



**SOCIAL BANK**

**ANNUAL REPORT 2020**







**GOVERNMENT SAVINGS BANK**  
**SOCIAL BANK**



# ธนาคารเพื่อสังคม *Social Bank*



Enhancing happiness and security for Thai society  
#SocialBank



## **“...Social Bank...”**

is our ambitious role to

**“reduce inequality and eradicate poverty”  
by driving every mission to make a concrete  
positive impact on society.**

It's time to provide assistance to “grassroots people”  
seriously to build a strong foundation of the country  
for sustainable Thai society.





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# GOVERNMENT SAVINGS BANK SOCIAL BANK

Paying respects to His Majesty King Vajiravudh  
who established Government Savings Bank

Photo by King Vajiravudh Memorial Foundation | Colored by Mr. Sittiporn Promma



Government Savings Bank was established under initiation of His Majesty King Vajiravudh, Rama VI and initiated the savings business in Thailand. With the determination to promote savings and a safe place to store assets and training the people to know how to save property by enacting an Act to establish the “Savings Office” on April 1, 1913. In this regard, GSB has always stood up for performing duties by receiving royal grace from all Chakri Kings. Later in 1946, King Rama IX designated the Royal Savings Office to be “Government Savings Bank” and enacted the Government Savings Bank Act to support GSB’s operations in the form of Bank since April 1, 1947. Having been together with Thai society for 108 years, in 2021 the Bank has reorganized its role to be a “Social Bank”, acting as a commercial bank and carrying out the mission for society simultaneously with clear goals and missions to reduce inequality, eradicate poverty and bring about change and good results for Thai society...“Making Positive Impact on Society”





“

GSB, as a social bank,  
was the first organization  
that played a key role in  
stimulating the economy  
and helping people  
urgently according to the  
government policy, both  
financial and social.

”



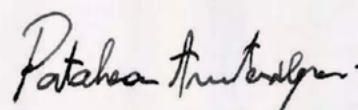
# Message from the Chairman of Government Savings Bank

In 2020, the Government Savings Bank adjusted its role to become a “Social Bank” with the main goal to reduce poverty and social disparity by driving its missions to be successful in order to produce concrete positive results for society, enhance customers to access to financial services, reduce financial burdens, raise income levels, improve well-being to get out of poverty and create a happy society for the general public. Since 2020 due to COVID-19 pandemic, GSB, as a social bank, has been the first organization that played a key role in stimulating the economy and helping people urgently according to the government policy, both financial and social measures, to mitigate the COVID-19 impact by assisting the general public and business entrepreneurs to have sufficient liquidity through economic relief measures, a total of 17 projects which could help more than 5 Million customers, a total amount of **more than 170,000 Million Baht.**

The Bank’s performance in 2020 : Although it was a difficult year, earnings growth was close to the previous year and better than its target. The Bank was able to carry out missions following

assigned policies. Our success and performance came from professional management, good governance and great cooperation of all personnel; the GSB Board of Directors, management team, officers and employees who worked together to help and alleviate suffering for customers and people affected by COVID-19 under difficult circumstances that needed to be adjusted in a new way in accordance with the current situation to overcome the limitations.

On behalf of GSB Board of Directors, executives, 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 our mission of being a “Social Bank” and playing a part in driving Thai economy towards sustainability.



(Mr. Patchara Anuntasilpa)

Chairman of Government Savings Bank



# Message from President & CEO of Government Savings Bank

2020 is the year of significant strategic repositioning of Government Savings Bank with the main goal to drive the Bank to be a “Social Bank” to play an important role in reducing poverty and social disparity by focusing on helping low-income and grassroots people to be able to access the source of funds with reasonable costs. The Bank has supported social missions of the government while conducting commercial business, like other banks, to create profits which will be used to fund its social missions, resulting in the positive impact on society in two dimensions : low-income/ grassroots people have more opportunities to access the source of funds and the source for funds must be at a lower or fair cost.

Executing this new strategy is extremely challenging because the Bank must take into account the social missions in every process. Nevertheless, our officers and employees have cooperated to adapt to the change and put maximum effort into their duties in accordance with the Bank’s policy. Moreover, during the COVID-19 pandemic, that has severely affected people’s lives and the world economy since the end of 2019, GSB as a Social Bank has issued various measures to assist those affected by the COVID-19, without

focusing on expanding our business base which are (1) a moratorium on principal and interest for retail borrowers; (2) announcement of interest rate reduction and the minimum payment rate for credit cards and cash cards; (3) providing more than 5 Millions Loans to business operators and people affected by the COVID-19, with a total credit line of 150 Billion Baht; (4) GSB Empower Loans with a credit line of 10,000 Million Baht; (5) GSB Soft Loans for Restoration of Thai tourism, offering loans to small SMEs entrepreneurs who are in tourism-related businesses with a credit line of 5,000 Million Baht and (6) SMEs loans with a credit line of 10,000 Million Baht.

In addition, the COVID-19 pandemic brings travel to a standstill, causing tourism-dependent

“Executing this new strategy is extremely challenging because the Bank must take into account the social missions in every process.”

“

Government Savings Bank  
will continue to drive its  
operations in all  
aspects to be fully  
consistent with its position  
as a Social Bank, and to  
make the positive impact  
on society.

”





areas facing serious problems such as Koh Samui district in Surat Thani province where business entrepreneurs lost their income and working capital. Therefore, the Bank launched its “GSB for Samui : SAMUI MODEL” to be a prototype project to improve cash flows in the local economy, including immediate assistance, debt resolution and community assistance. This successful project can help more than 2,500 people in need, with a credit line to increase liquidity of more than 1,500 Million Baht.

#### **Key performance in organization management**

In 2020, the Bank has increased its general provisions. This is the first time in 10 years that the Bank has set aside provisions per year at an adequate level, along with an effective management to prevent debtors from becoming NPLs, which is an important factor in balancing short-term profits with long-term stability of the Bank.

The Bank has established a joint venture with Srisawad Corporation Public Company Limited (SAWAD) for its foray into the vehicle title loan business, with the first roll out of a motorcycle title loan product. The main goal is to force market interest rates for this loan segment to reduce in the longer term and people will access the source of funds at a fair cost to create a concrete positive impact on society. Moreover, it helps reduce income inequality for grassroots people or low-income workers who have high living expenses.

Another important mission in 2020 is that the Bank has become a member of the United Nations Environment Program Financial Initiative (UNEP FI) and signed the Principles for Responsible Banking in all six aspects. GSB is the first Thai state financial institution to recognize the principles of responsible banking and it reflects the Bank’s commitment to operate using environment, social and governance values.

With the success of organization management in all aspects, in 2020, GSB has received both national and international honourable awards, such as

- “Thailand Quality Award 2020” (TQA)
- “SOE Awards 2020” in 5 categories : Outstanding Organizational Management, Outstanding State Enterprise Committee Award, Outstanding Service,

**“The Bank has set aside provisions per year at an adequate level, along with an effective management to prevent debtors from becoming NPLs, which is an important factor in balancing short-term profits with long-term stability of the Bank.”**

Award for Outstanding Disclosure and Transparency and Honored Digital Transformation Initiative Award

- “Best Retail Bank of the Year 2020” Award from Money and Banking journal

- “Best Bank in the Asia/Pacific region 2020” Award from IDC Financial Insights

- “Best Innovation in Retail Banking Thailand 2020” Award from International Banker, Finance Publishing, London

- “Top Publisher Award 2020” : MyMo by GSB, one of the ten financial applications in Thailand with the highest number of monthly users.

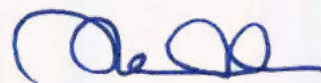
- “Best Branch Digitisation Implementation 2020” Award from The Asian Banker magazine

Moreover, the Bank received ISO/IEC 27001 : 2013 certification for information security management system in SWIFT system and MyMo from Bureau Veritas Certification (Thailand) Ltd.

**GSB's performance** As of December 31, 2020, the Bank's total assets were 2,889,082 Million Baht, grew by 3.29 percent, deposits and debt issued were 2,495,440 Million Baht, grew by 3.42 percent, total loans of 2,159,233 Million Baht, grew by 0.30 percent of total loan amount of over 600,000 Million Baht, especially loans according to government policy measures to help SMEs business entrepreneurs and low-income people who were affected by the COVID-19 pandemic while the ratio of gross NPLs to

total loans stood at 2.13 percent. During the year, there were debt relief measures for personal loans and retail business loans for non-NPLs with a net profit of 18,777 Million Baht (after setting a general provision to accommodate additional risks of 12,400 Million Baht). Total capital funds were 193,883 Million Baht, representing 14.96 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 18,000 Million Baht.

GSB will continue to serve its missions through various strategic action to be fully consistent with its position of being a social bank and making a concrete positive impact in society. On behalf of GSB executives, officers and employees, we are committed to performing duties professionally with the principles of quality and good management in order that GSB can play an important role in reducing poverty and social disparity.



(Mr. Vitai Ratanakorn)  
President & CEO of Government  
Savings Bank



# AWARDS FOR EXCELLENCE

Government Savings Bank operates under the principles of Good Governance, focusing on effective organizational management. Apart from being a financial institution for Thai people, GSB also acts as a social bank, guaranteed by awards received from many agencies and leading organizations.



Thailand Quality Award

Best Retail Bank of the Year

ITA Awards



SOE Award





## Operations for sustainable development based on social responsibility, environment and good governance.

GSB gives priority to sustainable operations and carries out missions for society and communities with good governance by balancing and integrating the three dimensions of sustainability : economy, society and environment. GSB promotes savings and create financial disciplines for target customers, especially children and youth, along with activities that focus on ecological efficiency (Eco-Efficiency) for the sustainable society and environment.



### Creating mechanisms to promote savings and improve the quality of life for sustainable development.

#### 1. Promote Savings and Create Financial Disciplines.

- School Bank Project (23<sup>th</sup> year)

GSB has started a school bank project to instill savings habits and disciplines for students since 1998 by setting up a banking simulation at educational institutions allowing teachers and students to operate by themselves under the supervision of the Bank. In addition, the Bank has also built good savings habits for students to have a financial stability when they grow up. Now there are 1,235 school banks, 2,171,284 members (students), 2,604,449 savings accounts, and all accumulated savings, a total of 1,199,209,884 Baht.



- **Virtual School Bank Project (5<sup>th</sup> year)**

The Bank has adapted school banks to the Digital Banking 4.0 era to promote savings and create financial disciplines, along with educating and instilling correct values and ethics for students and schools that are members of the project by creating fun and safe learning experiences through a Virtual School Bank, an online three-dimensional media, which is also an activity to support the policy of the Ministry of Education on the use of digital technology for learning. The Virtual School Bank consists of a school bank, banking practice building, online learning building, landmarks and tourist attractions in Thailand, including activities such as sufficiency economy activities, virtue activities and various mini games. In addition, the Bank has also offered scholarships of 2,000,000 Baht per year for students who participated in the activities, since 2016. Currently, there are 2,641 educational institutions participating in the project and 496,123 members (students). The application can be accessed on IOS and Android operating systems or via [www.gsbschoolbank.com](http://www.gsbschoolbank.com)

## **2. Projects to Promote Youth Development Consisting of 2 Projects which are**

- **Promote Youth Development Education**

Thailand Education Development and Evaluation Tests (10<sup>th</sup> year)

Program for Assessment and Development for Excellence in Mathematics and Science for the year 2020 (Thailand Education Development and Evaluation Tests)

Thailand Education Development and Evaluation Tests Project is in corporation with the Government Savings Bank, The Southeast Asian Ministers of Education Organization Regional Centre for STEM Education (SEAMEO STEM-ED Center) and Edupark Co., Ltd. to organize mathematics and science test. Since 2010 the Bank has supported this project with a total budget of 39,635,000 Baht. In 2020, there were 245,965 students who applied for both tests and 1,880 schools participating in both subjects

- **GSB Tutor Camp 2020 (4<sup>th</sup> year)**

**Project/activity details :** GSB cooperated with the Office of the Basic Education Commission to provide assistance and reduce social disparities in education by organizing a preparation course for the General Aptitude Test (GAT) for entrance into universities and a training sessions for teachers under the project “How to teach thinking process for teenagers” to enhance knowledge of GAT subjects, the reading ability, critical thinking, and tutor teaching skills.

#### Performance :

- Organizing training sessions for teachers : 2 times, 60 participated schools, and 168 teachers attending training.
- Organizing a preparation course for the General Aptitude Test (GAT) for 804 students.
- Giving 200 scholarships to students.



### Building and enhancing the strength of the grassroots economy and startups

GSB has supported career development for the general public, SME entrepreneurs and startups by organizing activities to improve their potential and work performance, creating job opportunities, and assisting in the ways to generate income as follows :



## 1. Pracharat Wayupak Rak Prachachon Flea Market Event

**Project/activity details :** GSB held Pracharat Wayupak flea market event to create opportunities for grassroots people and small entrepreneurs to sell their products, enhance the strength, and create a better quality of life for the entrepreneurs of the community and society at grassroots level. Besides, GSB also supported the reduction of single-use plastic bag and styrofoam box usage according to the ecological efficiency guidelines (Eco-Efficiency).

**Performance :** In 2020, there were 7 activities that the Bank's customers participated in. There were 1,024 merchandise selling booths. The total sales generated from this event was 7,362,815.50 Baht, which helped strengthen the grassroots economy according to the objectives of the event

## 2. "GSB From Hundred to Million" Project, consisting of 2 activities as follows :

- "GSB Smart SMEs Smart Startup" (8<sup>th</sup> year)

**Project/activity details :** GSB has operated this activity since 2013, attracting more than 7,155 teams nationwide, representing 15,231 participants, and over 111,000 people were interested in this event. In 2020, due to the COVID-19 pandemic, the Bank organized an activity under the concept of "GSB SMEs Startup New Normal" to organize a training session for SMEs Startup entrepreneurs to develop their capabilities, create business opportunities and inspiration as well as preparing themselves for unforeseen situations.

**Performance :** The Bank held a training session on Saturday, October 3, 2020 at the Centara Grand Hotel & Bangkok Convention Center at CentralWorld. There were 91 participants, and 60% of those were interested in applying for a loan with the Bank for their business expansion.

- Starting Up Together by GSB

**Project/activity details :** GSB organized a training session for those who have already participated in the "GSB Smart SMEs Smart Startup" activity to help increase business growth potential, business expansion opportunity, and business network, along with providing advice on business development and finance.

**Performance :** The activity was held on March 07-08, 2020 at Triple Y Hotel Samyan Mitrtown. There were 93 participants participated in this activity.



## Operating business with social and environmental responsibility

GSB has operated businesses taking into account the society, community and environment focusing on the role of Social Bank by organizing comprehensive development activities to create positive and tangible results for society as follows :

### 1. Pink Pracharat Community Project, GSB Smart Homestay (4<sup>th</sup> year)

**Project/activity details :** GSB built 6 homestays, helped increase values of local products using new innovations and knowledge to distribute income to the local areas. In addition, the Bank expanded marketing opportunities and public relations to the community as well as improving Thai homestays to grow internationally.

**Performance :** The Bank built 6 new homestays.

### 2. Activity to support the Border Patrol Police School (11<sup>th</sup> year) under the Border Patrol Police Headquarters

**Project/activity details :** GSB has provided educational opportunities for children and youth in remote areas. The Bank has initiated the project for the Border Patrol Police School under the Border Patrol Police Headquarters since 2010 by supporting the construction of buildings and royal initiatives projects.

**Performance :**

- Supporting the project to build an educational building at the Dr. Nevin Scimshaw Border Patrol Police School in Ubon Ratchathani, with a total amount of 4,000,000 Baht



- Supporting the project to enhance the quality of education : 11 locations, with a total amount of 1,600,000 Baht.
- Supporting other projects of the Ban Mae Klong Kee Border Patrol Police School in Tak Province in, with a total amount of 514,500 Baht.

### **3. Natural Resource and Environment Restoration : Water Management (3<sup>rd</sup> year)**

**Project/activity details :** GSB has promoted and increased the efficiency of water management for communities facing the problem, whether it is water shortage, excessive water, wastewater and coastal resource problems, to improve well-being in the community and to raise awareness of water resources available in their areas by building a sustainable water resource management and restoration network.

**Performance :** Supporting the water management in 20 communities, benefiting 20,000 people. Besides, people participating in the activity had 11.9% more income and 3.5% less expenses.

### **4. GSB Savings Volunteer, Developing Communities (2<sup>nd</sup> year)**

**Project/activity details :** GSB has encouraged employees to take part in social and environmental responsibility through the “GSB Volunteer Spirit” (Ruam Palang Omsin Jit-a-sa) activity to build crosswalks to reduce accidents in the community and to strengthen traffic discipline as well.

**Performance :** Building crosswalks in 10 areas, benefiting 277,909 people.

### **5. Activity to Assist the Disabled**

**Project/activity details :** GSB has developed occupational skills and increased earning opportunities for the disabled, caregivers, and their families, as well as reducing disparity and encouraging them.

**Performance :** The Bank assisted 300 people with disabilities in accordance with Section 35, 2017-2019. In 2020, the Bank assisted 100 people, amounting to 400 people in total.

### **6. Empowerment Project For The Elderly**

**Project/activity details :** GSB has created this project since 2018 to empower the elderly to have a healthy body and live a rewarding life.

**Performance :** This activity makes the elderly happier in lives, gains more Knowledge, and encourages them to generate income, resulting in more financial stability. The Bank has already assisted the elderly, amounting to 4,642 people.

### **7. Wisdom Bank Project**

**Project/activity details :** GSB has compiled knowledge, wisdom, and published through the website : [Localwisdom.gsb.or.th](http://Localwisdom.gsb.or.th) and Youtube : GSB Social Channel to generate career opportunities, income and sustainable living for grassroots people and communities. This project also created awareness of the importance of Thai wisdom.

**Performance :** The Bank has already published 40 wisdom contents.

## 8. Children And Youth Development Camp (8<sup>th</sup> year)

**Project/activity details :** GSB and the Department of Probation made an agreement to jointly build capacity in children and youth under the project “Child And Youth Development Camp under the supervision of the Department of Probation”, which has been operating continuously since 2013, to develop youth who used to commit an offense to be able to live in society and reduce the risk of recidivism.

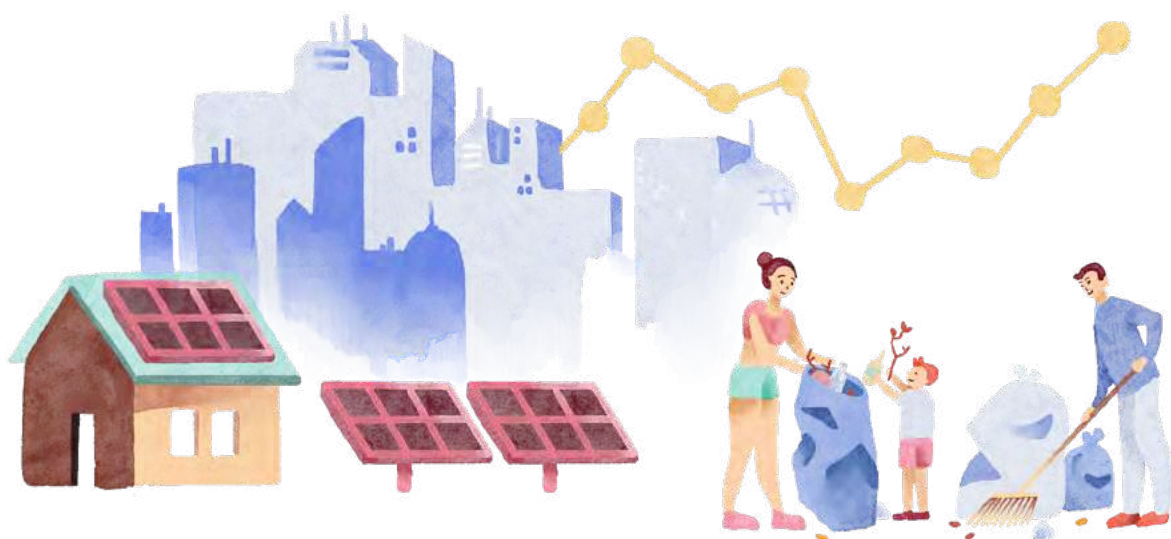
**Performance :** Since 2013, the Bank has already supported more than 4,107 youths. In 2020, more than 500 youths participated in the camp and 92.62% of those haven’t repeated offenses.

## 9. CSR Activity

**Project/activity details :** To help victims of natural disasters, fire, and COVID-19 as well as helping society and communities.

**Performance :** In 2020, more than 2 Million people benefited from the support. The Bank helped the victims of natural disasters as follows :

- Helping flood victims across the country by giving survival bags, with a total budget of 2,226,000 Baht.
- Helping victims of forest fires and smog in Chiang Dao district, Chiang Mai province, with a total budget of 198,000 Baht.





## Operational Direction and Policy

For more than 108 years, Government Savings Bank as a state-owned financial institution has provided comprehensive financial services (Universal SFIs), along with its role in developing and enhancing quality of life through savings promotion, grassroots economic development, including continuously taking care of society and the environment in all dimensions. The Bank has therefore strived to build on the success of its past operations to deliver positive results for the society with the concept of “Making POSITIVE Impact on Society” by focusing on the role of social banking that takes into account the social mission in every process to take care of all groups of customers efficiently by creating opportunities and encouraging individuals and low income earners to access financial services and sources of funds fairly, along with promoting savings, providing financial literacy to children, youth and the elderly and developing the potential of small entrepreneurs. In addition, the Bank is also a source of funds for the government sector in developing the country with an important aim to **“Reduce Inequality and Promote Social Justice”** aligning with “No Poverty & Reduced Inequality”, the United Nations Sustainable Development Goals (SDGs).







# Operational

Direction  
and Policy



### “Reduce inequality and create fairness in the society”

To create opportunities for the public and entrepreneurs to access financial services and a source of funds with fair interest in the system, along with providing financial knowledge, developing the potential of small entrepreneurs, and being the source of funds for the government sector in developing the country.



**1** Supporting access to loans at fair interest costs for both individuals and low income earners.



**2** Improving the potential and quality of life of entrepreneurs and communities.



**3** Promoting savings and creating financial disciplines for children, youth and the elderly.



**4** Being a source of low interest loans for the government sector, state enterprises and financial institutions.



**S O C I A L**  
**BANK**

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

**VISION**

- 1** To promote savings and create financial disciplines.
- 2** To support investment and development.
- 3** To promote and upgrade grassroots economy as well as small and medium enterprises to reduce inequality and increase competitiveness.
- 4** To be a social bank that takes into account the 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.

# MISSION



# GSB WAY

Fulfill Thai Society and Think beyond the Limit

**G**

Giving for  
the Greater Good

**S**

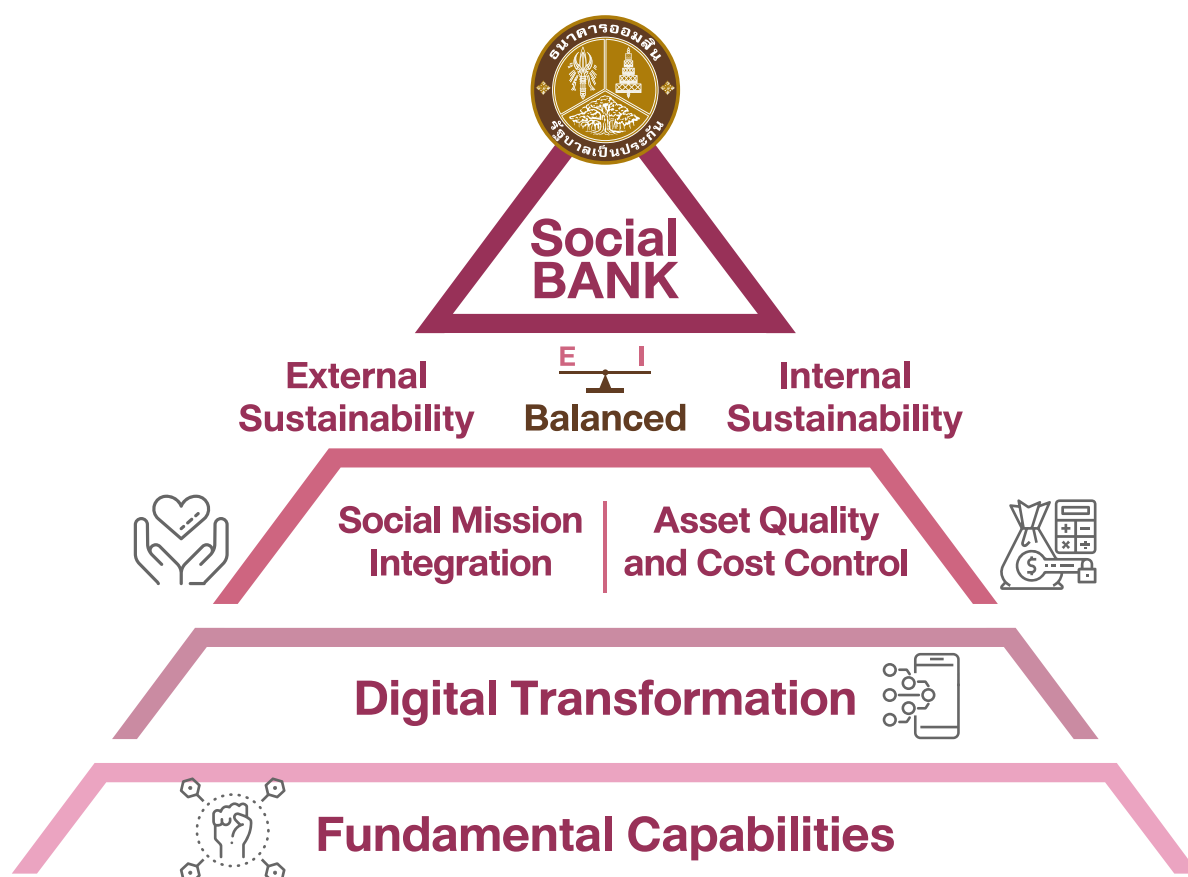
Seeking for  
Possibilities

**B**

Brave Beyond  
Boundaries

# CORE VALUE

# 2021–2025 Operational Strategy of Government Savings Bank



To achieve the goal of reducing inequality and creating fairness in the society, the Bank established the 2021-2025 operational strategy under guidelines for creating sustainability and taking care of stakeholders fairly in both external sustainability dimension : to strengthen the grassroots economy, society, and communities (Social Value proposition) and the internal sustainability dimension : to conduct commercial mission to build the financial strength of the Bank. The operational direction is set to focus on the social loans of not less than 80% of the total loans. (Excluding loans for the government sector) to

expand access to financial services and sources of funds with a fair interest in the system for individuals, low income earners and small entrepreneurs (Credit limit not more than 20 Million Baht). The Bank also set its goals to strengthen the grassroots economy, society and communities through the development of financial skills, promoting savings and creating financial disciplines among children, youth and the public.

The Bank's main strategies for being a Social Bank : Making Positive Impact on Society are as follows :



### Strategy 1

#### **Social Mission Integration**

Taking into account the society, community and environment by focusing on helping individuals, low income earners, community organizations, and small entrepreneurs to be strong and self-reliant by promoting savings, creating financial disciplines, expanding access to sources of funds with low interest rates, and providing financial services in a microfinance level with comprehensive development and strengthening, together with the integration of management within the organization to drive the mission of being a social bank that creates positive outcomes for the society.



### Strategy 2

#### **Asset Quality and Cost Control**

Creating financial strengthening through quality-focused asset management to bring a return under an acceptable risk, along with cost management and operating expenses. The Bank also manages non-performing debts at an appropriate level and increases the revenue generating capacity of branches and core businesses.



### Strategy 3

#### **Digital Transformation**

Developing financial innovations that responds to customers needs by seemingly linking products and integrate service channels based on Customer Journey, together with the development and upgrading of service and management processes to be automated (Process Automation). In addition, the Bank creates a new business (New Business Model) on the digital platform to build a business ecosystem supporting the role of being a social bank and manage the Bank to become a Data Driven Organization to create business opportunities and a corporate culture that promotes creativity and innovation.



### Strategy 4

#### **Fundamental Capabilities**

Enhancing infrastructure and management capacity to support changes and the Bank's mission by managing and developing human resources in term of structures, manpower, skills and competence of personnel, including improving operational processes to support business operations in the digital age and support social missions. Besides, the Bank develops information technology in term of infrastructure and security (IT Security & Data Privacy), along with upgrading standards, integrating governance, risk management, internal control, and internal audit that is conducive to business operations and comply with external regulatory criteria.



# Plans/Major Projects in 2020

## Strategy 1

### Social Mission Integration

- Plan to promote savings and financial disciplines among children and youth.
- Development and capability enhancement plan for small entrepreneurs.
- Financial literacy and knowledge enhancement project.
- Plan to support the implementation of the government policy to drive grassroots economy.
- Responsible Banking development plan towards sustainability.

## Strategy 2

### Asset Quality and Cost Control

- Development plan for allocation of resources to increase efficiency.
- Plan to increase efficiency of integrated debt quality control and management.
- Development plan for business models/processes/products and services through branches.

## Strategy 3

### Digital Transformation

- Plan to promote the use of information in management to drive the Bank.
- Project to develop work systems to support the Personal Data Protection Act 2019.
- Plan to promote/create a culture of innovation development in the organization.
- Digital product and service development project.

## Strategy 4

### Fundamental Capabilities

- HR Transformation plan.
- IT Infrastructure and Security project.
- Plan to develop and enhance the integration of GRC.
- Organization management plan according to the State Enterprise Performance Evaluation System (SE-AM)

However, changes from various environmental factors such as global economic trends, government policies and regulations, changes in technology, including natural disasters 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.

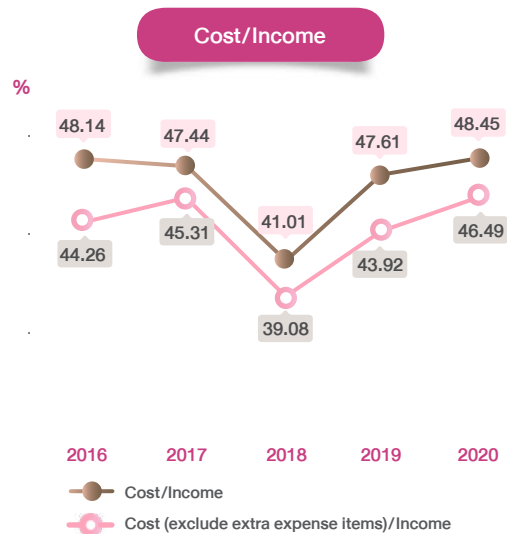
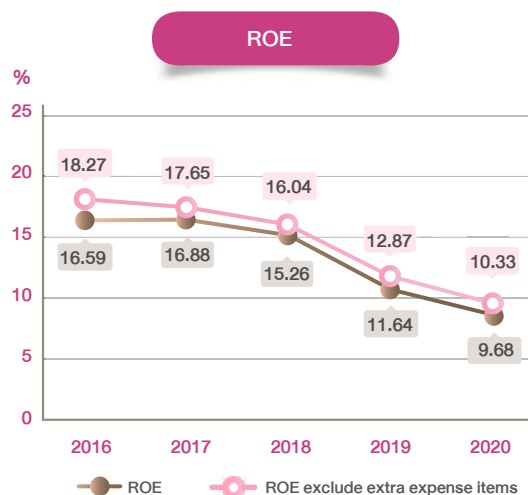
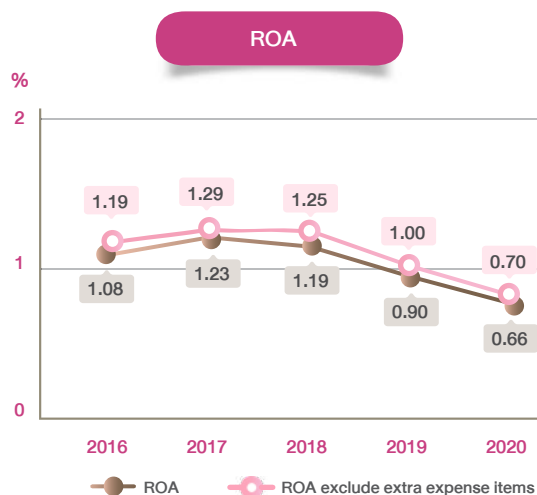
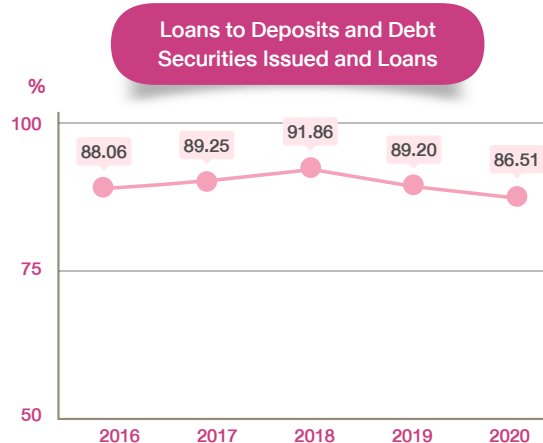
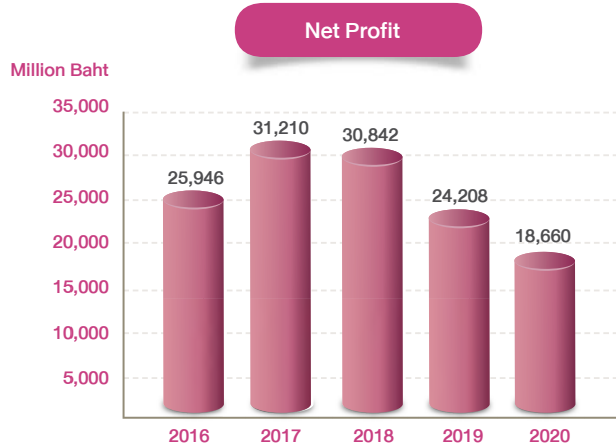
Unit : Million Baht

	2016	2017	2018	2019	2020	Change (% yoy)
<b>Profit or Loss Statement</b>						
Interest Income	104,335	104,302	102,701	103,359	92,815	(10.2)
Interest Expense	44,087	46,418	38,510	44,680	35,899	(19.7)
Net Interest Income	60,248	57,884	64,191	58,679	56,916	(3.0)
Net Fee and Service Income	4,780	5,701	5,973	4,691	3,931	(16.2)
Other Operating Income	3,242	3,747	11,010 <sup>1/</sup>	6,334 <sup>1/</sup>	3,724 <sup>1/</sup>	(41.2)
Other Operating Expenses	32,776	31,938	33,315	33,190	31,313	(5.7)
<b>Operating Profit</b>	<b>35,494</b>	<b>35,394</b>	<b>47,859</b>	<b>36,514</b>	<b>33,258</b>	<b>(8.9)</b>
Bad Debts / Doubtful Accounts / Loss on impairment and Debt Restructuring	9,548	4,184	17,017	12,306	14,598	18.6
<b>Net Profit</b>	<b>25,946</b>	<b>31,210</b>	<b>30,842</b>	<b>24,208</b>	<b>18,660</b>	<b>(22.9)</b>
Other Net Profit (Loss)	5,629	16,894	(10,738)	(10,994)	(6,413)	(41.7)
Total Net Profit (Loss)	31,575	48,104	20,104	13,214	12,247	(7.3)
<b>Balance Sheet</b>						
Total Assets	2,509,588	2,663,828	2,667,000	2,797,068	2,889,147	3.3
Investments in Securities	283,604	237,395	256,200	312,832	441,351	41.1
Loans	1,901,851	2,014,123	2,111,899	2,152,718	2,159,241	0.3
Total Liabilities	2,339,181	2,461,939	2,465,061	2,594,592	2,689,369	3.7
Deposits and Debt Securities Issued and Loans	2,159,136	2,256,312	2,298,412	2,412,934	2,495,440	3.4
Part of the Capital	170,407	201,889	201,939	202,476	199,778	(1.3)
<b>Significant Financial Ratios (%)</b>						
Average Return on Assets (ROA)	1.08	1.23	1.19	0.90	0.66	
Average Return on Equity (ROE)	16.59	16.88	15.26	11.64	9.68	
Net Interest Income Ratio (NIM)	2.51	2.35	2.54	2.23	2.05	
Operating Expenses to Net Income (Cost/Income)	48.14	47.44	41.01	47.61 <sup>2/</sup>	48.45 <sup>2/</sup>	
Loans to Deposits and Debt Securities and Loans (L/D)	88.06	89.25	91.86	89.20	86.51	
Capital Adequacy Ratio (CAR)	11.54	12.47	14.72	15.52	14.98	
Tier-1 Ratio Ratio (Tier I Ratio)	10.86	11.85	13.56	13.96	12.85	
Percentage of Gross Non-Performing Loans(gross NPLs)	2.04	2.05	2.81	2.65	2.13	
Percentage Allowance for Doubtful Accounts (LLR/NPLs)	136.53	134.47	114.23	122.84	171.03	
Officer	15,927	16,286	16,410	16,815	16,611	
Branch	1,056	1,059	1,061	1,062	1,057	
Service Unit	154	160	162	159	162	
Self Service	8,234	8,524	8,536	8,534	8,056	
School Bank	1,206	1,256	1,256	1,256	1,256	

**Remark**

<sup>1/</sup> 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. In 2020, there was a loss from impairment of available for sale securities of 1,136 Million Baht.

<sup>2/</sup> 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. In 2020, the Bank recorded officer benefit expenses from accumulated leave amounted to 348 Million Baht.

