awards (AREA) 2019 in category of Social Empowerment for Smart Homestay” from Enterprise Asia in International CSR Summit 2019 and “Global Corporate Sustainability Awards for Best Practice of 2019 for Smart Homestay” from Global Corporate Sustainability Forum. In addition, the Bank has obtained ISO/IEC 27001: 2013 certification for the Information Security Management System for BAHTNET and ICAS systems from Bureau Veritas Certification (Thailand) Ltd.

Corporate leadership Level: “Banker of the Year 2019” award from Dokbia Thurakij newspaper and magazine, “Quality Persons of The Year for financial and banking business Sector” award from the Foundation of Science and Technology Council of Thailand, and “Thailand Top Company Awards 2019 for the Best Digital Banker of the Year Award” from Business + Magazine with the University of Thai Chamber of Commerce.

2020: GSB Sustainable Banking

The economic direction in 2020 remains fragile according to the global economy. GSB still focuses on providing loans to retail investors and funding for the government for national development with its aims to be “GSB Sustainable Banking” in line with the concept of “Sustainable Growth and Making Contribution to Society” by applying three banking strategies which are “**Traditional Banking**” : to be the Bank with financial stability, continuous growth and competitive ability, “**Social Development Banking**” : to be the Bank for society that drives government policies with three creation mechanisms and environmental development, and “**Digital Banking**” : to improve the Bank to become a modern digital banking and create a financial transaction experience through digital channels for people at all levels. In this regard, the Bank has a plan to increase the capability of the important management system infrastructure such as human resources, information technology system, technology and innovation, risk management system, internal control, as well as good corporate governance to be standardized and to ensure that the Bank can support these three banking strategies.

On behalf of GSB management, officers, and employees, I would like to thank our customers, business partners, and relevant parties for their continued trust and goodwill. We are committed to creating and developing valuable innovative financial services that maximize customers’ satisfaction and cooperating with government, private and public sectors to drive Thailand towards sustainability.



(Mr. Chatchai Payuhanaveechai)

President & CEO of Government Savings Bank

AWARD FOR EXCELLENCE

Award of Success and Pride

The cooperation between management and employees helps drive the Bank's success as GSB manages its operation by taking into account society, environment and good governance. Our management, audit, internal control and good corporate governance allow GSB to create outstanding performance which brings awards of honor to the organization, leaders as well as products and services which are the driving force for the best financial institution to perform its duties to bring happiness and a better quality of life for Thai people in all aspects.



Operation Direction and Policy





Government Savings Bank has strived to be the leader in promoting savings and creating financial disciplines for sustainable development of the country. The Bank has reviewed its vision, mission, and operational direction by applying the philosophy of sufficiency economy and considering the consistency and linkage with the 20-year National Strategic Plan, the 12th National Economic and Social Development Plan, the National Reform Plan, the Sustainable Development Goals (SDGs) of the United Nations, Thailand 4.0, Digital Economy and Society Development Plan, strategic plans for state enterprises and financial institutions, recommendations from policy regulators as well as potential factors such as the advancement of financial technology; customer behaviors and needs; expectations of stakeholders and customers, and competitions in the market in order to respond to challenges and strategic advantages, abilities of the organization, risk factors, scope of business operations and short-term/long-term strategic positions. The vision, mission and values for strategic plan 2020-2024 are defined as follows:

VISION

◇

To be the leader in promoting savings and
to create happiness and stability of
Thai people for sustainable development of
the country through digital technology

◇



MISSION



◆ 1 ◆

To promote savings and create financial disciplines.



◆ 2 ◆

To support investment and country development.



◆ 3 ◆

To promote and upgrade grassroots economy as well as small and medium enterprises to reduce inequality and increase competitiveness.



◆ 4 ◆

To be the Bank for society and environment.



◆ 5 ◆

To provide full-fledged financial services with modern digital technology, beyond expectations and under acceptable risks.



◆ 6 ◆

To operate the business with professional management and good governance.

CORE VALUE

GSB WAY

GSB Way: Fulfill Thai Society and Think beyond the Limit.



Giving for the greater good

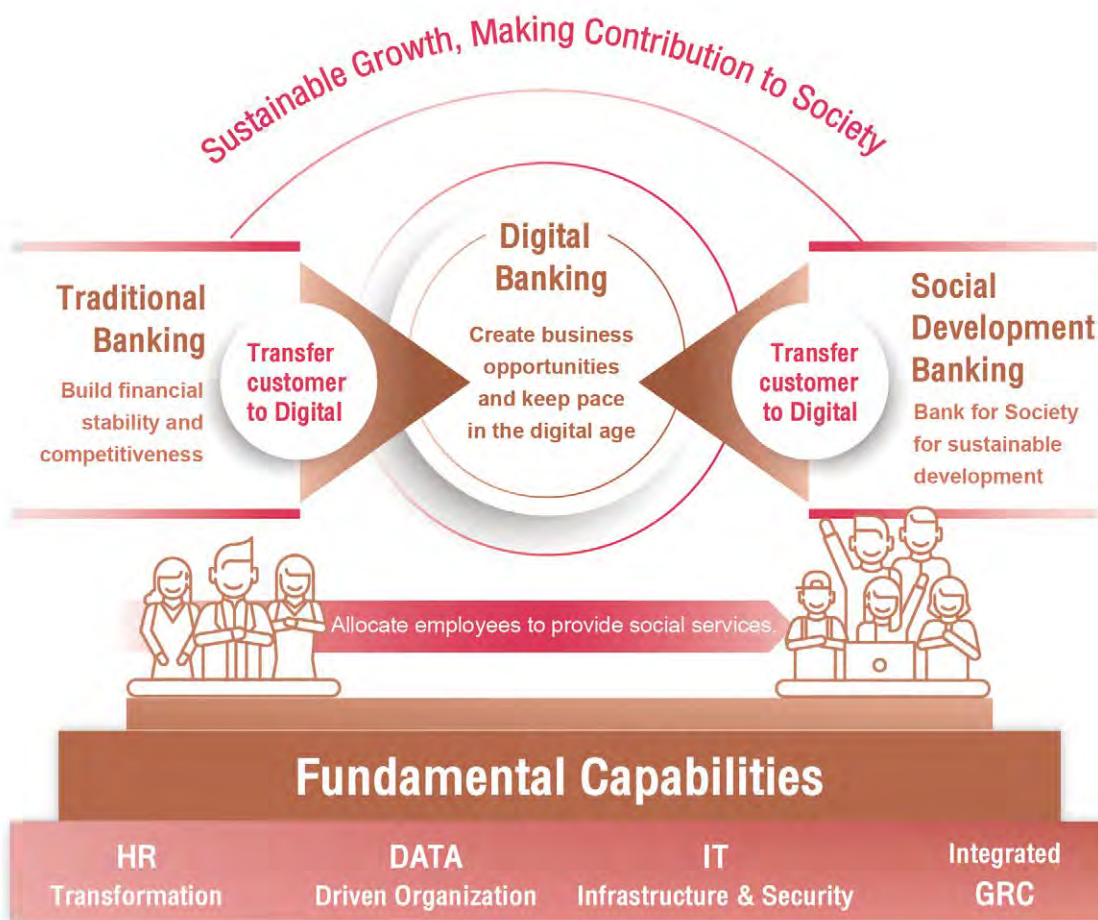


Seeking for possibilities



Brave beyond boundaries

2020-2024 Operational Strategy of Government Savings Bank



Government Savings Bank’s strategy 2020-2024 aims to create balance between corporate security and operations with due regard to society, environment, and good governance which will lead the organization to grow sustainably as well as making contribution to society. The Bank focuses on effective organization management, cost reduction, return and risk management in order to increase financial stability and commercial competitiveness as well as social operations and good governance under government policies. The Bank promotes savings, creates financial disciplines, provides knowledge to small and medium enterprises, children and the elderly, and creates opportunities to access basic financial services along with upgrading the Bank to be a digital banking. Moreover, the Bank invests in technology and innovation to develop its products, services, service channels to increase business opportunities and to deal with future changes under potential fundamental capabilities which are important mechanism to support and drive the operations to achieve the strategic goals sustainably. The Bank’s main strategies are as follows:

1**Strategy 1 Traditional Banking : Financial Stability and Competitive Abilities**

Focus on being the Bank with a financial stability system that has ability to provide efficient financial services and reduce operating costs by adjusting services provided at branches, improving service and supporting processes, both internal operations and outsourcing, managing business proportion to maintain appropriate returns and risks, including building and managing customer relationships to create long-term competitiveness.

2**Strategy 2 Social Development Banking : Sustainable Development**

Focusing on being the Bank for society that operates business with good governance, considering economy, society and environment by integrating social responsibilities into every business process to become part of the organization's capability (Creating Shared Value: CSV). The Bank has effectively carried out social missions, complied with government policies, and controlled risks by separating social accounts and government policies from commercial units, promoting savings and creating financial disciplines for target customers, especially children and youth. In addition, the Bank has applied three mechanisms to create knowledge, careers, market and income as well as creating opportunities to access sources of funds to enhance the quality of life and creating financial disciplines for the grassroots economy, new entrepreneurs (Startup), youth, and the elderly for sustainable strength.

3**Strategy 3 Digital Banking : Development and Upgrading to Digital Banking**

Focus on being the Bank with advanced financial innovations and leveraging its service to a full digital banking by developing financial technology (FinTech) or collaborating with partners to develop innovative products, services, and service channels, both existing financial transactions and a new business model on the digital platform that connects products and services together, creating a business ecosystem. The Bank has also improved innovation management within the organization to keep up with the changes in the digital age to support customers from Traditional Banking and Social Development Banking that will switch to use the service in the future according to changes in consumer behavior in the digital age.

4**Strategy 4 Fundamental Capabilities : Enhancement of Fundamental Capabilities**

Focusing on being the Bank with efficient management system to support growth and provide services in the form of Traditional Banking, Social Development Banking and Digital Banking. The Bank has organizational structure, manpower, management and development processes for leaders, including personnel to perform business operations in the digital age (HR Transformation). The Bank emphasizes data management to increase business opportunities as well as being a Data Driven Organization. Therefore, information technology is developed in both infrastructure and IT Security & Data Privacy while improving supervision standards of risk management, internal control to facilitate business operations and comply with external regulatory criteria.

For the Bank's operational framework, the Bank focuses on providing loans to retail customers to expand opportunities to thoroughly access financial resources in the system for personal customers, grassroots customers and SME entrepreneurs (Loan limit not over 100 Million Baht) as well as determining goals for credit and deposit growth according to the economic growth rate (GDP). In addition, the Bank increases the proportion of target customers and expands financial transactions via digital channels.

Plans/Major Projects in 2019

1 Traditional Banking



Financial Stability and Competitive Abilities

- Project to improve the form and the efficiency of branch services (Traditional Branch)
- Project to improve the branch's service quality and expand service channels through partners
- Project to improve processes(end to end process) to increase the efficiency and reduce costs
- Plan to increase investment in Strategic Investment and develop businesses to seek for new income.
- Plan to develop processes and customer service management systems

2 Social Development Banking



Sustainable Development

- Project to improve the form of social branch services
- People's Financial Institution project
- Potential development plan to strengthen and raise grassroots customers as well as government policies
- Plan to promote savings and create financial disciplines
- Social, community and environmental responsibility plan

3 Digital Banking



Development and Upgrading to Digital Banking

- Product and service development plan in the form of a business ecosystem
- Plan with partners to create a New Business Platform
- Plan to define the business model and management structure
- Plan to create an organizational culture that promotes innovation development

4 Fundamental Capabilities



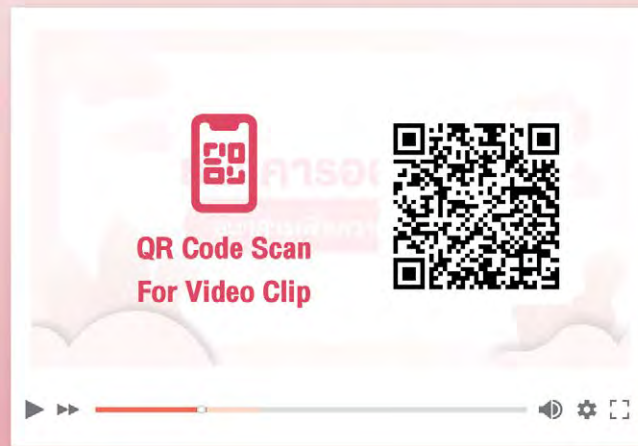
Enhancement of Fundamental Capabilities

- Human resource management and development plan
- Data management plan (Data Driven Organization)
- GRC integration plan (Governance, Risk, Compliance)
- IT infrastructure and security project

However, changes from various environmental factors such as global economic trends, government policies and regulations, changes in technology, including natural disasters epidemic and new forms of threats may result in failure to operate in accordance with plans and targets specified by the Bank. Therefore, the Bank has a risk management plan under an appropriate crisis which includes risk identification, risk assessment, guidelines for reducing the impact and severity of risks as well as risk management supervision to maintain the Bank's overall performance at an acceptable level.

3 Banking

Lead to
GSB Sustainable Banking



About Government Savings Bank

Government Savings Bank was established by the royal intention of His Majesty King Vajiravudh, King Rama VI, to provide a secure place to keep money and assets by enacting an act to establish the “Savings Office” on April 1, 1913 with his determination to introduce Thai people to banking services and to promote a habit of thrift and savings. In this regard, GSB has always stood up for performing these duties by receiving royal grace from all Chakri Kings. Later in 1946, His Majesty King Bhumibol Adulyadej designated the Savings Office to be “Government Savings Bank” and enacted the Government Savings Bank Act to support GSB’s operation in the form of Bank since April 1, 1947, with a status as a juristic person under the supervision of the Ministry of Finance. Currently, GSB’s operation is under the Government Savings Bank Act (No. 4) B.E. 2560, in accordance with the mission stated in the Act and the Statement of Direction which requires GSB to focus on creating added value for communities and grassroots economy as well as promoting savings supported by efficient data system.

Business objectives

1. To encourage children, youth and general public to realize the importance and benefits of savings and to have appropriate value and behavior which will lead to better financial discipline and quality of life in order to have sufficient savings for their living as well as creating security for people who are entering an aging society.

2. To create opportunities for people and communities at grassroots level to access sources of funds and gain management knowledge and skills, promote community marketing as well as giving importance to environmental preservation to improve the quality of life on the basis of sufficiency.

3. To increase and expand the scope of financial transaction services to meet the needs of all customer groups, generate revenue, reduce costs, and add long term value to the Bank as well as maintaining and building continuous relationships with target customers.

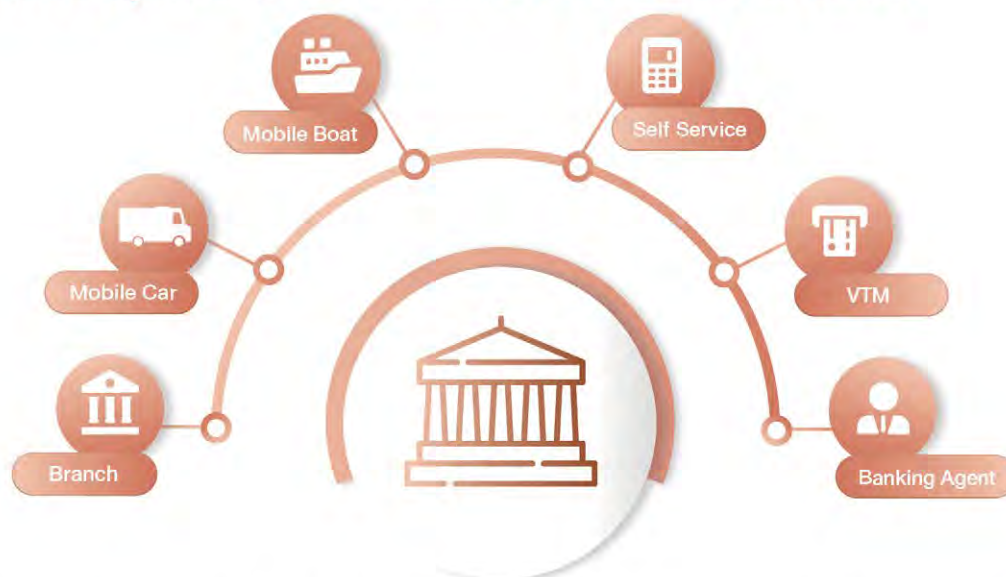
4. To develop competitive and efficient internal management process to be at the same level as other financial institutions and build stakeholders’ confidence in the Bank’s operating mechanism.

Products and services

The Bank has three major financial products and services consisting of deposits, loans and financial services as shown in the table below:

Products and services		Delivery/Service channels					Agent
		Physical		Digital			
		Branch / Service unit	Mobile car / GSB boat/ Offsite service	Self Service Machine	Internet Banking	Mobile Banking	
Deposits	Deposits	◆	◆	◆	◆	◆	◆
	GSB Premium Savings Certificate	◆	◆	◆	◆	◆	
	Life Insurance Deposits	◆	◆		◆	◆	
Loans	Government and Private Sector Loans	◆					
	Business Loans	◆					
	Personal Loans	◆			◆	◆	◆
	Grassroots Economy Loans	◆			◆	◆	◆
Financial Services	Electronic Card Products	◆	◆	◆	◆	◆	◆
	Electronic Financial Services	◆	◆	◆	◆	◆	◆

Business operation area and location of head office



Business operating area: The Bank has 1,062 financial service branches across the country, 22 service units¹, 8,534 self service machines (ATM/Passbook Update/ADM) to provide opportunities for all customer groups to access financial services.

Therefore, to increase opportunities for all customer groups to access the Bank's financial services according to the customer centric approach to meet the customers' needs, to attract new customers and to create opportunities to strengthen relationships with current customers, the Bank focuses on providing convenient, fast and accurate financial services in order to improve the grassroots economic growth thoroughly. The group of customers are divided into:

- 01 Personal Customer Group: Focusing on fulfilling customers' needs at all ages. (Customer Lifetime Value);
- 02 Grassroots and Government Policy's Supporting Group: Focusing on creating financial disciplines and improving a quality of life.
- 03 Business and Public Sectors Customer Group: Focusing on creating opportunities to access sources of funds and providing financial support for entrepreneurs to grow sustainably.

¹ Service units can provide all types of services, except for loan services



Location of Head Office:

470 Phahon Yothin Road, Samsen Nai,
Phaya Thai, Bangkok 10400. In the area of 39 Rai.

Unit : Million Baht

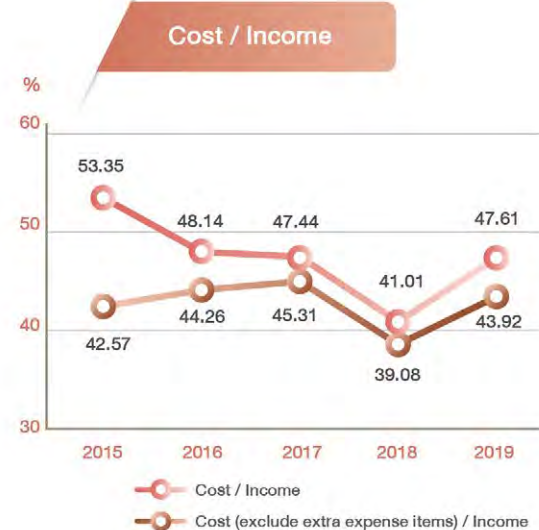
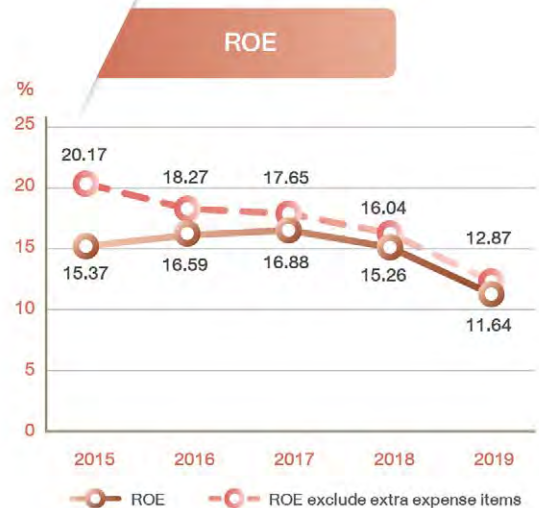
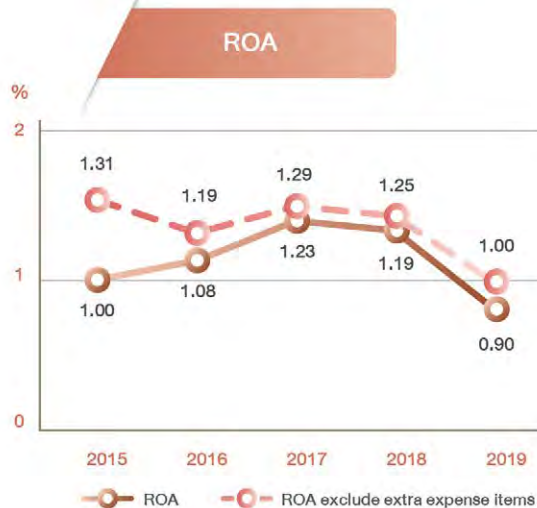
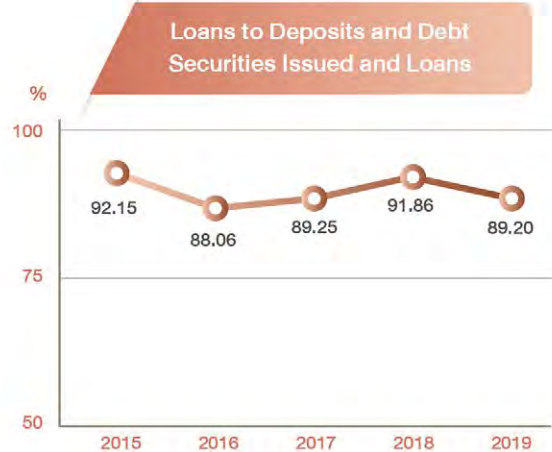
Financial Highlights

	Highlight in 5 years					Change (% yoy)
	2015	2016	2017	2018	2019	
Profit or Loss Statement						
Interest Income	103,815	104,335	104,302	102,701	103,359	0.6
Interest Expense	45,749	44,087	46,418	38,510	44,680	16.0
Net Interest Income	58,066	60,248	57,884	64,191	58,679	(8.6)
Net Fee and Service Income	4,590	4,780	5,701	5,973	4,691	(21.5)
Other Operating Income	3,070	3,242	3,747	11,010 ^{1/}	6,334 ^{1/}	(42.5)
Other Operating Expenses	34,985	32,776	31,938	33,315	33,190	(0.4)
Operating Profit	30,741	35,494	35,394	47,859	36,514	(23.7)
Bad Debts/Doubtful Accounts/Loss on Impairment and Debt Restructuring	8,042	9,548	4,184	17,017	12,306	(27.7)
Net Profit	22,699	25,946	31,210	30,842	24,208	(21.5)
Other Net Profit (Loss)	(1,437)	5,629	16,894	(10,738)	(10,994)	2.4
Total Net Profit (Loss)	21,262	31,575	48,104	20,104	13,214	(34.3)
Balance Sheet						
Total Assets	2,400,468	2,509,588	2,663,828	2,667,000	2,797,068	4.9
Investments in Securities	246,127	283,604	237,395	256,200	312,832	22.1
Loans	1,919,659	1,901,851	2,014,123	2,111,899	2,152,718	1.9
Total Liabilities	2,248,713	2,339,181	2,461,939	2,465,061	2,594,592	5.3
Deposits and Debt Securities Issued and Loans	2,082,706	2,159,136	2,256,312	2,298,412	2,412,934	5.0
Part of the Capital	151,755	170,407	201,889	201,939	202,476	0.3
Significant Financial Ratios (%)						
Average Return on Assets (ROA)	1.00	1.08	1.23	1.19	0.90	
Average Return on Equity (ROE)	15.37	16.59	16.88	15.26	11.64	
Net Interest Income Ratio (NIM)	2.56	2.51	2.35	2.54	2.23	
Operating Expenses to Net Income (Cost/Income)	53.35	48.14	47.44	41.01	47.61 ^{2/}	
Loans to Deposits and Debt Securities and Loans (L/D)	92.15	88.06	89.25	91.86	89.20	
Capital Adequacy Ratio (CAR)	10.80	11.54	12.47	14.72	15.52	
Tier-1 Ratio Ratio (Tier I Ratio)	10.24	10.86	11.85	13.56	13.96	
Percentage of Gross Non - Performing Loans (gross NPLs)	1.61	2.04	2.05	2.81	2.65	
Allowance for Doubtful Accounts (LLR / NPLs)	142.84	136.53	134.47	114.23	122.84	
Employee	15,653	15,927	16,286	16,410	16,815	
Branch	1,043	1,056	1,059	1,061	1,062	
Service Unit	163	154	160	162	159	
Self Service	7,764	8,234	8,524	8,536	8,534	
School Bank	1,086	1,206	1,256	1,256	1,256	

Remark

^{1/} In 2018, the Bank earned profits from selling IRPC ordinary shares in the amount of 7,382 Million Baht and in 2019 earned profits from selling Thanachart Asset Management shares in the amount of 2,075 Million Baht.

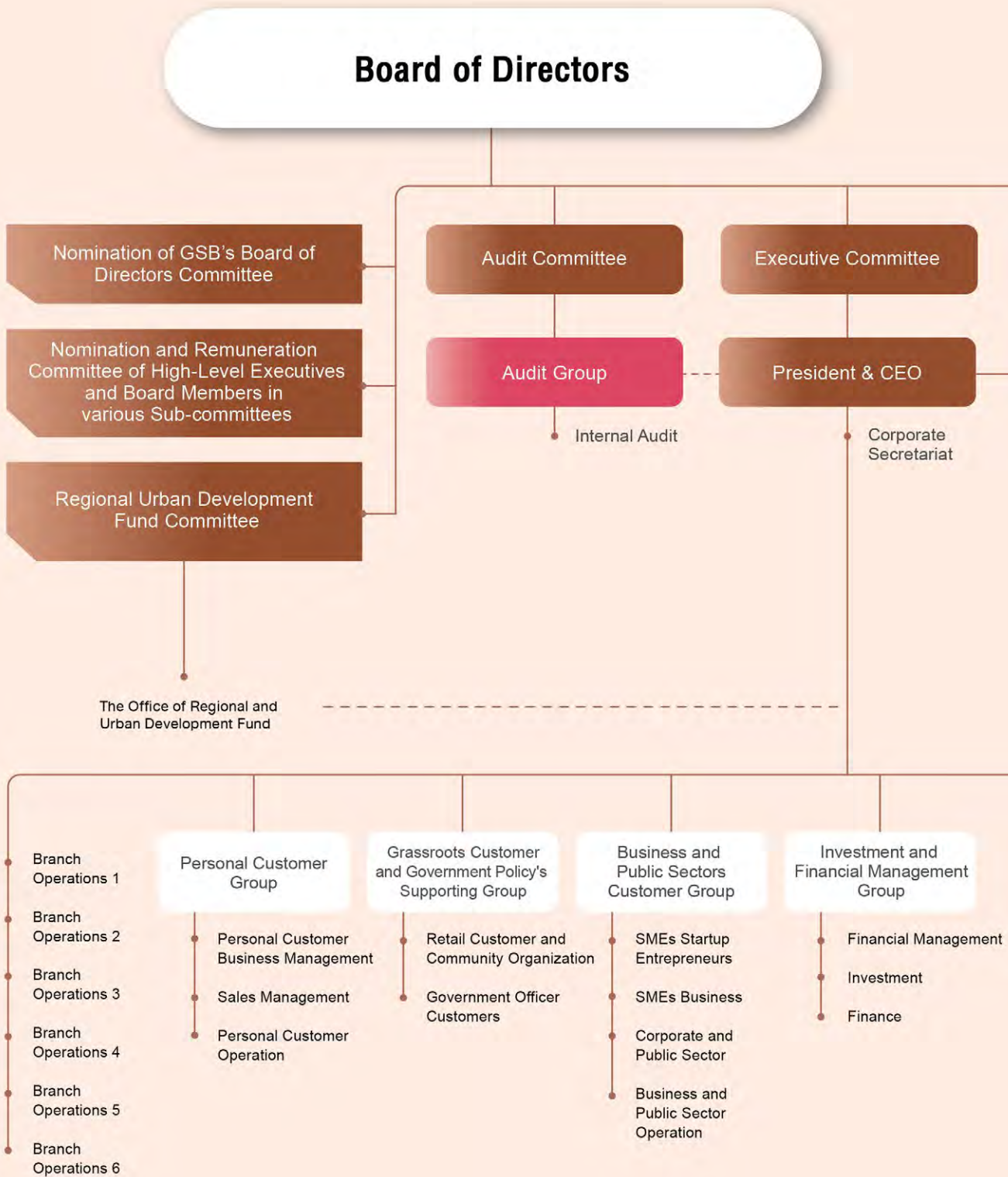
^{2/} Since 2011, the Bank has recorded extra expense items, i.e. employee benefit obligations in accordance with IAS19 recognized as expense for 5 years at 5,346.7 Million Baht per year and initial contributions for employees entering the provident fund program recognized for 10 years (complete in 2020) and in 2019, the Bank increased compensation for retirees, who have been working for 20 years or over, from 300 days to 400 days according to IAS 19 in the amount of 1,385 Million Baht.

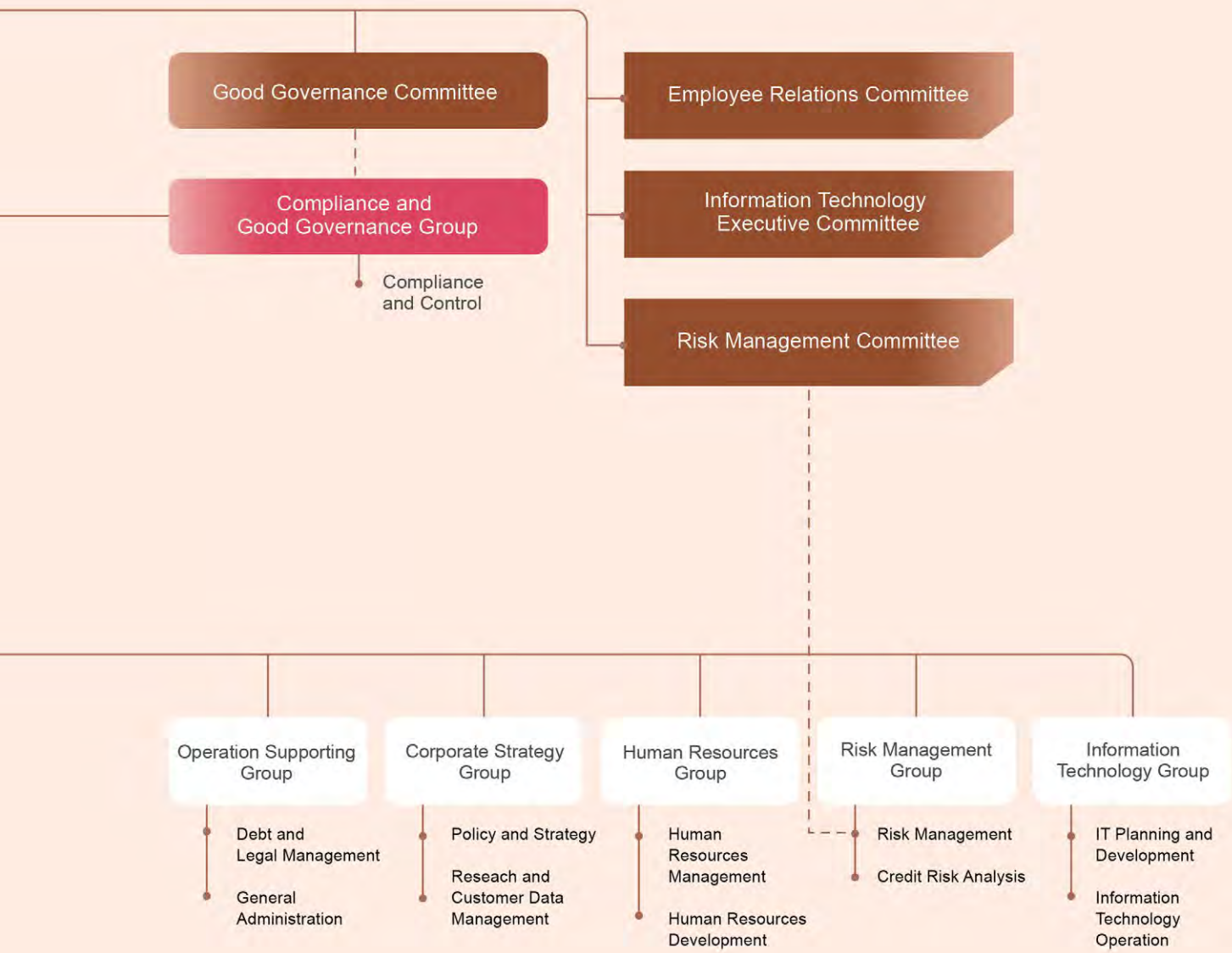


Remark

- 1/ In 2018, the Bank earned profits from selling IRPC ordinary shares in the amount of 7,382 Million Baht and in 2019 earned profits from selling Thanachart Asset Management shares in the amount of 2,075 Million Baht.
- 2/ Since 2011, the Bank has recorded extra expense items, i.e. employee benefit obligations in accordance with IAS19 recognized as expense for 5 years at 5,346.7 Million Baht per year and initial contributions for employees entering the provident fund program recognized for 10 years (complete in 2020) and in 2019, the Bank increased compensation for retirees, who have been working for 20 years or over, from 300 days to 400 days according to IAS 19 in the amount of 1,385 Million Baht.

Organization Chart





BOARD OF DIRECTORS

EXECUTIVES

BOARD OF DIRECTORS

- I **Mr. Patchara Anuntasilpa**
Chairman, Government Savings Bank
- 2 **Mr. Boonchai Charassangsomboon**
Director, Government Savings Bank
- 3 **Mr. Jessada Promjart**
Director, Government Savings Bank
- 4 **Mr. Taveesak Foongkiatcharoen**
Director, Government Savings Bank
- 5 **Mrs. Sauwanee Thairungroj**
Director, Government Savings Bank
- 6 **Mrs. Philaslak Yukkansemwong**
Director, Government Savings Bank
- 7 **Mrs. Patcharavalai Jayapani**
Director, Government Savings Bank
- 8 **Ms. Yaowanooch Wiyaporn**
Director, Government Savings Bank
- 9 **Ms. Tidarat Thanapakpawin**
Director, Government Savings Bank
- IO **Mr. Mongkon Leelatham**
Director, Government Savings Bank
- II **Ms. Supreeya Pipatmanomai**
Director, Government Savings Bank
- I2 **Mr. Chatchai Payuhanaveechai**
Director & Secretary, Government Savings Bank



BOARD OF DIRECTORS



EXECUTIVES

EXECUTIVES

- 1** **Mr. Chatchai Payuhanaveechai**
President & CEO, Government Savings Bank
- 2** **Mr. Boonson Jenchaimahakoon**
First Senior Executive Vice President, Information Technology Group,
Government Savings Bank
- 3** **Mr. Numporn Yommana**
First Senior Executive Vice President, Human Resources Group,
Government Savings Bank
- 4** **Mr. Isara Wongrung**
Senior Executive Vice President, Personal Customer Group,
Government Savings Bank
- 5** **Mr. Chokchai Kunawat**
Senior Executive Vice President, Credit and Operation Supporting Group,
Government Savings Bank
- 6** **Mrs. Supaporn Saitong-in**
Senior Executive Vice President, Compliance and Good Governance Group,
Government Savings Bank
- 7** **Ms. Paphakorn Ratanasate**
Senior Executive Vice President, Investment and Financial Management Group,
Government Savings Bank
- 8** **Mrs. Pachaleeporn Voraviboonsavat**
Senior Executive Vice President, Grassroots and
Government Policy's Supporting Group, Government Savings Bank
- 9** **Mr. Therdtham Suvichavorrphan**
Senior Executive Vice President, Audit Group, Government Savings Bank
- 10** **Mr. Santhan Yoosiri**
Senior Executive Vice President, Corporate Strategy Group, Government Savings Bank
- 11** **Mr. Veerachai Amorntakolsuwech**
Senior Executive Vice President, Business and Public Sectors Customer Group,
Government Savings Bank
- 12** **Mr. Wutipong Piromyaporn**
Senior Executive Vice President, Risk Management Group,
Government Savings Bank

Mr. Patchara Anuntasilpa

48 years old

- Chairman (Representative of Ministry of Finance)
(He was appointed by Cabinet Resolution on October 22, 2019)



Education

- Master of Business Administration (MBA), Shenandoah University, United States of America
- Bachelor of Business Administration (Finance), Bangkok University



Working Experiences

- 2018 - Present Director-General, The Excise Department, Ministry of Finance
- 2017 - 2018 Director-General, The Treasury Department, Ministry of Finance
- 2016 - 2017 Deputy Permanent Secretary, Chief of the Expense and Debt Cluster, Ministry of Finance
- 2015 - 2016 Advisor of Fiscal and Financial System Development, The Comptroller General's Department, Ministry of Finance
- 2015 Deputy Director-General, The Comptroller General's Department, Ministry of Finance



Training

- The Program for Senior Executives on Justice Administration, Class 23/2019, Court of Justice
- Top Executive Program in Commerce and Trade (TEPCoT), Commerce Academy, Class 11/2018
- Capital Market Leader Program, Capital Market Academy (CMA), Class 24/2017
- Director Certification Program (DCP 221/2016), Thai Institute of Directors Association (IOD)
- Financial Analysis Program (2012), Hass School of Business, University of California at Berkeley, United States of America
- The Supplementary Civil Service Executive Development Program (OCSC) Class 3/2011, Office of the Civil Service Commission
- Foreign Affairs Executive Program, Class 3/2011, Ministry of Foreign Affairs



Other Present Positions

- Chairman of Board of Directors, The Government Lottery Office
- Chairman of Audit Committee, Institute for Good Governance Promotion, Office of the Public Sector Development Commission (OPDC)
- Chairman of the Sub-committee on the Supervision, Inspection and Monitoring of Road Safety Fund, Department of Land Transport
- Director of Commission for Judicial Service, Expert in Organizational Development, Office of the Commission for Judicial Service
- Director and Member of the Remuneration Committee, PTT Exploration and Production Public Company Limited

Mr. Amnuay Preemonwong

61 years old

- Chairman (Representative of Ministry of Finance)
(He held the position until September 30, 2019)



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 - 2019 Director-General, The 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, The Treasury Department
- 2006 - 2008 Deputy Director-General, The 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 Defense Course (NDC, Class 51), Thailand National Defense College, National Defense 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 Executive Program in the Energy Education (Class 8), Thailand Energy Academy (TEA)



Other Present Positions

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



Mr. Boonchai Charassangsomboon

57 years old

- Director (Representative of Ministry of Finance)
- Chairman of Employee Relations Committee
- Chairman of Executive Committee
- Member of Good Corporate Governance Committee



Education

- Master of Economics, Macquarie University, Sydney, Australia
- Master of Science in Development Economic, National Institute of Development Administration (NIDA)
- Bachelor of Arts (Political Science), 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, The 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
- 2005 - 2006 Executive Director of the 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, U.S.A.
- Directors Certification Program (DCP), 2006, Thai Institute of Directors Association (IOD)



Other Present Positions

- Director, Government Pharmaceutical Organization

Mr. Taveesak Foongkiatcharoen

64 years old

- Independent Director
- Chairman of Good Corporate Governance Committee
- Chairman of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Nomination of GSB President and CEO Committee



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

- Certificate Courses in Corporate Governance for Directors and Senior Executives (Class 21/2019), King Prajadhipok's Institute
- 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 Chairman of Risk Management Committee, Dhipaya Insurance PLC.



Mr. Jessada Promjart

58 years old

- Independent Director
- Member of Audit Committee



Education

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



Working Experiences

- 2016 - 2019 Director and Member of Audit Committee, IRPC Public Company Limited
- 2016 - 2017 Member of Executive Committee, Chukai Public Company Limited
- 2015 - 2018 Independent Director and Member of Audit Committee, Nation Broadcasting Corporation Company Limited
- 2015 - 2016 Member of Audit Committee, and Advisor to the Executive Committee, Chulabhorn Medical Institution
- 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

- Cyber Resilience Leadership Workshop (2019) by Bank of Thailand
- IT Governance and Cyber Resilience Program (ITG, Class 11/2019, Thai Institute of Directors Association (IOD))
- The IIA's 2019 International Conference in California, The Institute of Internal Auditor
- 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
- TLCA Executive Development Program (EDP, Class 9), Thai Listed Companies Association
- Advanced Management Strategies for the Prevention and Suppression (Class 1), Office of the National Anti-Corruption Commission
- 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 Chairman of Audit Committee, AMR Asia Co., Ltd.
- Member of Sub-committee on Competitiveness in Capital Market, Securities & Exchange Commission
- Director and Member of Audit Committee, Expressway Authority of Thailand
- Director and Member of Executive Committee, Y.S.S. (Thailand) Public Company Limited
- Member of Audit Committee, Chulabhorn Medical Institution
- 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
- Director of Compliance with the Joint Operation Contract of Color Television Broadcasting between MCOT Public Company Limited and Bangkok Entertainment Company Limited



Miss Yaowanooch Wiyaporn

61 years old

- Independent Director
- Member of Good Corporate Governance Committee
- Member of Nomination of GSB President and CEO Committee
- Member of Committee of Performance Evaluation and Remuneration for President and CEO Committee



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 Legal Affairs and Fiscal Regulation Advisor (Eminent Person)
- 2010 - 2014 Director, Office of Law, The Comptroller General's Department



Training

- How to Develop a Risk Management Plan Program (HRP 26) , Thai Institute of Directors Association (IOD)
- Risk Management Program for Corporate Leaders (RCL), Class 16/2019, Thai Institute of Directors Association (IOD)
- 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
- 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

- Commissioner of the Civil Aviation Authority of Thailand
- Chairman of The Administrative Regulations Sub-committee of the Civil Aviation Authority of Thailand
- Chairman of Good Corporate Governance Committee, The Civil Aviation Authority of Thailand Sub-committee
- 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 Sub-committee, Defence Technology Institute (Public Organization)
- Member of Economic, Finance, and Budget Tracking Sub committee (Set 4), Bangkok Metropolitan

Mrs. Philaslak Yukkasemwong

62 years old

- Independent Director
- Member of Audit Committee



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
Director and Member of Audit Committee, Thai-Amadeus Southeast Asia Co., Ltd.
Chairman of the Strategic Sub-committee, Chairman of the Investment Sub-committee, National Savings Fund and Chairman of Performance Evaluation of Secretary-General of National Savings Fund Sub-committee
- 2015 - 2017 Executive Director, Asian Development Bank (ADB)
- 2015 - 2015 Deputy Director-General, Fiscal Policy Office, Ministry of Finance
- 2012 - 2015 Director of the International Economic Policy Bureau, Fiscal Policy Office, Ministry of Finance
- 2008 - 2012 Minister (Economic & Financial) Office of Economic & Financial Affairs, Royal Thai Embassy Washington D.C., U.S.A.
- 2006 - 2008 Executive Director of Macroeconomic and International Economic Policy Bureau, Fiscal Policy Office, Ministry of Finance
- 1999 - 2005 Economist 6-8, Fiscal Policy Office, Ministry of Finance
- 1995 - 1998 Head of Member Supervision Section, and Senior Vice President of Information Department, Stock Exchange of Thailand
- 1993 - 1994 Economist 6, Fiscal Policy Office, Ministry of Finance
- 1992 - 1993 Head of Securities Company Supervision, Securities and Exchange Commission
- 1984 - 1992 Economist 3-5, Fiscal Policy Office, Ministry of Finance



Training

- Advanced Audit Committee Program (AACP), Class 33/2019, Thai Institute of Directors Association (IOD)
- Board Matters and Trends (BMT), Class 8/2019, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class 211/2015, Thai Institute of Directors Association (IOD)
- Certificate Course in Good Governance for Top Executives of State Enterprises and Public Organization, Class 13/2015, King Prajadhipok's Institute
- Top Executive Program, Class 75/2012, Office of the Civil Service Commission
- Executive Development in Leadership Program (2012), Stanford University, U.S.A.
- Executive Development Program (2004), Kellogg School of Management, U.S.A.



Other Present Positions

- Expert Director and Strategic Sub-committee, National Savings Fund
- Expert Director and Member of Audit Committee, International Institute for Trade and Development (Public Company Limited)
- Sub-committee of Education Council on Resources and Finance System for Education
- Member of Audit Committee, Office of Knowledge Management and Development Public Company Limited



Mrs. Sauwane Thairungroj

62 years old

- Independent Director
- Chairman of Audit Committee



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
- Bachelor of Economics (International Economics), Thammasat University



Working Experiences

- 2020 - Present Full Time Advisor to University Council and President of Harbour.Space@UTCC
- 2020 - Present Member of Nomination of Qualified Policy Council of National Higher Education, Science, Research and Innovation Policy Council
- 2020 - Present Member of University of the Thai Chamber Foundation Committee (UTCC)
- 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)
- 2017 - Present Advisor, Board of Labor Skill Development Commission
- 2016 - Present Member of Commission Special Case Committee
- 2016 - Present Director, National Startup Committee, Fiscal Policy Office
- 2016 - Present Executive Director, Country Reform Network
- 2016 - Present Honorary Counsel, Committees of the National Reform Steering Assemble on Education
- 2011 - Present Advisor, Board of the Thai Chamber of Commerce and Board of Trade of Thailand
- 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
- 2012 - 2019 President of University of the Thai Chamber of Commerce (UTCC)
- 2017 - 2018 Advisor, Board of IMT-GT Trade of Thailand (2017-2018)
- 2017 - 2018 Director, Thailand SMEs CENTER, the Thai Chamber of Commerce

- 2017 - 2018 Advisor, Economic Development Board in Eastern Area, the Thai Chamber of Commerce (2017 - 2018)
- 2017 - 2018 Advisor, Board of Promotion and Development Bangkok Entrepreneur of Thai Chamber of Commerce (2017 - 2018)
- 2017 - 2018 Advisor, Board of Tourism and Hospitality Business of the Thai Chamber of Commerce
- 2017 - 2018 Director, Fisheries and Industrial Affairs Committee 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
- 2016 - 2017 Chairman of the Board of Directors of Airport Rail Link Co., Ltd.
- 2015 - 2017 Association President, Private Higher Education Institute of Thailand
- 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
- Advanced Audit Committee Program (AACP), Class 26/2017, Thai Institute of Directors (IOD)
- Special Course for Executives, Advance Management Program (AMP 178), Harvard Business School
- 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, Capital Market Academy (Class 3)
- 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
- Head of Top Executive Program in Commerce and Trade (TEPCoT)
- Head of Top Executive Program for Creative & Amazing Thai Services (ToPCATS)
- Member of Circular Economy Committee
- 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



Miss Tidarat Thanapakpawin

40 years old

- Independent Director
- Member of Risk Management Committee
- Member of Information Technology Executive Committee



Education

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



Working Experiences

- 2020 - Present Working Group of Digital Industry, Intelligent Electronics and Robots, and Member of Working Group of Eastern Economic Corridor Human Development Center
- 2019 - Present Member of Office of the Digital Council of Thailand
- 2019 - Present Member of Copyright Utilization Guidelines Subcommittee, Department of Intellectual Property, Ministry of Commerce
- 2018 - Present Member of Driving Organizational Value Enhancement Sub-committee, 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 Sub-committee for Service and Organization Management, Expressway Authority of Thailand
- 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
- 2017 - 2018 Director of the Thai Federation of ICT Technology Association (TFIT)
- 2017 - 2018 Consultant, the Standing Committee on Commerce, Industry and Labour, the National Legislative Assembly
- 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, Chiang 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 Sub-committee, 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

- Certificate Courses-Corporate Governance for Directors and Senior Executives (Class 21/2019), King Prajadhipok's Institute
- 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

- Vice President, Council of Digital Economy and Society
- Director, The Liquor Distillery Organization



Mrs. Patcharavalai Jayapani

64 years old

- Independent Director
- Chairman of Risk Management Committee
- Chairman of Nomination of GSB Board of Directors Committee



Education

- Doctor of Business Administration (DBA), Finance, Chulalongkorn University
- Master of Business Administration (Double majors in Finance and International Business) : University of Wisconsin, Madison, 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

Miss Supreeya Pipatmanomai

43 years old

- Independent Director
- Member of Risk Management Committee
- Member of Information Technology Executive Committee



Education

- Master of Finance, Focused on Financial Econometrics, Distinction, Imperial College, University of London, U.K.
- Bachelor of Science (Honors), Management Science with Computing and a Year in Industry with Distinction, University of Kent at Canterbury, U.K.



Working Experiences

- 2013 - 2018 Senior Executive Vice President, Head of Credit Risk Management, TMB Bank Public Company Limited
- 2005 - 2013 Global Head of Derivatives Work-out Advisor and Executive Vice President, Head of Special Asset Management Division, Standard Chartered Bank, Thailand
- 1999 - 2004 Quantitative Financial Analyst, Reserve Management Division, Bank of Thailand
- 1996 - 1997 Chief Computer Programmer, Phoenix First Ltd., Alton, U.K.
- 1996 - 1997 Financial Analyst, Institute of Supervision and Development, Bank of Thailand



Training

- Fundamental Technical Analysis Workshop, Bank of Thailand
- Bankruptcy Protection against Macroeconomic Shocks: the Case for a Super Chapter II Seminar, Bank of Thailand
- Modern Developments in Econometrics and Forecasting Techniques Seminar and Workshop, Selwyn College, Cambridge University, U.K.
- On the Job Training with Quantitative Team, HSBC, Citibank, Merrill Lynch, Deutsche Bank, Jp Morgan, Lehman Brothers, Salomon Smith Barney, London and New York Head Office
- The 10th Central Banking Seminar - Fixed Income Primer Program, Lehman Brothers Institute of Finance, New York
- Training Sessions on Global Market Business Finance Process, Standard Chartered Bank, Singapore
- Wholesale Bank Business Finance Conference, Standard Chartered Bank, Singapore
- Hedge Accounting – Training and Guidance Workshop, Standard Chartered Bank, Singapore
- Expanded – Exotics Options and Structured FX Forward Workshop, Standard Chartered Bank, Singapore
- Accounting for Financial Instruments, Derivatives, & Hedging under IAS39, Standard Chartered Bank, Singapore
- Secondment with Group Business Development, Standard Chartered Bank, London



Other Present Positions

- Director, Islamic Bank Asset Management

Mr. Mongkon Leelatham

60 years old

- Independent Director
- Chairman of Information Technology Executive Committee
- Member of Executive Committee



Education

- Master of Economic Development, National Institute of Development Administration
- Advanced Diploma in Economic Development, National Institute of Development Administration
- Bachelor of Accounting, Thammasat University
- Bachelor of Economics, Ramkhumhaeng University



Working Experiences

- 2018 - 2019 Business Network Advisor of Biz Club Thailand in 2018
- 2017 - 2019 Advisory Director, Thai SME Confederation
- 2016 - 2019 Managing Director, Small and Medium Enterprise Development Bank of Thailand
- 2003 - 2019 Professional member, Thai Institutes of Directors
- 2011 - 2016 President, Thai Investors Association (TIA)
- 2011 - 2016 Vice Chairman and Director, Federation of Thai Capital Market Organizations (FETCO)
- 2011 - 2016 Personnel Discipline Committee in the Capital Market Business, The Securities and Exchange Commission, Thailand
- 2011 - 2016 Director, Securities Investor Protection Fund (SIPE)
- 2011 - 2016 Director, Derivatives Investor Protection Fund (DIPF)
- 2012 - 2015 Executive Director and Deputy General Director, Thai PBS
- 2011 - 2012 Professional Director, Innovation College, Thammasat University
- 2010 - 2012 Director, National Credit Bureau Co., Ltd.
- 2009 - 2012 Chairman of Executive Committee, Thanaban Finance Co., Ltd.
- 2007 - 2012 Executive Chairman and Chief Executive Officer, Thai Credit Retail Bank PLC
- 2004 - 2008 Director, The Agricultural Futures Exchange of Thailand
- 2003 - 2008 Professional Director, Innovation College, Thammasat University
- 2004 - 2007 Executive Director and Managing Director, Thai Keha Credit Foncier Company Limited
- 2003 - 2004 Independent Director, EGV Entertainment Co., Ltd.
- 1993 - 2004 Professional Director, Development Volunteer Bureau, Thammasat University
- 2002 - 2003 Director and Chairman of Audit Committee, National Housing Authority of Thailand
- 1998 - 2002 Inspector General, Financial Sector Restructuring Authority

- 1987 - 1999 Professional Director of the University Council, Chom Bueng Rajabhat Institute
- 1994 - 1997 Executive Director and Managing Director, Metropolis Trust and Securities Public Co., Ltd.