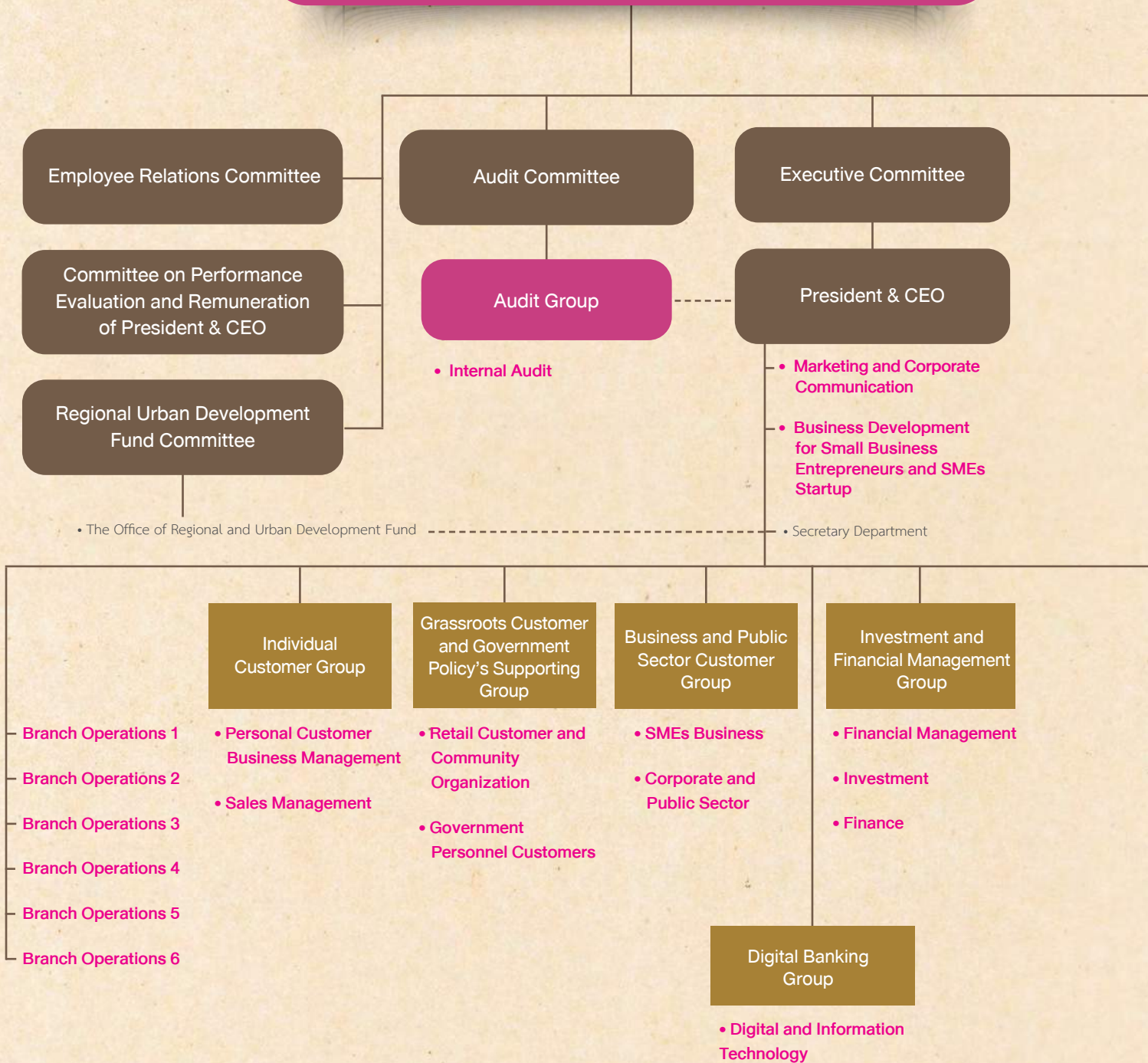


#### Remark

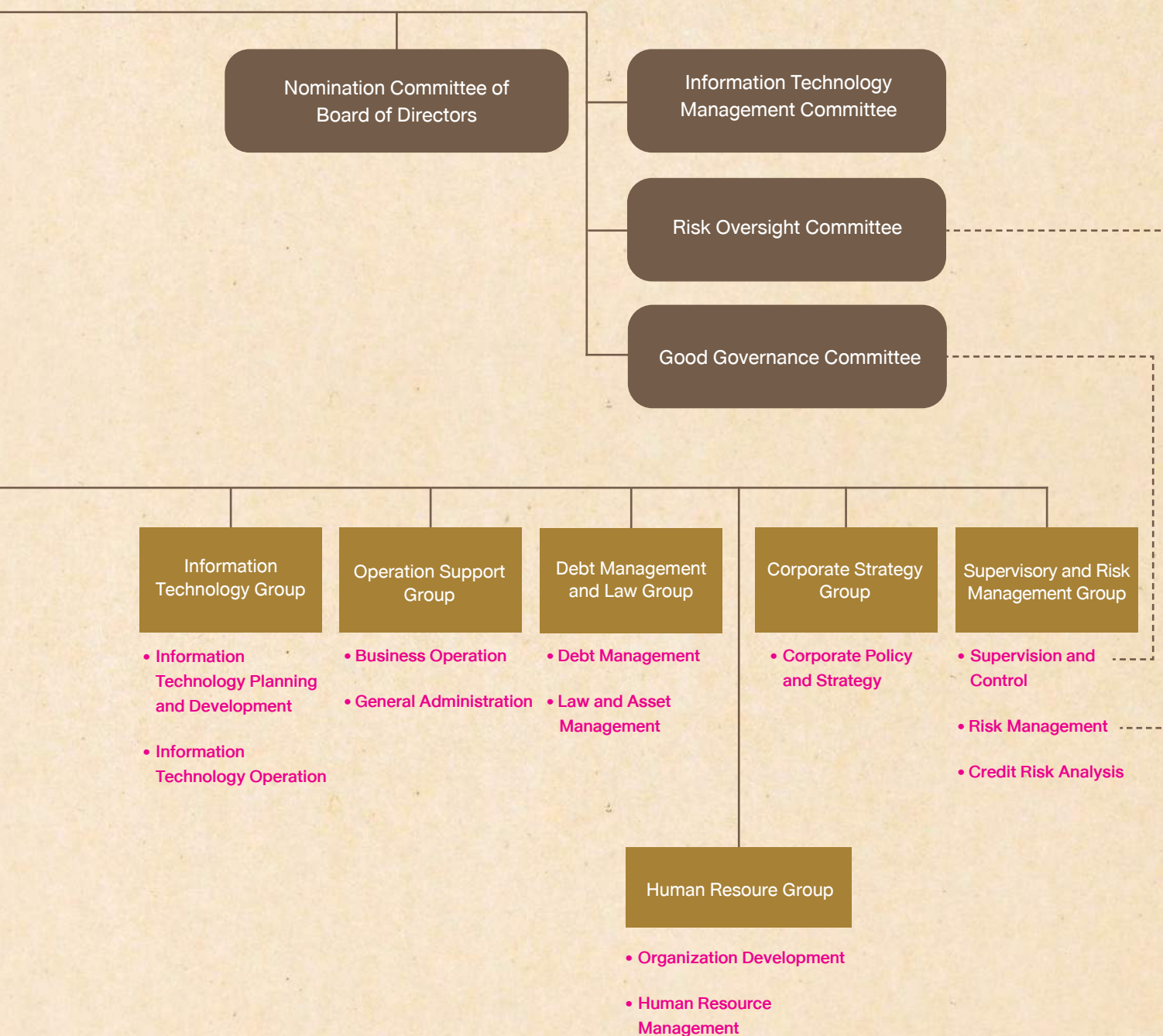
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- 2/ In 2019, the Bank increased compensation for retirees, who have been working for 20 years or over, from 300 days to 400 days according to IAS 19 in the amount of 1,385 Million Baht. In 2020, the Bank recorded employee benefit expenses from accumulated leave amounted to 348 Million Baht.

# Organization Chart

## Board of Directors







As of December 1, 2020

# BOARD OF DIRECTORS

- 1** Mr. Patchara Anuntasilpa  
Chairman
- 2** Mr. Boonchai Charassangsomboon  
Director
- 3** Mr. Jessada Promjart  
Independent Director
- 4** Miss Yaowanooch Wiyaporn  
Independent Director
- 5** Mrs. Sauwanee Thairungroj  
Independent Director
- 6** Miss Tidarat Thanapakpawin  
Independent Director
- 7** Mrs. Philaslak Yukkansemwong  
Independent Director
- 8** Mr. Mongkon Leelatham  
Independent Director
- 9** Miss Supreeya Pipatmanomai  
Independent Director
- 10** Mr. Gong Rungswang  
Independent Director
- 11** Mr. Vitai Ratanakorn  
Director and Secretary, President and CEO



# GSB

SOCIAL BANK





# GSB

## SOCIAL BANK





# EXECUTIVES

- 1** Mr. Vitai Ratanakorn  
President & CEO
- 2** Mr. Boonson Jenchaimahakoon  
First Senior Executive Vice President (Information Technology Group)
- 3** Mr. Isara Wongrung  
Senior Executive Vice President (Personal Customer Group)
- 4** Mr. Chokchai Kunawat  
Senior Executive Vice President (Compliance and Risk Management Group)
- 5** Mrs. Supaporn Saitong-in  
Senior Executive Vice President (Credit and Operation Support Group)
- 6** Miss Paphakorn Ratanasate  
Senior Executive Vice President (Investment and Financial Management Group)
- 7** Mrs. Pachaleeporn Voraviboonsavat  
Senior Executive Vice President (Grassroots and Government's policy Supporting Group Customers)
- 8** Mr. Therdtham Suvichavorrathan  
Senior Executive Vice President (Human Resources Group)
- 9** Mr. Santhan Yoosiri  
Senior Executive Vice President (Corporate Strategy Group)
- 10** Mr. Veerachai Amorntakolsuwech  
Senior Executive Vice President (Business and Public Sector Customers Group)
- 11** Mr. Wutipong Piromyaporn  
Senior Executive Vice President, (Debt and Legal Management Group)
- 12** Mrs. Nongnuch Pupipatphol  
Senior Executive Vice President (Audit Group)



## Mr. Patchara Anuntasilpa 49 years old

- Chairman  
(Representative of Ministry of Finance)

### Education

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

### Working Experiences

- **2020 - Present**  
Director-General, The Customs Department,  
Ministry of Finance
- **2018 - 2020**  
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

- Executive Development Training Program,  
Royal Thai Police, 2020
- 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

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

### 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 Remuneration Committee,  
PTT Exploration and Production Public Company  
Limited

# Mr. Boonchai Charassangsomboon

## 58 years old

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

- Anti-Corruption Strategy Executive Course, Class 11/2020, The National Anti-Corruption Commission (NACC)
- 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 Position

- Member of Executive Committee, Neighbouring Countries Economic Development Cooperation Agency
- Director, Government Pharmaceutical Organization
- Director, National Credit Bureau Co., Ltd.

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





## Mr. Jessada Promjart

### 59 years old

- Independent Director
- Member of Executive Committee
- Member of Committee of Performance Evaluation and Remuneration for President and CEO Committee

#### Education

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

#### Training

- Cyber Resilience Leadership Workshop (2019), 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
- Advanced Management Strategies for the Prevention and Suppression (Class 1), Office of the National Anti-Corruption Commission
- TLCA Executive Development Program (EDP), Class 9, Thai Listed Companies Association
- Company Secretary Program (CSP), Class 7/2004, Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class 45/2004, Thai Institute of Directors Association (IOD)
- Telecommunication Management Course, Engineering Faculty, Chulalongkorn University



## Working Experiences

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>● <b>2019 - 2020</b><br/>Director and Member of Audit Committee,<br/>Express Way Authority of Thailand</li> <li>● <b>2016 - 2019</b><br/>Director and Member of Audit Committee,<br/>IRPC Public Company Limited</li> <li>● <b>2016 - 2017</b><br/>Member of Executive Committee, Chukai Public<br/>Company Limited</li> <li>● <b>2015 - 2018</b><br/>Independent Director and Member of Audit<br/>Committee, Nation Broadcasting Corporation<br/>Company Limited</li> <li>● <b>2015 - 2016</b><br/>Member of Audit Committee, and Advisor to<br/>the Executive Committee, Chulabhorn Medical<br/>Institution</li> <li>● <b>2014 - 2016</b><br/>Director and Chief Executive Officer, Chukai<br/>Public Company Limited</li> <li>● <b>2014 - 2014</b><br/>Vice Chairman, Seed MCOT Company Limited</li> </ul> | <ul style="list-style-type: none"> <li>● <b>2013 - 2014</b><br/>Senior Executive Vice President and Acting for<br/>Chief Financial Officer, MCOT Public Company<br/>Limited</li> <li>● <b>2011 - 2012</b><br/>Director, True Vision Public Company Limited</li> <li>● <b>2009 - 2013</b><br/>Chief Financial Officer (CFO), MCOT Public<br/>Company Limited</li> <li>● <b>2009 - 2009</b><br/>Assistant Managing Director, Piyavate Hospital<br/>Public Company Limited</li> <li>● <b>2008 - 2015</b><br/>Director, D Land Development Company Limited</li> <li>● <b>2008 - 2014</b><br/>Independent Director and Member of Audit<br/>Committee, Chukai Public Company Limited</li> </ul> |
|--|---|

## Other Present Positions

- Advisor, Bangkok Broadcasting & Television, Co., Ltd.
- Director, and Member of Nomination Remuneration and Human Resources Management, Dhipaya Insurance Public Company Limited
- Director and Member of Audit Committee, Eastern Star Real Estate, Co., Ltd.
- Member of Sub-committee for Audit and Evaluation of Systems for Suppression and Audit of Assets, The National Anti-Corruption Commission (NACC)
- 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 Executive Committee, Y.S.S. (Thailand) Public Company Limited
- Member of Audit Committee, Chulabhorn Medical Institution

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

## Mr. Gong Rungswang 60 years old

(He has appointed by Cabinet Resolution on June 9, 2020)

- Independent Director
- Member of Audit Committee

### Education

- Master of Economics, University of Hawaii, U.S.A. [EWC Scholar]
- Master of Business Administration (MBA), Sasin Graduate Institute of Business Administration of Chulalongkorn University (Kellogg/Wharton/CU) [Exxon Scholar]
- Master of Engineering, Asian Institute of Technology (AIT), [German Government Scholar (DADD)]
- Bachelor of Engineering with Honors, Civil, Chulalongkorn University

### Training

- Workshop on Promoting Knowledge and Awareness on Cyber Resilience, Bank of Thailand
- Advanced Audit Committee Program (ACCP), Class 37/2020, Thai Institute of Director Association (IOD)
- Certificate of Corporate Governance for Directors and Senior Executives (Regulators), State Enterprises and Public Organizations, Public Director Institute (PDI), Class 18, King Prajadhipok's Institute in cooperation with State Enterprise Policy Office
- Advanced Security Management Program (ASMP 7), The Association of National Defence College
- Bhumipalung Phandin Course, Class 4, Chulalongkorn University
- Thammasat Leadership Program, Class 15, The Foundation of Thammasat Academy for Social Science
- Executive Development Program (EDP), Class 6, Fiscal Policy Research Institute Foundation
- Directors Certification Program (DCP), Class 30, Thai Institute of Directors Association (IOD)
- Chartered Director Class (CDC), Class 9, Thai Institute of Directors Association (IOD)
- Roles of Chairman Program (RCP), Class 44, Thai Institute of Director Association (IOD)
- Strategic Board Master Class (SBM), Class 8, Thai Institute of Director Association (IOD)
- Successful Formulation & Execution of Strategy (SFE), Class 31, Thai Institute of Director Association (IOD)
- Risk Management for Corporate Leaders (RCL), Class 1, Thai Institute of Director Association (IOD)
- TrailBlazer Leadership; London Business School
- Advance Senior Management Program (ASEP); Kellogg School of MGT
- Washington Campus; Georgetown University
- Modern Marketing Management Program (MMM), Class 1, Chulalongkorn University





## Working Experiences

- **2018 - 2020**  
Chairman of Good Corporate Governance Sub-Committee and Chairman of Marketing Sub-Committee, Industrial Estate Authority of Thailand
- **2014 - 2019**  
Secretary/Advisor, Energy Commission, The National Legislative Assembly
- **2017 - 2018**  
Director, Executive Committee and Director of Administration, Vichaiyut Hospital
- **2014 - 2017**  
Board of Committee, Executive Committee, and Deputy Director, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- **2009 - 2013**  
Director-Performance Acceleration  
Executive Vice President, Commercial and Marketing  
Executive Vice President, Corporate Strategic Plan  
IRPC Public Company Limited
- **2007 - 2008**  
Director, Executive Directors, and Deputy Managing Director, PTT Retail Management Company Limited
- **1997 - 2007**  
Leadership Team; Conoco Philips Asia-Pacific  
Director, Executive Director and Managing Director (Acting); ConocoPhilips (Thailand (Thailand) [JET/Jiffy] and its affiliates
- **1985 - 1993**  
Corporate Planning Manager, Senior Staff-Supply; Esso Standard Thailand (Exxon)
- **1984 - 1985**  
Field Engineer, Schlumberger Overseas

## Other Present Position

- Director, Chairman of Risk Committee Sub-Committee and Good Corporate Governance Sub-Committee, Industrial Estate Authority of Thailand
- Director and Risk Management Committee, Vichaiyut Hospital
- Professional Director, Thailand Industrial Standards Council
- Risk Management Committee, Electricity Generating Authority of Thailand
- Risk Management Committee, Dairy Farming Promotion Organization of Thailand
- Special Instructor of Director Certificate, Strategy, Risk Management Courses, Thai Institute of Directors Association (IOD)

## Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

# Miss Yaowanooch Wiyaporn

## 62 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

### Training

- Workshop on Promoting Knowledge and Awareness on Cyber Resilience, Bank of Thailand
- 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

### Working Experiences

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

### 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
- Director of Risk Management Sub-committee, Defence Technology Institute (Public Organization)
- Member of Economic, Finance, and Budget Tracking Sub-committee (Set 4), Bangkok Metropolitan

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





## Mr. Vichak Apirugnunchai 58 years old

(He was appointed by Cabinet Resolution on June 9, 2020)

(He will holding office until February 11, 2021)

- Director (Representative of Minister of Finance)
- Chairman of Performance Evaluation and Remuneration of the President and CEO Committee
- Member of Nomination of Board of Directors Committee

### Education

- Master of Public Administration, Public Administration Management, National Institute of Development Administration
- Bachelor of Law, Ramkhamhaeng University

### Working Experiences

- **2019 - Present**  
Inspector General, Ministry of Finance
- **2016 - 2019**  
Principal Advisor on Duty Collection Management and Development, The Customs Department
- **2016 - 2016**  
Deputy Director-General, The Customs Department
- **2014 - 2016**  
Director of Investigation and Suppression Bureau, The Customs Department
- **2011 - 2014**  
Director of Bangkok Port Customs Bureau, The Customs Department

### Training

- The Program for Senior Executive on Justice Administration
- The National Defence Course, The National Defence College
- Strategic Management in Corruption Prevention and Suppression Program for Chief Executive Officers
- The Executive Program in Energy Literacy for a Sustainable Future
- Capital Market Academy Leadership Program, The Stock Exchange of Thailand

### Others Present Position

- Director, KTB General Service and Security Co., Ltd.
- Director, EGAT International Co., Ltd.

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





## Mrs. Sauwanee Thairungroj

### 63 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

#### 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)

#### 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**  
Honorary Director of Economics, Cyber Security Committee
- **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 (UTTC)
- **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

### Other Present Position

- 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

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None



## Miss Tidarat Thanapakpawin 41 years old

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

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### Education

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

### Training

- Workshop on Promoting knowledge and Awareness on Cyber Resilience, Bank of Thailand
- Risk Management Program for Corporate Leaders (RCL), Batch 21/2020, Thai Institute of Directors Association (IOD)
- IT Governance and Cyber Resilience Program (ITG), Batch 14/2020, Thai Institute of Directors Association (IOD)
- Certificate Courses–Corporate Governance for Directors and Senior Executives, Batch 21/2019, King Prajadhipok’s Institute
- Director Accreditation Program (DAP), Batch 154/2018, Thai Institute of Directors Association (IOD)
- Certificate of New Era Leadership in the Democratic Systems, Batch 3, King Prajadhipok’s Institute
- Certificate of Senior Executives on Justice Administration, Batch 16, Office of the 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



## Working Experiences

- **2020 – Present**  
Member of Information Management Committee, Dhanarak Asset Development Co., Ltd.
- **2020 - Present**  
Member of Strategy and Promotion Sub-committee, Member of Electronic Transactions Commission
- **2019 – Present**  
Committee Member of Digital Council of Thailand
- **2018 - Present**  
Member of Driving Organizational Value Enhancement Sub-committee, Geo-Informatics and Space Technology Development Agency (Public Organization) - GISTDA
- **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
- **2020 – 2020**  
Working Group of Digital Industry, Intelligent Electronics and Robots, and Member of Working Group of Eastern Economic Corridor Human Development Center
- **2019 - 2020**  
Member of Copyright Utilization Guidelines Sub-committee, Department of Intellectual Property, Ministry of Commerce
- **2018 – 2020**  
Member of Occupational Standards Committee on Information and Communication Technology and Digital Content (ICT), Thailand Professional Qualification Institute (Public Organization)
- **2017 - 2020**  
Member of Digital Technology Sub-committee for Service and Organization Management, Expressway Authority of Thailand
- **2017 – 2020**  
Director of the Thai Federation of ICT Technology Association (TFIT)
- **2017 – 2020**  
Consultant, the Standing Committee on Commerce, Industry and Labor, 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, Chiangmai 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
- **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

## Other Present Positions

- Vice President, Digital Council of Thailand
- Director, The Liquor Distillery Organization

## Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

## Mrs. Philaslak Yuktasemwong

### 63 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

#### 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 (PDI), 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.



## Working Experiences

### 2017 - 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

## Other Present Positions

- Professional Director of Finance and Investment,  
Chairman of the Sub-Committee on Legal  
Improvement, and Strategic Sub-committee,  
National Savings Fund
- Expert Director and Chairman of Audit Committee,  
International Institute for Trade and Development  
(Public Company Limited)
- Member of Audit Committee, Office of Knowledge  
Management and Development Public Company  
Limited

## Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





## Mr. Mongkon Leelatham

### 61 years old

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

#### Training

- Seminar on Enhancing Knowledge and Awareness of Cyber Resilience, Bank of Thailand
- IT Governance and Cyber Resilience Program (ITG), Class no. 14/2020, Thai Institute of Directors Association (IOD)
- Advanced Master of Management Program (AMM), Class no. 2, School of Public Administration, National Institute of Development Administration
- The Executive Program in Energy Literacy for a Sustainable Future (TEA), Class no. 11, Thailand Energy Academy
- Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations Program, Public Director Institute (PDI), Class no. 16, King Prajadhipok's Institute, State Enterprise Policy Office and the Office of the Public Sector Development Commission
- Anti-Corruption Strategic Management for Senior Executives Program, Class no. 6, Office of the National Anti-Corruption Commission
- SEC. Capital Market Leader Program : Building Competitiveness of Nation and Thai Capital Markets, IMD-World Competitiveness Center
- Broadcasting Executive Forum (Outstanding), Class no. 1, Office of the National Broadcasting and Telecommunications Commission (NBTC)
- Capital Market Academy Leadership Program, Class no. 13, Capital Market Academy (CMA)
- Directors Certification Program (DCP), Class no. 35, Thai Institute of Directors Association (IOD)
- Construction Planning (Honors) Program, Sukhothai Thammathirat University

#### Working Experiences

- **2016 - 2019**  
Managing Director, Small and Medium Enterprise Development Bank of Thailand
- **2003 - 2019**  
Graduate Member, Thai Institutes of Directors Association
- **2011 - 2016**  
President, Thai Investors Association
- **2011 - 2016**  
Vice Chairman and Director, Federation of Thai Capital Market Organizations

- **2011 - 2016**  
Director, Personnel Discipline in Capital Market Business Committee, The Securities and Exchange Commission
- **2011 - 2016**  
Director, Securities Investor Protection Fund (SIPE)
- **2011 - 2016**  
Director, Derivatives Investor Protection Fund (DIPF)
- **2012 - 2015**  
Director of the Board of Managements and Deputy Director General, Thai Public Broadcasting Service (Thai PBS)
- **2011 - 2012**  
Professional Director, College of Innovation, Thammasat University
- **2010 - 2012**  
Director, National Credit Bureau
- **2009 - 2012**  
Chairman, Board of Executive Directors, Thanabani Company Limited
- **2007 - 2012**  
Chairman of the Board of Executive Directors and Chief Executive Officer, Thai Credit Retail Bank Public Company Limited
- **2004 - 2008**  
Director, Agricultural Futures Exchange of Thailand
- **2003 - 2008**  
Professional Director, College of Innovation, Thammasat University
- **2004 - 2007**  
Executive Director and Managing Director, Thai Keha Credit Foncier Company Limited
- **2003 - 2004**  
Independent Director, EGV Entertainment Public Company Limited
- **1993 - 2004**  
Professional Director, Volunteering Graduate Department, Thammasat University
- **2002 - 2003**  
Director and Chairman of Audit Committee, National Housing Authority of Thailand

- **1998 - 2002**  
Inspector General, Financial Restructuring Authority
- **1987 - 1999**  
Professional Director of the University Council, Muban Chom Bueng Rajabhat Institute
- **1994 - 1997**  
Executive Director and Managing Director, Metropolis Trust and Securities Public Company Limited

### Other Present Positions

- Chairman, Executive Board of Office of Small and Medium Enterprises Promotion
- Professional Director, National Board of Small and Medium Enterprises Promotion
- Professional Director, Enhancement and Preservation of Cultural Heritage Committee, Ministry of Culture
- Director, Marketing Organization for Formers Executive Committee
- Advisor, Industrial Promotion and Support Committee, The Federation of Thai Industries
- Advisor, Samsen Alumni Association
- Chairman, Eastern Fruit Corridor Feasibility Study Subcommittee, Ministry of industry
- Board Member, Thammasat University Commerce and Accountancy Alumni (T.C.A.A.)
- Committee (Employer Representative), State Enterprise Labor Relations Committee, Department of Labor Protection and Welfare, Ministry of Labor
- Member, Sub-committee on Driven Economic, National Legislative Assembly
- Director and Executive Committee, MFC Asset Management Public Company Limited

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None



## Miss Supreeya Pipatmanomai

### 44 years old

- Independent Director
  - Member of Risk Oversight 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.

#### Training

- Seminar on Promoting Knowledge and Awareness on Cyber Resilience, Bank of Thailand
- Directors Certification Program (DCP), Class 294/2020, Thai Institute of Directors Association (IOD)
- Corporate Governance Program for Directors and Executives of State Enterprises and Public Organizations (PDI), Class 22/2020, King Prajadhipok's Institute
- 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 10<sup>th</sup> 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

### 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

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

## Mr. Vitai Ratanakorn

### 50 years old

(He held the position of GSB President and CEO since July 1, 2020)

- Director and Secretary, President and CEO
- Member of Executive Committee
- Member of Information Technology Management Committee
- Member of Risk Oversight Committee
- Member of Good Corporate Governance Committee



### Education

- Master of Arts (Political Economy), Chulalongkorn University
- Master of Laws (Business Law), Chulalongkorn University
- Master of Finance, Drexel University, U.S.A.
- Bachelor of Economics, Thammasat University

### Training

- Top Executive Program, Capital Market Academy (CMA), Class 28
- Advanced Management Strategies for the Prevention and Suppression (Class 7), Office of the National Anti-Corruption Commission
- The Program for Senior Executives on Justice Administration (Class 17), Judicial Training Institute, Court of Justice
- Leadership Succession Program (LSP), Class 5, Institute of Research and Development for Public Enterprise (IRDP)
- Director Certificate Program (DCP), Class 7, Thai Institute of Directors Association (IOD)
- The Executive Program for Senior Management (EX-PSM), Class 3, Fiscal Policy Research Institute Foundation
- Financial Executive Development Program (FINEX), Class 17, The Thai Institute of Banking and Finance Association

## Working Experiences

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>● <b>2020 - Present</b><br/>President &amp; CEO, Government Savings Bank</li> <li>● <b>2018 - 2020</b><br/>Secretary-General, Government Pension Fund</li> <li>● <b>2017 - 2018</b><br/>Acting President, Islamic Bank of Thailand</li> <li>● <b>2017 - 2018</b><br/>Professional Director on Economy, Digital Economy Promotion Agency (Depa)</li> <li>● <b>2017 - 2018</b><br/>Director, Thanachart Fund Management Company Limited</li> <li>● <b>2016 - 2018</b><br/>Chief Financial Officer (CFO), Government Savings Bank (GSB)</li> </ul> | <ul style="list-style-type: none"> <li>● <b>2015 - 2016</b><br/>Senior Executive Vice President, Business and Public Sector Customers Group, Government Savings Bank (GSB)</li> <li>● <b>2011 - 2014</b><br/>Chief Financial Officer,<br/>Nok Airlines Public Company Limited</li> <li>● <b>2010 - 2011</b><br/>Senior Deputy Managing Director,<br/>Charoen Pokphand Group Company Limited</li> <li>● <b>2007 - 2010</b><br/>Director,<br/>Siam City Asset Management Company Limited<br/>(Currently renamed to Phatra Asset Management Company Limited)</li> </ul> |
|--|--|

## Other Present Position

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

## Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





## Mr. Taveesak Foongkiatcharoen 65 years old

(He held the Position until May 28, 2020)

- 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

### 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

### 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)

### Other Present Positions

- Director of Function International Co., Ltd.

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

## Mrs. Patcharavalai Jayapani

### 65 years old

(She held the position until December 28, 2020)

- Independent Director
- Chairman of Risk Oversight Committee
- Chairman of Nomination of GSB of 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 22<sup>nd</sup> Annual Futures & Options Expo Conference, Futures Industry Association

#### Other Present Position

- Pensioner, Chulalongkorn University

#### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None





# Dr. Chatchai Payuhanaveechai

## 60 years old

(He held the Position until June 14, 2020)

- Director and Secretary, President and CEO
- Member of Executive Committee
- Member of Information Technology Executive Committee
- Member of Risk Oversight Committee
- Member of Good Corporate Governance Committee

### Education

- Honorary Doctor of Business Administration, Thammasat University
- 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

### Other Present Positions

- Committee for Employers, State Enterprise Labor Relations Committee, Department of Labor Protection and Welfare, Ministry of Labor (he held the position until June 14, 2020)
- Expert Committee on the National Village and Urban Community Fund Committee

### Holding of Securities (Shares) of Companies/Juristic Persons in Connection with GSB's Business

- None

### 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)

### Working Experiences

- 2020 - 2020  
Director, Innospace (Thailand) Company Limited
- 2018 - 2020  
Vice Chairman and Executive Director, Dhipaya Life Assurance Public Company Limited
- 2015 - 2020  
Director and Executive Director, Dhipaya Insurance Public Company Limited
- 2015 - 2020  
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



# Board of **Executives**



## Mr. Vitai Ratanakorn

### 50 years old

President & CEO

#### Education

- Master of Arts (Political Economy), Chulalongkorn University
- Master of Laws (Business Law), Chulalongkorn University
- Master of Finance, Drexel University, U.S.A.
- Bachelor of Economics, Thammasat University

#### Training

- Top Executive Program, Capital Market Academy (CMA), Class 28
- Advanced Management Strategies for the Prevention and Suppression (Class 7), Office of the National Anti-Corruption Commission
- The Program for Senior Executives on Justice Administration (Class 17), Judicial Training Institute, Court of Justice
- Leadership Succession Program (LSP), Class 5, Institute of Research and Development for Public Enterprise (IRDP)
- Director Certificate Program (DCP), Class 7, Thai Institute of Directors Association (IOD)
- The Executive Program for Senior Management (EX-PSM), Class 3, Fiscal Policy Research Institute Foundation
- Financial Executive Development Program (FINEX), Class 17, The Thai Institute of Banking and Finance Association

#### Other Present Positions

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

#### Working Experiences

- **2020 - Present**  
President & CEO, Government Savings Bank
- **2018 - 2020**  
Secretary-General, Government Pension Fund
- **2017 - 2018**  
Acting President, Islamic Bank of Thailand
- **2017 - 2018**  
Professional Director on Economy, Digital Economy Promotion Agency (Depa)
- **2017 - 2018**  
Director, Thanachart Fund Management Company Limited
- **2016 - 2018**  
Chief Financial Officer (CFO), Government Savings Bank (GSB)
- **2015 - 2016**  
Senior Executive Vice President, Business and Public Sector Customers Group, Government Savings Bank (GSB)
- **2011 - 2014**  
Chief Financial Officer, Nok Airlines Public Company Limited
- **2010 - 2011**  
Senior Deputy Managing Director, Charoen Pokphand Group Company Limited
- **2007 - 2010**  
Director, Siam City Asset Management Company Limited (Currently renamed to Phatra Asset Management Company Limited)



## Mr. Boonson Jenchaimahakoon

### 57 years old

First Senior Executive Vice President  
(Information Technology Group)

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#### Education

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

#### 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 (IRDPE)
- 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
- Corporate Governance Program for Director and Senior Executive of Regulators, State Enterprises and Public Organization (PDI), Class 23, King Prajadhipok's Institute

#### Working Experiences

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

#### Other Present Positions

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



# Mr. Isara Wongrung

## 54 years old

Senior Executive Vice President (Personal Customer Group)

### Training

- Corporate Governance Program for Directors and Senior Executives of Regulators, State Enterprises and Public Organizations, Class 21, King Prajadhipok's Institute
- The National Defense Course, Class 60, the National Defense College of Thailand (2017 - 2018)
- Executive Program, Capital Market Academy, Class 24/2017
- Financial and Fiscal Management Program for Senior Executive, Class 2, The Comptroller General's Department (CGD), Thailand Ministry of Finance
- Advanced Certificate Course in Power of The Kingdom, 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

- Vice Chairman, World Savings and Retail Banking Institute (WSBI) (3 years term)
- Director and Risk Management Executive Chairman, Dhipaya Insurance Public Company Limited
- Committee of Providing Employment and Training Opportunities for Offenders, Ministry of Justice
- Honorary Advisor to Committee of the National Legislative Assembly
- Honorary Advisor to Music Association of Thailand under Patronage of His Majesty the King.
- Honorary Advisor to Home Builder Association
- Consultant of TV Channel for Education and Occupations, Promotes and Develops Distance Education Project of Her Royal Highness Princess Maha Chakri Sirindhorn's Royal Initiatives

### Education

- Honorary Degree of Business Administration, Bodhisastra University, Florida, USA
- 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

#### 2016 - 2020

Director/Investment Committee/Risk Oversight Committee/ Recruitment and Remuneration Committee, Dhipaya Life Insurance Public Company Limited

#### 2015 - 2018

Managing Director, World Savings and Retail Banking Institute (WSBI) (3 years term)

#### 2014 - 2015

Independent Director/Audit Committee and Chairman of Recruitment and Remuneration Committee, ACAP Advisory Public Company Limited

#### 2014 - 2015

Independent Director/Audit Committee, Professional Waste Technology (1999) Public Company Limited

#### 2012 - 2014

Executive Chairman, Kasikorn Leasing Company Limited (Deputy Managing Director Kasikornbank Public Company Limited)

- Consultant of Thai-Asean Cultural and Economic Council
- 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.



## Miss Paphakorn Ratanasate 56 years old

Senior Executive Vice President  
(Investment and Financial Management Group)

### Education

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

### Training

- Intermediate Certificate Courses – Good Governance for Medical Executives, Class 5, King Prajadhipok's Institute
- Director Certification Program (DCP), Class 279/2019, Thai Institute of Directors Association (IOD)
- Ethical Leadership Program (EPL), Class 14/2018, Thai Institute of Directors Association (IOD)
- Driving Company Success With IT Governance (ITG), Class 6/2017, 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
- Training for Successor, Nanyang Technological University (NTU), Singapore

### 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

### Other Present Positions

- Representative Director, ASL Securities Co., Ltd.
- Representative Director, Innospace (Thailand) Company Limited



## Mr.Chokchai Kunawat 57 years old

Senior Executive Vice President  
(Compliance and Risk Management Group)

### Education

- Bachelor of Law, Chulalongkorn University
- Master of Business Administration/Commerce, Chulalongkorn University
- Leadership Succession Program (LSP), Class 8, Institute of Research and Development for Public Enterprises (IRDP)
- Thailand and Asean Economic Community Program, Class 5, King Prajadhipok's Institute
- 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

### Training

- How to Develop a Risk Management Plan : HRP class 28/2020 : Thai Institute of Directors (IOD)
- Board that Make a Difference (BMD) class 10/2020 : Thai Institute of Directors (IOD)
- Board Matters and Trends (BMT) class 8/2019 : Thai Institute of Directors (IOD)
- Director Certification Program (DCP) class 262/2018 : Thai Institute of Directors (IOD)
- Risk Management Program for Corporate Leaders (RCL) class 9/2017 : Thai Institute of Directors (IOD)

### Other Present Positions

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

### Working Experiences

- **Present**  
Senior Executive Vice President (Corporate and Risk Management Group), Government Savings Bank
- **2020**  
Senior Executive Vice President, Risk Management Group, Government Savings Bank
- **2016 - 2020**  
Senior Executive Vice President, Credit and Operation Support Group, Government Savings Bank
- **2015 - 2016**  
Executive Vice President, (Debt and Legal Management), Government Savings Bank





## Mrs. Supaporn Saitong-in 59 years old

Senior Executive Vice President  
(Credit and Operation Support Group)

### Education

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

### 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
- Anti-Corruption Practical Guide (ACPG), Class 49/2019
- 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.

### Working Experiences

- **Present**  
Senior Executive Vice President (Credit and Operation Support Group), Government Savings Bank
- **2018 - 2020**  
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



## Mrs. Pachaleeporn Voraviboonsavat

### 59 years old

Senior Executive Vice President  
(Grassroots Customers and Government's Policy Supporting Group)

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#### 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 (IRDP)
- Leadership Greatness Class 1 and Training for Successor
- GSB Middle Management Leadership Program Nanyang Technology, Singapore

#### Education

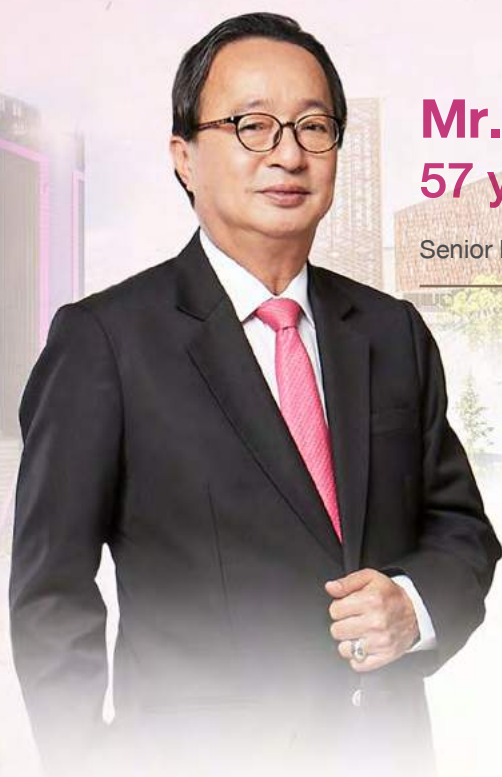
- Bachelor of Business Administration in Marketing, University of Thai Chamber of Commerce

#### Working Experiences

- **2019 - Present**  
Senior Executive Vice President (Grassroots Customers and Government's Policy Supporting Group), Government Savings Bank
- **2015 - 2019**  
Executive Vice President Branch Operations 4, Government Savings Bank

#### Other Present Positions

- Director, National Digital ID Co.,Ltd.
- Director, MFC Asset Management Public Company Limited



## Mr. Therdtham Suvichavorrathan 57 years old

Senior Executive Vice President (Human Resources Group)

### Training

- Advance Master Management Program (AMM), Class 6, National Institute of Development Administration
- Corporate Governance Program for Director and Senior Executive of Regulators, State Enterprises and Public Organization (PDI), Class 23, King Prajadhipok's Institute
- International Conference, The Institute of Internal auditors (USA, Netherlands, Canada, New York, Japan, Australia, United Arab Emirates)
- Leadership Succession Program (LSP), Class 4, Institute of Research and Development of Public Enterprises (IRDPE)
- Director Certification Program (DCP), Class 278/2019, Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP), Class 118, Thai Institute of Directors Association (IOD)
- IOD's National Director Conference 2013, The Athenee Hotel, a Luxury Collection Hotel, Bangkok

### Education

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

### Working Experiences

- **2020 - Present**  
Senior Executive Vice President (Human Resources Group) Government Savings Bank
- **2016 - 2020**  
Senior Executive Vice President (Audit Group), Government Savings Bank
- **2013 - 2016**  
Executive Vice President (Internal Audit Department), Government Savings Bank
- **2009 - 2013**  
Senior Vice President (Internal Audit Department), Government Savings Bank
- **2003 - 2009**  
Vice President (Internal Audit Department), Government Savings Bank

### Other Present Positions

- Representative Director, MFC Asset Management Public Company Limited
- 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, Fraud Management Club, Thai Bankers' Association





## Mr. Santhan Yoosiri

### 58 years old

Senior Executive Vice President  
(Corporate Strategy Group)

#### Education

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

#### Working Experiences

- **2018 - Present**  
Senior Executive Vice President (Corporate Strategy Group), Government Savings Bank
- **2015 - 2018**  
Executive Vice President (Human Resources Group), Government Savings Bank
- **2013 - 2015**  
Executive Vice President (Risk Management Group), Government Savings Bank

#### Other Present Positions

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

#### 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



## Mr. Veerachai Amorntakolsuwech 56 years old

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

### Education

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

### Training

- Successful Formulation & Execution of Strategy (SFE), Class 33/2020
- Boardroom Success through Financing and Investment (BFI), Class 7/2019
- 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)

### Working Experiences

- **2019 - Present**  
Senior Executive Vice President (Business and Public Sector Customers Group), Government Savings Bank
- **2016 - 2019**  
Executive Vice President (Corporate and Public Sector), Government Savings Bank

### Other Present Positions

- Director, TSFC Securities Public Company Limited



## Mr. Wutipong Piromyaporn 56 years old

Senior Executive Vice President,  
(Debt and Legal Management Group)

### Education

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

### Training

- Director Accreditation Program (DAP), Class 177/2020
- Ethical Leadership Program (ELP), Class 9/2017
- Thammasat Leadership Program (TLP) , Thammasat for Society, Class 12, Thammasat University
- 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

### Other Present Positions

- Director, TSFC Securities Public Company Limited.
- Chairman, Thrift and Credit Cooperative of GSB Employees LTD.
- Director, National Digital ID Co., Ltd.

### Working Experiences

- **2021 - Present**  
Senior Executive Vice President, (Debt and Legal Management Group), Government Savings Bank
- **2020 (Oct - Dec)**  
Senior Executive Vice President (Credit and Operation Support Group), Government Savings Bank
- **2019 - 2020**  
Senior Executive Vice President (Risk Management), Government Savings Bank
- **2015 - 2019**  
Executive Vice President (Risk Management), Government Savings Bank





## Mrs. Nongnuch Pupipatphol

### 55 years old

Senior Executive Vice President (Audit Group)

#### Education

- Master of Business Administration (MBA), Ramkhamhaeng University
- Bachelor of Business Administration, Sukhothai Thammathirat Open University

#### Training

- Board Reporting Program (BPR), Class 33/2020, Thai Institute of Directors Association (IOD)
- Leadership Succession Program (LSP), Class 11, Institute of Research and Development of Public Enterprises (IRDP)
- Advance Master Management Program (AMM), Class 4, NIDA
- Advanced Certificate Course in Public Economics Management for Executives, Class 16, King Prajadhipok's Institute
- Thammasat Leadership Program (TLP), Thammasat for Society, Class 7, Thammasat University

#### Working Experiences

● **2020 - Present**  
Senior Executive Vice President (Audit Group), Government Savings Bank

● **2015 - 2020**  
Executive Vice President (Finance Group), Government Savings Bank

#### Other Present Positions

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



**01 Mr. Seksan Thaveekasikum**  
Executive Vice President  
Branch Operation 1

**02 Mrs. Woranun Tunsakul**  
Executive Vice President  
Branch Operation 2

**03 Mr. Ka-Chen Boonwong**  
Executive Vice President  
Branch Operation 3

**04 Mrs. Piyahatai Piyaram**  
Executive Vice President  
Branch Operation 4

**05 Mr. Charnchai Foythong**  
Executive Vice President  
Branch Operation 5

**06 Mr. Kowit Teeragul**  
Executive Vice President  
Branch Operation 6

**07 Mr. Pinij Danmanee**  
Executive Vice President  
Government Personnel Customers

**08 Mrs. Prangmas Dheandhanoo**  
Executive Vice President

**09 Miss Siriporn Lertsattayasuksai**  
Executive Vice President  
Sales Management

**10 Miss Noppawan Ratanawekin**  
Executive Vice President  
Digital and Information Technology





**11 Mr. Supawut Darain**  
Executive Vice President  
Retail Customer and Community  
Organization

**12 Mr. Krittapoon Chartviriyaamnoey**  
Executive Vice President  
SMEs Business

**13 Mrs. Lapawan Chankrajang**  
Executive Vice President  
Corporate and Public Sector

**14 Miss Jenjit Sawekwatanopas**  
Executive Vice President  
Debt Management

**15 Mr. Pairoj Swangtrakul**  
Executive Vice President  
Law and Asset Management

**16 Mrs. Siriwan Prasertchai**  
Executive Vice President  
Financial Management

**17 Mr. Kittin Pinrod**  
Executive Vice President  
Financial Management

**18 Mr. Parawee Maolanonda**  
Executive Vice President  
Investment





**19 Miss Thanita Viroonhagul**

Executive Vice President  
General Administration

**20 Mrs. Raksaya Siriboriraksa**

Executive Vice President  
Business Operation

**21 Mrs. Boonrak Udomittipong**

Executive Vice President  
Corporate Policy and Strategy

**22 Mrs. Jeeranan Khetsakun**

Executive Vice President  
Human Resource Development

**23 Miss Somsri Saengchalin**

Executive Vice President  
Information Technology Operation

**24 Mrs. Nuchjarin Sirichan**

Executive Vice President  
Human Resource Management

**25 Mr. Sarawut Nanakorn**

Executive Vice President  
Information Technology Planning  
and Development

**26 Mr. Prasert Kongchun**

Executive Vice President  
Supervision and Control



**27 Mr. Montree Boondee**  
Executive Vice President  
Internal Audit

**28 Mr. Anurak Sangeamjit**  
Executive Vice President  
Risk Management

**29 Mr. Apiwat Kaveeruttachaveng**  
Executive Vice President  
Credit Risk Analysis

**30 Ms. Niramol Chanpo**  
Executive Vice President  
Marketing and Corporate  
Communication

**31 Mr. Tawatchai Pramualcharoenkij**  
GSB Inspector  
Investment and Financial Management  
Group

**32 Mr. Cheewin Prangchaikul**  
GSB Inspector  
Debt Management and Law Group

**33 Mr. Anurak Nakjarn**  
GSB Inspector  
Directly report to President & CEO

**34 Mrs. Supun Salee**  
GSB Inspector  
Directly report to President & CEO

**35 Miss Vachira Karasuddhi**  
GSB Inspector  
Directly report to President & CEO

**36 Mr. Pacharapong Anonsiriporn**  
Executive Vice President  
Personal Customer Management





# Industry Information



# Banking Business in 2020 and Trends in 2021

## Performance of Commercial Banks in 2020

reported a net profit of 139,758 Million Baht, a decrease of 48.41 percent, the highest contraction in 10 years due to the economic fluctuation caused by COVID-19 epidemic, resulting in debt default soar. Therefore, commercial banks set aside expected credit losses to accommodate bad debt situation that was uncertain in the future, including the easing monetary policy, the policy interest rate dropped to 0.50 percent from 1.25 percent in 2019. For net interest income of the commercial banks' entire system increased at a lower rate of 2.37 percent as a result of lower interest expenses following the Bank of Thailand policy that reduced the remittance rate for contributions to the Financial Institution Development Fund (FIDF). However, net fee income contracted by 10.25 percent from a 19.99 percent drop in fee and credit card service income due to lower spending during the COVID-19 epidemic while expenses were likely to increase according to expected credit loss (ECL). However, the Banking system's reserves remained strong, with capital funds totaling 2,994 Billion Baht at the end of 2020, representing a 20.12 percent capital-to-risk-weight ratio (BIS ratio), an increase from the end of 2019 due to profit allocation into capital.



### Commercial Bank Loans in 2020 exhibited lower rate of growth

- Loan quality deteriorated slightly. In 2020, commercial banks had NPLs at 3.14%, due to business loans, while consumer credit quality has approved the measure as a result of the Bank's debt relief and taxation measures. In 2020, Corporate loans expanded at 5.54% year-on-year, mainly driven by an expansion in large corporate loan as well as government loans. Meanwhile, SMEs loan contracted at a lower rate
- Consumer loan grew at slower pace at 4.64% year-on-year except housing loan



### Loan Quality in 2020 slightly deteriorated

- Loan quality deteriorated slightly. In 2020, commercial banks NPLs stood at 3.14%, mainly due to corporate loan, while consumer loan quality improved, resulting from measures to assist debtors and bad debt management .

## Banking Business Trends in 2021

For banking business in 2021, there are still many concerning factors as economy doesn't quickly go back to where it would have been. The new wave of COVID-19 pandemic has impacted Thai economy, slowing the recovery of purchasing power. The number of non-performing debt tends to rise, forcing the bank to increase the reserve following the new accounting standard (TFRS 9), which may affect the profitability of financial institutions.

**Financial institutions' loan tends to increase, both for retail and corporate loans.** Financial institutions continue to play an important role in assisting people who lack financial liquidity.

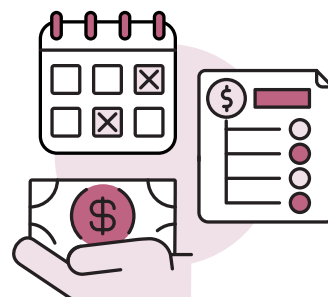
- Specialized financial institutions continue to focus on providing loans to the general public and small entrepreneurs at low interest rates according to the government policy.
- Banks will be engaging in more prudent business lending practices by focusing on target customers and large entrepreneurs. It is expected that competition on the interest rates will be higher to compete for a small number of potential customers.
- Specialized financial institutions and commercial banks tend to offer collateral loans, for potential customers who are existing customers of the bank.



**Financial institutions accelerate the development of digital banking.** Due to the re-emergence of the COVID-19 outbreak, the financial institutions need to improve their online services, while users need to adapt to a new way of life.

- Mobile banking transactions are rising during the COVID-19 pandemic and continue to rise.
- The government's half half co-payment scheme allows both buyers and sellers to learn how to make a payment through online channels.
- Financial institutions are accelerating the development of financial products on the Mobile Platform in order to reach customers quickly and on time, including adding features to help solve debt problems or increase financial liquidity for the general public and business operators.

**Financial institutions are actively pursuing debt collection in order to find solutions for debt restructuring due to the deterioration of debt quality.** As a result, financial institutions need to closely monitor debts, although most debtors are able to pay their debts after the debt suspension measures expired, but there are still some debtors who are not able to pay their debts. This consequently increases the cost of provision to accommodate unexpected situations in the future.



## Bad Debt Crisis of Financial Institution

Bad debt in 2021 is a big problem for commercial banks and specialized financial institutions (SFIs) as it is expected to rise after the debt suspension measure has expired.

- Most financial institutions have proactively set up customer debt-follow-up teams to communicate with customers or survey customers individually and then evaluate debt repayment ability in order to prepare for debt solutions or debt restructuring to reduce the burden of reserving in the future.

- Most financial institutions have provided financial assistance to improve liquidity or adjusted conditions for debt restructuring according to the potential of the debtor's business operations, such as reducing the installment payment, renewal of credit limit, changing from short-term debts to long-term debts, cutting interest rates, delaying the debt payment, etc.

- Financial institutions will accelerate loan quality management by writing off bad debts and selling non-performing assets.

## Preparation of Financial Institutions for a Stable Future after the Crisis

1

### Debt Management Preparation

- **Keep track of customers** closely by surveying customers individually to evaluate their debt repayment ability. In the first half of 2021, NPL level is still high, so financial institutions should quickly solve and control the debt problems within the first quarter of 2021 to prevent bad debts that will rise. This inevitably affects the reserve and the Bank's performance.

- **Prepare a plan for customers that the Bank can't contact or close the business** which are around 5-6%, according to the data from the Bank of Thailand. Therefore, financial institutions must urgently contact customers to help them before going through the legal process.

2

### Backup Plan for Emergencies

- To be prepared and ready for unexpected events that will affect the entire economic and financial sector, like the COVID-19 outbreak in 2020, including assistance measures of the government to help financial institutions which are considered one of the businesses that are severely affected by COVID-19 pandemic.





# Analysis Report Operation Performance and Financial Position

# Analysis Report Operation Performance and Financial Position

## 1. Performance Overview

In 2020, the Bank had operational guidelines to create a balance between the stability of the organization and operations that took into account society, environment and good governance that would lead the Bank to sustainability by focusing on effective organizational management, cost reduction, as well as risk and return management to increase financial stability and competitiveness in Traditional Banking. The Bank had social operations following government policies by raising the level of savings, building financial discipline, including developing and enhancing the strength of grassroots people, small and medium-sized enterprises, children/youth and the elderly to be self-reliant by educating and creating opportunities to access basic financial services (Social Banking) along with raising the Bank to Digital Banking to support customers from Traditional Banking and Social Banking by bringing financial technology to develop products, services, and service channels to increase business opportunities and support the changing direction in the future under fundamental capabilities that are a vital supporting mechanism in driving the implementation of sustainable goals.

According to its 2020 financial statements duly audited by the State Audit Office of the Kingdom of Thailand, GSB recorded total assets as at December 31, 2020 amounting to 2,899,147 Million Baht, the 5<sup>th</sup> rank among Thai Banks and recorded net profit of 18,833 Million Baht, decreased by 5,375 Million Baht or 22.2% from the previous year.

Unit : Million

Statement of Comprehensive Income	2020	2019	Change (yoy)	
			Increase (Decrease)	%
Net interest income	56,916	58,679	(1,763)	(3.0)
Net fee and service income	3,931	4,691	(760)	(16.2)
Other operating income	3,724	6,334	(2,610)	(41.2)
Other operating expenses	31,313	33,190	(1,877)	(5.7)
Impairment loss on loans and debt securities <sup>2/</sup>	14,598 <sup>1/</sup>	12,306	2,292	18.6
<b>Net profit</b>	<b>18,660</b>	<b>24,208</b>	<b>(5,548)</b>	<b>(22.9)</b>
Other comprehensive (loss) income	(6,413)	(10,994)	4,581	(41.7)
<b>Total comprehensive income</b>	<b>12,247</b>	<b>13,214</b>	<b>(967)</b>	<b>(7.3)</b>
Average Return on Assets (ROA)	0.70 <sup>2/</sup> / 0.66	1.00 <sup>2/</sup> / 0.90		
Average Return on Equity (ROE)	10.33 <sup>2/</sup> / 9.68	12.87 <sup>2/</sup> / 11.64		

<sup>1/</sup> Additional general provision of 10,000 Million Baht to cover the credit risk expected in 2021.

<sup>2/</sup> Excluding special expenses for officers, which are initial contribution to the provident fund (year 2020 = 915.90 Million Baht and 2019 = 1,187.84 Million Baht) and compensation for retired officers who completed 20 years of working period, from 300 days to 400 days (year 2019 = 1,385 Million Baht) and officer benefit expenses from accumulated leave (year 2020 = 348 Million Baht)

# Key Items in Profit or Loss Statement

## 1.1 Net interest income

Unit : Million Baht

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
<b>Interest income</b>	<b>92,815</b>	<b>103,359</b>	<b>(10,544)</b>	<b>(10.2)</b>
Loans <sup>2/</sup>	85,244	94,216	(8,972)	(9.5)
Interbank and money market items	2,157	3,512	(1,355)	(38.6)
Investments	5,414	5,631	(217)	(3.9)
<b>Interest expenses</b>	<b>35,899</b>	<b>44,680</b>	<b>(8,781)</b>	<b>(19.7)</b>
Deposits <sup>3/</sup>	16,276	23,784	(7,508)	(31.6)
GSB lottery prize money	14,630	13,395	1,235	9.2
Interbank and money market items	391	867	(476)	(54.9)
Debt issued and borrowings	1,681	1,252	429	34.3
Contributions to Specialized Financial Institutions Development Fund	2,887	5,832	(2,495)	(46.4)
Interest paid under the lease	34	-	34	100.0
<b>Net interest income</b>	<b>56,916</b>	<b>58,679</b>	<b>(1,763)</b>	<b>(3.0)</b>
Yield on earning assets	3.31%	4.04%		
Cost of funds	1.40%	1.87%		
Net interest income to earning assets (NIM)	2.05%	2.23%		

In 2020, the Bank recorded a net interest income of 56,916 Million Baht, a decrease of 1,763 Million Baht or 3.0% from 2019, due to lower interest rates on loans (MLR, MOR and MRR) following the interest rate reduction policy and COVID-19 crisis. However, the Bank provided soft loan to government and financial institutions under the soft loan COVID-19 project with relatively low yields while the additional reserve cost of life insurance deposits of long-term insurance contracts in according to TFRS 4 was reversed and the rate of remittance to the Specialized Financial Institutions Development Fund (SFIF) was reduced from 0.25% to 0.125%, according to the Cabinet's resolution on June 30, 2020, resulting in a net interest income ratio to earning assets (NIM) at 2.05%, down from 2.23% in 2019

## 1.2 Net fee and service income

Unit : Million Baht

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
<b>Fee and service income</b>	<b>6,018</b>	<b>6,212</b>	<b>(194)</b>	<b>(3.1)</b>
Fee and service expenses	2,087	1,521	566	37.2
<b>Net fee and service income</b>	<b>3,931</b>	<b>4,691</b>	<b>(760)</b>	<b>(16.2)</b>
Net fee and service income to total income-net	6.09%	6.73%		



In 2020, the Bank recorded net fee and service income of 3,931 Million Baht, a decrease of 760 Million Baht or 16.2% from 2019 due to a decrease in commission/insurance premium payment income and loan service fee income as of a decrease in lending according to the COVID-19 pandemic, resulting in a shrinking economy and high level of household debts 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, including the number of new customers and electronic transactions increased.

### 1.3 Other operating income

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
<b>Other operating income</b>				
Net profit (loss) on trading and foreign exchange	105	140	(35)	(25.0)
Net profit (loss) on investments	(1,073)	2,287	(3,360)	(146.9)
Dividend income	1,515	2,223	(708)	(31.8)
Other operating income	3,177	1,684	1,493	88.7
<b>Total income from other operations</b>	<b>3,724</b>	<b>6,334</b>	<b>(2,610)</b>	<b>(41.2)</b>
<b>Operating income to total income - net</b>	<b>5.77%</b>	<b>9.09%</b>		

In 2020, the Bank recorded other operating income of 3,724 Million Baht, a decrease of 2,610 Million Baht or 41.2% from 2019 due to profits from the sales of investments in an associate, Thanachart Fund Management Co.,Ltd. in the amount of 2,075 Million Baht and there was an impairment loss on available-for-sale securities. Dividend income from investments in associates and ordinary shares were lower than the previous year. Besides, there was a loss from the future contract.

### 1.4 Operating expenses

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
<b>Other operating expenses</b>				
Officer expenses	15,680	16,336	(686)	(4.2)
Remuneration for directors and officers	2,496	3,314	(818)	(24.7)
Premises and equipment expenses	5,305	5,699	(394)	(6.9)
Expenses for the Right-of-use asset under the lease	975	-	975	100.0
Remuneration for loan collection units	195	398	(203)	(51.0)
Other expenses	6,662	7,413	(751)	(10.1)
<b>Total operating expenses</b>	<b>31,313</b>	<b>33,190</b>	<b>(1,877)</b>	<b>(5.7)</b>
<b>Operating expenses to total income - net</b>	<b>48.45%</b>	<b>47.61%</b>		

In 2020, the Bank had other operating expenses of 31,313 Million Baht, a decrease of 1,877 Million Baht 5.7% from 2019. Key items included :

- Remuneration for directors and officers decreased by 818 Million Baht (based on operating performance)
- Other expenses increased by 751 Million Baht (advertising expenses, training and seminar expenses)
- Officers expenses decreased by 686 Million Baht (last year, there was an increase of compensation for retired officers according to TAS 19, amounting to 1,385 Million Baht while this year the Bank recorded officer benefit expenses from accumulated leave according to TAS 19, amounting to 348 Million Baht)
- Remuneration for loan collection units decreased by 203 Million Baht (from measures to help customers affected by the COVID-19 by suspending principal and interest payments automatically from 1 April 2020 to 31 December 2020)
- Expenses for the Right-of-use asset under the lease decrease 394 Million Baht while Expenses for the right-of-use assets under the lease increased 975 Million Baht (Compliance with IFRS 16 on lease for the first time)

## 1.5 Impairment loss on loans and debt securities and debt restructuring

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
Bad debts	5,906	10,074	(4,168)	(41.4)
Doubtful accounts	8,592	2,197	6,395	291.1
Loss on debt restructuring (reversal)	100	35	65	185.7
<b>Total</b>	<b>14,598</b>	<b>12,306</b>	<b>2,292</b>	<b>18.6</b>

In 2020, the impairment loss on loans and debt securities was 14,598 Million Baht, a decrease of 2,292 Million Baht or 18.6% from 2019 due to the gradual increase of general provision of 200 Million Baht per month to support the impact of TFRS9, in January-December 2020 totaling 2,400 Million Baht and an additional 10,000 Million Baht in December 2020 to accommodate the credit risk expected in 2021 after the total debt suspension measures, a total amount of 12,400 Million Baht.

## 2. Financial Position

Statement of Financial Position	2020	2019	Change (yoy)	
			Increase (Decrease)	%
<b>Total assets</b>	<b>2,889,147</b>	<b>2,797,068</b>	<b>92,079</b>	<b>3.3</b>
Net interbank and market money items	245,584	319,524	(73,940)	(23.1)
Net investments	441,351	312,832	128,519	41.1
Loans <sup>1/</sup>	2,159,241	2,152,718	6,523	0.3
<b>Total liabilities</b>	<b>2,689,369</b>	<b>2,594,592</b>	<b>94,777</b>	<b>3.7</b>
Deposits and debt issued <sup>2/</sup>	2,495,440	2,412,934	82,506	3.4
<b>Part of the capital</b>	<b>199,778</b>	<b>202,476</b>	<b>(2,698)</b>	<b>(1.3)</b>

<sup>1/</sup> Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2020 amounting to 237,781 Million Baht and in 2019 amounting to 200,878 Million Baht.

<sup>2/</sup> Including deposits from financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2020 amounting to 13,398 Million Baht and in 2019 amounting to 22,945 Million Baht.

At the end of 2020, the Bank's total assets were 2,889,147 Million Baht, an increase of 92,079 Million Baht or 3.3% 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.

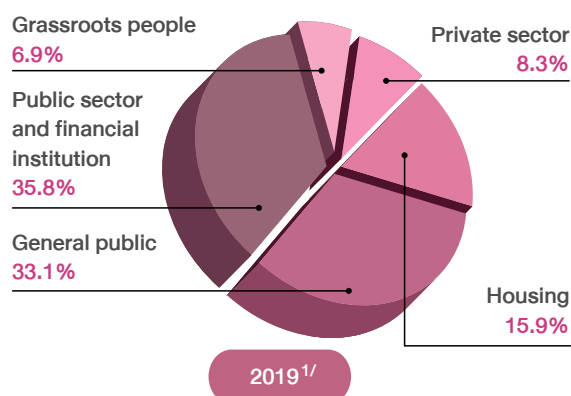
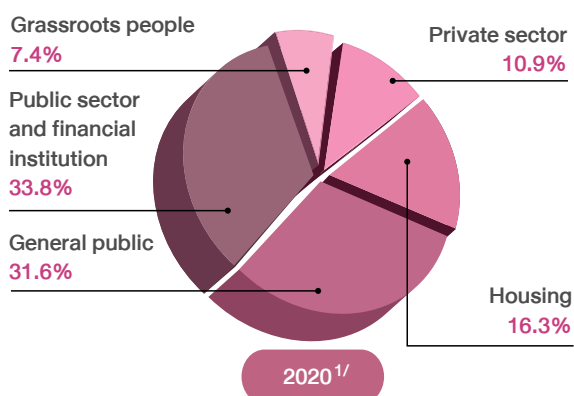
## Key Items in Financial Statements

### 2.1 Loans

As of 31 December 2020, the Bank's total loans were 2,159,241 Million Baht (including loans for financial institutions and cooperatives), an increase of 6,523 Million Baht from the end of 2019 or 0.3% from the total loans of 600,000 Million Baht comprising 55.3% retail loans, 33.8% public sector and financial institution loans, and 10.9% business sector loans.

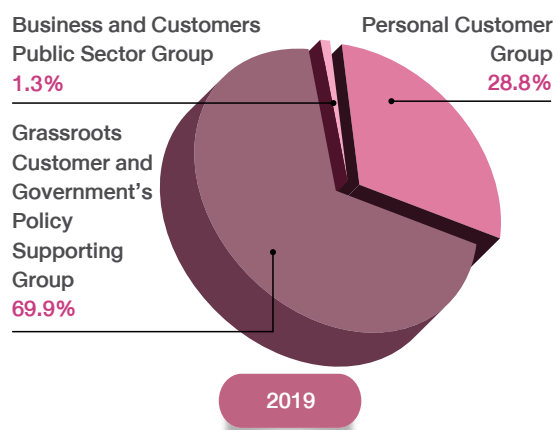
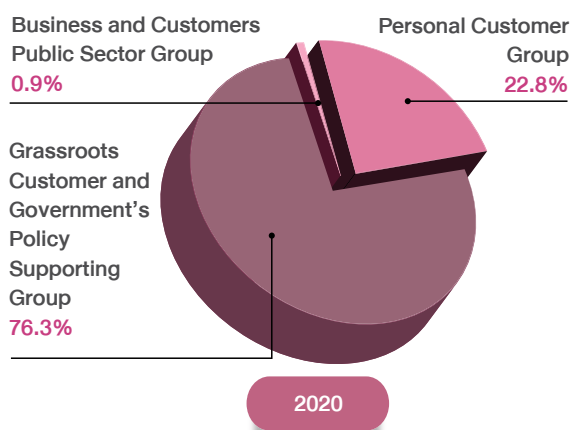
- Private sector loans increased by 57,116 Million Baht (32.0%), especially loans for loans under COVID-19 measures which were soft loans for Non-Bank and SMEs customers with a credit line of less than 100 Million Baht, approved through SMEs business centers.
- Public, state enterprise and financial institution sector loans decreased 40,856 Million Baht (5.3%) due to loans for Ministry of Finance, including promissory notes and long-term loans
- Personal loans decreased by 9,737 Million Baht (0.8%) with a higher return than additional lending amount, due to the economic slowdown and high level of household debts, along with the impact of the COVID-19 outbreak situation, a strict credit approval process to control debt quality, especially loans for professional development and loans for grassroots people while housing loans and loans for resolving public debts (loans for self-employed and regular income workers according to the COVID-19 measures) and personal loans increased.

### Proportion of loans



<sup>1/</sup> Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2020 amounting 237,781 to 200,878 Million Baht and in 2019 amounting to 200,878 Million Baht.

### Proportion of loan customers

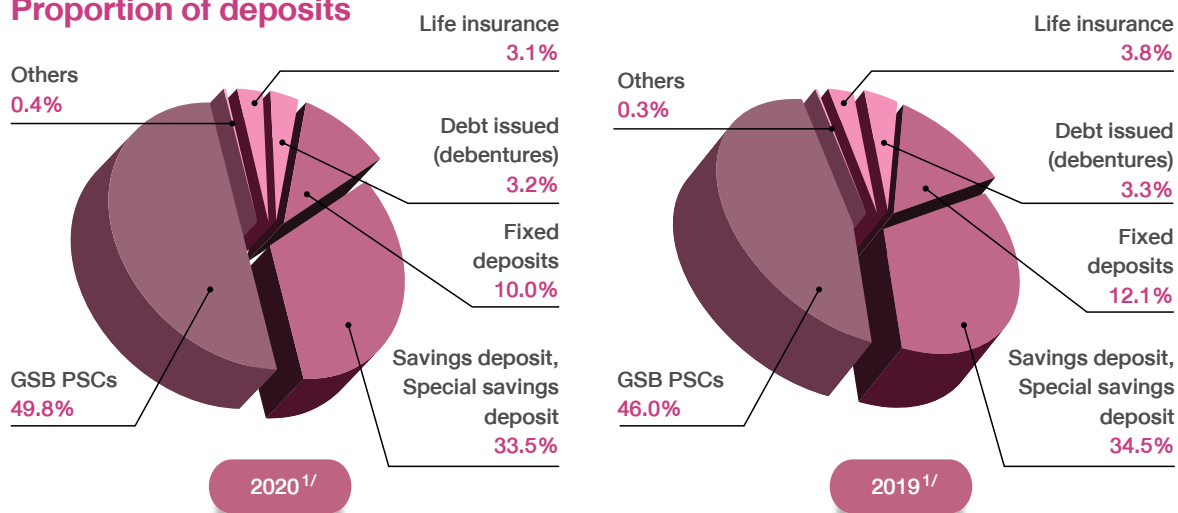




## 2.2 Deposits and debt issued

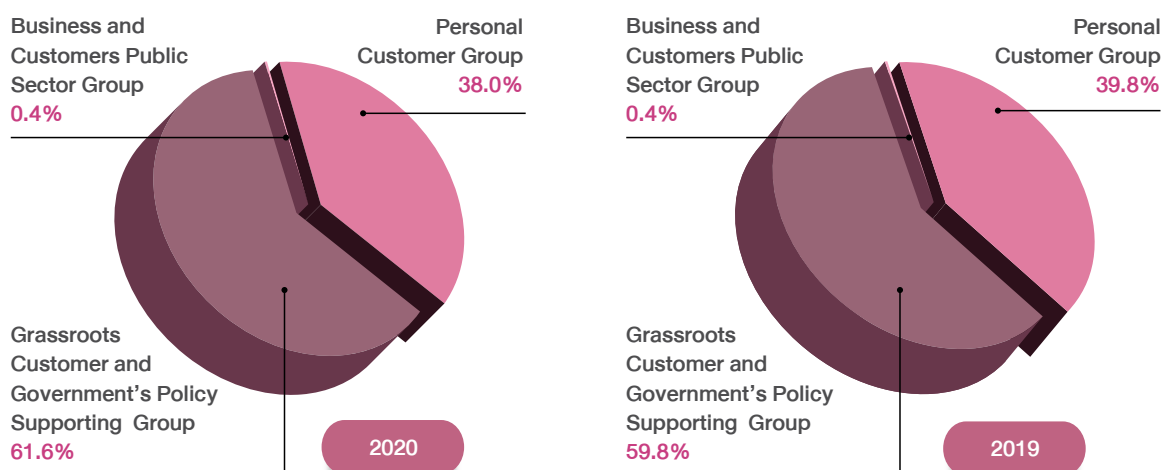
As of 31 December 2020, the Bank recorded deposits (including deposits from financial institutions and cooperatives) of 2,414,940 Million Baht, an increase of 82,506 Million Baht or 3.5% from the end of 2019 from GSB Special Premium Savings Certificate, special (interest rate at 0.45-1.20% per annum). The Bank issued the GSB Special Premium Savings Certificate and Digital Premium Savings Certificate for a period of 2 years, a special demand deposits 107 only at the financial fair, and a special demand deposits for a fixed period. Besides, the Bank organized many activities throughout the year, such as marketing activities to promote the GSB 1-year digital PSCs, activities to promote savings on important day, such as National Children's Day, National Savings Day, GSB School Tour, etc. The Bank reasonably managed liquidity and interest costs following the policy interest rate of the Bank of Thailand and reduced interest rates on deposits in the banking system. When including the debt issued (debentures), the Bank had deposits and debt issued in the amount of 2,495,440 Million Baht, an increase of 82,506 Million Baht or 3.4% from the end of 2019.

### Proportion of deposits



<sup>1/</sup> Including loans for financial institutions and cooperatives under the Interest on Loan of Financial Institutions Act in 2020 amounting 13,398 Million Baht and in 2019 amounting to 22,945 Million Baht.

### Proportion of deposit customers

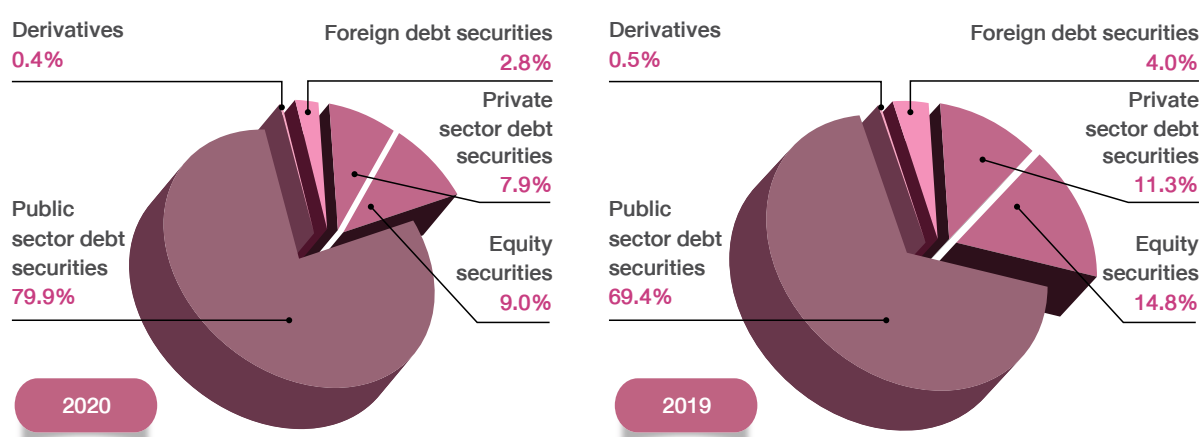


## 2.3 Net investments

As of December 31, 2020, the Bank recorded net investments of 441,351 Million Baht, an increase of 128,519 Million Baht or 41.08%, especially investments in short-term bond, state enterprise bond and government bonds respectively. Meanwhile, the total investments were more than 100,000 Million Baht.

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 bond without obligation by considering securities with good potential and appropriate return. 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, 2020, the Bank recorded equity of 199,778 Million Baht, a decrease of 2,698 Million Baht from the end of the year. A surplus from the change in available-for-sale investments (Mark to Market) decreased from 2019 by 4,107 Million Baht. The contribution to the Ministry of Finance in 2019 was 14,945 Million Baht and the loss on officer benefit estimation (TAS 19) in accordance with actuarial principles was 2,306 Million Baht while an annual net profit was 18,660 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 2020, the Bank had capital fund in the amount of 194,073 Million Baht, accounting for 14.98% of risk weighted assets, which was higher than the BOT's minimum requirement of 8.5% with Tier-1 capital of 166,476 Million Baht, equivalent to 12.85% of risk weighted assets (mainly from all accumulated profits after annual remittance to the Ministry of Finance) and Tier-2 capital of 27,993 Million Baht, equivalent to 2.16% and loss from valuation of available-for-sale equity securities amounting to 396 Million Baht.

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

	2020	2019	Change (yoy)	
			Increase (Decrease)	%
Tier-1 capital	166,476	166,301	175	0.1
Tier-2 capital	27,993	18,532	9,461	51.1
Loss from valuation of available-for-sale equity securities	(396)	-	(396)	(100.0)
Total capital funds	194,073	184,833	9,240	5.0
Risk weighted assets	1,295,801	1,190,776	105,025	8.8
<b>Total capital funds : Risk weighted assets</b>	<b>14.98%</b>	<b>15.52%</b>		
<b>Tier-1 capital : Risk weighted assets</b>	<b>12.85%</b>	<b>13.97%</b>		

## 2.6 Quality of loans

Unit : Million Baht

Quality of loans	2020	2019	Change (yoy)	
			Increase (Decrease)	%
NPL before allowance for doubtful accounts (gross NPLs)	46,031	57,034	(11,003)	(19.3)
<b>Proportion to total loans (%)</b>	<b>2.13</b>	<b>2.65</b>		
NPL after allowance for doubtful accounts (net NPLs)	13,956	19,774	(5,818)	(29.4)
<b>Proportion to net loans (%)</b>	<b>0.67</b>	<b>0.95</b>		
Allowance for doubtful accounts under the financial statements	78,727	70,063	8,664	12.4
<b>Proportion to NPLs (%)</b>	<b>171.03</b>	<b>122.84</b>		
Allowance for doubtful accounts under the BOT's guideline	62,252	65,988	(3,736)	(5.7)
<b>Reserves to required reserves (%)</b>	<b>126.47</b>	<b>106.18</b>		

As of December 31, 2020, the Bank's NPLs before allowance for doubtful accounts (gross NPLs) amounted to 46,031 Million Baht or 2.13% of total loans (including interbank and money market items), down 11,003 Million Baht from the end of 2019. A gross NPLs of 2.65% for NPLs after allowance for doubtful accounts (net NPLs) at the end of 2020, amounted to 13,956 Million Baht or 0.67% of net loans, down 5,818 Million Baht from the end of 2019 with net NPLs at 0.95%. The Bank issued measures to suspend principal and interest payments to help customers affected by the COVID-19 pandemic and also had 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, 2020 amounted to 78,727 Million Baht, an increase of 8,664 Million Baht from the end of 2019 due to the general provision according to the Bank's policy to support the impact of TFRS9 and credit risks expected in 2020 after the debt suspension measures totaling 12,400 Million Baht while the allowance for doubtful accounts of loans for grassroots people, 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 2020, the Bank's assets booked in the financial statements amounted to 2,889,147 Million Baht, with total liabilities of 2,689,369 Million Baht and equity of 199,778 Million Baht, representing total liabilities to equity ratio of 13.5 times.

The major sources of funds were 93.9% deposits, 3.0% interbank and money market items, 3.1% debt issued and borrowings of total assets while the funds were deployed as follows : loans 73.6% for and interbank and money market items 10.9% for, and the net investment 15.5%.

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	2020	(%)	2019	(%)	Change (yoy)	
					Increase (Decrease)	%
<b>Sources of funds</b>						
<b>Maturity ≤ 1 year</b>	<b>1,483,744</b>	<b>58.0</b>	<b>1,403,597</b>	<b>57.0</b>	<b>80,147</b>	<b>5.7</b>
Deposits	1,412,056	55.2	1,334,463	54.2	77,593	5.8
Interbank and money market items	71,688	2.8	69,134	2.8	2,554	3.7
Debt issued and borrowings	-	-	-	-	-	-
<b>Maturity &gt; 1 year</b>	<b>1,075,409</b>	<b>42.0</b>	<b>1,057,869</b>	<b>43.0</b>	<b>17,540</b>	<b>1.7</b>
Deposits	989,487	38.7	975,026	39.6	14,461	1.5
Interbank and money market items	5,422	0.2	2,343	0.1	3,079	131.4
Debt issued and borrowings	80,500	3.1	80,500	3.3	-	-
<b>Total</b>	<b>2,559,153</b>	<b>100.0</b>	<b>2,461,466</b>	<b>100.0</b>	<b>97,687</b>	<b>4.0</b>
<b>Uses of funds</b>						
<b>Maturity ≤ 1 year</b>	<b>1,054,111</b>	<b>37.0</b>	<b>968,732</b>	<b>34.8</b>	<b>85,379</b>	<b>8.8</b>
Interbank and money market items	289,308	10.1	348,451	12.5	(59,143)	(17.0)
Net investments	232,978	8.2	138,820	5.0	94,158	67.8
Loans	531,825	18.7	481,461	17.3	50,364	10.5
<b>Maturity &gt; 1 year</b>	<b>1,790,482</b>	<b>63.0</b>	<b>1,815,119</b>	<b>65.2</b>	<b>(24,637)</b>	<b>(1.4)</b>
Interbank and money market items	23,366	0.8	53,991	1.9	(30,625)	(56.7)
Net investments	206,811	7.3	172,500	6.2	34,311	19.9
Loans	1,560,305	54.9	1,588,628	57.1	(28,323)	(1.8)
<b>Total</b>	<b>2,844,593</b>	<b>100.0</b>	<b>2,783,851</b>	<b>100.0</b>	<b>60,742</b>	<b>2.2</b>

## 2.8 Maintaining of liquid assets

As of December 31, 2020, 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. The Bank has Assets and Liabilities Management Committee (ALCO) to oversee and ensure 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 2020, the Bank recorded cash and cash equivalent items of 30,737 Million Baht, a decrease of 686 Million Baht or 2.2% from the end of 2019, comprising :

- Net cash from operating activities amounted to 149,805 Million Baht, with operating profits before changes in operating assets and liabilities of 3,267 Million Baht and a decrease in operating assets of 57,718 Million Baht while an increase in operating liabilities of 95,354 Million Baht.
- Net cash used in investing activities in the amount of 135,840 Million Baht, due to cash payables on investments in securities of 376,398 Million Baht, cash payables on purchase of premises and equipment of 2,095 Million Baht, cash payables on purchase of intangible assets of 44 Million Baht, cash payables on assets used of 9 Million Baht. Cash receivables on sales of investments in securities amounted to 242,657 Million Baht, cash receivables on dividends from associates of 31 Million Baht and cash receivables on sales of premises and equipment of 18 Million Baht.
- Net cash from financing activities was 14,651 Million Baht from the contribution to Ministry of Finance of 14,945 Million Baht, cash payables on leased liabilities amounted to 888 Million Baht, while there were interbank loans of 1,182 Million Baht.
- The effect of the change in exchange rate on cash increased by 0.6 Million Baht.

## 2.10 Credit ratings

As at 31 December 2020, the Bank's credit rating has been stable at the "AAA" rating since the end of 2019, 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. Government Savings Bank Act, B.E. 2489 (1946) stipulates that the obligations of 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, 2020	December 31, 2019
TRIS Rating		
Organization rating	AAA	AAA
Trend of credit rating	Stable	Stable

### 3. Results of Operations in Comparison with Targets of 2020 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 2020, the operating performance was as follows :

Unit : Million Baht

Finance	Plan	Operation result	Difference from plans
Net profit	8,700	18,660	Operating income was higher than the plan, while other operating expenses and allowance for doubtful accounts was lower than the plan.
Net increase in deposits	22,200	82,506	GSB Special Premium Saving Certificates deposits, savings deposits and fixed deposits were higher than the plan as depositors and investors delay their investments to reduce risks and wait for the economy to recover.
Net increase in loans	63,300	6,523	Due to the economic slowdown, high household debt situation, including the COVID-19 crisis, 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, the Bank had more credit balance from providing loans under the Soft Loan COVID-19 program to help people and entrepreneurs affected by the COVID-19 pandemic.
NPLs of total loans (%)	≤ 3.55	2.13	With the suspension of principal and interest payments by the measures to support customers affected by the COVID-19 outbreak from April 1, 2020 until December 31, 2020 and the follow up of SM 1-3 month and TDR debtors to repay their debts as scheduled, including the improvement of integrated debt management process.
NIM (%)	1.94	2.05	Net interest income was lower than the plan due the additional reserve cost of life insurance deposits (long-term insurance contract) according to TFRS4 and the Bank reduced the rate of remittance to the Specialized Financial Institutions Development Fund (SFIF) from 0.25% to 0.125 % following the cabinet's resolution on June 30, 2020.
Cost/Income (%)	51.22	48.45	Managing operating expenses to be lower than the plan by improving the process and manage expenses as needed by taking into account the appropriate value and cost to reduce costs and increase operational efficiency and profit measurement by product.



## 4. Operating Performance of the Project 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 workers affected by the flood and hurricane in 2010	2010-2016	2,000	-	-
2. Financial assistance project for business operators in the three southern border provinces	2010-2013 Period extension 1 <sup>st</sup> session to the end of 2014 2 <sup>nd</sup> session to the end of 2017 3 <sup>rd</sup> session to the end of 2022	25,000	86	21,703
3. Loan project to develop flood protection system for industrial estate/Park/industrial zone	2013-2028	15,000	5	1,425
4. Loan project to build flood protection system in industrial estate	2013-2028	3,546	1	1,150
5. Measures for promoting well-being (village level)	2015-2023	30,000	18,766	8,670
6. Soft loan project for working capital of Small and Medium Enterprises (SMEs)	2015-2023	100,000	18	43,168
7. Soft loan project for working capital of Small and Medium Enterprises (SMEs) Phase 2	2016-2023	50,000	17	16,009
8. Pracharat housing loan project	2016-2046	20,000	5,751	3,893
9. Soft loan project to help fishermen "Thailand's Fisheries Move Forward"	2016-2024	500	259	199
10. "Pracharat Loan For People" project	2016-2021	Unspecified	12,084	190
11. Soft loan project to modify machinery and increase productivity for Small and Medium Enterprises (SMEs)	2016-2025	30,000	16	10,967
12. Measures to solve the public debt problems under the government's policy	2016-2036	Unspecified	7,948	4,715
13. "Pracharat Loan For People" project (flood victims)	2017-2022	4,000	1,850	38
14. Loan project to relieve the sufferings of Small and Medium Enterprises (SMEs) affected by the flood in 2017	2017-2022	2,500	2	1
15. Retail loan project for emergency use	2017-2023	5,000	70,882	1,157
16. Transformation Loan project (Low interest loan to modify machinery : phase 2)	2018-2025 Period extension 1 <sup>st</sup> session to the end of 2027 2 <sup>nd</sup> session to the end of 2028	20,000	81	15,949

Projects under the government's policy	Period	Credit line (Million Baht)	Number of participants	Outstanding loans (Million Baht)
17. Retail loan project for emergency use : phase 2	2018-2025	10,000	205,888	6,004
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	515	14
19. Soft loan measure to help entrepreneurs who are directly and indirectly affected by the COVID-19 outbreak. 1) Loans through financial institutions 2) Loans for financial business operators who are not financial institutions (Non-Bank) 3) Loans for entrepreneurs	2020-2023 2020-2023 2020-2031	150,000 72,000 60,000 18,000	5,156	113,755
20. Loan project for regular income workers affected by the COVID-19 1) Loan for regular income workers affected by the COVID-19 2) Fundamental enhancement loan 3) Soft Loan for Thai tourism recovery	2020-2023 2020-2023 2020-2026	20,000 5,000 10,000 5,000	108,243	5,126
21. Loan project for self-employed workers affected by the COVID-19	2020-2023	20,000	1,727,671	16,978
22. Soft loan for the Office of the Government Pawnshop to assist grassroots people affected by the COVID-19	2020-2022	2,000	1	190
23. Loan project to enhance liquidity for fishery entrepreneurs	2020-2028	5,000	25	33
<b>Total</b>			<b>2,165,271</b>	<b>271,334</b>



## Business and Service Development Overview

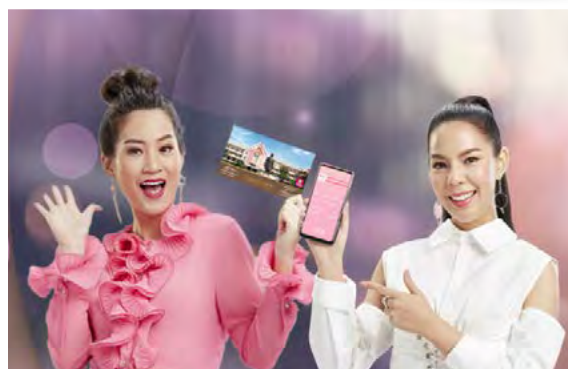
**Aiming to be the “Social Bank”  
and “Making POSITIVE Impact on Society”**

In 2020, Government Savings Bank has aimed to become a fully integrated and sustainable social bank to reduce inequality and create fairness in the society by providing access to a source of loans at a fair cost for low-income earners, small entrepreneurs, and community organizations. The Bank has developed the potential of small entrepreneurs to raise the level of the grassroots economy and small/medium enterprises under the concept of “Making POSITIVE Impact on Society” and also adhered to the vision and mission of being a financial institution for savings, along with a commitment to promoting and creating financial innovations to meet the needs and satisfaction of all customer groups, with a complete range of advanced digital technology financial services.