Training

- Administrative Management Program for Senior Executive Management, Faculty of Public Administration, National Institute of Development Administration (AMM 2)
- The Executive Program in Energy Literacy for a Sustainable Future (TEA11), Thailand Energy Academy
- Good Governance Program for Directors and Senior Executives Management, State Enterprises and Public Organizations (PDI 16), King Prajadhipok's Institute, State Enterprise Policy Office and the Office of the Public Sector Development Commission
- Anti-Corruption Defense Strategist for Executive Management (NACC 6), Office of the National Anti-Corruption Commission
- SEC. Capital Market Leader Program: Building Competitiveness of Nation and Thai Capital Markets, IMD-SEC partnership Program, IMD-World Competitiveness Center
- Broadcasting and Television Program for Executive Management (NBTC 1) (Excellence) Office of the National Broadcasting and Telecommunications Commission
- Senior Executive Program Capital Market Academy, Class 13
- Directors Certification Program (DCP 35), Thai Institute of Directors
- Certificate on Construction Planning (Honors), Sukhothai Thammathirat University



Other Present Positions

- Director, Marketing Organization for Formers Executive Committee
- Director, ASL Securities Company Limited
- Advisor to the Industrial Promotion and Support Committee, The Federation of Thai Industries
- Advisor to Samsen College Association
- Chairman of the Sub-committee on Integration of Feasibility Study Methods for Eastern Fruit Corridor, Ministry of industry
- Board of Thammasat University Commerce and Accountancy Alumni (T.C.A.A.) 2017 - 2019
- Committee for Employers, State Enterprise Labor Relations Committee, Department of Labor Protection and Welfare, Ministry of Labor
- Sub-committee on Driven Economic, National Legislative Assembly



Mr. Poomsak Aranyakasemsuk

56 years old

- Director (Representative of Ministry of Finance)
- Chairman of Executive Committee
- Chairman of Nomination of GSB Board of Directors Committee
- Chairman of Performance Evaluation and Remuneration of President and CEO Committee (He held the position until October 30, 2019)



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

- 2019 - Present Director-General, The Comptroller General's Department, Ministry of Finance
- 2018 - 2019 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. Yunyong Teng-amnuay

65 years old

- Independent Director
- Chairman of Information Technology Executive Committee
- Member of Executive Committee
- Member of Nomination of GSB Board of Directors Committee
- Member of Performance Evaluation and Remuneration of President and CEO Committee
- Member of Nomination and Remuneration Committee of High-Level Executives and Board Members in various Sub-committees (He held the position until August 19, 2019)



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
- Director, 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



Mrs. Siriporn Nopwattanapong

58 years old

- Independent Director
- Member of Risk Management Committee
- Member of Nomination and Remuneration Committee of High-Level Executive and Board Members in various Sub-committees
(She held the position until January 6, 2019)



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

Mr. Chatchai Payuhanaveechai

60 years old

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



Education

- Doctor of Philosophy (Ph.D.) in Public Administration, Eastern Asia University
- Honorary Doctor of Business Administration (D.B.A), Suan Sunandha Rajabhat University
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Finance and Banking), Sripatum University
- Honorary Doctor of Philosophy (Ph.D.) in Liberal Arts (Public Policy and Management), Kasem Bundit University
- Honorary Doctor of Philosophy (Ph.D.) in Business Administration (Management), Rajamangala University of Technology Lanna
- 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
- Committee for Employers, State Enterprise Labor Relations Committee, Department of Labor Protection and Welfare, Ministry of Labor
- Expert Committee on the National Village and Urban Community Fund Committee

Board of Executives

Mr. Chatchai Payuhanaveechai

- President & CEO
- 60 years old



Education

- Doctor of Philosophy (Ph.D.) in Public Administration, Eastern Asia University
- Honorary Doctor of Business Administration (D.B.A), Suan Sunandha Rajabhat University
- Honorary Doctor of Philosophy Program (Ph.D.) in Liberal Arts (Finance and Banking), Sripatum University
- Honorary Doctor of Philosophy (Ph.D.) in Liberal Arts (Public Policy and Management), Kasem Bundit University
- Honorary Doctor of Philosophy (Ph.D.) in Business Administration (Management), Rajamangala University of Technology Lanna
- 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
- Committee for Employers, State Enterprise Labor Relations Committee, Department of Labor Protection and Welfare, Ministry of Labor
- Expert Committee on the National Village and Urban Community Fund Committee

Mr. Boonson Jenchaimahakoon

- First Senior Executive Vice President, Information Technology Group
- 56 Years old



Mr. Numporn Yommana

- First Senior Executive Vice President, Human Resources Group
- 60 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 Saving Bank
- 2010 - 2015 Senior Executive Vice President (Information Technology Group), Government Saving 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 Administration Courts of Thailand
- Advanced Insurance Program, Class 6, Office of Insurance Commission (OIC)
- Top Executive Program for Creative and Amazing Thai Services (ToPCATS), Class 1, The Thai Chamber of Commerce

Other Present Positions

- Director, MCOT Public Company Limited
- Director, ASL Securities Company Limited

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

Training

- Problem Solving & Decision Making Program
- Senior Management Leadership Development, Nanyang Business School by 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 Enterprises (IRDP)
- Public Director Institute Program (PDI), Class 17, King Prajadhipok's Institute

Other Present Positions

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

Mr. Isara Wongrung

- Senior Executive Vice President, Personal Customer Group
- 53 years old



Mr. Chokchai Kunawat

- Senior Executive Vice President, Credit and Operation Supporting Group
- 56 years old



Education

- Honorary Degree of Business Administration, Bodhisatva University, Florida, U.S.A.
- 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
- 2015 - 2018 Executive Director, World Savings and Retail Banking Institute (WSBI) (3 years term)
- 2014 - 2015 Independent Director / Audit Committee, Professional Waste Technology (1991) Public Company Limited
- 2014 - 2015 Independent Director / Audit Committee and Chairman of Recruitment and Remuneration Committee, ACAP Advisory Public Company Limited
- 2012 - 2014 Executive Chairman, Kasikom Leasing Company Limited (Deputy Managing Director Kasikornbank Public Company Limited)

Training

- Corporate Governance Program for Directors and Senior Executives of Regulators, State Enterprises and Public Organizations, Class 21, King Prajadhipok's Institute
- The National Defence Course, Class 60, the National Defence 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), Ministry of Finance
- Advanced Certificate Course in Power of The Kingdom, Class 1, Chulalongkorn University
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive, Class 15, King Prajadhipok's Institute

Other Present Positions

- 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, Promotes and Develops Distance Education Project of Her Royal Highness Princess Maha Chakri Sirindhorn's Royal Initiatives.
- Vice President to Advanced Certificate Course in Thammasat Leadership Program, Class 5 (TLP 5), Thammasat University.
- Vice President to Advanced Security Management Program, Class 5 (ASMP 5), The Association of National Defence College of Thailand.
- Vice Chairman, World Savings and Retail Banking Institute (WSBI) (3 years term).
- Director/Investment Committee/Risk Management Executive Chairman/Recruitment and Remuneration Committee, Dhipaya Life Insurance Public Company Limited.

Education

- Master of Business Administration / Commerce, Chulalongkorn University
- Bachelor of Law, Chulalongkorn University
- Certificate of Commercial Credit Skills Assessment: Omega Performance Corporation
- Advanced Certificate Course in Politics and Governance in Democratic Systems for Executive, Class 21, King Prajadhipok's Institute
- Intermediate Certificate Courses - Good Governance for Medical Executives, Class 7, King Prajadhipok's Institute

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
- 1986 - 2004 Vice President Group, Kasikorn Bank

Training

- Board Matters and Trends (BMT), Class 8/2019, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) 262/2018, Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders (RCL), Class 9/2017, Thai Institute of Directors (IOD)
- Leadership Succession Program (LSP), Class 8, Institute of Research and Development for Public Enterprises (IRDP)
- GSB Advanced Executive Program (Delivering Customer Value, Partnering for Success and Leading Change) : IBM Executive Business Institute in USA
- Senior Management Leadership Development Program : Nanyang Business School, GSB and Haygroup in Singapore
- Senior Management Executive Leadership Program : Nanyang Business School in Singapore
- GSB Executive Education Programme in Singapore : Nanyang Business School
- Marketing Integration Course: financial innovations and advanced products, Class 1, National Institute of Development Administration
- Advanced Financial Management, Class 2, Faculty of Commerce and Accountancy, Chulalongkorn University

Other Present Positions

- Director, Dhipaya Life Assurance Public Company Limited
- Vice President No.2, MBA Chula Alumni Association, Chulalongkorn University
- Committee of GSB Foundation, Government Savings Bank

Mrs. Supaporn Saitong-in

- Senior Executive Vice President, Compliance and Good Governance Group
- 59 years old



Miss Paphakorn Ratanasate

- Senior Executive Vice President, Investment and Financial Management Group
- 55 years old



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
- Corruption Risk & Control (CRC), Class 4/2019
- How to Develop a Risk Management Plan (HRP), Class 23/2019
- 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

- Director, National Digital ID Co., Ltd.

Education

- Master of Business Administration, Chulalongkorn University
- Bachelor of Accountancy (Banking and Finance), 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
- Director Certification Program (DCP 279/2019), Thai Institute of Directors Association (IOD)
- Ethical Leadership Program (EPL), Class 14/2018, Thai Institute of Directors Association (IOD)
- Financial Executive Development Program Class 21 by Bank of Thailand (BOT), The Thai Bankers' Association and The Thai Institute of Banking and Finance Association

Other Present Positions

- Representative Director, ASL Securities Co., Ltd.

Mrs. Pachaleeporn Voraviboonsavat

- Senior Executive Vice President, Grassroots and Government Policy's Supporting Group
- 58 years



Mr. Therdtam Suvichavorrphan

- Senior Executive Vice President, Audit Group
- 56 years old



Education

- Bachelor of Business Administration in Marketing, University of Thai Chamber of Commerce

Working Experiences

- 2019 – Present Senior Executive Vice President (Grassroots and Government Policy's Supporting Group)
- 2015 – 2019 Executive Vice President (Branch Operations 4)
- 2014 – 2015 Senior Vice President, Regional Office 11

Training

- Successful Formulation & Execution of Strategy (SFE) Class 31, Thai Institute of Directors (IOD)
- Advanced Certificate Course: Management of Public Economics for Executives Class 18, King Prajadhipok's Institute
- Leadership Succession Program (LSP) Class 9, Institute of Research and Development for Public Enterprises (IRDPE)
- Leadership Greatness, Class 1 and Training for successor
- GSB Middle Management Leadership Program, Nanyang Technology, Singapore

Other Present Positions

- None

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), Government Savings Bank
- 2009 - 2013 Senior Vice President (Internal Audit Department), Government Savings Bank

Training

- Director Certification Program (DCP 278/2019), Thai Institute of Directors Association (IOD)
- Thailand Insurance Leadership Program, Class 9
- Corporate Governance for Executives (CGE), Class 7/2016, Thai Institute of Directors Association (IOD)
- Certificate Courses - Corporate Governance for Directors and Senior Executives, King Prajadhipok's Institute
- International Conference, The Institute of Internal Auditors (U.S.A., Netherlands, Canada, Japan, Australia, United Arab Emirates)
- Leadership Succession Program (LSP), Class 4, Institute of Research and Development of Public Enterprises (IRDPE)

Other Present Positions

- President, Bank & Financial Institution Internal Auditors Club
- Director & Executive Director, Bank & Financial Institution Internal Auditors Club, Thai Bankers' Association
- Vice Chairman, Fraud Management Club, 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
- Director, MFC Asset Management Public Company Limited

Mr. Santhan Yoosiri

- Senior Executive Vice President, Corporate Strategy Group
- 57 years old



Mr. Veerachai Amorntakolsuwech

- Senior Executive Vice President, Business and Public Sectors Customer Group
- 55 years old



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 Development), Government Savings Bank
- 2013 - 2015 Executive Vice President, (Risk Management), Government Savings Bank

Training

- Advance Master Management Program (AMM), NIDA
- Innovation for Sustainable Development Organization and Society, Class 1, Institute for Good Governance Promotion
- Advanced Certificate Course in Public Economics Management for Executives, Class 13, King Prajadhipok's Institute
- WSBI Board of Directors Meeting and Conference on G20 and Locally Focused Banks, Responsible and Sustainable Banking in a Digital Age, Japan
- Training of Trainers on Benchmarking to Enhance Organizational Excellence in the Service Sector, Asian Productivity Organization (APO), Fiji

Other Present Positions

- Executive Director, World Savings and Retail Banking Institute (WSBI)
- Director, ASL Securities Co., Ltd.

Education

- Master of Public Administration (Project Analysis and Evaluation), National Institute of Development Administration
- Bachelor of Science (Agricultural Economics), Kasetsart University

Working Experiences

- 2019 - Present Senior Executive Vice President (Business and Public Sectors Customer Group), Government Savings Bank
- 2016 - 2019 Executive Vice President (Corporate and Public Sector), Government Savings Bank
- 2015 - 2016 Senior Vice President, Corporate Business Department
- 2014 - 2015 Senior Vice President, Marketing for Corporate Loan Department, Government Savings Bank

Training

- Good Governance for Medical Executives Class 6
- Leadership Greatness Class 1/2014
- Thai Accounting Standards Program which was revised and effective in 2013
- Marketing Integration Course: financial innovations and advanced products
- Certificate (Financial Accounting Omega For Lenders and Commercial Loans To Business)

Other Present Positions

- Director, National Digital ID Co.,Ltd.

Mr. Wutipong Piromyaporn

- Senior Executive Vice President, Risk Management Group
- 55 years old



Education

- Master of Business Administration, Ramkhamhaeng University
- Bachelor of Law, Sukhothai Thammathirat Open University

Working Experiences

- 2019 - Present Senior Executive Vice President (Risk Management Group), Government Savings Bank
- 2015 - 2019 Executive Vice President (Risk Management), Government Savings Bank
- 2012 Executive Vice President (Debt and Legal Management), Government Savings Bank

Training

- Ethical Leadership Program (ELP) Class 9/2017
- Thammasat Leadership Program, Thammasat for Society (TLP 12)
- Public Economics Management for Executives Class 14, King Prajadhipok's Institute
- Human Resources Development of Thailand in the 2000s: The Association of Personnel Management of State Enterprises
- Marketing integration, innovation in management and modern finance for use in the organization: Government Savings Bank

Other Present Positions

- Director, TSFC Securities Public Company Limited.
- Chairman, Thrif and Credit Cooperative of GSB Employees LTD.



Mr. Seksan Thaveekasikum

Executive Vice President
Branch Operations 1



Mrs. Supatra Puttaviriya

Executive Vice President
Branch Operations 2



Mr. Ka-Chen Boonwong

Executive Vice President
Branch Operations 3



Mrs. Piyahatai Piyaram

Executive Vice President
Branch Operations 4

Mr. Charnchai Foythong

Executive Vice President
Branch Operations 5



Mrs. Woranun Tunsakul

Executive Vice President
Branch Operations 6



Mrs. Rojarek Simapivapan

Executive Vice President
Sales Management



Mr. Pisnu Wuttiprasit

Executive Vice President
Personal Customer Operation





Mrs. Prangmas Dheandhanoo

Executive Vice President
Retail Customers and Community Organization



Mr. Supawut Darain

Executive Vice President
Government Officers Customers



Mr. Pinij Danmanee

Executive Vice President
SMEs Business



Mrs. Lapawan Chankrajang

Executive Vice President
Corporate and Public Sector

Miss Prapimprun Boonchuay

Executive Vice President
Business and Public Sector Operation



Mrs. Siriwan Prasertchai

Executive Vice President
Financial Management

Mr.Kitti Pinrod

Executive Vice President
Investment



Mr. Anurak Sangeamjit

Executive Vice President
SMEs Startup Entrepreneurs



Mrs. Nongnuch Pupipatphol

Executive Vice President
Finance



Miss Thanita Viroonhagul

Executive Vice President
General Administration



Mr. Prasert Kongchun

Executive Vice President
Debt and Legal Management



Miss Noppawan Ratanawekin

Executive Vice President
Research and Customers 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



Miss Somsri Saengchalin

Executive Vice President
Information Technology



Mr. Sarawut Nanakorn

Executive Vice President
IT Planning and Development



Mr. Apiwat Kaveeruttachaveng

Executive Vice President
Credit Risk Analysis



Miss Jenjit Sawekwatanopas

Executive Vice President
Risk Management



Mr. Pacharapong Anonsiriporn

Executive Vice President
Personal Customer Business Management

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. Pairoj Swangtrakul

Inspector General
Credit and Operation Supporting Group



Miss Natthanakorn Boonwong

Inspector General
Directly report to President and CEO

Mr. Patiphan Anusornpanich

Inspector Government
Grassroots Customer and Government's Policy
Supporting Group



OVERVIEW OF INDUSTRY



Banking Business



Banking business in 2020 is expected to grow less than the previous year

due to the economic slowdown in the country, including the Covid-19 outbreak which will result in high contraction in bank lending in the first quarter of 2020. Besides, the Bank's measures to support the repayment of principal and interest of financial institutions, along with the reduction of interest rates and the application of IFRS9 standards will decrease the Bank's interest income and increase expenses for allowance. All of these are challenging factors for profitability of financial institutions. However, government soft loan measures that help retail customers and business operators affected by the Covid-19 outbreak may be a financial support for financial institutions in 2020.

Non-performing loans (NPL) are expected to increase due to a decrease in ability of household and business sectors to repay their debts. However, the Bank of Thailand's credit supervision measures will help the Bank to be strict and carefully consider granting loans. The banking sector is still coping with the increasing debt situation by proactively monitoring the debt quality consistent with the allowance according to the policies of each bank.

Net profit and net income of commercial banks **increased**

- Net profit of commercial banks in 2019 increased by 30.8% mainly due to profits from sales of investments. If cutting this special factor, a net profit of commercial banks in the whole system would decrease by -5.2%.
- Interest income increased by 4.1 %. On the other hand, fee income slightly decreased by -0.7 % due to a decrease in transfer fee and brokerage fee income.

Commercial banks' loans **grew slightly**

- Business loans slightly decreased by -0.8 % in accordance with economic conditions and debt repayment in many types of businesses.
- Consumer loans grew steadily at 7.5 % due to the expansion of credit card loans and personal loans.

The development of digital transactions **increased**

- Increasing competitive abilities and channels to reach more customers.
- Cooperating with business partners to increase a variety of products and focusing on providing personalized services.



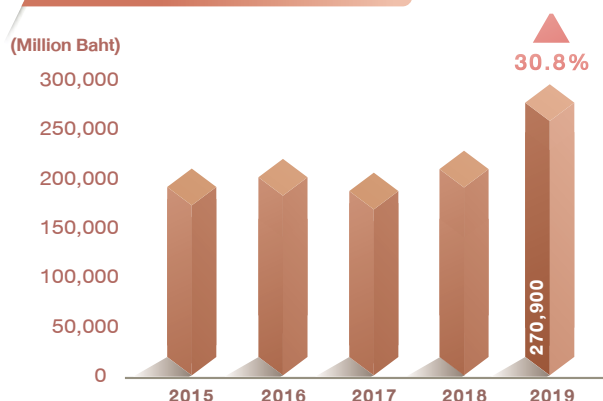
2019

Loan quality **slightly decreased**

- Non-performing loans (NPL) stood at 2.98 %, slightly increased from the end of 2018, with NPL outstanding at 4.65 billion baht from loans in certain business groups, especially SMEs affected by the trade war and the economic slowdown.

Banking Business in 2019

Net Profit of Commercial Banks



Source : The Bank of Thailand (BOT)

In 2019, net profit of commercial banks was 270,900 Million Baht, grew by 30.8 % over the same period of 2018 as a result of special profits from the sales of large banks' shares. Siam Commercial Bank recorded extra profits from the sales of shares in Siam Commercial Life Insurance PLC. and Bank of Ayudhya recorded special profits from the sales of shares in Ngerm Tid Lor Co.,Ltd. If eliminating this special factor, a net profit of commercial banks would decrease by -5.2%.

Net Profit of Commercial Banks in 2019



SCB
40,400
Million Baht.
0.92%

Siam Commercial Bank reported a net profit of 40,400 Million Baht, an increase of 0.92% over the same period of 2018 due to the extra profits from the sales of shares in Siam Life Insurance PLC. According to the economic fluctuation in 2019, the Bank has been careful in granting loans by focusing on quality loans and place importance on loan portfolios to businesses with high yields as well as focusing on lending via digital channels, increasing work efficiency and managing costs and expenses.



KBANK
38,700
Million Baht.
0.70%

Kasikorn Bank reported a net profit of 38,700 Million Baht, an increase of 0.70% over the same period of 2018 due to interest income from loans and investments, including an increase in fee income from securities sales. However, the Bank's expenses increased as a result of public relations activities, brand building and marketing activities. In addition, there was an increase of the allowance for doubtful accounts in the previous year.



BBL
35,800
Million Baht.
1.38%

Bangkok Bank reported a net profit of 35,800 Million Baht, an increase of 1.38% over the same period of 2018 as a result of an increase in fee and service income from loan administration fee, insurance and fund service fee which was in accordance with the strategic intent of the Bank. Moreover, the Bank placed importance on loans and risk management in order to maintain an appropriate level of allowance for doubtful accounts.



BAY
32,700
Million Baht.
31.98%

Bank of Ayudhya reported a net profit of 32,000 Million Baht, an increase of 31.98 % over the same period of 2018 due to extra profits from the sales of shares in Ngerm Tid Lor Co.,Ltd., as well as an increase in interest income following the expansion of loans in all business groups, with the retail loan group being the main driving force. However, if excluding the extra profits from the sales of shares of the above-mentioned company, Bank of Ayudhya would have a net profit of 26,900 Million Baht and grow at 8.6 percent.

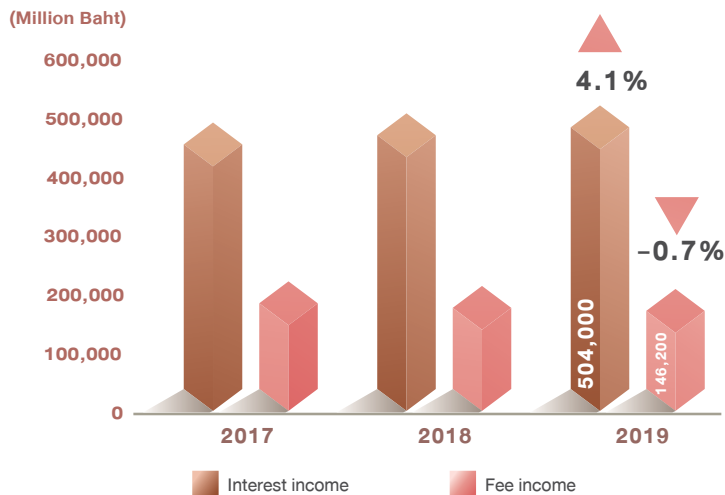


KTB
29,300
Million Baht.
2.78%

Krung Thai Bank reported a net profit of 29,300 Million Baht, an increase of 2.78 % over the same period of 2018 as a result of interest income on loans from public auction of mortgage collateral property and profits from investments. In addition, the Bank focused on providing efficient loan portfolios and continuously improved financial cost management.

Source: Operating performance of commercial banks (bank-only statements), gathered by Economic Research Department, Government Savings Bank

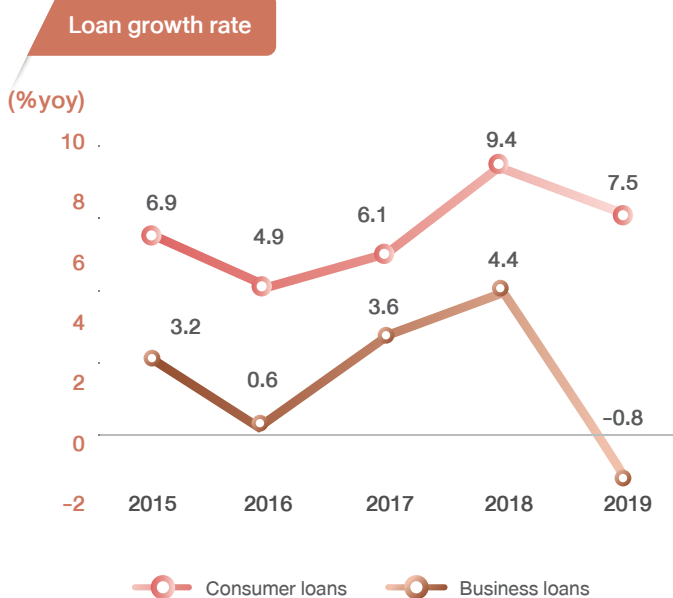
Interest income and fee income of commercial banks



Source: The Bank of Thailand (BOT)

In 2019, interest income grew by 4.1% due to retail loan growth, especially credit card loans and personal loans. On the other hand, fee income slightly declined by -0.7% as a result of a decrease in transfer fees, by -8.6%, due to the cancellation of the transfer fee via digital channels, resulting in more customers using digital services, especially Mobile Banking Applications, together with a decrease in brokerage fee income, by -3.3%. However, the fee income from insurance sales could increase in 2019 at 0.2%.

Loan Situation in 2019



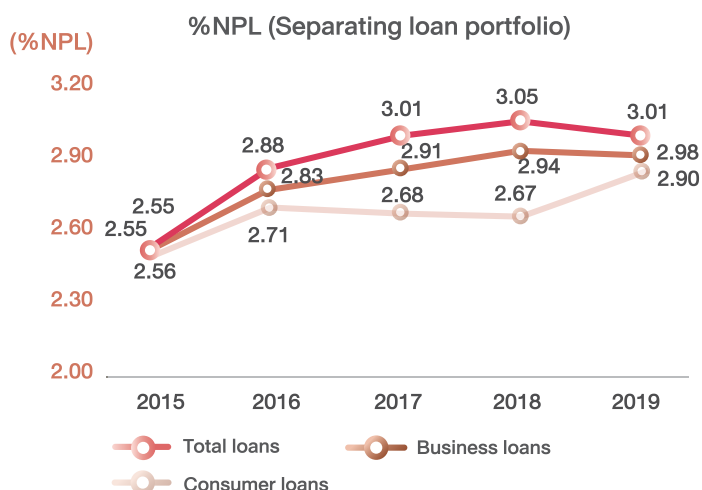
Source: The Bank of Thailand (BOT)

Business loans dropped by -0.8% due to the repayment for many businesses and the economic slowdown affecting investments, causing a -1.9 and -2.1% contraction in large businesses and SMEs respectively. However, some small businesses could still grow such as retail, wholesale, food and beverage businesses.

Consumer loans grew by 7.5%, down from 9.4 percent in 2018 due to a decrease in housing loans which was 5.4%, dropped from 7.8% in the previous year as the result of the Bank of Thailand's LTV measures enforced in April 2019 causing financial

institutions to be more careful in granting loans. In addition, car loans grew by 7.7%, down from 12.6% in the previous year due to lower household income. However, credit card and personal loans have still been growing continuously.

Non-Performing Loan (NPL) Situation in 2019



Source : The Bank of Thailand (BOT)

Commercial banks managed the quality of loan portfolios by writing off bad debts and debt restructuring. Besides, the Commercial Banks had stable system with a high level of capital and reserves, allowing them to cope with economic challenges and non-performing loans.

Non-performing loan (NPL) of total loans in 2019 increased and stood at 2.98 %.

Commercial banks managed the quality of loan portfolios by writing off bad debts and debt restructuring. Besides, the Commercial Banks had stable system with a high level of capital and reserves, allowing them to cope with economic challenges and non-performing loans.

Non-performing loan (NPL) of business loans increased by 3.01% due to an increase in NPLs of SMEs loans by 4.63 % as most SMEs entrepreneurs relied on exports

and were directly affected by the economy contraction and the strengthening of Baht which easily caused bad debts. On the other hand, the level of bad debts of large businesses was relatively stable and at a low level, by 1.59 % in 2019.

Non-performing loan (NPL) of business loans increased by 2.09% due to the continuous increase of NPL level in the housing loan group at 3.71% due to the lending competitions before the LTV measures were enforced and this probably caused the lending process not as strict as it should be.

Banking Business Trend in 2020

Due to Thailand's economy contraction as well as the COVID-19 outbreak, the Bank lending is expected to be highly contracted in the first quarter of 2020. The measures of suspension of principal and interest payment of financial institutions, the reduction of interest rates and the application of IFRS9 standards will result in lower interest income and an increase expenses for allowance, all of which are challenging factors for profitability of the financial institutions. However, government soft loan measures that help retail customers and business entrepreneurs affected by the COVID-19 virus outbreak may be a financial support for financial institutions in 2020.

Lending Trend in 2020

- **Retail loans** are expected to grow at a slower pace from housing loans and car hire purchase loans due to low purchasing power in 2020. The promulgation of retail loan policy by the Bank of Thailand on January 1, 2020 to manage household debt problems causes the Bank to be more prudent for granting loans which may cause a slowdown of retail loans. However, personal loans and credit card loans are expected to expand due to the demand for circulating funds for daily expenses, especially in situations with negative factors such as the economic contraction, including natural disasters and epidemics.

- **Business loans** are expected to grow at a slower pace due to Thailand's economic slowdown as well as the COVID-19 outbreak which will cause entrepreneurs to delay investments, especially SMEs in tourism and related businesses. However, business lending is still a positive factor owing to government measures on soft loans to finance the rehabilitation and increase liquidity for SMEs affected, both directly and indirectly, from the COVID-19 outbreak. Moreover, the situation of trade war between the United States and China is likely to be relieved as the result of the signing of the first trade agreement. (Trade Agreement Phase 1) on January 15, 2020. This may be a support for business lending of financial institutions in 2020.

Non-Performing Loan Trend in 2020

Regarding non-performing loan (NPL) trend in 2020, all banks are concerned that all-round situations in 2020 will cause non-performing loans to accelerate from personal loans, housing loans and SMEs loans, including a group of **bad debts that have been restructured but returning into bad debts** due to a decrease in repayment ability and the impact of income in both business and household sectors.

Therefore, in 2020, the banking sector must plan and well prepare to accommodate all situations that will change in term of economy, problems from natural disaster, including the COVID-19 outbreak which is considered a major adjustment of management in the whole financial sector. The banks are closely monitoring the operational performance and may adjust their income and loan targets if there are additional negative factors. In addition, the Banks must have appropriate branch management services, establish measures to provide financial assistance to those affected by various factors in a timely manner as well as monitoring debt quality to be in consistent manner with the Bank's policy.

Challenging Factors for Banking Business in 2020

- **Preparing for unexpected situations** which make financial institutions are unable to provide normal services, such as the COVID-19 outbreak, causing the Banks to adjust their plans urgently for branches, staff work, work process as well as increasing public health measures and carefully monitoring customers and officers.
- **Facing difficulty to generate income** such as interest income and fee income in unfavorable economic conditions, including the epidemic situation and various negative factors that affect the customer's ability for debt repayment. As a result, many banks need to issue measures to help customers experiencing problems such as the suspension of principal and interest payments for 3 months, reducing the minimum installment rate for credit card customers as well as providing low interest loans to help entrepreneurs under the government policy. All of these inevitably affect the Bank's income.
- **Facing tighter regulations of financial institutions**, such as the new accounting standards IFRS9 which causes the Banks to adjust allowance at higher level to support the damage from loans that are expected to occur in the future, including the implementation of the central standard for the calculation of the debt repayment compared with income (DSR) among a group of people who have uncertain income, which may result in the increasing amount of loan rejection for all types of such group.
- **Non-Performing Loan (NPL)** from household and business sectors, especially SMEs due to the impact of the global economy, natural disasters and epidemics. Therefore, the Banks must be careful when granting loans and have measures to help their customers as well as collecting debts in order that it will not affect the Bank's allowance.
- **Risks of cyber security** due to the fact that financial institutions are using technology to provide more services, such as online services or database connections when working outside the office. Therefore, the Banks must ensure that the systems can maintain customers' information efficiently and safely.
- **More competitions** Currently, the Banks do not only have competitors in the same business, but also in other industries that want to become a Bank like Grab Finance which provides loans to Grab drivers and it is expected to extend loan granting to other entrepreneurs as well. Therefore, financial institutions should cooperate with or look for partners to increase strength, such as Kasikorn Bank has collaborated with GSB for a White-label ATMs project to reduce operating costs, etc.

Analysis Report

Operation Performance and Financial Position



Analysis Report

Operation Performance and Financial Position

1. Performance Overview

In 2019, the Bank has focused on driving commercial and social missions, including government policies aligning with the concept of “Sustainable Growth and Making Contribution to Society” by improving a traditional banking to a digital banking. The Bank has provided fast, safe, modern and easy-to-use services to respond to the way of life of Thai people by creating an understanding of digital products and services for the Bank’s customers. The Bank has promoted savings, creating financial disciplines and providing various forms of financial literacy to youth and general public as well as supporting and creating opportunities for access to basic financial services and funds for grassroots economy and startup entrepreneurs in accordance with the Sustainable Development Goals. Moreover, the Bank has increased the capacity of the infrastructure to keep up with the changes to support business operations in the digital age as well as giving importance to human resource development and information technology, integrating and raising standards, governance management, risk management and internal control to be at international standard level.

According to its 2019 financial statements duly audited by the State Audit Office of the Kingdom of Thailand, GSB recorded total assets as at December 31, 2019 amounting to 2,797,068 Million Baht, the 4th rank among Thai Banks and recorded net profit of 24,208 Million Baht, decreased by 6,634 Million Baht or 21.5% from the previous year.

Unit: Million Baht

Statement of Comprehensive Income	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Net interest income	58,679	64,191	(5,512)	(8.6)
Net fee and service income	4,691	5,973	(1,282)	(21.5)
Other operating income	6,334	11,010	(4,676)	(42.5)
Other operating expenses	33,190	33,315	(125)	(0.4)
Impairment loss on loans and debt securities	12,306	17,017	(4,711)	(27.7)
Net profit	24,208	30,842	(6,634)	(21.5)
Other comprehensive (loss) income	(10,994)	(10,738)	(256)	2.4
Total comprehensive income	13,214	20,104	(6,890)	(34.3)
Average Return on Assets (ROA)	1.00 ^{1/} / 0.90	1.25 ^{1/} / 1.19		
Average Return on Equity (ROE)	12.87 ^{1/} / 11.64	16.04 ^{1/} / 15.26		

1/ Excluding special expenses for employees, which are initial contribution to the provident fund (year 2019 = 1,187.84 Million Baht and 2018 = 1,565.40 Million Baht) and compensation for retired employees who completed 20 years of working period, from 300 days to 400 days (year 2019 = 1,385 Million Baht)

Key items in Profit or Loss Statement

1.1 Net Interest Income

Unit: Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Interest income	103,359	102,701	658	0.6
Loans	94,216	94,056	160	0.2
Interbank and money market items	3,512	4,109	(597)	(14.5)
Investments	5,631	4,536	1,095	24.1
Interest expenses	44,680	38,510	6,170	16.0
Deposits	23,784	18,962	4,822	25.4
GSB premium savings certificate	13,395	12,282	1,113	9.1
Interbank and money market items	867	993	(126)	(12.7)
Debt issued and borrowings	1,252	1,180	72	6.1
Contributions to Specialized Financial Institutions Development Fund	5,382	5,093	289	5.7
Net interest income	58,679	64,191	(5,512)	(8.6)
Yield on earning assets	4.04%	4.35%		
Cost of funds	1.87%	1.64%		
Net interest income to earning assets (NIM)	2.23%	2.54%		

In 2019, the Bank recorded a net interest income of 58,679 Million Baht, a decrease of 5,512 Million Baht or 8.6% from 2018, with higher interest costs than interest income. Due to the interest rate downtrend, the Bank cut interest rates on retail loans in line with policy interest rates as well as slowing down on cutting deposit interest rates. The Bank also had additional costs of life insurance deposits of long - term insurance contracts in accordance with TFRS 4, including an increase in the GSB premium savings certificate's prizes due to the growth of GSB special premium savings deposits. Therefore, the Bank recorded a net interest income ratio to earning assets (NIM) at 2.23 %, down from 2.54% in 2018, while an interest income from public sector loans, state enterprises and investment in debt securities increased due to the growth of loans and government debt securities.

1.2 Net Fee and Service Income

Unit: Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Fee and service income	6,212	7,104	(892)	(12.6)
Fee and service expenses	1,521	1,131	390	34.5
Net fee and service income	4,691	5,973	(1,282)	(21.5)
Net fee and service income to total income-net	6.73%	7.36%		

In 2019, the Bank recorded net fee and service income of 4,691 Million Baht, a decrease of 1,282 Million Baht or 21.5% from 2018 due to a decrease in commission / insurance premium payment income and loan service fee income as of a decrease in lending according to the economic growth and strict measures of loans, while the fee income from cards and electronic services was higher than last year owing to the issuance of new debit/credit cards that provided cardholders with many benefits and promotional activities to stimulate card spending throughout the year.

1.3 Other Operating Income

Unit: Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Other operating income				
Net profit (loss) on trading and foreign exchange	140	95	45	47.4
Net profit (loss) on investments	2,287	7,635	(5,348)	(70.0)
Dividend income	2,223	1,940	283	14.6
Other operating income	1,684	1,340	344	25.7
Total income from other operations	6,334	11,010	(4,676)	(42.5)
Operating income to total income-net	9.09%	13.56%		

In 2019, the Bank recorded other operating income of 6,334 Million Baht, a decrease of 4,676 Million Baht or 42.5% from 2018 due to profits from the sales of IRPC ordinary shares of 7,382 Million Baht to limit Single Lending Limit (SLL) in accordance with the regulation of the BOT which is not more than 15% of the total capital funds and profits from the sales of investments in an associate, Thanachart Fund Management Co.,Ltd. in the amount of 2,075 Million Baht. Besides, the Bank had dividend income from investment units and ordinary shares as well as following up on bad debts repayment which was higher than last year.

1.4 Operating Expenses

Unit: Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Other operating expenses				
Officer expenses	16,366	15,313	1,053	6.9
Remuneration for Directors and officers	3,314	4,011	(697)	(17.4)
Premises and equipment expenses	5,699	5,689	10	0.2
Remuneration for loan collection units	398	1,724	(1,326)	(76.9)
Other expenses	7,413	6,578	835	12.7
Total operating expenses	33,190	33,315	(125)	(0.4)
Operating expenses to total income - net	47.61%	41.01%		

In 2019, the Bank had other operating expenses of 33,190 Million Baht, a decrease of 125 Million Baht, 0.4% from 2018. Key items included:

- Remuneration for loan collection units decreased by 1,326 Million Baht (from the amendment of the payment agreement for OTEP by using the financial support to reduce interest for normal debtors with good financial discipline according to stipulated conditions since June 2018 and the delay in giving more credit to teachers who create debts with the cooperative)
- Remuneration for Directors and officers decreased by 697 Million Baht (based on operating performance)
- *While* Officers expenses increased by 1,053 Million Baht (from an increase of compensation for retired officers under TAS 19 in the amount of 1,385 Million Baht)
- Other expenses increased by 835 Million Baht (litigation expenses, advertising expenses, lawyer expenses and debt collection expenses)
- Premises and equipment expenses increased by 10 Million Baht (office rental, vehicle and equipment maintenance expenses)

1.5 Impairment Loss on Loans, Debt Securities and Debt Restructuring

Unit: Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Bad debts	10,074	4,509	5,565	123.4
Doubtful accounts	2,197	12,482	(10,285)	(82.4)
Loss on debt restructuring (reversal)	35	26	9	100.0
Total	12,306	17,017	(4,711)	(27.7)

In 2019, the impairment loss on loans and doubtful accounts in 2019 was 12,306 Million Baht, a decrease of 4,711 Million Baht or 27.7% from 2018 due to the reversal of allowance for doubtful accounts for professional development loans and welfare loans. In this regard, the Bank reserved General Provision to support the impact from TFRS9 in the amount of 4,075 Million Baht.

2. Financial Position

Unit: Million Baht

Statement of Financial Position	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Total assets	2,797,068	2,667,000	130,068	4.9
Net interbank and market money items	319,524	288,716	30,808	10.7
Net investments	312,832	256,200	56,632	22.1
Loans ^{1/}	2,152,718	2,111,899	40,819	1.9
Total liabilities	2,594,592	2,465,061	129,531	5.3
Deposits and debt issued ^{2/}	2,412,934	2,298,412	114,522	5.0
Part of the capital	202,476	201,939	537	0.3

^{1/} Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2019 amounting to 200,878 Million Baht and in 2018 amounting to 188,486 Million Baht.

^{2/} Including deposits from financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2019 amounting to 15,981 Million Baht and in 2018 amounting to 22,945 Million Baht.

At the end of 2019, the Bank's total assets were 2,797,068 Million Baht, an increase of 130,068 Million Baht or 4.9 % from the end of 2018 due to the launch of deposit campaigns and investing money to generate benefits from loans and investments in debt and equity securities.

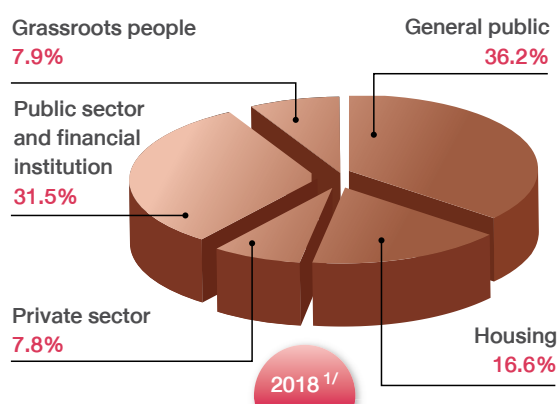
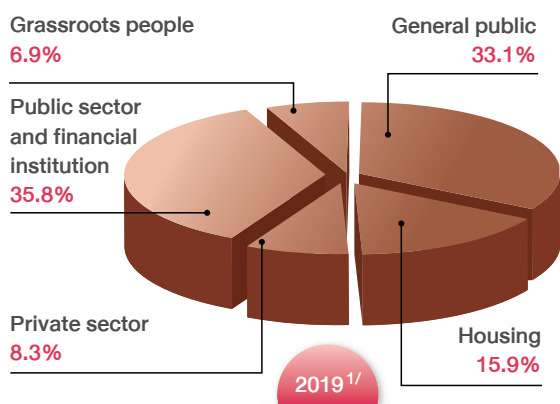
Key Items in Financial Statements

2.1 Loans

As of 31 December 2019, the Bank's total loans were 2,152,718 Million Baht (including loans for financial institutions and cooperatives), an increase of 40,819 Million Baht from the end of 2018 or 1.9 % from the total loans of 540,000 Million Baht comprising 55.9 % retail loans, 35.8 % public sector and financial institution loans, and 8.3 % business sector loans.

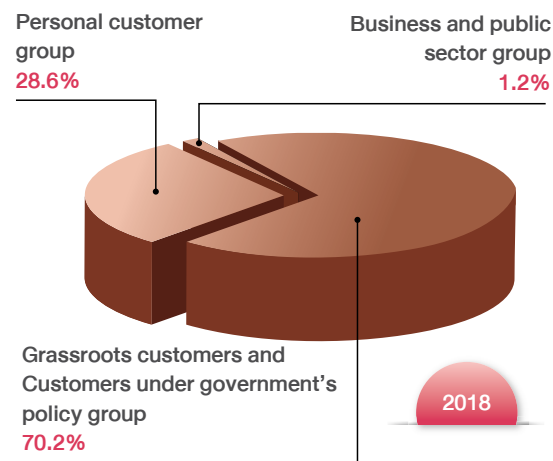
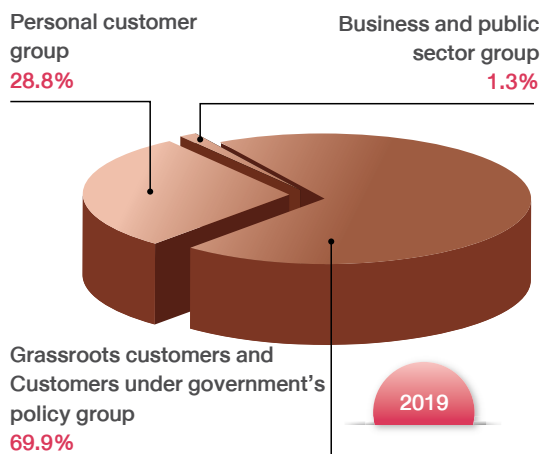
- Public, state enterprise and financial institution sector loans increased 105,818 Million Baht (15.9%) due to loans for Ministry of Finance, including promissory notes and long-term loans as well as loans for financial institutions.
- Private sector loans increase by 14,104 Million Baht (8.6%), especially loans for SMEs customers with a credit line of less than 100 Million Baht, approved through 82 SMEs business centers nationwide.
- Personal loans decreased by 79,103 Million Baht (6.2%) with higher return than additional lending amount, due to the economic slowdown and high level of household debts, along with a strict credit approval process to control debt quality, especially loans for professional development, personal loans (welfare), loans for grassroots people and housing loans while loans for resolving public debts, cash card loans and Happy Life loans increased.

Proportion of Loans



^{1/} Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2019 amounting to 200,878 Million Baht and in 2018 amounting to 188,486 Million Baht.

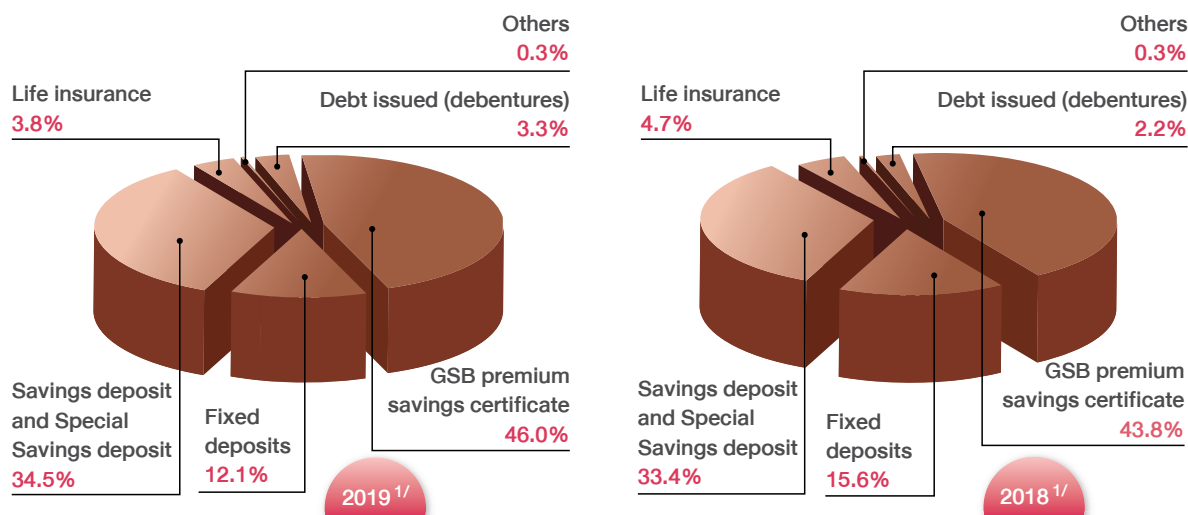
Proportion of Loan Customers



2.2 Deposits and Bond issued

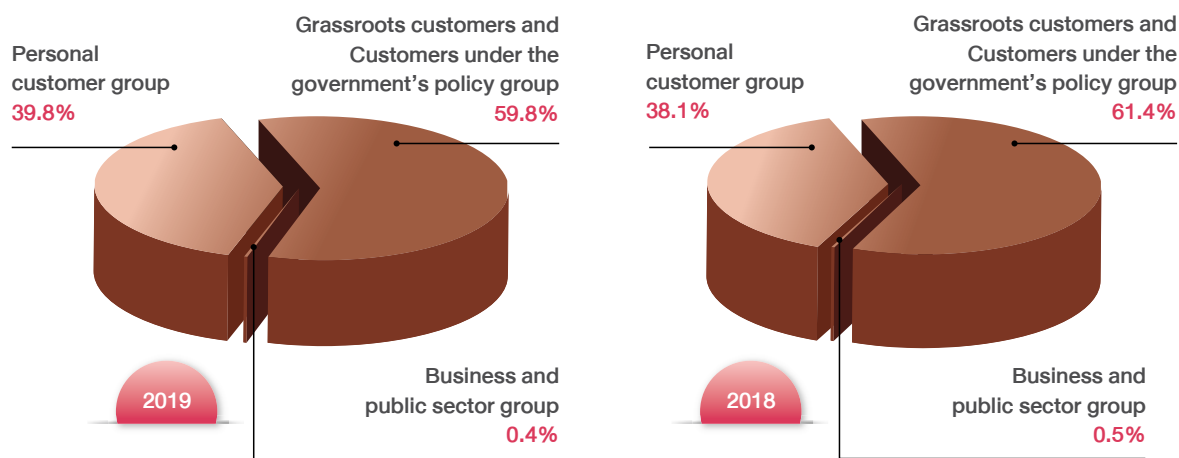
As of 31 December 2019, the Bank recorded deposits (including deposits from financial institutions and cooperatives) of 2,332,434 Million Baht, an increase of 84,022 Million Baht or 3.7% from the end of 2018 from GSB special premium savings certificate, special demand/demand deposits. The Bank issued Digital Salak on MyMo application for a period of 1 and 3 years and also launched a new special demand deposits (interest at 1.20-1.45 per year) with attractive conditions and incentives to attract customers whose deposit terms will be completed. Moreover, the Bank had sales promotion activities throughout the year, such as an instant saving activity by providing service for people to deposit money with the Bank via online top-up machines throughout the country, “Dek Dee Free Savings 24 Hours” campaign, deposit promotions at various financial festivals, including savings promotion activities on important days such as National Children’s Day and National Savings Day, etc. In 2019, the Bank raised funds by issuing GSB debentures for 2 times, totaling to 30,500 Million Baht in order to manage its costs by Match Fund with long-term loans. When including the debt issued (debentures), the Bank had deposits and debt issued in the amount of 2,412,934 Million Baht, an increase of 114,522 Million Baht or 5.0 percent from the end of 2018.

Proportion of Deposits



^{1/} Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2019 amounting to 22,945.00 Million Baht and in 2018 amounting to 15,981 Million Baht.

Proportion of Deposit Customers

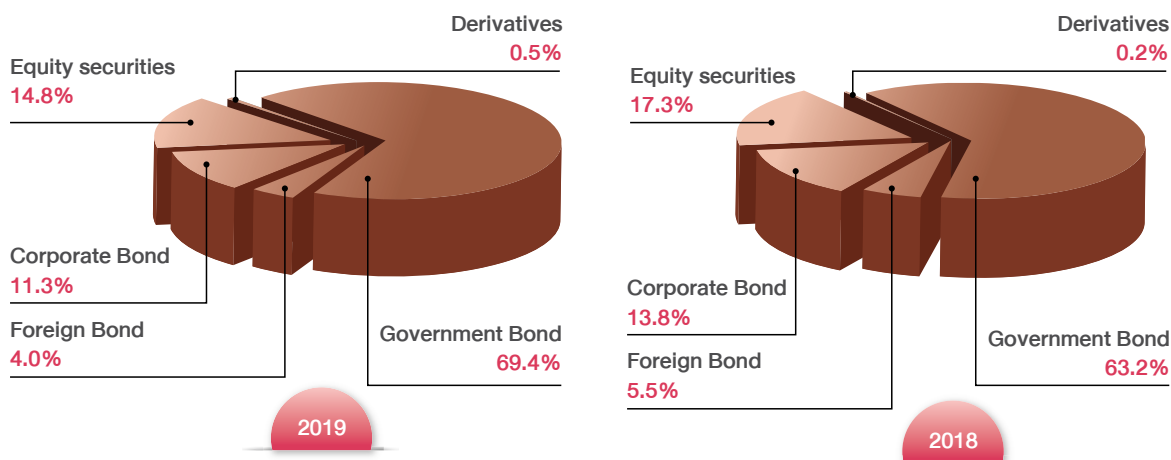


2.3 Net investments

As of December 31, 2019, the Bank recorded net investments of 312,832 Million Baht, an increase of 56,632 Million Baht or 22.10%, especially investments in short-term bonds, long-term BOT bonds, promissory notes of the Ministry of Finance and investment units, respectively. Meanwhile, the total investments were more than 98,000 Million Baht and some of these investments were sold from time to time for speculation. In 2019, the Bank sold investments in an associate, Thanachart Fund Management Co., Ltd.

The Bank had guidelines for managing investment portfolios to manage excess liquidity according to the Bank's investment policy framework which focused on investing in government bonds without obligation by considering securities with good potential and appropriate returns. Besides, the Bank reviewed its investment policy at least once a year or when there were significant changes in order to be able to manage liquidity appropriately and generate returns for the Bank under appropriate risks.

Proportion of Investments



2.4 Equity

As of December 31, 2019, the Bank recorded equity of 202,476 Million Baht, an increase of 537 Million Baht from the end of the year from an annual net profit of 24,208 Million Baht. Meanwhile, a surplus from the change in available-for-sale investments (Mark to Market) increased from 2018 by 903 Million Baht and the loss on officer benefit estimation (TAS 19) in accordance with actuarial principles was 11,897 Million Baht and the contribution to the Ministry of Finance in 2019 was 12,677 Million Baht.

2.5 Statutory Capital Funds

The Bank's capital fund was calculated based on the BOT's guideline set forth under Basel II framework, covering all related risks and reflecting risk-sensitive against the Bank's assets and liabilities. As of 31 December 2019, the Bank had capital fund in the amount of 184,833 Million Baht, accounting for 15.52 % of risk weighted assets, which was higher than the BOT's minimum requirement of 8.5 % with Tier-1 capital of 166,301 Million Baht, equivalent to 13.97 % of risk weighted assets (mainly from all accumulated profits after annual remittance to the Ministry of Finance) and Tier-2 capital of 18,532 Million Baht, equivalent to 1.56% (in 2018, the incremental value was calculated from land valuation and considered as Tier-2 capital)

Nevertheless, a net profit of the second half of the year was not included into the said ratio. If the net profit of the second half of the year was appropriated by the Ministry of Finance after the Office of the Auditor General of Thailand had audited and certified the financial statements, the Bank would have more amount of capital funds.

Unit : Million Baht

	2019	2018	Change (yoy)	
			Increase (Decrease)	%
Tier-1 capital	166,301	168,161	(1,860)	(1.1)
Tier-2 capital	18,532	14,308	4,224	29.5
Total capital funds	184,833	182,469	2,364	1.3
Risk weighted assets	1,190,776	1,239,953	(49,177)	(4.0)
Total capital funds : Risk weighted assets	15.52%	14.72%		
Tier-1 capital : Risk weighted assets	13.97%	13.56%		

2.6 Quality of Loans

Unit: Million Baht

NPLs	2019	2018	Change (yoy)	
			Increase (Decrease)	%
NPL before allowance for doubtful accounts (gross NPLs)	57,034	59,395	(2,361)	(4.0)
Proportion to total loans (%)	2.65	2.81		
NPL after allowance for doubtful accounts (net NPLs)	19,774	21,644	(1,870)	(8.6)
Proportion to net loans (%)	0.95	1.06		
Allowance for doubtful accounts in accordance with the financial statements	70,063	67,848	2,215	3.3
Proportion to NPLs (%)	122.84	114.23		
Minimum Allowance for doubtful accounts in accordance with the BOT's guideline	65,988	67,848	(1,860)	(2.7)
Reserves to required reserves (%)	106.18	100.00		

As of December 31, 2019, the Bank's NPLs before allowance for doubtful accounts (gross NPLs) amounted to 57,034 Million Baht or 2.65% of total loans. (Including interbank and money market items), down 2,361 Million Baht from the end of 2018. A gross NPLs of 2.81% for NPLs after allowance for doubtful accounts (net NPLs) at the end of 2019, amounted to 19,774 Million Baht or 0.95 percent of net loans, down 1,870 Million Baht from the end of 2018 with net NPLs at 1.06%, with the strategy/measures to ease the repayment conditions in order to control debts' quality to be at a lower level than the average of Thai commercial banking system.

Allowance for doubtful accounts in the financial statements as of December 31, 2019 amounted to 70,063 Million Baht, an increase of 2,215 Million Baht from the end of 2018 due to the General Provision according to the Bank's policy to support the impact of TFRS9 in the amount of 4,075 Million Baht while the allowance for doubtful accounts for loans for career development and personal loans decreased in accordance with a decrease of loans and outstanding debts.

2.7 Sources and Uses of Funds

As of 31 December 2019, the Bank's assets booked in the financial statements amounted to 2,177,193 Million Baht, with total liabilities of 2,594,592 Million Baht and equity of 202,476 Million Baht, representing total liabilities to equity ratio of 12.8 times.