## Deposit products/ Activities to promote savings and create financial discipline

The Bank has promoted savings and created financial discipline through a wide range of deposit products such as **Digital Saving demand deposit without a passbook** : customers can open a bank account with the minimum deposit of 1 Baht through the Video Teller Machine (VTM) or Smart Device machine (Sale and Services Unit on Mobile : SUMO), “MyMo”, a mobile application to provide more savings options for customers; **Special savings deposit campaign** : a period of 4 months, 7 months, and 107 days, **the first 2-year GSB Premium Saving Certificates (PSCs)** : both normal PSCs and digital PSCs at the rate of 100 Baht for individual depositors. Interest rates on deposits and the prize money are tax-exempt and have the right



to win prizes up to 24 times. For electronic cards, the Bank has released a **GSB Instant Debit “E-Sports, Thai League and Changsuek”** to serve customers who are interested and love football, with 100 Baht entrance fee and 200 Baht annual fee.



Moreover, the Bank has organized activities/projects to promote and create savings discipline for all customer groups, such as **the National Savings Day 2020 “Foundation of Good Society, Starting from Savings”** by giving the “107<sup>th</sup> GSB anniversary piggy bank” to depositors or those who open a deposit account of 500 Baht or more, “Good kid Good discipline Good prizes” (“Dekdee Meewinai Dailoonchok”) activity for children aged 7-15 years who open a Youth Savings demand deposit account with a minimum of 100 Baht depositing on October 30, 2020, and continuing to deposit over 50 Baht per month until August 31, 2021 will receive 3-step privileges : the first step : receiving a special interest rate of 1.25% per annum, the second step : receiving 100 Baht, and the third step : winning rewards worth 10,000 Baht, **supporting the opening of Deposit - GSB PromptPay account** for students in Condition Cash Transfer (CCT) program which is the government’s program that provides subsidies for poor students from kindergarten to junior high school level until completion of basic graduation for educational equality, **providing savings passbook for NSF’s members** and account statement printing service at GSB branches nationwide. Besides, **the Bank opened its first public financial institution** in Ban Pao Subdistrict, Phutthaisong District, Buriram Province to provide deposit-withdrawal and financial transaction services, plus being a source of working capital for members and communities. Later, the Bank opened its second public financial institution at Nam Khao Subdistrict, Chana District, Songkhla Province.



## Loan products for supporting access to capital

Government Savings Bank has been focusing on reducing inequality and tackling poverty by improving the way to access low-interest capital through its products and services such as **a loan project to enhance liquidity for fishery entrepreneurs** by providing loans for commercial and local fishery entrepreneurs who faced with liquidity issues, with a credit line of 5,000 Million Baht and loans for fishery entrepreneurs who had vessels of 60 gross tons or more. The loans were classified as a short-term loan, with the maximum limit of 2 Million Baht per person and the repayment period is not more than 1 year and the long-term loan, with the maximum limit of 10 Million Baht per person, the repayment period is not more than 7 years, and the interest rate was 4% per annum, **GSB loans to drive social businesses** : it is a working capital to enhance liquidity for members of the social enterprise association that operates a business helping society or a social enterprise, with a maximum loan amount of 10 Million Baht per person : a short-term loan, up to 1 year and a long-term loan, up to 10 years. The Bank also coordinated with Thai Credit Guarantee Cooperation (TCG) to help SMEs entrepreneurs through the **Soft Loan**

In addition, the Bank has established a joint venture with Thanjai Cash Co., Ltd., a subsidiary of Srisawad Corporation Plc. for its foray into the car title loan business. The Bank holds a 49% stake valued at 1,500 Million Baht. The main objective is to help reduce the market interest for this loan segment to 18% per annum which reduces inequality, create fairness in the society and give grassroots people more opportunities to access financial services. **GSB SMEs Extra Liquidity Loan** : a Loan program to help private entrepreneurs who have to pay debts to financial institutions improve their liquidity, a total limit of 50,000 Million Baht,



**Plus program** and also worked together with the Bank of Thailand, the Thai Banker's Association, the Association of International Banking, and the Government Financial Institutions Association for the **"DR BIZ" (Debt Restructuring Business) program** to assist multi-creditor businesses with total credit lines from 50 to 500 Million Baht to lessen their burden. Debtors eligible for the "DR BIZ" program are businesses with good prospects and potential, but face temporary economic impacts from the COVID-19. This helps expedite debt restructuring through an integrated mechanism among all financial institutions for debt management. The interest rate is 10.5% per annum for self-employed workers, business owners, and SMEs entrepreneurs with no fee and installment term up to 48 months.

maximum loan amount of 50 Million Baht, with interest rates equal to their previous financial institution. The minimum is not more than MLR-1% per annum.



## Complete range of new technology in financial services

The Bank aims to develop financial innovations by linking product and service channels based on Customer Journey to meet customers' needs anytime, anywhere through the development of features in Mymo mobile application such as a service to purchase the investment unit via **MyMo My Fund** (now available for 8 funds), self-service debt restructuring and debt suspension via **TDR On**



**MyMo**, opening a digital **GSB Premium Saving Certificates** via MyMo app (for 1 year, 2 years, and 3 years), applying for fundamental enhancement loans online to facilitate the Bank's customers, developing **ACMO ME/ACMO BIZ Application**, an account management system, for individual/juristic persons to help customers manage their spending and financial planning whether saving money, making daily expenses, calculating loans, personal tax, or assessing financial health, and developing **Chatbot system to provide transaction notifications** of GSB Premium Saving Certificates deposit account, credit card, and cash card loans via GSB Now.



Moreover, the Bank has developed many service channels such as opening 4 new service locations under the format of “**Digi-Thai life Solution & Flagship Store**” at Khaosan Road, BITEC Bangna, Huay Kaew Road, and @Sathorn Building to bring

a new experience of full-fledged modern financial services with easy and quick access to all customer groups, **improving and enhancing service efficiency of Self Service machines** : installation of more than 4,000 ATMs, ADMs and Passbook Bank machines across all regions; purchasing more than 1,000 SUMO machines and developing an electronic card activation function to be a tool for branch officers to serve customers in all areas, **offering a facility to encash winning government lottery tickets at all GSB branches nationwide** to increase convenience and safety for ticket owners as they can deposit money and making other bank transactions immediately.





## Measures to assist customers during the COVID-19 pandemic

The COVID-19 pandemic has affected every aspect of life and business. The small entrepreneurs, manufacturing, and service sectors have a steady decline in revenues. Therefore, Government Savings Bank, as a state-owned Bank, has supported a remedy of 5,000 Baht for the project “We don’t leave each other” by providing services such as opening a bank account/Promptpay to the registrants according to income compensation measures to those affected by the COVID-19 outbreak at GSB branches nationwide, investigating and transferring 5,000 Baht to the registrant’s account, checking the right of registrants who request to review the compensation standards, as well as receiving complaints from the registrants who have not received any help.



In addition, the Bank has coordinated with the government sector, the Bank of Thailand, the Specialized Financial Institutions and entrepreneurs that are not financial institutions in issuing financial measures to assist the public and business sector that are directly and indirectly affected by the COVID-19 crisis such as **suspension of mortgage and loan repayment measures** for all types of retail and SMEs customers with a credit line not exceeding 100 Million Baht from April 1-December 31, 2020, as well as a reduction in loan interest rates following the policy interest rate direction of the MPC to mitigate the impact of retail customers without any reduction in deposit rates to continuously promote savings. For credit products for individual customers,

the Bank has released loan measures to ease the burden, with a total credit line of more than 25,000 Million Baht : for self-employed workers, providing loans of 10,000 Baht at 0.10% interest rate per month for a 2-year repayment term with a loan payment holiday for the first 6 months and for fixed-income workers, providing loans of 50,000 Baht at 0.35% interest rate per month for a 3-year repayment term, **emergency loans for existing customers** with normal repayment status, providing loans of 50,000 Baht at 0.5% interest rate per month, for a 5-year repayment term with a loan payment holiday for the first 6 months and **fundamental enhancement loans** with a credit line not exceeding 50,000 Baht per person, no collateral or guarantor required. The interest rate is 0.35% per month with a loan payment holiday for the first 6 months and customers can apply for the loan and then receive money transfer via MyMo. For credit card holders and cash card loans, the bank has launched **measures to suspend the payment of both principal and interest to credit card customers and cash card loans** that are not past due for longer than 90 days : the 1<sup>st</sup> phase : automatically deferring principal and interest for 3 billing cycles from April 16 to June 30, 2021 and the 2<sup>nd</sup> phase : extending the moratorium period until the end of 2020. Besides, the Bank has also reduced the minimum payment rate for credit card customers to 5%, the cash card loan to 3% for 2020-2021 and helped people with credit card debt through the **GSB Refinance cash card loan program** to help relieve the monthly payment on credit card debt from financial institutions to the GSB by offering 8.5% interest rate per annum for government officials, state enterprise employees, and government organizations’ employees and fixed-income workers.



For the measures to assist SMEs in accessing capital to provide the much-needed liquidity, the Bank has provided **soft loans**, with a total credit line of over 150 Billion Baht by providing loans to entrepreneurs who have been directly and indirectly affected by the COVID-19 pandemic up to 20 Million Baht per case by using collateral or TCG guarantees with 2% interest rate in the first 2 years, providing loans through commercial banks and Specialized Financial Institutions (SFIs), with a credit line of 72,000 Million Baht, through Non-Bank with a credit line of 60,000 Million Baht and loans for SMEs and tourism businesses with a credit line of 18,000 Million Baht. In addition, the Bank has also provided soft loans to the Office of the Government Pawnshop with a credit line of 2,000 Million Baht at 0.1% interest rate per annum for a 2-year repayment

## โครงการสินเชื่อดอกเบี้ยต่ำ SOFT LOAN

มาตรการเพื่อช่วยเหลือผู้ประกอบการในธุรกิจ  
ที่ได้รับผลกระทบทั้งทางตรงและทางอ้อม  
จากการระบาดของ

COVID-19



term, **loans to assist SMEs in the tourism sector** of 5,000 Million Baht by providing loans of up to 500,000 Baht per person at 3.99% interest rate per annum. At the same time, the bank has also released **SMEs loans “Mee-tee, Mee-ngoen”** to unlock liquidity for entrepreneurs. The title deed can be used as collateral for applying for loans with the maximum credit line of 50 Million Baht to increase liquidity for businesses or for an agreement for sale with the right of redemption with a credit line up to 70 percent of the government’s land appraisal value. The burden of the borrower is not considered, and the income is not analyzed to help SMEs to be able to sustain their businesses in the current situation.



สินเชื่อ SMEs มีที่ มีเงิน

## ออมสินเพื่อ สมุย

Lastly, the Bank has organized a **“GSB for Samui : SAMUI Model”** to revive Thai economy by putting the tourism economy in Koh Samui, Suratthani Province back on track. GSB team headed to the area to provide immediate assistance focusing on approvals for urgent loans, providing funds and necessities to those in need, as well as organizing vocational training, a total of 1,500 Million Baht. More than 2,500 entrepreneurs, small and large businesses, general public, and self-employed workers participated in the project.





# Risk Management



# Risk Management for Annual report 2020

## 1. Risk Management Overview

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 (Three Lines of Defense) to grow steadily and sustainably, resulting in the ability to compete and provide efficient services to customers.

## 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 line with the principles of corporate governance and compliance with laws, regulations, and announcements, which is an important mechanism that drives the operation's success. The 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 Oversight Committee** plays a role in establishing risk management policies based on key types of risks and in line with strategies to propose to the Board of Directors. The committee also evaluates, monitors and supervises risks to ensure that they are at an appropriate level and then report to the GSB Board of Directors on the Bank's risk status and to ensure that the capital and liquidity management strategies for the Bank's risks are in line with the approved acceptable risks. Besides, the committee has an authority to approve risk management systems, and measurement tools for monitoring, tracking and controlling risks.

**3) Good Corporate Governance Committee** is responsible for defining and monitoring policies, strategies, goals, operation plans and regulations related to good corporate governance, reviewing of bank credit, anti corruption and evaluating the effectiveness of compliance risk management.

**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, announcements, or orders related to operations that have significant risks affecting the Bank's strategic objectives and consistent with significant changes to the Bank's risk environment.

**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 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.

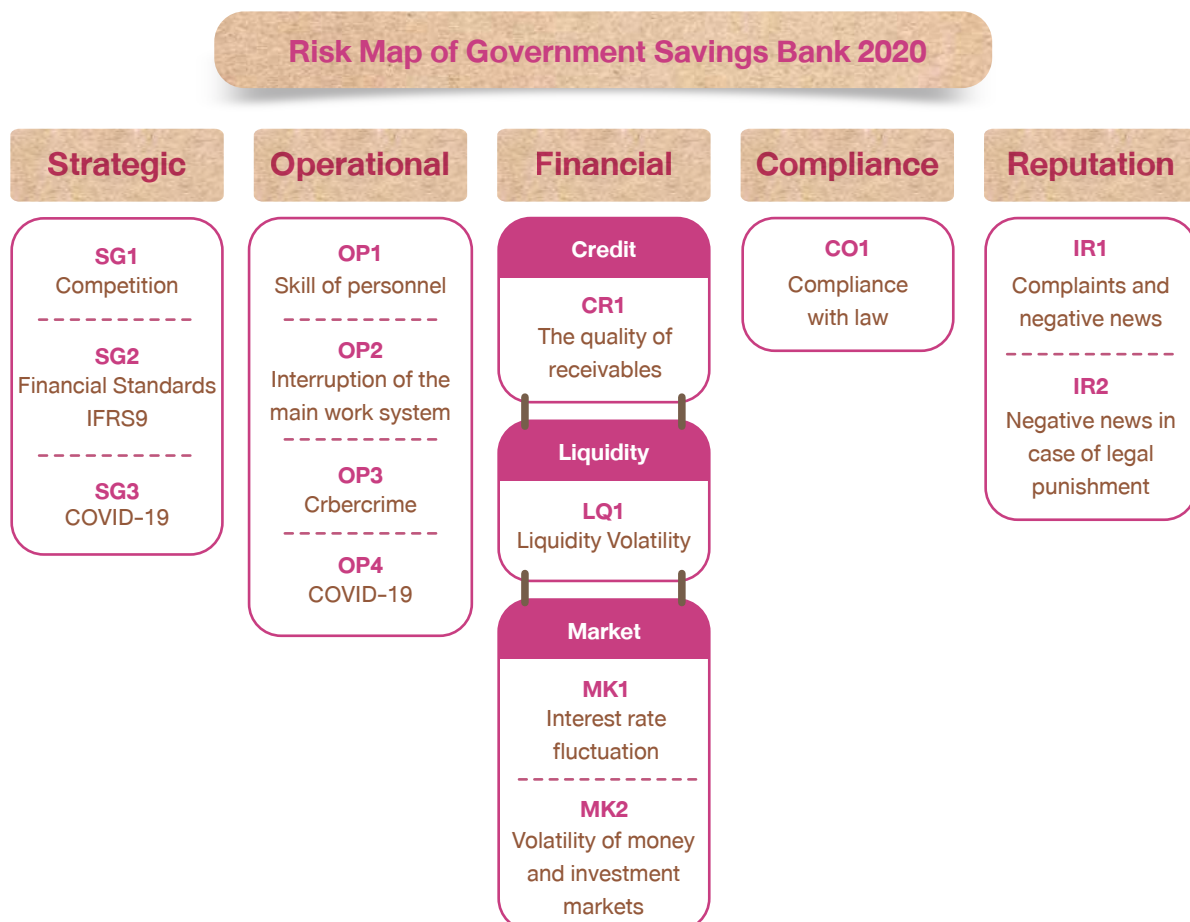
The Risk Oversight Committee, Good Corporate Governance Committee, Audit Committee and the Executive Committee also place importance on the integration of work processes related to corporate governance, risk management, and compliance with laws, regulations, and announcements; to achieve the Integrity-Driven Performance.

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, Fraud Prevention Committee, Information Technology Management Committee, etc.

### 3. Risk Map

The Bank has applied the COSO ERM 2017 and Regulations on Risk and Security of Specialized Financial Institutions in Enterprise Risk Management through risk management tools, in accordance with the Bank of Thailand's notification. The objectives of the Risk Map is to control, reduce and prevent risks that may affect the Bank's objective, 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 such as reviewing of additional risk factors for COVID-19 by using risk indicators (KRIs) linked to performance and continuity in customer service.

In 2020, the Bank had risk factors as below :



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 the risk level, 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.

In 2020, the Bank faced with strategic risks in digital disruption due to the advancement of digital technology and the application of new business models, resulting in the change in customer behavior. Customers used more online banking services, especially during the COVID-19 pandemic, which was an important driver for this change. It has led to significant changes in the financial and banking industry and affected the value of existing products and services, especially the volume of electronic payment which has expanded at a high level. In addition, there were intense competitions in the new financial technology (Fintech) which applied 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, Personal Data Protection Act, Financial Instruments Standards (TFRS9), etc. All of these had a significant impact on the Bank's performance. In addition, the Bank also improved work processes to support a full range of digital banking services, personnel preparation and investment in new technologies to increase service management efficiency and to enhance the protection against new cyber threats. The Bank's income decreased : net interest income decreased due to the downtrend of interest rates following the trend of the BOT's policy rate cut, along with interest rate cut to assist customers affected by the COVID-19 pandemic.



Moreover, the Bank has placed importance on strategic risk management by focusing on a competitive advantage development through product and service development to completely become a Digital Banking that efficiently responded to the needs of customers anytime, anywhere, according to Digital Lifestyle Ecosystem. The Bank enhanced the capability of “MyMo” application on savings, investment, insurance and credit lending services and also established the Data Virtualization Project to support big data analysis and the development of new financial service innovations. The Bank also laid the foundation for being a Data Driven Organization, along with developing personnel skills and capabilities to keep pace with the digital transformation and support future operations. Moreover, the Bank has focused on risk management that could arise from technology changes, in term of information security and information technology risk management following three main principles : Confidentiality, Accuracy and Availability of customer service systems. The Information Security Committee and the Change Management Committee would oversee the risk management, potential impacts of strategic changes, 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 2020, the risk factors from the COVID-19 pandemic have severely affected economic activities in many sectors, especially the tourism, manufacturing and export sectors. The lockdown and international travel restriction measure to limit the impact of the pandemic caused the global economy to shrink. The governments and central banks worldwide has cut interest rates and injected money to stimulate the economy, for example the Federal Reserve cut key interest rate to 0-0.25 percent, as well as issuing quantitative easing measures.

For Thai economy, economic activities contracted due to the impact of the COVID-19 pandemic and additional risk factors from political conflicts in the country which affected investor confidence about the economic crisis. Therefore, many types of assets were sold, causing volatility in the money market and capital market, with foreign funds flowed out of the equity market, resulting in the decline in the SET Index. For the bond market, there were concerns about debt default. Therefore, the Bank of Thailand issued liquidity measures to stabilize private debt instruments, such as setting up a Corporate Bond Stabilization Fund (BSF) and cutting key policy rates three times from 1.25 percent to 0.50 percent to stimulate the economy, causing the bond yield declined.

GSB has carefully managed 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 2020 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

**1. 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 2020, the overall liquidity of Thai banking system increased from the previous year as the deposit and B/E growth were higher than loan growth. Bank deposits increased owing to capital transfer to reduce risks arising from volatile money and capital markets and the delay in investments to maintain liquidity of the business sector. Deposit interest rates were low according to the policy interest rate by the Monetary Policy Committee (MPC) that cutting key policy rates three times from 1.25 percent to 0.50 percent to mitigate economic impact by COVID-19 Pandemic. The Bank's lending rose slightly because of large business loans, SMEs loans and government sector loans with measures supported by the government such as easing of loans, measures to assist businesses and households affected by COVID-19, including soft loans. However, a shrinking global economy affected the manufacturing, service, export and tourism sector, including customer's purchasing power. In addition, household debt was still at a relatively high level, causing limited credit expansion.

GSB provided loans to the government, individuals and many government projects such as GSB Empower Loans, loans to help tourism entrepreneurs, Interest rate cuts, and payment suspension measures. For bank deposits, the Bank launched various deposit products to suit customers' age range such as 4-month and 7-month savings deposit, Special Premium Savings Certificates :1 year, 3 years, and 5 years. In 2020, the Bank launched 2-year Special Premium Savings Certificates to maintain asset and liability structure at an appropriate level in order to manage costs and risks aligning with the lending period. As a result, the Bank had sufficient liquidity to support operations in each period and the risk were at an acceptable level.

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 2020 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 market 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. In 2020, the Bank had sufficient liquidity to support every crisis situation.

- 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 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 to use as a framework and standard guidelines for efficient business loan performance.

3) Determine Retail Loan Policy to use as a framework and standard guidelines for effective retail loan performance.

4) Determine the 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 the significant adverse effect that may arise from the impairment of assets held by the Bank.

5) Determine the policy and the minimum criteria for risk acceptance for credit cards and cash card loans to use as a framework for providing credit cards and cash card loans.

6) Determine the authority for loan approval, improve loan analysis and approval process to be a centralized analysis and approval process by setting Check & Balance process that complies with the principles of good risk management.

7) Set criteria for considering repayment ability as follows :

- Set 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.
- Set net profit standards for each business to be used as a basis for calculating the repayment ability.
- Improve the Credit Criteria Processing System (CCPS) for calculating the debt burden according to the criteria set by the Bank 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) Review of qualification criteria of leading financial institutions to use as a basis for considering interest rates for leading financial institutions.

10) 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 to screen and evaluate customer risk appropriately and used in conjunction with the Credit Bureau Score (Credit Score of the National Credit Information Company) for more efficient credit approval considerations.

11) Development of work system to support the bank's credit approval process up to the standards and to increase the efficiency of risk management, such as

- Loan Origination and Process System (LOPs), consisting of Loan Origination System (LOR), Collateral Management System (CMS) and Litigation System (LS) to increase the efficiency of loan approval process and competition ability.
- System for analyzing information of corporate customers and credit risks, consisting of business data analysis system (Enlite) and financial analysis system (Optimist)
- Credit scoring calculation system (Blaze Advisor), and score calculation system for credit cards and credit card loans (Strategy Management).
- Database system for risk management (Risk Data Mart) to support Capital Calculation, Stress Test and Credit Portfolio Management.

12) Monitoring and controlling credit risk, such as

- Set a single lending limit to control risks and prevent the Bank from lending, investing, creating obligations, conducting transactions similar to granting credits to any person, to avoid Concentration Risk in any debtor or concerned parties, and 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.
- Set and review the Industry Limit to use as a guideline for loan approval and to diversify risks and prevent excessive concentration in any business sector.
- Set a 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 that are economically related and to allow the Bank to have sufficient and appropriate funds to accommodate the impact that may arise from increased transactions.
- 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 : Industry Limit, Country Limit, and Single Lending Limit by using the standards of the Bank of Thailand.



- Due Diligence in credit operations in accordance with the regulations set by the bank and the guidelines of regulatory agencies.

13) Monitor and report risks to the Risk Management Committee and related Committee regularly.

14) Develop employee' skills in credit, investment, credit risk management and also continuously support the creation of a credit risk management culture for relevant employees.

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) Be prepared for the calculation of impairment according to TFRS 9 standard with a project to develop, improvement, and test the reliability of the impairment model (ECL Model) to measure the expected credit loss.

## 8. Operational Risk

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

In 2020, 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 a mobile banking application "MyMo", malfunction of electronic machine, COVID-19 pandemic, and political protest. All these events affected costs, reputation and image of the Bank. Therefore, the Bank has given importance to operational risk management by educating and advising customers on the security of personal information and developing "MyMo" mobile banking system to be more secure. In addition, the Bank has adopted Business Continuity Management (BCM) in COVID-19 management plan consisting the pandemic plan, crisis communication plan, and Business Continuity Plan (BCP). As a result, the Bank has enabled to carry out business transactions and can help customers who have suffered from the COVID-19 pandemic effectively.

For the operational risk 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 a key risk management plan 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, which occurred in the past and present. The Bank stores loss data through the 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 the level of severity caused by 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 other BCM- related plans such as the Cyber Incident Response Plan, crisis communication plan, Incident Management Plan (IMP), an outbreak plan. Besides, the Bank tests the plan annually, including the Cyber Incident Response Plan and the Disaster Recovery Plan (DRP) for the primary systems to ensure that in case of an event that causes the normal operation to be interrupted, critical work transactions can be performed continuously or resume promptly.

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

- 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. The Bank is responsible for the service users as if the bank operated itself. There are three main principles comprising risk assessment and management from using Business Facilitator, business continuity management, and 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), Disaster Recovery Plan (DRP), and other BCM-related plans such as Cyber Incident Response Plan, Crisis Communication Plan, Incident Management Plan : IMP, Pandemic Plan, including a test plan.

- 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's 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 BaselIII (Pillar I), using the following methods :



In 2020, the Bank announced ICAAP Policy and Guideline to use as a framework for supervising the assessment process to maintain adequate capital of the Bank (Internal Capital Adequacy Assessment Process : ICAAP) to be in line with Regulations on Supervision of Capital (Pillar 2) set by the BOT and the Basel Committee on Banking Supervision (BCBS) to ensure that the Bank could manage its capital level in line with the Bank's operational framework and maintain capital funds at a ratio higher than the legal requirements. The Bank also monitored and analyzed capital adequacy to cover the risk of the Bank and regularly reported to the Board of Directors. There was a test for the impact of various risk factors and events that may have an impact on the adequacy of the capital (Portfolio View of Risk). If the test results showed that the capital adequacy ratio decreased beyond an acceptable risk level, the risk management division would present to senior executives and the Risk Oversight Committee to immediately consider preparing a support management plan. This was to ensure that the Bank had appropriate capital funds which were consistent with the risk profile and business model. However, the Bank had a proactive reserve policy to increase capital funds sufficiently to accommodate the risks from both the COVID-19 pandemic and preparedness for supporting TFRS9 accounting standards.

As of 30 November 2020, 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 13.20%, 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 fairly and independently 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 according 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 Committee, 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 to prevent or reduce operational risks.

In 2020, 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 under the 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) : 29 persons, and Certified Information Security Management System Auditor 2 Lead Auditor Training Course (Based on ISO/IEC 27001 : 2013 standard) : 19 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. Besides, we have set up the Internal Audit Charter, in which roles and responsibilities are clearly defined, and published to all GSB officers. All internal auditors must disclose conflicts of interest before operating at all times.

## Management team relationship

The audit group collaborated with top executives and functional line executives to discuss and plan the auditing process and also improved the 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; the work process that has a major impact on operations and 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 under COCO guidelines. Therefore, in each audit work, there will be a control environment assessment, risk assessment, control activities, performance evaluation, review and assessment of the sufficiency and effectiveness of the internal control, review of the Bank's operations following the assessment criteria for the operation process and management (Enablers) of state enterprises, and review of customer management process (Market Conduct) to ensure that the Bank has a control system as well as to help prevent fraud that may occur in the organization.

## Operation and report

The audit group has developed an 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 the Bank's goals. All risk factors are well-considered, including the risk factors specified by the audit group 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. Besides, the audit group has developed auditing methods by applying various advanced tools, equipment, and technology to assist in the operation, including the use of a data management system to gather information to create a 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 to improve internal audit efficiency.

## Performance Report of Audit Committee of Government Savings Bank 2020

GSB Audit Committee consists of three independent directors who are experts 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 GSB Board of Directors and under the scope of duties and responsibilities specified in the Audit Committee Charter following 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 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 2020, GSB Board of Directors appointed the Audit Committee as follows :

1. According to GSB Order No. 2-11/2019 regarding the appointment of the Audit Committee as of 22<sup>th</sup> January 2019, effective from 21<sup>st</sup> December 2018 to 20<sup>th</sup> July 2019, consists of

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

2. According to GSB Order No. 2-73/2020 regarding the appointment of the Audit Committee as of 10<sup>th</sup> September 2020, effective from 21<sup>st</sup> July 2020 to present, consists of

Mrs. Sauwanee	Thairungroj	Chairman of Audit Committee
Mrs. Philaslak	Yukkasemwong	Member of Audit Committee
Mr. Gong	Rungswang	Member of Audit Committee

GSB Senior Executive Vice President, Audit Group, had a role as a secretary of Audit Committee.

In 2020, 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 related agendas to focus on creating Good Corporate Governance. All meeting results were reported to the 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 significant financial issues; provided useful suggestions to ensure that the financial reporting process was done under generally accepted accounting and financial reporting standards. The information disclosures must be sufficient, accurate, complete, timely, reliable and useful for the users of financial statement. They also monitored the preparation to comply with Thai Financial Reporting Standards (TFRS 9) and financial plan to deal with the impact arising from the compliance with TFRS 9.

## **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 under 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 were appropriate, concise and effective. Besides, 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, a project to check the security of information systems that use new technologies to build confidence among the users and stakeholders as well as monitoring the use of IT outsourcing services.

## **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, reviewed the Bank's operations following the assessment criteria for the operation process and management (Enablers) of state enterprises, risk management, guidelines for managing the risk factors and incurred damage including observation and preparation of information technology operations under the COVID-19 epidemic situation to ensure that GSB's risk management was 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 the preventive audit process and value-added suggestions to improve the efficiency of the Bank's operations and to ensure that all departments complied with the laws and regulations of the Bank and regulatory agencies.

## **Supervision of the 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 the Internal Audit by covering all matters under the responsibility of the Audit Committee; followed up the project to hire an external company to assess the performance of the internal audit every 5 years, and the project to hire a consultant to create professional information technology auditors. 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/IEC standards to streamline work processes to build the organization's confidence and to be more acceptable. Besides, the Committee encouraged internal auditors to have special qualifications relating to internal auditing and professional development continuously to support the Bank's operations which change constantly, including considering the annual performance evaluation of the GSB Senior Executive Vice President, Audit Group.

### **Discussion with the Auditor**

The Audit Committee discussed with the auditor, 4 times, on the scope and guidelines of the auditing process, findings, and recommendations to avoid duplicate checks, resulting in 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.

### **Discussion with Executive levels of Group, Working Line, and Regional Office**

The Audit Committee consulted with the group and working line of executive level to understand the policies, management approaches, internal controls, risk management of working groups and sectors, including problems in the management, to develop prevention guidelines and suggest solutions without affecting the Bank.

### **Maintaining the Quality of the Audit Committee**

The Audit Committee reviewed and revised the Audit Committee Charter, as well as conducting Self-assessment under 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 the 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. 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. Besides, 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 Audit Committee



# Good Corporate Governance

## Good Corporate Governance

Corporate Governance is a key factor in creating sustainability and enhancing organizational efficiency. The main objective is to supervise, monitor, and control those entrusted to perform administrative duties in order that the organization's resources will be used efficiently and effectively in order to fairly create the most benefit of all stakeholders.

Good Corporate Governance refers to corporate governance that creates sustainable values for the business to lead to the following results



## Good Corporate Governance Principle

The Bank focuses on the role of GSB Board of Directors and Senior Executives for the corporate governance to fully perform their duties and responsibilities at full capacity and efficiently to create added value to the organization in both short-and long-term competition. They must treat stakeholders equally, transparently perform their operations that can be examinable through transparent disclosure of information to relevant parties, promote the development of good governance and business ethics and public participation to voice concerns over any activity that could have impacts on the environment, health, sanitation, quality of life and well-being of a community or locality. GSB always places importance on good corporate governance practices in state enterprises. The principles of corporate governance are reviewed to be in line with the continuous changes in the economic and social environment.



## Good Corporate Governance Policy

Good Corporate Governance Policy is a processing of good corporate governance principles and good practices of the Board of Directors and Senior Executives by taking into account sustainable business operations in accordance with principles and guidelines for good corporate governance in state enterprises, B.E. 2562, notification of the Bank of Thailand No. Sor Kor Sor 12/2562 Re : Governance of Specialized Financial Institutions, and the State Enterprise Performance Evaluation Manual following the new assessment system (State Enterprise Assessment Model : SE-AM). The Bank has reviewed the good corporate governance policy by defining principles and guidelines for good corporate governance, comprising 8 sections as follows :

### Section 1 Roles of the Government Sector

The government sector is responsible for overseeing and monitoring the Bank's mission and objectives by authorizing the Bank to perform its operations freely.

### Section 2 Board of Directors

2.1 Duties and responsibilities of the Board of Directors

2.1.1 Establish important strategies and policies

2.1.2 Ensure that the Bank has effective controlling and auditing mechanisms.

2.1.3 Continuously monitor and supervise the Bank's operations.

2.2 Duties and responsibilities of Directors. Perform the duties honestly, protect the Bank's benefits and do not engage in any transaction for which he or she has a conflict of interest to prevent problems.

2.3 Duties and responsibilities of Senior Executives. Bring a policy, strategy, risk framework, good corporate governance policy into action strictly, control the risk to an appropriate and acceptable level, report risk positions, risk factors and problems to the Board of Directors.

### Section 3 Roles of Stakeholders

Establish a policy for stakeholders to allow the Bank to conduct business ethically, with social and environmental responsibility and do not violate the rights of stakeholders.

### Section 4 Sustainability and Innovation

Establish a long-term master plan, annual action plan for responsibility to society and the environment according to international standards (SDGs/ISO 26000-CSR in process), prepare a sustainability report that takes into account the

international standard framework as well as promoting the creation of innovation for the improvement of work processes.

### Section 5 Information Disclosure

Prepare important financial and non-financial information. Disclosed information must be correct, complete, adequate, reliable, consistent, up-to-date, and in accordance with laws and financial reporting standards through various channels in a way that is easily accessible.

### Section 6 Risk and Internal Control Management

#### 6.1 Risk Management

The Bank has a good and efficient risk governance framework. There is a risk management system and process that encompass all significant risks. The Bank's risk appetite has been classified in line with the risk profile of the Bank's business operations with the main objectives and strategies that take into account the systemic importance of financial institutions, including capital strength and the Bank liquidity's status. Besides, the Bank communicates to all relevant persons in the Bank in order that the risk management process will be operated in the same direction.

#### 6.2 Internal Control

The Board of Directors, Executives at all levels, and officers have a common role in effective internal control processes. There is an appropriate mechanism for checking and balancing (Check and Balance). Responsibilities, duties, and scope of approval are clearly defined. In addition, there is a control over the preparation and recording of accounts, including the protection of the Bank's assets. There are also clear whistleblowing processes and complaint receiving that take into account confidentiality.

## Section 7 Ethic

The Bank has a code of ethics and conduct manual for the Board of Directors, Executives and officers to ensure that everybody strictly abides by the regulation as well as providing a channel for complaints when there is a misconduct that is not in accordance with the code of conduct. Besides, the Bank also has measures for monitoring and protecting complainants.

## Section 8 Performance Monitoring

The Board of Directors monitors the Bank's operations to achieve the Performance Agreement. The Board also disseminates the results and goals for stakeholders in order to use the assessment results to improve the Bank's operations, including regularly monitoring financial and non-financial performance.

## Good Corporate Governance Plan

The Bank annually reviews a Corporate Governance Master Plan and puts its into practice. The Good Corporate Governance Master Plan for 2020 - 2024 consists of five operational strategies as follows :

- Strategy 1** Creation of Good Corporate Governance Culture
- Strategy 2** Development of the framework and procedures for compliance under the regulations and internal standards
- 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
- Strategy 5** Personnel development in the Supervision and Governance Group

### Bank with Good Governance in line with International Standards

#### Strategy 1 Creation of Good Governance Culture

Raise awareness and promote good corporate governance values, business ethics, code of conduct, honesty and anti-corruption.

Enhance knowledge, understanding and awareness of regulatory compliance.

Develop and improve the criteria to comply with external regulations and international standards.

#### Strategy 2 Development of the framework and procedures for compliance in line with International Standards

Hiring a consultant for the Anti-bribery Management System.

#### Strategy 3 Review and Assessment of compliance to increase operational efficiency.

Review and assess the compliance with regulations.

Review and assess the compliance with business ethics, code of conduct and good corporate governance principles.

#### Strategy 4 Development of information technology tools and systems to support regulatory compliance and prevent fraud in the Digital Age

Development plan of the Application Fraud Detection System.

Plan to expand/ improve the Transaction Fraud Detection System to cover all product categories.

Development plan of the Money Laundering Protection System.

#### Strategy 5 Personnel development in the Supervision and Governance Group

Organize training courses to educate employees.

Prepare to recruit personnel with IT knowledge.

### Digi – Thai Banking , Digital for All Thais



## Nomination and Appointment of the Government Savings Bank Directors

**1** GSB Nomination Committee reviews and considers the qualifications of the GSB Board of Directors (Board Skill Matrix) by presenting the review results to the GSB Board of Directors for consideration. The Skill Matrix must be diverse, modern, and suitable for the GSB business. The Committee increases 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 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 seeks 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 the 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 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 offices in businesses that compete with GSB.

**3** GSB Nomination Committee presents the names of nominees and express opinions to the 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 this regard, the nomination must be firstly approved by the Bank of Thailand.

In 2020, GSB Nomination Committee held one meeting and selected 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 committee 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 agreed to the list of qualified persons for being appointed as directors and replaced vacant position, then presented it to the GSB Board of Directors for approval before proposing to relevant regulators for operation.

## Compliance with Corporate Governance Principles and Guidelines of SEPO

### Responsibilities of the Board of Directors

#### Structure and Responsibilities of the Board of Directors

List of people appointed as GSB Chairman and Board of Director from January 01 – June 08, 2020

No.	Name	Position
1	Mr. Patchara Anuntasilpa, Representative of Ministry of Finance	Chairman
2	Mr. Boonchai Charassangsomboon, Representative of Ministry of Finance	Director
3	Mr. Jessada Promjart	Director
4	Ms. Yaowanooch Wiyaporn	Director
5	Mrs. Sauwanee Thairungroj	Director
6	Ms. Tidarat Thanapakpawin	Director
7	Mrs. Philaslak Yuktasemwong	Director
8	Mr. Taveesak Foongkiatcharoen (Until May 28, 2020) Age of 65 years	Director
9	Mrs. Patcharavalai Jayapani (Until December 28, 2020) Age of 65 years	Director
10	Mr. Mongkol Leelatham	Director
11	Ms. Supreeya Pipatmanomai	Director
12	Mr. Chatchai Payuhanaveechai (Until June 14, 2020)	Director and secretary

List of people appointed as GSB Chairman and Board of Director from June 09 - December 31, 2020

No.	Name	Position
1	Mr. Patchara Anuntasilpa, Representative of Ministry of Finance	Chairman
2	Mr. Boonchai Charassangsomboon, Representative of Ministry of Finance	Director
3	Mr. Jessada Promjart	Director
4	Ms. Yaowanooch Wiyaporn	Director
5	Mrs. Sauwanee Thairungroj	Director
6	Ms. Tidarat Thanapakpawin	Director
7	Mrs. Philaslak Yuktasemwong	Director
8	Mr. Mongkol Leelatham	Director
9	Ms. Supreeya Pipatmanomai	Director
10	Mr. Vichak Apirugnanchai, Representative of Ministry of Finance (From June 09, 2020)	Director
11	Mr. Gong Rungswang (From June 09, 2020)	Director
12	Mr. Vitai Ratanakorn (From July 01, 2020)	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 :

**Section 11** The Minister of Finance shall have the powers and duties on the Government Savings Bank.

**Section 12** A Board of Directors called, “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 GSB President & CEO serving as a Director and Secretary to the Board.

**Section 14** 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.

**Section 16** 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 employees, subject to the criteria and conditions set forth by the Board of Directors; and to draw up the Bank’s operational procedures and staff work processes that do not conflict with or contrary to policies, rules or regulations set by the Board of Directors.

**Section 17** For businesses related to third parties, President & CEO shall act on behalf of the Government Savings Bank and act as the Bank’s representative. The President & CEO may authorize an officer or any person to act on behalf of him/her in accordance with the Board of Directors’s designation.

In 2017, in order to make GSB operations in line with the current economic situation and to run the GSB business continuously and effectively, 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 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

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; Government Savings Bank Act, B.E. 2489 (1946), and the amendments; Payment System Act, B.E. 2560 (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.



## Subcommittee

The Board of Directors appoints subcommittees to consider, scrutinize and give recommendations to the Board of Directors. Subcommittees have the following components and responsibilities :

### 1. Executive Committee

From January 01-July 20, 2020 order No. 2-7/2020 on January 14, 2020

No.	Name	Position
1	Mr. Boonchai Charassangsomboon	Chairman
2	Mr. Mongkol Leelatham	Committee Member
3	GSB President & CEO	Committee Member
4	GSB Inspector General, report to GSB President & CEO (Nattanakorn Boonwongse)	Secretary

From July 21-December 31, 2020 order No. 2-66/2020 on August 5, 2020

No.	Name	Position
1	Mr. Mongkol Leelatham	Chairman
2	Mr. Jessada Promjart	Committee Member
3	GSB President & CEO	Committee Member
4	GSB Inspector General, report to GSB President & CEO (Nattanakorn Boonwongse)	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 Board of Directors.
- Monitor and follow up on investments, loan provision and other business operations to ensure that they are in accordance with the 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.
- 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 performance relating

to organizational structure, personnel, compensation and welfare of staffs 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 advice on HR development in all aspects in order to allow employees to have vision, knowledge, including good personality and conscience.
- Supervise, monitor and give advice 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 the GSB performance to the Board of Directors.
- Perform other duties as assigned by the law or the Board of Directors.

## 2. Audit Committee

From January 01-July 20, 2020 order No. 2-11/2019 on January 22, 2019

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

From July 21-December 31, 2020 order No. 2-73/2020 on September 10, 2020

No.	Name	Position
1	Mrs. Sauwanee Thairungroj	Chairman
2	Mrs. Philaslak Yukkasemwong	Committee Member
3	Mr. Gong Rungswang	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 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 system 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 Board of Directors. The Charter must be approved by 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 personnel development 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 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 integration of work processes of corporate governance, risk management, compliance with laws, regulations, rules, and announcements to achieve operational results by 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, Auditor, 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 GSB performance and information disclosure, especially in the case of transactions that may have conflict of interest, including public service account to be accurate and complete.
- Perform other duties as assigned by the law or Board of Directors.

### 3. Risk Oversight Committee\*

From January 1-September 14, 2020 order No. 2-83/2019 on August 14, 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

Remark : \*Changing the name from Risk Management Committee to Risk Oversight Committee according to the resolution of GSB Board of Directors No. 12/2020 on September 15, 2020



From May 29-December 31, 2020 order 2-80/2020 on October 6, 2020

No.	Name	Position
1	Mrs. Patcharavalai Jayapani (Until December 28, 2020) age of 65 years	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

- Establish policies to propose to GSB Board of Directors for considering overall risk management by the major risk categories. The risk management policy is consistent with the strategy and includes assessing, monitoring and supervising the Bank's risk at an appropriate level.
- Give advice to the Board of Directors on the risk supervision framework.
- Ensure that Senior Executives, including the head of the risk management unit, comply with the risk management policy and strategy, including the acceptable risk level.
- Ensure that capital and liquidity management strategy cope with various risks and conform to the approved acceptable risk level.
- Review the adequacy and effectiveness of the policy, overall risk management strategy, the acceptable risk level at least once a year or when there is a change. The Risk Oversight Committee should discuss and exchange ideas with Audit Committee to assess whether the risk management policy and strategy cover all types of risk and ensure that all implementations following such policy and strategy are effective and efficient.
- Report to GSB Board of Directors on the status, efficiency, risk management, and the status of compliance with an organizational culture that takes into account risks, significant factors and problems, including things that need to be revised to be in line with the GSB risk management policy and strategy.
- Comment on or participate in assessing the efficiency and effectiveness of the head of the risk management unit.
- Approve the overall risk management system and tools for risk measurement, monitor and control risks.
- Ensure the adequacy of risk management resources such as personnel of Risk Management Department, the system to support risk management.
- 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.
- 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.

#### 4. Good Corporate Governance Committee

From January 1-May 28, 2020 order No. 2-13/2019 on January 22, 2019

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen (Until May 28, 2020) age of 65 years	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

From May 29-December 31, 2020 order No. 2-76/2020 on July 21, 2020

No.	Name	Position
1	Mr. Boonchai Charassangsomboon	Chairman
2	Ms. Yaowanooch Wiyaporn	Committee Member
3	GSB President & CEO	Committee Member
4	GSB Senior Executive Vice President - Human Resource Group	Committee Member
5	GSB Senior Executive Vice President - Business and Public Sector Customer Group	Committee Member
6	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 GSB Board of Directors.
- Regularly review the policy of good corporate governance, compliance with rules, credit review, anti-corruption, social and environmental responsibility, as well as assessing the effectiveness of compliance risk management.
- Ensure that there is a provision on business ethics, ethics for directors, executives and employees as guidelines within the organization.
- 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.
- Assess the annual performance of regulatory compliance agencies to prevent conflict of interest and promote independence.
- Approve annual Compliance report.
- Regularly control and monitor the operation of good corporate governance, regulatory compliance, credit review, anti-corruption measures, whistleblowing within the organization, including social and environmental responsibility

to report any unusual or incorrect operations to GSB Board of Directors immediately as well as preparing a performance report, at least on a quarterly basis.

- Suggest necessary measures or guidelines to promote the implementation of good corporate governance, regulatory compliance, credit review, anti-corruption measures, whistleblowing within the organization, including social and environmental responsibility to the GSB Board of Directors and Management.
- Invite other committees appointed by the GSB Board of Directors to express their opinions or consider relevant issues 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 evidence 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 GSB Board of Directors.

## 5. Employee Relation Committee

From January 01-November 30, 2020 order No. 2-124/2019 on November 15, 2019

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

From December 01-December 31, 2020 order No. 2-97/2020 on December 01, 2020

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

- Give opinions on the Bank's operational efficiency and enhancement 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 GSB State Enterprise Labor Union, including complaints relating to disciplinary penalty.
- Consultation to improve employment conditions.
- Appoint a screening working group under Employee Relations Committee.
- Perform any other actions as prescribed in 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 01-August 17, 2020 order No. 2-16/2020 on January 30, 2020

No.	Name	Position
1	Mr. Taveesak Foongkiatcharoen (Until May 28, 2020) age of 65 years	Chairman
2	Ms. Yaowanooch Wiyaporn	Committee Member
3	GSB Senior Executive Vice President - Human Resource Group	Secretary

From August 18-December, 2020 order No. 2-77/2020 on September 25, 2020

No.	Name	Position
1	Mr. Vichak Apirugnanchai	Chairman
2	Mr. Jessada Promjart	Committee Member
3	Ms. Yaowanooch Wiyaporn	Committee Member
4	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 Board of Directors under the agreement made with the Board of Directors and in accordance with the employment contract.
- Recommend appropriate remuneration for GSB President & CEO to Board of Directors.



- Recommend a performance-based annual increase in remuneration for 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 Board of Directors Nomination Committee

From January 01-July 20, 2020 order No. 2-11/2020 on January 24, 2020

No.	Name	Position
1	Mrs. Patcharavalai Jayapani (Until December 28, 2020) age of 65 years	Chairman
2	Mr. Taveesak Foongkiatcharoen (Until May 28, 2020) 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 July 21-December 31, 2020 order No. 2-71/2020 on August 14, 2020

No.	Name	Position
1	Mrs. Patcharavalai Jayapani (Until December 28, 2020) age of 65 years	Chairman
2	Ms. Yaowanooch Wiyaporn	Committee Member
3	Mr. Vichak Apirugnanchai	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 departments to carry out tasks assigned by GSB Board of Directors.

## 8. Information Technology Management Committee

From January 01-April 20, 2020 order No. 2-12/2020 on January 24, 2020

No.	Name	Position
1	Mr. Mongkol Leelatham	Chairman
2	Mr. Pornchai Harnyuenyongsakul	Committee Member
3	Ms. Tidarat Thanapakpawin	Committee Member
4	Ms. Supreeya Pipatmanomai	Committee Member
5	GSB President & CEO	Committee Member
6	First Senior Executive Vice President- Information Technology group	Committee Member and Secretary

From April 21-December 31, 2020 order 2-55/2563 on June 02, 2020

No.	Name	Position
1	Mr. Mongkol Leelatham	Chairman
2	Mr. Pornchai Harnyuenyongsakul	Committee Member
3	Ms. Tidarat Thanapakpawin	Committee Member
4	Ms. Supreeya Pipatmanomai	Committee Member
5	GSB President & CEO	Committee Member
6	First Senior Executive Vice President- Information Technology group	Committee Member and Secretary

- Supervise risk management on information technology for 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 GSB Board.
- Supervise 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 Digital 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 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 GSB Board.
- Appoint a working group as deemed appropriate.
- Perform other duties as assigned by the law or GSB Board of Directors.

## Meetings and Remuneration of Board of Directors and Sub-Committees

### Board of GSB Directors' Meetings

The Board of Directors recognizes the importance of carefully planned meetings and accurate information in order to support decision making on various 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 2020, there were a total of 17 Board of Directors' Meetings : 15 regular meetings, one meeting without executives, and one workshop for Board of Directors and Senior Executives to review the vision, mission, values and operational directions for 2020-2024. The meeting documents were sent to the Directors prior to the meeting date. The Board of Directors attended the meeting according to the meeting criteria. At meetings, 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.

## Meeting Attendance of GSB Directors in 2020

Board of Directors						
No.	GSB Board of Directors	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Good Corporate Governance Committee
1	Mr. Patchara Anuntasilpa (Chairman)	17/17				
2	Mr. Boonchai Charassangsomboon	17/17	14/14			12/12
3	Mr. Jessada Promjart	17/17	11/11	8/8		
4	Ms. Yaowanooch Wiyaporn	17/17				12/12
5	Mrs. Sauwanee Thairungroj	17/17		13/13		
6	Ms. Tidarat Thanapakpawin	17/17			12/12	
7	Mrs. Philaslak Yuktasemwong	17/17		13/13		
8	Mr. Taveesak Foongkiatcharoen	8/8				5/5
9	Mrs. Patcharavalai Jayapani	17/17			12/12	
10	Mr. Mongkol Leelatham	17/17	25/25			
11	Ms. Supreeya Pipatmanomai	17/17			12/12	
12	Mr. Vichak Apirugnanchai	8/8				
13	Mr. Gong Rungswang	8/8		5/5		
14	Mr. Vitai Ratanakorn (President & CEO)	7/7	11/12		5/6	6/6
15	Mr. Chatchai Payuhanaveechai (Former President&CEO)	8/8	10/11		3/5	5/6
16	Mr. Boonson Jenchaimahakoon (First Senior Executive Vice President)	1/1	2/2		0/1	
<b>%</b>		<b>100.00</b>	<b>97.33</b>	<b>100.00</b>	<b>91.67</b>	<b>97.56</b>

### Remark :

- No. 8 Mr. Taveesak Foongkiatcharoen retired from the position of GSB Director on May 29, 2020 due to the age of 65 years.
- No. 9 Mrs. Patcharavalai Jayapani retired from the position of GSB Director on December 29, 2020 due to the age of 65 years.
- No. 12 - 13 Mr. Vichak Apirugnanchai, Mr. Gong Rungswang were appointed as Board of Directors in accordance with the Cabinet Resolution on June 09, 2020.
- No. 14 Mr. Vitai Ratanakorn has been appointed as GSB President & CEO since July 01, 2020.
- No. 15 Mr. Chatchai Payuhanaveechai retired from the position of GSB Director on June 15, 2020 due to expiration of the office term.
- No. 16 Mr. Boonson Jenchaimahakoon acted in place of GSB President & CEO from June 15 - 30, 2020



Unit : Time

Board of Directors							
	Employee Relation Committee	GSB President & CEO Performance Assessment and Remuneration Committee	GSB Board of Directors Nomination Committee	Information Technology Committee	GSB President & CEO Nomination Committee	GSB President & CEO Remuneration Subcommittee	A Working Group to consider the renewal of the Mobile Banking device agreement with the former counterpart
	12/12				6/6		
					6/6		
		3/3	1/1			1/1	
				13/13			3/3
					6/6		
		2/2	1/1			1/1	
			1/1		6/6		
				13/13	5/6		
				13/13			
		1/1					
				4/6			
				5/7			
	100.00	100.00	100.00	92.31	96.67	100.00	100.00

## Meeting Premium, Remuneration and Bonus of GSB Board of Directors in 2020

Board of Directors								
No.	GSB Board of Directors	Board of Directors	Executive Committee	Audit Committee	Risk Management Committee	Good Corporate Governance Committee	Employee Relation Committee	GSB President & CEO Performance Assessment and Remuneration Committee
1	Mr. Patchara Anuntasilpa (Chairman)	375,000.00	-	-	-	-	-	-
2	Mr. Boonchai Charassangsomboon	300,000.00	87,500.00	-	-	102,500.00	18,750.00	-
3	Mr. Jessada Promjart	300,000.00	50,000.00	152,903.20	-	-	-	-
4	Ms. Yaowanooch Wiyaporn	300,000.00	-	-	-	120,000.00	-	30,000.00
5	Mrs. Sauwanee Thairungroj	300,000.00	-	300,000.00	-	-	-	-
6	Ms. Tidarat Thanapakpawin	300,000.00	-	-	100,000.00	-	-	-
7	Mrs. Philaslak Yukkaseamwong	300,000.00	-	240,000.00	-	-	-	-
8	Mr. Taveesak Foongkiatcharoen	160,000.00	-	-	-	62,500.00	-	25,000.00
9	Mrs. Patcharavalai Jayapani	300,000.00	-	-	150,000.00	-	-	-
10	Mr. Mongkol Leelatham	300,000.00	122,500.00	-	-	-	-	-
11	Ms. Supreeya Pipatmanomai	300,000.00	-	-	120,000.00	-	-	-
12	Mr. Vichak Apirugnanchai	140,000.00	-	-	-	-	-	12,500.00
13	Mr. Gong Rungswang	140,000.00	-	87,096.76	-	-	-	-
14	Mr. Amnuay Preemonvong	Resigned from the position of GSB Chairman on October 1, 2019						
15	Mr. Phumsak Aranyakasemsook	Resigned from the position of GSB Director on October 31, 2019						
16	Mr. Yunyong Tengamnuay	Retired from the position of GSB Director due to the age of 65 years on August 20, 2019						
17	Mrs. Siriporn Nopwattanapong	Resigned from the position of GSB Director on January 07, 2019						
18	Mr. Vitai Ratanakorn (President & CEO)	120,000.00	-	-	20,000.00	60,000.00	-	-
19	Mr. Chatchai Payuhanaveechai (Former President&CEO)	160,000.00	-	-	20,000.00	50,000.00	-	-
20	Mr. Boonson Jenchaimahakoon (First Senior Executive Vice President)	20,000.00	10,000.00	-	-	-	-	-
<b>Total Meeting Premium</b>		<b>3,815,000.00</b>	<b>270,000.00</b>	<b>779,999.96</b>	<b>410,000.00</b>	<b>395,000.00</b>	<b>18,750.00</b>	<b>67,500.00</b>

### Remark :

- No. 8 Mr. Taveesak Foongkiatcharoen retired from the position of GSB Director on May 29, 2020 due to the age of 65 years.
- No. 9 Mrs. Patcharavalai Jayapani retired from the position of GSB Director on December 29, 2020 due to the age of 65 years.
- No. 12 - 13 Mr. Vichak Apirugnanchai, Mr. Gong Rungswang were appointed as Board of Directors in accordance with the Cabinet Resolution on June 09, 2020.
- No. 14 Mr. Vitai Ratanakorn has been appointed as GSB President & CEO since July 01, 2020.
- No. 15 Mr. Chatchai Payuhanaveechai retired from the position of GSB Director on June 15, 2020 due to expiration of the office term.
- No. 16 Mr. Boonson Jenchaimahakoon acted in place of GSB President & CEO from June 15 - 30, 2020

Unit : Million Baht

GSB Board of Directors Nomination Committee	Information Technology Management Committee	GSB President & CEO Nomination Committee	GSB President & CEO Remuneration Subcommittee	A Working Group to consider the renewal of the Mobile Banking device agreement with the former counterpart	Monthly Remuneration	Total Meeting Premium	Total Meeting Premium and Remuneration	Bonus of GSB Board of Directors in 2020 (Performance in 2019)	Total Meeting Premium, Remuneration and Bonus of GSB Board of Directors
-	-	-	-	-	240,000.00	375,000.00	615,000.00	84,677.43	699,677.43
-	-	37,500.00	-	-	120,000.00	546,250.00	666,250.00	350,000.00	1,016,250.00
-	-	30,000.00	-	-	120,000.00	532,903.20	652,903.20	350,000.00	1,002,903.20
-	-	-	10,000.00	-	120,000.00	460,000.00	580,000.00	350,000.00	930,000.00
-	-	-	-	-	120,000.00	600,000.00	720,000.00	350,000.00	1,070,000.00
-	120,000.00	-	-	25,000.00	120,000.00	545,000.00	665,000.00	350,000.00	1,015,000.00
-	-	30,000.00	-	-	120,000.00	570,000.00	690,000.00	350,000.00	1,040,000.00
-	-	-	12,500.00	-	59,032.24	260,000.00	319,032.24	350,000.00	669,032.24
12,500.00	-	30,000.00	-	-	120,000.00	492,500.00	612,500.00	350,000.00	962,500.00
-	150,000.00	10,000.00	-	-	120,000.00	582,500.00	702,500.00	234,305.56	936,805.56
-	120,000.00	-	-	-	120,000.00	540,000.00	660,000.00	234,305.56	894,305.56
-	-	-	-	-	57,333.26	152,500.00	209,833.26	-	209,833.26
-	-	-	-	-	57,333.26	227,096.76	284,430.02	-	284,430.02
Resigned from the position of GSB Chairman on October 1, 2019								328,125.00	328,125.00
Resigned from the position of GSB Director on October 31, 2019								290,725.80	290,725.80
Retired from the position of GSB Director due to the age of 65 years on August 20, 2019								222,043.00	222,043.00
Resigned from the position of GSB Director on January 07, 2019								5,645.17	5,645.17
-	40,000.00	-	-	-	50,000.00	240,000.00	290,000.00	-	290,000.00
-	40,000.00	-	-	-	64,666.62	270,000.00	334,666.62	350,000.00	684,666.62
-	-	-	-	-	5,333.28	30,000.00	35,333.28	-	35,333.28
12,500.00	470,000.00	137,500.00	22,500.00	25,000.00	1,613,698.66	6,423,749.96	8,037,448.62	4,549,827.52	12,587,276.14

## Remuneration of GSB 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 month
- Director 20,000 Baht per month

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 subcommittees/committees/other working groups appointed 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 subcommittee/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

**1<sup>st</sup> part** : Bonus of 75,000 Baht for net profit of 100 Million Baht and below

**2<sup>nd</sup> 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.

**3<sup>rd</sup> 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

**1<sup>st</sup> part** : Bonus of 60,000 Baht for net profit of 100 Million Baht and below.

**2<sup>nd</sup> 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.

**3<sup>rd</sup> 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 the GSB President & CEO under agreement with the GSB Board of Directors and terms of the employment contract and then submitted the results and recommended the appropriate remuneration rates for the GSB President & CEO to the Board of Directors for consideration.

## Remuneration for Eexecutives

Unit : Baht

Type of income	Salary	Compensation	Meeting allowance	Bonus	Total
<b>2018 Expenses</b>					
GSB President & CEO	9,600,000.00	4,044,857.14	450,000.00	420,000.00	<b>14,514,857.14</b>
GSB Senior Executive Vice President and First Senior or Equivalent	26,403,480.67	-	192,000.00	14,851,098.22	<b>41,446,578.89</b>
GSB Executive Vice President or equivalent	62,562,753.00	-	18,000.00	33,054,124.08	<b>95,634,877.08</b>
<b>2019 Expenses</b>					
GSB President & CEO	9,600,000.00	4,114,285.71	580,000.00	402,500.00	<b>14,696,785.71</b>
GSB Senior Executive Vice President and First Senior or Equivalent	25,696,229.10	-	187,516.13	13,184,700.36	<b>39,068,445.59</b>
GSB Executive Vice President or equivalent	63,245,701.44	-	9,000.00	31,270,766.04	<b>94,525,467.48</b>
<b>2020 Expenses</b>					
GSB President & CEO	8,573,333.36	5,074,285.72	624,666.62	350,000.00	<b>14,622,285.70</b>
GSB Senior Executive Vice President and First Senior or Equivalent	29,594,940.00	55,333.28	391,000.00	10,520,842.95	<b>40,562,116.23</b>
GSB Executive Vice President or equivalent	72,941,738.00	20,000.00	30,000.00	26,847,256.86	<b>99,838,994.86</b>

## Self-Development of GSB Board of Directors

- In the event that the Bank appoints a new committee or Director during the year, the Bank has the policy to encourage and support a newly appointed committee or Director to receive advice and information useful for their duties by providing :

1. Documents related to the GSB's business operation for directors such as documents related to the governance, announcement and policy of the Bank of Thailand for specialized financial institutions issued under Section 120 of the Financial Institutions Businesses Act B.E. 2551, documents related to lending and investment. These documents are delivered to the directors before the orientation.

2. Organizing the orientation by the GSB Senior Executives.

- The Board regularly receives information related to its current duties.
- 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 2020, the bank encouraged directors to participate in various seminars and training courses as follows :

1. Advanced Audit Committee Program (AACP) of the Thai Institute of Directors (IOD)
2. IT Governance and Cyber Resilience Program (ITG) of the Thai Institute of Directors (IOD)
3. Corporate Governance Program for Directors and Senior Executives of State Enterprises and Public Organizations organized by King Prajadhipok's Institute
4. Cyber Resilience Leadership Workshop organized by the Bank of Thailand

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), "Criteria for Evaluation of Operational Processes and Management Of Core Business Enablers of State Enterprises" by TRIS Corporation Co., Ltd, and "Credit Information and the GSB Debtors" by Mr. Surapol Opasatien, CEO of National Credit Bureau Co., Ltd, etc.

## Self-Assessment of 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 2020, the Board of Directors performed one Self-Assessment consisting of

Self-Assessment of Directors included open-ended questions on six topics which were meeting participation, independence, readiness for mission, attention to duties and responsibilities, performance of Board duties, and other opinions and suggestions comprising suggestions for developing the potential development plan of GSB Directors, suggestions for the training/seminar of the GSB Board of Directors in 2021 and other matters. 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 such as activities/projects about social responsibility (CSR) that the Bank should promote and support including other matters. The evaluation results were excellent.

The Board of Directors reviewed the 2020 self-assessment results together, and then shared opinions, suggestions and set guidelines for improving, developing, enhancing management efficiency, guidelines for the Directors' performance, including guidelines to create capacity development plan of the GSB Directors which would consequently lead to good corporate governance for effective management.

## Orientation for New Directors

In 2020, the Cabinet approved the appointment of Mr. Vichak Apirugnanchai and Mr. Gong Rungswang as the GSB Board of Directors starting from June 09, 2020. On June 15, 2020, the Bank arranged an orientation for the new Director to acquire important information about GSB, business operations and scope of duties and responsibilities of the Board of Directors. Before the orientation, the Bank prepared and submitted documents related to the Bank's operations to the Board of Directors.

## 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 and other agencies

GSB Board of Director			State enterprises and companies in which GSB Directors hold positions as Directors	
	Name	Position	Name	Position
1	Mr. Patchara Anuntasilpa	Chairman	1. Thai Customs 2. The Government Lottery Office 3. Institute for Good Governance Promotion office of the Public Sector Department Commission : OPDC 4. Department of Land Transport  5. Office of the Commission for Judicial Service 6. PTT Exploration and Production Plc.	Director-General Chairman of Board of Directors Chairman of Audit Committee  Chairman of the Subcommittee on the supervision, inspection and monitoring on road safety fund Director Director and Member of the Remuneration Committee
2	Mr. Boonchai Charassangsomboon	Director	1. Ministry of Finance 2. Neighbouring Countries Economic Development Cooperation Agency 3. The Government Pharmaceutical Organization 4. National Credit Bureau	Director-General Executive Director  Director Director
3	Mr. Jessada Promjart	Director	1. Bangkok Broadcasting & TV Co., Ltd. 2. Diphaya Insurance Plc.  3. Eastern Star Real Estate Plc.  4. Office of the National Anti-Corruption Commission 5. Amr Asia Co., Ltd. 6. The Securities and Exchange Commission Thailand 7. Y.S.S. (Thailand) Co., Ltd 8. Chulabhorn Royal Academy	Advisor Director and Member of the Remuneration and Human Resource Management Committee Director and Member of the Audit Committee  Member of sub-committee for Audit and Evaluation of system for Suppression and Audit of Assets Director and Chairman of the Audit Committee Member of the Subcommittee on Competitiveness in Capital Market Director and Executive Committee Member of the Audit Committee
4	Ms. Yaowanooch Wiyaporn	Director	1. The Civil Aviation Authority of Thailand  2. Defense Technology Institute (Public Organization) 3. Bangkok Metropolitan	<ul style="list-style-type: none"> <li>• Honorary Director in the Board of Commissioners</li> <li>• Chairman of the Internal Operation Subcommittee</li> <li>• Chairman of the Good Corporate Governance Committee</li> </ul> Member of the Risk Management Subcommittee Member of Economic, Finance and Budget Tracking Subcommittee (Set 4)



GSB Board of Director		State enterprises and companies in which GSB Directors hold positions as Directors	
Name	Position	Name	Position
5 Mrs. Sauwanee Thairungroj	Director	1. University of the Thai Chamber of Commerce 2. National Higher Education, Science, Research and Innovation Policy Council 3. National Cybersecurity Committee 4. Thai Chamber of Commerce Foundation 5. Board Committee of the National Economics and Social Development Council 6. Alumni Association of the University of Thai Chamber of Commerce 7. New Economy Academy 8. The Thai Chamber of Commerce 9. Board of Special Case, Department of Special Investigation 10. Fiscal Policy Office 11. Country Reform Network 12. Committee of the National Reform Steering Assemble on Education 13. Board of the Thai Chamber of Commerce and Board of Trade of Thailand 14. Office of the Civil Service Commission 15. Union Plastic Plc. 16. The Wisdom Society for Public Opinion Research of Thailand 17. Department of Foreign Trade, Ministry of Commerce 18. Office of the Permanent Secretary (Expert in International Trade) Member of Sub-committee on Evaluation of Sufficiency Economy Project	Advisor of the University Council and President of the project “Harbour. Space @ UTCC” Member of the Nomination Policy Council Committee Honorary Member in Economics Director Director Honorable Advisor Executive Director • Advisor of the Labor and Skill Development Committee • Member of the Circular Economy Steering Committee • Working Group on the Prevention and Suppression of Corruption Honorable member Member of National Startup Committee Executive Director Honorable Advisor Advisor Member of the Subcommittee on promoting ethics Director, Chairman of the Audit Committee Director for Policy and Working Group Management Member of Protection Measure Committee

GSB Board of Director			State enterprises and companies in which GSB Directors hold positions as Directors	
	Name	Position	Name	Position
6	Ms. Tidarat Thanapakpawin	Director	1. Dhanarak Asset Development Co., Ltd. 2. Electronic Transactions Commission 3. Digital Council of Thailand 4. Geo-Informatics and Space Technology Development Agency (Public Organization) 5. King Prajadhipok's Institute 6. Sripatum University 7. Liquor Distillery Organization, the Excise Department	Member of Information and Communication Management Committee Member of the Strategy and Promotion Subcommittee Vice President Member of Subcommittee on Driving Organizational Value Enhancement Advisor for Young Leadership in Democratic Governance Project Special lecturer, School of Digital Media Faculty Director
7	Mrs. Philaslak Yukkasemwong	Director	1. National Savings Fund 2. International Institute for Trade and Development (Public Organization) 3. Education Council on Resources and Finance System for Education	Honorary Director in Finance and Investment, Chairman of Subcommittee on Legal Improvement and Member of Subcommittee on strategy Honorary Director and the Chairman of the Audit Committee Member of the Audit Committee
8	Mr. Mongkol Leelatham	Director	1. The Office of Small and Medium Enterprise Promotion 2. SMEs Promotion Committee 3. The Committee of Promotion and Preservation of Intangible Cultural Heritage 4. The Committee of the Marketing Organization for Farmers 5. The Federation of Thai Industries 6. Ministry of Industry 7. Thammasat University (2017-2019) 8. State Enterprise Labor Relations Committee, Labor Affairs and Labor Protection Department, Ministry of Labor 9. Subcommittee on Driven Economic, The National Assembly of Thailand 10. Asset Management Plc.	Chairman and Executive Board Professional Director Professional Director Director Advisor of the Industrial Promotion and Support Committee Chairman of the Subcommittee on Integration of Feasibility Study Methods for Eastern Fruit Corridor Committee Member of Thammasat University Commerce and Accountancy Alumni Director of Employer Department Member of Subcommittee Director and Executive Director

GSB Board of Director			State enterprises and companies in which GSB Directors hold positions as Directors	
	Name	Position	Name	Position
9	Ms. Supreeya Pipatmanomai	Director	1. Islamic Bank Asset Management Co., Ltd.	Director
10	Mr. Vichak Apirugnanchai	Director	1. Ministry of Finance 2. KTB General Services and Security Co., Ltd. 3. EGAT International Co., Ltd.	Inspector-General Director Director
11	Mr. Gong Rungswang	Director	1. Industrial Estate Authority of Thailand 2. Electricity Generating Authority of Thailand 3. Vichaiyut Co., Ltd. 4. Thai Institute of Directors (IOD)	Director Thai Industrial Standards Institute Committee Risk Management Committee Director Lecturer for Director Certificate, Strategy and Risk Management Courses
12	Mr. Taveesak Foongkiatcharoen	Former Director	1. Function International Co., Ltd.	Director
13	Mrs. Patcharavalai Jayapani	Former Director	1. Chulalongkorn University 2. Thai Red Cross Society	Director, Monetary Policy Committee Director, Property Management Committee
14	Mr. Vitai Ratanakorn (President & CEO)	Director and Secretary	1. Dhipaya Life Assurance Plc. 2. Dhipaya Insurance Plc.	Vice Chairman, Chairman of the Investment Committee and Executive Director Director and Executive Director

**Remark :**

1. No. 10 - 11 was appointed as GSB Directors in accordance with the Cabinet Resolution on June 09, 2020
2. No. 12 Mr. Taveesak Foongkiatcharoen retired from the position of GSB Director on May 29, 2020 due to the age of 65 years.
3. No. 13 Mrs. Patcharavalai Jayapani retired from the position of GSB Director on December 29, 2020 due to the age of 65 years.

## The Position of GSB Directors and Senior Executives in Related Businesses (Data as of 2020)

Name of GSB Directors	Position	Related Businesses									
		Related Businesses <sup>(1)</sup>									
		1	2	3	4	5	6	7	8	9	
1	Mr. Patchara Anuntasilpa										
2	Mr. Boonchai Charassangsomboon <sup>5/</sup>			✓							
3	Mr. Jessada Promjart <sup>1/</sup>	✓									
4	Ms. Yaowanooch Wiyaporn										
5	Mrs. Sauwanee Thairungroj										
6	Ms. Tidarat Thanapakpawin										
7	Mrs. Philaslak Yukkasemwong										
8	Mr. Mongkol Leelatham <sup>3/</sup>		✓								
9	Ms. Supreeya Pipatmanomai										
10	Mr. Vichak Apirugnanchai										
11	Mr. Gong Rungswang										
12	Mr. Taveesak Foongkiatcharoen										
13	Mrs. Patcharavalai Jayapani										
14	Mr. Vitai Ratanakorn <sup>2/ 6/</sup>	✓			□						
15	Mr. Boonson Jenchaimahakoon <sup>10/</sup>						✓	✓			
16	Mr. Therdtham Suvichavorrapphan		✓								
17	Mr. Isara Wongrung				✓						
18	Mr. Wuttipong Piromyaporn <sup>8/</sup>					✓					
19	Mrs. Pachaleeporn Voraviboonsavat <sup>4/ 14/</sup>		✓						✓		
20	Mrs. Supaporn Saitong-in <sup>13/</sup>								✓		
21	Mr. Veerachai Amorntakolsuwech <sup>9/</sup>					✓					
22	Mr. Chokchai Kunawat <sup>7/</sup>				✓						
23	Mr. Santhan Yoosiri <sup>10/</sup>							✓			
24	Ms. Paphakorn Ratanasate <sup>11/ 15/</sup>							✓		✓	

### Remark :

- No. 10 - 11 were appointed as Board of Directors in accordance with the Cabinet Resolution on June 09, 2020.
- No. 12 Mr. Taveesak Foongkiatcharoen retired from the position of GSB Director due to the age of 65 years on May 29, 2020.
- No. 13 Mrs. Patcharavalai Jayapani retired from the position of GSB Director due to the age of 65 years on December 29, 2020.
- No. 14 Mr. Vitai Ratanakorn has been appointed as GSB President & CEO since July 01, 2020.

### Definitions

- (1) Related company refers to a juristic person in which GSB has a shareholding of more than 10%.
- (2) Companies with common Director(s) or Executive(s) refer to companies or state enterprise in which Director (s) or Senior Executive(s) of GSB holds a position and GSB has zero or not more than 10% shareholding.

### Related companies <sup>(1)</sup>

- Dhipaya Insurance Plc.
- MFC Asset Management Plc.
- National Credit Bureau Co.,Ltd.
- Dhipaya Life Assurance Plc.
- TSFC Securities Plc.
- MCOT Plc.
- ALS Securities Co.,Ltd.
- National Digital ID Co.,Ltd. <sup>12/</sup>
- InnoSpace Thailand Co.,Ltd.

### Companies with common Director(s) or Senior Executive(s) <sup>(2)</sup>

- The Government Lottery Office
- PTT Exploration and Production Plc.
- The Government Pharmaceutical Organization
- Bangkok Broadcasting & TV Co.,Ltd.
- Eastern Star Plc.
- Amr Asia Co.,Ltd.
- Y.S.S. (Thailand) Co.,Ltd.
- Union Plastic Plc.
- Dhanarak Asset Development Co.,Ltd.
- Liquor Distillery Organization
- Function International Co.,Ltd.
- Islamic Bank Asset Management Co.,Ltd.
- KTB General Services and Security Co.,Ltd.
- EGAT International Co.,Ltd.
- Industrial Estate Authority of Thailand
- Electricity Generating Authority of Thailand
- Vichaiyut Co.,Ltd.



Date as of December 31, 2020

## Related Businesses

Companies with common Director(s) or Senior Executive(s) <sup>(2)</sup>

## Symbol

- |                                     |       |   |
|-------------------------------------|-------|---|
| <input checked="" type="checkbox"/> | means | Chairman  |
| <input type="checkbox"/>            | means | Vice Chairman   |
| <input checked="" type="checkbox"/> | means | Director  |
| <input type="checkbox"/>            | means | Advisor   |
| 1/                                  | means | Replacing Mr.Taveesak Foongkiatcharoen according to the GSB resolution No.10/2020 on July 21, 2020 which was appointed by TIP, effective from July 30, 2020             |
| 2/                                  | means | Replacing Mr. Chatchai Payuhanaveechai according to the GSB resolution No.10/2020 on July 21, 2020 which was appointed by TIP, effective from July 30, 2020             |
| 3/                                  | means | Relacing Mr. Boonchai Charassangsomboon according to the GSB resolution No. 1/2020 on January 21, 2020.   |
| 4/                                  | means | Replacing Mr. Namporn Yomna according to the GSB resolution No. 13/2020 on October 20, 2020.  |
| 5/                                  | means | Replacing Mr. Poomsak Aranyakasemsk according to the GSB resolution No. 1/2020 on January 21, 2020.   |
| 6/                                  | means | Replacing Mr. Chatchai Payuhanaveechai according to the GSB resolution No. 10/2020 on July 21, 2020 which was appointed by TIP Life, effective from September 03, 2020. |
| 7/                                  | means | Replacing Mr. Boonson Jenchimahakoon according to the GSB resolution No. 3/2020 on March 27, 2019.  |
| 8/                                  | means | Appointing according to the GSB resolution No. 12/2019 on November 27, 2019 and No. 4/2020 on March 17, 2020 to serve as a representative director for another term.    |

- |     |       |   |
|-----|-------|---|
| 9/  | means | Appointing according to the GSB resolution No.1/2020 on January 21, 2020.   |
| 10/ | means | Appointing according to the GSB resolution No. 4/2019 on April 23, 2019 which was approved by the SEC on May 15, 2019.  |
| 11/ | means | Replacing Mr. Mongkol Leelatham according to the GSB resolution No. 1/2020 on January 21, 2020.   |
| 12/ | means | GSB holds NDID shares under the equity rights of the State Financial Institutions Association (SFI) .The representative directors may be changed after the Bank distributes its shares to SFI members.  |
| 13/ | means | Appointing according to the GSB resolution No. 8/2019 on July 23, 2019.   |
| 14/ | means | According to the GSB resolution No.13/2020 on October 20, 2020, Mrs.Nongnuch Pupipatphol was appointed as a NDID Director to replace Mrs. Pachaleeporn Voraviboonsavat. However, Mrs. Nongnuch informed in the letter No.358/2020 dated November 06, 2020 that being a representative director would not comply with the audit group charter and would affect the assessment of operational processes and management ( Enablers) by SEPO. Therefore, she notified the association of state financial institution and NDID to delay the change of representative director and postpone the notification of the request for resignation from NDID of Mrs. Pachaleeporn. |
| 15/ | means | Appointing according to the GSB resolution No.13/2020 on October 20, 2020.  |

## 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 which are **(1) GSB President & CEO** Development of GSB Senior Executive Vice President and **(2) GSB Senior Executive Vice President** Development of GSB Executive Vice President. The position (1) and (2) are developed in the strategic aspects of the banking business, direction, innovation and business driving in various dimensions to support banking strategies and the Bank's growth through external training according to the Public Training Development Master Plan for Executive SEVP (EVP) in leading national training institutions. In addition, there is an in-house training program under the Government Savings Bank's Executive Development Program (Current Issue : GSB Senior Executive's Advanced Development Series), focusing on important topics and up-to-date issues related to the banking business to continuously develop executives. **(3) GSB Executive Vice President** Development of Senior Vice President of Department/Regional Office and **(4) Senior Vice President of Department/Regional Office** Development of Senior Executive Vice President of Department, Senior Vice President of Zonal Office, District/Center/Office Director. For the Position (3) and (4) are developed under the Advanced Business Leadership Development Journey course, by using the results of the Digital Leadership Quotient (DLQ) and linking with GSB's Leadership Competency to form 10 Learning Paths and operating through Blended Learning Solutions to create an engaging learning experience with participants through various methods such as Classroom Virtual, Online Course, and Individual Assignment. The participants will be developed, at least 2 paths, according to the results of individual assessments (Learning Path). After completing the training course, there are a course assessment and an external development through the Thai Institute of Banking and Finance Association, under the Financial Executive Development Program (FINEX)

Moreover, the Bank has established Human Resource Master Plan 2020-2024 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.