The major sources of funds were 93.8% deposits, 2.9% interbank and money market items, 3.3% debt issued and borrowings of total assets while the funds were deployed as follows: 77.4% for Loans and 14.4% for interbank and money market items, accounted for 14.4% and the net investment accounted for 11.2%

Deposits with a maturity of less than one year were in a larger amount than sources of funds with corresponding maturity which is typical of banking business. However, most bank deposits will be 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 maintain the Bank liquidity at an appropriate level and meet its financial obligations.

Unit: Million Baht

Sources and uses of funds	2019	%	2018	%	Change (yoy)	
					Increase (Decrease)	%
Sources of funds						
Maturity ≤ 1 year	1,403,597	57.0	1,471,354	62.6	(67,757)	(4.6)
Deposits	1,334,463	54.2	1,404,279	59.7	(69,816)	(5.0)
Interbank and money market items	69,134	2.8	67,075	2.9	2,059	3.1
Debt issued and borrowings	-	-	-	-	-	-
Maturity > 1 year	1,057,869	43.0	880,736	37.4	177,133	20.1
Deposits	975,026	39.6	828,152	35.2	146,874	17.7
Interbank and money market items	2,343	0.1	2,584	0.1	(241)	(9.3)
Debt issued and borrowings	80,500	3.3	50,000	2.1	30,500	61.0
Total	2,461,466	100.0	2,352,090	100.0	109,376	4.7
Uses of funds						
Maturity ≤ 1 year	968,732	34.8	784,249	29.6	184,483	23.5
Interbank and money market items	348,451	12.5	320,945	12.1	27,506	8.6
Net investments	138,820	5.0	71,310	2.7	67,510	94.7
Loans	481,461	17.3	391,994	14.8	89,467	22.8
Maturity > 1 year	1,815,119	65.2	1,871,970	70.4	(56,851)	(3.0)
Interbank and money market items	53,991	1.9	19,051	0.7	34,940	183.4
Net investments	172,500	6.2	184,220	6.9	(11,720)	(6.4)
Loans	1,588,628	57.1	1,668,699	62.8	(80,071)	(4.8)
Total	2,783,851	100.0	2,656,219	100.0	127,632	4.8

2.8 Maintaining of liquid assets

As of December 31, 2019, the Bank recorded higher liquidity than the previous year. The liquidity assets to deposits ratio, loans to deposits/debentures ratio and dependence on large funding source ratio were within the risk limit and risk triggers set forth.

The Bank has a Liquidity Risk Management Policy to use as a guideline for its liquidity risk management and is reviewed annually to suit the changing circumstances and transactions of the Bank. Risk limits and risk triggers have been set for maintaining liquid assets to deposits ratio to ensure that the Bank has adequate liquid assets for its operations, with Assets and Liabilities Management Committee (ALCO) to take charge of overseeing and ensuring adequate liquidity for the operations. Liquidity risk management procedure has been developed consistently with conduct of stress testing, review of liquidity contingency plan, liquidity risk reporting system, and so forth.

2.9 Cash Flow Analysis

For the year ended 31 December 2019, the Bank recorded cash and cash equivalent items of 31,422 Million Baht, a decrease of 2,442 Million Baht or 7.2 % from the end of 2018, comprising:

- Net cash from operating activities amounted to 37,558 Million Baht, with operating profits before changes in operating assets and liabilities of 38,893 Million Baht and an increase in operating liabilities of 79,037 Million Baht while an increase in operating assets of 80,372 Million Baht.
- Net cash used in investing activities in the amount of 57,820 Million Baht, due to cash payables on investments in securities of 206,562 Million Baht, cash payables on purchase of premises and equipment of 2,075 Million Baht, cash payables on purchase of investments in associates of 174 Million Baht, cash payables on purchase of intangible assets of 130 Million Baht and cash payables on leasehold rights of 2 Million Baht. Cash receivables on sales of investments in securities amounted to 148,654 Million Baht, cash receivables on sales of investments in associates of 2,100 Million Baht, cash receivables on dividends from associates of 329 Million Baht and cash receivables on sales of premises and equipment of 40 Million Baht.
- Net cash from financing activities was 17,823 Million Baht, from long-term debt securities of 30,500 Million Baht and contributed to the Ministry of Finance as state revenue of 12,677 Million Baht.
- The effect of the change in exchange rate on cash decreased by 3 Million Baht.

2.10 Credit Ratings

As at 31 December 2019, the Bank's credit rating has been stable at the "AAA" rating since the end of 2018, organized by credit rating agency called TRIS Rating. The good rating reflects a strong business status and good financial performance of the Bank as well as having a high level of possibility that the government will support when the Bank has financial problems. The Government Savings Bank Act, B.E. 2489 (1946) stipulates that the obligations of the Government Savings Bank in respect of repayment of principal, loans, interests on deposits and other repayments will be guaranteed by the government. Details are as follows:

Credit rating agency	December 31, 2019	December 31, 2018
TRIS Rating		
Organization rating	AAA	AAA
Trend of credit rating	Stable	Stable

3. Results of Operations in Comparison with Targets of 2019 Projects/Plans

GSB has mapped out a 5-year corporate plan, operation plan, annual budget as well as business plan for each customer group to use as guidelines in operations. The planning process has been integrated with the concepts of BSC, EVM, Risk Management and SEPA systems. The Bank has organized workshops for committee members, senior executives, and executives at group/functional line/regional levels. Plans have been communicated into actions via various channels and incorporated to KPIs, from the Bank level to individual level.

At the end of 2019, the operating performance was as follows:

Unit: Million Baht

Finance	Plan	Operation result	Difference from plans
Net profit	23,530	24,208	Other operating income was higher than the plan, while other operating expenses and allowance for doubtful accounts was lower.
Net increase in deposits	94,000	114,522	The Bank raised funds through branches and financial institutions' customers to compensate deposits with maturities in 2019 of more than 1.4 Trillion Baht and issued 2 debentures issued in 2019 amounting to 30,500 Million Baht to manage costs and Match Fund with long-term loans.
Net increase in loans	76,200	40,819	Due to the economic slowdown and high household debt situation, the Bank was therefore strict in granting loans to control debt quality as well as receiving loans repayments of over 500,000 Billion Baht. Besides, loans for government, state enterprises and financial institutions also increased.
NPLs of total loans (%)	≤ 3.10	2.65	The Debt Control and Management Center closely followed up 1 - 3 month SM and TDR debtors to repay their debts as scheduled and improved the integrated debt management process, including developing the application for debt collection (COMO).
NIM (%)	2.26	2.23	Net interest income was lower than the plan due to the reduction of interest rates on loans following the policy rate, deposit interest rate slowdown, together with the additional reserve cost of life insurance deposits (long-term insurance contract) according to TFRS4.
Cost/Income (%)	49.11	47.61	Managing operating expenses to be lower than the plan by improving the process to reduce costs and increase operational efficiency and profit measurement by product.

Non-finance	Operating Performance in 2019
1. Sustainable Development : SD	
Children and youth	
<ul style="list-style-type: none"> Promoting savings and creating financial disciplines through school banks/virtual school banks. 	<ul style="list-style-type: none"> Opening 1,256 School Banks, with savings of 966 Million Baht. Opening 1,595 Virtual School Banks, with 218,404 students participated in the program through various activities, accumulating 425,392 students. There were 2,001 students who received G Coins and exchanged them for their scholarship for 2 Million Baht each.
<ul style="list-style-type: none"> Supporting and developing career potential. 	<ul style="list-style-type: none"> Organizing School Bank Sports events, with 23,915 students participated. Organizing Symphonic Band Contest/Thai folk songs, with 9,328 students participated. Sponsoring Academic Contests (Mathematics, Science, Thai, English, History, Buddhism), with 177,557 students participated. Providing knowledge and skill through GSB activity “Fulfill the dream, Create morality and Leading to University”, with 3,388 students participated.
Grassroots/ Unserved-Underserved / State welfare card holders	
Promoting and improving the quality of life of people through 3 mechanisms.	
<ul style="list-style-type: none"> Creating financial literacy and improving career potential. 	<ul style="list-style-type: none"> Organizing financial literacy training <ul style="list-style-type: none"> Grassroots people and state welfare card holders: 181,723 persons; Financial advisor (health clinic): 22,781 persons; Developing customers who entered rehabilitation process (Underserved) : 78 persons. Develop career potential through the People’s University project: 21,050 persons Cooperating with the German Savings Banks Foundation for International Cooperation-SBFIC and the Fiscal Policy Office (FPO) to develop financial literacy systems in Thailand, with 711 persons participated. Encourage retail shops to accept payment via QR Payment (MyMo Pay & GSB Pay & GSB Payment Gateway), with 288,391 stored installed the system.
<ul style="list-style-type: none"> Creating marketing and sales channels 	<ul style="list-style-type: none"> Organizing Pracha Rat Wayupak Rak Prachachon and GSB Pracharat Market Tourtin Thai flea market, with 1,925 stores participated in the event. Promoting ecotourism by organizing “GSB Smart Home Stay” contest to enhance community tourism and improve a quality of life for people in the community.
<ul style="list-style-type: none"> Creating financial profile 	<ul style="list-style-type: none"> Encourage retail shops to accept payment via QR Payment (MyMo Pay & GSB Pay & GSB Payment Gateway), with 288,391 stored installed the system.
Elderly group	
<ul style="list-style-type: none"> Promoting savings for retirement. 	<ul style="list-style-type: none"> Deposit products such as elderly public demand deposits and special elderly demand deposits, with 73,729 customers. Loan products such as housing loans for parents, public loans for elderly and housing loans for elderly (Reverse Mortgage), with 2,923 customers.
<ul style="list-style-type: none"> Creating good environment and potential development. 	<ul style="list-style-type: none"> Organizing potential development activities, with 1,045 people participated.

Non-finance	Operating Performance in 2019
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SMEs Startup group

- Creating opportunities and developing potential to become SMEs Startup entrepreneurs
 - “10 Teams of GSB Savings from Hundred to Million” project which aimed to promote and support youth aged 16-25 years to create new business concepts, to learn and enhance business experiences.
 - “GSB Innovation Club” project in 20 places which provided a co-working space in universities for organizing “Smart Start Idea Contest” to stimulate creative ideas and new innovations that can be further developed and apply in a real business in the future.

2. Product development and service channels

new financial products and service innovations

- Online pre-screening via Line GSB Society is a system for preliminary checking the qualifications of loan customers, with 371,492 users.
- GSB Smart SMEs application is an online SMEs business loan application for corporate customers, with 529 users.
- Cooperating with Counter service in 7-Eleven to provide cash deposit/ withdrawal services via customer’s account and GSB mobile banking application, with 1,123,330 transactions

Service channels

- Opening 5 Digital Branches to provide Video Teller Machine (VTM) services with a self-service feature for customers to communicate with employees via the VTM screen 24 hours a day.
- Developing an account opening system via Smart Device for offsite services to provide services to customers in the community.
- Launching Queue Mobile Application for online queue reservation service
- Launching MyMo MyFund: a service for trading investment units via MyMo Application.
- Cooperating with Dhipaya Insurance to provide international travel insurance service via MyMo Application.

3. Enhancement of fundamental capabilities to keep pace with changes in the digital age.

Management of organizational structure and processes

- Establishing 18 retail credit approval bureau.
- Establishing 82 SMEs Business Sub-centers.
- Establishing 74 Debt Control and Management Centers (18 districts).
- Organizing the Bank’s structure, manpower and improve processes to support Traditional/Social/Digital Banking.

Human resource management and development

• Developing executives, staff and employees.

- In class Training 41,170 participants
- E-learning: 118,369 persons, 119 courses comprising
 - 1) 36 Human Resources courses, with 3,754 participants.
 - 2) 35 Internal Audit/Control Risk Management and Anti-Corruption courses, with 71,083 participants.
 - 3) 8 Banking business courses, with 386 participants.
 - 4) 9 Information technology courses, with 25,389 participants.
 - 5) 8 Risk management courses, with 643 participants.
 - 6) 23 Other courses, with 17,114 participants.

Non-finance	Operating Performance in 2019
<ul style="list-style-type: none"> Developing executives to become a successor. 	<ul style="list-style-type: none"> 90 Successors include <ol style="list-style-type: none"> Senior Executive Vice President: 6 persons Executive Vice President: 16 persons Senior Vice President, Department/Regional officer: 68 persons
<ul style="list-style-type: none"> Developing high potential employees/ providing scholarships to employees. 	<ul style="list-style-type: none"> Talent: 30 persons Providing 8 scholarships for Master's degree and Doctorate degree for officers throughout the Country. Providing 18 scholarships form online MBA for officers.
<ul style="list-style-type: none"> Developing and maintaining online learning systems. 	<ul style="list-style-type: none"> Improving the performance management tools in the form of digital platform via MEMO (Modern officers on Mobile)

Developing work systems to support business operations.

- Developing the system to support the National e-Payment policy;
- Developing AML / CFT information system for reporting transactions and detecting financial transactions;
- Developing Application Fraud Detection system to prevent credit applications that are at risk of fraud;
- Developing Collection Scoring Model to support the model of collection and debt collection;
- Developing Credit Scoring Model (for SMEs loan customers with credit not exceeding 20 Million Baht) to support a risk measurement model that can screen quality customers;
- Developing Behavior Scoring Model to support behavioral risk models;
- Developing work systems to support IFRS9;
- Improving the efficiency of Fax Server system to automatically send credit query information to the LOR system.

Overall budget approved in 2019 was 42,326 Million Baht, with actual disbursement of 31,868 Million Baht, including the savings from operations/procurement of 1,432 Million Baht, accounting for 79% of the budget. disbursement for operating expenses was 93% of the budget while disbursement for capital expenditure was 40% of the budget.

4. Operating Performance for Projects Under the Government's Policy

Projects under the government's policy	Period	Credit line (Million Baht)	Number of participants	Outstanding loans (Million Baht)
1. Loan project to help self-employed entrepreneurs affected by the flood and hurricane in 2010	2010 - 2016	2,000	58	0.01
2. Financial assistance project for business operators in the three southern border provinces	2010 - 2013 Period extension 1 st session to the end of 2014 2 nd session to the end of 2017 3 rd session to the end of 2022	25,000	57	21,189
3. Loan project to develop flood protection system for industrial estate/Park/industrial zone	2013 - 2028	15,000	5	1,622
4. Loan project to build flood protection system in industrial estate	2013 - 2028	3,546	1	1,501
5. Measures for promoting well-being (village level)	2015 - 2023	30,000	20,508	11,542
6. Low interest loan project for working capital of Small and Medium Enterprises (SMEs)	2015 - 2022	100,000	18	55,685
7. Low interest loan project for working capital of Small and Medium Enterprises (SMEs) Phase 2	2016 - 2023	50,000	17	21,049
8. Pracharat housing loan project	2016 - 2046	20,000	6,569	4,030
9. Low interest loan project to help fishermen "Thailand's Fisheries Move Forward"	2016 - 2025	500	370	222
10. "Pracharat Loan For People" project	2016 - 2021	Unspecified	19,463	218
11. Low interest loan project to modify machinery and increase productivity for Small and Medium Enterprises (SMEs)	2016 - 2024	30,000	16	14,751
12. Measures to solve the public debt problems under the government's policy	2016 - 2036	Unspecified	8,621	4,816

Projects under the government's policy	Period	Credit line (Million Baht)	Number of participants	Outstanding loans (Million Baht)
13. "Pracharat Loan For People" project for people affected by disaster	2016 - 2036	4,000	2,958	44
14. Loan project to relieve the sufferings of Small and Medium Enterprises (SMEs) affected by the flood in 2017	2017 - 2022	2,500	3	1
15. Retail loan project for emergency use	2017 - 2022	5,000	94,032	1,346
16. Transformation Loan project (low interest loan to modify machinery: phase 2)	2018 - 2025	20,000	55	4,766
17. Retail loan project for emergency use: phase 2	2018 - 2025	10,000	221,464	6,603
18. Government welfare card holder potential development project - Loans for government welfare card holder potential development (3 Projects) 1) GSB Home Stay 2) Franchise business loan 3) Street food loan	2018 - 2025 2018 - 2025 2018 - 2028	Unspecified	538	15
Total			374,753	149,400



Risk Management



1. Risk Management Overview

Nowadays changes in economy, society, customer behavior and the development of innovation or technology has brought about new products and services to replace old innovation or technology (Disruptive Technology), which is the challenge of the organization to run its business in the age of rapid technological change. GSB realizes the importance of changes, therefore, to keep up with the advancement of the digital world era, the Bank emphasizes on a comprehensive risk management process in accordance with the rules of regulatory agencies and international standard practices along with the Bank's business operations, good governance, integrated risk management and internal control. The Bank also improves risk management in terms of tools, systems, and data to be able to manage risks in all dimensions, balances business opportunity creation and intelligent risk management, increases efficiency in control as well as monitoring operations (3 lines of Defense) to grow steadily and sustainably, resulting in the ability to compete and provide efficient services to customers.

GSB adheres to the principles of integrated risk management that cover risk management throughout the organization. The GSB Board of Directors sets up the risk management policy framework and appoints the Risk Management Committee to express opinions and suggestions to management team to ensure appropriate risk management in accordance with the Bank's policy, international standards and the guidelines of the regulator agencies and to cover all risks and important issues. The risk owner is responsible for risk identification, evaluation of risk level, implementation of risk management measures to ensure that risks are at an acceptable level (Risk Appetite), monitoring, reporting risk status as well as reviewing adequacy and efficiency of the risk management measures to ensure that risks are promptly managed. Meanwhile, the Risk Management Group is in charge of coordinating and supporting the risk owner for the operation according to the policy; reporting significant risk status to the GSB Board of Directors and Risk Management Committee on a regular basis; reporting the risk management results to the Audit Committee; and also continuously raising awareness on risk management and communication until it becomes part of the corporate culture.

2. Risk Management Structure

The Bank determines a Committee structure to oversee risk management strategy and policy as well as monitoring risk management operations and implementations of the management to ensure that the risk management is in accordance with the principles of corporate governance and compliance with laws, regulations and announcements, which is an important mechanism that drives the operation's success. Main committees of risk management are as below:

1) **GSB Board of Directors** has duties to establish the Bank's vision, direction, and strategy as well as taking into account all possible risks to ensure efficient and effective management implementation in line with the determined vision, direction, and strategy.

2) **Risk Management Committee** has responsibilities to identify, review as well as approving risk management policy, risk management master plan, risk management strategies and plans in various perspectives to suit the changing circumstances and transactions of the Bank. The Committee also evaluates, monitors, oversees risks to ensure that they are at appropriate level. The Bank's risk status is regularly reported to the Board of Directors and the Audit Committee. Besides, the Risk Management Committee Charter requires the Bank to focus on operational integration regarding Good Corporate Governance, risk management and compliance with the requirements of law, regulations, announcements and criteria to achieve Integrity-Driven Performance.

3) **Good Corporate Governance Committee** is responsible for defining policies, strategies, goals, operation plans and regulations related to good corporate governance; reviewing of bank credit in accordance with laws and regulations, rules and procedures for good governance; reviewing of policies; and assessing the effectiveness of risk management in compliance with rules as necessary and appropriate. The Committee also emphasizes on operational integration regarding Good Corporate Governance, risk management and compliance with the requirements of law, regulations, announcements and criteria to achieve Integrity-Driven Performance.

4) **Audit Committee** has a role in reviewing the efficiency and effectiveness of the internal control process, good corporate governance process, risk management process, compliance with laws, rules, regulations, operational procedures, Cabinet's Resolutions and the Bank's announcements or orders as well as considering related-party transactions or transactions that may cause conflicts of interest or fraud which may affect the Bank's operations.

5) **Executive Committee** has a role in considering and proposing policies, strategies, business plans, management control plans, investment direction and regulations, loan issuance plans and other GSB businesses as well as recommending appropriate and effective organization's structure to the Board of Directors.

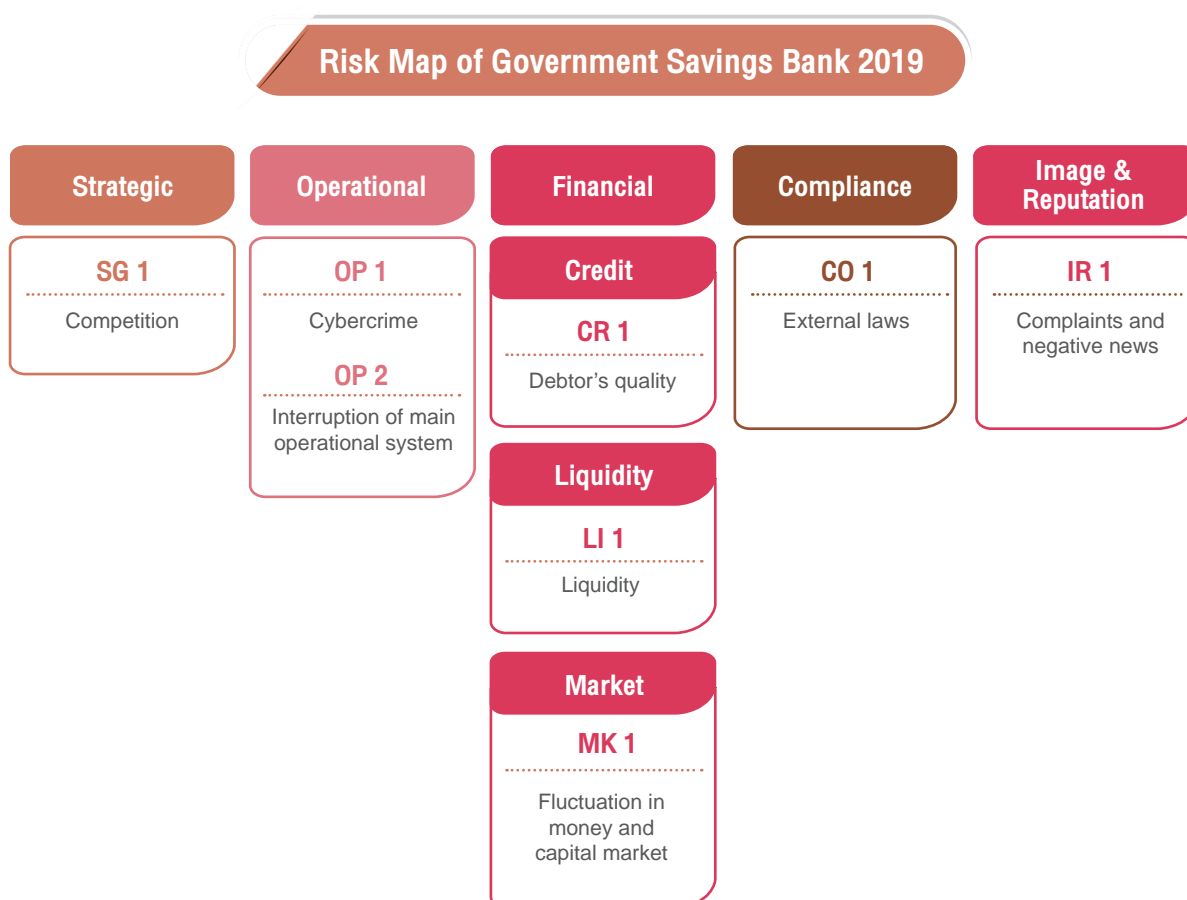
6) **Asset and Liability Management Committee** is in charge of establishing policies and guidelines for asset and liability management, identifying risk management strategy for interest rates, liquidity, exchange rates and other related matters to be aligned with the Bank's risk management policy.

Furthermore, there are additional committees who are in charge of risk management in main businesses such as Credit Committee, Investment Committee, Business Continuity Management Committee and Fraud Prevention Committee.

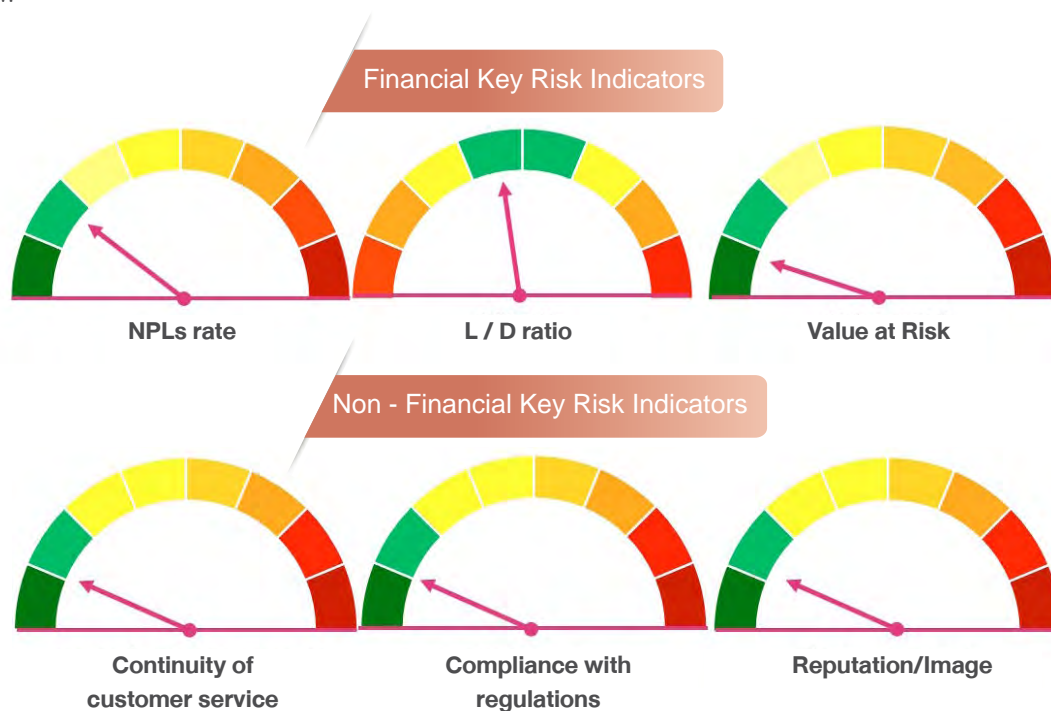
3. Risk Map

The Bank has applied the COSO ERM 2017 and Regulations on Risk and Security of Specialized Financial Institutions, in accordance with the Bank of Thailand's notification, in Enterprise Risk Management through risk management tools. The objectives of the Risk Map is to control, reduce and prevent risks that may affect the Bank's objective setting, both financial and non-financial, to be at an acceptable level in order to efficiently achieve the Bank's objectives. The Business Unit and the Support Unit, who are the Risk Owner, play a key role in reviewing all risks, along with setting objectives and annual action plans/projects. The identification of key factors is related to Strategy Map and Key Performance Indicators (KPIs) and the risk measurement criteria must be consistent with the financial projections. In case of unforeseen events, the risks are also analyzed in order to specify measures to reduce and control risks to an acceptable level.

Moreover, the Bank also analyzed Portfolio View of Risk to determine the impact of risk factors which had quantitative and qualitative relationships which were likely to cause risks simultaneously and affected BIS Ratio. Therefore, the Bank established management guidelines in case that BIS Ratio tended to be lower than specified risk level. In 2019, The Bank had risk factors as follows:



In addition, the Bank has emphasized on Key Risk Indicators (KRIs) to notify early warnings that exceed the Risk Appetite and/or Risk Tolerance level by sending email to the group executives or relevant team to monitor and review risk levels, determine risk management measures/plan to keep up with the current situation, and reduce/control risks by considering the appropriate cost of risk. Examples of KRIs are as below:



4. Strategic Risk

Strategic Risk is the risk arising from the Bank’s strategies, action plans and implementations that are inappropriate and unaligned with internal factors and external environments, which adversely affects the Bank’s revenue and capital fund. Therefore, GSB Board of Directors and senior executives determine strategic risk policy and guideline, which will be reviewed and improved to keep pace with the current situation and follow up on strategic risk reports regularly to ensure that risk levels will not exceed the acceptable risk level. (Risk Appetite).

In 2019, the Bank faced with strategic risk factors, especially from the Digital Disruption or changes resulting from the application of digital technology and new business models which affected product and service values in the financial industry, resulting in intense competitions in the new financial technology (Fintech) which applies strategic alliances to expand a large number of customers in a short time under the economic slowdown and tighter regulations/measures such as Market Conduct, Single Accounting Standards, Financial Reporting Standards: Insurance Contracts (TFRS4) as well as preparation to support the Financial Reporting Standards No.9: Financial Instruments (TFRS9). All of these had an impact on the Bank’s performances, operating costs, work process adjustment, product and service presentation, personnel preparation, and technology investment to increase service management efficiency and to prevent new forms of cyber threats. The Bank’s revenues declined: net interest income decreased due to the downtrend of interest rates as well as net fees and service income due to the cancellation of transaction fees via digital channels.

Therefore, the Bank has placed importance on strategic risk by focusing on product and service

developments that efficiently respond to the needs of each customer group. Importantly, the Bank has established the Digital Banking Business Development Department to establish strategies and develop digital banking products and services to meet the needs in the digital age anywhere, anytime and increased the capability of the application “MyMo” on savings, investment and insurance services. In addition, the Bank launched GSB Research Center to support information/news and research results on economy, business and grassroots economy; along with the Data Virtualization Project to support Big data analysis and the development of new financial service innovations. In addition, the Bank has focused on Risk Management, both information security and availability of customer service systems, with the Information Security Committee and the Change Management Committee to oversee the risk management, potential impacts of strategic changes or information technology directions, and the launch of new products and services that may affect the Bank’s technological structure in order to build trust and satisfaction with customers and partners to use the Bank’s services and continuously support the Bank’s operations.

5. Market Risk

Market Risk is the risk arising from interest rate movements, fluctuations in foreign exchange rates and changes in the price of financial and market instruments that cause negative impacts on the Bank’s revenues and capital funds.

In 2019, the global economy slowed down and experienced its lower expansion than expected due to the protracted trade war between the United States and China, affecting the production, export and private investment. Meanwhile, the monetary policy’s direction continued to be more relaxed and applied more economic stimulus measures. However, the Bank also monitored uncertainty factors of trade measures and the relaxed monetary policy of central banks around the world to maintain economic growth such as the reduction of the Policy Rate and Quantitative Easing (QE) application.

Thai economy also slowed down due to weak domestic and foreign demands as well as the decreased export volume of goods and services, caused by trade barriers between the United States and China. Meanwhile, crude oil prices continued to rise, due to tensions in the Middle East. Increasing household debt caused the Monetary Policy Committee to reduce the policy rate 2 times to 1.25 percent in order to stimulate the economy.

GSB carefully manages portfolios according to investment policy, Trading Book policy and risk management policy set by the Board of Directors. The Risk Management Committee is responsible for approving the measurement systems in order to control the risk to be at an acceptable level (Risk Appetite). The Asset and Liability Management Committee oversees interest rates and interest rate risk management in accordance with the circumstance as well as closely monitoring investment portfolios and risk exposure. The Bank’s market risk management in 2019 are summarized as follows:

- 1) Review of market risk management policy and interest rate risk management in banking book policy to ensure its alignment with the regulatory criteria of the Bank of Thailand.

- 2) Development of market risk assessment/measurement and control tools, consisting of
 - Assessment of impacts from risk factors which may affect investment portfolio values such as Mark to Market and Present Value of 1 basis point: PV01.
 - Assessment of potential maximum losses from transactions in normal situations by using the Value at Risk (VaR) model to measure risks in the event of changes in risk factors under the confidence level and specified holding period. Back Testing was regularly conducted in accordance with the Bank of Thailand guidelines.
 - Assessment of interest rate risk by timing-mismatch analysis of maturity and interest rate change of assets and liabilities (Repricing Gap) and assessing the impact on the Bank's future net interest income (NII Sensitivity).
 - Review of risk limits and risk triggers for both trading and banking account transactions to suit the changing situations, such as NII Sensitivity, PV01, VaR, etc.
 - Stress Test for the market and interest rates by setting a simulation situation that may arise from drastic changes in market risk and interest rates factors, which impair the Bank's revenues and capital funds. The test comprises situations referred to the Bank of Thailand's guidelines and to the Bank's additional requirements. The results of the Stress Test are reported every quarter.
 - Assessment of efficiency of risk hedging derivatives to ensure that derivatives are actually effective for risk prevention.
- 3) Monitoring and Reporting Market Risk consists of:
 - Preparation of investment and market risk status reports on daily, monthly and quarterly basis for submission to relevant committees and executives.
 - Utilization of the Investment System for monitoring and controlling risks. The system can give early warning before the incidents of damage or risks exceeding the acceptable level and suspend transactions before exceeding the specified risk limit.

6. Liquidity Risk

Liquidity Risk is a Bank's possible inability to meet its short-term debt obligations as a result of a Bank's inability to convert its current assets into cash without a loss of capital or a failure to acquire appropriate funding. This may affect the Bank's revenues and capital funds. In addition, Liquidity Risk can be caused by the inability to terminate or offset risks with the assets in hand, causing the assets to be sold at the price lower than the cost of purchase due to low liquidity of the assets or market liquidity shortage.

In 2019, the overall liquidity of Thai Commercial Banking system increased from the previous year as the deposit and B/E growth were higher than loan growth. Bank deposits were increased owing to the launch of special deposit products, including fixed deposits in large Commercial Banks. Due to the limited growth of the economy in accordance with the global economy affected by the trade war between the United States and China, SMEs loans and business loans, related to the export sector continued to slow down. Retail loans continued to slow down as well due to the reduction of consumer loans, with decreased purchasing power and relatively high household debts. Meanwhile, housing loans were affected by the

enforcement of the LTV measures. However, government loans increased due to investments in public infrastructure, including the reduction of Banks' loan interest rates according to the reduction of policy rates and government stimulus measures such as 'Eat, Shop, Spend' campaign, "Visit Thailand with 100 Baht" campaign, and "Weekday Shock Price" campaign. These were supporting factors for loan growth in the second half.

GSB has provided loans to the government, individuals and many government projects like the Pracharat loans. In terms of deposits, the Bank has offered deposits with attractive benefits such as special demand deposits for a period of 5 months, 8 months, and 11 months; deposits to promote Buddhism ("Ommboon" demand deposit and "Oomboon" 12-month fixed deposit); 1-year, 3-year and 5-year special GSB lottery; and 5-7 year GSB bonds in order to have an appropriate structure of assets and liabilities and be able to manage costs and risks in accordance with the loan lending period, allowing the Bank to have sufficient liquidity to support each period of operations as well as managing the risks to be at an acceptable level.

The GSB Board of Directors has established the policy for a liquidity risk management. The Risk Management Committee is responsible for approving, monitoring and controlling of liquidity risk measure and system. The Asset and Liability Management Committee (ALCO) is in charge of determining the asset and liability management guidelines, setting strategies for managing liquidity risk, and controlling the risk to be at an acceptable level (Risk Appetite). In addition, the liquidity management working group is responsible for managing liquidity; overseeing deposits, investments and loans to be in line with the Bank's business strategy to maintain the Bank's liquidity at an appropriate level and be able to comply with financial obligations. The Bank's liquidity risk management in 2019 are summarized as follows:

- 1) Review of liquidity risk management policy in accordance with the Bank of Thailand' regulations as well as the Bank's business strategy and business plan.
- 2) Development of liquidity risk assessment/measurement and control tools, consisting of
 - Preparation of Liquidity Gap report: remaining contractual period and behavioral pattern, and preparation of Funding Concentration report.
 - Measurement and assessment of liquidity risk using financial ratios, such as loans to deposits ratio, liquid assets to deposits ratio, large capital sources dependency ratio, etc.
 - Review of Risk Limits and Liquidity risk warning (Triggers) as well as identifying high quality and high liquidity assets (Liquidity Cushion) in order to have sufficient liquidity to support business operations.
 - Liquidity Stress Test by setting simulation situations according to the Bank of Thailand's guidelines: (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.
 - Review of Contingency Liquidity Plan by defining roles and responsibilities of the Board of Directors, executives and related departments, including working processes. Besides, Early Warning Indicator was set to indicate unusual liquidity and monitored regularly. The emergency liquidity plan was also tested to ensure its preparedness to cope with liquidity crises promptly.

- 3) Monitoring and Reporting Liquidity Risk, consisting of:
 - Preparation of liquidity risks status reports on daily, monthly and quarterly basis for submission to relevant committees and executives.
 - Utilization of Asset and Liability Management: ALM for analyzing and assessing liquidity risk.

7. Credit Risk

Credit Risk is the possibility of loss resulting from the Bank's customers or counterparties' failure to repay loans, or meet contractual obligations, resulting in downgrading of credit ratings which may impact the Bank's revenues and capital funds.

The Bank has closely monitored the uncertainty of current economic and social conditions in order to appropriately improve credit provision criteria and credit risk management. The Bank focuses on developing systematic credit risk management in accordance with good practice standards, improving credit approval processes, developing credit risk management tools to support the growth of loans and investments, including monitoring and controlling credit risk to an acceptable level. Details are summarized as follows:

1. Determine Credit Risk Management Policy to have effective credit risk management in the same direction and conform with the Bank's strategy and policy.
2. Determine business credit policy in order to use as a framework and standard guidelines for efficient business loan performance.
3. Determine retail loan policy in order to use as a framework and standard guidelines for effective retail loan performance.
4. Determine policy for classification and retention of bank reserves to use as a guideline for classifying and retaining bank reserves to create stability. Sufficient reserves will allow the Bank to avoid significant adverse effect that may arise from the impairment of assets held by the Bank.
5. Determine policy and the minimum criteria for risk acceptance for credit cards and cash card loans in order to use as a framework for providing credit cards and cash card loans.
6. Determine the authority to review and renew the business credit line, including reviewing the process and procedure to align with the organizational structure by setting Check & Balance process that complies with the principles of good risk management.
7. Set criteria for considering repayment ability.
 - 7.1 Set a standard criteria for considering repayment ability of retail loan customers to ensure that borrowers have enough money to support their living and to prevent future NPLs.
 - 7.2 Set net profit standards for each business to be used as a basis for calculating the repayment ability.
 - 7.3 Define the Credit Criteria Processing System (CCPS) for calculating the debt burden according to the criteria set by the Bank in order to calculate the repayment ability within the same standard.

8. Specify the Credit Product Program (CPP) to be used as a preliminary guideline for business loan consideration, business credit risk consideration for credit approval and renewal credit limit with business loans and/or total exposure not exceeding 20 Million Baht (Check List).
9. Determine Industry Limit to use as a guideline for credit approval and ensure that credits are not too much concentrated in any particular business.
10. Determine limits or loan ceiling, investment or commitments for each counterparty country (Country Limit) so that the Bank has a risk protection system for the counterparty country as well as having sufficient and appropriate reserve funds to support the impact that may occur from increased transactions.
11. Review of qualification criteria of leading financial institutions to use as a basis for considering interest rates for leading financial institutions.
12. Development and improvement of credit risk measurement model which comprises Credit Scoring Model (such as Application Scoring, Behavior Scoring, Collection Scoring), Credit Risk Rating Model and Credit Risk Rating for Small Business Model so as to screen and evaluate customer risk appropriately and more efficiently, including applying the Credit Bureau Score for consideration in conjunction with risk measurement model for retail loans and all types of business loans.
13. Development of work system to support the Bank's credit approval process up to the standards and to increase efficiency of risk management, such as
 - 13.1 Loan Origination and Process System (LOPs), consisting of Loan Origination System (LOR), Collateral Management System (CMS) and Litigation System (LS) to increase efficiency of loan approval process and competition ability.
 - 13.2 Systems for analyzing information of corporate customers and credit 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 Database system for risk management (Risk Data Mart) to support Capital Calculation, Stress Test and Credit Portfolio Management.
14. Monitoring and controlling credit risk, consisting of
 - 14.1 Set single lending limit to control risks and prevent the Bank from lending, investing, creating obligations, conducting transactions similar to granting credits to any person and to avoid Concentration Risk in any debtor or concerned parties.
 - 14.2 Monitor Industry Limit to diversify risks and prevent excessive concentration in any business sector.

- 14.3 Monitor credit limit or loan ceiling, investment or commitments for each counterparty country (Country Limit) to control risks and avoid concentration in one country or a particular group of countries which are economically related.
- 14.4 Due Diligence in credit operations in accordance with the regulations set by the Bank and the guidelines of regulatory agencies.
- 14.5 Monitor structure and quality of loan portfolios to be in line with the Bank's policy as well as monitoring and controlling credit concentration regularly such as credit concentration by business loan type and a group of debtors to ensure that the Bank has sufficient capital funds to continue its business operations in case of unexpected events, which may affect a particular group of debtors or any business sector.
- 15. Establish Debt Management Process to prevent and fix overdue debts as well as proceeding with lawsuits or compromise and Management of Non-performing Assets.
- 16. Provision of training and skill development to increase capacity and skills in credit, investment and credit risk management and continuously supporting the creation of a credit risk management culture for relevant employees.
- 17. Monitor and report risk to the Risk Management Committee and related Committees on a regular basis.
- 18. Improvement of the process of analyzing and approving retail loans which is a centralized analysis and approval to be a standard for Check and Balance in loan approval processes.

8. Operational Risk

Operational Risk is the risk of loss resulting from lack of good corporate governance in relation to internal work process, personnel, work systems, or external circumstances, which affect the Bank's revenues and capital funds. These also include legislative risks.

In 2019, the Bank's operational risk continued to increase due to external factors, especially scams of outsiders, such as Phone scams: scammers called a member of public pretending to be GSB Bank's officers and requested for personal identification numbers, OTP and password for accessing "MyMo", a mobile banking application; credit card or debit card scams: copying a customer's card information to transfer money and made purchases; and stealth of card information. All these events affected costs, reputation and image of the Bank. Therefore, the Bank has given importance to efficient operational risk management, by educating and advising customers on securities as well as developing more secure systems to reduce significant operational risk levels and be able to cope with unexpected situations appropriately and in time. To increase competitiveness, the Bank has focused on providing services and developing more digital products. As a result, the Bank has assigned the IT Security department to monitor and prevent IT threats and risks. In addition to Cyber 7x24, system testing is conducted annually.

The Bank has operational risk management processes. Every department is required to specify, access, control, monitor and report risks to the executives and related Committees regularly, to acknowledge and control operational risks to an acceptable level. Operational risk management tools include:

- 1) **Risk Control Self Assessment (RCSA)** is a tool to identify, evaluate and control risks, including the preparation of key risk management plan in order to allow the Bank to manage and cover significant risks and have adequate and appropriate risk control to an acceptable 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** is a tool that helps monitor operational risk, occurred in the past and present. The Bank stores loss data through Loss Data system to facilitate report preparation. Loss data is collected systematically, helping the Bank analyze and monitor risks efficiently.
- 3) **Key Risk Indicators (KRIs)** is a tool to monitor the Bank's risks and to be used as an early warning signal when errors occur or risks exceed an acceptable level. Therefore, the Bank must have a proper management plan to prevent any damage.
- 4) **Business Continuity Management (BCM)** is a tool to relieve level of severity caused from the Bank's risks by establishing policies, standards, work processes as well as conducting Risk Assessment (RA) and major threats that affect the Bank's ongoing services. In addition, Business Impact Analysis (BIA) is performed to determine the important sequences of critical transactions and then implementing the Business Continuity Plan (BCP), the Disaster Recovery Plan (DRP) and performing regular tests to ensure that in the event of the disruption of normal operations, the core transactions can be carried on uninterruptedly and restored at the right time. In 2019, the Bank conducted Bank-wide BCP Testing Exercise, in which senior executives participated, by simulating serious disasters, including cyber threats which affected many departments' operations as well as many bank transactions. The Disaster Recovery Plan (DRP) for core banking system was also tested.

Moreover, the Bank has established policies and regulations to enhance the Bank's operational risk management:

- Operational Risk Management Policy is a tool to define operational scope and guidelines for 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 create sustainable values to the Bank and stakeholders, in accordance with the good operational risk management practices. The Bank also has sufficient and appropriate capital calculation principles to prepare for the Bank's operational risks.

- New Product Policy is used as a framework and guidelines for launching new products to increase the Bank's competitiveness, create revenue growth, and expand customer base. Besides, clear and standardized product launch is an important process that helps reduce failures.
- Business Facilitator Policy is used as a framework for using services from business facilitator that the Bank hires, assigns or appoints to perform tasks on its behalf or parts of the tasks. Three main principles comprise risk management from using Business Facilitator, business continuity management and customer service/customer protection by focusing on a system to secure customers' information. This policy is in accordance with the Bank of Thailand Notification: Regulations on Use of Services from Business Facilitators of Specialized Financial Institutions.
- Business Continuity Management Policy and Business Continuity Management Framework are used as a guidelines for the Bank's business continuity management to ensure that in the event of the disruption of normal operation, the core transactions can be carried on uninterruptedly and restored at the right time, consisting of Risk Assessment (RA), Business Impact Analysis (BIA), operational recovery targeting . Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP).
- Insurance Policy is a guideline to ensure that the Bank's assets, liabilities or potential damages are appropriately insured and cover possible risks, with a centralized center for effective insurance management, in line with regulatory agencies' guidelines. The Bank also has guidelines for selecting secure and efficient insurance companies to ensure acceptable level risks.

The Bank annually reviews policies to be in line with changing environments such as operations, organizational restructuring, and revision of regulations of regulatory agencies so that regulatory agencies, the Bank Board of Directors and stakeholders remain confident of the Bank's management and operational risk management efficiency.

9. Capital Adequacy

Capital adequacy risk occurs 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 gives importance to efficient capital management by maintaining minimum capital funds stipulated by the Regulations on Supervision of Capital for Specialized Financial Institutions by the Bank of Thailand. The capital adequacy is calculated based on Basel III (Pillar I), using the following methods:

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



In addition, external and internal factors that may affect the Bank’s fund status are monitored and analyzed, then reported to the Risk Management Committee on a regular basis. Risk factors and events that may affect the capital adequacy are tested in a form of the Portfolio View of Risk. If the test results indicate 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 appropriate capital level in line with risk profile and business model. Besides, the Bank also considers the systematic significance of financial institutions, including the strength of capital funds and liquidity status of the Bank.

As of 31 December 2019, the Bank had a BIS Ratio of 15.52 %, higher than the minimum requirement set by the Bank of Thailand, of no less than 8.5%, with Tier-1 capital ratio of 13.97%, higher than the minimum requirement set by the Bank of Thailand of no less than 4.25%. Major composition of the capital funds were mainly retained earnings. Meanwhile, majority of risk assets were credit risk assets which were the main transactions of the Bank.

Internal Audit



Internal Audit

The internal audit operation is an assurance and consulting service in a fair and independent manner in order to enhance value and improve the organization's performance.

The internal audit enables the Bank to achieve its goals by reviewing and improving the effectiveness of its risk management, internal control and supervision processes pursuant to International Standards for the Professional Practice of Internal Auditing, Ministry of Finance regarding Audit Committee and Internal Audit of State Enterprises B.E. 2555 (2012), the Audit Committee Handbook for the Audit Committee of State Enterprises under the Ministry of Finance and guidelines of the Bank of Thailand.

The GSB's Board of Directors, Audit Committees and management team attach importance to promote the independence of internal auditors for planning and executing the audit work by having common goals to evaluate the efficiency and effectiveness of the Bank internal control in order to prevent or reduce operational risks.

In 2019, the audit group complied with the internal audit framework of state enterprises as follows:

Internal Auditor Qualifications

All GSB internal auditors must obtain at least a bachelor's degree. The audit group encourages internal auditors to continually acquire knowledge and skills to improve their ability to perform duties in accordance with internal audit code of ethics. Each auditor must attend not less than 40 hours of training per year. Currently, our internal auditors have obtained a total of four professional certifications which are Certified of Information System Auditor (CISA): 6 persons, Certified of Public Accountant (CPA): 2 persons, Certified of Professional Internal Auditors of Thailand (CPIAT): 24 persons, and Certified Information Security Management System Auditor 2 Lead Auditor Training Course (Based on ISO/IEC 27001: 2013 standard): 15 persons.

Internal Audit Unit Structure

The audit group can perform their roles independently and report to the Audit Committee and the GSB President and CEO. In addition, we have set up the Internal Audit Charter, in which roles and responsibilities are clearly defined, and published to all GSB employees. All internal auditors must disclose conflicts of interest prior to performing the operation at all times.

Management Team Relationship

The audit group collaborated with top executives and functional line executives to discuss and plan auditing process and also improved internal control process according to executives' recommendations in the audit reports.

Audit Group Responsibilities

Internal audit operations cover the completeness and reliability of financial information; the compliance with laws, regulations and policies; work process that has a major impact on operations and on reporting of the suitability of custodian services, including evaluation of the usage of the Bank's resources. The audit group places importance on the internal control system in accordance with COCO guidelines. Therefore, in each audit work, there will be a control environment assessment, risk assessment, control activities, performance evaluation, as well as reviewing and evaluating the adequacy and effectiveness of internal control to help prevent fraud which may occur in the organization.

Operations and Reports

The audit group has developed internal audit master plan which consists of a strategic audit plan, annual audit plan, human resource management plan, personnel development plan and other resource management plans by considering risks that may affect the unit and Bank's goals. All risk factors are well considered, including the risk factors specified by the audit group in order to prioritize the risks for determining the audit plan to be consistent with the audit group's resources to maximize the organization's efficiency and effectiveness. In addition, the audit group has developed auditing methods by applying various advanced tools, equipment and technology to assist in the operation, including the use of data management system to gather information to create more effective auditing plan. After the audit work, internal auditors gave suggestions for improvement and monthly followed up on results according to recommendations of internal auditors. Quarterly and annual reports are submitted to the Bank's President and CEO and Audit Committee.

Maintaining Internal Auditor Quality

The audit group conducted a Quality Assessment after the audit process by the inspection unit which includes self-assessment and internal quality assessment by analyzing all results in order to improve internal audit efficiency.

Performance Report of Audit Committee of Government Savings Bank 2019

GSB Audit Committee consists of three independent directors who are expert in various fields, with sufficient knowledge and experience to review the credibility of the financial statements. The Audit Committee has independently performed their duties assigned by the GSB Board and pursuant to the scope of duties and responsibilities specified in the Audit Committee Charter in accordance with the regulations of the Ministry of Finance on the Audit Committee and Internal Audit Unit of the State Enterprise 2012 and the Operational Manual of the Audit Committee in State Enterprise, Ministry of Finance. The Audit Committee emphasizes on the efficient and effective internal audit process to promote value creation and to prevent damage that may occur to the Bank as well as focusing on transparency.

In 2019, the Board of Directors appointed the Audit Committee according to GSB Order No. 2-11/2562 regarding the appointment of Audit Committee as of 22 January 2019, effective from 21 December 2018, consists of

Mrs. Sauwanee	Thairungroj	Chairman 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 had a role as a secretary of Audit Committee.

In 2019, the GSB Audit Committee held 13 meetings with executives, internal auditors, auditors (State Audit Office of the Kingdom of Thailand) and regulatory agencies (Bank of Thailand) to discuss on related agendas to focus on creating Good Corporate Governance. All meeting results were reported to GSB Board of Directors.

Financial Statement Review

The Audit Committee reviewed financial statements together with audit groups, auditors, and the management, quarterly and annually, before and after the auditor's review; considered the Bank performance's analysis; discussed on significant financial issues; provided useful suggestions to ensure that financial reporting process was done in accordance with generally accepted accounting and financial reporting standards and information disclosures were sufficient, accurate, complete, timely, reliable and useful for financial statement's users; including monitoring the preparation to comply with Thai Financial Reporting Standards (TFRS9) and financial plan to deal with the impact arising from the compliance with TFRS9.

Review of the Effectiveness and Efficiency of Internal Control Process and Good Corporate Governance Process

The Audit Committee reviewed the sufficiency of the internal control system by considering audit results of the internal auditor and the Bank regulators as well as recognizing the importance of systematic internal control and integration of good governance groups and risk management groups in accordance with the principles of Governance, Risk and Compliance to create a good governance process for the Bank and to ensure that the GSB internal control system and management was appropriate, concise and effective. In addition, the Audit Committee also monitored the operation, corrected the issues found from both internal and external audits to be appropriate and timely, including following up on the progress of the Transaction Risk Identification and Analysis (TRIA) project to support unusual or suspicious access to customer data; outsourcing; and the security control of data privacy.

Review of the Risk Management Process

The Audit Committee reviewed monthly and quarterly risk analysis reports as well as monitoring the improvement on significant issues observed by the Bank of Thailand, risk management, risk factors and incurred damage to ensure that GSB's risk management in all aspects were appropriate, effective and the risk was at an acceptable level. The Audit Committee also provided a guidance to create a robust control system and to prevent the risk, damage and fraud that may occur.

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

The Audit Committee recognized the importance of management as well as compliance with the laws, regulations of the Bank and regulatory agencies. Therefore, the Committee monitored the progress as suggested by the internal auditor, customer complaints, improvement in-line with the audit results of the Bank of Thailand and the State Audit Office of the Kingdom of Thailand, including reviewing and monitoring the implementation of GSB's regulations, procedures, announcements and orders relating to the operations on regular basis. The Audit Committee emphasized on preventive audit process and value-added suggestions to ensure that all departments complied with the laws and regulations of the Bank and regulatory agencies.

Supervision of Internal Audit

The Audit Committee reviewed and approved the Audit Committee Charter to consider the appropriateness of duties and responsibilities, scope of work, rights, duties and independence of the Board; approved the revision of the Internal Audit Manual; reviewed the annual audit plan, the plan for improving the efficiency of the Internal Audit and the Master Plan for Internal Audit by covering all matters under the responsibility of the Audit Committee. The Audit Committee organized internal audit quality assessment from external agencies every 5 years. In 2019, GSB hired KPMG Phoomchai Business Advisory Company Limited to conduct the assessment of the audit group's performance. Moreover, the Audit Committee also supported the development and improvement of the internal audit work with confidence and advice; proactive operations; technology usage and development for auditing work to deal with rapid changes in the digital age; and the development of Transaction Risk Identification and Analysis (TRIA) system. The Committee encouraged the use of ISO standards to streamline work processes to build the organization's confidence and to be more acceptable. Currently, GSB's information technology management system has

been certified according to ISO / IEC 27001: 2013, encouraging internal auditors to improve their information technology knowledge and skills as well as encouraging employees to have special qualifications relating to internal auditing and professional development on a continuous basis in order to support the Bank's operations which change constantly, including considering the annual performance evaluation of GSB Vice President.

Discussion with the Auditor

The Audit Committee had discussed with the auditor, 4 times, on the scope and guidelines of the auditing process, findings, and recommendations to avoid duplicate checks, resulting in a good coordination. The Committee followed up on the improvement of operations as suggested by the auditor, considered the auditor's remuneration as deemed appropriate to be proposed to the GSB Board of Directors for approval, as well as conducting meetings with the auditors without management team to consider the scope and auditing guidelines of the auditors.

Discussion with Management Group Level and Sector Level

The Audit Committee 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, in order to develop prevention guidelines and suggest solutions without affecting the Bank.