## Personnal and Power rate

Power rate data as of January 28, 2021

Unit : Person

Affiliation	Officer	Employee	Total
Expert	1		1
President & CEO		1	1
<b>Compliance and Risk Management Group</b>	<b>401</b>	<b>21</b>	<b>422</b>
Compliance and Risk Management Group	4	1	5
Compliance and control	131	12	143
Compliance and control	3	1	4
Operation Control Department	36	7	43
Good Corporate Governance Department	20	1	21
Business Control Department	27	1	28
Credit Review Department	45	2	47
Risk Management	149	4	153
Risk Management	3	1	4
Credit Risk Management Department	50		50
Operation Risk Management and Fraud Department	57	1	58
Digital and Technology Risk Management and control Department	10	1	11
Enterprise Risk Management Department	29	1	30
Credit Risk Analysis	117	4	121
Credit Risk Analysis	14		14
Corporate Credit and Investment Risk Analysis Department	22	2	24
SMEs Credit Risk Analysis Department 1	40	1	41
SMEs Credit Risk Analysis Department 2	41	1	42
<b>Digital Banking Group</b>	<b>139</b>	<b>12</b>	<b>151</b>
Digital Business and Information	139	12	151
Digital Business and Information	3	1	4
Information Technology Innovation Department	7	1	8
Information Technology Management Department	45	4	49
Digital Channel Management Department	55	5	60
Digital Banking Business Development Department	29	1	30
<b>Audit Group</b>	<b>271</b>	<b>22</b>	<b>293</b>
Audit Group	17	2	19
Internal Audit	254	20	274
Internal Audit	74	17	91
IT Audit Department	36	1	37
Special Audit Department	10		10

Affiliation	Officer	Employee	Total
Branch Internal Audit Department	93	1	94
Head Office Internal Audit Department	41	1	42
<b>Human Resource Group</b>	<b>224</b>	<b>49</b>	<b>273</b>
Human Resource Group	4	1	5
Human Resources Management	140	39	179
Human Resources Management	4	1	5
Human Resources Management Department	81	17	98
Welfare and Quality of Life Promotion Department	55	21	76
Organization Potential Development	80	9	89
Organization Potential Development	3		3
Human Resource Strategy Department	33	3	36
Human Resource Development Department	44	6	50
<b>Information Technology Group</b>	<b>455</b>	<b>56</b>	<b>511</b>
Information Technology Group	4	1	5
IT Security Department	32	3	35
Information Technology	212	37	249
Information Technology	3	1	4
IT Services Department	123	22	145
IT Operation Department	86	14	100
IT Planning and Development	207	15	222
IT Planning and Development	4		4
IT Project Management Department	19	3	22
Core Customer Service Application Department	59	5	64
IT Application for Management Department	49	3	52
Electronic System Department	46	1	47
IT Planning Department	30	3	33
<b>Debt and legacy Management Group</b>	<b>283</b>	<b>47</b>	<b>330</b>
Debt and Legacy Management Group	4		4
Legal and Property Management	129	22	151
Legal and Property Management	3	1	4
Litigation Department	64	8	72
Foreclosed Properties Management Department	33	10	43
Legal Department	29	3	32
Debt Management	150	25	175
Debt Management	4	1	5
Debt Control and Management Department	24	6	30
Debt Development Department 1	46	10	56



Affiliation	Officer	Employee	Total
Debt Development Department 2	50	1	51
Debt Management Supporting Department	26	7	33
<b>Operation Group</b>	<b>784</b>	<b>294</b>	<b>1078</b>
Operation Group	5	2	7
Quality and Process Management	17	1	18
General Administration	208	156	364
General Administration	3	1	4
Supplies Management Department	73	20	93
General Service Department	73	124	197
Design and Construction Management Department	59	11	70
Business Operation	554	135	689
Business Operation	8	1	9
Central Information Operation Department	68	31	99
Deposit, Business and Electronic Banking Operations Department	197	51	248
Loan Operation Department	45	8	53
Property Valuation Department	27	10	37
Loan Administration and Collecteral Control Department	69	7	76
Personal Loan Approval Department	140	27	167
<b>Corporate Strategy Group</b>	<b>143</b>	<b>7</b>	<b>150</b>
Corporate Strategy Group	4	1	5
Policy and Strategy	139	6	145
Policy and Strategy	4		4
Innovation and Organization Evaluation Department	37	1	38
Planning and Budget Management Department	41	3	44
Business Proportion Management Department	25	1	26
Strategy and Research Department	32	1	33
<b>Investment and Financial Management Group</b>	<b>416</b>	<b>33</b>	<b>449</b>
Investment and Financial Management Group	5	2	7
Finance	204	15	219
Finance	4	1	5
Accounting Department	133	5	138
Financial Operation Department	67	9	76
Investment	117	5	122
Investment	10	1	11
Investment Business Department	40	1	41
Fixed Income Department	34	1	35
Investment Operation Department	33	2	35

Unit : Person

Affiliation	Officer	Employee	Total
Financial Management	90	11	101
Financial Management	3	1	4
Treasury Department	26	6	32
Asset and Liability Management Department	30	1	31
Treasury Operation Department	31	3	34
<b>Grassroots Customer and Government's Policy Supporting Group</b>	<b>190</b>	<b>13</b>	<b>203</b>
<b>Grassroots Customer and Government's Policy Supporting Group</b>	<b>5</b>	<b>1</b>	<b>6</b>
Grassroots Customer and Government's Policy Supporting Department	22	1	23
Government Officer Customers	59	2	61
Government Officer Customers	3		3
Product, Marketing Management and Government Officer Customers Development Department 1	16	1	17
Product, Marketing Management and Government Officer Customers Development Department 2	16		16
Government Officer Customers Supporting Department	24	1	25
Retail Customers and Community Organization	104	9	113
Retail Customers and Community Organization	4	1	5
Retail Customers and Community Organization Product and Marketing Management Department	22	1	23
Government's Policy Product and Marketing Management Department	49	2	51
People Financial Institution Management and Development Department	14	4	18
Retail Customers and Community Organization Supporting Department	15	1	16
<b>Business and Public Sector Customers Group</b>	<b>673</b>	<b>50</b>	<b>723</b>
<b>Business and Public Sector Customers Group</b>	<b>4</b>	<b>1</b>	<b>5</b>
Business and Public Sector Customers Management Department	32	2	34
SMEs Business Customer	536	41	577
SMEs Business Customer	4	1	5
SMEs Business for Bangkok and Metropolitan Department	18	1	19
SMEs Business for Region Department	19	2	21
SMEs Startup Entrepreneurs Department	10	2	12
SMEs Business Center Management Department	485	35	520
Corporate and Public Sector Customers	101	6	107
Corporate and Public Sector Customers	3	1	4
International Trade and Business Operation Department	21	1	22
Corporate Customer Department	32	2	34
Public and Institute Loans Department	25	1	26
Cooperative and Local Administration Loans Department	20	1	21

Unit : Person

Affiliation	Officer	Employee	Total
<b>Personal Customer Group</b>	<b>476</b>	<b>81</b>	<b>557</b>
Personal Customer Group	4	1	5
Personal Customer Management Department	24	3	27
Customer Relations Department	60	20	80
Sales Management	179	28	207
Sales Customer Management	3	1	4
Premier Banking Department	28	6	34
Personal Customer Business Sales Management Department	88	19	107
Partners Management and Business Development Department	60	2	62
Personal Customer Business Management	209	29	238
Personal Customer Business Management	5	2	7
Credit Card and Merchant Acceptance Business Department	112	22	134
Deposit Card Product and Marketing Management Department	30	3	33
Deposit Product and Service and Marketing Management Department	22	1	23
Personal Loan Product and Marketing Management Department	40	1	41
<b>Directly reporting to Regional Urban Development Fund Committee</b>	<b>1</b>		<b>1</b>
The Office of Regional and Urban Development Fund	1		1
<b>Directly reporting to GSB President &amp; CEO</b>	<b>12,150</b>	<b>4,645</b>	<b>16,795</b>
Directly reporting to GSB President & CEO	3		3
Branch Operation Department	59	12	71
Secretariate Department	47	14	61
Service and Sales Channel Supporting Department	39	7	46
Marketing and Corporate Communication	100	31	131
Marketing and Corporate Communication	6	2	8
Social and Environmental Development Department	24	3	27
Corporate and Communications Department	70	26	96
Branch Operations 1	1,919	729	2,648
Branch Operations 1	18	7	25
Regional Office 1	652	221	873
Regional Office 2	664	280	944
Regional Office 3	585	221	806
Branch Operations 2	1,908	702	2,610
Branch Operations 2	3	1	4
Regional Office 4	512	183	695
Regional Office 5	680	284	964
Regional Office 6	713	234	947

Unit : Person

Affiliation	Officer	Employee	Total
Branch Operations 3	1864	737	2601
Branch Operations 3	3	1	4
Regional Office 7	607	269	876
Regional Office 8	595	215	810
Regional Office 9	659	252	911
Branch Operations 4	2,155	880	3,035
Branch Operations 4	3	1	4
Regional Office 10	719	250	969
Regional Office 11	780	332	1112
Regional Office 12	653	297	950
Branch Operations 5	2,221	826	3,047
Branch Operations 5	2	1	3
Regional Office 13	601	226	827
Regional Office 14	711	242	953
Regional Office 15	907	357	1,264
Branch Operations 6	1,771	705	2,476
Branch Operations 6	3	1	4
Regional Office 16	641	288	929
Regional Office 17	609	226	835
Regional Office 18	518	190	708
Small Entrepreneurs and SMEs Startup Business Development	64	2	66
Small Entrepreneurs and SMEs Startup Business Development	16		16
Small Entrepreneurs and SMEs Startup Business Development Department	29	1	30
SMEs Startup Customers Business Development Department	19	1	20
<b>Total</b>	<b>16,607</b>	<b>5,331</b>	<b>21,938</b>

## Remuneration for Officer and Employee

Unit : Baht

Detail	2018 Expenses		2019 Expenses		2020 Expenses	
	Officer	Employee	Officer	Employee	Officer	Employee
Salary	8,204,315,843.47	1,116,629,102.98	8,239,543,096.81	1,246,024,542.43	8,656,973,836.98	1,148,338,559.74
Bonus	4,035,414,299.01	-	3,969,316,415.93	-	3,067,569,369.75	-
Welfare (Include employee)	747,544,922.97		873,694,160.29		824,214,699.45	
<b>Total</b>	<b>12,987,275,065.45</b>	<b>1,116,629,102.98</b>	<b>13,082,553,673.03</b>	<b>1,246,024,542.43</b>	<b>12,548,757,906.18</b>	<b>1,148,338,559.74</b>



## 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 should establish the treatment policy for each group of stakeholders by taking into account the rights of such stakeholders by law or in accordance with agreements with stakeholders, including promoting the participation of stakeholders in the operational development. The Bank should not take any action that violates the rights of stakeholders.

### Good Practice

1. The Board of Directors should set a clear policy for treating stakeholders 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 achieve the goal, the Bank should create the policy or guideline to cover the following matters :
  - 1.1 **Responsibility to employees** by acting in accordance with relevant laws and standards, treating them fairly and respecting human rights.
  - 1.2 **Responsibility to customers** by acting in accordance with relevant laws and standards and taking into account health, safety, fairness, customer data retention, after-sales service throughout the product and service lifecycle, monitoring customer satisfaction for product and service improvement. Advertisement, public relations and sales promotion (Sales Conduct) must be created responsibly, not mislead or take advantage of customers' misunderstanding.
  - 1.3 **Responsibility to business partners** by provide a procurement process and fair contract or agreement terms, educating, developing potential and enhancing the ability to produce and provide services to meet standards, clarifying and supervising business partners to respect human rights and treat their workers fairly, taking responsibility for society and environment, monitoring, and evaluating business partners to develop sustainable business operations.
  - 1.4 **Responsibility to community** by bringing knowledge and business experience to develop projects that can create tangible benefits to the community. Progress is monitored and measured to build a long-term success.
  - 1.5 **Responsibility to environment** by preventing, reducing, managing and ensuring that the Bank does not create or cause any negative impact on the environment.
  - 1.6 **Fair competition** by operating the business in an open, transparent manner and not creating an unfair competitive advantage.
  - 1.7 **Supporting anti-corruption** by performing operations in accordance with the law and standards. The Bank must announce an anti-corruption and anti-corruption policy to the public.
2. The Board of Directors should state the importance of the stakeholders to supervise the Bank to treat all groups of stakeholders appropriately and fairly and should supervise the development of the participation of stakeholders in promoting the Bank's operations.
3. The Board of Directors should disclose the policy, stakeholder engagement mechanism and various activities that show the implementation of the treatment against stakeholders in the annual report.

## Report of Complaints and Suspected Frauds

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

1. GSB Contact Center 1115
2. Social Network and other online media such as Facebook GSB Society, etc.
3. Website: [www.gsb.or.th](http://www.gsb.or.th) and Web chat
4. Electronic mail to e-mail address : [Voice@gsb.or.th](mailto:Voice@gsb.or.th)
5. GSB, Phaholyothin Office, Ratchadamnoen Office or service unit or service point.
6. External agencies such as the Bank of Thailand, Office of the Prime Minister GCC1111, Ministry of Finance, Center of Dhamma Office of the Consumer Protection Board, SEC.
7. A letter or complaint sent to GSB.
8. Other channels specified by the Bank such as scanning QR code to express opinions via mobile phones at all branches nationwide.
9. Report or notify fraud to the GSB Anti-Corruption Commission through Operation Control Department.
10. 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 officers and employees 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 officers and employees that provides clues or make complaints about corruption which is beneficial to the Bank.

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



ธนาคาร  
**ออมสิน**  
Government Savings Bank

## GSB CHANNELS for customer to deliver feedback

Customers can report complaints and any suspected frauds and deliver feedback and product inquiries

**GSB  
Contact Center**  
1115



**E-Mail**

voice@gsb.or.th

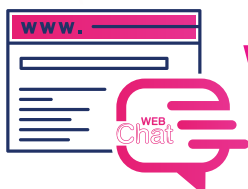
**Scan QR Code**

Scanning QR code to express opinions via mobile phones



**Letter**

A Letter or complaint sent to GSB



**Website | Webchat**  
www.gsb.or.th



**Social Network**

**GSB Society**

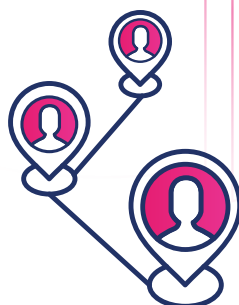
Facebook | Twitter | Youtube

Instagram | Pantip

**LINE GSB NOW**

**External Agencies  
Center of Dhamma  
Office of the Consumer**

Protection Board | BOT. | OIC  
Bank of Thailand, Office of the  
Prime Minister GCC1111



**Branch**

Service point | service unit

**Customer Relations at GSB, Head office**

470 Phaholyothin rd., Samsen Nai, Phayathai, Bangkok, 10400

## Code of Ethics and Conduct

The Bank has established a code of conduct to encourage and ensure that all officers 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 officers through GSB code of ethics and conduct and cultivation of moral, code of ethics and conduct starting from awareness, knowledge building, comprehension establishment to implementation. The GSB code of Ethics and Conduct manual and media are created to promote and disseminate knowledge about morality and ethics through various channels of the Bank on an ongoing basis.

In addition, the GSB code of ethics and conduct stipulates that executives do not only adhere to the code of ethics of the Executives, but they must also act as a good role model according to the code of conduct of officers. If officers have questions about the code of ethics, they can ask

their supervisors for advice. Supervisors at all levels have the duty to behave as a role model for their subordinates, supervise, and instill a culture of ethics behavior in the organization.

To monitor and evaluate changes in behavior of executives, officers and employees, as well as creating behavior in accordance with the GSB code of ethics and conduct, behavior review has been performed to review awareness, understanding, confidence, connection and compliance with GSB code of ethics and conduct for executives, officers and employees 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, officers and employees 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 politically 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 officers performance.



3. Perform duties with honesty, integrity, transparency, and openness for inspection, have accountability for one's own duties, and adhere to morality.
  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 2 additional ethics standards as follows :
1. Self-develop to have integrity and morality, 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 a 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 employees 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 employees' comments and suggestions,
- (2) Determine fair policies regarding safety, remuneration and welfare of officers,
- (3) Encourage officers 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 officers laws and regulations,
- (7) Manage operations by avoiding any unfair acts which may affect work and employment security of officers,
- (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 for 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 reputation. 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 evidence or fact.
- (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 officers,
- (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 Employees 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 Activities

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



GSB code of ethics and conduct handbook



<https://goo.gVjzAwic>



1. Prepare the GSB code of ethics and conduct handbook in the form of soft copy with sample images and in the form of E-book and distribute to the Board of Directors, Executives and Officers to study and understand the code of ethics and conduct.

### 2. Disseminate the GSB code of ethics and conduct via various channels such as

- Intranet
- Bank's website
- e-mail All User
- Web page of Good Governance Division
- Handbook distribution
- GSB magazine
- Voice on the line
- Exhibition
- Social media such as Line group, Facebook/GSB Code of Conduct



3. Conduct in-depth interviews with the GSB Directors about guidelines for leading the organization In the field of good corporate governance, Code of Ethics and Conduct to develop and improve good corporate governance.

4. Executives 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"

**5. The Bank has organized the Ethics Awards annually** since 2007 to present to award executives, officers and employees who have good conscience, positive attitude, moral, ethical and professional ethics as a good role model, as well as to make executives, officers and employees to recognize the importance of the ethics. Currently, there are 785 award winners.

In 2020, the Bank announced the rules for the GSB Ethics Awards and selected executives and employees who meet the criteria set by the Bank. Around 21,935 people are selected from various committees of the Bank. The awards are classified into 3 categories as follows :

- (1) GSB Outstanding Ethics Award, the Bank level
- (2) Ethics Award, the central division level/ Branch Operation Department which is a division-level award to encourage executives, officers and

employees to act ethically.

(3) “Tonkhla” Ethics Award to encourage new officers to behave ethically and be a good role model for colleagues to create an ethical network and reduce the problem of corruption among officers who worked less than 5 years.

And to foster participation throughout the organization, the Bank had set other awards as follows:

- (1) Award for the Most Participating Division in Voting for the GSB Ethics Award to reward the division that has the highest votes. The award is an honorary plaque.
- (2) Award for Executives, officers and employees who voted for the GSB Ethics Award. The participants who voted would receive 5 GSB Way Points and could win lucky draw prizes (random method).



**6. The Bank disseminated the work concept and principle** of 53 outstanding winners from the GSB Ethics Award 2020 for all executives, officers and employees 7 to use as a guideline for conduct and to be a good role model for employees.

**7. Create 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 "IT Governance and Cyber Resilience Program (ITG)".

2) Executives and personnel at all levels attended training courses on good corporate governance as follows :

1) "Conflict of Interest Protection" course

2) E-learning on the topic "Good Corporate Governance : Accountability" and "Code of Ethics and Conduct"

**8. Organize activities promoting the code of ethics and conduct and good corporate governance throughout the year** as follows :

(1) "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" on February 26, 2020, donate money to the hospital, including visiting and donating consumer goods to veteran patients who stayed in the hospital.

(2) "Delivering cloth bags to the hospital" activity by accepting donations from officers to produce cloth bags and deliver to hospitals. It is an activity that supports the creation of society, reduce the problem of global warming, especially the problem of plastic waste, as well as fostering participation and awareness of doing good for society. The bank donated 5,000 cloth bags and delivered to 14 hospitals in the central region.

(3) "GSB Fight for COVID-19" activity. GSB Executives and Officers jointly donated money to Bamrasnaradura Institute to provide medical equipment to cope with the COVID-19 outbreak

and also delivered 80 boxes of alcohol spray to the Director of Bamrasnaradura Institute on April 24, 2020 at the Vajiravud room, GSB Head Office.

(4) Measures to provide assistance in the event of the COVID epidemic by purchasing a hand sanitizer/alcohol spray and deliver to the public through various channels such as temples, schools, hospitals, etc., There are 750,000 beneficiaries.

(5) "GSB Fight for COVID-19" activity by donating 500,000 Baht and 2,000 alcohol spray to Bamrasnaradura Institute.

(6) "Pink Pantry of Sharing" activity to build a society of sharing by setting up pink pantries to provide daily necessities for people affected by the COVID-19 pandemic from May 19-June 19, 2020.

(7) "New Way of Life ... How to Live a Happy Life", dharma activity by Phra Ajarn Prasong Puri Punno, the former Abbot of Wat Pa Chicago, in order to introduce the Buddhist Dharma principles into practice, raise the awareness of morality and ethics to executives, officers and employees which would result in effective and efficient operations at Burachat Auditorium, GSB Head Office on November 4, 2020. There were 205 participants.



## Monitoring and Assessment



1. The survey results of “Opinions of officers and employees, customers and other stakeholders regarding the organization’s leadership role and the application of good corporate governance principles in GSB operations in 2020” showed that 99.6% : executives and officers were confident that the principles and guidelines of good corporate governance would enable the Bank to operate its business more efficiently and they were willing to comply with while customers and general public perceived GSB regulatory system very well. The customers were of the opinion that the Bank disclosed clear and correct information. The general public were of the opinion that the Bank had a stable financial position and liquidity.

3. The Bank reviewed conduct regarding the GSB code of ethics and conduct for the year 2020 in order to use the review results to develop and improve governance processes to raise the level of the GSB code of ethics and conduct and guidelines for the conduct of officers. There were Executives, officers and employees, 21,308 people in total, participated in the review, or 96.92% of the officers of the Bank. The results showed that 96.05% of officers understand the principles of the GSB good corporate governance and the code of ethics and conduct, which is higher than the year 2019 (95.18%).

2. The Bank followed up and evaluated the results of conduct enhancement according to the GSB code of ethics and conduct. In 2020, the Bank prepared a video clip summarizing the results of the conduct review following the GSB code of ethics and conduct for the year 2019 to inform the summary results to executives, officers and employees to acknowledge and adhere to as a guideline for further conduct.



The results of the conduct review following the GSB code of Conduct and Conduct for the year 2020

Issue 1

The Bank ethics standards No.3

Perform duties with honesty, transparency, accountability, and responsibility. Uphold virtue and take into account human dignity. Does not violate the rights and freedoms of others.

Consideration issue :

Violation of other rights by video clip shooting

## Anti-corruption

The Bank promulgates the GSB Regulation No. 660 on the anti-corruption policy by applying guidelines for internal control in accordance with the principles and guidelines for good corporate governance in State Enterprises 2019, criteria for self-assessment on anti-corruption measures in line with the Collective Action Coalition Against Corruption (CAC), the management framework of the Association of Certified Fraud Examiners (ACFE) and the criteria for Integrity & Transparency Assessment (ITA) in the operation of government agencies to use as a framework for preparing the GSB anti-corruption policy. The Bank disseminated the anti-corruption policy to employees throughout the organization, including third parties. All the Bank's officers and employees acknowledged the said policy.

The Bank promulgated an order on anti-corruption measures to use as a work guideline for GSB Executives, officers and employees to operate properly and comply with the anti-corruption policy

as well as building knowledge and understanding about anti-corruption measures.

The Bank has prepared the GSB Anti-Corruption Action Plan for 2020 - 2022 which is consistent with the State Enterprise Anti-Corruption Action Plan (2019 - 2021) of the Office of the National Anti-Corruption Commission to drive the national strategy on the Prevention and Suppression of Corruption Phase 3 (2017-2021) in accordance with the Memorandum of Understanding (MOU) of 3 parties between the Office of the NCCC, the Office of the State Enterprise Policy Office And 54 state enterprise agencies and to use as a guideline for the Bank's operations in preventing and suppressing corruption into concrete action.

The Bank announces its honest intent to focus on fostering a culture of honesty, free from corruption and being a good governance and transparent organization. Therefore, Executives, officers and must comply with the rules as follows :

**1 Performance of Duties** Strictly adhere to standards, procedures, defined period and work with determination to the fullest ability, be responsible for works, duties as well as having morality and transparency.

**3 Authority** Assignment, performance assessment, and personnel selection are managed fairly. Supervisors must not use the authority to assign their subordinates to do their personal affairs or to do inappropriate tasks.

**2 Budgeting** Create an annual budget plan and disseminate transparently. Use the budget worthily following the objectives. Do not give benefits to oneself or others. Provide opportunities for officers to participating in budget monitoring.

**4 Bank Assets** Do not take the Bank's assets for your own or take it to others. There is a process for applying for permission and guidelines on the use of the Bank's assets. The use of Bank assets is strictly supervised and inspected.

**5 Anti-Corruption Prevention** Take the anti-corruption issue seriously by reviewing the policy and creating an anti-corruption plan. There is a monitoring process to check for fraud to prevent the corruption.

**6 Quality of Operations** Provide information about operations, provide services to customers, visitors or stakeholders honestly. Do not conceal or distort information. Perform duties morally, take into account the interests of stakeholders and the public, and do not provide benefits to any person or group.

**7 Communication Efficiency** Disseminate banking information on various matters to the public through various easy-to-access channels. The information is simple, complete and also up to date. Provide channels for customers, visitors, or stakeholders to submit comments or opinions about the service operations. Besides, there are channels for submitting fraudulent complaints of the executives, staff and employees of the Bank.

**8 Work System Improvement** Develop the performance of staff and work process. Use technology to improve productivity. Provide opportunities for customers, visitors or stakeholders to take part in improving and developing operations in line with their needs.

**9 Information Disclosure** Publicize information to the public on the Bank's website which are general information, information about administration, budget management, as well as human resource management and development to demonstrate transparency in the Bank's operations.

**10 Fraud Prevention** Publicize current information to the public on the Bank's website on actions to prevent fraud and internal measures to prevent corruption. The Bank uses the assessment results to develop measures to promote transparency, including monitoring the implementation.

The Bank has enforced "No Gift Policy", refraining from giving and receiving gifts in all occasions to show the Bank's commitment to conducting business with honesty, transparency, fairness under good corporate governance principles.

The Bank has an Integrated Fraud Management

System (IFMS) by using data from suspected incidents from various banking systems to analyze in order to formulate guidelines or measures to prevent the Bank's fraud and also increase channels for reporting suspected incidents or risk of fraud by the fraud compliance officers (FCO).

## Ant-Corruption Promotion Activities

- The Bank created media to raise awareness and cognition of compliance in accordance with good corporate governance principles, GSB code of ethics and conduct, including fraud prevention by publicizing to executives, officers and employees through various channels such as intranet, e-mail, GSB magazine, digital signage, voice on the line, poster, etc.
- The Bank participated in the Integrity & Transparency Assessment (ITA), organized by the NACC. In 2020, the Bank's rating score was AA with a total score of 97.19, ranked 8th among 8,303 participated government agencies and ranked 2nd among 53 participated state enterprises.
- The Bank has organized training course "Integrity & Transparency Assessment : ITA" in the year 2020 for executives, officers and employees of 166 people (0.75%) at Burachat Auditorium, GSB's Head Office. Prof. Dr. Suchachwee Suwansawat, President of King Mongkut's Institute of Technology Ladkrabang, gave a lecture on the topic "Change for Sustainable growth in a disruption world" and Mr. Krittanan Tenakul, Officer of Assessment Center Operations Integrity and Transparency Assessment, Office of the National Anti-Corruption Commission, gave a lecture on the topic "2020 ITA Assessment Criteria"



- The Bank joined an "Anti-Corruption Day 2020" event organized by the Anti-Corruption Organization (Thailand) under the concept of "Find Cheating at Your Fingertip- Power of Data" via Live channel on September 15, 2020 with the aim to raise awareness of the importance of using the database disclosed by government agencies to fight and prevent corruption.





- The Bank organized a “Good Governance and Anti-Corruption Week : GSB WAY SAY NO CORRUPTION” activity from December 14-18, 2020 to provide the Executives, officers and employees with knowledge and a better understanding of the importance of performing their duties with honesty, transparency, and consideration for the common interests, not engage in any conflict between the personal interests and the common interests, not use authority in a wrong way or benefit oneself or others, act against all forms of corruption and bring it into practice creating a corporate culture that builds confidence and trust from all stakeholders of the Bank for the sustainable development of the organization. Activities were as follows :

- (1) Swearing-in ceremony to perform duties with honesty and transparency in front of the King Rama VI Monument.
- (2) “Conflict of Interest” training course by Mr. Utid Buasri, Deputy Secretary-General of the NACC.
- (3) All executives, employees and staff signed their pledge online to perform duties with honesty and transparency.
- (4) Walking campaign (Walking Troop) to raise awareness and cognition of performing duties with honesty, transparency and no-corruption in various buildings.
- (5) Question-Answering on good corporate governance, code of ethics and conduct, prevention, and suppression of corruption activity to win prizes.
- (6) Survey the perceptions, opinions and recommendations of executives, officers and employees on the bank’s ethical and transparency practices through GSB Wisdom.
- (7) Anti-corruption slogan contest.
- (8) Activity to reward the division with the highest participation in “Good Governance and Anti-Corruption Week : GSB WAY SAY NO CORRUPTION”.

## Information Disclosure and Transparency

### Official Information Act B.E 2540

GSB, as a State Enterprise under the Ministry of Finance and is a government agency, has operated on the Bank's information to benefit the public and stakeholders in accessing the Bank's information as follows :

1. The Bank published procurement information on the Internet which consisted of procurement announcement, Draft TOR announcement, tender results announcement, sales announcement, auction-sales announcement to facilitate the public to search for information.
2. The Bank disclosed the Bank and customer's information to organizations and third parties that requested for. The Bank cooperated with the organizations that had legal authorities to verify information, request evidence documents, or ask the Bank's employee to give evidence as a witness, ie the Office of the Auditor General, the Bank of Thailand Ministry of Finance, Securities and Exchange Commission, Office of the National Anti-Corruption Commission, Anti-Money Laundering Office, Court, Legal Execution Department, Revenue Department, Special Investigation Department, The Office of the Consumer Protection Board, etc. The Bank provided information in accordance with the regulations of the law and the principles of consideration of the Bank.

### The Bank disclosed the Bank's expenditures to the mass media for the benefit of advertisement or public relations.

The Bank disclosed the Bank's expenditures to the mass media for the benefit of advertisement or public relations to State Audit Office of the Kingdom of Thailand and personnel by internet system.

## Conflict of Interest

### Business operations

The Bank regularly reviewed regulations and orders related to the prevention of conflicts of interest. In 2020, the Bank issued a new regulation, GSB Regulation No. 680 on granting loans, investing and incurring obligations to Directors, Executives and related lending which imposes a prohibition on granting credit and incurring obligations to the Directors, Senior Executives and related persons which sets an exception only in the case of granting loans in the form of credit cards or granting loans for benefits only. This is to prevent Directors and Senior Executives from using their powers and duties in favor of manipulating the GSB assets. Besides, the Bank revised the relevant orders to be in line with the aforementioned regulations to complete the

compilation and verification of information before granting loans or incurring obligations.

Moreover, the Bank has the Government Savings Bank Regulation 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 officers to prepare a report of conflict of interest to avoid seeking personal benefits and also set guidelines for officers to 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) Prepare the report to 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.
- 4) When there are new conflicts that have not yet been disclosed or reported.

In 2020, there was no conflict of interest among GSB's executives, officers and employees.

### Related Lending

Related Lending means companies that Government Savings Bank, Directors, Executives or related persons holds shares altogether more than 10% of the total issued shares of that company.

The Government Savings Bank Regulation No. 680 on granting of credit, investment and contingent liabilities to Directors, Executives and related

businesses has defined regulations on supervision of credit, investment or contingent liabilities for transactions with related lending in order to enable the supervision to cope with transaction risks with a concise and appropriate process for considering such transactions. Therefore, the Bank has set the following actions :

1. Complying with GSB regulations on Credit Policy.
2. Any transaction with related lending must be approved by GSB's Board of Directors with 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 2020, there have been a number of major changes to external laws despite of the COVID-19 epidemic, such as criteria and methods for taxation of multi-use land and buildings, land and building tax reduction (B.E. 2563), the disclosure of expenditures or assets of government agencies to the mass media for the benefit of public relations (B.E. 2562), specifying procurement methods of parcels that the government wants to promote or support (B.E. 2563), rules, procedures and conditions for reporting information of persons having specific transactions via electronic system of the Revenue Department, extension of the deadline for submission of reports on the person who has first-time specific transactions to the reporting person, electronic meetings (B.E. 2563), security standards for electronic meetings (B.E. 2563), tax reduction for certain types of land and buildings (B.E. 2563), criteria for reduction of registration fee of right and juristic act registration under the Land Code In the case of debt restructuring according to the criteria set by the Cabinet, setting the rate of remittance to

the Specialized Financial Institutions Development Fund (B.E.2563), Criteria and procedure for income tax exemption on income as paid as pension life insurance premium for taxpayer under paragraph three of Article 2 (61) of Ministerial Regulation No. 126 (B.E.2509), methods and conditions for income tax exemption on income paid as deposits with a bank specifically established by law and the depositary bank will pay the money and benefits relying on the life or death of the depositor. In addition, there have been changes in the regulation of business such as measures to provide assistance to debtors affected from natural disasters, trade war and the COVID-19 outbreak, the issuance of administrative regulations of Market Conduct, the issuance of regulations on default interest charge and early redemption fees of the Bank of Thailand, etc. The Bank recognizes and attaches great importance to the supervision of the Bank's business operations and operations under the changing external regulations.

## Significant legal and regulatory changes

The Bank 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

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



## Implementation and Recommendations of Regulatory Agencies

The Bank 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 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 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.

## Communication about the Regulations

Communicating to the Bank's officers through various methods such as training courses, e-Learning, e-testing courses, practice books, Q&A, AML EASY EASY, Rules of ENJOY and various explanatory books. When the rules are changed and significant events occur, governance group, risk management group and audit group collaborate to organize a training to educate and provide correct knowledge and understanding to executives at all levels and staffs.

## Legal and Official Regulations Education

Organizing training courses for Executives and officers to gain knowledge and understanding of the Bank's operations and able to perform tasks properly such as

1. Compliance with Anti-Money Laundering and Anti-Terrorism Law
2. Compliance with Personal Information Protection Law
3. Compliance with the Tax Law

# 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, imely, 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. Control Environment** 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 have 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 achieves 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, officers, 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 Internal Control Assessment Working Group determined 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.

## Capital and Shareholder Structure of State Enterprises

The Government Savings Bank was established under the Government Savings Bank Act 1946. King Rama VI granted an initial capital of 100,000 Baht to establish the Savings Office. Later, the law required the transfer of assets, responsibilities and business of the Savings Office, the Post and Telegraph Department to the Government Savings Bank to continue its business and is under the supervision of the Ministry of Finance.

As of December 31, 2020, The Bank recorded equity of 199,778 Million Baht, a decrease of 2,698 Million Baht or 1.33 percent from the end of 2019. For 2020, The Bank had a net profit of 18,660 Million Baht, a decrease of 5,548 Million Baht from the same period of previous year.

## 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 supervises 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 continuously 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 to reasonably ensure that the financial statements are correct and reliable. The Audit Committee has expressed its opinions concerning 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, 2020, according to financial reporting standards, generally accepted accounting standards, relevant laws, and regulations.



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



(Mr. Vitai Ratanakorn)  
President & CEO  
Government Savings Bank



## (UNOFFICIAL TRANSLATION)

### Report of the Auditor

#### Propose to GSB Board of Directors

##### Opinion

The State Audit Office of the Kingdom of Thailand has audited the financial statements of Government Savings Bank exhibiting investments by the equity method and bank-only financial statements which comprises the Bank's statements of financial position as at December 31, 2020, the Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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, 2020, 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.

##### Key Audit Matters

The Office of the Auditor General of Thailand took a notice of the Note to financial statements No. 2.1, the financial statements exhibiting investments by the equity method and the Bank-only financial statements for the year ended December 31, 2020 which have been prepared in accordance with regulations on the preparation of financial statements for Specialized Financial Institutions prescribed by the Bank of Thailand.

Before 2020, the Bank has prepared financial statements in accordance with Thai Financial Reporting Standards prescribed by the Federation of Accounting Professions. Regulations for the preparation of accounting and financial reports for Specialized Financial Institutions did not materially differ from financial reporting standards. Therefore, it was unnecessary to update the comparative data of the year 2019 for presenting the financial statements for the year ended December 31, 2020.

However, the Office of the Auditor General of Thailand did not express a qualified opinion on the noticed matter.

## 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*  
(Mr. Pornchai Jumroonpanichkul)  
Deputy Auditor General

*(Signed)*

*Kanitha Tassanapitak*  
(Ms. Kanitha Tassanapitak)  
Director of Finance Audit and Supplies  
Administration Office 4

State Audit Office of the Kingdom of Thailand  
April 30, 2020

# Statement of Financial Position

As of December 31, 2020

Unit : Thousand Baht

	Notes	Financial statements exhibiting investments by equity method		Bank-only financial statements	
		2020	2019	2020	2019
<b>Assets</b>					
Cash	5.2	30,736,505	31,422,314	30,736,505	31,422,314
Interbank and capital market items-net	5.3	312,674,410	402,442,361	312,674,410	402,442,361
Derivative assets	5.4	1,562,619	1,512,448	1,562,619	1,512,448
Investments-net	5.5	438,263,816	309,794,892	438,263,816	309,794,892
Investments in associates-net	5.6	1,579,563	2,081,581	1,524,919	1,524,919
Loans to customers and accrued interest receivables-net	5.7				
Loans to customers		1,817,418,586	1,917,268,512	1,817,418,586	1,917,268,512
Accrued interest receivables		43,523,128	6,320,302	43,523,128	6,320,302
Total loans to customers and accrued interest receivables		1,860,941,714	1,923,588,814	1,860,941,714	1,923,588,814
Less Deferred revenue		410,702	467,227	410,702	467,227
Less Allowance for doubtful accounts	5.8	73,919,886	66,294,924	73,919,886	66,294,924
Less Revaluation allowance for debt restructuring	5.9	31,065	33,603	31,065	33,603
Total loans to customers and accrued interest receivables-net		1,786,580,061	1,856,793,060	1,786,580,061	1,856,793,060
Loans to PSA customers and accrued interest receivables-net	5.39				
Loans to PSA customers					
Non-PSA compensation		274,711,548	152,820,523	274,711,548	152,820,523
PSA compensation		55	188	55	188
Accrued interest receivables PSA					
Non-PSA compensation		1,300,098	227,836	1,300,098	227,836
Total loans to PSA customers and accrued interest receivables		276,011,701	153,048,547	276,011,701	153,048,547
Less Allowance for doubtful accounts from public service account		4,677,988	3,648,090	4,677,988	3,648,090
Total loans to PSA customers and accrued interest receivables-net		271,333,713	149,400,457	271,333,713	149,400,457
Debtors waiting for PSA compensation	5.39.2	702,203	1,845,470	702,203	1,845,470
Properties for sales-net	5.10	6,530,137	4,827,837	6,530,137	4,827,837
Land, building and equipment	5.11	28,592,493	26,638,592	28,592,493	26,638,592
Right-of-use assets	5.12	1,466,562	-	1,466,562	-
Other intangible assets-net	5.13	1,701,794	1,573,978	1,701,794	1,573,978
Other assets-net	5.14	7,478,028	9,291,272	7,478,028	9,291,272
<b>Total assets</b>		<b>2,889,201,904</b>	<b>2,797,624,262</b>	<b>2,889,147,260</b>	<b>2,797,067,600</b>

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



## Statement of Financial Position (Continued)

As of December 31, 2020


Unit : Thousand Baht

As of December 31, 2020	Notes	Financial statements exhibiting investments by equity method		Bank-only financial statements	
		2020	2019	2020	2019
Liabilities and Equity					
Deposits	5.15	2,401,542,739	2,309,489,167	2,401,542,739	2,309,489,167
Interbank and money market items-net	5.16	77,110,362	71,476,334	77,110,362	71,476,334
Liabilities payable on demand		764,731	562,019	764,731	562,019
Derivative liabilities	5.4	13,522	14,404	13,522	14,404
Debt securities issued and borrowings	5.17	80,500,000	80,500,000	80,500,000	80,500,000
Lease liabilities	5.18	1,461,073	-	1,461,073	-
Provisions	5.19	73,719,490	70,461,166	73,719,490	70,461,166
Accrued interest payable	5.20	46,569,841	48,982,408	46,569,841	48,982,408
Accrued expenses		5,743,113	6,248,579	5,743,113	6,248,579
Other liabilities	5.21	1,944,555	6,858,019	1,944,555	6,858,019
Total liabilities		2,689,369,426	2,594,592,096	2,689,369,426	2,594,592,096
Equity					
Capital granted by HM King Rama VI		100	100	100	100
Other components of equity	5.22	19,618,164	24,103,410	19,873,235	23,980,339
Other components of equity					
Allocated					
Capital reserves		35,633,867	33,213,072	35,633,867	33,213,072
Unappropriated		144,580,347	145,715,584	144,270,632	145,281,993
Total equity		199,832,478	203,032,166	199,777,834	202,475,504
Total liabilities and equity		2,889,201,904	2,797,624,262	2,889,147,260	2,797,067,600

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



(Mr. Vitai Ratanakorn)  
President & CEO



(Paphakorn Ratanasate)  
Senior Executive Vice President  
(Investment and Financial  
Management Group)

# Statement of Profit or Loss and Other Comprehensive Income

Unit : Thousand Baht

For the year ended  
December 31, 2020

	Notes	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
		2020	2019	2020	2019
Interest income	5.29	85,681,970	97,519,299	85,681,970	97,519,299
Interest expenses	5.30	33,095,914	41,533,517	33,095,914	41,533,517
Interest income-net		52,586,056	55,985,782	52,586,056	55,985,782
Fees and service income		6,000,062	6,207,772	6,000,062	6,207,772
Fees and service expenses		1,892,048	1,402,109	1,892,048	1,402,109
Fees and service income-net	5.31	4,108,014	4,805,663	4,108,014	4,805,663
Gain on trading and foreign exchange-net	5.32	105,084	139,501	105,084	139,501
Gain (Loss) on investments-net	5.33	(1,073,238)	2,143,721	(1,073,238)	2,287,325
Share of profit (Loss) on investments by the equity method		(91,058)	312,844	-	-
Dividend income		1,483,357	1,893,807	1,514,690	2,223,046
Other operating income		2,095,662	1,663,305	2,095,662	1,663,305
Public service account income	5.39.4	8,232,406	5,864,126	8,232,406	5,864,126
Total operating income		67,446,283	72,808,749	67,568,674	72,968,748
Expenses of other operations					
Salaries and employee benefits		14,124,083	14,873,242	14,124,083	14,873,242
Gratuity of Directors		3,736	4,355	3,736	4,355
Gratuity of employees		2,258,905	3,051,845	2,258,905	3,051,845
Directors' remuneration		8,183	6,670	8,183	6,670
Premises and equipment expenses		4,809,146	5,254,201	4,809,146	5,254,201
Expenses of right-of-use assets		883,518	-	883,518	-
Remuneration for debt collection agency	5.34	177,228	366,769	177,228	366,769
Others		6,024,324	6,786,166	6,024,324	6,786,166
Total other operating expenses		28,289,123	30,343,248	28,289,123	30,343,248
Expenses from public service account	5.39.5	6,021,521	6,111,455	6,021,521	6,111,455
Impairment loss on loans and debt securities	5.35	14,597,865	12,306,096	14,597,865	12,306,096
<b>Net profit</b>		<b>18,537,774</b>	<b>24,047,950</b>	<b>18,660,165</b>	<b>24,207,949</b>
Profit (Loss) Other comprehensive income					
Items subsequently reclassified to profit or loss					
Gain (Loss) from remeasurement of available-for-sale securities	5.22	(6,304,573)	902,919	(6,304,573)	902,919
Share of other comprehensive profit (loss) from associates	5.22	(378,142)	89,436	-	-
Total items subsequently reclassified to profit or loss		(6,682,715)	992,355	(6,304,573)	902,919
Items not subsequently reclassified to profit or loss					
Change in capital surplus from valuation of assets	5.22	2,197,469	-	2,197,469	-
Actuarial Loss on					
For employee benefit plan		(2,305,731)	(11,897,344)	(2,305,731)	(11,897,344)
Share of other comprehensive profit (loss) from associates		(1,485)	237	-	-
Total items subsequently reclassified to profit or loss		(109,747)	(11,897,107)	(108,262)	(11,897,344)
Total other comprehensive (loss) - net		(6,792,462)	(10,904,752)	(6,412,835)	(10,994,425)
<b>Total comprehensive income</b>		<b>11,745,312</b>	<b>13,143,198</b>	<b>12,247,330</b>	<b>13,213,524</b>