Maintaining the Quality of Audit Committee

The Audit Committee reviewed and revised the Audit Committee Charter, as well as conducting Self-assessment in accordance with good practices of the Office of the State Enterprise Policy Commission, Ministry of Finance. The Board also encouraged the Audit Committee to attend training courses to increase their knowledge on duties and responsibilities of the Audit Committee and to improve their performances to achieve goals as specified in the Audit Committee Charter.

Auditor's Remuneration

Government Savings Bank is a state enterprise with the State Audit Office of the Kingdom of Thailand as the auditor. In 2019, the auditor's remuneration was 3,500,000.00 Baht

The Audit Committee performed their duties and responsibilities as specified in the Audit Committee Charter by using their knowledge and experience with care, prudence, independence as well as expressing opinions and providing creative, straightforward, transparent and verifiable suggestions. The Audit Committee believes that GSB financial statements and information disclosure are complete, reliable and comply with accounting standards and principles. The risk management and internal control system are effective and sufficient. The Internal Audit is independent, covering high risk operations and in compliance with the audit standards. In addition, the supervision of the Bank's operations is in accordance with the laws or regulations for the maximum benefit of the Bank without restrictions on obtaining information, resources, and cooperation from GSB.



(Assoc. Prof. Dr. Sauwanee Thairungroj)
Chairman of the Audit Committee



Good Corporate Governance

Good Corporate Governance

GSB has applied the good corporate governance in its management to achieve its mission and in line with national strategy. The Bank believes that operating business based on the basis of honesty, transparency, fairness, compliance with rules and laws will lead the Bank to grow sustainably and steadily. The Bank has promoted a good governance culture for officers, led by the Board of Directors and Executives at different levels as role models, to create consciousness in good corporate governance, code of ethics, code of conduct, including anti-corruption through activities and various communication channels such as CG Day activities, CG Day Tour, the White GSB Project, articles in GSB Magazine, LINE, Facebook and infographic.

Moreover, the Bank also focuses on the organizational structure and management mechanism with linkage among the Board of Directors, executives and employees, with main objectives to lead the organization to be the organization with good governance, credibility, be able to increase economic value, create maximum benefits for GSB stakeholders and contribute to sustainable national development.

Good Corporate Governance Principles

The Bank has consistently adhered to and followed the good corporate governance principles by complying with international good governance guidelines, such as Organization for Economic Co-operation and Development (OECD) guidelines and in accordance with “Corporate Governance Principles and Guidelines for State Enterprise 2009” of the State Enterprise Policy Office. 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 key principles.

1. ACCOUNTABILITY



Responsibility for performance.

2. RESPONSIBILITY



Awareness of duty with sufficient capacity and efficiency.

3. EQUITABLE TREATMENT



Fair and equitable treatment to all stakeholders such as in procurement of supplies, etc. If there is a complaint, a logical explanation is needed.

4. TRANSPARENCY



must be in two aspects as follows:

- 4.1 Transparency in operations that is examinable.
- 4.2 Transparency of Information Disclosure to all concerned parties.

5. VALUE CREATION



Create values to the organization in both short- and long-term in a bid to boost competitive potential in all respects.

6. ETHICS



Promote Good Corporate Governance and business ethics.

7. PARTICIPATION



Promote public participation to voice concerns over any activity that could have impacts on the environment, health, sanitation, life quality and well-being of a community or locality.

Good Corporate Governance Policy

The Board of Directors has been determined to develop the Bank as an institution with efficient operations, good corporate governance and excellent management by focusing on creating benefits to all stakeholders; honest, transparent and examinable operations; quality and efficiency in business operations; and encouragement of concerned parties to express opinions, participate in decision making and provide cooperation, which corresponds to the corporate governance principle in accordance with international practices. The Board of Directors has established a good corporate governance policy which compiled good corporate governance principles and good practices of the Board of Directors as follows:

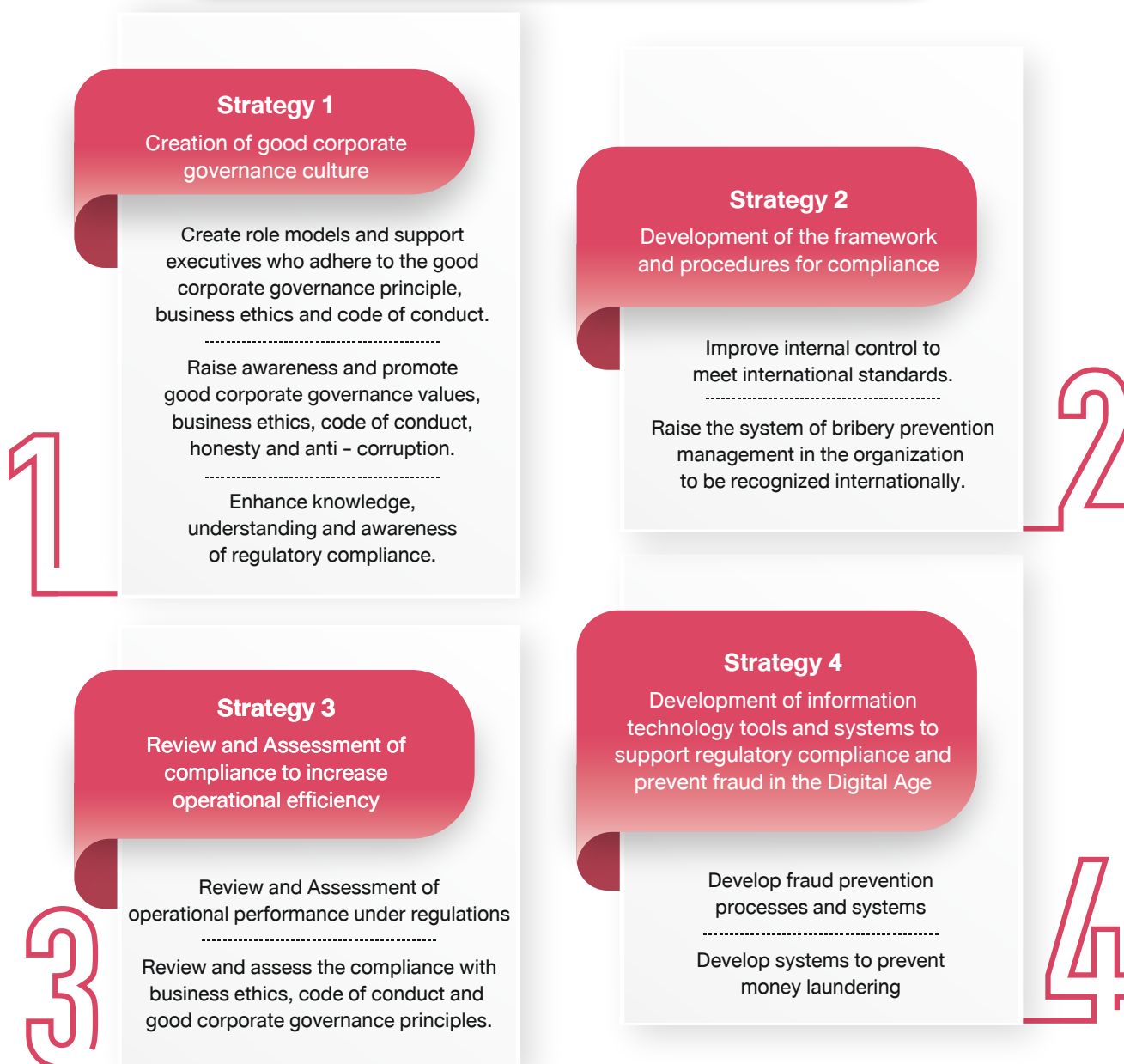
- 1 The board of directors, management and officers are committed to apply the key principles of good corporate governance according to the international standards. There are seven core pillars which are accountability, responsibility, equitable treatment, transparency, value creation, ethics and participation to be used in the operation under the structure where the Board and the management are related in a concrete manner.
- 2 The Board of Directors shall perform their duties with dedication, accountability and independence, and with clear separation of roles and duties between the Chairman of the Board and the Director of the Bank.
- 3 The Board of Directors plays a vital role in determining the visions, business strategies, policies and action plans of the Bank, identifying risk factors, setting proper risk management measures as well as ensuring reliability of the accounting system, financial reports and audit reports.
- 4 The Board of Directors and executives will take the lead in ethical conduct and be a role model in upholding the Bank's corporate governance principles, while monitoring, supervising on problem solving, any conflict of interest and managing related party transactions.
- 5 The Board of Directors may, as deemed fit, appointed specific committees to assist in scrutinizing crucial issues carefully.
- 6 The Board of Directors must conduct a self assessment on a yearly basis to be a framework for their performance measurement.
- 7 The Board of Directors should establish the Bank's code of ethics as a guideline for the Board of Directors, executives and officers in conformity with rules and regulations of the Bank.
- 8 The Bank should provide adequate, reliable and timely disclosure of its information, both financial and non-financial, to ensure that all stakeholders are equally informed. There are also agencies responsible for communicating the Bank's information to customers and the general public.
- 9 The Bank selects suitable personnel for all key management positions with a fair and transparent recruitment process.
- 10 Clear anti-corruption policies and practices have been established and communicated to all levels of the Bank and to third parties for actual implementation as well as giving attention to all forms of anti-corruptions.

Good Corporate Governance Plan

GSB has put the corporate governance policy into practice by preparing corporate governance master plan for 2019-2023 as a framework for operation. The four strategies are as follows:

- Strategy 1** Creation of good corporate governance culture
- Strategy 2** Development of the framework and procedures for compliance
- Strategy 3** Review and Assessment of compliance to increase operational efficiency
- Strategy 4** Development of information technology tools and systems to support regulatory compliance and prevent fraud in the Digital Age

Bank with Good Governance in accordance with International Standard



Nomination and Appointment of Government Savings Bank Directors



Nomination and Appointment of Government Savings Bank Directors



1

GSB Nomination Committee reviews and considers the qualifications of GSB Board of Directors (Board Skill Matrix) by presenting the results of the review to GSB Board of Directors for consideration. The Skill Matrix must be diverse, modern, and suitable for the GSB business. The Committee has increased the skills, knowledge, and expertise to cover both education and experiences to align with the GSB short-term and long-term business strategies, including a state enterprise strategic plan by focusing on driving the organization toward goals under its mission and strategy.



2

GSB Nomination Committee considers and selects individuals to replace the directors whose term expires or replace resigned Directors by using a variety of information for consideration. The committee selects individuals from various professions that have appropriate qualifications and do not have prohibited characteristics as specified by relevant laws and regulations as well as considering knowledge, abilities, appropriate experiences, performance, roles from the past to present and the structure of the Board of Directors according to the Bank's policy which requires the Directors to have diverse qualifications in terms of knowledge, skill matrix, and experience that are consistent with the Bank's mission and strategy. The committee will seek information from the Director's Pool of Ministry of Finance and the Thai Institute of Directors Association (IOD) in order to obtain suitable individuals with knowledge, skills, expertise, experiences, and elements relevant to the needs, objectives, the Standard Qualifications of State Enterprise Directors and Officials Act as well as current and future law.



Director Nomination Policy

The nomination must take into account the qualifications of GSB Board of Directors, consisting of

- A person with qualifications as a Director as specified under the Standard Qualifications of State Enterprise Directors and Officials Act, laws and regulations of regulatory agencies in connection with the Bank's business operations and regulations.
- A Person with knowledge and expertise in accordance with the Bank's Skill Matrix, mission and strategy. As a result, the board comprises people with diverse qualifications in terms of skills, experience, and expertise that are beneficial to the Bank as well as a variety of age and gender, consisting of at least 1 person with knowledge or work experience in banking business, at least 1 person in accounting, at least 1 person in law and finance and at least 1 person in information technology.
- A person can perform duties, freely express opinions and dedicate enough time to perform duties.
- A person should not hold the positions of Directors in more than 3 state enterprises (GSB is included).
- A person should not operate his businesses or hold the positions as Directors, executives, or employees in businesses that compete with GSB.

3



GSB Nomination Committee presents the names of nominees and express opinions to GSB Board of Directors.

4



GSB Nomination Committee agrees to present the list of nominees to seek approval of the appointment of Directors to relevant regulatory agencies.

In 2019, GSB Nomination Committee held one meeting, with the approval of the GSB Nomination Committee Charter and appointment of Directors to replace the resigned ones by using the information for the selection of qualified persons under the Standard Qualifications of State Enterprise Directors and Officials Act, related laws and regulations as well as considering the knowledge, expertise, experiences, and skills that were appropriate for the Bank's mission and strategy. In addition, the Bank also considered necessary skills that were lacking from the analysis of the Board Skill Matrix and from the Director's Pool of the Ministry of Finance. The Committee therefore presented a list of suitable nominees to GSB Board of Directors for approval before proposing to the State Enterprise Policy Committee.

Compliance with Corporate Governance Principles and Guidelines of SEPO Responsibilities of the Board of Directors

Structure and Responsibilities of the Board of Directors

The Cabinet appointed GSB Board of Directors from January 1 - April 29, 2019

No.	Name	Position
1	Mr. Amnuay Preemonwong	CHAIRMAN
2	Mr. Poomsak Aranyakasemsuk	DIRECTOR
3	Mr. Boonchai Charassangsomboon	DIRECTOR
4	Mr. Jessada Promjart	DIRECTOR
5	Ms. Yaowanooch Wiyaporn	DIRECTOR
6	Mrs. Sauwanee Thairungroj	DIRECTOR
7	Ms. Tidarat Thanapakpawin	DIRECTOR
8	Mrs. Philaslak Yukkansemwong	DIRECTOR
9	Mr. Yunyong Teng-amnuay	DIRECTOR
10	Mr. Taveesak Foongkiatcharoen	DIRECTOR
11	Mrs. Patcharavalai Jayapani	DIRECTOR
12	Mrs. Siriporn Nopwattanapong (Until January 6, 2019)	DIRECTOR
13	Mr. Chatchai Payuhanaveechai	DIRECTOR AND SECRETARY

The Cabinet appointed GSB Board of Directors from April 30 - December 31, 2019

No.	Name	Position
1	Mr. Amnuay Preemonwong (Until September, 30 2019)	CHAIRMAN
2	Mr. Patchara Anuntasilpa Representative of Ministry of Finance From October 22, 2019	DIRECTOR
3	Mr. Poomsak Aranyakasemsuk (Until October 30, 2019)	DIRECTOR
4	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	DIRECTOR
5	Mr. Boonchai Charassangsomboon Representative of Ministry of Finance	DIRECTOR
6	Mr. Jessada Promjart	DIRECTOR
7	Ms. Yaowanooch Wiyaporn	DIRECTOR
8	Mrs. Sauwanee Thairungroj	DIRECTOR
9	Ms. Tidarat Thanapakpawin	DIRECTOR
10	Mrs. Philaslak Yukkansemwong	DIRECTOR
11	Mr. Taveesak Foongkiatcharoen	DIRECTOR
12	Mrs. Patcharavalai Jayapani	DIRECTOR
13	Mr. Mongkon Leelatham	DIRECTOR
14	Ms. Supreeya Pipatmanomai	DIRECTOR
15	Mr. Chatchai Payuhanaveechai	DIRECTOR AND SECRETARY

Power and duties

Pursuant to the Government Savings Bank Act, B.E. 2489 (1946), and the amendments, the powers and duties in the supervision, control and management of the Bank have been prescribed as follows:

“The Minister of Finance shall have the powers and duties on the Government Savings Bank. A board of directors called, “the GSB Board of Directors,” shall be established, being composed of the Chairman and no fewer than six but not exceeding thirteen Directors appointed by the Cabinet, with the GSB President & CEO serving as a Director and Secretary to the Board. The Board of Directors shall have the powers and duties to determine policies and operate general supervision of the Bank as well as to determine general scopes and conditions for various types of business. The President shall be the GSB manager and have the powers and duties to administer the Bank’s activities and operations in accordance with laws, bylaws, rules and regulations of the Bank and as assigned and delegated by the Board of Directors; to employ, appoint, promote, determine salaries or disciplinary actions for or remove officers, subject to the criteria and conditions set forth by the Board of Directors; and to draw up the Bank’s operational procedures and officers work processes that do not conflict with or contrary to policies, rules or regulations set by the Board of Directors.”

In 2019, in order to make the GSB operations in line with the current economic situation and to run the GSB business continuously and effectively, the Government Savings Bank Act (No. 4), B.E. 2560 (2017), has been promulgated, with the additional provisions on the capital increase of Government Savings Bank and the amendments of the powers and duties of the Board by authorizing the GSB Board of Directors to consider and approve the Bank’s budgets as well as announcing the statement of GSB financial status and annual report.

Qualification of Directors

The Directors shall have prerequisite qualifications and no disqualifications according to Standard qualifications of State Enterprise Directors and Officials Act, B.E. 2518 (1975), and the amendments; the Government Savings Bank Act, B.E. 2489 (1946), and the amendments; Payment System Act, B.E. 2560 (A.D. 2017); the notification of the Bank of Thailand on Corporate Governance.

The Board of Directors is composed of experts in various fields such as economics, accounting, business administration, and law and public administration. The Board has diverse knowledge, competence and experience and contribute their time to perform duties as directors with responsibility as well as participating in the Bank’s activities and regularly developing themselves.

Independence of Directors

GSB Independent Director shall mean, as defined by the Office of State Enterprise Policy Commission (SEPO), “an External Director who has no managerial position in the state enterprise, is not an Executive Director or a Director who has the authority binding the state enterprise, and is independent from major shareholders, executives and related persons. He/She is able to perform duties to protect the state interests and the interests of all the shareholders on an equitable basis as well as monitoring to ensure there is no conflict of interest between the state enterprise and his/her related persons.”

Term of Office

The Chairman or Directors appointed by the Cabinet shall have a 3-year term of office and, after completion of the term of office, may be re-appointed for not over two consecutive terms.

Sub-committee

The Board of Directors has appointed subcommittees to consider, scrutinize and give recommendations to the Board of Directors, Sub-committees have the following components and responsibilities:

1. Executive Committee

From January 1 - August 19, 2019

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk	Chairman
2	Mr. Boonchai Charassangsomboon	Committee member
3	Mr. Taveesak Foongkiatcharoen	Committee member
4	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	Committee member
5	GSB President & CEO	Committee member
6	GSB Inspector General, report to GSB President & CEO (Natthanakorn Boonwong)	Committee member and Secretary

From August 20 - December 25, 2019

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk (Until October 30, 2019)	Chairman
2	Mr. Boonchai Charassangsomboon	Committee member
3	Mr. Taveesak Foongkiatcharoen	Committee member
4	Mr. Mongkon Leelatham	Committee member
5	GSB President & CEO	Committee member
6	GSB Inspector General, report to GSB President & CEO (Natthanakorn Boonwong)	Committee member and Secretary

From December 26 - December 31, 2019

No.	Name	Position
1	Mr. Boonchai Charassangsomboon	Chairman
2	Mr. Mongkon Leelatham	Committee member
3	GSB President & CEO	Committee member
4	GSB Inspector General, report to GSB President & CEO (Natthanakorn Boonwong)	Secretary

- Propose policies, strategies, business plans, business administration supervision for the Board of Directors' approval.
- Propose directions and criteria for investments, loan provision and other business operations of the Bank for the Board of Directors' approval.
- Consider and approve investments, loan provision and other business operations as assigned by the Board of Directors.
- Monitor and follow up on investments, loan provision and other business operations to ensure that they are in accordance with the GSB plans and goals.
- Consider and approve restructuring of normal and troubled debts, collateral assessment, write-off, change of criteria or conditions of investments as assigned by the Board of Directors.
- Consider and give recommendations on investments, loan provision and procurement under approval authority of the Board of Directors.
- Consider the strategic plan, budgets, and agreement for the annual performance assessment.
- Follow up on comments and suggestions, according to the strategic plan and budget of GSB.
- Consider or approve budget transfers and/or change budget items 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 staffs and employees to the Board of Directors for consideration and approval.
- Supervise and advise on the GSB performance relating to organizational structure, personnel, compensation and welfare of officers and employees as well as promoting dynamic and sustainable development.
- Consider and give recommendations on workforce framework and recruitment methods to be in line with the GSB structure to the Board of Directors.
- Supervise, monitor and give advices on HR development in all aspects in order to allow personnel to have vision, knowledge, including good personality and conscience.
- Supervise, monitor and give advices on employment of educational institutions, external consultants to develop the HR management system appropriately.
- Focus on the integration of work processes in corporate governance, risk management and compliance with laws, regulations, rules, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).
- Appoint a working group as deemed appropriate.
- Report GSB performance to the Board of Directors.
- Perform other duties as assigned by the law or

2. Audit Committee

From January 1 - December 31, 2019

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

- Review quarterly and annual financial reports to ensure that they are prepared completely and accurately in accordance with accounting principles standards and information is disclosed sufficiently, completely and reliably.
- Review the efficiency and effectiveness of internal control process, cooperate governance process and risk management process.
- Review GSB operations to ensure that they are in compliance with laws, rules, regulations, work practice, ministerial resolutions, announcements, or orders relevant to GSB business operations.
- Review and ensure that the Bank has a good internal control systems as well as considering independency of the audit group.
- Review and approve the Audit Group Charter, internal audit master plan, performance evaluation agreements, and operating manual of the audit group.
- Prepare the Audit Committee Charter to be in line with the scope of responsibility in the GSB's operations with the approval by the Board of Directors. The Charter must be approved by the Board of Directors and shall be reviewed at least once a year.
- Coordinate with the management, auditor and other regulatory agencies to ensure that the Bank's operations have achieved the GSB goals efficiently and effectively.
- Coordinate with auditors regarding the audit results and may recommend review or audit of any items as deemed necessary as well as proposing remuneration for auditors to the Board of Directors.
- Supervise the development of personnel and consider headcounts, skills of internal auditors under GSB's current circumstances, key qualifications, educational levels and professional skills relating to computer, business, and other skills as deemed appropriate.
- Recommend the Board of Directors for appointment, transfer, promotion, and performance assessment of the top executives of the audit group. The top executives offer opinions for consideration.
- Give importance to the integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to achieve operational results by the participation of all units (Integrity - Driven Performance).
- Director who is appointed as a new Audit Committee should receive necessary information to perform his/her duties by receiving relevant documents as well as discussing with the management, the Auditor, the Internal Auditor in order to have an understanding of relevant issues.
- Consider related party transactions or any transactions which may lead to conflict of interest or potential fraud that may affect the GSB performance and information disclosure, especially in the case of transactions that may have conflict of interest, including the public service account to be accurate and complete.
- Perform other duties as assigned by the law or the GSB Board of Directors.

3. Risk Management Committee

From January 1 - February 13, 2019

No.	Name	Position
1	Mrs. Patcharavalai Jayapani	Chairman
2	Mrs. Siriporn Nopwattanapong (Until January 6, 2019)	Committee member
3	Ms. Tidarat Thanapakpawin	Committee member
4	GSB President & CEO	Committee member
5	GSB Senior Executive Vice President - Risk Management Group	Secretary

From February 14 - July 22, 2019

No.	Name	Position
1	Mrs. Patcharavalai Jayapani	Chairman
2	Ms. Tidarat Thanapakpawin	Committee member
3	GSB President & CEO	Committee member
4	GSB Senior Executive Vice President - Risk Management Group	Secretary

From July 23 - December 31, 2019

No.	Name	Position
1	Mrs. Patcharavalai Jayapani	Chairman
2	Ms. Tidarat Thanapakpawin	Committee member
3	Ms. Supreeya Pipatmanomai	Committee member
4	GSB President & CEO	Committee member
5	GSB Senior Executive Vice President - Risk Management Group	Secretary

- Determine overall risk management policies and propose to the GSB Board of Directors for consideration. The policies must cover major risks such as strategic risk, credit risk, market risk, liquidity risk, operational risk and other risks affecting the GSB reputation.
- Establish Risk Management Policies in accordance with the strategy, including assessing, monitoring and supervising of risk exposure to be at an appropriate level.
- Approve tools for risk measurement, monitor and control 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 the adequacy of risk management resources such as risk management personnel and systems.
- Consider procedures/guidelines for transaction or product program launches of derivatives products with risk exposure, before submission for approval by the Board of Directors or the assigned committee.
- Monitor and report the GSB risk status to the Board of Directors and the Audit Committee regularly to comply with policies and strategies.

- Give importance to the integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).
- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or the GSB Board of Directors.

4. Good Corporate Governance Committee

From January 1 - December 31, 2019

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mr. Boonchai Charassangsomboon	Committee member
3	Ms. Yaowanooch Wiyaporn	Committee member
4	GSB President & CEO	Committee member
5	GSB Senior Executive Vice President - Human Resource Group	Committee member
6	GSB Senior Executive Vice President - Business and Public Sector Customer Group	Committee member
7	GSB Senior Executive Vice President - Compliance and Governance Group	Secretary

- Determine policies, strategies, goals, action plans, regulations, good corporate governance guidelines regulatory compliance and credit review in accordance with laws and regulations and methods of good state management and then present them to the GSB Board of Directors.
- Determine best practice guidelines of the Board of Directors in line with the good governance principles for state enterprise under the guidelines approved by the cabinet.
- Promote and publicize good corporate governance culture as well as encouraging the Board of Directors, executives, employees, communities, customers and general public to participate in the activities.
- Review policies and evaluate the effectiveness of risk management in compliance with the rules as deemed necessary and appropriate in order to ensure that the Bank's regulatory compliance is at an suitable level.
- Assess the annual performance of regulatory compliance agencies to prevent conflict of interest and promote independence.
- Approve annual Compliance report.
- Control and monitor the operation of good corporate governance, regulatory compliance and regularly conduct a credit review of anti-corruption to report any unusual or incorrect operations to the GSB Board of Directors immediately as well as preparing a performance report, at least on a quarterly basis, including a corporate governance report, regulatory compliance and annual credit review.
- Suggest necessary measures or guidelines to promote the implementation of good corporate governance, regulatory compliance, credit review, anti-corruption measures to the GSB Board of Directors and management.
- Invite other committees appointed by GSB Board of Directors to express their opinions or consider relevant issues to support performance of duties as prescribed in the charter and to be authorized to issue an inquiry or summon letter for any person related to operations prescribed in the charter to give

statements, send explanation in writing, submit accounts, documents or any other evidences for examination or consideration as deemed appropriate.

- Give importance to the integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to

achieve operational results by the participation of all units (Integrity-Driven Performance).

- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or the GSB Board of Directors.

5. Employee Relations Committee

From January 1 - November 14, 2019

No.	Name	Position
1	Mr. Boonchai Charassangsomboon	Chairman
2	9 Employers' Representatives	Committee member
3	9 Employees' Representatives	Committee member
4	GSB Senior Executive Vice President - Human Resource Group	Secretary

From November 15 - December 31, 2019

No.	Name	Position
1	Mr. Boonchai Charassangsomboon	Chairman
2	9 Employers' representatives	Committee member
3	9 Employees' representatives	Committee member
4	GSB Senior Executive Vice President – Human Resource Group	Secretary

- Give opinions on the Bank's operational efficiency and enhancements as well as promoting and developing labor relations.
- Bring about reconciliation and end disputes within the Bank.
- Improve working regulations for the benefits of employers, employees and the Bank.
- Discuss and seek suitable actions to deal with complaints from employees or the GSB State Enterprise Labor Union, including complaints relating to disciplinary penalty.
- Consultation to improve employment conditions.
- Appoint a screening working group under the Employee Relations Committee.
- Perform any other actions as prescribed in the State Enterprise Labor Relations Act.
- Give importance to the integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).

6. GSB President & CEO Performance Assessment and Remuneration Committee

From January 1 - December 25, 2019

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk (Until October 30, 2019)	Chairman
2	Mr. Taveesak Foongkiatcharoen	Committee member
3	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	Committee member
4	GSB Senior Executive Vice President – Human Resource Group	Secretary

From December 26 - December 31, 2019

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Ms. Yaowanooch Wiyaporn	Committee member
3	GSB Senior Executive Vice President – Human Resource Group	Secretary

- Recommend regulations for performance assessment 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.
- Assess GSB President & CEO's performance and report results to the Board of Directors under the agreement made with the Board of Directors and in accordance with the employment contract.
- Recommend appropriate remuneration for the GSB President & CEO to the Board of Directors.
- Recommend a performance-based annual increase in remuneration for the President & CEO according to performance assessment criteria and procedures approved by the Board of Directors.
- Give importance to the integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to achieve operational results by the participation of all units (Integrity-Driven Performance).
- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or GSB Board of Directors.

7. GSB Top Executive Nomination and Remuneration Committee and Members in Sub-committees

From January 1 - February 13, 2019

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mrs. Siriporn Nopwattanapong (Until January 6, 2019)	Committee member
3	Ms. Tidarat Thanapakpawin	Committee member
4	GSB President & CEO	Secretary

From February 14 – December 30, 2019

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen	Chairman
2	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	Committee member
3	Ms. Tidarat Thanapakpawin	Committee member
4	GSB President & CEO	Secretary

At the GSB's Board of Director Meeting No.14/2019 on December 26th, 2019, the Board passed the following resolutions:

To cancel Nomination and Remuneration Committee for GSB Top Executives and Members in Sub-committees according to the Notification of the Bank of Thailand No. SorKhorSor. 12/2562 regarding the governance of specialized financial institutions, effective from October 1st, 2019 by canceling regulations regarding the establishment of the Nomination and Remuneration Committee.

- Determine policies, procedures, recruitment methods as well as appointing staffs 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 be proposed to the Board of Directors for approval.
- Select and nominate appropriate persons to serve as members of various subcommittees assigned and appointed by the Board of Directors to be proposed to the Board of Directors.

- Select and nominate appropriate persons to serve as 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 policies for remuneration, including remuneration package and other benefits for members of various sub-committees, First Senior Executive Vice President, Senior Executive Vice President or equivalent, Executive Vice President or equivalent. The criteria must be clear and transparent and then propose to the Board of Directors for consideration and approval.
- Ensure that members of various sub-committees, First Senior Executive Vice President, Senior Executive Vice President or equivalent, Executive Vice President or equivalent receive appropriate remunerations regarding their duties and responsibilities. Committee members who are assigned more responsibilities should receive appropriate remuneration for their assigned duties and responsibilities.
- Establish guidelines for performance assessments of members of various sub-committees, 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 consider annual remuneration adjustment based on their duties and responsibilities.
- Disclose policies and details of the recruitment process in the annual report.
- Disclose remunerations policies and remunerations in various forms. Prepare a remuneration report which must have at least details of the operational goals and the opinions of GSB Executive Nomination and Remuneration Committee and members in various sub-committees in the annual report.
- Consider transferring and altering of GSB First Senior Executive Vice President, Senior Executive Vice President or equivalent, Executive Vice President or equivalent, except the top executives of the audit group. Only if the Chairman of the committee considers the transfer and alteration of top executives to act in place of the GSB President & CEO to be submitted to the GSB Board for approval.
- Select and nominate appropriate persons acting in place of GSB President & CEO to the Board of Directors for approval as well as defining duties and responsibilities to be in line with the GSB regulations.
- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or GSB Board of Directors.

8. GSB Executive Nomination Committee

From January 1 - December 25, 2019

No.	Name	Position
1	Mr. Poomsak Aranyakasemsuk (Until 30 October 2019)	Chairman
2	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	Committee member
3	Ms. Yaowanooch Wiyaporn	Committee member
4	Representative of State Enterprise Policy Office	Committee member
5	GSB President & CEO	Secretary

From December 26 - December 31, 2019

No.	Name	Position
1	Mrs. Patcharavalai Jayapani	Chairman
2	Mr. Taveesak Foongkiatcharoen	Committee member
3	Ms. Yaowanooch Wiyaporn	Committee member
4	Representative of State Enterprise Policy Office	Committee member
5	GSB President & CEO	Secretary

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

9. Information Technology Management Committee

From January 1 - December 25, 2019

No.	Name	Position
1	Mr. Yunyong Teng-amnuay (Until August 19, 2019) Age of 65 Years	Chairman
2	Ms. Tidarat Thanapakpawin	Committee member
3	GSB President & CEO	Committee member
4	GSB Senior Executive Vice President - Information Technology group	Committee member and secretary

From December 26 - December 31, 2019

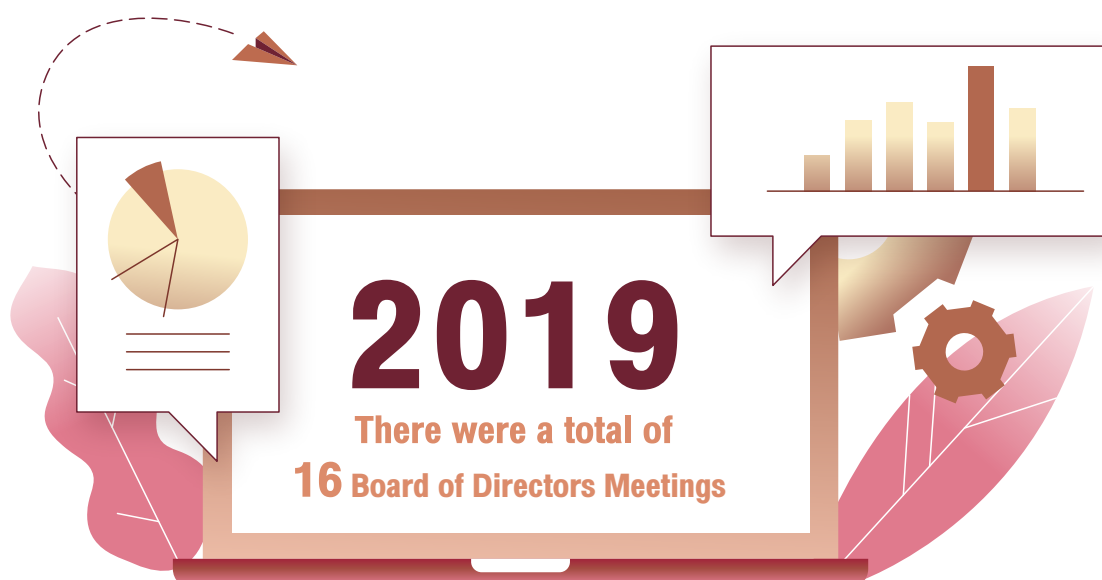
No.	Name	Position
1	Mr. Mongkon Leelatham	Chairman
2	Mr. Pornchai Hanyeunyongsakul	Committee member
3	Ms. Tidarat Thanapakpawin	Committee member
4	Ms. Supreeya Pipatmanomai	Committee member
5	GSB President & CEO	Committee member
6	GSB Senior Executive Vice President - Information Technology group	Committee member and secretary

- Supervise information technology risk management on both operations and important work systems of the Bank which may affect customer service provision. The supervision includes the risk assessment of external service providers that have processed the Bank's important work systems in order to report the oversight results to the GSB Board.
- Supervise the compliance with laws and regulations related to information technology, including changes in the use of new technology that has a significant impact on the Bank's operations, such as project plans related to information technology systems which must request a permission from external regulatory agencies.
- Consider and give recommendation on project plans, information technology master plan, resource allocations, policies related to information technology under the approval authority of the GSB Board, including following up the operations and driving policies to achieve effective, concise and consistent operations in accordance with the Bank of Thailand's policies and report to the GSB Board.
- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or the GSB Board of Directors.

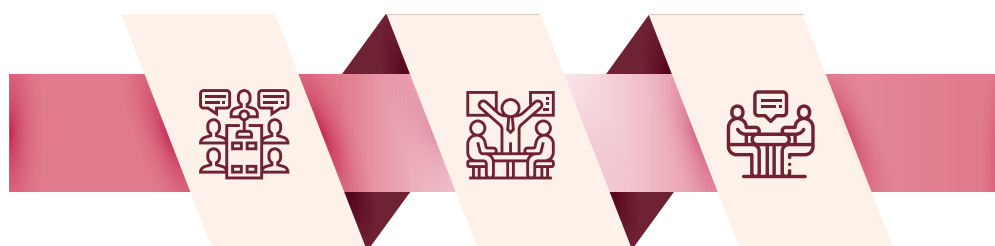
Meeting and Remuneration of the Board of Directors and Sub-committee

Board of Directors' Meetings

The Board of Directors recognizes the importance of meetings and accurate information in order to support decision making on issues for effective and efficient operations. The meeting is scheduled once a month throughout the year and special sessions can be held as appropriate. In 2019, there were a total of 16 Board of Directors Meetings: 14 regular meetings; one workshop for Board of Directors and top executives to review the vision, mission, values and operational directions for 2020 - 2024 and one meeting without executives. The meeting documents were sent to the directors 7 days prior to the meeting date. The Board of Directors attended the meeting according to the meeting criteria. At the meeting, the directors who are related to or have conflicts of interest in any agenda are refrained from voting or giving opinions or asked to leave the meeting room.



14
regular meetings



1 workshop for Board of Directors and top Executives to review the vision, mission, values and operational directions for 2020 - 2024

1 meeting without executives

Meeting Attendance of Directors in 2019

สรุปผล						
NO.	Government Savings Bank Board of Directors	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Good Corporate Governance Committee
1	Mr. Patchara Anuntasilpa (Chairman)	4/4				
2	Mr. Amnuay Preemonwong (Former Chairman)	12/12				
3	Mr. Poomsak Aranyakasemsuk	8/12	18/18			
4	Mr. Boonchai Charassangsomboon	15/16	19/21			11/11
5	Mr. Jessada Promjart	16/16		13/13		
6	Ms. Yaowanooch Wiyaporn	15/16				11/11
7	Mrs. Sauwanee Thairungroj	14/16		12/13		
8	Ms. Tidarat Thanapakpawin	16/16			12/12	
9	Mrs. Philaslak Yukkaseemwong	16/16		13/13		
10	Mr. Yunyong Teng-amnuay	9/10	14/14			
11	Mr. Taveesak Foongkiatcharoen	14/16	19/21			11/11
12	Mrs. Patcharavalai Jayapani	14/16			12/12	
13	Mrs. Siriporn Nopwattanapong	-			-/1	
14	Mr. Mongkon Leelatham	12/12	7/7			
15	Ms. Supreeya Pipatmanomai	12/12			6/6	
16	Mr. Chatchai Payuhanaveechai (President&CEO)	15/15	17/21		7/12	11/11
%		93.66	92.16	97.44	86.05	100.00

Remarks:

- No.1 Mr. Patchara Anuntasilpa was appointed as GSB Chairman in accordance with the Cabinet Resolution on October 22, 2019.
- No. 2 Mr. Amnuay Preemonwong resigned from the position of GSB Chairman on October 1, 2019.
- No. 3 Mr. Poomsak Aranyakasemsuk resigned from the position of GSB Director on October 31, 2019.
- No.10 Mr. Yunyong Teng-amnuay retired from the position of GSB Director due to the age of 65 years on August 20, 2019.
- No.13 Mrs. Siriporn Nopwattanapong resigned from the position of GSB Director on January 7, 2019.
- No.14 -15 was appointed as GSB Director in accordance with the Cabinet Resolution on April 30, 2019.

Unit: Time

Board of Directors

	Employee Relations Committee	GSB President & CEO Performance Assesment and Remuneration Committee	GSB Senior Executive Nomination and Remuneration Committee and Members in Sub-committee	GSB Board of Directors Nomination Committee	Information Technology Management Committee	GSB President & CEO Nomination Committee
		4/4		1/1		
12/12						1/1
						1/1
				1/1		
			5/5		4/4	
						1/1
		4/4	4/4	1/1	2/2	
		4/4	5/5			
						1/1
						1/1
					4/4	
	100.00	100.00	100.00	100.00	100.00	100.00

Meeting Allowance and Remuneration for GSB Board of Directors in 2019

Board of Directors									
No.	Government Savings Bank Board of Directors	Board of Director	Executive Committee	Audit Committee	Risk Management Committee	Good Corporate Governance Committee	Employee Relations Committee	GSB President & CEO Performance Assessment and Remuneration Committee	GSB Senior Executive Nomination and Remuneration Committee and Members in Sub-committee
1	Mr. Patchara Anuntasilpa (Chairman)	100,000.00	-	-	-	-	-	-	-
2	Mr. Amnuay Preemonwong (Former Chairman)	175,000.00	-	-	-	-	-	-	-
3	Mr. Poomsak Aranyakasemsuk	100,000.00	125,000.00	-	-	-	-	50,000.00	-
4	Mr. Boonchai Charassangsomboon	210,000.00	120,000.00	-	-	30,000.00	100,000.00	-	-
5	Mr. Jessada Promjart	220,000.00	-	189,032.26	-	-	-	-	-
6	Ms. Yaowanooch Wiyaporn	200,000.00	-	-	-	110,000.00	-	-	-
7	Mrs. Sauwanee Thairungroj	180,000.00	-	234,919.35	-	-	-	-	-
8	Ms. Tidarat Thanapakpawin	220,000.00	-	-	120,000.00	-	-	-	50,000.00
9	Mrs. Philaslak Yukkaseemwong	220,000.00	-	183,548.39	-	-	-	-	-
10	Mr. Yunyong Teng-amnuay	90,000.00	70,000.00	-	-	-	-	30,000.00	30,000.00
11	Mr. Taveesak Foongkiatcharoen	200,000.00	70,000.00	-	-	137,500.00	-	10,000.00	62,500.00
12	Mrs. Patcharavalai Jayapani	210,000.00	-	-	150,000.00	-	-	-	-
13	Mrs. Siriporn Nopwattanapong	-	-	-	-	-	-	-	-
14	Mr. Mongkon Leelatham	180,000.00	50,000.00	-	-	-	-	-	-
15	Ms. Supreeya Pipatmanomai	180,000.00	-	-	60,000.00	-	-	-	-
16	Mr. Sutthichai Sungkamanee	-	-	-	-	-	-	-	-
17	Mr. Pitsanu Wichitchonchai	-	-	6,854.84	-	-	-	-	-
18	Gen. Jiradech Mookhasmit	-	-	-	-	-	-	-	-
19	Mr. Kulit Sombatsiri	Resigned from the position of GSB Chairman on October 1, 2018							
20	Mr. Prapas Kong-ied	Resigned from the position of GSB Director on June 1, 2018							
21	Mr. Chusak Salee	Retired from the position of GSB Director due to the age of 65 years on January 17, 2018							
22	Ms. Sompit Charoenkiatikul	Retired from the position of GSB Director due to the age of 65 years on May 25, 2018							
23	Mrs. Wannipa Bhakdibutra	Resigned from the position of GSB Director on September 13, 2018							
24	Mrs. Pongpen Ruengvirayudh	Resigned from the position of GSB Director on September 3, 2018							
25	Mr. Chatchai Payuhanaveechai (President&CEO)	220,000.00	100,000.00	-	30,000.00	90,000.00	-	-	-
Total Meeting Premium		2,705,000.00	535,000.00	614,354.84	360,000.00	367,500.00	100,000.00	90,000.00	142,500.00

Remarks:

- No.1 Mr. Patchara Anuntasilpa was appointed as GSB Chairman in accordance with the Cabinet Resolution on October 22, 2019.
- No. 2 Mr. Amnuay Preemonwong resigned from the position of GSB Chairman on October 1, 2019.
- No. 3 Mr. Poomsak Aranyakasemsuk resigned from the position of GSB Director on October 31, 2019.
- No.10 Mr. Yunyong Teng-amnuay retired from the position of GSB Director due to the age of 65 years on August 20, 2019.

Unit: Baht

	GSB Board of Directors Nomination Committee	Information Technology Management Committee	GSB President & CEO Nomination Committee	Monthly Remuneration	Total Meeting Premium	Total Meeting Premium and Remuneration	Board of Directors Bonus 2019 for 2018 Performance	Total Board of Directors Meeting Premium, Remuneration and Bonus
	-	-	-	26,451.60	100,000.00	126,451.60	-	126,451.60
	-	-	-	189,032.24	175,000.00	364,032.24	18,934.81	382,967.05
	-	-	-	115,161.24	275,000.00	390,161.24	235,224.47	625,385.71
	-	-	12,500.00	114,516.12	472,500.00	587,016.12	15,147.84	602,163.96
	-	-	10,000.00	120,000.00	419,032.26	539,032.26	402,500.00	941,532.26
	10,000.00	-	-	114,516.12	320,000.00	434,516.12	15,147.84	449,663.96
	-	-	-	120,000.00	414,919.35	534,919.35	367,335.35	902,254.70
	-	30,000.00	-	114,516.12	420,000.00	534,516.12	15,147.84	549,663.96
	-	-	10,000.00	114,516.12	413,548.39	528,064.51	293,219.08	821,283.59
	-	25,000.00	-	86,129.02	245,000.00	331,129.02	378,696.24	709,825.26
	-	-	-	120,000.00	480,000.00	600,000.00	378,696.24	978,696.24
	-	-	10,000.00	114,516.12	370,000.00	484,516.12	15,147.84	499,663.96
	-	-	-	6,451.60	-	6,451.60	3,786.96	10,238.56
	-	-	10,000.00	70,333.33	240,000.00	310,333.33	-	310,333.33
	-	-	-	70,333.33	240,000.00	310,333.33	-	310,333.33
	-	-	-	5,483.86	-	5,483.86	387,352.16	392,836.02
	-	-	-	5,483.86	6,854.84	12,338.70	387,352.16	399,690.86
	-	-	-	5,483.86	-	5,483.86	387,352.16	392,836.02
				Resigned from the position of GSB Chairman on October 1, 2018			377,343.75	377,343.75
				Resigned from the position of GSB Director on June 1, 2018			167,708.33	167,708.33
				Retired from the position of GSB Director due to the age of 65 years on January 17, 2018			16,229.83	16,229.83
				Retired from the position of GSB Director due to the age of 65 years on May 25, 2018			160,134.42	160,134.42
				Resigned from the position of GSB Director on September 13, 2018			281,750.00	281,750.00
				Resigned from the position of GSB Director on September 3, 2018			246,765.68	246,765.68
	-	20,000.00	-	120,000.00	460,000.00	580,000.00	402,500.00	982,500.00
	10,000.00	75,000.00	52,500.00	1,632,924.54	5,051,854.84	6,684,779.38	4,953,473.00	11,638,252.38

5. No.13 Mrs. Siriporn Nopwattanapong resigned from the position of GSB Director on January 7, 2019.
6. No.14 -15 was appointed as GSB Director in accordance with the Cabinet Resolution on April 30, 2019.
7. No.16 -18 retired from the position of GSB Director due to expiration of the office term on December 18, 2018



Remuneration of Directors

Remuneration and benefits of directors consist of 3 parts as follows:

1. Monthly remuneration (According to the Cabinet Resolution on April 24, 2019)

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

2. Meeting allowance (According to the Cabinet Resolution on April 24, 2019)

- Chairman 25,000 Baht per meeting
- Director 20,000 Baht per meeting

The meeting allowance will be paid to Directors who attend only one meeting per month. If necessary, the allowance can be paid more than one meeting per month, but not more than 15 meetings per year.

Directors appointed as sub-committees/other committees/other working groups by the provision of law, the Cabinet Resolution or the Board of Directors shall receive the meeting allowance at a rate of 0.5 times of the rate the directors attending the meeting receive. The Directors shall receive the meeting allowance for sub-committees/other committees/other working groups, not more than 2 committee meetings and not more than once a month of each meeting.

3. Bonus is paid in accordance with the Bank's performance and calculated 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 the Bank's performance (net profit)
 - Additional bonus of 87,500 Baht for net profit 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: Based 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, in accordance with normal rules, if obtaining assessment score of 3.5 points and above.

Directors

- 1st part: Bonus of 60,000 Baht for net profit of 100 Million Baht and below.
- 2nd part: Additional bonus based on the Bank's business performance (net profit)
 - Additional bonus of 70,000 Baht for net profit 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: Based 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, in accordance with normal rules, if obtaining assessment score of 3.5 points and above.



Remuneration of GSB President & CEO

The GSB Board of Directors assigned the Performance Assessment 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 then submitted the results and recommended the appropriate remuneration rates for GSB President & CEO to the Board of Directors for consideration.

Remuneration for Executives

Unit: Baht

Type of income	2015 Expenses		2016 Expenses		2017 Expenses		2018 Expenses		2019 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
Salary	7,716,129.01	9,778,620.00	8,580,000.00	8,019,684.00	9,805,500.00	2,640,000.00	9,600,000.00	2,640,000.00	9,600,000.00	7,302,582.84
Compensation	-	-	3,306,912.44	-	3,677,142.86	-	4,044,857.14	-	4,114,285.71	-
Meeting allowance	458,709.68	38,290.32	460,000.00	12,000.00	460,000.00	15,000.00	450,000.00	24,000.00	580,000.00	24,000.00
Bonus	-	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	402,500.00	3,952,050.57
Total	8,174,838.69	23,780,807.25	12,710,460.83	12,389,147.12	14,310,142.86	3,816,745.56	14,514,857.14	4,063,650.36	14,696,785.71	11,278,633.41

Self-Development of the Board of Directors

The Bank has a policy to encourage directors to attend various training courses to increase their knowledge on the roles of directors in order to gain a better understanding of their roles and duties in accordance with the Good Corporate Governance and also enhance their knowledge and new perspectives on financial business management, business administration, technology and innovation to support effective and efficient operations. In 2019, the Bank encouraged directors to participate in various seminars and training courses as follows:

1. Risk Management Program for Corporate Leaders (RCL) of the Thai Institute of Directors (IOD)
2. Advanced Audit Committee Program (AACP) of the Thai Institute of Directors (IOD)
3. Board Matters and Trends (BMT) of the Thai Institute of Directors (IOD)
4. IT Governance and Cyber Resilience Program (ITG) of the Thai Institute of Directors (IOD)
5. Board Nomination and Compensation Program (BNCP) of the Thai Institute of Directors (IOD)
6. Corporate Governance Program for Directors and Senior Executives of State Enterprises and Public Organizations organized by King Prajadhipok's Institute
7. IIA International Conference 2019 in California of the Institute of Internal Auditor
8. Cyber Resilience Leadership Workshop organized by Bank of Thailand
9. "Bangkok Sustainable Banking Forum 2019: Responsible Lending" Seminar organized by Bank of Thailand
10. Seminar to clarify the framework and guidelines for the new state enterprise performance evaluation system organized by the State Enterprise Policy Office (SEPO)
11. Seminar to enhance knowledge and understanding of Good Corporate Governance practice in state enterprises 2019 organized by the State Enterprise Policy Office (SEPO)

In addition, the Bank organized a special lecture to educate the Board of Directors on various topics such as *"Cyber Security Awareness"* lectured by Dr. Parinya Homanek, ACIS Professional Center Co.,Ltd. (ACIS) and *"How to Get Unstuck With Digital"* by International Data Corporation (IDC). Moreover, the Bank invited the Board of Directors to visit Finland to observe economic conditions, culture and operations of the Finnish Saving Banks Association, including electronic system development, Digital Identity and Cyber Securities management in Finland and Estonia. The details are summarized as follows:

1. Visiting Finnish Savings Banks Group (FSBG), Finland.

FSBG is a banking group in Finland. There are 23 local savings banks focusing on savings, investment, loans and real estate. The group is a fully private business which does not receive any special support from the government and has the same regulatory guidelines as general commercial banks. Currently, it has received a long - term credit rating: Level A- from S&P.

FSBG provides services fairly and equally focusing on connecting digital systems with traditional service systems to serve all groups of customers. This type of business is called “Click - and - Brick Model” which emphasizes the link between offline and online services. As a result, FSBG received a relatively high percentage of customer satisfaction scores.

Currently, FSBG has developed the Mobile Banking Application to target a young generation with services related to Personal Financial Management. Customers enable to ask any questions through Chat or Online Meeting system.

In addition, FSBC is in the process of developing Automation systems for transactions such as data reporting, numbers checking, question answering, loan approval process, etc. However, the FSBG’s KYC process has not been in a digital form yet, customers are required to verify their identity at the branch.

2. Visiting e-Showroom, Estonia

At e-Showroom we focused on learning about an overview of technology development, Digital ID and KYC which can be summarized as follows:

Estonia decided to make government administration system completely digital to support technology industry and boost economic growth.

Currently, Estonian national ID cards consist of 11 digits containing date of birth and postal code. It is a smart card equipped with a chip set to store information for authentication. The government has also designed a device for converting ID cards to USB that can be plugged into a computer.

However, the government has developed an authentication system using Mobile ID which allows people to use a smartphone as a form of secure digital ID. People must register to connect their smartphones with the country’s digital system which will make each smartphone and SIM card as a Public Key showing an initial identity. However, for completing transactions, they need to enter their pin code, as a Private Key to reverify their identity before approval. This Digital ID is developed through a technology called “Split Key Authentication” by Cybernetica Company.

Furthermore, another project named “e-Residency” is a transnational digital identity that anyone in the world can apply for. Once obtaining the e-Residency, any business developed by e-residents can be legally available to all people in the E.U. Now there are approximately 98 people from Thailand who received e-Residency.

In Estonia, digital data is stored in each organization’s database. Therefore, if the organization needs information to verify a customer’s identity, it will request information from relevant government agencies. All organizations which require to connect to the Estonian database system will be given a right of approval to request only the information needed in order to protect the rights of citizens.

Estonia’s Data transmission and Distributed Data System, developed and designed by Cybernetica Company, is called “X-Road” system in which process starts from 1) An organization Signs a Contract to connect to the system 2) Make data request 3) Check validity 4) Encrypted Data Transfer

Estonia is the first country in the world that offer online voting via an e-Voting system. Due to the use of SplitKey Authentication system, it is enable to ensure that the votes are correct and the software

is also created to work with the SplitKey Authentication to be used for Digital Signature. This system has been accepted by the EU and can be used in the EU countries.

3. Visiting Cybernetica Company, Estonia

Cybernetica is a company developing and selling various products for ICT industry and is the developer of SplitKey and X-Road database system for Estonia.

The SplitKey system is a well-recognized technology in many sectors. The company is of the opinion that SplitKey is more secure than Biometric because the Biometric system will store the data on the user's device and the security of the data depends on each device's manufacturer. Unlike the SplitKey, the authentication data is not stored in any device.

X-Road system is a data transmission technology called "UXP", developed by the company in collaboration with Microsoft.

Moreover, the company also explained about SplitKey and UXP, as well as Data Analytic which can analyze encrypted data. The company called this product "Sharemind".

Orientation for New Directors

In 2019, the Cabinet approved the appointment of new members of the Board of Directors as follows:

The Cabinet Resolution on 30th April 2019 approved the appointment of two additional members of the Board of Directors. The appointed person shall remain in the position for the remaining term of the previously appointed Directors as follows:

1. Mr. Mongkon Leelatham
2. Ms. Supreeya Pipatmanomai

The Cabinet Resolution on 22nd April 2019 approved the appointment of Mr. Pachara Anuntasilpa as the GSB Chairman of the Board of Directors to replace the resigned one. The appointed person shall remain in the position for the remaining term of the previously appointed Chairman.

Therefore, in order that the newly appointed members acquire 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 as well as preparing documents relevant to the Bank's business operations for the GSB Board of Directors (Director's handbook) and submitting to the Board before the orientation.