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



(Mr. Vitai Ratanakorn)  
President & CEO



(Paphakorn Ratanasate)  
Senior Executive Vice President  
(Investment and Financial  
Management Group)

## Statement of Changes in Equity

For the year ended December 31, 2020

Unit : Thousand Baht

Financial statements exhibiting investments by the equity method									
Notes	Capital granted by HM King Rama VI	Other components of equity				Retained earnings		Total	
		Capital Surplus of Asset Valuation	Capital (lower) Surplus Change in value Investment for Sales	Share of other comprehensive profit (loss) on affiliated companies	Total other components of equity	Allocated	Unallocated		
5.23		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 other comprehensive gain (loss)	-	-	902,919	89,436	992,355	-	12,150,843	13,143,198
	Transfer to retained earnings	-	(5,136)	-	-	(5,136)	-	5,136	-
Balance as December 31, 2019		100	17,542,111	6,438,228	123,071	24,103,410	33,213,072	145,715,584	203,032,166
Balance at January 01, 2020		100	17,542,111	6,438,228	123,071	24,103,410	33,213,072	145,715,584	203,032,166
5.23	Reserves for business expansion	-	-	-	-	-	2,420,795	(2,420,795)	-
5.23	Contribution to Ministry of Finance	-	-	-	-	-	-	(14,945,000)	(14,945,000)
	Total other comprehensive gain (loss)	-	2,197,469	(6,304,573)	(378,142)	(4,485,246)	-	16,230,558	11,745,312
Balance as December 31, 2020		100	19,739,580	133,655	(255,071)	19,618,164	35,633,867	144,580,347	199,832,478

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

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(Paphakorn Ratanasate)  
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(Investment and Financial  
Management Group)

## Statement of Changes in Equity

For the year ended December 31, 2020

Unit : Thousand Baht

Bank-only financial statements								
Notes	Capital granted by HM King Rama VI	Other components of equity			Retained earnings		Total	
		Capital Surplus of Asset Valuation	Capital (lower) Surplus Change in value Investment for Sales	Share of other comprehensive profit (loss) on affiliated companies	Allocated	Unallocated		
					Reserves for business expansion			
Balance at January 01, 2019	100	17,547,247	5,535,309	23,082,556	30,128,888	148,727,436	201,938,980	
	5.23	-	-	-	3,084,184	(3,084,184)	-	
	5.23	-	-	-	-	(12,677,000)	(12,677,000)	
	-	-	902,919	902,919	-	12,310,605	13,213,524	
	-	(5,136)	-	(5,136)	-	5,136	-	
Balance as December 31, 2019		100	17,542,111	6,438,228	23,980,339	33,213,072	145,281,993	202,475,504
Balance at January 01, 2020		100	17,542,111	6,438,228	23,980,339	33,213,072	145,281,993	202,475,504
5.23	-	-	-	-	-	2,420,795	(2,420,795)	-
5.23	-	-	-	-	-	-	(14,945,000)	(14,945,000)
Total other comprehensive gain (loss)		-	2,197,469	(6,304,573)	(4,107,104)	-	16,354,434	12,247,330
Balance as December 31, 2020		100	19,739,580	133,655	19,873,235	35,633,867	144,270,632	199,777,834

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

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## Statement of Cash Flows

For the year ended December 31, 2020

Unit : Thousand Baht

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Net income	18,537,774	24,047,950	18,660,165	24,207,949
Adjustments to reconcile net income to net cash flow from operating activities				
Depreciation and amortization	2,950,923	1,713,132	2,950,923	1,713,132
Bad debts and doubtful accounts	14,549,568	12,310,978	14,549,568	12,310,978
Adjusted investment amortized	(710,464)	(1,093,328)	(710,464)	(1,093,328)
(Gain) Loss on investment transfer	24,842	-	24,842	-
Unrealized gain - tradable	(29,790)	(39,323)	(29,790)	(39,323)
A reversal of impairment loss on investments	1,399,594	(42,818)	1,399,594	(42,818)
A reversal of impairment loss on debt securities	100,000	35,055	100,000	35,055
(Gain) Loss on disposal of assets	3,721	(29,566)	3,721	(29,566)
(Gain) Loss on properties for sales	(94,505)	(141,303)	(94,505)	(141,303)
(Gain) Loss on disposal of investments in securities	(326,355)	(2,100,903)	(326,355)	(2,244,507)
(Gain) Loss on disposal of investments in securities - tradable	(64,099)	(90,681)	(64,099)	(90,681)
(Gain) Loss on foreign exchange translation	49,105	944,762	49,105	944,762
(Gain) Loss on forward contracts	(50,742)	(934,271)	(50,742)	(934,271)
(Gain) Loss on forward contracts - tradable	(311)	689	(311)	689
A reversal of impairment loss on properties for sales	93,956	40,206	93,956	40,206
A reversal of impairment loss on assets	274,427	-	274,427	-
A reversal of loss on valuation of lands	(17,508)	-	(17,508)	-
Increase (Decrease) in estimated liabilities	952,593	2,055,518	952,593	2,055,518
(Increase) Decrease in other accrued receivables	(1,392)	(29)	(1,392)	(29)
Increase (Decrease) in other accrued expenses increase	(483,420)	(408,717)	(483,420)	(408,717)
Donation income	(54,453)	(62,644)	(54,453)	(62,644)
Share of profit on investment by equity method	91,058	(312,844)	-	-
	37,194,522	35,891,863	37,225,855	36,221,102
Net income	(52,188,754)	(54,862,548)	(52,188,754)	(54,862,548)
Dividend income	(1,483,357)	(1,893,807)	(1,514,690)	(2,223,046)
Proceeds from interest income	50,054,445	99,711,094	50,054,445	99,711,094
Interest expenses paid	(38,328,033)	(41,847,510)	(38,328,033)	(41,847,510)
Proceeds from dividend income	1,483,357	1,893,807	1,483,357	1,893,807
Gain (Loss) from operating before changes in operating assets and liabilities	(3,267,820)	38,892,899	(3,267,820)	38,892,899

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

# Statement of Cash Flows (Continued)

For the year ended December 31, 2020

Unit : Thousand Baht

	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities (Continued)</b>				
(Increase) Decrease in operating assets				
Interbank and money market items	89,490,246	(62,246,355)	89,490,246	(62,246,355)
Investment in securities - tradable	(2,020,678)	4,886,308	(2,020,678)	4,886,308
Loans to customers	93,840,488	(41,086,810)	93,840,488	(41,086,810)
Loans to customers from public service account	(121,936,530)	21,607,304	(121,936,530)	21,607,304
Receivables eligible for government reimbursement from public service account	1,143,267	(741,324)	1,143,267	(741,324)
Properties for sales	(1,620,476)	(1,502,667)	(1,620,476)	(1,502,667)
Other assets	(1,178,227)	(1,288,575)	(1,178,227)	(1,288,575)
Increase (Decrease) in operating liabilities				
Deposits	92,053,572	77,058,416	92,053,572	77,058,416
Interbank and money market items	4,451,332	1,817,050	4,451,332	1,817,050
Liabilities payable on demand	202,712	(648,674)	202,712	(648,674)
Other liabilities	(1,353,297)	810,312	(1,353,297)	810,312
<b>Net cash from operating activities</b>	<b>149,804,589</b>	<b>37,557,884</b>	<b>149,804,589</b>	<b>37,557,884</b>
<b>Cash flows from investing activities</b>				
Purchase of premises and equipment	(2,095,094)	(2,075,412)	(2,095,094)	(2,075,412)
Proceeds from disposal of premises and equipment	17,846	40,057	17,846	40,057
Purchase of general investments	(376,397,888)	(206,561,643)	(376,397,888)	(206,561,643)
Proceeds from disposal of general investments	242,688,029	148,983,634	242,656,696	148,654,395
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	-	-	31,333	329,239
Purchase of intangible assets	(44,089)	(130,562)	(44,089)	(130,562)
Purchase of right-of-use assets	(9,249)	-	(9,249)	-
Purchase of leasehold	-	(2,032)	-	(2,032)
<b>Net Cash from (used in) investing activities</b>	<b>(135,840,445)</b>	<b>(57,819,958)</b>	<b>(135,840,445)</b>	<b>(57,819,958)</b>
<b>Cash flows from financing activities</b>				
Long-term debt instrument	-	30,500,000	-	30,500,000
Long-term borrowings between financial institutions	1,182,696	-	1,182,696	-
Cash paid for lease liabilities	(888,222)	-	(888,222)	-
Remittance as government revenue	(14,945,000)	(12,677,000)	(14,945,000)	(12,677,000)
<b>Net Cash from (used in) financing activities</b>	<b>(14,650,526)</b>	<b>17,823,000</b>	<b>(14,650,526)</b>	<b>17,823,000</b>
Effect on cash due to changes in the exchange rates	573	(3,362)	573	(3,362)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(685,809)</b>	<b>(2,442,436)</b>	<b>(685,809)</b>	<b>(2,442,436)</b>
Cash and cash equivalents as at January 1	31,422,314	33,864,750	31,422,314	33,864,750
<b>Cash and cash equivalents as at December 31</b>	<b>30,736,505</b>	<b>31,422,314</b>	<b>30,736,505</b>	<b>31,422,314</b>

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



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(Investment and Financial  
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# Notes to Financial Statements

For the year ended December 31, 2020

## 1. General information

### 1.1 Bank 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.

### 1.2 COVID-19 pandemic

COVID-19 pandemic has affected an enormous variety of industries and also the general public, both directly and indirectly, causing the economic slowdown. With such uncertainty, it may affect the Bank's business activities, performance and cash flows, at present and in the future. The Government and the Bank of Thailand have issued measures to assist debtors to reduce the impact during the COVID-19 pandemic. The Bank has been involved in supporting government measures and has established guidelines to provide assistance to all groups of debtors. The Bank will continue to monitor the situation and inform about measures to assist important debtors in accordance with the guidelines set by the Bank of Thailand.

## 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, 20/20 are prepared in accordance with the Bank of Thailand Notification No. Sor Kor Sor 2.7/2020 announcing on April 9, 2021 Re : Accounting and Financial Reporting for Specialized Financial Institutions, which is to comply with the financial statements with accounting periods beginning on or after January 1, 2020 onwards as follows :

1) Transactions or items not relating to financial instruments shall comply with the conceptual framework for financial reporting as well as accounting standards and related financial reporting standards prescribed by the Federation of Accounting Professions, including any other relevant accounting and reporting criteria prescribed by the Bank of Thailand.

2) Transactions or items relating to financial instruments, including transactions or other lists that accounting standards and related financial reporting standards prescribed by the Federation of Accounting Professions with reference to TFRS9 shall comply with the accounting regulations prescribed by the Bank of Thailand, including the relevant and other additional criteria. The regulations related to the Bank are as follows :

1. Regulations on doubtful debts and bad debts prescribed by the BOT.
2. Regulations on accounting for troubled debt restructuring prescribed by the BOT.
3. Regulations on accounting for investments in debt and equity securities prescribed by the BOT.
4. Regulations for eliminating financial assets and financial liabilities prescribed by the BOT.
5. Regulations on assets transferred to the debtor for repayment of debt prescribed by the BOT
6. Regulations on disclosure of the Bank and financial institution's financial statements prescribed by the BOT.
7. Regulations on presentation and disclosure of financial instrument information prescribed by the BOT.

Before 2020, the Bank prepared financial statements in accordance with Thai Financial Reporting Standards issued by the Federation of Accounting Professions. The Bank determined that the criteria for the preparation of accounting and financial reports for specialized financial institutions issued by the Bank of Thailand in respect of transactions or items relating to financial instruments did not materially differ

from the requirements of the financial reporting standards on the same matters that came into effect before 2020. Therefore, it is unnecessary to revise the comparative data for the year 2019.

The Bank presented its financial statements in accordance with the BOT's Notification No. Sor Kor Sor 27/2019 regarding the Preparation and Announcement of Financial Statements for Specialized Financial Institutions. The financial statements integrated all accounts of its branches nationwide and 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 Transactions or items that not relating to financial instruments, issued and revised by the Federation of Accounting Professions.**

2.2.1 The Bank has applied TAS 16, Leases, a newly released financial reporting standards for its first time. The Bank adjusted the cumulative effect from the change in accounting policy and retained earnings as at January 1, 2020 and did not adjust the prior period presented in financial statements for comparison. However, there is no impact on retained earnings as at January 1 2020. The Bank recognized lease liabilities on the first operating date at the present value of remaining lease liabilities reduced by the weighted average marginal borrowing rate and recognized right-of-use assets equal to lease liabilities adjusted by the outstanding amount of leasehold rights as shown in the statement of financial position as at 31 December 2019.

Lease liabilities recognized in the statement of financial position as at January 1, 2020 is different from the operating lease commitment as at December 31, 2019, which is reduced by the weighted average marginal borrowing rate of 2.08 percent. Details are as follows :

	Unit : Million Baht
	Financial statements exhibiting investments by the equity method and Bank-only financial statements
Operating lease commitment as of December 31, 2019	1,946.06
Effect of incremental borrowing interest rates at the first operating date	(54.19)
Short-term lease is recognized as an expense on a straight-line method.	(1.13)
Revaluated leases	40.11
Other adjustment entries	(46.64)
<b>Lease liabilities as of January 1, 2020</b>	<b>1,884.21</b>

As applying the above financial reporting standards for the first time, the Bank chose to apply the practical relief approach to existing leases prior to January 1, 2020 as follows :



- Considering whether a lease is a contingent contract in assessing a lease before applying IFRS 16 Leases.

- Initial direct costs are excluded from the valuation of right-of-use assets.

2.2.2 The Bank recognized interest income of debtors from debt restructuring (Note 2.5.1) and debt restructuring (Note 2.5.9) in order to comply with the Bank of Thailand's policy on debt restructuring of specialized financial institutions and guidelines for providing assistance to debtors affected by circumstances impacting the Thai economy.

## 2.3 Accounting regulations and guidelines during the COVID-19 pandemic

2.3.1 The Federation of Accounting Professions announced two accounting guidelines published in the Royal Gazette on April 22, 2020 with the following details :

- Accounting Guidelines: the Temporary Relief Measures for Businesses Giving Assistance to Debtors Affected by Circumstances Impacting the Thai Economy which include the COVID-19 pandemic, economic conditions, trade war, and drought. It is an alternative to all businesses that provide assistance to debtors in accordance with debtor assistance measures.

- Accounting Guidelines : the Temporary Relief Measures for Additional Accounting Approaches to Mitigate Impacts of the COVID-19 Outbreak. It is a relief measure for the preparation of financial statements affected by the COVID-19 pandemic whose reporting period ends in the period between January 1, 2020 and December 31, 2020.

2.3.2 The Bank of Thailand issued measures to assist debtors affected by the COVID-19 pandemic as follows :

- BOT Circular No. BOT.FPG (72) 277/2020, dated February 28, 2020 Re : Guidelines for assisting debtors affected by circumstances impacting the Thai economy between January 1, 2020 and December 31, 2021. Specialized Financial Institutions must comply with the conditions for funding assistance and scope of assistance for debtors in large, medium and small businesses including general debtors with guidelines for considering NPL and Non-NPL debtors who are not yet classified as non-performing loans (non-NPL) and those who are classified as non-performing loans (NPL), guidelines for provisioning, reserving funds, reducing credit card installment rate as well as reporting information on assistance of affected debtors to the Bank of Thailand.

- BOT Circular BOT.FPG (01) 380/2563, dated March 26, 2020 Re : Measures to provide additional assistance to debtors during the COVID-19 pandemic, which are guidelines for providing minimum assistance to debtors in addition to the measures issued on February 28, 2020.

2.3.3 Announcement of the Ministry of Finance regarding the determination of the rate of remittance to the Specialized Financial Institutions Development Fund B.E. 2563. The Minister of Finance with the approval of the Cabinet on August 17, 2020 requiring specialized financial institutions to remit money to the Specialized Financial Institutions Development Fund at a rate of 0.125% per year of the amount received from the general public for the remittance in 2020-2021 and a rate of 0.25% per year of the amount received from the general public for the remittance from 2022 onwards to help reduce costs of specialised financial institutions on operating measures to alleviate the suffering of entrepreneurs and people affected by the COVID-19 outbreak. The Bank has already calculated the remittance according to the said announcement.

## 2.4 Summary of Significant Accounting Policies

### 2.4.1 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 income is recognized on a new accrual basis when the debtor pays the principal and interest that has not yet recorded as income or all outstanding installments.

Interest income received from a debtor from debt restructuring during the follow-up on the performance of the new debt restructuring under the debt restructuring agreement for at least 3 consecutive months or 3 consecutive payments, whichever is longer, is recognized on a cash basis. When a debtor returns to be a normal debtor as prescribed in the notification of the Bank of Thailand, regarding Criteria for Classification and Provision of Reserves of Specialized Financial Institutions, the income will be recognized on an accrual basis.

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.

#### Income from public service account reimbursement

Interest income and principal reimbursement from public service account, 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

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

### 2.4.2 Recognition of Expenses

Deposit interest expenses, interest expenses, GSB Premium Saving Certificate expenses, interest expenses from Interbank and money market items, remittance to the Specialized Financial Institution Development, and interest expenses on debt securities issued and borrowings are recognized on an accrual basis.

Interest expenses under the lease are recognized by the effective interest rate method.

Fees and service expenses as well as other operating expenses are recognized on an accrual basis or when paid as the case may be.

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

### 2.4.3 Cash and Cash equivalents

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

#### 2.4.4 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.

#### 2.4.5 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 amortised 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.

#### 2.4.6 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.

#### 2.4.7 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.

#### 2.4.8 Allowance for Doubtful Accounts

The Bank sets up the allowance for doubtful accounts according to the BOT's announcement 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 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 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 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.

#### **2.4.9 Debt Restructuring**

Debt Restructuring (DR) means restructuring of debt arising from a debtor's increased credit risks, which can be divided into :

1. Debt restructuring for loans that are not yet classified as Non-Performing Loans (NPLs). This type of debt restructuring is pre-emptive, and will commence once the debtor starts demonstrating issues with debt repayment. The debtors are not yet classified as NPL, but have Net Present Value (NPV) loss; and,
2. Debt restructuring for NPLs deemed to be Troubled Debt Restructuring (TDR), regardless of whether there is NPV loss.

However, if the Bank adjusts the terms of the contract according to the forecast of future cash flows to maintain a good relationship with the debtor and the debtor does not have additional credit risk, such as reducing interest rates to the debtor according to market conditions, it will not be considered a debt restructuring.

**Recognition of debt restructuring** is as follows :

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, remittance 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.

#### **2.4.10 Receivables eligible for government reimbursement from public service account**

Receivables eligible for government reimbursement from public service account refers to the Bank's rights to receive reimbursement for the loss from the government as stipulated in the Cabinet Resolution or letter of order in written form from Public Service Account.

#### **2.4.11 Properties for sales**

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 appraises properties for sales and set up the allowance for the downward deviation from the book value or a period of the valuation is less than 12 months, deducted by the estimated cost of sales. However, if the period of valuation is more than 12 months, only 50.00% of the value obtained from the valuation will be used, which is in accordance with the BOT's policy on Valuation of Collaterals and Foreclosed Properties Obtained from Debt Settlement, Provision of Security for Credits Granted or Purchased from a Public Auction for Financial Institutions. Impairment loss is recognized as an expense or other operating income in the statement of income and other comprehensive income. The Bank will not calculate depreciation for properties foreclosed, following the Bank of Thailand announcement regarding Criteria for Classification and Provision of Reserves of Specialized Financial Institutions.

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.

#### **2.4.12 Premises, Equipment, 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 valuated 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. Land revaluation is regularly performed by external valuers whose qualifications meet the BOT's guidelines.

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 construction	11 - 95 years
Building constructed on leased land	23 - 89 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.

#### **2.4.13 Right-of-use asset and lease liability**

A lease is a contract, or part of a contract that conveys the right to use an asset. (the underlying asset) for a period of time in exchange for compensation and leasehold.

The Bank recognizes right-of-use assets and obligations to pay as lease liabilities as follows :

1. Right-of-use asset is measured at cost at the commencement date, comprising the amount equal to the lease liability at its initial recognition, lease payments made at or before the commencement of the lease (less any lease incentives received). Right-of-use asset is subsequently measured at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of right-of-use asset is recognized as expenses in the statement of income and other comprehensive income, calculated by the straight-line basis over the lease term. At the termination of the lease, the right-of-use assets and associated lease liability are removed from the books of the lessee.

2. Lease liability : At the commencement date, a lessee measures the lease liability as the present value of lease payments that have not been paid at that date. The weighted average borrowing interest rate is used as a discount rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the the lease payment maid, and remeasuring the carrying amount to reflect any new appraisals or lease modifications.

#### **2.4.14 Intangible Assets**

Intangible assets, comprising computer software, are stated at cost less accumulated amortisation 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 1-31 years, is amortised 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.

#### **2.4.15 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.

#### **2.4.16 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 deposit under clause 1 are shown in the interest deposit account and bond 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.

#### **2.4.17 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.

#### **2.4.18 Employee Benefits**

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

##### **Short-term employee benefits**

Short-term employee benefits consist of salary, overtime pay, 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 employees and this obligation can be estimated reliably. The Bank recognizes short-term employee 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 employee 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.

### **2.4.19 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.

## **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. Determining credit risk management policy for effective credit risk management in the same direction and in accordance with the Bank's strategy and policy.
2. Determining business loan policy to use as a framework and standard guideline for efficient business loan performance.
3. Determining retail loan policy to use as a framework and standard guideline for effective retail loan performance.
4. Determining 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. Determining 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. Determining the authority to review and renewing 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. Determining criteria on debt repayment ability as follows :

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

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

7.3 Establishing 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. Determining 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. Reviewing qualifications of leading financial institutions to use as a guideline for determining interest rates for leading financial institutions.

10. Developing and improving 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.

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

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

11.2 System for analyzing business customer data and credit risk includes a system for business data analysis (Enlite) and financial data analysis (Optimist).

11.3 Credit scoring calculation system (Blaze Advisor) and score calculation system for credit cards and cash card loans (Strategy Management).

11.4 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).

12. Monitoring and controlling credit risk, including

12.1 Monitoring 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 as well as ensuring that if there is an event that may affect a particular group of debtors or a particular business sector, the bank still has sufficient capital to operate the business.

12.2 Setting and reviewing industry limit to use as a guideline for credit approval consideration and to diversify risks to prevent excessive concentration in any particular industry.

12.3 Setting 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 and to allow the bank to have sufficient and appropriate reserves to accommodate the impact that may arise from increasing transactions.

12.4 Monitoring structure and quality of loan portfolios in line with the Bank's policy as well as monitoring and controlling credit concentration classified by loan type : business sector (Industry Limit), counterparts country (Country limit), and large debtor (Single Lending Limit) by using the BOT's standards.

12.5 Reviewing credit guidelines and monitoring credit operations in accordance with the regulations set by the Bank and guidelines of the regulatory agencies.

13. Monitoring and reporting risks to the Risk Management Committee and related Committees on a regular basis.

14. Developing employees' 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 employees.

15. Establishing debt management process to prevent and resolve outstanding debt including obligation or compromise process as well as available-for-sale assets management.

16. Preparing the calculation of impairment to support TFRS9 by improving and testing the reliability of the impairment model (ECL Model) to measure the expected credit loss.

### 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.

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, 2020 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.

#### (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 and the global economic slowdown due to COVID-19 pandemic, leading the Bank to reduce its net interest income forecast in 2020. 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 2020, the Bank invested 1.53% 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.

The following table shows the average balance and interest amount for the Bank's interest-bearing financial instruments for the years ended December 31, 2020 and 2019 :

Unit : Million Baht

	2020			2019		
	Avg. Outstanding Balance	Amount of Interest	Avg. Interest Rate (%)	Avg. Outstanding Balance	Amount of Interest	Avg. Interest Rate (%)
<b>Interest-bearing financial assets</b>						
Interbank and money market items	387,088.82	3,200.16	0.83	282,448.19	4,774.71	1.69
Investments	303,450.92	5,400.56	1.78	234,535.58	5,609.65	2.39
Loans to customers	1,855,149.82	77,067.79	4.15	1,932,041.14	87,113.89	4.51
Loans to customers from public service account	216,795.31	7,133.21	3.29	165,540.99	5,839.39	3.53
<b>Total</b>	<b>2,762,484.87</b>	<b>92,801.72</b>	<b>3.36</b>	<b>2,614,565.90</b>	<b>103,337.64</b>	<b>3.95</b>
<b>Interest-bearing financial liabilities</b>						
Deposits	2,391,672.48	33,614.41	1.41	2,264,987.12	42,354.63	1.87
Interbank and money market items	77,037.29	569.37	0.74	68,666.28	1,073.34	1.56
Debt issued and borrowings	80,500.00	1,680.86	2.09	54,988.22	1,251.60	2.29
<b>Total</b>	<b>2,549,209.77</b>	<b>35,864.64</b>	<b>1.41</b>	<b>2,388,641.62</b>	<b>44,679.57</b>	<b>1.87</b>

## (2) Foreign Exchange Risk

Foreign Exchange 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 List

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 2020, the Bank invested in common shares and funds in the available-for-sale portfolio approximately 2.14% and 6.47% 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
- (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, 2020, was 23.32%, increasing from December 31, 2019, equal to 21.78% 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, 2020 and 2019 as follows :

Unit : Million Baht

	2020					
	Not more than 1 month	More than 1 month and not more than 3 months	More than 3 months, but not more than 1 year	More than 1 year	No time limits	Total
Financial assets						
Interbank and money market items - net	250,082.19	16,704.46	22,521.68	23,366.08	-	312,674.41
Investments - net*	12,794.66	106,341.28	113,841.36	205,286.52	1,524.92	439,788.74
Loans to customers	63,006.34	63,159.70	286,812.18	1,404,440.36	-	1,817,418.58
Loans to customers from public service account	63,796.66	18,963.29	36,087.41	155,864.24	-	274,711.60
Total financial assets	389,679.85	205,168.73	459,262.63	1,788,957.20	1,524.92	2,844,593.33
Financial liabilities						
Deposits	805,387.55	165,673.15	440,995.33	989,486.71	-	2,401,542.74
Interbank and money market items - net	66.687.26	286.88	4,714.13	5,422.09	-	77,110.36
Debt securities issued and borrowings	-	-	-	80,500.00	-	80,500.00
Total financial liabilities	872,074.81	165,960.03	445,709.46	1,075,408.80	-	2,559,153.10

Unit : Million Baht

		2019					
		Not more than 1 month	More than 1 month and not more than 3 months	More than 3 months, but not more than 1 year	More than 1 year	No time limits	Total
Financial assets							
Interbank and money market items - net	319,316.19	8,760.82	20,373.94	53,911.41	-	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 customers from public service account	50,305.59	10,197.50	19,862.27	72,455.35	-	152,820.71	
Total financial assets	478,582.90	123,952.42	366,197.60	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 securities 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	

\*Total 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, 2020 and 2019 as follows :

Unit : Million Baht

Type of financial instruments	Financial statements exhibiting investments by the equity method			
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash	30,736.51	30,736.51	31,422.31	31,422.31
Interbank and money market items-net	312,674.41	312,674.41	402,442.36	402,442.36
Derivatives	1,562.62	1,562.62	1,512.45	1,512.45
Investments - net*	439,843.38	443,921.55	311,876.47	314,642.22
Loans to customers - net	1,786,580.06	1,786,580.06	1,856,793.06	1,856,793.06
Loans to customers from public service account-net	271,333.71	271,333.71	149,400.46	149,400.46
Receivables eligible for government reimbursement from public service account	702.20	702.20	1,845.47	1,845.47
<b>Total</b>	<b>2,843,432.89</b>	<b>2,847,511.06</b>	<b>2,755,292.58</b>	<b>2,758,058.33</b>
<b>Financial liabilities</b>				
Deposits	2,401,542.74	2,401,542.74	2,309,489.17	2,309,489.17
Interbank and money market items-net	77,110.36	77,110.36	71,476.33	71,476.33
Liabilities payable on demand	764.73	764.73	562.02	562.02
Derivatives	13.52	13.52	14.40	14.40
Debt securities issued and borrowings	80,500.00	80,500.00	80,500.00	80,500.00
Deposits and accrued bonds	46,569.84	46,569.84	48,892.41	48,892.41
<b>Total</b>	<b>2,606,501.19</b>	<b>2,606,501.19</b>	<b>2,511,024.33</b>	<b>2,511,024.33</b>

Unit : Million Baht

Type of financial instruments	Bank-only financial statements			
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash	30,736.51	30,736.51	31,422.31	31,422.31
Interbank and money market items-net	312,674.41	312,674.41	402,442.36	402,442.36
Derivatives	1,562.62	1,562.62	1,512.45	1,512.45
Investments - net*	439,788.74	443,921.55	311,319.81	314,642.22
Loans to customers - net	1,786,580.06	1,786,580.06	1,856,793.06	1,856,793.06
Loans to customers from public service account-net	271,333.71	271,333.71	149,400.46	149,400.46
Receivables eligible for government reimbursement from public service account	702.20	702.20	1,845.47	1,845.47
<b>Total</b>	<b>2,843,378.25</b>	<b>2,847,511.06</b>	<b>2,754,735.92</b>	<b>2,758,058.33</b>
<b>Financial liabilities</b>				
Deposits	2,401,542.74	2,401,542.74	2,309,489.17	2,309,489.17
Interbank and money market items-net	77,110.36	77,110.36	71,476.33	71,476.33
Liabilities payable on demand	764.73	764.73	562.02	562.02
Derivatives	13.52	13.52	14.40	14.40
Debt securities issued and borrowings	80,500.00	80,500.00	80,500.00	80,500.00
Deposits and accrued bonds	46,569.84	46,569.84	48,982.41	48,982.41
<b>Total</b>	<b>2,606,501.19</b>	<b>2,606,501.19</b>	<b>2,511,024.33</b>	<b>2,511,024.33</b>

\*Total investments in associated

### 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, 2020 and 2019, the Bank's assets and liabilities by level of the fair value hierarchy were as follows :

Unit : Million Baht				
	2020			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Derivatives				
Tradable derivatives	-	0.90	-	0.90
Hedging derivatives	-	2.29	-	2.29
<b>Investments</b>				
Trading investments	-	6,710.78	-	6,710.78
Available-for-sale investments	20,775.75	219,097.52	-	239,873.27
<b>Total</b>	<b>20,775.75</b>	<b>225,811.49</b>	<b>-</b>	<b>246,587.24</b>
<b>Liabilities</b>				
Derivatives				
Tradable derivatives	-	0.54	-	0.54
Hedging derivatives	-	0.55	-	0.55
<b>Total</b>	<b>-</b>	<b>1.09</b>	<b>-</b>	<b>1.09</b>

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

### 3.4 Capital Fund

As at December 31, 2020 and 2019, 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

	2020	2019
<b>Tier 1 Capital</b>		
Capital granted by H.M. King Rama VI	0.10	0.10
Reserves appropriated from net profit	35,633.87	33,213.07
Net profit after appropriation	133,147.89	144,985.53
Capital deduction items from Tier 1 capital	(2,305.73)	(11,897.34)
<b>Total Tier 1 Capital</b>	<b>166,476.13</b>	<b>166,301.36</b>
<b>Tier 2 Capital</b>		
Incremental value of land valuation *	11,794.97	11,794.97
Allowance for classified assets of "normal" category	16,197.52	4,075.00
Profit from revaluation of available-for-sale securities	-	2,661.79
<b>Total Tier 2 Capital</b>	<b>27,992.49</b>	<b>18,531.76</b>
Total capital before deduction	194,468.62	184,833.12
Loss from revaluation of available-for-sale securities	(395.78)	-
<b>Total Capital Fund</b>	<b>194,072.84</b>	<b>184,833.12</b>

\* 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, 2020 and 2019, the Bank maintained the capital adequacy ratio to the total risk weighted assets according to Basel II principles as follows :

	Percentage	
	2020	2019
Total capital fund	14.98	15.52
Tier 1 capital	12.85	13.97

## 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, 2020 and 2019 were as follows :

Unit : Million Baht

	Financial Statement exhibiting investments by the equity method		Bank-only financial statements	
	2020	2019	2010	2019
Surplus on valuation of lands increase (decrease)	2,197.47	(5.14)	2,197.47	(5.14)
Surplus on revaluation of available-for-sale investments increase (decrease)	(6,304.57)	902.92	(6,304.57)	902.92
Share of other comprehensive gain on associates increase (decrease)	(379.63)	89.67	-	-

### 5.2 Cash

Unit : Million Baht

	2020	2019
Cash	29,420.13	30,000.50
Foreign currency	2.99	19.74
Cash under collection	1,313.39	1,402.07
<b>Total cash</b>	<b>30,736.51</b>	<b>31,422.31</b>

### 5.3 Interbank and Money Market Items–Net (Assets)

Unit : Million Baht

	2020			2019		
	Demand	Time	Total	Demand	Time	Total
<b>(1) Domestic items</b>						
Bank of Thailand and Financial Institutions Development Fund	2.72	242,362.00	242,364.72	2.21	309,676.00	309,678.21
Commercial banks	112.85	1,608.00	1,720.85	85.60	6,930.00	7,015.60
Specialized financial institutions	0.10	54,458.12	54,458.22	0.19	73,012.70	73,012.89
Other financial institution	251.27	13,912.74	14,164.01	200.00	12,275.87	12,475.87
<b>Total</b>	<b>366.94</b>	<b>312,340.86</b>	<b>312,707.80</b>	<b>288.00</b>	<b>401,894.57</b>	<b>402,182.57</b>
<u>Plus</u> Accrued interest receivables	0.00	120.26	120.26	-	460.96	460.96
<u>Less</u> Allowance for doubtful accounts	2.50	152.36	154.86	2.00	215.74	217.74
<b>Total domestic items</b>	<b>364.44</b>	<b>312,308.76</b>	<b>312,673.20</b>	<b>286.00</b>	<b>402,139.79</b>	<b>402,425.79</b>
<b>(2) Foreign items</b>						
US dollar	0.51	-	0.51	9.28	-	9.28
Yen	0.04	-	0.04	0.03	-	0.03
Euro	0.18	-	0.18	2.59	-	2.59
Other currencies	0.48	-	0.48	4.67	-	4.67
<b>Total foreign items</b>	<b>1.21</b>	<b>-</b>	<b>1.21</b>	<b>16.57</b>	<b>-</b>	<b>16.57</b>
<b>Total domestic and foreign items</b>	<b>365.65</b>	<b>312,308.76</b>	<b>312,674.41</b>	<b>302.57</b>	<b>402,139.79</b>	<b>402,442.36</b>

As at December 31, 2020 and 2019, 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 6.84 Million Baht and 10.61 Million Baht, respectively.

## 5.4 Derivatives

As at December 31, 2020 and 2019, the Bank's derivatives included :

- Derivatives assets of 1,562.62 Million Baht and 1512.45 Million Baht, respectively and;
- Derivatives liabilities of 13.52 Million Baht and 14.40 Million Baht, respectively.

### 5.4.1 Tradable Derivatives

As at December 31, 2020 and 2019, the fair value and notional amounts classified by type of risk were as follows :

Unit : Million Baht

Type of risk	2020			2019		
	Fair Value*		Notional Amount Or Effective Notional Amount	Fair Value*		Notional Amount Or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	0.90	0.54	159.93	0.06	0.01	48.90
<b>Total</b>	<b>0.90</b>	<b>0.54</b>	<b>159.93</b>	<b>0.06</b>	<b>0.01</b>	<b>48.90</b>

\* 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 2020 and 2019, the proportions of derivative transactions classified by type of counterparty based on the notation amounts were as follows :

Counterparty	2020	2019
	Proportion (%)	Proportion (%)
Third parties	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### 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	2020			2019		
	Fair Value*		Notional Amount Or Effective Notional Amount	Fair Value*		Notional Amount Or Effective Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	1,561.72	12.98	14,375.21	1,512.39	14.39	14,207.31
<b>Total</b>	<b>1,561.72</b>	<b>12.98</b>	<b>14,375.21</b>	<b>1,512.39</b>	<b>14.39</b>	<b>14,207.31</b>

\* 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 December 31, 2020 and 2019, derivative assets were 1,561.72 Million Baht and 1,512.39 Million Baht. Derivative liabilities were 12.98 Million Baht and 14.39 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 1,559.43 Million Baht and 1,512.28 Million Baht and derivative liabilities of 12.43 Million Baht and 14.30 Million Baht, respectively.

## 5.5 Investments – Net

As at December 31, 2020 and 2019, the Bank classified its investments in securities as follows :

### 5.5.1 Trading Securities

Unit : Million Baht

	2020	2019
	Fair Value	Fair Value
Government and state enterprise securities	6,710.78	5,098.73
<b>Total</b>	<b>6,710.78</b>	<b>5,098.73</b>

### 5.5.2 Available-for-sale Securities

Unit : Million Baht

	2020	2019
	Fair Value	Fair Value
Government and state enterprise securities	200,977.34	135,095.76
Private sector	944.63	958.53
Foreign debt securities	79.89	73.36
Domestic marketable equity securities	20,775.75	25,540.62
Others	17,095.66	18,730.45
<b>Total</b>	<b>239,873.27</b>	<b>180,398.72</b>

### 5.5.3 Held to Maturity Debt Securities

Unit : Million Baht

	2020	2019
	Cost/ Amotised Cost	Cost/ Amotised Cost
Government and state enterprise securities	144,795.13	76,841.01
Private sector	33,943.07	34,375.16
Foreign debt securities	12,571.94	12,614.43
<b>Total</b>	<b>191,310.14</b>	<b>123,830.60</b>
Less Allowance for impairment	135.05	35.05
<b>Total</b>	<b>191,175.09</b>	<b>123,795.55</b>

#### 5.5.4 General Investments

Unit : Million Baht

	2020	2019
	Cost	Cost
Domestic non-marketable equity securities	4,727.11	4,714.61
Others *	0.00	0.00
<b>Total</b>	<b>4,727.11</b>	<b>4,714.61</b>
<u>Less</u> Allowance for impairment	4,222.43	4,212.72
<b>Total</b>	<b>504.68</b>	<b>501.89</b>
<b>Total investments- net</b>	<b>438,263.82</b>	<b>309,794.89</b>

\* 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, 2020 and 2019, available-for-sale securities which were domestic marketable equity securities with a fair value of 20,775.75 Million Baht and 25,540.62 Million Baht were inclusive of transactions for which the allowance for impairment was recognized in the amount of 2,079.00 Million Baht and 689.12 Million Baht, respectively.

As at December 31, 2020 and 2019 investments in held-to-maturity debt securities that were private sector debt securities were in the amount of 33,943.07 Million Baht and 34,375.16 Million Baht, the Bank recognized an allowance for impairment of 135.05 Million Baht and 35.05 Million Baht.

As at December 31, 2020 and 2019, general investments which were domestic non-marketable equity securities in the amount of 4,727.11 Million Baht and 4,714.61 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.

The Bank invested in securities of a company that was facing financial difficulties. The said company filed a petition for business rehabilitation and proposed the rehabilitation plan to the Central Bankruptcy Court under the Bankruptcy Act B.E. 2483. The Central Bankruptcy Court issued an order to reorganize the business and appointed a plan preparer and the appointment was published in the Government Gazette on October 2, 2020. Now the company is in the process of the rehabilitation. As at December 31, 2020, the Bank had investments in the company as investments in available-for-sale equity securities of 1,326.39 Million Baht and investments in held to maturity debt securities of 100.00 Million Baht, which the Bank has set up allowance for the whole amount of impairment.