Self-Assessment of the Board of Directors

The Board of Directors has set up a Self-Assessment to provide an opportunity for the Board to evaluate their roles, duties, performance as well as problems and obstacles in the past year, in accordance with the Principles of Good Corporate Governance. In 2019, the Board of Directors performed one Self-Assessment consisting of

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

Board Evaluation included open-ended questions on six topics: Board meetings, communications, work procedures, relationship with management team, qualifications of the Board of Directors, and other opinions and suggestions. The evaluation results were excellent.

The Board of Directors reviewed the 2019 self-assessment results together, and then shared opinions and set new practice guidelines to improve Corporate Governance practices which would consequently lead to effective 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, companies or other agencies

GSB Board of Directors		State enterprises and companies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
1 Mr. Patchara Anuntasilpa	Chairman	1. The Excise Department 2. The Government Lottery Office 3. Institute for Good Governance Promotion, Office of the Public Sector Department Commission (OPDe) 4. Department of Land Transport 5. Office of the Commission For Judicial Service 6. PTT Exploration and Production PLC.	Director-General Chairman of the Board of Director Chairman of Audit Committee Chairman of the Sub-committee, on the supervision, inspection and monitoring of Road Safety Fund Committee Director and Member of the Remuneration Committee
2 Mr. Amnuay Preemonwong	Former Chairman	1. Dhanarak Asset Development Co.,Ltd 2. PTT Global Chemical PLC.	Chairman of the Board of Director Director
3 Mr. Poomsak Aranyakasemsuk	Former Director	1. Comptroller General Department 2. CAT Telecom PLC. 3. PTT Oil and Retail Business PLC.	Director-General Director Director
4 Mr. Boonchai Charassangsomboon	Director	1. Ministry of Finance 2. Government Pharmaceutical Organization	Inspector General Director
5 Mr. Jessada Promjart	Director	1. Expressway Authority of Thailand 2. Amr Asia Co.,Ltd. 3. The Securities and Exchange Commission Thailand 4. Y.S.S. (Thailand) PLC. 5. Chulabhorn Royal Academy 6. Compliance for Agreement of Shopping Center in Triangle Area of Phaholyothin between Railway of Thailand and Central Inter Pattana Co.,Ltd. 7. Compliance with the Joint OperationContract of Color Television Broadcasting Between MCOT PLC. and Bangkok Entertainment Co.,Ltd. 8. Extension Construction, Chulabhorn Hospital and Chulabhorn Medical Institution	Director and Member of the Audit Committee Director and Chairman of the Audit Committee Member of Sub-committee on the Competitiveness in Capital Market Development Director and member of Executive Committee Member of the Audit Committee Director Director Executive Director

GSB Board of Directors		State enterprises and companies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
6	Ms. Yaowanooch Wiyaporn	Director	<p>1. The Civil Aviation Authority of Thailand</p> <p>- Director of Commissioners - Chairman of the Administrative Regulation Sub-committee - Chairman of Good Corporate Governance Committee Director (Advisory Level)</p> <p>2. Administration committee of Designated Areas for Sustainable Tourism Administration (Public Organization)</p> <p>3. Fund for Job-seekers Working Abroad, Department of Employment, Ministry of Labor</p> <p>Director of Fund</p> <p>4. Defense Technology Institute (Public Organization)</p> <p>Director of Risk Management Sub-committee</p> <p>5. Bangkok Metropolitan</p> <p>Member of Economic, Finance and Budget Tracking Subcommittee (Set 4)</p>
7	Mrs. Sauwanee Thairungroj	Director	<p>1. University of the Thai Chamber of Commerce</p> <p>Advisor of the University Council and President of "Harbour.Space @ UTCC"</p> <p>2. National Higher Education, Science, Research and Innovation Policy Council</p> <p>Director of Nomination of Qualified Policy Council</p> <p>3. Thai Chamber of Commerce Foundation</p> <p>Director</p> <p>4. National Economics and Social Development Board of Committee</p> <p>Director</p> <p>5. Office of the National Anti-Corruption Commission</p> <p>Member of Sub-committee on national anti-corruption strategy</p> <p>6. Alumni Association of the University of Thai Chamber of Commerce</p> <p>Honorable Advisor</p> <p>7. New Entrepreneur Development Institute</p> <p>Executive Committee</p> <p>8. Board of Special Case, Department of Special Investigation</p> <p>Honorable member</p> <p>9. Fiscal Policy Office</p> <p>Member of National Start Up Committee</p> <p>10. Committee of the National Reform Steering Assemble on Education</p> <p>Honorable Council</p> <p>11. Board of the Thai Chamber of Commerce and Board of Trade of Thailand</p> <p>Advisor</p> <p>12. Country Reform Network</p> <p>Executive Director</p> <p>13. Anti-corruption Organization of Thailand</p> <p>Director</p> <p>14. Board of Labor and Skill Development Commission</p> <p>Advisor</p> <p>15. Union Plastic PLC.</p> <p>Director, Chairman of the Audit Committee</p> <p>16. The Wisdom Society for Public Opinion Research of Thailand</p> <p>Director of Policy and working group management</p> <p>17. Department of Foreign Trade, Ministry of Commerce</p> <p>Committee on Protection Measure Committee</p> <p>18. Office of the Permanent Secretary</p> <p>Member of Sub-committee on Evaluation of Sufficiency Economy Project</p>

GSB Board of Directors		State enterprises and companies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
8 Ms. Tidarat Thanapakpawin	Director	<ol style="list-style-type: none"> Digital Council of Thailand Department of Intellectual Property, Ministry of Commerce Geo-Informatics and Space Technology Development Agency (Public Organization) Thailand Professional Qualification Institute (Public Organization) Expressway Authority of Thailand King Prajadhipok's Institute Sripatum University Liquor Distillery Organization, the Excise Department 	<p>Vice Chairman</p> <p>Member of Sub-committee Copyright Utilization Guideline</p> <p>Member of Sub-committee Driving Organizational Value Enhancement Sub-committee</p> <p>Member of Occupational Standards Committee on Information and Communication Technology and Digital Content: Animation</p> <p>Member of Digital Technology Sub-committee for Service and Organization Management</p> <p>Advisor on Young Leadership in Democratic Governance Project</p> <p>Special lecturer, School of Digital Media</p> <p>Director</p>
9 Mrs. Philaslak Yukkasmwong	Director	<ol style="list-style-type: none"> National Savings Fund International Institute for Trade and Development (Public Organization) Education Council on Resources and Finance System for Education Office of Knowledge Management and Development (Public Organization) 	<p>Expert Director in Finance and Investment and Member of Sub-committee on strategy</p> <p>Expert Director and Member of the Audit Committee</p> <p>Member of Sub-committee</p> <p>Director of the Audit Committee</p>
10 Mr. Yunyong Teng-amnuay	Former Director	<ol style="list-style-type: none"> Chulalongkorn University International College, King Mongkut's Institute of Technology Ladkrabang Ministry of Digital Economy and Society National Research Council of Thailand Office of the Higher Education Commission, Ministry of Education Ministry of Education 	<p>Special lecturer, Faculty of Engineering</p> <p>Special lecturer</p> <ul style="list-style-type: none"> - Director, Computer system Procurement Commission - Profession Director, Electronic Transactions Committee - Chairman of Security and Safety Sub-committee, Electronic Transactions Committee - Director, Standardization relating to Electronic Transactions Sub-committee - Director of Academic Expert Group on Energy and Information Technology - Director, Member of Committee on Policy for the Higher Education Development Project : : University Network (UniNET) - Expert Director, Member of Committee on Information Technology and Communication for Education

GSB Board of Directors		State enterprises and companies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
			- Chairman of Working Group on budget reviewing for Information Technology and Communication Director
		7. Digital Platform Development Project Committee for National Learning Reform 8. Information Security Association Committee	Director Director
11	Mr. Taveesak Foongkiatcharoen	Director	1. Function International Co.,Ltd. 2. Diphaya Insurance PLC. Director Director and Chairman of the Risk Management Committee
12	Mrs. Patcharavalai Jayapani	Director	1. Chulalongkorn University 2. The Thai Red Cross Society Director, Member of Financial Policy Committee Director, Property Management Committee
13	Mrs. Siriporn Nopwattanapong	Former Director	-N/A- -N/A-
14	Mr. Mongkon Leelatham	Director	1. Marketing Organization For Farmers Committee 2. ASL Securities Co.,Ltd. 3. The Federation of Thai Industries 4. Samsen College Association 5. Ministry of Industry 6. Thammasat University 7. Labor Affairs and Labor Protection Department, Ministry of Labor 8. National Legislative Assembly Director Director Advisor to the Industrial Promotion and Support Committee Advisor Chairman of the Sub-committee on Integration of Feasibility Study Methods For Eastern Fruit Corridor Board of Thammasat University Commerce and Accountancy Alumni Employer Director, The State Enterprise Member of Labor Relations Committee Member of Sub-committee on Driven Economic
15	Ms. Supreeya Pipatmanomai	Director	1. Islamic Bank Asset Management Co.,Ltd. Director
16	Mr. Chatchai Payuhanaveechai (President and CEO)	Director and Secretary	1. Dhipaya Life Assurance PLC. 2. Dhipaya Insurance PLC. 3. State Enterprise Labor Relations, Department of Labor Protection and Welfare, Ministry of Labor 4. National Village and Urban Community Fund Vice Chairman and Executive Director Director and Executive Director Committee for Employers State Enterprise Labor Relations Committee, the Employer Party Expert Committee

Remarks :

- No. 1 Mr. Patchara Anuntasilpa was appointed as GSB Chairman in accordance with the Cabinet Resolution on October 22, 2019.
- No. 2 Mr. Amnuay Preemonwong resigned from the position of GSB Chairman on October 1, 2019.
- No. 3 Mr. Poomsak Aranyakasemsuk resigned from the position of GSB Director on October 31, 2019.
- No. 10 Mr. Yunyong Teng-amnuay retired from the position of GSB Director due to the age of 65 years on August 20, 2019.
- No. 13 Mrs. Siriporn Nopwattanapong resigned from the position of GSB Director on January 7, 2019.
- No. 14-15 was appointed as GSB Director in accordance with the Cabinet Resolution on April 30, 2019.

GSB Directors and Top Executives' Holding Positions in Related Businesses

	Name of GSB Directors and Top Executives	Position	Related Businesses							
			Related Companies ⁽¹⁾							
			1	2	3	4	5	6	7	8
1	Mr. Patchara Anuntasilpa	Chairman								
2	Mr. Amnuay Preemonwong	Former Chairman								
3	Mr. Poomsak Aranyakasemsuk	Former Director								
4	Mr. Boonchai Charassangsomboon	Director								
5	Mr. Jessada Promjart	Director								
6	Ms. Yaowanooch Wiyaporn	Director								
7	Mrs. Sauwanee Thairungroj	Director								
8	Ms. Tidarat Thanapakpawin	Director								
9	Mrs. Philaslak Yukkanasemwong	Director								
10	Mr. Yunyong Teng-amnuay	Former Director								
11	Mr. Taveesak Foongkiatcharoen	Director	✓							
12	Mrs. Patcharavalai Jayapani	Director								
13	Mrs. Siriporn Nopwattanapong	Former Director								
14	Mr. Mongkon Leelatham ^{6/}	Director							✓	
15	Ms. Supreeya Pipatmanomai	Director								
16	Mr. Chatchai Payuhanaveechai	President & CEO	✓			✓				
17	Mr. Boonson Jenchaimahakoon ^{7/}	Senior Executive Vice President						✓	✓	
18	Mr. Numporn Yommana	Senior Executive Vice President		✓						
19	Mr. Therdtham Suvichavorraphan	Senior Executive Vice President		✓						
20	Mr. Chokchai Kunawat ^{3/}	Senior Executive Vice President				✓				
21	Mr. Isara Wongrung	Senior Executive Vice President				✓				
22	Mr. Wuttipong Piromyaporn ^{4/}	Senior Executive Vice President					✓			
23	Mr. Santhan Yoosiri ^{7/}	Senior Executive Vice President							✓	
24	Mrs. Supaporn Saitong-in ^{8/}	Senior Executive Vice President								✓
25	Mr. Veerachai Amornakolsuwech ^{8/}	Senior Executive Vice President								✓

Remarks :

- No.1 Mr. Patchara Anuntasilpa was appointed as GSB Chairman in accordance with the Cabinet Resolution on October 22, 2019.
- No. 2 Mr. Amnuay Preemonwong resigned from the position of GSB Chairman on October 1, 2019.
- No. 3 Mr. Poomsak Aranyakasemsuk resigned from the position of GSB Director on October 31, 2019.
- No.10 Mr. Yunyong Teng-amnuay retired from the position of GSB Director due to the age of 65 years on August 20, 2019.
- No.13 Mrs. Siriporn Nopwattanapong resigned from the position of GSB Director on January 7, 2019.
- No.14 -15 was appointed as GSB Director in accordance with the Cabinet Resolution on April 30, 2019.

Definitions

- Related company refers to a juristic person in which GSB has a shareholding of more than 10%.
- 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.

Symbols

- ☑ means Chairman
- ✓ means Director
- ^{1/} means Mr. Boonchai Charassangsomboon resigned from the position of GSB Director, effective from December 20, 2019. Currently, it is in the process of considering the appointment of a new Director who will hold the position until April 2022.
- ^{2/} means Mr. Poomsak Aranyakasemsuk resigned from the position of GSB Director, effective from October 31, 2019. Currently, it is in the process of considering the appointment of a new Director who will hold the position until April 2022.
- ^{3/} means Replaced Mr. Boonson Jenchaimahakoon according to the GSB resolution No. 3/2019 on March 27, 2019.
- ^{4/} means Appointed in accordance with the GSB resolution No.12/2019 on November 27, 2019.
- ^{5/} means The bank increased the investment proportion from 9.50 to 19.24, compared to the registered capital. Therefore, the bank has the right to propose Director nomination from 1 person to 2 persons. Currently, it is in the process of considering the appointment of a new additional Director.
- ^{6/} means Replaced Mrs.Sauwanee Thairungroj who resigned before completing the term, according to the GSB resolution No.10/2019 on September 24, 2019.
- ^{7/} means Appointed in accordance with the GSB resolution No.4/2019 on April 23, 2019 which has been approved by the Office of the Securities and Exchange Commission (SEC) on May 15, 2019.
- ^{8/} means Appointed in accordance with the GSB resolution No. 8/2019 on July 23, 2019.

Related Businesses

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

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
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Related companies

1. Dhipaya Insurance PLC.
2. MFC Asset Management PLC.¹⁷
3. National Credit Bureau Co.,Ltd.²⁷
4. Dhipaya Life Assurance PLC.
5. TSFC Securities PLC.⁵¹
6. MCOT PLC.
7. ALS Securities Co.,Ltd.
8. National Digital ID Co.,Ltd.

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

1. The Government Lottery Office.
2. PTT Exploration and Production PLC.
3. Dhanarak Asset Development Co., Ltd.
4. PTT Global Chemical PLC.
5. CAT Telecom PLC.
6. PTT Oil and Retail Business PLC.
7. The Government Pharmaceutical Organization
8. Expressway Authority of Thailand.
9. IRPC PLC.
10. Amr Asia Co.,Ltd.
11. Y.S.S. (Thailand) Co, Ltd.
12. State Railway of Thailand and Central Inter Pattana Co.,Ltd.
13. MCOT PLC. and Bangkok Entertainment Co, Ltd.
14. Union Plastic PLC.
15. Liquor Distillery Organization, Excise Department.
16. Function International Co.,Ltd.
17. Islamic Bank Asset Management Ltd.

Succession Plan

The Bank has put in place a personnel replacement for key positions at all levels to prepare potential successors to replace executives who retire or fill vacant positions, including in the case of business fluctuation or changes in the future. The selection is carried out based on systematic criteria and procedures through the process of developing and implementing external training with top management of Thailand to ensure that executives are able to drive the Bank's operations to achieve its vision, mission and in line with Digi-Thai Banking's goals. The Bank has set the plan to designate the successors of senior management in four positions as follows:

1. GSB President & CEO

Development of key business issues, directions, and innovations for banking business in the digital age by participating in external training organized by leading national training institutions such as Institute of Research and Development for Public Enterprise of Thailand (IRDP), King Prajadhipok's Institute, Thai Institute of Directors (IOD) and the Office of the Insurance Commission, etc. There is also an internal training program under the Leader's Rise Together program, which is conducted in the form of Mini Coach Group, based on international theory and research, through the exchange of experiences and views among senior management.

2. GSB Senior Executive Vice President Development of key business issues, directions, and innovations for banking business in the digital age by participating in external training organized by leading national training institutions such as Institute of Research and Development for Public Enterprise of Thailand (IRDP), King Prajadhipok's Institute, Thai Institute of Directors (IOD), etc. There is also an internal training program under the Leader's Rise Together program, which is conducted in the form of Mini Coach Group, based on international theory and research, through the exchange of experiences and views among senior management.

3. GSB Executive Vice President Internal development under the Innovative Business Executive Development Program for the Senior Vice President of Department and Senior Vice President of Regional Office by recognizing the importance of the development of knowledge, understanding and skills necessary to build leadership (Leadership Development), enhancing administration and people management skills in order to be a good leader being able to develop effective strategies in a competitive environment in the banking industry in the digital transformation era to improve the Bank's business and create sustainability for the Bank.

4. Senior Vice President of Department/Regional Office Internal development under 2 courses for Senior Executive Vice President of Department and Senior Vice President of Zonal Office consisting of the "Innovation Strategy Development Program" for those who have never participated in the program in 2018 and the "Leading Innovation Development Program" for those who have already participated in the program in 2018 in order to have knowledge, skills and ability to understand new forms of innovations and business environment as well as being able to apply theoretical knowledge to a real life situations and make management decisions under changes in technology, competition, and regulations.

In addition, the Bank has established Human Resource Master Plan 2019 - 2023 with key strategies to develop personnel with high potential to become successors and leaders in the future which helps drive the Bank's business and operations to keep pace with the digital age. The Bank will have sufficient number of successors in every line of work to fill all vacant and retirement positions. Those selected as successors will be improved and trained in accordance with the Bank's guidelines. The successors are monitored and evaluated every year.

Manpower Structure

Manpower Structure as of December 31, 2019

Unit : Person

Group	Line of Work	Department/Region	Quota	No.of Person	Vacant Position
Compliance and Good Governance Group			5	4	1
	Compliance and Good Governance Group		5	4	1
		Operation Control Department	57	55	2
		Good Corporate Governance Department	14	14	
		Business Control Department	29	28	1
		Anti-Corruption Management Department	42	41	1
		Credit Review Department	54	50	4
		Total	201	192	9
Compliance and Good Governance Group Total			206	196	10
Audit Group			20	20	
	Internal Audit		94	93	1
		IT Audit Department	41	39	2
		Special Audit Department	11	10	1
		Branch Internal Audit Department	96	89	7
		Head Office Internal Audit Department	44	44	
		Total	286	275	11
Audit Group Total			306	295	11
Human Resources Group			5	4	1
	Human Resources Management		5	4	1
		Human Resources Management Department	137	126	6
		Welfare and Quality of Life Promoting Department	83	77	6
		Total	220	207	13
	Human Resources Development		5	4	1
		Human Resources Development Department	51	49	2
		Organization Development Department	36	36	
		Total	92	89	3
Human Resources Group Total			317	300	17
Information Technology Group			5	5	
		IT Security Department	45	42	3
		Digital Banking Business Development Department	28	18	10
	Information Technology Operation		4	4	
		IT Service Department	155	151	4
		IT Operations Department	104	101	3
		SOU	263	256	7
	Information Technology Operation Total		5	5	
		IT Project Management Department	23	21	2
		Management System Department	68	62	6
		Core Customer Service Application Department	64	61	3
		Electronic Application Department	50	46	4
		IT Planning Department	44	41	3
		SOU	254	236	18
Information Technology Group Total			595	557	38

Unit : Person

Group	Line of Work	Department/Region	Quota	No. of Person	Vacant Position
Risk Management Group			5	4	1
	Risk Management		14	12	2
		Risk Management Department	44	43	1
		Credit Risk Management Department	39	39	
		Total	97	94	4
	Credit Risk Analysis		14	13	1
		Corporate Credit and Investment Risk Analysis Department	25	24	1
		Personal Loan Risk Analysis Department	175	174	1
		SMEs Credit Risk Analysis Department 1	41	42	
		SMEs Credit Risk Analysis Department 2	41	42	
		Total	298	295	3
Risk Management Group Total			400	393	7
Operation Support Group			8	8	
	General Administration		4	3	1
		Supplies Management Department	99	97	2
		General Service Department	210	203	7
		Design and Construction Management Department	79	73	7
		Total	392	376	17
	Debt and Legal Management		5	5	
		Litigation Department	24	24	
		Debt Control and Management Department	25	23	2
		Foreclosed Properties Management Department	45	45	
		Legal Department	34	31	3
		Legal Administration Department	58	56	2
		Business Loan Recovery Department	47	47	
		Personal Loan Recovery Department	90	85	5
		Total	328	316	12
Operation Support Group Total			728	699	29
Corporate Strategy Group			5	5	
	Corporate Policy and Strategy		5	5	
		Planning and Budget Management Department	48	42	6
		Banking Strategy Department	52	50	2
		Total	105	97	8
	Research and Customer Management		4	4	
		Customer Data Management Department	38	35	3
		Economic, Business and Grassroots Economy Research Department	33	33	
		Total	75	72	3
Corporate Strategy Group Total			185	174	11
Investment and Financial Management Group			7	5	
	Finance		4	4	
		Accounting Department	145	142	3
		Financial Operations Department	83	82	1
		Total	232	228	4
	Investment		11	11	
		Investment Business Department	44	40	4
		Fixed Income Department	38	36	2
		Investment Operation Department	36	36	
		Total	129	124	6

Unit : Person

Group	Line of Work	Department/Region	Quota	No. of Person	Vacant Position
	Financial Management		4	4	
		Foreign Exchange Department	39	37	2
		Treasury Department	18	16	2
		Asset and Liability Management Department	33	32	1
		Treasury Operation Department	35	35	
		Total	129	124	5
Investment and Financial Management Group Total			497	480	17
Grassroots Customer and Government's Policy Supporting Group			9	8	1
		Grassroots Customer and Government's Policy Supporting Management Department	23	23	
	Government Officer Customers		4	4	
		Product, Marketing Management and Government Officers Customers Development Department 1	18	18	
		Product, Marketing Management and Government Officers Customers Development Department 2	18	18	
		Government Officers Customers Support and Operation Department	24	24	
		Total	64	64	
	Retail Customer and Community Organization		6	6	
		Informal Debt Recovery Management Department	24	24	
		Product, Marketing Management and Retail Customer Development Department	46	46	
		Product, Marketing Management and Community Organization Customer Development Department	52	50	2
		Retail Customer and Community Organization Support and Operation Department	19	19	
		Total	147	145	2
Grassroots Customer and Government's Policy Supporting Group Total			243	240	3
Business and Public Sector Customer Group			8	6	2
		Business and Public Sector Management Department	35	35	
	Business and Public Sector Operation		5	5	
		International Trade and Business Operations Department	23	23	
		Property Valuation Department	36	35	1
		Loan Administration and Collateral Control Department	103	101	2
		Total	167	104	3
	SMEs Business		4	4	
		SMEs Business for Bangkok and Metropolitan Department	23	21	2
		SMEs Business for Region Department	26	25	1
		SMEs Business Center Management Department	566	529	37
		Total	619	579	40
	Corporate and Public Sector		4	3	1
		Corporate Customer Department	38	35	3
		Public and Institute Loan Department	27	25	2
		Cooperative and Local Administration Loan Department	22	22	
		Total	91	85	6
	SMEs Startup Entrepreneurs		4	4	
		SMEs Start up Marketing Department	13	13	1
		SMEs Start up Entrepreneurs Department	15	15	
		SMEs Start up Business Development Department	13	10	3
		Total	45	42	3
Business and Public Sector Customer Group Total			965	911	54

Unit: Person

Group	Line of Work	Department/Region	Quota	No. of Person	Vacant Position
Personal Customer Group			5	5	
		Personal Customer Management Department	34	29	5
	Sales Management		16	15	1
		Premier Banking Department	53	51	2
		Personal Customer Business Sales Management Department	115	109	6
		Customer Relations Department	91	84	7
		Total	275	259	16
	Personal Customer Business Management		6	6	
		Merchant Service Department	44	44	
		Deposit Product and Marketing Management Department	48	46	2
		Cash Card and Credit Card Product and Marketing Management Department	36	35	1
		Deposit Card Product and Marketing Management Department	26	25	1
		Personal Loan Product and Marketing Management Department	41	40	1
		Service Business and Electronic Product Management Department	61	59	2
		Total	262	255	7
	Personal Customer Operation Management		6	6	
		Deposit Business Operation Department	127	117	10
		Electronic Banking Operation Department	147	146	1
		Electronic Card and Merchant Service Operation Department	73	70	3
		Personal Loan Operation Department	24	24	
		Credit Service Supporting Department	96	94	2
		Total	473	457	16
Personal Customer Group Total			1,049	1,005	44
Under supervision of the Office of the Regional Urban Development Fund Committee		The Office of the Regional Urban Development Fund	1	1	
Under supervision of GSB President & CEO			1	1	
		Branch Management Department	81	81	
		Business Proportion Management Department	18	18	
		Service and Sales Channels Supporting Department	51	50	1
	Corporate Secretariat		8	6	2
		Corporate Secretariat Department	69	63	6
		Social and Environmental Development Department	37	37	
		Corporate Communication Department	105	97	8
		Total	219	203	16
	Branch Operations 1		26	26	
		Government Savings Bank Regional Office 1	980	954	26
		Government Savings Bank Regional Office 2	1,091	1,047	44
		Government Savings Bank Regional Office 3	891	869	23
		Total	2,989	2,896	93
	Branch Operations 2		4	4	
		Government Savings Bank Regional Office 4	754	741	13
		Government Savings Bank Regional Office 5	1,049	1,036	13
		Government Savings Bank Regional Office 6	1,022	1,007	15
		Total	2,829	2,788	41
	Branch Operations 3		4	4	
		Government Savings Bank Regional Office 7	949	928	21
		Government Savings Bank Regional Office 8	892	870	22
		Government Savings Bank Regional Office 9	945	938	7
		Total	2,790	2,740	50

Unit : Person

Group	Line of Work	Department/Region	Quota	No. of Person	Vacant Position
	Branch Operations 3		4	4	
		Government Savings Bank Regional Office 7	949	928	21
		Government Savings Bank Regional Office 8	892	870	22
		Government Savings Bank Regional Office 9	945	938	7
		Total	2,790	2,740	50
	Branch Operations 4		4	4	
		Government Savings Bank Regional Office 10	1,138	1,091	47
		Government Savings Bank Regional Office 11	1,231	1,205	26
		Government Savings Bank Regional Office 12	1,087	1,048	39
		Total	3,460	3,348	112
	Branch Operations 5		4	4	
		Government Savings Bank Regional Office 13	927	908	19
		Government Savings Bank Regional Office 14	1,025	1,009	16
		Government Savings Bank Regional Office 15	1,451	1,412	39
		Total	3,407	3,333	74
	Branch Operations 6		4	4	
		Government Savings Bank Regional Office 16	973	940	33
		Government Savings Bank Regional Office 17	880	871	9
		Government Savings Bank Regional Office 18	797	781	16
		Total	2,654	2,596	58
Under supervision of GSB President & CEO Total			18,499	18,054	445
Grand Total			23,991	23,305	686

Remuneration for Employees

Unit : Baht

Detail	2017 Expenses		2018 Expenses		2019 Expenses	
	Officers	Employees	Officers	Employees	Officers	Employees
Salary	7,655,170,388.67	976,246,489.10	8,204,315,843.47	1,116,629,102.98	8,239,543,096.81	1,246,024,542.43
Bonus	3,353,501,320.23	-	4,035,414,299.01	-	3,969,316,415.93	-
Welfare (include employees)	713,791,329.44		747,544,922.97		873,694,160.29	
Total	11,722,463,038.34	976,246,489.10	12,987,275,065.45	1,116,629,102.98	13,082,553,673.03	1,246,024,542.43

Roles of Stakeholders

The Bank recognizes the rights and roles of all stakeholders inside and outside the Bank, so the role was set to meet the needs and expectations of its stakeholders.

Principles

The Board of Directors shall recognize the rights of stakeholders as required by law and the stakeholders shall be treated by the Bank in accordance with the relevant rights. The Board shall encourage cooperation between the Bank and stakeholders to create security, works and businesses for sustainable financial stability, and shall realize and ensure that the rights of stakeholders shall be protected and treated properly.

The board of directors shall monitor and ensure that the management unit runs the business with social and environmental responsibility, which is reflected in the operational plan to ensure that the Bank's operations have been operated in accordance with its main objectives and strategies.

The Board of Directors shall monitor the management units to allocate and manage resources efficiently and effectively by taking into account the impact and resource development throughout the value chain in order to achieve the main objectives sustainably.

Good Practice

1. The Board of Directors shall identify all groups of stakeholders and set priority for consideration in order to prevent errors or failures in the Bank's operations.
2. The Board of Directors shall develop a mechanism for stakeholders to take part in the Bank's operational development for sustainable security and shall adequately disclose important information related to stakeholders to ensure efficient participation.
3. The Board of Directors shall clearly establish social responsibility policy and arrange a public hearing in case any of the Bank's project or activity may have impact on the environment, health, quality of life or other interests related to local communities.
4. The Board of Directors shall have a mechanism to ensure that the Bank operates its business ethically, with social and environmental responsibility and does not violate the rights of stakeholders in order to be a guideline for all departments of the Bank to be able to achieve the main objectives sustainably by creating corporate responsibility policies or guidelines to employees, customers, business partners, communities, environment, fair competition and anti - corruption.
5. The Board of Directors shall be aware of the necessity of resources needed and realize that utilization of each type of resources affects each other.
6. The Board of Directors shall realize that different business models cause different impact on resources as well. Therefore, in order to choose a business model, the Board of Directors shall consider the impact and efficiency of the resources, based on business ethics, accountability as well as creating values for the Bank sustainably.
7. The Board of Directors shall ensure that the management reviews, develops and supervises the use of resources efficiently and effectively as well as considering the changes of internal and external factors regularly in order to achieve the Bank's objectives

Disclosure and Transparency

Disclosure is an indicator of operational transparency which is not only a key factor for building trust among all stakeholders regarding the Bank's operational integrity, but also a mechanism for auditing its operations. Therefore, the Bank emphasizes on correct and accurate disclosure that will assist stakeholders' in decision making as well as broadening its communication channels.

GSB Information Center was set up to gather data from all work units and make a formal disclosure of financial and non-financial information to all internal and external stakeholders. The Bank disseminates its information through the following channels:

1. External disclosure via the Bank's website: www.gsb.or.th, e-mail: news@gsb.or.th, ATM screens, Call Center, Social Media, TV, radio, newspaper, publications, magazines, and LCD screens at branches.
2. Internal disclosure through the Intranet, PR board, Digital Signage, GSB Magazine, LED moving sign board, and public address system.

The Official Information Act B.E. 2540 (1997)

As a state enterprise under the Ministry of Finance and a public agency, the Bank has taken actions to disclose its information publicly to facilitate the public's and stakeholders' access to its information as follows:

1. **Disclosure of procurement information**
The Bank discloses the procurement information on the internet comprising announcements on procurement, TOR draft, result of the bidding, disposal, and auction sale to facilitate the general public to search for information about the Bank's procurement.
2. **Disclosure of the Bank's and customers' information to requesting agencies and third parties**
The Bank cooperates with legally authorized agencies upon their request for inspection of information, documents and evidence or for the Bank's staff to testify as a witness. These agencies are Office 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, Office of the Consumer Protection Board, etc. The information, however, is provided according to the legal provisions and the Bank's principles.

Complaint Management

The Bank manages and handles complaints through the GSB Voice of Customer and Complain Tracking. Complaints are categorized into three levels which are:

1. **Complaint Level 1:** refers to complaints for product information and customer services, to be resolved within 7 days.
2. **Complaint Level 2:** refers to complaints that directly affects customers related to property damage, to be resolved within 15 days.
3. **Complaint Level 3:** refers to complaints that have a severe impact on customers or the Bank's image, to be resolved within 3 days.

Report of Complaints and Suspected Frauds

The Bank places importance on anti-corruption policy which must be taken seriously at the national level. Customers and members of the public can report complaints and any suspected frauds or deliver feedback to the Bank through the following channels:

1. Call Center 1115
2. Call 0 2299 8000
3. Website : www.gsb.or.th
4. E - mail : Unit.CMng@gsb.or.th
5. Social Network and other online media such as Facebook GSB Society, etc.
6. External agencies such as Office of the Prime Minister (GCC 1111), Ministry of Finance, Damrongdhama Center, the Bank of Thailand, Office of Insurance Commission, Office of the Consumer Protection Board, State Audit Office of the Kingdom of Thailand, Office of the Ombudsman.
7. A letter or complaint sent to GSB President & CEO
8. Public media such as newspaper, radio, TV, etc.
9. Other channels : complaints through external agencies such as the Bank of Thailand, Government Contact Center (GCC 1111), Ministry of Finance, Damrongdhama Center, Office of the Consumer Protection Board, State Audit Office of the Kingdom of Thailand, Office of the Ombudsman, etc.
10. Activities such as activities to create relationship, meeting, seminar, training, etc.
11. Survey by the Bank's research method.
12. Other channels specified by the Bank such as scanning QR code to express opinions via mobile phones at all branches nationwide.
13. Report or notify fraud to the GSB Anti-Corruption Commission through Operation Control Department.
14. Special Inspection Department will perform its special inspection due to complaints or as commanded by the supervisor by investigating the facts when there is fraud or misbehavior.

Protection and Confidentiality Measures of Complainants

To protect the rights of complainants and informants who act in good faith. The Bank shall conceal the name, address or any information that may identify the complainant or informant and keep it confidential. Only a person who is responsible for investigating the complaints can access such information.

1. The Bank shall conceal the name, address or any information that may identify the complainant or informant and keep it confidential. Only a person who is responsible for investigating the complaints can access such information. Therefore, the person who receives the information relating to complaint issues is responsible for keeping the information and documents of complainants and informants confidential. Do not disclose information to anyone unless it is required by law.

2. The Bank gives appropriate instructions to protect the complainant or informant who is GSB's employee or staff from being in danger or injustice status, whether it is a change of job position, job description, workplace, suspension order, intimidation, disrupting operations or termination.

3. The Bank may consider giving a special reward to the complainant or informant who is GSB's employee or staff that provides clues or make complaints about corruption which is beneficial to the Bank.

4. The Bank can use the discretion to prevent the complainant or informant who is GSB's employee or staff who has committed an offense as a witness or to reduce the penalty according to the cause and effect of the matter.

Channels for comments and suggestions

You can leave your comments, suggestions, complaints, compliments or inquiries about products and services.

Website
www.gsb.or.th



Call Center
1115



Social Network
GSB Society
Facebook / Twitter / Youtube
Instagram / Pantip



E - Mail
voice@gsb.or.th



QR Code Scan
Leave your comments
via mobile phones



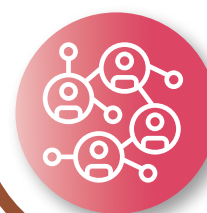
Letter



**External Agencies/
Damrongdhama Center/BOT/OIC/
Office of the Permanent Secretary**



**Branch and
Point of Service**



Customer Service Department, GSB Head Office
470 Phaholyothin Rd., Samsennai, Phayathai, Bangkok. 10400

Code of Ethics and Conduct

The Bank has established the code of conduct to encourage and ensure that all employees behave ethically in interacting with customers, business partners, and other stakeholders. The Board has set policies and supervised the provision of ethics and morals for directors, executives and employees through GSB code of ethics and conduct and cultivation of moral, ethics and code of conduct starting from awareness, knowledge building, comprehension establishment, connection, awareness to implementation. Behavior review in compliance with the GSB code of ethics and conduct has been performed to review awareness, understanding, confidence, connection and compliance with GSB code of ethics and conduct for executives, employees, and staffs in order to use the review results to develop and improve regulations and to be used as a guideline to disseminate knowledge and understanding to GSB executives, employees and staffs which will result in a culture of good governance with business ethics and code of conduct for running business as well as receiving trust from all groups of stakeholders.

GSB Code of Ethics and Conduct

GSB Code of Ethics consists of two parts:

Part 1 Ethical Standards as Core Values for government officials

Directors, executives, and officers have to perform duties according to laws, rules, regulations, announcements, orders, procedures of the Bank to maintain the public benefits, to be political neutral, to facilitate and provide services to general public according to the good corporate governance principles by adhering to 9 core values of ethics as below:

1. Adhere to morality and ethical conduct,
2. Have good conscience, honesty, integrity and responsibility,
3. Prioritize benefits of the country and the Bank over one's own benefits: neither conflict of interest nor providing undue and wrongful benefits to any person,
4. Adhere to righteousness, fairness and lawfulness,
5. Provide services to the public promptly, with generosity and non-discrimination,
6. Provide information to the public completely and correctly, without distortion of facts,
7. Aim for work success and standard, with quality and transparency, as well as openness for inspection,
8. Adhere to Democracy with the King as Head of State,
9. Adhere to business ethics of the Bank.

Part 2 Ethical Standards of Government Savings Bank

Directors, executives, and officers must adhere to and perform duties according to laws, rules and regulations, announcements, orders, and procedures of the Bank to maintain the public benefits and provide services to general public according to the good corporate governance principles by adhering to 12 ethical standards as below:

1. Cooperate and support the government's policy for national benefits.
2. Perform duties according to laws, rules, regulations, announcements, orders, and practices of the Bank strictly as well as cooperating and supervising to ensure similar employee performance.
3. Perform duties with honesty, integrity, transparency, and openness for inspection, give respect to individuality and dignity of human being.
4. Perform duties to the fullest, devote all skills and capabilities to achieve the objectives efficiently for the maximum benefits of the Bank and the country.
5. Keep information of customers, partners, and the Bank strictly confidential. Disclosure of confidential information can be done only when authorized or as required by law.

6. Perform duties for the maximum benefit of the Bank. Do not seek personal benefits, not use or allow other persons to use one's own position either directly or indirectly to seek benefits from the Bank for oneself or others, and not allow one's own or other related persons' benefits to be in conflict with those of the Bank.
 7. Cooperate and support the Bank's business, maintain unity among all persons and parties in the Bank's operations, not perform any acts which may destroy unity or cause any insubordination among persons and parties in the Bank's operations, give respect and honor to one another, refrain from any acts which may bring troubles to others and give sincere support to colleagues.
 8. Do not copy or use the works of others for one's own benefit without specifying the source or do not use the works of others to impersonate one's own works.
 9. Do not report false information or give dishonest opinions to supervisors, be polite and obedient, and do not show disrespect to supervisors. Subordinates shall follow their supervisors' orders within the business scope of the Bank, not perform any acts without approval of the supervisors, unless performed as ordered by the supervisors of higher level or approved as a special case from time to time.
 10. Help develop the society, community and environment as well as creating and preserving natural resources.
 11. Adhere to and comply with the good corporate governance principles and code of conduct.
 12. Do not express opinions 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. Avoid publishing and forwarding messages or information that is inaccurate, misleading, or misleading through online media or other media, which may cause damages to executives, employees, staffs, customers, or affect the reputation and image of the Bank.
- In addition, executives and officers shall adhere to two additional ethics standards as follows:
1. Self-develop to have integrity and morality, and increase knowledge and competence for the benefits of the Bank by constantly seeking knowledge and experience.
 2. Provide services politely, friendly, and rapidly. Provide convenience to contact, as well as improving services regularly by considering the benefits and satisfaction of customers.

GSB Code of Conduct

The Bank has established the code of conduct toward all stakeholders as the guidelines for GSB personnel, divided into 3 levels as follows:

1. Code of conduct for GSB Board of Directors
2. Code of conduct for GSB Executives
3. Code of conduct for GSB Officers

Code of conduct for officers is the basis that GSB executives and officers shall adhere to. Besides the code of conduct for executives, the Bank's executives must act as a good role model by following the code of conduct for officers. All officers have duties to study and strictly comply with the code of conduct. For the promotion, appointment, transfer or consideration of officers who violate the code of ethics or conduct, the operation results relating to business ethics are used for the consideration.

Officers who violate the code of conduct or supervisors who allow such violation of the subordinates will be considered committing such violation and shall be subject to disciplinary punishment which may also include compensation for civil and criminal damages.

1. Code of Conduct for GSB Board of Directors

1.1 Board of Directors toward the Bank

- (1) Perform duties honestly and transparently for the Bank's maximum benefits and do not take actions that cause conflict of interest,
- (2) Apply management knowledge and skills in full potential and perform management duties with prudence,
- (3) Protect the Bank's honor, reputation and good image.
- (4) Do not disclose the Bank's confidential information to outsiders,
- (5) Do not use personal authority or allow other persons to use authority, either directly or indirectly, to seek benefits in a wrongful manner.

1.2 Board of Directors toward Officers

- (1) Treat officers politely, avoid taking unfair actions, and listen to officers' comments and suggestions,
- (2) Determine fair policies regarding safety, remuneration and welfare of officers,
- (3) Encourage officer knowledge and competence development,
- (4) Monitor the Bank's procedures concerning code of conduct and roles of officers to ensure behaviors in the framework of code of conduct.

1.3 Board of Directors toward Customers and General Public.

- (1) Encourage provision of quality services to customers,
- (2) Support guidelines that enhance benefits of customers and general public continuously,
- (3) Encourage the Bank to develop innovations that meet customers and general public needs,
- (4) Disclose complete and correct services information without distortion of facts,
- (5) Ensure that the Bank has arranged complaint system for customers and general public for prompt feedback.

1.4 Board of Directors toward Society

- (1) Encourage the Bank to have corporate social responsibility and uphold national traditions and culture.
- (2) Perform and control the Bank to strictly comply with laws and rules imposed by regulatory authorities.

2. Code of Conduct for GSB Executives

2.1 Executives toward the public sector

- (1) Perform duties with honesty and make decisions with fairness toward the public sector for the maximum benefits of the public sector in general,
- (2) Manage the Bank with prudence,
- (3) Perform duties by applying management knowledge and skills in full potential at all times.
- (4) Report the Bank's status regularly, completely and truthfully.
- (5) Report the public sector on the Bank's future outlook in both positive and negative aspects, which must be realistic and have sufficient supporting information,
- (6) Do not seek benefits for oneself or other persons through the use of Bank's information which has not yet been disclosed to the public,
- (7) Do not disclose the Bank's information to outsiders,
- (8) Do not take any actions which may cause conflict of interest to the Bank.

2.2 Executives toward the Bank

- (1) Perform duties with honesty and do not take any action that causes conflict of interest to the Bank,
- (2) Perform management duties with full potential, caution and prudence in accordance with good corporate governance principles for the maximum benefits of the Bank,
- (3) Keep the Bank's information strictly confidential. Do not seek benefits for oneself or others by using unduly disclosed information of the Bank.

2.3 Executives toward officers

- (1) Provide fair remuneration to Officers,
- (2) Maintain and take care of work environment to be safe for officers' life and assets on a regular basis,
- (3) Appointment and transfer including rewarding and punishing officers must be done with sincerity and based on the knowledge, ability and suitability of such officers,
- (4) Give importance to officers' skills and knowledge development by providing opportunities to all officers fairly and regularly,
- (5) Listen to officers' opinions and suggestions which are based on professional knowledge of the officers,
- (6) Strictly comply with officer laws and regulations,
- (7) Manage operations by avoiding any unfair acts which may affect work and employment security of officer,
- (8) Treat officers politely and give respect to individuality and dignity of human being,
- (9) Encourage officers to thoroughly understand code of conduct and roles of officers as well as promoting the behavior within the framework of the code of ethics throughout the organization.
- (10) Provide opportunities to officers to report legal violations,
- (11) Give confidence to the Bank's officers on work safety and welfare,
- (12) Make officers aware of optimization of the Bank's limited resources.

2.4 Executives toward Customers and General Public

- (1) Provide acceptable levels of quality services,
- (2) Disclose services information completely and correctly, without distortion of facts,
- (3) Service provision must not cause customers and general public to misunderstand the quality, price, quantity or any other conditions of such service,
- (4) Establish complaints system so that customers and general public can file complaints and get feedback promptly,
- (5) Strictly keep customers' and general public's information confidential. Do not use such information for one's own or related persons' benefits in a wrongful manner,
- (6) Strictly complying with customer and general public contract terms and conditions,
- (7) In case of failure to comply with any conditions, notify customers and general public in advance to jointly seek solutions,
- (8) Do not seek undue gains from poor service quality and do not determine unfair terms and conditions for customers and general public.
- (9) Develop new innovations such as new services for customers and general public satisfaction.

2.5 Executives toward Business Partners

- (1) Do not demand, accept or pay dishonest benefits from or to business partners.
- (2) In case there is any information showing demand, acceptance or payment of any dishonest benefits, promptly disclose such information to business partners and jointly seek fair solutions.

2.6 Executives toward Competitors

- (1) Behave and operate under fair competition rules,
- (2) Do not seek confidential information of competitors by dishonest or inappropriate means such as offering bribe to competitors' staff, etc.,
- (3) Do not attempt to ruin competitors' reputation by slandering without facts.

2.7 Executives toward Society

- (1) Do not perform any action which may cause damage to natural resources and environment,
- (2) Return part of the Bank's profits to activities beneficial to the society on a regular basis,
- (3) Instill conscience of social responsibility among officers at all levels constantly and seriously,
- (4) Perform or supervise operation performance strictly in accordance with the objectives of laws and regulations issued by regulatory agencies,
- (5) Do not assist, support or allow oneself to be used as a tool for avoiding compliance with laws, rules and regulations,
- (6) Cooperate with regulatory agencies and report information regarding violation and on non-compliance with laws or regulations,
- (7) Do not use the Bank funds for political purpose.

3. Code of Conduct for GSB Officers

3.1 Officers toward the Bank

- (1) Perform duties with honesty, fairness and perseverance,
- (2) Be responsible for duties in full potential for the maximum benefits of the Bank. Do not take chance or use one's own position to seek benefits from the Bank for oneself or others and do not take any action that will cause loss of benefits or conflict of interest to the Bank,
- (3) Have a good attitude and loyalty to the Bank, maintain the Bank's reputation and image by preserving its good repute. Do not defame or give information that may damage the Bank's reputation, provide information that enhances outsiders understanding and maintain the Bank's good image,
- (4) Accept no expensive or valuable gifts or other benefits from others who are not relatives in traditional occasions in the amount exceeding 3,000 Baht from one person in one occasion,
- (5) Keep the Bank's unduly disclosed information or news strictly confidential and do not share information or news not yet approved by the authorized person,
- (6) Be aware of IT security and maintain the Bank's information system security,
- (7) Utilize efficiently and take good care of the Bank's properties for the maximum benefits. Do not seek personal benefits from such properties, and assist in maintaining properties and workplace clean and orderly at all times,
- (8) Pay strict and untiring attention to all activities which enhance quality, efficiency, and development of the Bank towards excellence,
- (9) Adhere to professional code of conduct of the Bank.

3.2 Officers toward Executives

- (1) Pay respect, be polite and humble to supervisors, follow the lawful order and perform work according to level of supervision except in case of reasonable causes,

- (2) Do not report false information or give dishonest opinions to supervisors. Do not slander executives without evidences or facts.
- (3) Do not attempt to lobby or demand for a required position.

3.3 Officers toward Colleagues

- (1) Maintain and nurture harmony, including participating in activities to strengthen relationships among colleagues,
- (2) Provide knowledge, share work experiences or give advices to colleagues,
- (3) Listen to opinions and suggestions of colleagues and subordinates, and use them for the Bank's benefits,
- (4) Give support and assistance to colleagues in need within the capacity limit of oneself,
- (5) Do not criticize personal matters or information of colleagues in a manner that discredits the colleagues or ruins the Bank's image,
- (6) Treat colleagues politely and respect to each other.

3.4 Officers toward themselves

- (1) Develop oneself consistently to ensure effective and efficient performance,
- (2) Adhere to laws, ethics and correctness, and do not seek for a position or other benefits from the supervisors or other persons in a wrongful manner,
- (3) Have a good attitude and be proud to be GSB's officers, maintain own reputation and honor as GBS's employees,
- (4) Be punctual and dedicate time to perform duties for the Bank. Do not come to work late and leave early or use working time for personal matters without necessity.

3.5 Officers toward Customers and General Public

- (1) Be sincere and provide quality services willingly in a polite and gentle manner,
- (2) Provide services on a fair and equal basis without discrimination,
- (3) Protect benefits of customers, comply with conditions, keep promise made with customers, report any conflict of interest to supervisors urgently, and take immediate action transparently,
- (4) Keep personal information of customers strictly confidential. Do not disclose such information to others except with customer consent, and do not use such information to seek benefits for oneself or others,
- (5) Listen to customers' comments and suggestions and be ready to provide correct information according to one's status. If the matter cannot be handled or is not within the scope of one's own responsibilities. He/She should explain the reasons or recommend customers to contact related persons or work units for further actions,
- (6) Give advice and information about services completely and correctly to ensure customers' benefits and understanding of such services.

3.6 Officers toward Competitors

- (1) Behave and treat competitors under the rules of law and fair competition,
- (2) Encourage actions or activities that contribute to mutual understanding and support in appropriate occasions,
- (3) Have an attitude toward competitors as business acquaintances that help boost consistent self-development of the Bank.

3.7 Officers toward Society

- (1) Devote oneself for public benefits or the society by contributing energies, ideas, funds, and taking part in both internal and external social activities. Such devotion however should be made in a manner that causes no damage to the Bank's operations,
- (2) Do not engage in any actions that may damage society and the environment.

Good Corporate Governance Practices and Activities in 2019

GSB has supported activities to continuously promote good corporate governance among the Board of Directors, Executives and officers' throughout the organization as follows:

- The Bank created the good corporate governance learning process for personnel at all levels as follows:
 - 1) Board of Directors and Executives 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 "Director Certification Program (DCP)", "Corporate Governance for Executive (CGE)", "Ethical Leadership Program (ELP)", "Risk Management Program for Corporate Leaders (RCL)", and "Driving Company Success with IT Governance (ITG)" organized by Thai Institute of Directors (IOD).
 - 2) Management team and officers at all levels attended training courses on good corporate governance as follows:
 - (1) "The Development of a Model for GSB Code of Ethics and Conduct"
 - (2) E-learning on the topic "Good Corporate Governance: Accountability" and "Code of Ethics and Conduct"
- The Bank organized CG Day Event 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 2019, the Bank organized Good Corporate Governance Day (CG DAY) activities and CG Day Tour: at Branch Operations No.1 under the topic "Sustainable Banking by GSB". Mr. Phachara Anuntasilpa, Chairman of the Board of Directors of Government Savings Bank, presided over the opening ceremony and gave speech on the good corporate governance policy for GSB directors, executives and officers. In the event there was a special lecture on "Good Governance and Sustainable Business Operations" by Dr. Phiphat Yodprudtikan, President of Thaipat Institute and Dr. Chatchai Payuhanaveechai, GSB President & CEO provided the vision on "Operation towards Banking for Sustainability". The Board of Directors, executives and officers jointly made a declaration of honest intent. Moreover, in the event there were also an award ceremony for GSB Morality and Ethics Award in 2019 and an award ceremony for agencies and role models in Risk Management for the year 2018.

The participants included the GSB Board of Directors, Central and Branch Operations, GSB's officers executives, as well as stakeholders, a total of 750 persons.

- The Bank organized activities promoting code of ethics and conduct and good corporate governance throughout the year as follows:
 - 1) The Bank enforced "No Gift Policy", refraining from giving and receiving gifts to and from both internal and external organizations during New Year festival to prevent wrongful exploitation and potential conflict of interest including enhancing transparency in operations as well as organizing "Donation and Funding for Veteran General Hospital" activity to donate gifts receiving from stakeholders, donate money to the hospital, including visiting and donating consumer goods to veteran patients who stayed in the hospital.
 - 2) Donated over 3,600 old calendars to the Educational Technology for the Blind Center, under the Foundation for the Blind in Thailand

- 3) Organized a Buddhist sermon by Phra Kruba Boonchum Yanasangwalo at the football field, GSB Head Office. The GSB Board of Directors, executives, officers and employees, including general public, both Thais and foreigners, participated in this event.
- 4) Donated 800 “Kam Por Son” books, a book compiled royal speeches and royal speeches about happiness in life as well as sufficient economy of King Rama IX, to GSB school banks.
- 5) Organized an activity “Read for the Blind” to create audio books for the blind by reading books through “Read for the Blind” application.
- 6) Organized “Praying and Paying respect to Buddha” events: 1st time Phra Ajarn Kanchit Suttijitto at Wat Pa Poo Mai How, Mukdaharn province was a Dharma lecturer and 2nd time Phra Ratchayankawee (Suwit Piyawichayo), the assistant abbot of Wat Phra Ram 9 Kanchanapisek, was a Dharma lecturer.
- 7) Organized “Oomsin Asa” activity to help Wat Phra Bat Nampu by donating money, dried foods and essential necessities.
- 8) Held a GSB general meeting of Ethics Club and organized environmental activities to plant mangrove forests at Khlong Khon Mangrove Conservation Center, Khlong Khon Subdistrict, Mueang District, Samut Songkhram province on Saturday 21 December 2019

Monitoring and assessment

The Bank carried out the following tasks:

1) The survey results of “Opinions of officers, customers and other stakeholders regarding the organization’s leadership role and the application of good corporate governance principles in the GSB operations in 2019” shows that 99.30% : Officers have confidence; executives encourage officers to comply with rules and regulations, 97.74% : Officers who comply with the rules will lead the Bank to success.

2) Behavior review in compliance with the GSB code of ethics and conduct has been performed in order to use the review results to develop and improve regulations to raise GSB’s code of ethics and conduct as well as guidelines for officers. The results showed that 95.80% : Officers have a good understanding of GSB Good Corporate Governance principles and the Code of Ethics and Conduct of Government Savings Bank.



Conflict of Interest

Business Operations

The Bank has the Government Savings Bank Regulation No. 582 regarding conflict of interest which stipulates the transactions' conditions of the GSB's directors, executives, related parties, including related lending in order that the directors, executives and officers can abide by correctly. Consequently, the Bank can prevent situations or actions from the directors or executives to make decisions or perform duties in their positions that may be more beneficial to themselves and those involved than the Bank's benefits. Moreover, the Bank has the Government Savings Bank Regulations No. 656 regarding the securities regulatory policy which defines guidelines for dealing with conflict of interest related to securities business for the directors, executives and officers to comply with. Any conflict of interest must be disclosed for transparency and fairness to customers at all times. The Bank must prevent conflict of interest or violations of the Securities and Exchange Act, especially in securities trading by using internal information for the benefit of oneself or others as follows:

1. Cross director

The Bank has set regulations for a cross director, which may cause a conflict of interest. Such Director will not be able to approve the transaction related to the securities company in which he holds the position and must adhere to the guidelines for handling confidential information as well.

2. For securities trading of GSB's officers, executives, and the Board of Directors, the Bank has encouraged a compliance with the principles of Good Corporate Governance. Therefore, the code of practice has been established to be in accordance with the regulations for conducting securities business as follows:

2.1 For supervision and control of securities trading of GSB's officers, executives and the Board of Directors, including related persons who have the opportunity to know internal information, the Bank will oversee the purchase, sales, transfer and acceptance of transfer of securities that are likely to take advantage of a third party by disclosing internal information for other persons to perform actions in which such person receives the benefit.

For reporting abnormalities occurring in the purchase, sale, transfer or acceptance of transfer of securities and consideration of corrective actions, the Compliance Unit will proceed in accordance with the guidelines of the regulatory agency.

2.2 For supervision of the preparation and oversight of a list of securities, the bank will oversee the preparation of the list of securities that must be well monitored for trading (Watch List), list of restricted list securities and restriction of persons involved in information acquisition by monitoring and controlling transactions related to the said securities to be in accordance with the securities business regulations.

In this regard, the Bank's regulations and policies have been reviewed to be consistent with the current situation on a regular basis.

Officers

The Bank has placed importance on preventing conflict of interest for oneself and the Bank by requiring all executives, officers and employees to prepare a report of conflict of interest to avoid seeking personal benefits and also set guidelines for executives, officers and employees as follows:

All executives, officers and employees must prepare a disclosure report of conflict of interest annually and they must report conflict of interest to the head of departments in the following cases:

1. Review the disclosure of conflicts of interest within December every year.
2. When getting a promotion or moving to a new position.
3. When there is a reorganization of the Bank's departments.
4. When there are new conflicts that have not yet been disclosed or reported.

In 2019, there was no conflict of interest among GSB's executives, officers and employees.

Related Party Transaction

A Related Party transaction means transactions between GSB and listed companies, public or private organizations in which GSB holds more than 10 % of the shares or with connected persons such as directors, executives, and related parties of those persons, including companies or juristic persons in which the said persons hold shares or have significant control over the company's operations.

The Bank must compliance with the Government Savings Bank regulations No. 582 regarding conflict of interest, regulations for granting of credits or investing in businesses in which the Bank, the directors or executives have related interests in order to have careful consideration, transparency, rationality and independence under the good moral framework

For considering items that may have conflict of interest, related party transaction or connected transaction, the Bank has specified the following operations:

1. Complying with GSB regulations on credit policy.
2. Any transaction with businesses with interests must be approved by GSB's Board of Directors with a unanimous resolution.
3. Directors, executives, or officers with interests related to lending, investments credits, incurring obligations are prohibited to participate in the consideration and approval of such lending, investments, and incurring obligations.

Compliance Control

In 2019, there were changes in many external regulations, including business regulation guidelines such as regulations on housing loans and other loans related to housing loans of specialized financial institutions of the Bank of Thailand. In addition, there were regulations related to the Bank's operations, such as the enforcement of the Revenue Code Amendment Act (No. 48) B.E. 2562, the Land and Buildings Tax Act B.E. 2562, rules for supervising the security of specialized financial institutions (Phase 2) of the Bank of Thailand, Announcement of the Bank of Thailand No. SorKhorSor. 29/2562 regarding rules for utilizing business facilitators of specialized financial Institutions, the notification of the Bank of Thailand No. SorNorSor. 19/2562 regarding information technology risk regulations of financial institutions, the Administration and Use of Digital Government Services Act B.E. 2562, Personal Data Protection Act B.E. 2562, Announcement of the Committee on Debt Collection regarding the number of times for debt collection as well as changes in external regulations to support changes in the information technology environment, such as the Cyber Security Act B.E. 2562.

The Bank has recognized and gave importance to the supervision of the Bank's business operations under internal regulations and the above-mentioned external regulations. The good corporate governance group is responsible for monitoring the progress of the changing regulations, studying their impact on the Bank and then communicating to the GSB's Board of Directors, executives and officers in order to be aware of business practices and operations that are in line with external regulations. This year, the good corporate governance group still focuses on the 3 Lines of Defense in order to raise awareness of the operational responsibility in accordance with the regulations of the Bank, which is a collaboration between the Good Corporate Governance Group, Risk Management Group and Internal Audit Group to communicate important regulations to officers who work in branch operation at all levels to perform their work according to the regulations and reduce operational errors as well. In addition, the Bank also focuses on the integration of work processes with regard to corporate governance, risk management and compliance with the requirements of the law, regulations, announcements and regulations which have been operating for 2-3 years.

In summary, the overall regulatory compliance for 2019 was as follows:

Significant legal and regulatory changes have been followed up, analyzed, and studied for the Bank's impact, and presented to the Bank and departments for acknowledgment in order to improve, change or add operational procedures.

The review of operations has been conducted randomly to review the implementation of the Bank's regulations and external regulations by various methods to ensure that the Bank has complied with the regulations, including On-site method, Off-site and self-assessment method and the review results, along with suggestions have been prepared and presented to the Bank and agencies.

Implementation and recommendations of regulatory agencies. The Bank has analyzed the solution so as not to have any issues of observations from the regulatory agencies, including the Bank of Thailand, Securities and Exchange Commission and the Office of Anti-Money Laundering. Therefore, the Bank followed up its operations in order to completely comply with the solutions.

Counseling about the regulations. The Bank has involved in the process of new product development, from participating in the meeting discussing about new products until the approval process and also offered comments and advice on various regulations. Besides, the Bank has closely coordinated with external and internal agencies regarding the regulations.

Quality control of works. The Bank has systematically controlled quality of works in various ways such as a product database creation, external regulations, operational practices regarding anti-money laundering and financial support for terrorism and proliferation that has a high destructive power, daily and monthly data reporting, including a checklist for use in controlling and monitoring the Bank's operations efficiently.

Training. The Bank has regularly communicated to all officers by various methods such as organizing training courses, e-Learning courses and notification documents when regulations were changed or when significant events occurred in particular. Moreover, the corporate governance groups, together with risk management group and audit group organized training courses to educate executives at all levels as well as providing accurate understanding to officers working at the branch.

Legal and Official Regulations Education

1. Organizing training courses for executives and officers. In order to provide the Bank's executives and officers knowledge and understanding of the Bank's operations, the Bank therefore organized many training courses so that they can work efficiently and effectively. The training courses were as follows

No.	Course
1	Knowledge of Personal Data Protection Act B.E 2562 and Understanding the Three Lines of Defense with COSO 2013, 2017 on July 17, 2019.
2	Preparation of the practical work of financial institutions to support the Bank's operations under the Personal Data Protection Act B.E. 2562, on October 24, 2019.
3	Knowledge of money laundering law by officials from AMLO office.
4	Knowledge of identity documents and evidence.
5	Project for enhancement of the Bank's operational efficiency and business efficiency through the Fraud Compliance Officer (FCO), branch operations (9 classes).
6	"Upgrade Composite Rating" Project, the course to increase the efficiency of the Bank's operational supervision and business operations through Fraud Compliance Officer (FCO), branch operations (18 classes).
7	Assessment of morality and transparency in the operation of government agencies.
8	Corruption risk assessment of government agencies.

Prevention of Corruption

1. The Bank has announced the Government Savings Bank Regulation No. 660 on Corruption Prevention Policy since December 13, 2019. GSB's Board of Directors, executives and officers must perform their duties with honesty, transparency, and not taking any actions in order to seek benefits for themselves and the related parties. Do not engage in any form of corruption, both directly and indirectly, and must not accept all forms of corruptions by strictly adhering to guidelines for preventing corruption in all business activities of the Bank

2. The structure of prevention of corruption

The Bank has set up a committee that is responsible for overseeing the prevention of corruption to manage risks and follow up on the implementation according to legal requirements, rules, announcements, and both internal and external regulations. It is an important mechanism that drive successful operations as follows:

2.1 The Bank's Board of Directors has a role in approving the corruption prevention policy, supervising executives and officers to implement the corruption prevention policy with efficiency and effectiveness and behave as a good role model by showing its commitment to fight against corruption in all forms.

2.2 The good corporate governance committee has a role in approving corruption prevention policy, approving the anti-corruption action plan, controlling and monitoring the Bank's operations to prevent corruption as well as recommending necessary measures or guidelines to promote the Bank's operations for the prevention and anti-corruption.

3. The Bank's executives, officers and employees must strictly comply with Government Savings Bank's Notification No. 70/2018 on Anti-Corruption Measures as of June 28, 2018.

4. Promoting the creation of morality and transparency in the Bank's operations by participating in the Integrity & Transparency Assessment (ITA) program of the NACC for the 5th consecutive year, starting from 2014. In 2019, the Bank received the AA rating with a total score of 96.31, ranked 4th of 54 state-owned enterprises and 12th of total organizations participating in the assessment.

5. Creating knowledge on the prevention and anti-corruption for the Board of Directors, executives, officers, employees and all groups of stakeholders. In 2019, the Bank produced public relations media and organized anti-corruption activities as follows:

- 5.1 Posters to promote anti-corruption, “conflict of interest” publicized in the Bank as well as branches.
 - 5.2 Infographic media on various topics to raise awareness about corruption by publicizing through the Bank’s intranet.
 - 5.3 Articles about prevention of corruption publicized through the Bank’s pamphlet.
 - 5.4 “Answer Questions and Win Prizes” activity which was publicized to the executives’s and officers’ emails.
 - 5.5 “Slogan” Contest, a contest to create a slogan that reflects the identity and image of an organization that does not tolerate corruption. This activity was publicized to the executives’ and employee’s emails.
 - 5.6 Sending a rehearsal book about requesting a cooperation to refrain from giving/accepting baskets or gifts during the New Year festival to the Bank’s executives, employees and staffs.
6. 50 executives, employees and staffs joined the activity “International Anti-Corruption Day (Thailand) 2019” on December 6, 2019.

Internal Control

GSB has placed importance on the internal control system by requiring sub-units to conduct their Control Self Assessment (CSA) in order to create responsibilities for internal control for all officers in the sub-units. The assessment is considered a part of normal operations and adheres to guidelines for internal control standards in order to achieve the objectives of internal control in 3 parts, which are

1. Operations objectives are objectives for the efficiency and effectiveness of operations.
2. Reporting objectives are objectives for financial and non-financial reporting that are reliable, timely, and transparent.
3. Compliance objectives are objectives for compliance with laws, rules, regulations, or cabinet resolutions related to operations as well as other government regulations.

To ensure that operations will achieve these objectives, the Bank has appointed the Internal Control Assessment Working Group to be in charge of establishing guidelines for monitoring and controlling sub-units for self-assessment and preparing the internal control assessment report to regulatory agencies, including summarizing the assessment results of each component of internal control as determined by the State Audit Commission which comprises 5 components as follows

1. Environmental Control The Bank has a good control environment as the Bank’s executives has created an atmosphere of control in order to create a good attitude towards internal control by paying attention to honesty, ethics and transparency. There is no conflict of interest and the management is in accordance with good corporate governance principles. The Bank has set policies, regulations, work procedures in writing so that the operations are in the same way. Moreover, the Bank’s personnel has an understanding of the scope of their duties as well as having knowledge, skills to perform their duties as assigned. The Bank has encouraged its officers to have motivation and also developed them to have knowledge and competency in carrying out their duties in accordance with the Bank’s objectives.

2. Risk Assessment The Bank has placed important on internal risk management. Therefore, the Bank has assessed risks at both organizational and operational levels. The objectives are clearly set and

consistent in order to accomplish tasks. All risks from internal and external factors that may have an impact on the objectives are appropriately identified, analyzed and managed to reduce errors and prevent defects that may arise from the performance, resulting in the effectiveness and efficiency of the Bank's performance. Moreover, the Bank has conducted the risk assessment that may cause fraud in various operations.

3. Controlling Activities The Bank has established operational directions with appropriate policies and procedures to ensure that the Bank can achieve its stated objectives. The designated controlling activities can let officers know how to deal, control, avoid and reduce risks and also review operations to ensure that they are in accordance with the laws, rules and regulations, both internal and external operational regulations on a yearly basis. Besides, controlling activities are developed using information technology to support the operations which can reduce errors that may occur.

4. Information and Communication The Bank has a good information technology system that is suitable for operations and responds to user's needs by communicating to executives, staffs, and both internal and external related parties in a suitable format which helps the information recipients to perform their duties efficiently and achieve the Bank's objectives. The Bank has placed emphasis on the safety of electronic data storage as well as creating an information technology emergency plan to support emergencies, reduce the impact and create continuity in business services.

5. Monitoring Activities The Bank has an efficient internal control assessment by determining appropriate procedures for its internal control, which is a part of the normal operations. The Bank's executives are responsible for controlling operations according to the chain of command, including conducting assessment on a case-by-case basis, and if any significant weaknesses are found, they must be examined to ensure that they have good internal control in order to be able to solve problems in time.

The Bank has appointed the Internal Control Assessment Working Group to determine guidelines for the preparation of operational report and improvement of internal controls in accordance with the Ministry of Finance's regulations regarding standards and practices for internal control for the department of State 2018 as well as following up on quarterly reports on assessment and internal control improvements of sub-units within the Bank to align with the guidelines of the assessment report to be more efficient and effective, preparing a report to GSB President & CEO, preparing a letter of the internal control assessment (government level) for the Permanent Secretary of the Ministry of Finance together with the operational report to the management team. The Good Corporate Governance Committee is informed on a quarterly and annually basis.

In 2019, the Internal Control Assessment Working Group has assessed the significant risks that were at the organizational level and followed up the operational plan of the related sub-units to manage such risks which comprised two activities as follows:

1. Compliance with Personal Information Protection Act. The Bank has set a plan to improve control by creating a privacy policy, providing consent letters for collection or disclosure of personal information, forms and processes for deleting and destroying data, service request form, and customer data display form. The Bank also prepared the Bank's operation manual and create online learning media (E-Learning).

2. Protection against cyber threats. The Bank has formulated a plan to improve control by creating a cyber security policy to comply with the standard framework of the Cyber Security Act B.E. 2562.

Report of the Board of Directors' Responsibilities for the Financial Statements

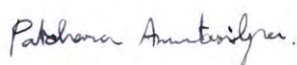
GSB Board of Directors is responsible for the Bank's financial statements as well as the information appearing in the annual report. The Board has supervised the preparation of the financial statements to comply with Thai Financial Reporting Standards (TFRS), accounting standards and generally accepted accounting principles under appropriate accounting policies by adhering to the principles of carefulness, accuracy, completeness, truthfulness and reasonability to be able to truly reflect the Bank's performance as well as providing transparent and adequate disclosures.

The Board of Directors has established a good corporate governance policy to maintain proper and efficient risk management, internal control, internal audit and supervision process to ensure that financial information is accurate, complete, timely and sufficient to protect the Bank's assets and prevent significant risks from unusual operations.

The Board of Directors has appointed an Audit Committee comprising independent directors to oversee and review the reliability and accuracy of financial reports, including the adequacy of the internal control and internal audit systems of the Bank in order to reasonably ensure that the financial statements are correct and reliable. The Audit Committee has expressed its opinions with regard to the stated matters in the Report of the Audit Committee which is presented in the annual report.

The Board of Directors has announced the quarterly financial statements of the Bank and its statement of financial position at the end of the year. The accuracy has been verified by auditors within the period specified by regulatory agencies.

The Board of Directors is of the opinion that the overall internal control system of the Bank is sufficient and appropriate for the Bank's business operations and can reasonably assure the creditability of the financial statements for the year ended December 31, 2019, according to financial reporting standards, generally accepted accounting standards, relevant laws and regulations.



(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank



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

(UNOFFICIAL TRANSLATION)

Report of the Auditor

To: The Board of Directors of Government Savings Bank

Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Government Savings Bank comprising the statements of financial position exhibiting investments by the equity method and bank-only statements as of December 31, 2019; the statements of profit or loss and other comprehensive income exhibiting investments by the equity method and bank-only statements of profit or loss and other comprehensive income; statements of changes in shareholders' equity exhibiting investments by the equity method and bank-only statements of changes in shareholders' equity; and cash flow statements exhibiting investments by the equity method and bank-only cash flow statements for the years then ended, as well as notes on significant accounting policies.

The State Audit Office of the Kingdom of Thailand is of the opinion that the above financial statements represent the financial position of Government Savings Bank as of December 31, 2019, the operational performance and the cash flow for the year then ended correctly in accordance with Thai Financial Reporting Standards and of appropriate accuracy in significant essence.

Basis for Opinion

The State Audit Office of the Kingdom of Thailand has conducted an audit in accordance with standard of the Ombudsman and the auditing standards. The responsibilities of the State Audit Office of the Kingdom of Thailand are described in the Auditor's responsibilities for the Audit of the Bank's financial statements section of the report of the State Audit Office of the Kingdom of Thailand. The State Audit Office of the Kingdom of Thailand is independent of the Bank in accordance with the State Audit Standards, prescribed by the State Audit Commission, the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the Bank's financial statements as well as complying with other ethical responsibilities in accordance with these requirements. The State Audit Office of the Kingdom of Thailand believes that the audit evidence is sufficient and appropriate to provide a basis for the opinion of the State Audit Office of the Kingdom of Thailand.

Others

The State Audit Office of the Kingdom of Thailand has audited the GSB's financial statements exhibiting investments by the equity method and bank-only financial statements as of December 31, 2019 and provided conditional opinions on the financial statements as reported on April 1, 2019 as the Office was unable to find sufficient and appropriate audit evidence regarding provision of loans with ordinary shares as collateral of 3,014.26 Million Baht for the Ministry of Finance. The Ministry of Finance had no intention to repurchase the shares back from the Bank and did not provide a clear solution for the Bank. However, in 2019, as described in Note 5.7.2, the Ministry of Finance issued a letter to consider extension for repurchase period of shares, under the same conditions, for another 3 years from August 21, 2018, which is the due date. As a result, the Office has received sufficient and appropriate audit evidence regarding provision of loans for the Ministry of Finance and finally concluded that it is unnecessary to revise such loans in the Bank's financial statement 2018, which is shown as comparative information.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the financial statements and the auditor's report. The Bank expects to submit the annual report to the State Audit Office of the Kingdom of Thailand after the date of this auditor's report.

The opinion of the State Audit Office of the Kingdom of Thailand on the Bank's financial statements does not cover the other information and the State Audit Office of the Kingdom of Thailand does not express any form of assurance conclusion thereon.

The responsibility of the State Audit Office of the Kingdom of Thailand regarding the Bank's financial statements is to read the other information identified above and consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the audit, or otherwise appears to be materially misstated.

When the State Audit Office of the Kingdom of Thailand reads the annual report, if the State Audit Office of the Kingdom of Thailand concludes that there is a material misstatement therein, the State Audit Office of the Kingdom of Thailand is required to communicate the matter to those charged with governance and the management of the Bank.

Responsibilities of Management and Those Charged with Governance for the Bank's Financial Statements

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

In preparing the Bank's financial statements, 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 Responsibilities for the Audit of the Bank's Financial Statements

The objectives of the State Audit Office of the Kingdom of Thailand are to obtain reasonable assurance that the consolidated Bank's financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes the Office's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the economic decisions of users of these Bank's financial statements.

In the audit of the State Audit Office of the Kingdom of Thailand in accordance with the auditing standards, the State Audit Office of the Kingdom of Thailand exercises professional judgment and maintain professional skepticism throughout the audit. The operations of the State Audit Office of the Kingdom of Thailand are

- Identify and assess the risks of material misstatement of the Bank's financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks, and obtain audit evidence sufficiently and appropriately to provide a basis for the Office's opinion. The risk of not detecting a material misstatement caused by fraud is higher than the risk of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Understand the internal control relevant to the audit in order to design appropriate audit procedures for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

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

- Conclude on the appropriateness of applying the accounting standards of the management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cause significant doubt on the Bank's ability to continue as a going concern. If the State Audit Office of the Kingdom of Thailand concludes that a material uncertainty exists, the State Audit Office of the Kingdom of Thailand must include in its auditor's report on the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. The conclusions of the State Audit Office of the Kingdom of Thailand are based on the audit evidence obtained up to the date of the report. However, future events or conditions may cause the Bank to cease its operations.

- Evaluate the overall presentation, structure and content of the Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The State Audit Office of the Kingdom of Thailand communicates with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the State Audit Office of the Kingdom of Thailand identifies during the audit.

(Signed) *Pornchai Jumroonpanichkul*
(Pornchai Jumroonpanichkul)
Deputy Auditor General

(Signed) *Kanitha Tassanapitak*
(Kanitha Tassanapitak)
Director of Financial and Procurement
Audit Office No.4

State Audit Office of the Kingdom of Thailand
March 11, 2020

Statement of Financial Position

As at December 31, 2019

Unit : Thousand Baht

	Notes	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
		2019	2018 (Adjusted)	2019	2018 (Adjusted)
Assets					
Cash	5.2	31,422,314	33,864,750	31,422,314	33,864,750
Interbank and money market items-net	5.3	402,442,361	339,996,142	402,442,361	339,996,142
Derivative assets	5.4	1,512,448	670,627	1,512,448	670,627
Investments-net	5.5	309,794,892	254,153,651	309,794,892	254,153,651
Investments in associates-net	5.6	2,081,581	2,002,907	1,524,919	1,375,919
Loans to customers and accrued interest receivables-net	5.7				
Loans to customers		1,917,268,512	1,886,232,467	1,917,268,512	1,886,232,467
Accrued interest receivables		6,320,302	6,523,719	6,320,302	6,523,719
Total loans to customers and accrued interest receivables		1,923,588,814	1,892,756,186	1,923,588,814	1,892,756,186
Less Deferred revenue		467,227	482,332	467,227	482,332
Less Allowance for doubtful accounts	5.8	66,294,924	65,193,961	66,294,924	65,193,961
Less Revaluation allowance for debt restructuring	5.9	33,603	36,014	33,603	36,014
Total loans to customers and accrued interest receivables-net		1,856,793,060	1,827,043,879	1,856,793,060	1,827,043,879
Loans to PSA customers and accrued interest receivables-net	5.38				
Loans to PSA customers					
Non-PSA compensation		152,820,523	174,459,877	152,820,523	174,459,877
PSA compensation		188	506	188	506
PSA accrued interest receivables					
Non-PSA compensation		227,836	246,715	227,836	246,715
Total loans to PSA customers and accrued interest receivables-net		153,048,547	174,707,098	153,048,547	174,707,098
Less PSA Deferred revenue		3,648,090	2,559,972	3,648,090	2,559,972
Total loans to PSA customers and accrued interest receivables-net		149,400,457	172,147,126	149,400,457	172,147,126
Receivables waiting for PSA compensation	5.38.2	1,845,470	1,104,146	1,845,470	1,104,146
Properties for sale-net	5.10	4,827,837	3,235,899	4,827,837	3,235,899
Premises and equipment-net	5.11	26,638,592	26,418,580	26,638,592	26,418,580
Other intangible assets-net	5.12	1,573,978	1,161,857	1,573,978	1,161,857
Other assets-net	5.13	9,291,272	5,827,575	9,291,272	5,827,575
Total assets		2,797,624,262	2,667,627,139	2,797,067,600	2,667,000,151

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

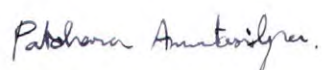
Statement of Financial Position (Continued)

Unit : Thousand Baht

As at December 31, 2019

	Notes	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
		2019	2018 (Adjusted)	2019	2018 (Adjusted)
Liabilities and Equity					
Deposits	5.14	2,309,489,167	2,232,430,751	2,309,489,167	2,232,430,751
Interbank and money market items-net	5.15	71,476,334	69,659,284	71,476,334	69,659,284
Liabilities payable on demand		562,019	1,210,693	562,019	1,210,693
Derivative liabilities	5.4	14,404	106,165	14,404	106,165
Debt issued and borrowings	5.16	80,500,000	50,000,000	80,500,000	50,000,000
Provisions	5.17	70,461,166	56,508,304	70,461,166	56,508,304
Deposits interest and accrued bonds	5.18	48,982,408	46,187,191	48,982,408	46,187,191
Accrued expenses		6,248,579	6,624,454	6,248,579	6,624,454
Other liabilities	5.19	6,858,019	2,334,329	6,858,019	2,334,329
Total liabilities		2,594,592,096	2,465,061,171	2,594,592,096	2,465,061,171
Equity					
Captial granted by HM King Rama VI		100	100	100	100
Other reserves	5.20	24,103,410	23,116,191	23,980,339	23,082,556
Retained earnings					
Appropriated					
Reserves for business expansion		33,213,072	30,128,888	33,213,072	30,128,888
Unappropriated		145,715,584	149,320,789	145,281,993	148,727,436
Total equity		203,032,166	202,565,968	202,475,504	201,938,980
Total liabilities and equity		2,797,624,262	2,667,627,139	2,797,067,600	2,667,000,151

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



(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank



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

Statement of Profit or Loss and Other Comprehensive Income

For the year ended
December 31, 2019

Unit : Thousand Baht

	Notes	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
		2019	2018	2019	2018
Interest income	5.28	97,519,299	96,607,635	97,519,299	96,607,635
Interest expenses	5.29	41,533,517	35,428,966	41,533,517	35,428,966
Interest income-net		55,985,782	61,178,669	55,985,782	61,178,669
Fees and service income		6,207,772	7,101,311	6,207,772	7,101,311
Fees and service expenses		1,402,109	1,028,727	1,402,109	1,028,727
Fees and service income-net	5.30	4,805,663	6,072,584	4,805,663	6,072,584
Gain on trading and foreign exchange-net	5.31	139,501	94,634	139,501	94,634
Gain on investments-net	5.32	2,143,721	7,635,090	2,287,325	7,635,090
Share of profit on investments by equity method		312,844	464,873	-	-
Dividend income		1,893,807	1,616,688	2,223,046	1,940,542
Other operating income		1,663,305	1,305,364	1,663,305	1,305,364
Public Service Account income	5.38.4	5,864,126	6,130,695	5,864,126	6,130,695
Total operating income		72,808,749	84,498,597	72,968,748	84,357,578
Other operating expenses					
Personnel expenses		14,873,242	13,827,499	14,873,242	13,827,499
Director remuneration		4,355	4,405	4,355	4,405
Employee remuneration		3,051,845	3,641,934	3,051,845	3,641,934
Director Compensation		6,670	4,858	6,670	4,858
Premises and equipment expenses		5,254,201	5,170,764	5,254,201	5,170,764
Compensation for dept collection agency	5.33	366,769	1,567,492	366,769	1,567,492
Others		6,786,166	5,379,872	6,786,166	5,379,872
Total other operating expenses		30,343,248	29,596,824	30,343,248	29,596,824
Public Service Account expenses	5.38.5	6,111,455	6,901,357	6,111,455	6,901,357
Impairment loss on loans and debt securities	5.34	12,306,096	17,017,559	12,306,096	17,017,559
Net profit		24,047,950	30,982,857	24,207,949	30,841,838
Other comprehensive profit (loss)					
Item that will be reclassified subsequently to profit or loss					
Gain (loss) on remeasuring available-for-sale securities	5.20	902,919	(10,322,307)	902,919	(10,322,307)
Share of other comprehensive profit (loss) of associates	5.20	89,436	(96,959)	-	-
Total item that will be reclassified subse quently to profit or loss		992,355	(10,419,266)	902,919	(10,322,307)
Item that will not be reclassified subsequently to profit or loss					
Actuarial Loss on					
Employee benefit plan		(11,897,344)	(415,120)	(11,897,344)	(415,120)
Share of other comprehensive of associates		237	513		
Total item that will not be reclassified subsequently to profit or loss		(11,897,107)	(414,607)	(11,897,344)	(415,120)
Total other comprehensive (loss) - net		(10,904,752)	(10,833,873)	(10,994,425)	(10,737,427)
Total comprehensive profit		13,143,198	20,148,984	13,213,524	20,104,411

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

Patchara Anuntasilpa.

(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank

C P.

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

Statement of Changes in Equity

For the year ended December 31, 2019

Unit : Thousand Baht

Notes	Financial statements exhibiting investments by the equity method								Total
	Capital granted by King Rama VI	Other reserves				Retained earnings			
		Asset valuation surplus	Surplus (Deficit) on revaluation of available-for-sale investments	Share of other comprehensive gain (loss) on associates	Total other reserves	Appropriated Reserves for business expansion	Unappropriated		
Balance at January 1, 2018	100	17,547,247	15,857,616	130,594	33,535,457	27,007,881	141,927,646	202,471,084	
Reserves for business expansion	-	-	-	-	-	3,121,007	(3,121,007)	-	
Contribution to Ministry of Finance	-	-	-	-	-	-	(20,054,100)	(20,054,100)	
Total comprehensive profit (loss)	-	-	(10,322,307)	(96,959)	(10,419,266)	-	30,568,250	20,148,984	
Balance at December 31, 2018	100	17,547,247	5,535,309	33,635	23,116,191	30,128,888	149,320,789	202,565,968	
Balance at January 1, 2019	100	17,547,247	5,535,309	33,635	23,116,191	30,128,888	149,320,789	202,565,968	
Reserves for business expansion	-	-	-	-	-	3,084,184	(3,084,184)	-	
Contribution to Ministry of Finance	-	-	-	-	-	-	(12,677,000)	(12,677,000)	
Total comprehensive profit (loss)	-	-	902,919	89,436	992,355	-	12,150,843	13,143,198	
Transfer to retained earnings	-	(5,136)	-	-	(5,136)	-	5,136	-	
Balance at December 31, 2019	100	17,542,111	6,438,228	123,071	24,103,410	33,213,072	145,715,584	203,032,166	

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



(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank



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

Statement of Changes in Equity For the year ended December 31, 2019

Unit : Thousand Baht

Note	Bank-only financial statements							Total
	Capital granted by King Rama VI	Other reserves			Retained earnings		Total	
		Asset valuation surplus	Share of other comprehensive gain (loss) on associates	Total other reserves	Appropriated	Unappropriated		
Balance at 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	-	-	-	-	3,121,007	(3,121,007)	-	
Contribution to Ministry of Finance	-	-	-	-	-	(20,054,100)	(20,054,100)	
Total other comprehensive gain (loss)	-	-	(10,322,307)	(10,322,307)	-	30,426,718	20,104,411	
Balance at December 31, 2018	100	17,547,247	5,535,309	23,082,556	30,128,888	148,727,436	201,938,980	
Balance at January 1, 2019	100	17,547,247	5,535,309	23,082,556	30,128,888	148,727,436	201,938,980	
Reserves for business expansion	-	-	-	-	3,084,184	(3,084,184)	-	
Contribution to Ministry of Finance	-	-	-	-	-	(12,677,000)	(12,677,000)	
Total other comprehensive gain (loss)	-	-	902,919	902,919	-	12,310,605	13,213,524	
Transfer to retained earnings	-	(5,136)	-	(5,136)	-	5,136	-	
Balance at December 31, 2019	100	17,542,111	6,438,228	23,980,339	33,213,072	145,281,993	202,475,504	

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

Patchara Anuntasilpa

(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank

Chatchai Payuhanaveechai

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

Statement of Cash Flows

Unit : Thousand Baht

For the year ended
December 31, 2019

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Net profit	24,047,950	30,982,857	24,207,949	30,841,838
Adjustment to reconcile net profit with cash receivables (payables)				
From operating activities				
Depreciation and amortization	1,713,132	1,704,909	1,713,132	1,704,909
Bad debts and doubtful accounts	12,310,978	17,032,141	12,310,978	17,032,141
Loss on debt restructuring	-	26,103	-	26,103
Adjusted investment amortized	(1,093,328)	125,600	(1,093,328)	125,600
Loss on transfer of securities amortized	-	922	-	922
Unrealized gain - tradable	(39,323)	(18,098)	(39,323)	(18,098)
(Reversal of) Loss on impairment of investments	(42,818)	-	(42,818)	-
Loss on impairment of debt securities	35,055	-	35,055	-
Gain on disposal of assets	(29,566)	(854)	(29,566)	(854)
Gain on disposal of properties for sale	(141,303)	(136,408)	(141,303)	(136,408)
Gain on disposal of investments in securities	(2,100,903)	(7,635,090)	(2,244,507)	(7,635,090)
Gain on disposal of investment in securities - tradable	(90,681)	(49,675)	(90,681)	(49,675)
Loss (Gain) on foreign currency translation	944,762	(29,220)	944,762	(29,220)
(Gain) Loss on forward contracts	(934,271)	1,581	(934,271)	1,581
Loss (Gain) on forward contracts - tradable	689	(197)	689	(197)
(Reversal of) Loss on discount of properties for sale	40,206	(367)	40,206	(367)
Increase in estimated liabilities	2,055,518	410,860	2,055,518	410,860
Increase in other accrued receivables	(29)	(42)	(29)	(42)
Increase (Decrease) in other accrued expenses	(408,717)	45,293	(408,717)	45,293
Donation income	(62,644)	(63,783)	(62,644)	(63,783)
Share of profit on investment by equity method	(312,844)	(464,873)	-	-
	35,891,863	41,931,659	36,221,102	42,255,513
Net interest income	(54,862,548)	(59,849,688)	(54,862,548)	(59,849,688)
Dividend income	(1,893,807)	(1,616,688)	(2,223,046)	(1,940,542)
Interest cash receivables	99,711,094	98,418,177	99,711,094	98,418,177
Interest cash payables	(41,847,510)	(41,769,025)	(41,847,510)	(41,769,025)
Dividend cash receivables	1,893,807	1,616,688	1,893,807	1,616,688
Operating profit before changes in operating assets and liabilities	38,892,899	38,731,123	38,892,899	38,731,123

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



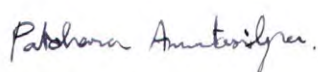
Statement of Cash Flows (Continued)

For the year ended
December 31, 2019

Unit : Thousand Baht

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2019	2018	2019	2018
Cash flows from operating activities (Continued)				
(Increase) Decrease in operating assets				
Interbank and money market items	(62,246,355)	122,774,059	(62,246,355)	122,774,059
Investment in securities - tradable	4,886,308	(3,563,928)	4,886,308	(3,563,928)
Loans to customers	(41,086,810)	(132,841,546)	(41,086,810)	(132,841,546)
Loans to PSA debtors	21,607,304	13,951,010	21,607,304	13,951,010
Customers waiting for PSA compensation	(741,324)	1,267,810	(741,324)	1,267,810
Properties for sale	(1,502,667)	(839,245)	(1,502,667)	(839,245)
Other assests	(1,288,575)	(1,045,133)	(1,288,575)	(1,045,133)
Increase (Decrease) in operating liabilities				
Deposits	77,058,416	47,308,463	77,058,416	47,308,463
Interbank and money market items	1,817,050	(39,203,835)	1,817,050	(39,203,835)
Liabilities payable on demand	(648,674)	200,622	(648,674)	200,622
Other liabilities	810,312	(829,538)	810,312	(829,538)
Net cash from operating activities	37,557,884	45,909,862	37,557,884	45,909,862
Cash flows from investing activities				
Purchase of premises and equipment	(2,075,412)	(1,810,887)	(2,075,412)	(1,810,887)
Proceeds from disposal of premises and equipment	40,057	4,867	40,057	4,867
Purchase of general investments	(206,561,643)	(167,168,291)	(206,561,643)	(167,168,291)
Proceeds from disposal of general investments	148,983,634	149,321,795	148,654,395	148,997,941
Purchase of investments in associates	(174,000)	-	(174,000)	-
Proceeds from disposal of investments in associates	2,100,000	-	2,100,000	-
Proceeds from dividend income from associates	-	-	329,239	323,854
Purchase of intangible assets	(130,562)	(77,394)	(130,562)	(77,394)
Purchase of leasehold	(2,032)	(8,989)	(2,032)	(8,989)
Net Cash from (used in) investing activities	(57,819,958)	(19,738,899)	(57,819,958)	(19,738,899)
Cash flows from financing activities				
Long-term debt issued	30,500,000	-	30,500,000	-
Long-term borrowings between financial institutions	-	(2,342,684)	-	(2,342,684)
Delivery of income to the MOF	(12,677,000)	(20,054,100)	(12,677,000)	(20,054,100)
Net cash from (used in) financing activities	17,823,000	(22,396,784)	17,823,000	(22,396,784)
Effect on cash due to changes in the exchange rates	(3,362)	(2,243)	(3,362)	(2,243)
Net increase (decrease) in cash and cash equivalents	(2,442,436)	3,771,936	(2,442,436)	3,771,936
Cash and cash equivalents as at January 1	33,864,750	30,092,814	33,864,750	30,092,814
Cash and cash equivalents as at December 31	31,422,314	33,864,750	31,422,314	33,864,750

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



(Mr. Patchara Anuntasilpa)
Chairman of the Board of Directors
Government Savings Bank



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

Notes to Financial Statements

For the year ended December 31, 2019

1. General Information

Government Savings Bank (GSB or the Bank) is a juristic person established by Government Savings Bank Act B.E. 2489 (1946), with its headquarters located at 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 of Finance, and any other banking activities. GSB has branches throughout the country.

2. Significant Accounting Policies and Principles

2.1 Basis for Preparation of Financial Statements

The Bank's financial statements exhibiting investments by the equity method and bank-only financial statements for the year ended December 31, 2019 are prepared in accordance with Thai Financial Reporting Standards, accounting treatment guidance promulgated by the Federation of Accounting Professions (FAP), accounting practices generally accepted in Thailand and Regulation of Ministry of Finance, Accounting and Financial Enterprises B.E. 2548 (2005). The Bank's financial statements are prepared in accordance with Thai Accounting Standard No.1 (Revised 2018) regarding Presentation of Financial Statements and presented in accordance with the BOT's Notification No. SorKor 27/2019 regarding the Preparation and Announcement of Financial Statements for Specialized Financial Institutions and related BOT's Notifications. The financial statements integrate all the accounts of its branches nationwide and the accounts of the Office of the Regional Urban Development Fund, which is a work unit of the Bank, with the exclusion of inter-transactions.

The Bank's financial statements are presented in Thai Baht, which is the Bank functional currency. 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 exhibiting investments by the equity method

Financial statements exhibiting investments by the equity method is applied to present investments in equity securities of associates. The initial recognition is made at the costs including transaction costs. The book value of investments in associates will increase or decrease after the acquisition date with the shares of profit or loss of associates in proportion to the Banks investments and dividends received from associates.

Bank-only financial statements

Bank-only financial statements record investment accounts in associates at costs deducting allowance for impairment (if any) and dividends received from associates are recognized as dividend incomes.

2.2 New and Revised Thai Accounting Standards and Thai Financial Reporting Standards Effective for Current Periods

The Bank has adopted the new and revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the FAP, applying for annual accounting periods beginning on or after January 1, 2019 onward with no material impact on the Bank's financial statements.

2.3 New and Revised Thai Accounting Standards and Thai Financial Reporting Standards which has not been yet Effective for Current Periods.

The Federation of Accounting Professions had issued the Notification of Federation of Accounting Professions regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and accounting practices which had been revised and announced in the Royal Gazette, that are relevant to the Bank but not yet effective in 2019 as follows:

Thai Accounting Standards (TAS)		Effective date
TAS 1	Presentation of Financial Statements	January 1, 2020
TAS 7	Statement of Cash Flows	January 1, 2020
TAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2020
TAS 10	Events after the Reporting Period	January 1, 2020
TAS 16	Property, Plant and Equipment	January 1, 2020
TAS 19	Employee Benefits	January 1, 2020
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	January 1, 2020
TAS 21	The Effects of Changes in Foreign Exchange Rates	January 1, 2020
TAS 24	Related Party Disclosures	January 1, 2020
TAS 27	Separate Financial Statements	January 1, 2020
TAS 28	Investments in Associates and Joint Ventures	January 1, 2020
TAS 32 *	Financial Instruments: Presentation	January 1, 2020
TAS 34	Interim Financial Reporting	January 1, 2020
TAS 36	Impairment of Assets	January 1, 2020
TAS 37	Provisions, Contingent Liabilities and Contingent Assets	January 1, 2020
TAS 38	Intangible assets	January 1, 2020
Thai Financial Reporting Standards (TFRS)		Effective date
TFRS 4	Insurance Contracts	January 1, 2020
TFRS 5	Non - current Assets Held for Sale and Discontinued Operations	January 1, 2020
Thai Financial Reporting Standards (TFRS)		Effective date
TFRS 7 *	Disclosure of Interests in Other Entities	January 1, 2020
TFRS 8	Operating Segments	January 1, 2020
TFRS 9 *	Financial Instruments	January 1, 2020
TFRS 12	Disclosure of Interests in Other Entities	January 1, 2020
TFRS 13	Fair Value Measurement	January 1, 2020
TFRS 15	Revenue from Contracts with Customers	January 1, 2020
TFRS 16	Financial Lease	January 1, 2020
Thai Accounting Standards Interpretations (TSIC)		Effective date
TSIC 32	Intangible Assets - Web Site Costs	January 1, 2020
Thai Financial Reporting Interpretations (TFRIC)		Effective date
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2020

TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2020
TFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction for Accounting Standards (TAS 19) on Employee Benefits	January 1, 2020
TFRIC 21	Levies	January 1, 2020
Accounting Practices		Effective date
Financial Instruments and Disclosure for Insurance Business		January 1, 2020

* Standards in relation to financial instruments

The Bank has considered the impact of the new and revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations, Thai Financial Reporting Interpretations and accounting practices which will be effective on or after January 1, 2020 and determined that they will not have any material impact on the Bank's accounting policies and financial statements except for TFRS 16 regarding Financial Lease that the Bank is in the process of evaluating the impact and taking actions for relevant matters to ensure timely implementation.

For Thai Accounting Standards and Thai Financial Reporting Standards, financial instruments will have an impact on the Bank's financial statements regarding classification and measurement as well as presentation and disclosure of financial instruments. The Bank is currently preparing for the implementation of the above accounting standards and financial reporting standards by assigning a working group to determine policies, directions and operational planning; consider and assess the impact on work performance as well as setting guidelines for the development of major work and related work systems to be in line with the Bank's plans and goals.

2.4 Change of Accounting Policies

According to the BOT's Notification No. SorKhorSor. 27/2562 dated September 2, 2019 regarding Preparation and Announcement of Financial Statements for Specialized Financial Institutions, the Bank shall not present or disclose financial statements items such as the right to recall assets, customers' liabilities under acceptances and the Bank's liabilities under acceptances to comply with Thai Accounting Standards and Thai Financial Reporting Standards and related practices. The Bank has adjusted the statement of financial position as at December 31, 2018 for comparison purposes in order to comply with the requirements of this announcement. The change of accounting policies has the impact on the Bank's financial statements as follows:

	Unit: Million Baht
	December 31, 2018
Assets	
Decrease in the right to recall assets	(37,339.45)
Total assets (decrease)	(37,339.45)
Liabilities and Equity	
Decrease in liabilities to deliver securities	(37,339.45)
Total liabilities (decrease)	(37,339.45)

The Bank has not presented the comparative data in the statement of financial position as at January 1, 2018 because the change in the said accounting policies does not impact the items shown in the previous presentation.

2.5 Summary of Significant Accounting Policies

2.5.1 Recognition of Income

Interest income

Interest income of Interbank and money market items is recognized on an accrual basis.

Interest income on investments in debt securities is recognized on effective interest rate method.

The Bank recognizes interest on loans as income on an accrual basis, except for interest from lending which was accrued over three months. Interest from lending which was accrued less than three months is classified as loss, doubtful of loss or doubtful account which will be recognized when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis. In case of receivables from debt restructuring, it will not be recognized throughout the agreement term and will be recognized when received.

Interest on loans with advance interest payment is gradually recognized as income on a monthly basis throughout the contractual term.

Interest on credit card business is recognized as income on an accrual basis from credit card spending that is due for installment but not paid since the date of recording and recognized from cash advance since the date of cash withdrawal. The income will not be recognized when past due more than 90 days, after which it will be recognized on a cash basis.

Public Service Account (PSA) compensation interest income, according to the Cabinet Resolution is recognized on an accrual basis throughout the duration of each project. The compensation income for any damages will be recognized when received.

Other income

Other income such as fee and service income, special privilege program for customers, dividend income from investments is recognized when the obligations under the contract have been fulfilled or is recognized throughout the contract period, as the case may be.

2.5.2 Recognition of Expenses

Deposit interest expenses, interest on all types of loans, GSB Premium Savings award expenses, funds transferred to the Specialized Financial Institution Development, and other operating expenses are recognized on an accrual basis.

Expenses on Public Service Accounts are recognized by allocating costs, fees and service expenses, and other operating expenses. The method of allocation on the expenses has been approved by the Fiscal Policy Office (FPO).

2.5.3 Cash and Cash Equivalents

Cash and cash equivalents refer to cash on hand and cash in transit.

2.5.4 Derivatives

Derivatives are initially recognized and recorded at the date on which a derivative contract is entered into (Trade Date) by the following methods:

Tradable derivatives are measured at fair value. The changes in fair value are recognized as net gain (loss) on tradings and foreign exchange transactions in the statement of profit or loss and other comprehensive Income.

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

2.5.5 Investments

The Bank's investments comprise debt securities and equity securities, classified into trading investments, available-for-sale investments, held-to-maturity debt securities, and general investments.

Trading Investments

Marketable debt securities or equity securities that are acquired with the intent of holding for a short period of time in order to take advantage of anticipated changes in the underlying market values, are classified as trading securities and carried at fair value. Unrealized gain or loss from changes in the fair value is recognized as net gain (loss) on tradings and foreign exchange transactions which are presented in the statements of profit or loss and other comprehensive income.

Available-for-Sale Investments

Marketable debt securities or equity securities, other than those securities held for trading or intended to be held to maturity, are carried at fair value. Unrealized gain or loss from changes in the fair value is presented in the statements of profit or loss and other comprehensive income. The retained earnings are reported as other reserves. Upon disposal of securities, unrealized gain or loss from changes in the fair value will be reversed before recognition of gain or loss on disposal of securities in the statement of profit or loss and other comprehensive income.

The Bank assesses the impairment on available-for-sale securities immediately with an evidence supporting the impairment of securities by reversing deficit on revaluation of available-for-sale securities presented in the equity as impairment loss or reversing the revaluation surplus presented in the equity in order to reduce investments' value before recognizing the impairment loss in the statement of profit or loss and other comprehensive income. The Bank will reverse impairment loss of available-for-sale investments when there is no evidence of the impairment.

Held-to-Maturity Debt Securities

Debt securities that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity investments and carried at amortised cost, net of valuation allowances for impairment.

The Bank assesses the impairment of held-to-maturity debt securities when all or part of principal or interest cannot be collected as stipulated in the agreement. The Bank recognizes the impairment loss in the statement of profit or loss and other comprehensive income. The impairment loss of held-to-maturity debt securities is reversed when the impairment loss is none or decreased but it should not exceed the amortized cost of such held-to-maturity debt securities.

General Investments

Non-marketable equity securities are classified as general investments and carried at cost, net of valuation allowances for impairment.

The Bank assesses the impairment of general investments when there is an indicator of impairment by comparing the carrying amount with its recoverable amount. If the carrying amount exceeds the recoverable amount, the impairment loss will be recognized in the statement of profit or loss and other comprehensive income. The impairment loss in general investments is reversed when there is no more indicator on impairment.

The Bank records the trade of investments in securities at the trade date by recognizing the initial investment value by the purchase price, including all direct expenses in order to obtain the investments. When investments are disposed, the Bank will calculate the cost of investments disposed using the weighted-average method. Gain or loss on disposal of the investments are presented in net gain (loss) on trading and foreign exchange, whereas other types of investments are presented in net gain (loss) on investments.

The Bank measures the fair value of debt securities by referring to the yield rate of the Thai Bond Market Association. The fair value of marketable equity securities is based on the latest bid price on a domestic market, which is regulated by a state agency and such securities are traded, at the end of the last business day of the fiscal period. For investments in non-liquidity funds, the fair value is calculated using Net Asset Value at reporting date.

2.5.6 Investments in Associates

Equity securities in businesses invested by the Bank are considered investments in associates. Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity (at least 20% of voting rights) which the Bank has significant influence, but not control, over the financial and operating policy decisions. Investments in associates in the bank-only financial statements are presented under the cost method, net of valuation allowances for impairment and investments in associates exhibiting investments are presented under the equity method, net of valuation allowances for impairment.

The Bank assesses the impairment of investments in associates when there is an indicator of impairment by comparing the carrying amount with its recoverable amount. If the carrying amount exceeds the recoverable amount, the impairment loss will be recognized in the statements of profit or loss and other comprehensive income. The impairment loss in investments in associates will be reversed when there is no more indicator on impairment.

2.5.7 Loans

The Bank presents the amount of loans with outstanding principal balance and accrued interest receivables on loans, which are recorded separately, except overdrafts. Advance received discounts on loans which have not yet been recognized as income are presented in deferred revenue as deduction items on loans.

The amount of personal loans which are guaranteed by life insurance deposits are presented with outstanding principal balance. Advance received interest is presented separately as deduction items on life insurance loans.

Hire purchase receivables are stated by the outstanding debt under agreements, net of commission fee and deferred initial direct costs on hire purchase. Deferred revenue is presented separately as deduction items on loans.

2.5.8 Allowance for Doubtful Accounts

The Bank sets up the allowance for doubtful accounts in accordance with the provisioning guidelines set forth in the BOT's Notification No. SorKhorSor 23/2562 dated September 2, 2019 regarding the Basis for Classification and Allowance of Financial Institutions.

Type of classification	Rate
Normal (0-1 month overdue)	1%
Special mentioned (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, the Bank sets up the minimum allowance for doubtful accounts based on the percentage stipulated by the BOT, calculating from outstanding principal balance excluded accrued interest

receivable after deduction of collateral or debt balance 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 latest appraisal date.

For hire purchase loans, the Bank sets up the allowance for doubtful accounts based on the percentage stipulated by the BOT, calculating from net outstanding debt after a deduction of deferred revenue.

For personal loans which is guaranteed by life insurance deposits, the Bank sets up the allowance for doubtful accounts based on the percentage stipulated by the BOT, calculating from outstanding principal balance before deduction of collateral value.

For special mentioned accounts, the Bank sets up the additional allowance in accordance with the minimum guidelines stipulated by the BOT by taking into account the potential loss arising from changes in economic and legal conditions including other factors which may impact on the ability of debtors in meeting their obligations under loan agreements.

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

Bad debt written 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 the statement of profit or Loss and other comprehensive income.

2.5.9 Troubled Debt Restructuring

1. Loss on troubled debt restructuring arising from reduction of principal and accrued interest receivables and from various restructuring methods such as asset transfer, modification of payment schedule, debt restructuring in various forms is fully recognized as expenses in the statement of profit or loss and other comprehensive income.

2. In case of a relaxation of debt payment conditions without reduction of principal and accrued interest receivables before debt restructuring, the Bank estimates the present value of the expected cash flows received by using the interest rate under the conditions specified in the TDR agreement as a discount rate. In the event that such interest rate is lower than the financial cost rate, the financial cost rate will be used as the discount rate instead. If the estimated present value of cash flows is lower than the book value (the principal amount plus accrued interest receivables recorded in the outstanding balance of restructured debt), the allowance for loss on troubled debt restructuring is fully recognized in the statements of profit or loss and other comprehensive income.

The components of financial costs such as costs of deposits, contribution to SFI Development Fund and operation expenses.

3. In case of repaying debts by asset transfer, financial instrument, or debt to equity swap, the Bank will entirely write off total accounts receivables and recognize incurred losses in the statement of profit or 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 asset is recorded at a fair value and not higher than the book value of the debt plus the accrued interest receivables which the Bank is entitled to receive by law.

In case of partial payment by asset transfer, financial instrument or debt to equity swap, The Bank will follow the practice in No. 3 in the first place. For the remaining balance of debt, if there is a relaxation of lending criteria, the Bank will follow the practice in No. 2.

2.5.10 Debtors Waiting for PSA Compensation

Debtors waiting for PSA compensation refers to the Bank's rights to receive compensation for the loss from the government as stipulated in the Cabinet Resolution or letter of order in written form from Public Service Account.

2.5.11 Properties for Sale

Properties for sale consist of immovable and movable properties acquired by the Bank as debt settlement and from purchase of mortgaged properties in public auction permitted by the court, which will thereafter be disposed of by the Bank. Properties for sale are slated at fair value or at the outstanding debt and accrued interest receivables, inclusive of interest entitled by creditors on the property acquisition date, whichever is lower, and are also recorded as value of debt repayment. The Bank assesses the value of properties and set up the allowance for the downward deviation from the book value in full amount (100%), which is recognized as other operating expenses or income in the statement of profit or loss and other comprehensive income. The Bank does not calculate the depreciation for the properties for sale.

Gain or loss on disposal of properties for sale is recognized as income or expenses at the date of disposal in the statement of profit or loss and other comprehensive income.

2.5.12 Premises, Equipment and Depreciation

The Bank recognizes initial cost of premises and equipment which includes direct cost which is related to the acquisition of the assets or to maintain 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 premises and equipment in classified in the same category.

Land is stated at the new appraised value less allowance for impairment (if any). The price of land will be regularly revaluated every 3-5 years by professional valuers according to the guidelines established by the BOT. If the fair value of land is fluctuated and changed significantly, the land will be revaluated so that the land value presented will not be significantly different from the 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 recognize the decreasing value in the statement of profit or 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 the statement of profit or 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.

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of assets. The estimated useful lives are as follows:

Building and other constructions	11 - 83 years
Building constructed on leased land	20 - 87 years or based on lease contract term
Leased building improvement	5 years
Durable goods	5 - 8 years

The useful lives and residual values are reviewed at each financial 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. For the assets that are fully depreciated but still in use, the Bank does not make any change to the estimate.

Impairment loss on premises and equipment is recognized as other operating expenses in the statement of profit or loss and other comprehensive income.

Premises and equipment will be excluded from the account when they are disposed of or economic benefits in the future from the usage or the disposal of premises and equipment are not expected. Profit or loss on asset disposal is recognized as other income or operating expenses in the statements of profit or loss and other comprehensive income.

2.5.13 Intangible Assets

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

The Bank will recognize the initial intangible assets from cost. The cost of computer software is the expenses on buying computer software and acquiring the ownership of computer software.

Computer software, the useful lives of around 2-30 years, is amortized on a straight-line basis over the useful lives and is recognized as expenses in the statements of profit or loss and other comprehensive income.

The useful lives and residual values are reviewed at each financial 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. For the computer software that is fully depreciated but still in use, the Bank does not make any change to the estimate.

Impairment loss on intangible assets is recognized as other operating expenses in the statement of profit or loss and other comprehensive income.

Intangible assets will be excluded from the account when they are disposed of or economic benefits in the future from the usage or the disposal of premises and equipment are not expected. Profit or loss on asset disposal is recognized as other income or operating expenses in the statements of profit or loss and other comprehensive income.

2.5.14 Leasehold Right

Leasehold right consists of the right under lease agreements 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 is recognized as expenses in the statement of profit and loss and other comprehensive income.

2.5.15 Assets from Donation

Assets from donation are lands and other assets acquired from donations. The Bank recognizes assets from donation with its appraisal value or fair value as at the donation date. Assets from donation are stated at the donation price and accounted for as unearned income from donation, then gradually recognized as income from donations throughout the useful lives of relevant assets.

2.5.16 Life Insurance Deposit

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

The Bank has life insurance liabilities that are in the form of deposits and insurance, with the accounting policies as follows:

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

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

For the life insurance deposit in the form of insurance recorded by the Bank under Clauses 1 and 2, the Bank reviews the adequacy of life insurance liabilities at the end of the reporting period by using the current estimation of future cash flows 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).

Doctor fee for health check up of depositors is recognized as expenses in the statements of profit or loss and other comprehensive income.

2.5.17 Provisions

The Bank recognizes provisions in the statements of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions comprise the provisions for off-balance-sheet contingencies, the provision for the post-employment benefits, the probable loss on legal indemnity, and other provisions. The Bank reviews the provisions on a regular basis by recognizing changes in the provisions as increase or decrease in other operating expenses in the statement of profit or loss and other comprehensive income.

Contingent liabilities and obligations which are off-financial reporting items are recognized as provisions in the statement of financial position as follows:

1. For obligations, that are off-financial reporting items, and are classified as substandard, doubtful, doubtful of loss and loss, the rate used to calculate such provision will be the same rate as the allowance for doubtful accounts for each debtor to ensure its resilience against any loss.
2. Contingent liabilities and obligations which are off-financial reporting items are recognized as provisions in the statement of financial position when they meet all the following conditions:
 - 2.1 The Bank has current obligations, either legal or constructive, which result from past events;
 - 2.2 The Bank has high potential to lose economic benefits of its resources due to settlement for such obligations; and
 - 2.3 The value of obligations can be reliably estimated.

2.5.18 Officer Benefits

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

Short-term officer benefits

Short-term officer benefits consist of salary, overtime pay, bonus, including other short-term benefits under the employment contract and current legal or constructive obligations that must be paid as a result of past service provided by officers and this obligation can be estimated reliably. The Bank recognizes short-term officer benefits as expenses in the statements of profit or loss and other comprehensive income on an accrual basis.

Post-employment benefits

1. Defined contribution plan

Defined contribution plan is a post-employment benefit plan. The Bank has the provident fund, which is managed by external fund managers, for its employee in accordance with the Provident Fund Act B.E. 2530 (1987). The Bank contributes to the fund at the rate ranging from 9% to 12% according to officers' year of service, whereas officers who are the fund members can choose a contribution rate from 3% to 15% of their salary. Officers will receive the benefits upon termination of employment under the fund's regulations.

The provident fund is considered a defined contribution plan. The Bank recognizes its contributions to the provident funds as expenses in the statement of profit or loss.

2. Defined benefit plan

Defined benefit plan is a post-employment benefit plan consisting of pension, retirement gifts, work remuneration, living pension and special pension. The defined benefit obligation is calculated separately for each plan by estimating the amount of future benefits that employees will receive in return for their service in the current and prior years. These benefits are discounted based on the yield rate of government bonds that have maturity dates approximating the terms of the Bank's obligations. The provision for the officer benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method. The Bank recognizes the provision for the defined benefit plan in the statement of financial position with the present value of defined benefits obligations. The expenses for post-employment benefits are recognized as expenses in the statements of profit or loss. The actuarial gain (loss) is recognized in other comprehensive income.

Other long-term officer benefits

The Bank has other long-term employee benefits which is the amount of future benefits that officers will receive in return for their service in the current and before retirement period. The calculation is done by the same method as post-employment benefit plan, such as gifts for officers who have long years of service. The obligations in respect of long-term officer benefits are recognized in the statements of financial position and the payment in other long-term officer benefits as expenses in profit or loss, calculated on the same basis as the defined benefit plan. Actuarial gain/loss is recognized as expenses in the statement of profit or loss.

Termination benefits

Termination benefits are the result of the Bank's decision to lay off its officers or officers' decision to accept benefit offers on termination. Termination benefits are expensed when the Bank can no longer withdraw the offer of those benefits.

Termination benefits are expected to be settled wholly before 12 months after the end of the annual reporting period when the termination benefits are recognized in accordance with the regulations of short-term officer benefits plan. If the termination benefits are not expected to be settle wholly before 12 months after the end of the annual reporting period, the Bank will comply with the regulations of other long-term officer benefits plan.

2.5.19 Foreign Currency Translation

The Bank's transactions denominated in foreign currencies are foreign currencies from foreign exchange services, transactions arising from acquisition of assets, liabilities, income and expenses in foreign currencies. Transactions denominated in foreign currencies are translated into Thai Baht at the exchange

rates prevailing at the dates of transactions. Assets and liabilities denominated in foreign currencies are translated into Thai Baht at the exchange rates prevailing on the reporting date, in accordance with the BOT's guidelines. Non-monetary assets and liabilities measured at cost in foreign currencies are translated into Thai Baht at the exchange rates at the dates of transactions.

Gain or loss from foreign currency transactions is recognized in the statement of profit or Loss and other comprehensive income.

2.5.20 Long-Term Lease Contracts

Financial leases

Lease contracts where the risks and returns on equity are transferred to the Bank as a lessee are considered financial leases. Financial leases are recorded as assets at the fair value of leased assets or the present value of amount payable under the lease contracts, whichever is lower. Assets acquired under financial leases are depreciated over the useful lives of leased assets. Obligations under the lease contracts less financial expenses are recognized as liabilities. The lease payments will be separated to be deducted from the contractual liabilities in order to make the interest rate of each installment to be a fixed rate for the outstanding balance of liabilities. Financial expenses are recognized in the statement of income and other comprehensive income.

Operating leases

Long-term lease contracts for assets leasing where the risks and returns on equity remains with the lessors as operating leases and are recognized as expenses in the statement of profit and loss and other comprehensive income on a straight-line basis throughout the lease terms.

3. Risk Management

3.1 Risk Information of the Bank

3.1.1 Credit Risk

Credit Risk is the risk that borrowers or counterparties fail to fulfill their obligations under credit repayment contract or the Bank's agreement or fail to repay debts, leading to credit rating downgrade which may affect the Bank's fund and income.

The Bank has closely monitored the uncertainty of current economic and social conditions to be able to improve loan provision criteria and risk management to be more appropriate by focusing on developing credit risk management procedures systematically in accordance with the good operational standards.

In addition, the Bank has improved credit approval processes and developed credit risk management tools to support the growth of quality loans and investments, including monitoring and controlling credit risk to an acceptable level. Details are summarized as follows:

1. Determine credit risk management policy for effective credit risk management in the same direction and in accordance with the Bank's strategy and policy.
2. Determine business loan policy to use as a framework and standard guideline for efficient business loan performance.
3. Determine retail loan policy to use as a framework and standard guideline for effective retail loan performance.

4. Determine loan classification and provisioning policy to use as a framework for the Bank's loan classification and provisions. Besides, it is a tool to create stability and sufficient provisioning which allow the Bank to avoid significant damages that may arise from the impairment of assets held by the Bank.

5. Determine policies and minimum guidelines to consider risk acceptance for credit cards and cash card loans to use as a framework for guidelines for credit card and cash card loans.

6. Determine the authority to review and renew business credit lines including reviewing the processes and procedures for credit approval to align with the organization structure by establishing a check & balance process to comply with good risk management principles.

7. Determine criteria on debt repayment ability as follows:

7.1 Establish debt repayment standards for retail loan customers to ensure that borrowers have adequate fund for their living and to prevent future NPLs.

7.2 Standardize net profit for each business to use as criteria to evaluate debt repayment ability of the Bank's customers.

7.3 Establish Credit Criteria Processing System (CCPS) for calculating debt burden according to criteria set by the Bank in order to evaluate debt repayment ability under the same standards.

8. Determine Credit Product Program (CPP) to use as a primary guideline to consider business loans that the Bank will support and business credit risk for loan approval as well as renewing a line of credit with business loans or total exposure not exceeding 20 Million Baht (Check List : CL).

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

10. Determine credit limit, investment or commitments for each counterparty country (Country Limit) so that the Bank has a risk protection system for the counterparty country as well as having sufficient reserves to manage the impact that may occur from increased transactions.

11. Review qualifications of leading financial institutions to use as a guideline for determining interest rates for leading financial institutions.

12. Develop and improve credit risk measurement models consisting of Credit Scoring Model (i.e. Application Scoring, Behavior Scoring, Collection Scoring), Credit Risk Rating Model and Credit Risk Rating for Small Business Model to screen and assess customer risk properly and more efficiently, including using the Credit Bureau Score in consideration process together with the criteria of risk level measurement models for retail loans and all types of business loans using Credit Scoring, credit cards, cash card loans; Credit Risk Rating Model, and Credit Risk Rating for Small Business Model.

13. Develop a system to support the Bank's credit approval process up to the standards and increase efficiency of risk management, such as

13.1 Loan Origination and Process System (LOPs) includes Loan Origination System (LOR), Collateral Management System (CMS), Litigation System (LS) to increase efficiency of loan approval process and competition ability.

13.2 System for analyzing business customer data and credit risk includes a system for business data analysis (Enlite), financial data analysis (Optimist), credit scoring calculation system (Blaze Advisor) and score calculation system for credit cards and cash card loans (Strategy Management)

13.3 Database system for risk management (Risk Data Mart) to support calculation of capital and risk capital (Capital Calculation), Stress Test and credit portfolio management (Credit Portfolio).

14. Monitor and control credit risk, including
 - 14.1 Monitor single ending limit to control risks and prevent the Bank from lending, investing, creating obligations or conducting transactions similar to granting credits to any person and to avoid concentration risks in any debtor, including those involved.
 - 14.2 Monitor industry limit to diversify risks to prevent excessive concentration in any particular industry.
 - 14.3 Monitor credit limit, investment or obligations with each counterparty country (Country Limit) to control concentration risks in any particular country or group of countries which are economically related.
 - 14.4 Review credit guidelines and monitor credit operations in accordance with the regulations set by the Bank and guidelines of the regulatory agencies.
 - 14.5 Monitor structure and quality of loan portfolios in line with the Bank's policy as well as monitoring and controlling credit concentration regularly such as credit concentration by loan type, business sector and single lending to ensure that the Bank has sufficient capital funds to continue its business operations if there is an event affecting a particular group of debtors or business sectors.
15. Establish debt management process to prevent and resolve outstanding debt including litigation or compromise process as well as available-for-sale assets management.
16. Develop officers' skills to increase their abilities in areas of credit, investment and credit risk management as well as supporting the creation of a credit risk management culture for relevant officers.
17. Monitor and report risks to the Risk Management Committee and related Committees on a regular basis.

3.1.2 Market Risk

Market Risk is the risk arising from interest rate movements, foreign exchange rates, equity price and commodity prices that have negative impact on the income and capital funds.

In order to manage market risk, the Bank has established market risk management policy. The Board of Directors and the Risk Management Committee will be responsible for approving the system for measuring, monitoring and controlling market risks. The objectives are to control risks that may occur in both trading and banking accounts to be at an acceptable level (Risk Appetite) by defining the risk limit and risk warning (Trigger) which are suitable for investment portfolios. The Bank has also conducted a stress testing on the market on a quarterly basis by specifying the simulation scenario that may occur from drastic changes in risk factors, to be consistent with the BOT's guidelines, that may negatively affect the Bank's income and capital to ensure that the Bank can handle any damage that may occur during crisis. Moreover, the level of market risks in investment portfolios as at December 31, 2019 were aligned with the risk limit/ risk warning sign, only the effect of changes in interest rates (NII Sensitivity) that exceeded the risk limit. The risk status is reported to management and related committees on a regular basis as follows:

(1) Interest rate risk

Interest rate risk refers to the risk arising from the potential change in interest rates which may have an adverse effect on the Bank's net interest income and/or economic value, consisting of interest rate risk in the banking book and interest rate risk in the trading book.

The interest rate risk in the banking book is caused by inconsistent assets and liability structures with different periods and types of interest rates. Therefore, the Bank aligns its assets and liability structure with the interest rate movement by analyzing the effect of changes in interest rates on net interest income over the next year (NII Sensitivity) compared to the specified risk limit on a regular basis. Last year, the Bank was affected by changes in interest rates according to market conditions. In addition, the structure and characteristics of the Bank's assets and liabilities were in line with the Bank's mission, resulting in an increase of NII Sensitivity over the risk limit. However, the Asset and Liability Management Committee has continuously monitored and implemented measures to reduce the impact to be at an acceptable risk level.

For the interest rate risk in trading accounts at the end of December 2019, the Bank invested 1.64% of the total investment portfolio in debt securities in trading book by using risk control tools such as Present Value of 1 basis point (PV01) to control risks and evaluate the maximum damage that may occur from transactions under normal conditions by using the Value at Risk (VaR) with 1-day Variance-Covariance at 99.00% confidence level which was tested by VaR in accordance with the BOT's guidelines.

Unit: Million Baht

	Avg. outstanding balance	Amount of Interest	Avg. interest rate (%)	Avg. outstanding balance	Amount of Interest	Avg. interest rate (%)
Interest - bearing financial assets						
Interbank and money market items	282,448.19	4,774.71	1.69	332,338.62	5,424.39	1.63
Investments	234,535.58	5,609.65	2.39	192,546.35	4,512.99	2.34
Loans to customers	1,932,041.14	87,113.89	4.51	1,817,084.57	86,647.68	4.77
Loans to PSA customers	165,540.99	5,839.39	3.53	83,958.15	6,093.20	3.31
Total	2,614,565.90	103,337.64	3.95	2,525,927.69	102,678.26	4.06
Interest - bearing financial liabilities						
Deposits	2,264,987.12	42,354.63	1.87	2,209,137.12	36,159.54	1.64
Interbank and money market items	68,666.28	1,073.34	1.56	81,145.21	1,170.32	1.44
Debt issued and borrowings	54,988.22	1,251.60	2.29	50,105.00	1,179.83	2.36
Total	2,388,641.62	44,679.57	1.87	2,340,387.33	38,509.69	1.65

(2) Foreign exchange risk

Currency risk refers to the risk arising from fluctuations in the value of a base currency against a foreign currency that has an adverse impact on the Bank's income and capital. The Bank controls the risks by using risk control tools such as warning indicators. In addition, the Bank uses derivatives to hedge its risks by making Cross Currency Swap contract.

(3) Equity price risk

Equity price risk refers to the risk arising from changes in equity prices that has an adverse impact on the Bank's income and capital. It is divided into two parts which are equity price risk in the banking book and in the trading book.

For equity price risk in the Banking book at the end of December 2019, the Bank invested in common shares and funds in the available-for-sale portfolio approximately 3.60% and 10.62% of the Bank's total investment portfolio, respectively. The Bank evaluated maximum damages 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 was tested by VaR in accordance with the BOT's guidelines.

For equity price risk in the trading book, the Bank did not invest in common shares in the Bank's trading portfolio, thus there was no equity price risk.

(4) Commodity price risk

Commodity price risk refers to the risk arising from changes in commodity prices that have an adverse impact on the Bank's income and capital. Since the Bank has not invested in commodities, thus there is no commodity price risk.

3.1.3 Liquidity Risk

Liquidity Risk is the risk that the Bank is unable to honor its obligations upon maturity because it cannot liquidate assets or raise sufficient funds on reasonable terms or be able to find funds, but at a cost that is higher than the acceptable level (Funding Liquidity Risk), which may affect the Bank's income and capital both at present and in the future. Moreover, liquidity risk arises from the Bank's failure to mitigate or offset the risks with its existing assets, causing these assets to be disposed of at a price lower than acquisition cost due to either low liquidity of the assets or market liquidity (Trading Liquidity Risk).

To manage the underlying liquidity risk, the Bank has laid out a Liquidity Risk Management Policy which is approved by the Board of Directors while Risk Management Committee will monitor and control liquidity risk. In addition, the Asset and Liability Management Committee (ALCO) is responsible for ensuring that liquidity risk management complies with risk management framework in order to control risk at acceptable level (Risk Appetite). Liquidity management working group has duties to determine guidelines on liquidity management, deposit mobilization, investments and lending in alignment with the Bank's business plan in order to maintain the Bank's liquidity within the Bank's risk appetite.

The Bank measures and evaluates liquidity risk by using a liquidity gap report prepared in both contractual maturity and behavioral adjustment forms. The Bank also conducts a stress testing of liquidity risk quarterly under three scenarios which are

- (1) Institution-specific crisis
- (2) Market-wide crisis and
- (3) Combination of both

Various assumptions are determined in each scenario such as the outflow of deposits in different proportions, identifying Hair Cut as well as establishing a Contingency Liquidity Plan, in which early warning indicators are used to indicate uncommon liquidity situations. Moreover, the Bank identifies roles and responsibilities of executives and relevant working units; working processes; methods of management in the absence of liquidity; a level or quantity of assets with high quality and liquidity (Liquidity Cushion) to provide sufficient liquidity to support its operations in normal and crisis conditions including testing the liquidity emergency plan for its preparedness to react against problems and liquidity crisis efficiently.

The Bank controls the risk by using risk limits and risk triggers such as ratio of loans to deposits and bonds, and ratio of liquid assets to deposits, etc. The report is conducted to monitor liquidity risk on a daily, weekly, monthly, and quarterly basis and propose to the executives and relevant committees. The liquidity asset ratio per deposit as at December 31, 2019, was 21.78%, increasing from December 31, 2018,

equal to 18.65% which was higher than BOT standards (not less than 6.00%) and in accordance with the defined limit and trigger.

The following table presents significant financial assets and liabilities categorized by contractual maturity as at December 31, 2019 and 2018 as follows :

Unit: Million Baht

	2019					
	Not more than 1 month	More than 1 month and not more than 3 months	More than 3 months and not more than 1 year	More than 1 year	No time limits	Total
Financial assets						
Interbank and money market items	319,316.19	8,760.82	20,373.94	53,991.41	-	402,442.36
Investments - net*	14,268.39	37,818.23	86,733.50	170,974.77	1,524.92	311,319.81
Loans to customers	94,692.73	67,175.87	239,227.69	1,516,172.22	-	1,917,268.51
Loans to PSA customers	50,305.59	10,197.50	19,862.27	72,455.35	-	152,820.71
Total financial assets	478,582.90	123,952.42	366,197.40	1,813,593.75	1,524.92	2,783,851.39
Financial liabilities						
Deposits	675,385.54	174,856.81	484,220.87	975,025.95	-	2,309,489.17
Interbank and money market items - net	55,867.82	5,595.93	7,669.19	2,343.39	-	71,476.33
Debt issued and borrowings	-	-	-	80,500.00	-	80,500.00
Total financial liabilities	731,253.36	180,452.74	491,890.06	1,057,869.34	-	2,461,465.50

Unit: Million Baht

	2018					
	Not more than 1 month	More than 1 month and not more than 3 months	More than 3 months and not more than 1 year	More than 1 year	No time limits	Total
Financial assets						
Interbank and money market items	292,649.30	6,795.70	21,500.22	19,050.92	-	339,996.14
Investments- net*	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 financial assets	408,370.16	71,727.21	304,151.14	1,870,550.02	1,420.03	2,656,218.56
Financial 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
Debt issued and borrowings	-	-	-	50,000.00	-	50,000.00
Total financial liabilities	774,116.49	247,352.48	449,885.10	880,735.96	-	2,352,090.03

* Include investments in associates.

3.2 Fair Value of Financial Instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2019 and 2018 as follows:

Unit: Million Baht

Type of financial instruments	Financial statements exhibiting investment by the equity method			
	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash	31,422.31	31,422.31	33,864.75	33,864.75
Interbank and money market items-net	402,442.36	402,442.36	339,996.14	339,996.14
Derivatives	1,512.45	1,512.45	670.63	670.63
Investments - net*	311,876.47	314,642.22	256,156.56	256,352.72
Loans to customers - net	1,856,793.06	1,856,793.06	1,827,043.88	1,827,043.88
Loans to PSA customers-net	149,400.46	149,400.46	172,147.12	172,147.12
Debtors waiting for PSA compensation	1,845.47	1,845.47	1,104.15	1,104.15
Total	2,755,292.58	2,758,058.33	2,630,983.23	2,631,179.39
Financial liabilities				
Deposits	2,309,489.17	2,309,489.17	2,232,430.75	2,232,430.75
Interbank and money market items-net	71,476.33	71,476.33	69,659.28	69,659.28
Liabilities payable on demand	562.02	562.02	1,210.69	1,210.69
Derivatives	14.40	14.40	106.17	106.17
Debt issued and borrowings	80,500.00	80,500.00	50,000.00	50,000.00
Deposits and accrued bonds	48,982.41	48,982.41	46,187.19	46,187.19
Total	2,511,024.33	2,511,024.33	2,399,594.08	2,399,594.08

Type of financial instruments	Bank-only financial statements			
	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash	31,422.31	31,422.31	33,864.75	33,864.75
Interbank and money market items-net	402,442.36	402,442.36	339,996.14	339,996.14
Derivatives	1,512.45	1,512.45	670.63	670.63
Investments - net*	311,319.81	314,642.22	255,529.57	256,352.72
Loans to customers - net	1,856,793.06	1,856,793.06	1,827,043.88	1,827,043.88
Loans to PSA customers-net	149,400.46	149,400.46	172,147.12	172,147.12
Debtors waiting for PSA compensation	1,845.47	1,845.47	1,104.15	1,104.15
Total	2,754,735.92	2,758,058.33	2,630,356.24	2,631,179.39
Financial liabilities				
Deposits	2,309,489.17	2,309,489.17	2,232,430.75	2,232,430.75
Interbank and money market items-net	71,476.33	71,476.33	69,659.28	69,659.28
Liabilities payable on demand	562.02	562.02	1,210.69	1,210.69
Derivatives	14.40	14.40	106.17	106.17
Debt issued and borrowings	80,500.00	80,500.00	50,000.00	50,000.00
Deposits and accrued bonds	48,982.41	48,982.41	46,187.19	46,187.19
Total	2,511,024.33	2,511,024.33	2,399,594.08	2,399,594.08

* Include investments in associates.

3.3 Assets and Liabilities Fair Value

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1-Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities accessible by the Bank on the measurement date.
- Level 2-Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly.
- Level 3-Unobservable inputs adopted for those assets or liabilities.

Fair value measurement techniques of regular transactions are categorized into Level 2 as follows:

- Derivatives calculated by standard model which is commonly used in the market by using observable inputs including interest rates, currency exchange rates to reduce future cash flows for fair value measurement.
- Investments in investment units that are not listed on the Stock Exchange which are available-for-sale securities are measured at Net Assets Value as of reporting date.
- Investments in government and state enterprise debt securities including private-sector equity securities that are trading investments and available-for-sale investments, the fair value is determined by using the market yield rates of Thai Bond Market Association.

As at December 31, 2019 and 2018, the Bank's assets and liabilities by level of the fair value hierarchy were as follows:

Unit: Million Baht

	2019			
	Level 1	Level 2	Level 3	Level 4
Assets				
Derivatives				
Tradable derivatives	-	0.06	-	0.06
Hedging derivatives	-	0.11	-	0.11
Investments				
Trading investments	-	5,098.73	-	5,098.73
Available-for-sale investments	25,540.62	154,858.10	-	180,398.72
Total	25,540.62	159,957.00	-	185,497.62
Liabilities				
Derivatives				
Tradable derivatives	-	0.01	-	0.01
Hedging derivatives	-	0.09	-	0.09
Total	-	0.10	-	0.10

Unit: Million Baht

	2018			
	Level 1	Level 2	Level 3	Level 4
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

3.4 Capital Fund

As at December 31, 2019 and 2018, the Bank's capital fund was calculated based on the BOT's guideline set forth under Basel II principles.

GSB's capital fund under Basel II framework was as follows:

	Unit: Million Baht	
	2019	2018
Tier 1 capital		
Capital granted by HM King Rama VI	0.10	0.10
Reserves appropriated from net profit	33,213.07	30,128.89
Net profit after appropriation	144,985.53	138,900.84
Capital deduction items on Tier 1 Capital	(11,897.34)	(869.09)
Total Tier 1 Capital	166,301.36	168,160.74
Tier 2 capital		
Incremental value of land valuation*	11,794.97	11,794.97
Allowance for classified assets of "normal" category	4,075.00	-
Profit from revaluation of available-for-sale securities	2,661.79	2,513.03
Total Tier 2 Capital	18,531.76	14,308.00
Total Capital fund	184,833.12	182,468.74

* On March 9, 2018, the Bank was approved by the Bank of Thailand to include incremental value of land valuation in Tier 2 capital.

According to the BOT's requirements, the specialized financial institutions are required to maintain the capital adequacy ratio of not less than 8.50% of total risk weighted assets, provided that the Tier 1 capital must not be less than 4.25% of total risk weighted assets.

As at December 31, 2019 and 2018, the Bank maintained the capital adequacy ratio to the total risk weighted assets according to Basel II principles as follows:

	Percentage	
	2019	2018
Total capital fund	15.52	14.72
Tier 1 capital	13.97	13.56

4. Estimates and Assumptions

The preparation of financial statements in conformity with the generally accepted accounting principles and TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information on the estimates of uncertainties and key assumptions 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, 2019 and 2018 were as follows:

Unit: Million Baht

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2019	2018	2019	2018
Surplus on revaluation of available-for-sale investments increase (decrease)	902.92	(10,322.31)	902.92	(10,322.31)
Share of other comprehensive gain on associates increase (decrease)	89.67	(96.45)	-	-
Available-for-sale assets transferred as premises and equipment increase	5.99	196.58	5.99	196.58

5.2 Cash

Unit: Million Baht

	2019	2018
Cash	30,000.50	30,706.87
Foreign Currencies	19.74	31.39
Cash under collection	1,402.07	3,126.49
Total cash	31,422.31	33,864.75

5.3 Interbank and Money Market Items - Net (Assets)

Unit: Million Baht

	2019			2018		
	Demand	Time	Total	Demand	Time	Total
(1) Domestic items						
Bank of Thailand and Financial Institutions Development Fund	2.21	309,676.00	309,678.21	16.51	258,122.00	258,138.51
Commercial Banks	85.60	6,930.00	7,015.60	78.90	29,067.00	29,145.90
Specialized financial institutions	0.19	73,012.70	73,012.89	0.14	42,467.50	42,467.64
Other financial institutions	200.00	12,275.87	12,475.87	-	10,198.45	10,198.45
Total	288.00	401,894.57	402,182.57	95.55	339,854.95	339,950.50
Plus Accrued interest receivables	-	460.96	460.96	0.01	252.42	252.43
Less Allowance for doubtful accounts	2.00	215.74	217.74	-	209.65	209.65
Total domestic items	286.00	402,139.79	402,425.79	95.56	339,897.72	339,993.28
(2) Foreign items						
US dollar	9.28	-	9.28	0.12	-	0.12
Yen	0.03	-	0.03	0.03	-	0.03
Euro	2.59	-	2.59	0.18	-	0.18
Other currencies	4.67	-	4.67	2.53	-	2.53
Total foreign items	16.57	-	16.57	2.86	-	2.86
Total domestic and foreign items	302.57	402,139.79	402,442.36	98.42	339,897.72	339,996.14

As at December 31, 2019 and 2018, the balance of loans which was interbank and money market items was discontinued on an accrual basis in accordance with the BOT's principles as of 10.61 Million Baht and 10.49 Million Baht, respectively.

5.4 Derivatives

As at December 31, 2019 and 2018, the Bank's derivatives included:

- Derivatives assets of 1,512.45 Million Baht and 670.63 Million Baht, respectively and;
- Derivatives liabilities of 14.40 Million Baht and 106.17 Million Baht, respectively

5.4.1 Tradable Derivatives

As at December 31, 2019 and 2018, the fair value and notional amounts classified by type of risk were as follows:

Unit: Million Baht

Type of risk	2019			2018		
	Fair value*		Notional Amount Or Effective Notional Amount	Fair value*		Notional Amount Or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	0.06	0.01	48.90	0.79	0.06	85.50
Total	0.06	0.01	48.90	0.79	0.06	85.50

* Fair value refers to gain (loss) on revaluation in accordance with fair value as of the date of the Financial Statements of Financial Position.

As at 31 December 2019 and 2018, the proportions of derivative transactions classified by type of counterparty based on the notation amounts were as follows:

Counterparty	2019	2018
	Proportion (%)	Proportion (%)
Third parties	100.00	100.00
Total	100.00	100.00

5.4.2 Hedging Derivatives

As at 31 December 2019 and 2018, the fair value and the notional amounts of classified by type of risk hedging were as follows:

Table 1 Risk hedging in the fair value

Unit: Million Baht

Type of risk	2019			2018		
	Fair value*		Notional Amount Or Effective Notional Amount	Fair value*		Notional Amount Or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	1,512.39	14.39	14,207.31	669.84	106.11	14,634.90
Total	1,512.39	14.39	14,207.31	669.84	106.11	14,634.90

* Fair value refers to gain (loss) on revaluation in accordance with fair value as at the date of the statements of financial position.

As at December 31, 2019 and 2018, derivative assets were 1,512.39 Million Baht and 669.84 Million Baht. Derivative liabilities were 14.39 Million Baht and 106.13 Million Baht, respectively. Fair value measurement by foreign exchange rates according to the BOT announcement by the last working day of reporting period were derivative assets of 1,512.28 Million Baht and 669.53 Million Baht and derivative liabilities of 14.30 Million Baht and 105.48 Million Baht, respectively.

5.5 Investments - Net

As at December 31, 2019 and 2018, the Bank classified its investments in securities as follows:

Unit: Million Baht

	2019	2018
	Fair value	Fair value
Government and state enterprise securities	5,098.73	8,566.63
Total	5,098.73	8,566.63

Unit: Million Baht

	2019	2018
	Fair value	Fair value
Government and state enterprise securities	135,095.76	72,077.37
Private sectors	958.53	933.24
Foreign debt securities	73.36	76.23
Domestic marketable equity securities	25,540.62	24,824.10
Others	18,730.45	17,825.84
Total	180,398.72	115,736.78

Unit: Million Baht

	2019	2018
	Cost /Amortized cost	Cost /Amortized cost
Government and state enterprise securities	76,841.01	81,230.66
Private sectors	34,375.16	34,381.68
Foreign debt securities	12,614.43	13,934.57
Total	123,830.60	129,546.91
Less Allowance for impairment	35.05	-
Total	123,795.55	129,546.91

Unit: Million Baht

	2019	2018
	Cost	Cost
Domestic non-marketable equity securities	4,714.61	4,558.86
Others *	0.00	0.00
Total	4,714.61	4,558.86
Less Allowance for impairment	4,212.72	4,255.53
Total	501.89	303.33
Total investments - net	309,794.89	254,153.65

* Others of 0.00 Million Baht which were investments in foreign securities with a cost price of 3,919.00 Baht.

As at December 31, 2019 and 2018, available-for-sale securities which were domestic marketable equity securities with a fair value of 25,540.62 Million Baht and 24,824.10 Million Baht were inclusive of transactions for which the allowance for impairment was recognized in the amount of 689.12 Million Baht and 689.12 Million Baht, respectively.

As at December 31, 2019 investments in held-to-maturity debt securities that were private sector debt securities were in the amount of 34,375.16 Million Baht, the Bank recognized an allowance for impairment of 35.05 Million Baht.

As at December 31, 2019 and 2018, general investments which were domestic non-marketable equity securities in the amount of 4,714.61 Million Baht and 4,558.86 Million Baht included common shares of the Islamic Bank of Thailand in the amount of 4,163.13 Million Baht and 4,163.13 Million Baht, which the Bank set up a full allowance for impairment.

For the year ended 31 December 2019, the Bank reversed loss of investment impairment as income of 42.82 Million Baht.

As at December 31, 2019 and 2018, other types of available-for-sale securities including investment funds in which the Krung Thai Asset Management PLC. acts as a trustee of 344.88 Million Baht and 249.06 Million Baht, respectively. According to the Cabinet Resolution on September 8, 2015, the Bank together with the Small and Medium Enterprise Development Bank of Thailand and Krung Thai Bank PLC. established a joint venture fund of 2,000.00 Million Baht each, totaling 6,000.00 Million Baht, which was an investment in support of SMEs through joint investments. The type of funds depended on the ability and suitability of the management of each financial institution. Such joint venture fund aimed to invest in startup SMEs with high potential, having opportunities to grow, being in a business group that is beneficial to the country's economic growth, suppliers for government and private sectors or a member of the Thai Chamber of Commerce or government agencies.

Unit: Million Baht

Funds	Investment limit	2019		2018	
		Cost	Fair value	Cost	Fair value
SMEs Private Equity Trust Fund 1	500.00	201.60	187.28	172.00	160.05
SMEs Private Equity Trust Fund 2	500.00 - 750.00	112.96	88.66	56.00	41.42
SMEs Private Equity Trust Fund 3	500.00 - 1,000.00	82.56	68.94	56.00	47.59
Total		397.12	344.88	284.00	249.06

As at December 31, 2019 and 2018, other available-for-sale securities had investments in private funds of 7,255.14 Million Baht and 6,330.84 Million Baht, respectively.

- The fair value of investments in private funds, classified by fund manager, was as follows:

Unit: Million Baht

2019 (Fair value)									
	SKFM	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	Total
Deposits									
Current	0.11	-	-	-	-	-	-	-	0.11
savings	-	3.27	-	1.32	219.76	55.84	300.00	133.84	714.03
	0.11	3.27	-	1.32	219.76	55.84	300.00	133.84	714.14
Investment in other securities									
- Bonds and treasury bills									
Government bonds	-	-	-	95.96	-	21.97	-	-	117.93
	-	-	-	95.96	-	21.97	-	-	117.93
- Equity securities									
Common share	-	104.94	-	1,074.89	3,152.25	1,651.58	144.16	-	6,127.82
Funds	-	-	-	-	-	25.54	-	374.02	399.56
	-	104.94	-	1,074.89	3,152.25	1,677.12	144.16	374.02	6,527.38
Other receivables	33.73	0.11	-	20.92	0.02	1.94	0.01	0.36	57.09
	33.73	0.11	-	20.92	0.02	1.94	0.01	0.36	57.09
Other payables	0.01	0.06	-	8.54	6.69	0.31	145.55	0.24	161.40
	0.01	0.06	-	8.54	6.69	0.31	145.55	0.24	161.40
	33.83	108.26	-	1,184.55	3,365.34	1,756.56	298.62	507.98	7,255.14

The Bank received a return on investment in private funds, with a total of 441.79 Million Baht, increased 355.21 Million Baht during the period, but decreased 344.97 Million Baht during the period from the closing of the fund, resulting in total cumulative return on investments in private funds amounting to 452.03 Million Baht as at December 31, 2019.

Unit: Million Baht

2018 (Fair value)									
	SKFM	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	Total
Deposits									
Current	0.48	-	-	-	-	0.23	-	-	0.71
Savings	-	8.12	6.15	50.04	159.96	293.49	-	-	517.76
	0.48	8.12	6.15	50.04	159.96	293.72	-	-	518.47
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 securities									
Common share	256.31	98.35	31.10	1,036.72	2,787.45	1,627.44	-	-	5,837.37
Funds	-	-	-	-	-	19.83	-	-	19.83
	256.31	98.35	31.10	1,036.72	2,787.45	1,647.27	-	-	5,857.20
Other receivables	0.00	0.10	0.00	1.36	30.03	5.96	-	-	37.45
	0.00	0.10	0.00	1.36	30.03	5.96	-	-	37.45
Other payables	0.09	0.06	0.00	0.23	11.23	130.59	-	-	142.20
	0.09	0.06	0.00	0.23	11.23	130.59	-	-	142.20
	256.70	106.51	37.25	1,137.81	2,966.21	1,826.36	-	-	6,330.84

The Bank received a return on investment in private funds, with a total of 464.33 Million Baht, increased 57.56 Million Baht during the period, but decreased 80.10 Million Baht during the period from the closing of the fund, resulting in total cumulative return on investment in private funds amounting to 441.79 Million Baht as at December 31, 2018.

- Changes of investments in private funds were as follows:

Unit: Million Baht

	2019								Total
	SKFM	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	
Beginning balance (cost price)	231.48	25.60	16.18	1,250.00	3,250.00	2,000.00	-	-	6,773.26
Securities purchase/transfer	(198.81)	-	(16.18)	-	500.00	-	300.00	500.00	1,300.00
Securities sale/transfer	-	-	-	-	-	-	-	-	(214.99)
Total (cost price)	32.67	25.60	-	1,250.00	3,750.00	2,000.00	300.00	500.00	7,858.27
Unrealized gain (loss)	1.16	82.66	-	(65.45)	(384.66)	(243.44)	(1.38)	7.98	(603.13)
Ending balance (fair value)	33.83	108.26	-	1,184.55	3,365.34	1,756.56	298.62	507.98	7,255.14

Unit: Million Baht

	2018								Total
	SKFM	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	
Beginning balance (cost price)	278.00	26.35	18.16	-	-	-	-	-	322.51
Securities purchase/transfer	-	-	-	1,250.00	3,250.00	2,000.00	-	-	6,500.00
Securities sale/transfer	(46.52)	(0.75)	(1.98)	-	-	-	-	-	(49.25)
Total (cost price)	231.48	25.60	16.18	1,250.00	3,250.00	2,000.00	-	-	6,773.26
Unrealized gain (loss)	25.22	80.91	21.07	(112.9)	(283.79)	(173.64)	-	-	(442.42)
Ending balance (fair value)	256.70	106.51	37.25	1,137.81	2,966.21	1,826.36	-	-	6,330.84

The Bank's investments in which it holds 10% or upwards of the paid-up capital and which are not considered as investments in subsidiaries and associates can be shown by type of business as follows:

Unit: Million Baht

Type of business	2019	2018
Manufacturing and commercial	1,619.52	1,518.72
Fund and financial business	10,776.61	9,515.68
Others	12.58	12.58
Total	12,408.71	11,046.98

5.6 Investments in Associates - Net

As at December 31, 2019 and 2018, the Bank's investments in associates were as follows:

Unit: Million Baht

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2019	2018	2019	2018
Beginning balance	2,002.91	1,958.34	1,375.92	5,539.05
Share of profit (loss) on investment by the equity method	402.51	368.42	-	-
Plus Purchase / transfer	174.00	-	174.00	(4,163.13)
Less Sale	168.60	-	25.00	-
Less Dividend received	329.24	323.85	-	-
Ending balance	2,081.58	2,002.91	1,524.92	1,375.92

5.6.1 Bank-only Financial Statements

As at December 31, 2019 and 2018, the Bank's investments in associates were as follows:

Unit: Million Baht

Company name	Type of business	Type of securities	Percentage of invested securities		Investment (cost method)	
			2019	2018	2019	2018
Thanachart Fund Management Co.,Ltd	Securities business	Ordinary share	-	25.00	-	25.00
MFC Asset Management PLC.	Securities business	Ordinary share	24.94	24.94	353.53	353.53
Dhipaya Life Assurance PLC.	Life insurance business	Ordinary share	25.00	25.00	997.39	997.39
ASL Securities Co.,Ltd.	Life insurance business	Ordinary share	25.00	-	174.00	-
Investments in associates-net					1,524.92	1,375.92

5.6.2 Financial Statements Exhibiting Investments by the Equity Method

The Bank's investments in associates as at December 31, 2019 and 2018 were as follows:

Unit: Million Baht

Company name	Type of business	Type of securities	Percentage of invested securities		Investment (cost method)		Investment (equity method)	
			2019	2018	2019	2018	2019	2018
Thanachart Fund Management Co.,Ltd	Securities business	Ordinary share	-	25.00	-	25.00	-	108.25
MFC Asset Management PLC.	Securities business	Ordinary share	24.94	24.94	353.53	353.53	256.83	279.23
Dhipaya Life Assurance PLC.	Life insurance business	Ordinary share	25.00	25.00	997.39	997.39	1,656.95	1,615.43
ASL Securities Co.,Ltd.	Life insurance business	Ordinary share	25.00	-	174.00	-	167.80	-
Investments in associates-net					1,524.92	1,375.92	2,081.58	2,002.91

As at December 31, 2019, the Bank recognized share of profit on investments in associates based on the equity method of 402.51 Million Baht, calculated from the unaudited statement of profit or loss and other comprehensive income for the year ended December 31, 2019 of the associates.

As at December 31, 2019, investments in associates included investments in ordinary shares of ASL Securities Co.,Ltd, on April 2, 2019, amount of 1.45 million shares at a price of 100.00 Baht per share, totaling 145.00 Million Baht which was 25.00 percent of the issued and paid-up ordinary shares. On June 20, 2019, the Extraordinary General Meeting of Shareholders No. 1/2019 of ASL Securities Co., Ltd. passed a resolution to increase the registered capital to the existing shareholders at the ratio of 5 existing shares to 1 new share. Therefore, the Bank purchased 0.29 million ordinary shares at a price of 100.00 Baht per share, totaling 29.00 Million Baht, resulting in the total investments of 1.74 million shares with a price of 100.00 Baht per share, totaling 174.00 Million Baht which was 25.00 percent of the issued and ordinary shares.

On December 27, 2019, the Bank disposed of all of its investments in Thanachart Fund Management Co., Ltd in the amount of 2.50 million shares, totaling 2,100.00 Million Baht which was slated in the statement of profit or loss and other comprehensive income exhibiting investments by the equity method and the bank-only financial statements in the amount of 1,931.40 Million Baht and 2,075.00 Million Baht, respectively. The Bank recognized share of profit on investments in Thanachart Fund Management Co., Ltd. for the period from January 1, 2019 to December 26, 2019 in the amount of 138.73 Million Baht in the statement of profit or loss and other comprehensive income exhibiting investments by the equity method.

5.6.3 Financial Status and Performance of Associates

Summary of financial status and performance of associates are as follows:

Unit: Million Baht

Company name	Statement of Financial Position					
	2019			2018		
	"Unaudited"			"Audited"		
	Total assets	Total liabilities	Equity	Total assets	Total liabilities	Equity
Thanachart Fund Management Co., Ltd.	-	-	-	658.73	235.22	423.51
MFC Asset Management PLC.	1,337.12	248.54	1,088.58	1,397.33	214.95	1,182.38
Dhipaya Life Assurance PLC.	29,772.29	24,075.08	5,697.21	22,347.55	16,816.82	5,530.73
ASL Securities Co., Ltd.	717.78	129.38	588.40	654.17	149.87	504.30
Total	31,827.19	24,453.00	7,374.19	25,057.78	17,416.86	7,640.92

Unit: Million Baht

Company name	Statement of Profit or Loss and Other Comprehensive Income			
	2019		2018	
	"Unaudited"		"Audited"	
	Total income	Net Profit (Loss)	Total income	Net Profit (Loss)
Thanachart Fund Management Co., Ltd.	-	-	1,868.27	654.58
MFC Asset Management PLC.	919.08	125.53	913.94	168.08
Dhipaya Life Assurance PLC.	11,177.25	596.98	8,147.10	1,021.76
ASL Securities Co., Ltd.	71.03	(35.59)	89.00	(26.54)
Total	12,167.36	686.92	11,018.31	1,817.88

5.7 Loans to Customers and Accrued Interest Receivables - Net

5.7.1 Classified by Product Type

Unit: Million Baht

	2019	2018
Overdraft loans	46,156.36	37,681.48
Loans (Clause 5.7.2)	1,536,764.26	1,577,800.87
Notes	334,106.03	270,499.84
Receivables under lease agreement	241.86	250.28
Less deferred revenue	467.23	482.33
Total loans, net of deferred revenue (Clause 5.7.4)	1,916,801.28	1,885,750.14
Plus accrued interest receivables	6,320.30	6,523.71
Total loans, net of deferred revenue, plus accrued interest receivables	1,923,121.58	1,892,273.85
Less allowance for doubtful accounts		
1. Minimum provision according to the BOT's requirement		
- by loans	42,354.16	44,754.70
- by group (Chor Por Kor loans)	19,865.76	20,439.26
2. Excess provision according to the BOT's requirement	4,075.00	-
Less revaluation allowance for debt restructuring	33.60	36.01
Total loans to customers and accrued interest receivables - net	1,856,793.06	1,827,043.88

As at December 31, 2019 and 2018, loan to customers and net accrued interest receivables included the government policy loan project lent by the Bank (Clause 5.38.2 of the Notes) as follows:

Unit: Million Baht

Project	Amount	2019	2018
Low-interest loan project to provide working capital for Small and Medium-sized Enterprises (SMEs)	100,000.00	1,344.27	2,017.21
Low-interest loan project to provide working capital for Small and Medium-sized Enterprises (SMEs) : Phase 2	50,000.00	1,412.98	2,097.00
Low-interest loan project to modify the machinery and increase the productivity for Small and Medium-sized Enterprises (SMEs)	30,000.00	223.82	306.12
Total		2,981.07	4,420.33

As at December 31, 2018 and 2017, outstanding balance of loans to customers where recognition of income has been suspended in accordance with the BOT's principles was 315,854.68 Million Baht and 282,846.65 Million Baht, respectively.

5.7.2 Classified by Loan Program

Unit: Million Baht

	2019			2018		
	Loans	Allowance for doubtful accounts	Net loans	Loans	Allowance for doubtful accounts	Net loans
Loan for occupation development	430,233.13	35,968.82	394,264.31	467,930.29	39,362.93	428,567.36
Housing loan	337,134.79	4,734.84	332,399.95	345,206.35	3,272.67	341,933.68
Public sector and state enterprise loan	242,093.23	46.86	242,046.37	206,811.75	28.42	206,783.33
Sai Thong loan	119,543.72	1,312.66	118,231.06	119,828.24	895.28	118,932.96
Welfare loan	94,534.76	5,594.68	88,940.08	112,478.39	7,937.52	104,540.87
General business loan	81,340.98	1,128.97	80,212.01	78,588.06	794.47	77,793.59
People's Bank loan	56,346.76	5,354.52	50,992.24	68,772.24	5,690.73	63,081.51
Corporate loan	50,439.21	1,313.21	49,126.00	50,932.78	1,325.47	49,607.31
Row House loan	32,583.81	1,043.42	31,540.39	35,033.38	1,158.68	33,874.70
Happy Life loan	30,607.81	29.24	30,578.57	29,419.12	23.15	29,395.97
Others	61,906.06	3,860.48	58,045.58	62,800.27	3,520.35	59,279.92
Total	1,536,764.26	60,387.70	1,476,376.56	1,577,800.87	64,009.67	1,513,791.20

Loan for occupation development is a loan to improve the life of teachers, civil servants, local officials and military officials.

Sai Thong loan is a loan for education, tourism, medical professional group, consumption, working in oversea and multipurpose.

Welfare loan is a loan for government and state enterprise officials, private sector officers and retired government officials.

People's Bank loan is a loan to support funds, necessary expenses for living or debt repayment for entrepreneurs, people earning fixed income or those who do not have any occupation, but wishing to be independent entrepreneurs.

As at December 31, 2019 and 2018, public sector and state enterprise loans included loans with ordinary shares as collateral amounting to 3,014.26 Million Baht. As the Cabinet Resolution on August 8, 2006 approved in principle for the Ministry of Finance to sell shares which was 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 December 30, 2019, was at 9.75 Baht per share) and allowed the government sector (Ministry of Finance and state enterprises in which the Ministry of Finance was wholly held or owned) to hold shares in such companies of not less than 70% of the total issued shares, as well as allowing 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, rights and duties to third parties. In case the company, whose shares are currently held by the Bank, organizes a 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. The Ministry of Finance will discuss with the Bank to consider approaches to repurchase shares in a way that will not cause any 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 issued a letter stating that there was no intention to repurchase such ordinary shares without changing the rules relating to waiving control in ordinary shares to the Bank. Subsequently, the Bank has discussed with the Ministry of Finance on how to responsible for the incurred impact on the Bank and to change the conditions, rules and regulations of shareholding that would not cause damage to the Bank. On December 27, 2019, the Ministry of Finance issued a letter to consider extending the period to repurchase shares from the Bank under the same conditions for another 3 years from August 21, 2018, which was the due date.

As at December 31, 2019 and 2018, other loans included loans which the Regional Urban Development Fund Office provided to municipalities in the amount of 309.68 Million Baht and 354.35 Million Baht, respectively.

5.7.3 Classified by Currency and Customer's Residence

Unit: Million Baht

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,907,189.27	9,589.51	1,916,778.78	1,875,269.39	10,442.90	1,885,712.29
USD	1.66	-	1.66	17.01	-	17.01
Others	20.84	-	20.84	20.84	-	20.84
Total	1,907,211.77	9,589.51	1,916,801.28	1,875,307.24	10,442.90	1,885,750.14

5.7.4 Classified by Business Type and Quality of Loan Classification

Unit: Million Baht

	2019					
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	14,836.20	932.54	291.19	322.20	828.57	17,210.70
Manufacturing and commercial	56,860.13	1,578.86	477.69	732.60	1,008.58	60,657.86
Real estate and construction	17,387.09	687.94	269.49	256.97	346.28	18,947.77
Utilities and services	133,339.18	1,312.61	593.31	313.42	2,518.63	138,077.15
Housing loans	309,135.83	13,298.42	2,897.46	4,117.63	7,686.35	337,135.69
Others	1,201,652.66	111,378.49	10,114.39	10,222.60	11,403.97	1,344,772.11
Total	1,733,211.09	129,188.86	14,643.53	15,965.42	23,792.38	1,916,801.28

Loans to customers classified by other types of business amounting to 1,344,772.11 Million Baht are loans for occupation development in the amount of 430,233.13 Million Baht (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 in the amount of 366,952.82 Million Baht) and public sector and state enterprise loans in the amount of 464,926.81 Million Baht.

Unit: Million Baht

	2018					Total
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	
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
Utilities and services	120,062.64	2,224.21	459.65	100.98	2,275.16	125,122.64
Housing loans	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 amounting to 1,323,132.94 Million Baht are loans for occupation development in the amount of 430,233.13 Million Baht (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 loans in the amount of 382,491.77 Million Baht.

5.7.5 Classified by Quality of Loan Classification

Unit: Million Baht

	2019			
	Loans and accrued interest receivables	Net amount used in determining the allowance for doubtful accounts	Rate used in determining the allowance for doubtful accounts (%)	Allowance for doubtful accounts
1. Minimum provision according to the BOT's requirement				
Normal	1,739,187.70	592,188.42	1	5,921.88
Special mentioned	129,522.02	99,743.46	2	21,227.39
Substandard	14,654.06	9,914.25	100	9,914.25
Doubtful	15,965.42	10,137.04	100	10,137.04
Doubtful of loss	23,792.38	15,019.36	100	15,019.36
2. Excess provision according to the BOT's requirement				4,075.00
Total	1,923,121.58	727,002.53		66,294.92

Unit: Million Baht

	2018			
	Loans and accrued interest receivables	Net amount used in determining the allowance for doubtful accounts*	Rate used in determining the allowance for doubtful accounts (%)	Allowance for doubtful accounts
1. Minimum provision according to the BOT's requirement				
Normal	1,701,639.75	650,949.82	1	6,509.50
Special mentioned	132,464.22	101,977.50	2	21,808.72
Substandard	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 provision according to the BOT's requirement				-
Total	1,892,273.85	789,803.06		65,193.96

* Net amount used in determining the allowance for doubtful accounts is calculated by outstanding principal excluding accrued interest receivables after deduction of collateral or debt balance after deduction of the current value of cash flows expected to be receive from debtors or the current value of cash flows expected to receive from collateral disposal, except for lease debtors as net after deduction of deferred revenue.

As at December 31, 2019 and 2018, special mentioned loans included loans 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 additional provision for doubtful accounts for such special mentioned loans of 19,865.76 Million Baht and 20,439.26 Million Baht, respectively.

5.7.6 Non-Performing Loans (NPLs)

As at December 31, 2019 and 2018, The Bank had non-performing loans (NPLs) comprising substandard, doubtful and doubtful of loss loans, including loans to PSA customers and interbank and money market loans as follows:

	2019		2018	
NPLs before deduction of allowance for doubtful accounts	57,033.84		59,394.55	
As percentage of Total loans	2.65		2.81	
NPLs after deduction of allowance for doubtful accounts	19,773.54		21,643.51	
As percentage of Total loans - net	0.95		1.06	

Unit: Million Baht

5.7.7 Troubled Debt Restructuring

For the year ended 31 December 2019 and 2018, the Bank had debt restructuring contracts with debtors classified by the restructuring methods as follows:

Unit: Million Baht

Restructuring method	2019				
	No. of cases	Outstanding debts		Transferred assets	
		Before restructuring	After restructuring	Type of assets	Fair value
Changes of repayment conditions	-	-	-		-
Total	-	-	-		-

Unit: Million Baht

Restructuring method	No. of cases	2018			
		Outstanding debts		Transferred assets	
		Before restructuring	After restructuring	Type of assets	Fair value
Changes of repayment conditions	1	61.62	61.62		-
Total	1	61.62	61.62		-

For the year ended December 31, 2019 and 2018, the Bank recognized loss from debt restructuring and interest income from debt restructuring in the statement of profit or loss and other comprehensive income as follows:

Unit: Million Baht

	2019	2018
Loss from debt restructuring	-	26.10
Interest income from debt restructuring	2.41	0.97

As at December 31, 2019 and 2018, the Bank had outstanding balances of loans to restructured debtors recognized in the statement of financial position as follows:

Unit: Million Baht

	2019	2018
Outstanding balance of loans to restructured debtors	863.51	864.01

5.7.8 Account Receivables under Hire Purchase Contract

Unit: Million Baht

	2019			
	Amount due			
	Less than 1 year	Over 1-5 years	Over 5 years	Total
Total of initial investments under hire purchase contract	25.72	100.25	115.89	241.86
Less Deferred revenue				87.04
Present value of repayment amount under hire purchase contract				154.82
Less Allowance for doubtful accounts				154.26
Account receivables under hire purchase contract- net				0.56

Unit: Million Baht

	2018			
	Amount due			
	Less than 1 year	Over 1-5 years	Over 5 years	Total
Total of initial investments under hire purchase contract	26.87	104.30	119.11	250.28
Less Deferred revenue				89.60
Present value of repayment amount under hire purchase contract				160.68
Less Allowance for doubtful accounts				159.81
Account receivables under hire purchase contract- net				0.87

5.8 Allowance for Doubtful Accounts

Unit: Million Baht

	2019						Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Excess provision	
Beginning balance	6,509.50	21,808.72	12,971.20	7,731.19	16,173.35	-	65,193.96
Doubtful accounts	(587.62)	(581.33)	(3,056.95)	2,405.85	8,887.51	4,075.00	11,142.46
Bad debt written off	-	-	-	-	(10,041.50)	-	(10,041.50)
Ending balance	5,921.88	21,227.39	9,914.25	10,137.04	15,019.36	4,075.00	66,294.92

Unit: Million Baht

	2018						Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Excess provision	
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 written 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

As at December 31, 2019 and 2018, the allowance for doubtful accounts amounting to 66,294.92 Million Baht and 65,193.96 Million Baht, respectively included the allowance for doubtful accounts of the low interest loan project to be used as working capital for Small and Medium-sized Enterprises (SMEs): Phase 2, and the low interest loan project to modify machinery and increase productivity for Small and Medium-sized Enterprises (SMEs) in the amount of 1.30 Million Baht and 2.26 Million Baht, respectively. (Note 5.7.1)

As at December 31, 2019 and 2018, the allowance for special mentioned loans amounting to 21,227.39 Million Baht and 21,808.72 Million Baht, respectively included the allowance for doubtful accounts of loans 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

	2019	2018
Beginning balance	36.01	10.88
Increase during the period	-	26.10
Amortization	(2.41)	(0.97)
Ending balance	33.60	36.01

5.10 Properties for Sale - Net

Unit: Million Baht

	2019			
	Beginning balance	Additions	Disposed/ transferred	Ending balance
Immovable assets	3,267.09	2,057.45	425.30	4,899.24
Less Allowance for impairment	31.19	60.96	20.75	71.40
Total properties for sale - net	3,235.90	1,996.49	404.55	4,827.84

Unit: Million Baht

	2018			
	Beginning balance	Additions	Disposed/ transferred	Ending balance
Immovable assets	2,460.00	1,406.05	598.96	3,267.09
Less Allowance for impairment	31.56	18.38	18.75	31.19
Total properties for sale - net	2,428.44	1,387.67	580.21	3,235.90

As at December 31, 2019 and 2018, the Bank had available-for-sale immovable assets acquired from debt payment categorized by appraisers as follow:

Unit: Million Baht

	2019	2018
External appraisers	4,230.96	2,613.18
Internal appraisers	668.28	653.91
Total	4,899.24	3,267.09

For the year ended December 31, 2019 and 2018, the Bank gained profit from disposal of properties for sale in the amount of 141.30 Million Baht and 136.41 Million Baht, respectively.

5.11 Premises and Equipment - Net

Unit: Million Baht

	2019											
	Cost				Accumuated depreciation				Allowance for devaluation			Premises and equipment - net
	Beginning balance	Addition	Disposal/ Transfer	Ending balance	Beginning balance	Depreciation	Disposal/ Transfer	Ending balance	Beginning balance	Increased/ (De-creased)	Ending balance	
Land												
Original cost	2,368.71	24.07	(12.78)	2,380.00	-	-	-	-	-	-	-	2,380.00
Appraisal increase *	17,547.25	-	(5.14)	17,542.11	-	-	-	-	-	-	-	17,542.11
Appraisal decrease *	(49.42)	-	-	(49.42)	-	-	-	-	-	-	-	(49.42)
Premises	7,674.82	335.92	(25.71)	7,985.03	4,201.81	220.03	(22.57)	4,399.27	369.96	-	369.96	3,215.80
Equipment	10,696.61	873.91	(576.49)	10,994.03	8,189.61	985.82	(575.20)	8,600.23	-	-	-	2,393.80
Assets in process	941.99	1,628.49	(1,414.18)	1,156.30	-	-	-	-	-	-	-	1,156.30
Total	39,179.96	2,862.39	(2,034.30)	40,008.05	12,391.42	1,205.85	(597.77)	12,999.50	369.96	-	369.96	26,638.59

Unit: Million Baht

	2018											Premises and equipment - net
	Cost				Accumulated depreciation				Allowance for devaluation			
	Beginning balance	Addition	Disposal/ Transfer	Ending balance	Beginning balance	Depreciation	Disposal/ Transfer	Ending balance	Beginning balance	Increased/ (Decreased)	Ending balance	
Land												
Original cost	2,089.63	304.89	(25.81)	2,368.71	-	-	-	-	-	-	-	2,368.71
Appraisal increase*	17,547.25	-	-	17,547.25	-	-	-	-	-	-	-	17,547.25
Appraisal decrease*	(49.42)	-	-	(49.42)	-	-	-	-	-	-	-	(49.42)
Premises	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

* The Bank revalued the assets in 2017

As at December 31, 2019 and 2018, the Bank had premises and equipment which were fully depreciated but still in use at the original cost amounting to 7,448.89 Million Baht and 6,902.17 Million Baht, respectively.

5.12 Other Intangible Assets - Net

Unit: Million Baht

	2019									Other intangible assets-net
	Cost				Accumulated depreciation					
	Beginning balance	Addition	Disposal/ Transfer	Ending balance	Beginning balance	Depreciation	Disposal/ Transfer	Ending balance		
Computer software	3,559.45	912.32	(47.55)	4,424.22	2,397.59	500.20	(47.55)	2,850.24	1,573.98	
Total	3,559.45	912.32	(47.55)	4,424.22	2,397.59	500.20	(47.55)	2,850.24	1,573.98	

Unit: Million Baht

	2018									Other intangible assets-net
	Cost				Accumulated depreciation					
	Beginning balance	Addition	Disposal/ Transfer	Ending balance	Beginning balance	Depreciation	Disposal/ Transfer	Ending balance		
Computer software	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	

In 2019, the Bank changed useful lives of computer software (Note 2.5.13), resulting in an increase in amortization of 59.99 Million Baht and decrease in net profit by the same amount.

As at December 31, 2019 and 2018, the Bank had computer software which was fully amortized but still in use at the original cost amounting to 629.04 Million Baht and 534.48 Million Baht, respectively.

5.13 Other Assets - Net

Unit: Million Baht

	2019	2018
Accrued income	889.58	1,045.36
Leasehold right	20.88	25.93
Receivables from disposal of investments	3,277.85	896.22
Auction asset purchase - suspended	3,873.25	2,760.00
Other receivables and miscellaneous assets	1,229.64	1,098.12
Waiting for adjustment - loans	0.07	1.94
Total	9,291.27	5,827.57

Receivables from disposal of investments of 3,277.85 Million Baht are the transaction of sales duly concluded, but not yet received a payment.

Suspended auction asset purchase of 3,873.25 Million Baht is the suspended outstanding balance of loan accounts, 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 1,229.64 Million Baht consist of:

- Other receivables-Regional Urban Development Fund Office in the amount of 14.32 Million Baht.
- Receivables pending transfer-fraud and Cash Short accounts amounting to 0.29 Million Baht, consisting of accounts receivables in the event of fraud in the amount of 263.00 Million Baht less full allowance for doubtful accounts and Cash Short receivables in the amount of 24.61 Million Baht less allowance for doubtful accounts in the amount of 24.32 Million Baht, leaving a balance of 0.29 Million Baht.
- Other receivables pending transfer of 312.72 Million Baht.
- Others of 902.31 Million Baht.

5.14 Deposits

5.14.1 Classified by Product Type

Unit: Million Baht

Type	2019	2018
Demand	4,117.52	4,057.13
Savings	557,973.69	526,818.91
Fixed		
- Special savings with a term	267,243.98	235,460.69
- Fixed deposits	278,209.99	352,373.07
- PSCs and bonds	1,105,918.94	1,003,293.61
- Life Insurance		
- Insurance	53,107.68	53,900.45
- Deposits	39,522.03	53,267.78
Other deposits	3,395.34	3,259.11
Total	2,309,489.17	2,232,430.75

Savings deposit of 557,973.69 Million Baht includes the guarantee contributions (pension category 1) made by the Bank officers amounting to 89.06 Million Baht, which cannot be withdrawn during their employment period with the Bank.

Other deposits of 3,395.34 Million Baht are inclusive of the neglected and non-active accounts of 3,393.43 Million Baht which are deposits with a balance not over 10,000.00 Baht, resulting from the depositors do not contact the Bank in the specified period and the Bank does not recognize accrued interest payables and will recognize it as interest expenses when the depositors contact the Bank. For accounts with a balance not over 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

As at December 31, 2019 and 2018, the Bank had life insurance deposits in the form of insurance and deposits as follows:

	Unit: Million Baht			
	2019		2018	
In the form of insurance				
- Life insurance deposits	53,107.68		53,900.45	
- Accrued interest receivables of Life insurance deposits (Note 5.18)	23,409.85	76,517.53	19,986.38	73,886.83
In the form of deposits				
- Life insurance deposits	39,522.03		53,267.78	
- Accrued interest receivables of Life insurance deposits (Note 5.18)	11,857.49	51,379.52	11,631.07	64,898.85
Total		127,897.05		138,785.68

The Bank analyzed the sensitivity to changes in assumptions used to measure the liabilities of life insurance deposits in the form of insurance as at December 31, 2019 as follows:

	Unit: Million Baht	
	Increased liabilities (Decreased)	
	2019	
Discount rate		
Increase of 0.25%		(1,881.85)
Decrease of 0.25%		1,973.03
Mortality rate		
Increase of 25%		(33.38)
Decrease of 25%		53.24
Expenses		
Increase of 10%		219.05
Decrease of 10%		(219.05)

5.14.2 Classified by Currency and Depositor's Residence

Unit: Million Baht

	2019			2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Thai Baht	2,306,157.89	3,331.28	2,309,489.17	2,229,277.15	3,153.60	2,232,430.75
Total	2,306,157.89	3,331.28	2,309,489.17	2,229,277.15	3,153.60	2,232,430.75

5.15 Interbank and Market Money Items - Net (Liabilities)

Unit: Million Baht

	2019			2018		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and Financial Institutions Development Fund	10.32	-	10.32	55.48	-	55.48
Commercial banks	1.83	46,800.01	46,801.84	23.44	52,600.01	52,623.45
Specialized financial institutions	2.81	-	2.81	4.21	1,000.00	1,004.21
Other financial institutions	6,374.09	18,287.27	24,661.36	4,895.40	11,080.74	15,976.14
Total domestic items	6,389.05	65,087.28	71,476.33	4,978.53	64,680.75	69,659.28

5.16 Debt Issued and Borrowings

Unit: Million Baht

	Amount	Interest payment date	Interest rate (%)	Maturity	2019			2018		
					Domestic	Foreign	Total	Domestic	Foreign	Total
Bonds in 2017: 50,000 Million Baht										
No. 1/2017	36,000.00	Feb. 23 and Aug. 23 of every year	2.36	February 23, 2022	36,000.00	-	36,000.00	36,000.00	-	36,000.00
No. 2/2017	14,000.00	May 11 and Nov. 11 of every year	2.33	May 11, 2022	14,000.00	-	14,000.00	14,000.00	-	14,000.00
Bonds in 2019: 30,500.00 Million Baht										
No. 1/2019: 16,000.00 Million Baht										
Set 1	6,220.00	Apr. 16 and Oct. 16 of every year	1.53	October 16, 2024	6,220.00	-	6,220.00	-	-	-
Set 2	9,780.00	Apr. 16 and Oct. 16 of every year	1.69	October 16, 2026	9,780.00	-	9,780.00	-	-	-
No. 2/2019: 14,500.00 Million Baht										
Set 1	4,200.00	Feb. 6 and Aug. 6 of every year	1.45	February 6, 2023	4,200.00	-	4,200.00	-	-	-
Set 2	4,400.00	Jun. 6 and Dec. 6 of every year	1.58	December 6, 2024	4,400.00	-	4,400.00	-	-	-
Set 3	5,900.00	Jun. 6 and Dec. 6 of every year	1.79	December 6, 2026	5,900.00	-	5,900.00	-	-	-
Total					80,500.00	-	80,500.00	50,000.00	-	50,000.00

5.17 Provisions

Unit: Million Baht

	2019		2018	
Officer benefit obligation				
Gratuity/ Pension	57,278.20		46,898.51	
Living gratuity	2,244.49		1,975.80	
Special pension	3,173.36		2,382.71	
Compensation	6,247.34		3,798.80	
Retirement gifts	146.73		121.54	
Long-service gifts	249.60	69,339.72	248.32	55,425.68
Other contingent liabilities (Note 5.23.1)		1,081.69		1,081.69
Contingent liabilities from litigation (Note 5.23.2)		39.76		0.93
Total provisions		70,461.17		56,508.30

Officer benefit obligation

The present value of the officer benefit obligation as at December 31, 2019 and 2018, can be adjusted as follows:

Unit: Million Baht

	2019	2018
Officer benefit obligation		
Beginning balance	55,425.68	54,600.08
Past service cost	1,385.19	1.36
Current service cost	1,314.61	1,444.96
Interest cost	1,476.08	1,416.33
Loss (Profit) from actuarial estimates/ assumptions		
- Demographic assumption	(8.62)	35.25
- Financial assumption	11,258.62	(475.12)
- from benefit payment	641.89	850.04
Benefits paid during the period	(2,153.73)	(2,447.22)
Total officer benefit obligation	69,339.72	55,425.68

The Bank recognized the effect of compensation rate adjustment according to the announcement of the State Enterprise Labor Relations Board regarding the Minimum Standards of Employment Conditions in State Enterprises (No. 4) in the financial statements for the nine-month period ended September 30, 2019 in the amount of 1,385.19 Million Baht.

As at 31 December 2019, the Bank assessed the present value of the obligation for officer benefit plans, resulting in an increase in officer benefit obligations by 11,891.89 Million Baht, which was an actuarial loss in post-employment benefits amounting to 11,897.34 Million Baht and recognized in other comprehensive income through retained earnings whereas actuarial gains in other long-term benefits amounting to 5.45 Million Baht was recognized in profit or loss. The key assumptions for calculation were as follows:

	2019	2018
Discount rate	1.19% - 2.52%	1.76% - 4.40%
Average rate of salary increase for employees	3.00% - 10.00%	3.00% - 10.00%
Average rate of salary increase for contract staffs	5.50%	6.00%
Average turnover rate of employees	0.00% - 1.50%	0.00% - 1.50%
Average turnover rate of contract staffs	0.00% - 25.00%	0.00% - 22.00%
Early retirement rate	2.00%	2.00%
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

The Bank analyzed sensitivity to changes in key assumptions used to measure officer benefit obligation as at December 31, 2019 as follows:

	Unit: Million Baht
	2019
Post-employment benefits	
Discount rate	
Increase of 0.50%	(4,770.45)
Decrease of 0.50%	5,330.55
Increase rate of salary	
Increase of 1.00%	3,897.02
Decrease of 1.00%	(3,478.78)
Other long-term benefits	
Discount rate	
Increase of 0.50%	(13.10)
Decrease of 0.50%	14.30
Inflation rate	
Increase of 1.00%	32.15
Decrease of 1.00%	(27.36)

Estimated maturity of employee benefit payments as at December 31, 2019 and 2018 were as follows:

	2019	2018
Weighted average payment of officer benefits.	18.7 years	19.2 years

	Unit: Million Baht	
	2019	2018
Weighted average payment of officer benefits.		
Expected amount and duration of officer benefit payment Post-employment benefits		
Expected payment within 1 year	2,875.11	2,600.72
Expected payments more than 1 year to 2 years	2,825.87	2,549.66
Expected payments more than 2 years to 3 years	2,905.09	2,660.97
Expected payments more than 3 years to 4 years	3,063.18	2,728.33
Expected payments more than 4 years to 5 years	3,210.87	2,872.90
Expected payments more than 5 years to 10 years	17,838.54	16,213.71
Expected payment more than 10 years	94,258.23	91,534.43
Other long - term benefits		
Expected payment within 1 year	8.73	22.79
Expected payments more than 1 year to 2 years	16.12	10.47
Expected payments more than 2 years to 3 years	14.22	18.20
Expected payments more than 3 years to 4 years	16.96	16.17
Expected payments more than 4 years to 5 years	21.25	19.27
Expected payments more than 5 years to 10 years	76.85	92.31
Expected payment more than 10 years	660.62	716.75

5.18 Deposit Interest Rate and Accrued Bonds

As at December 31, 2019 and 2018, interest from deposits and accrued bonds amounting to 48,982.41 Million Baht and 46,187.19 Million Baht, respectively, including accrued life insurance deposit interest (Note 5.14.1) as follows:

	Unit: Million Baht	
	2019	2018
Accrued life insurance deposit interest		
- In the form of insurance	23,409.85	19,986.38
- In the form of deposits	11,857.49	11,631.07
Total	35,267.34	31,617.45

5.19 Other Liabilities

Unit: Million Baht

	2019	2018
Pending check into the depositor's account	855.80	1,462.34
Payables from purchase of investments	3,938.24	298.92
Other payables and miscellaneous liabilities	2,063.98	573.07
Total	6,858.02	2,334.33

Payables from purchase of investments in the amount of 3,938.24 Million Baht was the transaction duly concluded, but not yet received a payment.

Other payables and miscellaneous liabilities was 2,063.98 Million Baht, consisting of

- Suspended - available for sale assets amounting to 1,630.91 Million Baht.
- Pending for transfer - PromptPay amounting to 1,009.90 Million Baht which is a transaction of retail bank transfer which has not yet received payment.
- and others amounting to 1,442.97 Million Baht.

5.20 Other Reserves

Unit: Million Baht

Financial statements exhibiting investment by the equity method						
	2019			2018		
	Beginning balance	During the period	Ending balance	Beginning balance	During the period	Ending balance
Asset valuation surplus	17,547.25	(5.14)	17,542.11	17,547.25	-	17,547.25
Surplus (Deficit) on revaluation of investments	5,535.30	902.92	6,438.22	15,857.61	(10,322.31)	5,535.30
Share of other comprehensive gain on associates	33.64	89.44	123.08	130.60	(96.96)	33.64
Total	23,116.19	987.22	24,103.41	33,535.46	(10,419.27)	23,116.19

Unit: Million Baht

Bank-only financial statements						
	2019			2018		
	Beginning balance	During the period	Ending balance	Beginning balance	During the period	Ending balance
Asset valuation surplus	17,547.25	(5.14)	17,542.11	17,547.25	-	17,547.25
Surplus (Deficit) on revaluation of investments	5,535.30	902.92	6,438.22	15,857.61	(10,322.31)	5,535.30
Total	23,082.55	897.78	23,980.33	33,404.86	(10,322.31)	23,082.55

5.21 Appropriation of Net Profit

The Bank was approved by the State Enterprise Policy Office to appropriate net profits for the year 2019 and 2018 as follows:

	Unit: Million Baht	
	Profit in 2019	Profit in 2018
Annual net income	30,841.84	31,210.07
Reserve for business expansion	3,084.18	3,121.01
Director bonus	4.95	4.79
Officer bonus	3,971.55	4,031.61
Contribution to Ministry of Finance	16,538.00	16,523.10

For the appropriation of net profit for the year 2018, the Bank contributed the interim income to Ministry of Finance on October 20, 2018 in the amount of 9,270.00 Million Baht, remaining to be delivered in the year 2019 in the amount of 7,268.00 Million Baht and contributed the income to Ministry of Finance on April 23, 2019. The total contribution from the appropriation of net profit for the year 2017 was 16,538.00 Million Baht. The Bank appropriated net profit for the six-month period ended June 30, 2019 to be allocated as interim income for H1 on October 22, 2019 in the amount of 5,409.00 Million Baht.

For the appropriation of net income for the year 2017, the Bank contributed the interim income to Ministry of Finance on October 20, 2018 in the amount of 5,739.00 Million Baht, remaining to be delivered in the year 2018 in the amount of 10,055.00 Million Baht and contributed the income to Ministry of Finance on April 25, 2018 along with additional income on the same date amounting to 729.10 Million Baht. The total contribution from the appropriation of net profit for the year 2017 was 16,523.10 Million Baht.

5.22 Assets Pledged as Collateral and Under Restriction

	Unit: Million Baht	
	2019	2018
Government and state enterprise securities		
- Securities pledged as collateral for repurchase	41,893.27	14,966.46
Properties for sale	501.18	498.33
Total	42,394.45	15,464.79

5.23 Contingent Liabilities

5.23.1 Obligations

	Unit: Million Baht	
	2019	2018
Letters of credit	106.95	89.69
Other commitments		
- Amount of unused bank overdrafts	33,745.71	30,013.51
- Other guarantees	6,812.51	6,118.50
- Others	382.14	206.34
Total	41,047.31	36,428.04

As at 31 December 2019 and 2018, the Bank had obligations of other guarantees amounting to 6,812.51 Million Baht and 6,118.50 Million Baht, respectively and 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, 2019, the Bank had contingent liabilities due to a third party filing a lawsuit against the Bank calling for compensation for damages amounting to 104 cases, with total computable monetary value claims of 4,988.17 Million Baht. This included cases which the Bank must make a settlement to comply with the law. The Bank assessed the damage and recognized in the provision of 39.76 Million Baht (Note 5.17).

5.24 Related Party Transactions

Unit: Million Baht

	2019			2018		
	Loans		Deposits	Loans		Deposits
	Balance	Allowance for doubtful accounts		Balance	Allowance for doubtful accounts	
1. Associates	-	-	129.05	-	-	189.44
Total	-	-	129.05	-	-	189.44
2. Transactions with related parties Key executives and close persons have the power to control or jointly control	5,000.00	902.92	1,207.02	15,000.00	150.00	1,122.78
Total	5,000.00	897.78	1,207.02	15,000.00	150.00	1,122.78
3. Transactions with related person Key executives and close persons	299.15	1.39	626.61	375.72	97.28	536.59
Total	299.15	1.39	626.61	375.72	97.28	536.59
Subtotal	5,299.15	51.39	1,962.68	15,375.72	247.28	1,848.81

5.25 Other Benefits to Directors and Persons with Managing Authority

The Bank has not paid benefits to the Banks' directors and executives other than the benefits that are normally paid such as meeting allowances, salary, bonus, transportation charges and fringe benefits according to the Bank's regulations.

For the years ended 31 December 2019 and 2018, the remuneration paid to executives was as follows:

Unit: Million Baht

	2019	2018
Short-term employee benefits	425.94	409.68
Post-employment benefits	69.77	63.84
Other post-employment benefits	0.15	0.13
Total	495.86	473.65

5.26 Long - Term Leases

As at 31 December 2019 and 2018, the Bank had commitment to pay land and / or premise lease, including vehicle rental. The amount due was based on the period specified in the statements of financial position as follows:

Unit: Million Baht

2019					
Lease payment					
	Remaining Period	Within 1 year	More than 1 year but not more than 5 years	More than 5 years	Total
Land and/or premises	Jan. 1, 2019 - Dec. 17, 2039	459.77	418.82	9.18	887.77
Vehicles	Jan. 1, 2020 - Dec. 30, 2024	450.95	607.34	-	1,058.29
Total		10.72	1,026.16	9.18	1,946.06

Unit: Million Baht

2018					
Lease payment					
	Remaining Period	Within 1 year	More than 1 year but not more than 5 years	More than 5 years	Total
Land and/or premises	Jan. 1, 2019 - Dec. 17, 2039	343.21	232.45	2.49	578.15
Vehicles	Jan. 1, 2019 - Dec. 25, 2023	408.77	729.70	-	1,138.47
Total		751.98	962.15	2.49	1,716.62

As at 31 December 2019, the Bank had a long-term lease from 1-29 years, between the year 1990 and 2039, consisting of 637 land and/or premises leases and 33 vehicle leases for which the Bank had a commitment to make a future payment of 1,946.06 Million Baht.

5.27 The Financial Position and Results of Operations Classified by Domestic and Foreign Transactions

5.27.1 The Financial Position Classified by Domestic and Foreign Transactions

Unit: Million Baht

	Financial statements exhibiting investments by the equity method					
	2019			2018		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Total assets	2,797,624.26	-	2,797,624.26	2,667,627.14	-	2,667,627.14
Interbank and money market items-net (Assets)	402,442.36	-	402,442.36	339,996.14	-	339,996.14
Investments-net*	311,876.47	-	311,876.47	256,156.56	-	256,156.56
Loans to customers and accrued interest receivables-net	1,856,793.06	-	1,856,793.06	1,827,043.88	-	1,827,043.88
Deposits	2,309,489.17	-	2,309,489.17	2,232,430.75	-	2,232,430.75
Interbank and money market items (Liabilities)	71,476.33	-	71,476.33	69,659.28	-	69,659.28
Debt issued and borrowings	80,500.00	-	80,500.00	50,000.00	-	50,000.00

Unit: Million Baht

	Bank - only financial statements					
	2019			2018		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Total assets	2,797,067.60	-	2,797,067.60	2,667,000.15	-	2,667,000.15
Interbank and money market items - net (Assets)	402,442.36	-	402,442.36	339,996.14	-	339,996.14
Investments - net*	311,319.81	-	311,319.81	255,529.57	-	255,529.57
Loans to customers and accrued interest receivables- net	1,856,793.06	-	1,856,793.06	1,827,043.88	-	1,827,043.88
Deposits	2,309,489.17	-	2,309,489.17	2,232,430.75	-	2,232,430.75
Interbank and money market items (Liabilities)	71,476.33	-	71,476.33	69,659.28	-	69,659.28
Debt issued and borrowings	80,500.00	-	80,500.00	50,000.00	-	50,000.00

* Include investments in associates.

5.27.2 The Results of Operations Classified by Domestic and Foreign Transactions

Unit: Million Baht

	Financial statements exhibiting investments by the equity method					
	2019			2018		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Interest income	97,519.30	-	97,519.30	96,607.64	-	96,607.64
Interest expenses	(41,533.52)	-	(41,533.52)	(35,428.97)	-	(35,428.97)
Net interest income	55,985.78	-	55,985.78	61,178.67	-	61,178.67
Net fee and service income	4,805.66	-	4,805.66	6,072.58	-	6,072.58
Other operating income	6,153.18	-	6,153.18	11,116.65	-	11,116.65
Public Service Account income	5,864.13	-	5,864.13	6,130.70	-	6,130.70
Other operating expenses	(42,649.35)	-	(42,649.35)	(46,614.38)	-	(46,614.38)
Public Service Account expenses	(6,111.45)	-	(6,111.45)	(6,901.36)	-	(6,901.36)
Net profit	24,047.95	-	24,047.95	30,982.86	-	30,982.86

Unit: Million Baht

Bank - only financial statements						
	2019			2018		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Interest income	97,519.30	-	97,519.30	96,607.64	-	96,607.64
Interest expenses	(41,533.52)	-	(41,533.52)	(35,428.97)	-	(35,428.97)
Net interest income	55,985.78	-	55,985.78	61,178.67	-	61,178.67
Net fee and service income	4,805.66	-	4,805.66	6,072.58	-	6,072.58
Other operating income	6,313.18	-	6,313.18	10,975.63	-	10,975.63
Public Service Account income	5,864.13	-	5,864.13	6,130.70	-	6,130.70
Other operating expenses	(42,649.35)	-	(42,649.35)	(46,614.38)	-	(46,614.38)
Public Service Account expenses	(6,111.45)	-	(6,111.45)	(6,901.36)	-	(6,901.36)
Net profit	24,207.95	-	24,207.95	30,841.84	-	30,841.84

5.28 Interest Income

Unit: Million Baht

	2019	2018
Interbank and money market items	4,774.71	5,424.39
Investments and trading transactions	21.05	22.58
Investments in debt securities	5,609.65	4,512.99
Loans	87,112.17	86,644.44
Finance leases	1.72	3.24
Total	97,519.30	96,607.64

5.29 Interest Expenses

Unit: Million Baht

	2019	2018
Deposits	23,618.25	18,824.29
Reward	13,394.80	12,281.44
Interbank and money market items	1,032.68	1,131.09
Contribution to the Specialized Financial Institution Development Fund	5,382.24	5,093.04
Debt issued		
- Debentures	1,247.56	1,175.80
Loans	0.04	0.03
Loans fee	4.00	4.00
Transfer to PSA interest expenses (Note 5.38.5)	(3,146.05)	(3,080.72)
Total	41,533.52	35,428.97

5.30 Net Fees and Service Income

Unit: Million Baht

	2019	2018
Net fees and service income		
Acceptances, avals and guarantees	72.31	54.93
ATM	902.44	884.66
Visa card	1,304.30	1,320.78
Loans	1,166.07	1,317.98
Commission	1,272.81	1,863.46
Others	1,493.98	1,662.31
Transfer to fees and service income form PSA customers (Note 5.38.4)	(4.14)	(2.81)
Total fees and service income	6,207.77	7,101.31
Net fees and service expenses		
ATM Pool	260.62	259.36
Mobile Banking system	496.31	349.68
Credit card business - compensation	274.94	177.74
Telecommunication	269.43	241.96
Others	219.25	102.90
Transfer to other PSA expenses (Note 5.38.5)	(118.44)	(102.91)
Total fees and service expenses	1,402.11	1,028.73
Net fees and service income	4,805.66	6,072.58

5.31 Net Gain on Trading and Foreign Exchange Transactions

Unit: Million Baht

	Gain (loss) - net	
	2019	2018
1) Gain (loss) on trading and foreign exchange transactions		
Foreign exchanges and derivatives	(924.77)	28.44
Debt securities	130.00	67.77
Total	(794.77)	96.21
2) Gain (loss) from hedging	934.27	(1.58)
Total	139.50	94.63

5.32 Net Gain on Investments

Unit: Million Baht

	Gain (loss) - net	
	2019	2018
1) Gain on investments		
Available-for-sale securities	106.31	7,635.09
General investments	63.20	-
Investments in associates	2,075.00	-
Total	2,244.51	7,635.09
2) Reversal (Loss) on impairment		
General investments	42.82	-
Total	42.82	-
Subtotal	2,287.33	7,635.09

5.33 Compensation for Debt Collection Agency

Unit: Million Baht

	2019	2018
Agency compensation - Loans	45.89	61.68
Agency compensation - Social loans	341.52	1,662.61
Agency compensation - Chor Por Kor - Chor Por Sor loans	10.34	-
Transfer to PSA operating expenses	(30.98)	(156.80)
Total	366.77	1,567.49

5.34 Impairment Loss on Loans and Debt Securities

Unit: Million Baht

	2019	2018
Interbank and money market items	8.10	(42.90)
Held-to-maturity securities	35.05	-
Loans to customers	11,142.46	16,683.78
Loss on debt restructuring	-	26.10
Loans to PSA customers	1,120.49	350.58
Total	12,306.10	17,017.56

5.35 Provident Fund

Unit: Million Baht

	2019	2018
Provident fund	537.99	501.13
Compensation expenses	840.42	1,163.21
Compensation benefit expenses	347.42	402.20
Total	1,725.83	2,066.54

5.36 Islamic Financial Services

The Bank has provided interest-free financial services in accordance with Islamic principles such as “Wadi Ah Hajj” and “Umrah Mudorobha” deposits, leases, installments, investments in securities and joint ventures. The Bank has provide these services since December 1998. Currently, there are 343 branches of the Islamic financial services: online system (opening a new deposit account) with 243 branches providing full financial services.

5.37 Regional Urban Development Fund Office

The Bank has managed the Social Investment Fund and Urban Development Fund in the region until the termination period under Social Investment Program of the Ministry of Finance. The Ministry of Finance has allowed the Bank to terminate the management of Social Investment Fund, but continuing to manage Urban Development Fund in the region. Therefore, the Bank has established the Regional Urban Development Fund Office to operate Regional Development Fund in place of the Social Fund Office. It is an independent agency under the supervision of the Bank with the same management in the form of a committee as before. Moreover, the Ministry of Finance has allowed the Bank to lend, together with Urban Development Fund, to local state organizations 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 the Bank’s Regulation No. 408 on Regional Urban Development Fund by receiving management fees at the rate of 7.5% of the total loan disbursed, calculated on the date of disbursement under the loan agreement. According to the Memorandum of Understanding on Management of Urban Development Funds in the region between the Ministry of Finance and the Government Savings Bank, No. 1/2006, dated June 30, 2006 (3rd amendment) at December 31, 2019, the Bank provided loans to Regional Urban Development Fund Office in the amount of 391.39 Million Baht.

For the year ended December 31, 2005, the Bank’s financial statements included the accounts of Regional Urban Development Fund Office, a work unit of the Bank and all inter-transactions were eliminated.

The financial statements of Regional Urban Development Fund Office included in the Bank’s financial statements as at 31 December 2018 and 2017 (after elimination of inter-transactions) consisted of:

	Unit: Million Baht	
	2019	2018
Assets	324.96	371.26
Liabilities	1.18	0.98
Equity	191.14	187.05
Income	17.67	21.59
Expenses	13.58	13.71

5.38 Public Service Account (PSA)

5.38.1 Summary Information of PSA

	Unit: Million Baht	
Assets and Liabilities	2019	2018
Assets		
Loans to PSA customers and accrued interest receivables-net (Note 5.38.2)	149,400.46	172,147.12
Receivables waiting for PSA compensation (Note 5.38.2)	1,845.47	1,104.15
Total assets	151,245.93	173,251.27

Unit: Million Baht

Income and Expenses	2019	2018
Income from PSA (Note 5.38.4)	5,864.13	6,130.70
Less PSA expenses (Note 5.38.5)	6,111.45	6,901.36
Less Impairment loss on debt securities - PSA (Note 5.34)	1,120.49	350.58
Gain (loss) - net	(1,367.81)	(1,121.24)

5.38.2 Assets according to PSA

Unit: Million Baht

Project	Project overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation	
			2019	2018	2019	2018
1. Loan project to assist self-employed persons affected by floods and storm in 2010	<p>Loan amount of 2,000.00 Million Baht for self-employed persons affected by floods and storm in 2010 with the interest rate of 0.50% per month.</p> <p>The Government provides compensation for future damages.</p>	2010 - 2016	0.01	0.04	-	-
2. Project to provide financial assistance to business operators in the three southern border provinces.	<p>Loan amount of 25,000.00 Million Baht for commercial banks and specialized financial institutions with the interest rate of 0.01% per year</p> <p>The government provides compensation by offering the interest rate equal to the 12-month fixed deposit rate for general depositors, plus operating expenses of 0.98% per year, less rate of return of 0.01% per year.</p>	2010 - 2013 Extension of the 1 st session to the end of 2014, 2 nd session to the end of 2017 and 3 rd session to the end of 2022	21,188.92	20,473.55	279.81	74.11
3. Loan project for the development of flood protection systems by the Bank for industrial estates / parks / industrial zones	<p>Loan amount of 15,000.00 Million Baht for 6 industrial estates / parks / industrial zones which included Bangpa-in, Bangkokdee, Rojana, Hitech, Navanakorn, and Saharattana Nakorn with the interest rate of 0.01% per year.</p> <p>The government provides compensation by offering the interest rate equal to the 12-month fixed deposit rate for general depositors, plus operating expenses of 0.98% per year, less rate of return of 0.01% per year.</p>	2013 - 2028	1,621.83	1,818.15	39.36	12.96

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Project overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation	
			2019	2018	2019	2018
4. Loan project for construction of flood protection systems in industrial estates	<p>Loan amount of 3,546.24 Million Baht for construction of flood protection systems in industrial estates with the interest rate of 0.01% per year.</p> <p>The government provides compensation by offering the interest rate equal to the 12-month fixed deposit rate for general depositors, plus operating expenses of 0.98% per year, less rate of return of 0.01% per year.</p>	2013 -2028	1,500.90	1,851.97	37.93	14.15
5. Well-being promotion project - Village level	<p>Loan amount of 30,000.00 Million Baht to village and urban funds which are classified into A and B type, not exceeding 1.00 Million Baht per fund with the interest rate of</p> <p>Year 1-2 : 0.00% per year Year 3-7 : Equal to financial cost, plus 1.00% per year.</p> <p>The government provides compensation according to financial costs in year 1-2, equal to 2.21% per year, without compensation for future damages</p>	2015 - 2023	11,542.52	15,252.08	End of compensation	End of compensation
6. Low interest loan project to provide working capital for Small and Medium-sized Enterprises (SMEs)	<p>Loan amount of 100,000.00 Million Baht for commercial banks and specialized financial institutions with the interest rate of 0.10% per year in order to provide loans for SMEs entrepreneurs at the interest rate of 4.00% per year. The Bank can use credit under the project. (Note 5.7.1)</p> <p>The government provides compensation by offering the interest rate equal to 2.21% per year of the cost, plus operating expenses of 0.75% per year, less rate of return of 0.10% per year.</p>	2015 - 2022	55,685.33	66,070.27	1,120.75	629.37
7. Low interest loan project to provide working capital for Small and Medium-sized Enterprises (SMEs): Phase 2	<p>Loan amount of 50,000.00 Million Baht for commercial banks and specialized financial institutions with the interest rate of 0.10% per year in order to provide loans for SMEs entrepreneurs at the interest rate of 4.00% per year. The Bank can use credit under the project. (Note 5.7.1)</p>	2016 - 2023	21,049.48	27,362.24	209.72	306.87

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Project overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation																		
			2019	2018	2019	2018																	
	The government provides compensation by offering the interest rate equal to 2.21% per year of the cost, plus operating expenses of 0.75% per year, less rate of return of 0.10% per year.																						
8. Public Home Project (Baan Pracha Rath Project)	<p>Housing loan amount of 20,000.00 Million Baht (Post Finance) with the following interest rate :</p> <table border="1"> <thead> <tr> <th rowspan="2">Year</th> <th colspan="2">Loan</th> </tr> <tr> <th>Up to 700,000 Baht</th> <th>700,000 Baht - 1.50 Million Baht</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>0.00% per year</td> <td>3.00% per year</td> </tr> <tr> <td>2-3</td> <td>2.00% per year</td> <td>3.00% per year</td> </tr> <tr> <td>4-6</td> <td>5.00% per year</td> <td>5.00% per year</td> </tr> <tr> <td>More than 7 years</td> <td>MRR -1.475% per year</td> <td>General customers MRR - 1.475% per year, Customers with agreements MRR - 1.725% per year</td> </tr> </tbody> </table>	Year	Loan		Up to 700,000 Baht	700,000 Baht - 1.50 Million Baht	1	0.00% per year	3.00% per year	2-3	2.00% per year	3.00% per year	4-6	5.00% per year	5.00% per year	More than 7 years	MRR -1.475% per year	General customers MRR - 1.475% per year, Customers with agreements MRR - 1.725% per year	2016 - 2046	4,030.38	4,396.72	No compensation	No compensation
Year	Loan																						
	Up to 700,000 Baht	700,000 Baht - 1.50 Million Baht																					
1	0.00% per year	3.00% per year																					
2-3	2.00% per year	3.00% per year																					
4-6	5.00% per year	5.00% per year																					
More than 7 years	MRR -1.475% per year	General customers MRR - 1.475% per year, Customers with agreements MRR - 1.725% per year																					
9. Low interest loan project to assist fishermen. "Thailand's Fisheries Move Forward"	<p>Loan amount of 500.00 Million Baht to assist fishermen affected by the measures to solve the problem of illegal fishing with the interest rate as follows: Year 1 : 0.00% per year Year 2-7 : 4.00% per year</p> <p>The government provides compensation by offering the interest rate of 3.00% per year.</p>	2016 - 2024	221.73	276.92	1.83	0.54																	
10. Public Loans for "People Project"	<p>To provide loans to self-employed persons to finance their careers, solve and alleviate problems in their livings, as well as being able to pay debts, with the interest rate as follows: Year 1 : 0.00% per month Year 2-5 : 1.00% per month</p>	2016 - 2021	217.65	436.40	No compensation	No compensation																	

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Period Overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation	
			2019	2018	2019	2018
11. Low interest loan project to modify machinery and increase the productivity for Small and Medium-sized Enterprises (SMEs)	<p>Loan amount of 30,000.00 Million Baht for commercial banks and specialized financial institutions with the interest rate of 0.10% per year in order to provide loans for SMEs entrepreneurs to modify machinery and increase the productivity with the interest rate of 4.00% per year. The Bank can use credit under the project. (Note 5.7.1).</p> <p>The government provides compensation by offering the interest rate equal to the 6 - month fixed deposit rate for general depositors, plus 1.85% per year, but not over 3.00% per year.</p>	2016 - 2025	14,751.27	20,210.36	144.10	56.19
12. Civil State Measures project to solve people's debt problems under the government policy	To relieve the burden of the Bank's customers who are in the process of paying installment and wish to participate in the project by requesting a temporary suspension of debt payment or an extension of the repayment period.	2016 - 2036	4,815.86	5,413.16	No compensation	No compensation
13. Public loan for People Project (Disaster Victims)	<p>Loan amount of 4,000.00 Million Baht for people affected by the floods or other natural disasters, with the interest rate as follows:</p> <p>Year 1 : 0.00% per month Year 2-5 : 1.00% per month</p>	2017 - 2022	43.53	79.39	No compensation	No compensation
14. Loan project for Small and Medium-sized enterprises (SMEs) affected by the floods in 2017	<p>Loan amount of 2,500.00 Million Baht to alleviate the suffering of the SMEs victims affected by the floods in 2017, with the interest rate as follows:</p> <p>Year 1 : MLR - 2.00% per year Year 2-5 : MLR interest per year</p>	2017 - 2022	1.36	1.72	No compensation	No compensation

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Period Overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation																			
			2019	2018	2019	2018																		
15. Retail loan project for emergency spending	<p>Loan amount of 5,000.00 Million Baht to assist low-income people and farmers who need to spend emergency money or solve household problems, not by refinancing their debts with a flat interest rate of not more than 0.85% per month.</p> <p>The government compensates for the NPL arising from the project's implementation as follows:</p> <table border="1"> <thead> <tr> <th>NPL Level</th> <th>Government compensation</th> <th>Amount (Million Baht)</th> <th>Coverage ratio</th> </tr> </thead> <tbody> <tr> <td>Not more than 25%</td> <td>100%</td> <td>2,500</td> <td rowspan="3">Not more than 40%</td> </tr> <tr> <td>More than 25%, but not more than 37.50%</td> <td>70%</td> <td>875</td> </tr> <tr> <td>More than 37.50% but not 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> <p>The compensation limit for GSB is 2,000.00 Million Baht and 2,000.00 Million Baht for Bank for Agriculture and Agricultural Cooperatives.</p>	NPL Level	Government compensation	Amount (Million Baht)	Coverage ratio	Not more than 25%	100%	2,500	Not more than 40%	More than 25%, but not more than 37.50%	70%	875	More than 37.50% but not more than 50%	50%	625	Total		4,000		2017 - 2022	1,345.85	2,534.62	-	-
NPL Level	Government compensation	Amount (Million Baht)	Coverage ratio																					
Not more than 25%	100%	2,500	Not more than 40%																					
More than 25%, but not more than 37.50%	70%	875																						
More than 37.50% but not more than 50%	50%	625																						
Total		4,000																						

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Project overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation																			
			2019	2018	2019	2018																		
16. Transformation Loan project (Low interest loan for machine modification: phase 2)	<p>Loan amount of 20,000.00 Million Baht for commercial Banks and specialized financial institutions with the interest rate of 0.10% per year in order to provide loans for SMEs entrepreneurs (10 S - Curve business group). The Bank can use credit under the project.</p> <p>The government provides compensation by offering the interest rate as follows:</p> <ol style="list-style-type: none"> In case the Bank provides loans to SMEs entrepreneurs, interest rate of 2.00% per year. In case the Bank provides loans through commercial banks and specialized financial institutions, interest rate of 2.50% per year. 	2018 - 2025	4,765.64	1,877.21	2.90	0.89																		
17. Retail loan project for emergency spending: Phase 2	<p>Loan amount of 10,000.00 Million Baht to assist low - income people and farmers who need to spend emergency money or solve household problems, not by refinancing their debts with a flat interest rate of not more than 0.85 % per month.</p> <p>The government provides compensation due to NPL arising from the implementation of the project as follows:</p> <table border="1"> <thead> <tr> <th>NPL Level</th> <th>Government compensation</th> <th>Amount (Million Baht)</th> <th>Coverage ratio</th> </tr> </thead> <tbody> <tr> <td>Not more than 25%</td> <td>100%</td> <td>2,500</td> <td rowspan="3">Not more than 40%</td> </tr> <tr> <td>More than 25%, but not more than 37.50%</td> <td>70%</td> <td>875</td> </tr> <tr> <td>More than 37.50%, but not more than 50%</td> <td>50%</td> <td>625</td> </tr> <tr> <td>SOU</td> <td></td> <td>4,000</td> <td></td> </tr> </tbody> </table>	NPL Level	Government compensation	Amount (Million Baht)	Coverage ratio	Not more than 25%	100%	2,500	Not more than 40%	More than 25%, but not more than 37.50%	70%	875	More than 37.50%, but not more than 50%	50%	625	SOU		4,000		2018 - 2025	6,603.01	4,070.12	-	-
NPL Level	Government compensation	Amount (Million Baht)	Coverage ratio																					
Not more than 25%	100%	2,500	Not more than 40%																					
More than 25%, but not more than 37.50%	70%	875																						
More than 37.50%, but not more than 50%	50%	625																						
SOU		4,000																						

5.38.2 Assets According to PSA (continued)

Unit: Million Baht

Project	Period Overview	Period	Loans to PSA customers and accrued interest receivables - net		Receivables waiting for PSA compensation	
			2019	2018	2019	2018
18. Project for improving the quality of life for state welfare card holders.						
18.1 Account Officer : AO	Budget amount of 189.00 Million Baht to pay compensation to Account Officers who are responsible for supervising and giving advice for state welfare card holders.	2018	-	-	9.07	9.07
18.2 Loan for State Welfare Card Holders (3 projects)			15.19	22.20	No compensation	No compensation
1) GSB Home Stay	To be used as working capital for operations related to Thai homestay business with credit limit not exceeding 50,000.00 Baht per customer. Maximum loan period is 7 years with the interest rate as follows: Year 1 : 0.00% per month. Year 2 onward : 0.50 - 0.7% per month (Flat rate) based on type of collaterals.	2018 - 2025				
2) Loan for Franchise Business	To finance franchise business or expand business with credit limit of not exceeding 50,000.00 Baht per customer. In case of short - term loan, the credit limit will be reviewed every year. For long-term loan, the loan will be granted for not more than 7 years with the following interest rate: Year 1 : 0.00 % per month Year 2 onward : 0.50 - 0.75% per month (Flat rate) based on type of collaterals.	2018 - 2025				
3) Street Food	To be used as capital or working capital for business operations with credit limit not exceeding 50,000.00 Baht per customer with the following interest rate: Year 1 : 0.00 % per month Year 2 onward : 0.50 - 0.75% per month (Flat rate) based on type of collaterals.	2018 - 2028				
Total			149,400.46	172,147.12	1,845.47	1,104.15

5.38.3 Asset Classification and Allowance of PSA

Unit: Million Baht

2019					
	No. case	Outstanding Loans and Accrued Interest Receivables	Collateral Value	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts
Normal	272,176	146,962.23	6,187.12	1	1,406.00
Special mentioned	46,514	3,455.22	622.17	2	55.64
Substandard	20,599	973.35	113.16	100	858.40
Doubtful	19,251	764.40	140.44	100	623.96
Doubtful of loss	16,213	893.35	189.26	100	704.09
Total	374,753	153,048.55	7,252.15		3,648.09

Unit: Million Baht

2018					
	No. case	Outstanding Loans and Accrued Interest Receivables	Collateral Value	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts
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
Doubtful	9,099	385.06	87.21	100	297.85
Doubtful of loss	4,164	402.40	140.39	100	262.01
Total	274,862	174,707.10	7,699.54		2,559.97

5.38.4 PSA Income

Items	Unit: Million Baht	
	2019	2018
Income from PSA customers		
Interest income from PSA customers	2,022.82	1,751.74
Fees and service income from PSA customers (Note 5.30)	4.14	2.81
Other income from PSA customers	4.00	1.49
Income from PSA compensation		
Interest compensation income from PSA	3,816.57	4,341.46
Other PSA compensation	16.60	33.20
Total	5,864.13	6,130.70

5.38.5 PSA Expenses

Items	Unit: Million Baht	
	2019	2018
PSA interest expenses (Note 5.29)	3,146.05	3,080.72
PSA operating expenses	2,846.96	3,717.73
Other PSA expenses (Note 5.30)	118.44	102.91
Total	6,111.45	6,901.36

5.39 Approval of Financial Statements

GSB President & CEO approved the financial statements on March 11, 2020.

Highlight Activities

• Collecting Deposits on the Occasion of the GSB's 106th Anniversary



• Presenting our Deepest Loyalty and Gratitude to the Monarchy



• GSB organized activities on the auspicious occasion of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua's birthday anniversary to show our loyalty at GSB's Head Office.



• GSB organized a ceremony to offer alms to Buddhist monks and blessings on the occasion of Her Majesty Queen Sirikit the Queen Mother's birthday anniversary.



• GSB organized a ceremony to offer alms to Buddhist monks and blessings on the occasion of Her Majesty Queen Suthida Bajrasudhabimalalakshana's birthday anniversary.



• GSB launched "10 Sook Chalem La Puang Pracha Civilize", an honorary project on the auspicious occasion of the coronation of King Rama X in 2019 to invite Thai people to extend their blessing to His Majesty King Rama X through online systems.



• GSB organized "Chalmrach Chatkaew Kasattra" celebration event on the auspicious occasion of the coronation of King Rama X.



• GSB organized an ordination ceremony of 1,010 monks nationwide to honor His Majesty King Rama X on the occasion of his coronation.

• GSB donated 100 Million Baht to build Chalmprakhiet buildings for Somdet Phra Yupharat Hospital on the auspicious occasion of the coronation of King Rama X in 2019.

• Development of Financial Products and Services



- Creating the “GSB Street Food” project to increase capabilities and create opportunities for street food business entrepreneurs.



- Launching “GSB E-Commerce Credit Card” and “GSB World Credit Card” in cooperation with Mastercard to increase agility, convenience, and efficiency.



- Cooperating with TQM to launch “TQM Infinity Credit Card”

- Launching a website: www.gsbSeniorWow.com and “GSB Senior Wow” application, a source of information and services for smart senior citizens.



- Opening the GSB Research, a center of research production, analysis report of macro economy, micro economy, grassroots economy and industrial economy.

- GSB and ICBC (Thai) Public Company Limited signed a joint development agreement for financial products and services to provide efficient services for Thai - Chinese customers



- Cooperating with Thai Credit Guarantee Corporation to drive the economy by launching SME loan project named “Kampragun Sinchua Pracharat Sang Thai” to help SMEs entrepreneurs to access sources of funds.



- Signing a cooperation agreement with Kasikorn Bank to continue the White Label ATM policy of the Bank of Thailand and the Thai Bankers’ Association.



- Launching GSBxBNK48 Debit Card.



- Giving prizes to the winners of the campaign “Omsin Saipay Jakrodtangpee Ruayloontookduan” and “Omsin Doublepay to Give 216 Cars”.



- Launching “GSB Debit Card Gold Give Away” campaign to give 106 gold ornaments to lucky winners who use the GSB debit card to pay for goods and services.



- Cooperating with Airbnb to upgrade Thai homestay and promote sustainable tourism.



- Signing a partnership agreement with ASL Securities Co.,Ltd. to provide services for all types of securities and financial products.

• Supporting Thai SMEs to Move Forward Sustainably



• Organizing “GSB Smart SMEs Smart Start up 2019” under the concept of “GSB Journey to Success” in order to stimulate and increase SMEs capabilities as well as creating Thai Startups to be ready to move forward into the 5.0 era.



• Organizing “Together, We’re Strong” event with provincial Chamber of Commerce nationwide to promote and increase capabilities for SMEs and SMEs Startups who are members of the Chamber of Commerce to grow their businesses sustainably.

• Organizing a prize-giving ceremony for the winner of the Excellent GSB SMEs Startup Contest “BIG BOOM WOW” to step forward to be the best SMEs Startup.



• Organizing a booth in “SMART SME EXPO 2019” and inviting the Bank’s SMEs customers to organize the booth as well.

• Signing the memorandum of cooperation in “Sanfan Pan-a-cheep” project to develop careers and create income for people around the industrial estate.

• Organizing the “7th Excellent GSB SMEs Startup Contest”.

- Promoting Savings and Creating Financial Disciplines



- Organizing a booth in “Money Expo” event in every region of the country.



- Organizing a booth in “Thailand Smart Money” event in every region of the country.



- Organizing a “National Savings Day 2019” activity to instill and raise public awareness of the importance of savings, promote saving disciplines as well as creating a piggy bank “Piggy Bank, the Book of Savings” as a souvenir for depositors at all GSB branches.

• Good Governance



- Organizing “GSB CG Day 2019” to communicate and convey management policies aligning with good corporate governance principles and fraud prevention in order that executives, officers and employees can comply with the Bank’s ethics and code of conduct.



- Signing the moral agreement emphasizing transparency in the procurement process with the observers of the Anti-Corruption Organization (Thailand) to increase the efficiency of budgetary expenditures and enhance the transparency of government procurement programs.

- Arranging a training course “Assessment of morality and transparency in the operation of government agencies”.

• Driving the Government's Policy



• Supporting “Thailand Street Food Festival 2020” event to stimulate the economy and promote Thailand as an international tourism center.



• Cooperate with the Department of Skill Development to develop skills for people who have state welfare cards to be able to use them in their careers.



• Launching “GSB SMART HOMESTAY” to raise Thai homestay to the international level and develop communities by creating jobs, careers, income and sustainability for communities.



• Driving sustainable grassroots economy under the project “Pracharat Sang Thai”



• Donating money to “Five Provinces Bordering Forest Preservation Foundation”



• Joining the press conference on economic stimulus measures.

- Promoting Youth Development

“Yuwapat Raktin” Project : “Develop knowledge, Enhance wisdom and Create economic values for the society”



- Students who participated in the project shared their knowledge and brought innovation to upgrade the quality of products and services of the community to meet the needs of the market in order to create stability and sustainable income.

“GSB GEN E-SPORTS AUDITION 2019” Project: To select E-sport athletes as bank representatives to participate in professional competitions.



- Develop Thai children and youth to have skills in E-sport to become professional E-sport athletes in the future.



- Opening “GSB Innovation Club” in universities nationwide.

• Development of Community, Society and Environment



• Organizing “GSB Sending Happiness to Society” activity to provide consumer goods and scholarships to students with good behaviors, good grades, but lacking of funds at Wat Saengkaew Phothiyarn, Mae Saruay district, Chiang Rai province.



• Restoring natural resources and the environment. Creating a living dam and making merit by offering food to the monks at Muak Lek Nok temple, Saraburi province.



• Organizing “Bowon” House, Temple and School activity to provide financial support for the purchase of temple land and the improvement of the water supply system of the Nong Khai Home for Boys as well as saving the cow’s life and give them to farmers at Wat Pho Chai, Phra Aram Luang, Muang district, Nong Khai province.



• Granting scholarships and career promotion funds to the novice at Wiang Kaew temple, providing glasses for long-sightedness and consumer goods for people in the area of Wiang Kaew temple, Chiang Saen district, Chiang Rai province.



• Supporting “Kratook Huajai Virtual Run 2,000,000 Km.” event.



• Participating in the groundbreaking ceremony of “Victory Pillar” (City Pillar) and organizing CSR activity at Pipat Mongkol temple, Sukhothai province.

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