As at December 31, 2020 and 2019, other types of available-for-sale securities including investment funds in which the Krung Thai Asset Management PLC. acts as a trustee of 498.15 Million Baht and 344.88 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	2020		2019	
		Cost	Fair value	Cost	Fair value
SMEs Private Equity Trust Fund 1	500.00	267.60	330.34	201.60	187.28
SMEs Private Equity Trust Fund 2	500.00 - 750.00	124.96	93.15	112.96	88.66
SMEs Private Equity Trust Fund 3	500.00 - 1,000.00	88.48	71.09	82.56	68.94
SMEs Private Equity Trust Fund 4	500.00	8.00	3.57	-	-
<b>Total</b>		<b>489.04</b>	<b>498.15</b>	<b>397.12</b>	<b>344.88</b>

As at December 31, 2020 and 2019, other available-for-sale securities had investments in private funds of 7,155.63 Million Baht and 7,255.14 Million Baht, respectively.

- The fair value of investments in private funds, classified by fund manager, was as follows :

Unit : Million Baht

	2020 (Fair value)							Total
	SKFM	ONE Asset	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	
<b>Deposits</b>								
- Savings	-	-	56.98	130.61	6.05	15.02	27.07	235.73
	-	-	<b>56.98</b>	<b>130.61</b>	<b>6.05</b>	<b>15.02</b>	<b>27.07</b>	<b>235.73</b>
<b>Investments in other securities</b>								
- Bonds and treasury bills								
Government bonds	-	-	-	-	65.28	-	-	65.28
	-	-	-	-	<b>65.28</b>	-	-	<b>65.28</b>
- Equity securities								
Common share	-	-	1,352.37	3,214.13	1,434.54	381.96	-	6,383.00
Funds	-	-	-	-	-	-	452.67	452.67
Warrant	-	-	0.06	-	1.49	-	-	1.55
	-	-	<b>1,352.43</b>	<b>3,214.13</b>	<b>1,436.03</b>	<b>381.96</b>	<b>452.67</b>	<b>6,837.22</b>
<b>Other receivables</b>	-	-	12.85	26.37	47.73	9.45	2.31	98.71
	-	-	<b>12.85</b>	<b>26.37</b>	<b>47.73</b>	<b>9.45</b>	<b>2.31</b>	<b>98.71</b>
<b>Other payables</b>	-	-	11.79	1.28	59.35	8.27	0.62	81.31
	-	-	<b>11.79</b>	<b>1.28</b>	<b>59.35</b>	<b>8.27</b>	<b>0.62</b>	<b>81.31</b>
	-	-	<b>1,410.47</b>	<b>3,369.83</b>	<b>1,495.74</b>	<b>398.16</b>	<b>481.43</b>	<b>7,155.63</b>

The Bank received a return on investment in private funds, with a total of 452.03 Million Baht, increased 311.18 Million Baht, resulting in total cumulative return on investments in private funds amounting to 763.21 Million Baht as at December 31, 2020.

Unit : Million Baht

	2019 (Fair value)							Total
	SKFM	ONE Asset	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	
<b>Deposits</b>								
- Current	0.11	-	-	-	-	-	-	0.11
- Savings	-	3.27	1.32	219.76	55.84	300.00	133.84	714.03
	<b>0.11</b>	<b>3.27</b>	<b>1.32</b>	<b>219.76</b>	<b>55.84</b>	<b>300.00</b>	<b>133.84</b>	<b>714.14</b>
<b>Investments in other securities</b>								
- Bonds and treasury bills								
Government bonds	-	-	95.96	-	21.97	-	-	117.93
	-	-	<b>95.96</b>	-	<b>21.97</b>	-	-	<b>117.93</b>
- Equity securities								
Common shares	-	104.94	1,074.89	3,152.25	1,651.58	144.16	-	6,127.82
Funds	-	-	-	-	25.54	-	374.02	399.56
	-	<b>104.94</b>	<b>1,074.89</b>	<b>3,152.25</b>	<b>1,677.12</b>	<b>144.16</b>	<b>374.02</b>	<b>6,527.38</b>
<b>Other receivables</b>	33.73	0.11	20.92	0.02	1.94	0.01	0.36	57.09
	<b>33.73</b>	<b>0.11</b>	<b>20.92</b>	<b>0.02</b>	<b>1.94</b>	<b>0.01</b>	<b>0.36</b>	<b>57.09</b>
<b>Other payables</b>	0.01	0.06	8.54	6.69	0.31	145.55	0.24	161.40
	<b>0.01</b>	<b>0.06</b>	<b>8.54</b>	<b>6.69</b>	<b>0.31</b>	<b>145.55</b>	<b>0.24</b>	<b>161.40</b>
	<b>33.83</b>	<b>108.26</b>	<b>1,184.55</b>	<b>3,365.34</b>	<b>1,756.56</b>	<b>298.62</b>	<b>507.98</b>	<b>7,255.14</b>

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 investment in private funds amounting to 452.03 Million Baht as at December 31, 2019.

- Changes of investments in private funds were as follows :

Unit : Million Baht

	2020								Total
	SKFM	ONE	UOB	Thanachart Fund	K Asset	MFC Asset	BBL Asset	TMB Asset	
Beginning balance (cost price)	32.67	25.60	-	1,250.00	3,750.00	2,000.00	300.00	500.00	7,858.27
Securities purchase/transfer	-	-	-	450.00	500.00	-	150.00	-	1,100.00
Securities sales/transfer	(32.67)	(25.60)	-	-	-	-	-	-	(58.27)
Total (cost price)	-	-	-	1,700.00	4,250.00	2,000.00	450.00	500.00	8,900.00
Unrealised gain (loss)	-	-	-	(289.53)	(880.17)	(504.26)	(51.84)	(18.57)	(1,744.37)
<b>Ending balance (fair value)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,410.47</b>	<b>3,369.83</b>	<b>1,495.74</b>	<b>398.16</b>	<b>481.43</b>	<b>7,155.63</b>

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	-	-	-	-	500.00	-	300.00	500.00	1,300.00
Securities sales/transfer	(198.81)	-	(16.18)	-	-	-	-	-	(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
Unrealised gain (loss)	1.16	82.66	-	(65.45)	(384.66)	(243.44)	(1.38)	7.98	(603.13)
<b>Ending balance (fair value)</b>	<b>33.83</b>	<b>108.26</b>	<b>-</b>	<b>1,184.55</b>	<b>3,365.34</b>	<b>1,756.56</b>	<b>298.62</b>	<b>507.98</b>	<b>7,255.14</b>

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	2020	2019
Manufacturing and commercial	2,144.00	1,982.72
Fund and financial business	9,157.41	10,425.99
<b>Total</b>	<b>11,301.41</b>	<b>12,408.71</b>

## 5.6 Investments in Associates-Net

As at December 31, 2020 and 2019, the Bank's investments in associates were as follows :

Unit : Million Baht				
	Financial statements exhibiting investments by the equity method		Bank-only financial statements	
	2020	2019	2020	2019
<b>Beginning balance</b>	2,081.58	2,002.91	1,524.92	1,375.92
Share of profit (loss) on investments by the equity method	(470.69)	402.51	-	-
<u>Plus</u> Purchase/ transfer	-	174.00	-	174.00
<u>Less</u> Sales	-	168.60	-	25.00
<u>Less</u> Dividend received	31.33	329.24	-	-
<b>Ending balance</b>	<b>1,579.56</b>	<b>2,081.58</b>	<b>1,524.92</b>	<b>1,524.92</b>

### 5.6.1 Bank-only Financial Statements

As at December 31, 2020 and 2019, 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)	
			2020	2019	2020	2019
MFC Asset Management Plc.	Securities	Ordinary share	24.94	24.94	353.53	353.53
ASL Securities Co.,Ltd.	Securities	Ordinary share	25.00	25.00	174.00	174.00
Dhipaya Life Assurance Plc.	Life Insurance	Ordinary share	25.00	25.00	997.39	997.39
<b>Investments in associates- net</b>					<b>1,524.92</b>	<b>1,524.92</b>



### 5.6.2 Financial Statements Exhibiting Investments by the Equity Method

The Bank's investments in associates as at December 31, 2020 and 2019 were as follows :

Unit : Million Baht

Company name	Type of business	Type of securities	Percentage of invested securities		Investment (Cost method)		Investment (Equity method)	
			2020	2019	2020	2019	2020	2019
MFC Asset Management Plc	Securities	Ordinary share	24.94	24.94	353.53	353.53	243.38	256.83
ASL Securities Co.,Ltd.	Securities	Ordinary share	25.00	25.00	174.00	174.00	168.13	167.80
Dhipaya Life Assurance Plc.	Life Insurance	Ordinary share	25.00	25.00	997.39	997.39	1,168.05	1,656.95
<b>Investments in associates-net</b>					<b>1,524.92</b>	<b>1,524.92</b>	<b>1,579.56</b>	<b>2,081.58</b>

As at December 31, 2020, the Bank recognized share of profit on investments in associates based on the equity method of 470.69 Million Baht, calculated from the unaudited statement of profit or loss and other comprehensive income for the year ended December 31, 2020.

### 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					
	2020 "Unaudited"			2019 "Audited"		
	Total assets	Total liabilities	Equity	Total assets	Total liabilities	Equity
MFC Asset Management Plc.	1,477.98	415.26	1,062.72	1,328.51	225.98	1,102.53
ASL Securities Co.,Ltd.	1,102.30	512.56	589.74	719.30	129.37	589.93
Dhipaya Life Assurance Plc.	30,380.96	26,643.25	3,737.71	29,848.48	23,863.65	5,984.83
<b>SOU</b>	<b>32,961.24</b>	<b>27,571.07</b>	<b>5,390.17</b>	<b>31,896.29</b>	<b>24,219.00</b>	<b>7,677.29</b>

Unit : Million Baht

Company name	Statement of Profit or Loss and Other Comprehensive Income			
	2020 "Unaudited"		2019 "Audited"	
	Total income	Net profit (loss)	Total income	Net profit (loss)
MFC Asset Management Plc.	914.08	147.11	916.58	130.45
ASL Securities Co.,Ltd.	140.95	(0.19)	71.03	(33.21)
Dhipaya Life Assurance Plc.	5,703.52	(807.66)	11,177.25	886.54
<b>Total</b>	<b>6,758.55</b>	<b>(660.74)</b>	<b>12,164.86</b>	<b>983.78</b>

## 5.7 Loans to Customers and Accrued Interest Receivables-Net

### 5.7.1 Classified by Product Type

Unit : Million Baht

	2020	2019
Overdraft	43,691.06	46,156.36
Loans (Clause 5.7.2)	1,462,502.36	1,536,764.26
Notes	310,985.69	334,106.03
Receivables under lease agreement	239.47	241.86
<u>Less</u> deferred revenue	410.70	467.23
Loans to customers after deferred revenue - net (Clause 5.7.4)	1,817,007.88	1,916,801.28
<u>Plus</u> accrued interest receivables	43,523.13	6,320.30
Loans to customers and accrued interest receivables after deferred revenue - net	1,860,531.01	1,923,121.58
<u>Less</u> allowance for doubtful accounts		
1. Minimum provision according to the BOT's requirement		
- Individual approach	37,381.39	42,354.16
- Collective approach (Chor Por Kor Loans)	20,063.50	19,865.76
2. Excess provision	16,475.00	4,075.00
<u>Less</u> revaluation allowance for debt restructuring	31.06	33.60
<b>Total loans to customers and accrued interest receivables - net</b>	<b>1,786,580.06</b>	<b>1,856,793.06</b>

As at December 31, 2020 and 2019, loan to customers and net accrued interest receivables included Loans for public service account project lent by the Bank (Clause 5.38.2 of the Notes) as follows :

Unit : Million Baht			
Project	Amount	2020	2019
Soft loan project to provide working capital for Small and Medium-sized Enterprises (SMEs)	100,000.00	956.25	1,344.27
Soft loan project to provide working capital for Small and Medium-sized Enterprises (SMEs) : Phase 2	50,000.00	975.56	1,412.98
Soft loan project to modify the machinery and increase the productivity for Small and Medium-sized Enterprises (SMEs)	30,000.00	163.87	223.82
<b>Total</b>		<b>2,095.68</b>	<b>2,981.07</b>

As at December 31, 2020, loan to customers and net accrued interest receivables included loan measures provided to assist debtors affected by the COVID-19 pandemic as follows :

1) Loan measures to assist customers affected by the COVID-19 pandemic.

Unit : Million Baht					
Measures	Credit line/ case	Interest rate (%)	Period	Number of cases	Outstanding balance
Soft Loan for SMEs entrepreneurs (existing customers)	Not exceeding 500.00	2.00 / year	Short-term loan not more than 1 year Long-term loan (Debt-free up to 6 months)	715	943.19

2) Measures to suspend principal and interest payments to assist customers affected by the COVID-19 pandemic.

Unit : Million Baht				
	Credit line/ case	Debt suspension period	Number of cases	Outstanding balance
Personal loans	No limit	9 months	2,152,632	694,878.15
Housing loans	No limit	9 months	271,938	281,714.84
SMEs loans	Not more than 100.00	9 months	30,327	65,484.06
Credit card loans	Credit line considered for approval		1,683	67.15
Cash card loans	Credit line considered for approval		2,076	48.20
<b>Total</b>			<b>2,458,656</b>	<b>1,042,192.40</b>

As at December 31, 2020 and 2019, outstanding balance of loans to customers where recognition of income has been suspended in accordance with the BOT's principles was 119,510.06 Million Baht and 315,854.68 Million Baht, respectively.

## 5.7.2 Classified by Loan Program

Unit : Million Baht

	2020			2019		
	Loans	Allowance for doubtful account	Net loans	Loans	Allowance for doubtful account	Net loans
Loans for occupation development	408,498.85	32,921.66	375,577.19	430,223.13	35,968.82	394,264.31
Housing loans	345,814.28	4,411.89	341,402.39	337,134.79	4,734.84	332,399.95
Public sector and state enterprise loans	186,597.34	23.75	186,573.59	242,093.23	46.86	242,046.37
Sai Thong loans	121,021.19	989.89	120,031.30	119,543.72	1,312.66	118,231.06
General business loans	88,475.71	1,207.46	87,268.25	81,340.98	1,128.97	80,212.01
Welfare loans	86,841.13	4,216.48	82,624.65	94,534.76	5,594.68	88,940.08
People's Bank loans	56,013.42	3,038.16	52,975.26	56,346.76	5,354.52	50,992.24
Corporate loans	49,415.62	1,204.48	48,211.14	50,439.21	1,313.21	49,126.00
Row house loans	30,698.58	711.36	29,987.22	32,583.81	1,043.42	31,540.39
Happy Life loans	29,980.24	23.08	29,957.16	30,607.81	29.24	30,578.57
Others	59,146.00	3,174.09	55,971.91	61,906.06	3,860.48	58,045.58
<b>Total</b>	<b>1,462,502.36</b>	<b>51,922.30</b>	<b>1,410,580.06</b>	<b>1,536,764.26</b>	<b>60,387.70</b>	<b>1,476,376.56</b>

Loans for occupation development are loans to improve the life of teachers, civil servants, local officials and military officials.

Sai Thong loans are loans for education, tourism, medical professional group, consumption, working in oversea and multipurpose.

Welfare loans are loans for government and state enterprise officials, private sector officers and retired government officials.

People's Bank loans are loans 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, 2020 and 2019, 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, 2020, was at 4.24 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 December 27, 2019, the Ministry of Finance issued a letter to consider extending the period to repurchase shares from the Bank for another 3 years from August 21, 2018.

As at December 31, 2020 and 2019, other loans included loans that the Regional Urban Development Fund Office provided to municipalities in the amount of 277.15 Million Baht and 309.68 Million Baht, respectively.

### 5.7.3 Classified by Currency and Customer's Residence

Unit : Million Baht

	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,808,257.69	8,658.02	1,816,915.71	1,907,189.27	9,589.51	1,916,778.78
USD	71.33	-	71.33	1.66	-	1.66
Others	20.84	-	20.84	20.84	-	20.84
<b>Total</b>	<b>1,808,349.86</b>	<b>8,658.02</b>	<b>1,817,007.88</b>	<b>1,907,211.77</b>	<b>9,589.51</b>	<b>1,916,801.28</b>

### 5.7.4 Classified by Business Type and Quality of Loan Classification

Unit : Million Baht

	2020					
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	19,299.77	202.83	380.21	107.64	984.41	20,974.86
Manufacturing and commercial	52,172.74	442.80	568.65	11.26	1,391.27	54,586.72
Real estate and construction	15,990.08	501.58	223.61	235.13	533.25	17,483.65
Utilities and services	107,471.48	140.50	663.15	1,637.57	2,642.07	112,554.77
Housing loans	331,235.28	2,613.93	847.00	161.76	10,956.84	345,814.81
Others	1,161,608.36	81,721.66	4,261.09	1,064.50	16,937.46	1,265,593.07
<b>Total</b>	<b>1,687,777.71</b>	<b>85,623.30</b>	<b>6,943.71</b>	<b>3,217.86</b>	<b>33,445.30</b>	<b>1,817,007.88</b>

Loans to customers classified by type of business amounting to 1,265,593.07 Million Baht are public sector and state enterprise loans in the amount of 421,955.57 Million Baht and loans for occupation development in the amount of 408,498.85 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 350,719.18 Million Baht)



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
<b>Total</b>	<b>1,733,211.09</b>	<b>129,188.86</b>	<b>14,643.53</b>	<b>15,965.42</b>	<b>23,792.38</b>	<b>1,916,801.28</b>

Loans to customers classified by type of business amounting to 1,344,772.11 Million Baht are public sector and state enterprise loans in the amount of 464,926.81 Million Baht and 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)

### 5.7.5 Classified by Quality of Loan Classification

Unit : Million Baht

	2020			
	Loans and accrued interest receivables	Net amount used in determining the allowance for doubtful accounts *	Rates used in determining the allowance for doubtful account (%)	Allowance for doubtful accounts
1. Minimum provision according to the BOT's requirement				
Normal	1,727,267.34	572,839.31	1	6,090.79
Special mentioned	89,587.24	79,698.89	2	21,361.19
Substandard	7,013.27	4,045.57	100	4,045.57
Doubtful	3,217.86	2,625.44	100	4,753.99
Doubtful of loss	33,445.30	21,193.35	100	21,193.35
2. Excess provision according to the BOT's requirement				16,475.00
<b>Total</b>	<b>1,860,531.01</b>	<b>680,402.56</b>		<b>73,919.89</b>

\* 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.

Unit : Million Baht

	2019			
	Loans and accrued interest receivables	Net amount used in determining the allowance for doubtful accounts *	Rates used in determining the allowance for doubtful account (%)	Allowance for doubtful accounts
3. 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
4. Excess provision according to the BOT's requirement				4,075.00
<b>SOU</b>	<b>1,923,121.58</b>	<b>727,002.53</b>		<b>66,294.92</b>

\* 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, 2020 and 2019, 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 20,063.50 Million Baht and 19,865.76 Million Baht, respectively.

As at December 31, 2020, doubtful loans included a loan of a company which was in the process of business rehabilitation. The Bank set aside an allowance for doubtful accounts for the loans and credit line obligations amounting to 3,500.00 Million Baht.

#### 5.7.6 Non-Performing Loans (NPLs)

As at December 31, 2020 and 2019, The Bank had non-performing loans (NPLs) comprising substandard, doubtful and doubtful of loss loans, including loans to customers from public service account and interbank and money market loans as follows :

	Unit : Million Baht	
	2020	2019
NPLs before deduction of allowance for doubtful accounts	46,031.50	57,033.84
As percentage of total loans	2.13	2.65
NPLs after deduction of allowance for doubtful accounts	13,955.81	19,773.54
As percentage of total loans - net	0.67	0.95

### 5.7.7 Troubled Debt Restructuring

For the year ended December 31, 2020 and 2019, 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	
	2020	2019
Interest income from debt restructuring	2.54	2.41

As at December 31, 2020 and 2019, the Bank had outstanding balances of loans to restructured debtors recognized in the statement of financial position as follows :

	Unit : Million Baht	
	2020	2019
Outstanding balance of loans to restructured debtors	862.95	863.51

### 5.7.8 Account Receivables under Hire Purchase Contract

	Unit : Million Baht			
	2020			
	Amount due			
	Less than 1 year	Over 1-5 years	Over 5 years	Total
Total of initial investments under hire purchase contract	24.86	99.31	115.30	239.47
Less Deferred revenue				86.40
Present value of repayment amount under hire purchase contract				153.07
Less Allowance for doubtful accounts				152.61
Account receivables under hire purchase contract - net				0.46

	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

## 5.8 Allowance for Doubtful Accounts

Unit : Million Baht

	2020						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Excess provision	Total
Beginning balance	5,921.88	21,227.39	9,914.25	10,137.04	15,019.36	4,075.00	66,294.92
Doubtful accounts	168.91	133.80	(5,868.68)	(5,383.05)	12,034.24	12,400.00	13,485.22
Bad debt written off	-	-	-	-	(5,860.25)	-	(5,860.25)
<b>Ending balance</b>	<b>6,090.79</b>	<b>21,361.19</b>	<b>4,045.57</b>	<b>4,753.99</b>	<b>21,193.35</b>	<b>16,475.00</b>	<b>73,919.89</b>

Unit : Million Baht

	2019						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful of loss	Excess provision	Total
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)
<b>Ending balance</b>	<b>5,921.88</b>	<b>21,227.39</b>	<b>9,914.25</b>	<b>10,137.04</b>	<b>15,019.36</b>	<b>4,075.00</b>	<b>66,294.92</b>

As at December 31, 2020 and 2019, the allowance for doubtful accounts amounting to 73,919.89 Million Baht and 66,294.92 Million Baht, respectively included the allowance for doubtful accounts of the soft loan project to be used as working capital for Small and Medium-sized Enterprises (SMEs) : Phase 2, and the soft loan project to modify machinery and increase productivity for Small and Medium-sized Enterprises (SMEs) in the amount of 1.20 Million Baht and 1.30 Million Baht, respectively. (Note 5.7.1)

As at December 31, 2020 and 2019, the allowance for special mentioned loans amounting to 21,361.19 Million Baht and 21,227.39 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

	2020	2019
Beginning balance	33.60	36.01
Amortisation	(2.54)	(2.41)
<b>Ending balance</b>	<b>31.06</b>	<b>33.60</b>

## 5.10 Properties for sale – Net

Unit : Million Baht

	2020			
	Beginning balance	Additions	Disposal/Transfer	Ending balance
Immovable assets	4,899.24	2,158.90	362.65	6,695.49
<u>Less</u> Allowance for impairment	71.40	139.99	46.04	165.35
<b>Total properties for sale – net</b>	<b>4,827.84</b>	<b>2,018.91</b>	<b>316.61</b>	<b>6,530.14</b>

Unit : Million Baht

	2019			
	Beginning balance	Additions	Disposal/Transfer	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
<b>Total properties for sale – net</b>	<b>3,235.90</b>	<b>1,996.49</b>	<b>404.55</b>	<b>4,827.84</b>

As at December 31, 2020 and 2019, the Bank had available-for-sale immovable assets acquired from debt payment categorized by appraisers as follow :

Unit : Million Baht

	2020	2019
External appraisers	6,176.41	4,230.96
Internal appraisers	519.08	668.28
<b>Total</b>	<b>6,695.49</b>	<b>4,899.24</b>

For the year ended December 31, 2020 and 2019, the Bank gained profit from disposal of properties for sale in the amount of 94.51 Million Baht and 141.30 Million Baht, respectively.

## 5.11 Premises and Equipment – Net

Unit : Million Baht

	2020											
	Cost				Accumulated depreciation				Allowance for devaluation			Premises and equipment
	Beginning balance	Additions	Disposal/transfer	Ending balance	Beginning balance	Depreciation	Disposal/transfer	Ending balance	Beginning balance	Increase (Decrease)	Ending balance	
Land												
Original cost	2,380.00	4.06	-	2,384.06	-	-	-	-	-	-	-	2,384.06
Appraisal increase*	17,542.11	2,197.47	-	19,739.58	-	-	-	-	-	-	-	19,739.58
Appraisal decrease*	(49.42)	17.50	-	(31.92)	-	-	-	-	-	-	-	(31.92)
Premises	7,985.03	427.26	(27.25)	8,385.04	4,399.27	245.25	(20.52)	4,624.00	369.96	274.42	644.38	3,116.66
Equipment	10,994.03	877.21	(1,042.88)	10,828.36	8,600.23	1,020.42	(1,027.93)	8,592.72	-	-	-	2,235.64
Assets in process	1,156.30	1,415.38	(1,423.21)	1,148.47	-	-	-	-	-	-	-	1,148.47
<b>SOU</b>	<b>40,008.05</b>	<b>4,938.88</b>	<b>(2,493.34)</b>	<b>42,453.59</b>	<b>12,999.50</b>	<b>1,265.67</b>	<b>(1,048.45)</b>	<b>13,216.72</b>	<b>369.96</b>	<b>274.42</b>	<b>644.38</b>	<b>28,592.49</b>

\* The Bank evaluated the assets in 2020.

In 2020, the Bank revalued the land price so that the value of the land did not materially differ from the fair value at the end of the reporting period by using the appraised value of an independent appraiser. As a result, the value of the land increased by 2,214.97 Million Baht.



Unit : Million Baht

	2019											
	Cost				Accumulated depreciation				Allowance for devaluation			Premises and equipment
	Beginning balance	Additions	Disposal/ transfer	Ending balance	Beginning balance	Depreciation	Disposal/ transfer	Ending balance	Beginning balance	Increase (Decrease)	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
<b>Total</b>	<b>39,179.96</b>	<b>2,862.39</b>	<b>(2,034.30)</b>	<b>40,008.05</b>	<b>12,391.42</b>	<b>1,205.85</b>	<b>(597.77)</b>	<b>12,999.50</b>	<b>369.96</b>	<b>-</b>	<b>369.96</b>	<b>26,638.59</b>

\* The Bank evaluated the assets in 2020.

As at December 31, 2020 and 2019, the Bank had premises and equipment which were fully depreciated but still in use at the original cost amounting to 7,117.56 Million Baht and 7,448.89 Million Baht, respectively.

## 5.12 Right-of-use assets under lease term

Unit : Million Baht

	2020								
	Cost				Accumulated depreciation				Right-of-use assets-net
	Beginning balance*	Increase	Decrease	Ending balance	Beginning balance*	Depreciation	Decreased/ Improved	Ending balance	
Land lease agreement and/ or building	907.93	475.83	(133.68)	1,250.08	19.85	535.86	(117.09)	438.62	811.46
Car rental agreement	1,017.01	76.78	(11.41)	1,082.38	-	438.69	(11.41)	427.28	655.10
<b>Total</b>	<b>1,924.94</b>	<b>552.61</b>	<b>(145.09)</b>	<b>2,332.46</b>	<b>19.85</b>	<b>974.55</b>	<b>(128.50)</b>	<b>865.90</b>	<b>1,466.56</b>

\* IFRS 16- Lease was implemented for the first time on January 1, 2020.

## 5.13 Intangible assets

Unit : Million Baht

	2020								
	Cost				Accumulated amortisation				Other intangible assets - net
	Beginning balance	Additions	Disposal/ Transfer	Ending balance	Beginning balance	Increase	Disposal/ Transfer	Ending balance	
Software	4,424.22	838.64	(303.82)	4,959.04	2,850.24	710.71	(303.70)	3,257.25	1,701.79
<b>Total</b>	<b>4,424.22</b>	<b>838.64</b>	<b>(303.82)</b>	<b>4,959.04</b>	<b>2,850.24</b>	<b>710.71</b>	<b>(303.70)</b>	<b>3,257.25</b>	<b>1,701.79</b>

Unit : Million Baht

	2019								
	Cost				Accumulated amortisation				Other intangible assets - net
	Beginning balance	Additions	Disposal/ Transfer	Ending balance	Beginning balance	Increase	Disposal/ Transfer	Ending balance	
Software	3,559.45	912.32	(47.55)	4,424.22	2,397.59	500.20	(47.55)	2,850.24	1,573.98
<b>Total</b>	<b>3,559.45</b>	<b>912.32</b>	<b>(47.55)</b>	<b>4,424.22</b>	<b>2,397.59</b>	<b>500.20</b>	<b>(47.55)</b>	<b>2,850.24</b>	<b>1,573.98</b>

As at December 31, 2020 and 2019, the Bank had software which was fully amortised but still in use at the original cost amounting to 699.56 Million Baht and 629.04 Million Baht, respectively.

#### 5.14 Other Assets – Net

Unit : Million Baht

	2020	2019
Accrued income	985.17	889.58
Leasehold right	-	20.88
Receivables from disposal of investments	267.37	3,277.85
Suspended Auction asset purchase	4,317.76	3,873.25
Other receivables and miscellaneous assets	1,907.31	1,229.64
Waiting for adjustment – loans	0.42	0.07
<b>Total</b>	<b>7,478.03</b>	<b>9,291.27</b>

Receivables from disposal of investments of 267.37 Million Baht are the transaction of sales duly concluded, but not yet received a payment.

Suspended auction asset purchase of 4,317.76 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 1,907.31 Million Baht consist of :

- Other receivables-Regional Urban Development Fund Office in the amount of 13.05 Million Baht.
- Advance received from electronic money transfer transactions amounting to 0.10 Million Baht.

The Bank provided electronic money transfer services which offered instant money transfers or same-day services, but unable to complete the transfer within the date of money receiving from the user. The bank kept it separately from the bank's other working capital.

- Receivables pending transfer-fraud and Cash Short accounts amounting to 0.44 Million Baht, consisting of accounts receivables in the event of fraud in the amount of 293.00 Million Baht less full allowance for doubtful accounts and Cash Short receivables in the amount of 11.11 Million Baht less allowance for doubtful accounts in the amount of 10.67 Million Baht, leaving a balance of 0.44 Million Baht.

- Other receivables pending transfer of 345.92 Million Baht.
- Others of 1,547.80 Million Baht.

## 5.15 Deposits

### 5.15.1 Classified by Product Type

Unit : Million Baht

Type of deposits		2020	2019
Demand		5,128.00	4,117.52
Savings		680,648.46	557,973.69
Fixed			
• Special savings with a term	151,528.81		267,243.98
• Fixed deposits	245,645.21		278,209.99
• GSB lottery and banknotes	1,238,211.92		1,105,918.94
• Life and family allowance			
- Insurance	49,864.56		53,107.68
- Deposits	26,999.08	1,712,249.58	39,522.03
Other deposits		3,516.70	3,395.34
<b>Total</b>		<b>2,401,542.74</b>	<b>2,309,489.17</b>

Savings deposits of 680,648.46 Million Baht includes the guarantee contributions (pension category 1) made by the Bank officers amounting to 80.37 Million Baht, which cannot be withdrawn during their employment period with the Bank.

Other deposits of 3,516.70 Million Baht are inclusive of the neglected and non-active accounts of 3,513.53 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 and family deposits

As at December 31, 2020 and 2019, the Bank had liabilities of life and family deposits in the form of insurance and deposits as follows :

Unit : Million Baht

		2020	2019
<b>In the form of insurance</b>			
• Life and family deposits	49,864.56		53,107.68
• Accrued interest receivables of Life and family deposits (Note 5.18)	22,312.55	72,177.11	23,409.85
<b>In the form of deposits</b>			
• Life and family deposits	26,999.08		39,522.03
• Accrued interest receivables of Life and family deposits (Note 5.20)	11,099.28	38,098.36	51,379.52
<b>Total</b>		<b>110,275.47</b>	<b>127,897.05</b>

The Bank analyzed the sensitivity to changes in assumptions used to measure the liabilities of life and family deposits in the form of insurance as at December 31, 2020 as follows :

		Unit : Million Baht
		Increased liabilities (decreased)
		2020
<b>Discount rate</b>		
Increase of 0.25%		(1,703.85)
Decrease of 0.25%		1,783.95
<b>Mortality rate</b>		
Increase of 25%		(12.01)
Decrease of 25%		26.32
<b>Expenses</b>		
Increase of 10%		132.17
Decrease of 10%		(132.17)

#### 5.15.2 Classified by Currency and Depositor's Residence

Unit : Million Baht						
	2020			2019		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Thai Baht	2,397,778.08	3,764.66	2,401,542.74	2,306,157.89	3,331.28	2,309,489.17
<b>Total</b>	<b>2,397,778.08</b>	<b>3,764.66</b>	<b>2,401,542.74</b>	<b>2,306,157.89</b>	<b>3,331.28</b>	<b>2,309,489.17</b>

#### 5.16 Interbank and Money Market Items – Net

Unit : Million Baht						
	2020			2019		
	Demand	Time	Total	Demand	Time	Total
Domestic items						
Bank of Thailand and Financial Institutions Development Fund	-	1,182.70	1,182.70	10.32	-	10.32
Commercial banks	1.58	58,230.01	58,231.59	1.83	46,800.01	46,801.84
Specialized financial institutions	3.10	800.00	803.10	2.81	-	2.81
Other financial institution	3,602.88	13,290.09	16,892.97	6,374.09	18,287.27	24,661.36
<b>Total domestic items</b>	<b>3,607.56</b>	<b>73,502.80</b>	<b>77,110.36</b>	<b>6,389.05</b>	<b>65,087.28</b>	<b>71,476.33</b>

As at December 31, 2020, net interbank and money market items of 77,110.36 Million Baht included promissory notes issued by the Bank for borrowing money from the Bank of Thailand in the amount of 1,182.70 Million Baht for additional lending to enterprises under measures to provide additional credit, according to the Royal Decree on providing financial assistance to enterprises affected by the COVID-19 outbreak 2019, dated April 18, 2020 and according to the Bank of Thailand announcement No. Sor Kor Sor 1.2/2563 Subject : Providing financial assistance to enterprises affected by the COVID-19 outbreak 2019, dated April 22, 2020, whereby the Bank of Thailand provided loans to financial institutions in a limited amount not exceeding 500,000.00. Million Baht and financial institutions must complete loan withdrawal from the Bank of Thailand within October 18, 2020 or as specified by the Bank of Thailand. The promissory notes have a term of up to 2 years at an interest rate of 0.01% per annum and financial institutions charge interest from enterprises for the first 2 years not more than 2.00% per annum without charging interest from borrowers for the first six months.

### 5.17 Debt Securities Issued and Borrowings

Unit : Million Baht

	Credit line	Interest payment date	Interest rate (%)	Maturity	2020			2019		
					Domestic	Foreign	Total	Domestic	Foreign	Total
Bonds in 2017 : 50,000.00 Million Baht										
No.1/2017	36,000.00	Feb 23 and Aug 23 every year	2.36	Feb 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 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 every year	1.53	Oct 16, 2024	6,220.00	-	6,220.00	6,220.00	-	6,220.00
Set 2	9,780.00	Apr 16 and Oct 16 every year	1.69	Oct 16, 2026	9,780.00	-	9,780.00	9,780.00	-	9,780.00
No. 2/2019 : 14,500.00 Million Baht										
Set 1	4,200.00	Feb 6 and Aug 6 every year	1.45	Feb 6, 2023	4,200.00	-	4,200.00	4,200.00	-	4,200.00
Set 2	4,400.00	Jun 6 and Dec 6 every year	1.58	Dec 6, 2024	4,400.00	-	4,400.00	4,400.00	-	4,400.00
Set 3	5,900.00	Jun 6 and Dec 6 every year	1.79	Dec 6, 2026	5,900.00	-	5,900.00	5,900.00	-	5,900.00
Total					80,500.00	-	80,500.00	80,500.00	-	80,500.00



## 5.18 Lease liabilities

Unit : Million Baht

	2020					
	Lease liabilities				Accrued interest	Total
	Beginning balance*	Increase	Decrease	Ending balance		
Land lease agreement and/ or building	867.20	464.64	(527.58)	804.26	1.44	805.70
Car rental agreement	1,017.01	77.19	(438.88)	655.32	0.05	655.37
<b>Total</b>	<b>1,884.21</b>	<b>541.83</b>	<b>(966.46)</b>	<b>1,459.58</b>	<b>1.49</b>	<b>1,461.07</b>

\* IFRS 16-Lease was implemented for the first time on January 1, 2020.

For the year ended December 31, 2020, the Bank had interest payments on lease liabilities of 34.27 Million Baht.

As at December 31, 2020, the Bank had the amount to be paid without using discount rates and maturity period according to lease term as follows :

Unit : Million Baht

	2020			
	Amount and Period of Maturity			
	Not over 1 year	Over 1 year, but not over 5 years	Over 5 years	Total
Land lease agreement and/ or building	453.00	316.57	8.21	777.78
Car rental agreement	273.36	402.87	-	676.23
<b>Total</b>	<b>726.36</b>	<b>719.44</b>	<b>8.21</b>	<b>1,454.01</b>

## 5.19 Provisions

Unit : Million Baht

	2020	2019
Short-term employee benefit liabilities	347.94	-
<b>Employee benefit obligations</b>		
• Gratuity/ Pension	59,424.74	57,278.20
• Living gratuity	2,347.30	2,244.49
• Special pension	3,260.47	3,173.36
• Compensation	6,759.22	6,247.34
• Retirement gifts	154.47	146.73
• Long-service gifts	307.26	249.60
	72,253.46	69,339.72
Obligations from other guarantees (Note 5.25.1)	1,081.69	1,081.69
Obligations from litigation (Note 5.25.2)	36.40	39.76
<b>Total provision</b>	<b>73,719.49</b>	<b>70,461.17</b>

### Employee Benefit Obligations

The present value of the employee benefit obligations as at December 31, 2020 and 2019, can be adjusted as follows :

	Unit : Million Baht	
	2020	2019
Employee Benefit Obligations		
Beginning balance	69,339.72	55,425.68
Past service cost	-	1,385.19
Current service cost	1,801.82	1,314.61
Interest cost	1,136.87	1,476.08
Loss (Profit) from actuarial estimates/ assumptions		
• Demographic assumption	-	(8.62)
• Financial assumption	762.79	11,258.62
• From benefit payment	1,595.21	641.89
Benefits paid during the period	(2,382.95)	(2,153.73)
<b>Total employee benefit obligations</b>	<b>72,253.46</b>	<b>69,339.72</b>

As at 31 December 2020, the Bank assessed the present value of the obligation for employee benefit plans, resulting in an increase in employee benefit obligations by 2,358.00 Million Baht, which was an actuarial loss in post-employment benefits amounting to 2,305.73 Million Baht and recognized in other comprehensive income through retained earnings whereas actuarial gains in other long-term benefits amounting to 52.27 Million Baht was recognized in profit or loss. The key assumptions for calculation were as follows :

	2020	2019
Discount rate	0.36% - 2.99%	1.19% - 2.52%
Average rate of salary increase for employees	3.00% - 10.00%	3.00% - 10.00%
Average rate of salary increase for staffs	5.50%	5.50%
Average turnover rate of employees	0.00% - 1.50%	0.00% - 1.50%
Average turnover rate of staffs	0.00% - 25.00%	0.00% - 25.00%
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, 2020 as follows :

Unit : Million Baht	
	Provision increase (decrease)
	2020
<b>Post- employment benefits</b>	
Discount rate	
Increase of 0.50%	(4,772.62)
Decrease of 0.50%	5,297.55
Increase rate of salary	
Increase of 1.00%	3,788.19
Decrease of 1.00%	(3,396.65)
<b>Other benefits</b>	
Discount rate	
Increase of 0.50%	(15.62)
Decrease of 0.50%	16.93
Inflation rate	
Increase of 1.00%	38.44
Decrease of 1.00%	(32.85)

Estimated maturity of employee benefit payments as at December 31, 2020 and 2019 were as follows :

	2020	2019
Weighted average payment of employee benefits.	18.1 year	18.7 year

Unit : Million Baht		
	2020	2019
<b>Expected amount and maturity of employee payment</b>		
<b>Post-employment benefits</b>		
Expected payment within 1 year	3,077.42	2,875.11
Expected payment more than 1 year to 2 years	2,977.26	2,825.87
Expected payment more than 2 year to 3 years	3,136.54	2,905.09
Expected payment more than 3 year to 4 years	3,291.52	3,063.18
Expected payment more than 4 year to 5 years	3,367.02	3,210.87
Expected payment more than 5 year to 10 years	18,714.83	17,838.54
Expected payment more than 10 years	91,950.08	94,258.23
<b>Other long-term benefits</b>		
Expected payment within 1 year	14.85	8.73
Expected payment more than 1 year to 2 years	19.95	16.12
Expected payment more than 2 year to 3 years	23.78	14.22
Expected payment more than 3 year to 4 years	18.68	16.96
Expected payment more than 4 year to 5 years	21.50	21.25
Expected payment more than 5 year to 10 years	96.40	76.85
Expected payment more than 10 years	713.50	660.62

## 5.20 Deposit Interest Rate and Accrued Bonds

As at December 31, 2020 and 2019, interest from deposits and accrued bonds amounting to 46,569.84 Million Baht and 48,982.41 Million Baht, respectively, including accrued life and family deposit interest (Note 5.15.1) as follows :

	Unit : Million Baht	
	2020	2019
Accrued life and family deposit interest		
• In the form of insurance	22,312.55	23,409.85
• In the form of deposits	11,099.28	11,857.49
<b>Total</b>	<b>33,411.83</b>	<b>35,267.34</b>

## 5.21 Other liabilities

	Unit : Million Baht	
	2020	2019
Pending cheque into a depositor's account	327.70	855.80
Payables form purchase of investments	380.80	3,938.24
Other payables and miscellaneous liabilities	1,236.05	2,063.98
<b>Total</b>	<b>1,944.55</b>	<b>6,858.02</b>

Payables from purchase of investments in the amount of 380.80 Million Baht was the transaction duly concluded, but not yet received a payment.

Other payables and miscellaneous liabilities was 1,236.05 Million Baht, consisting of

- Suspended-Available-for-sale assets amounting to 1,590.65 Million Baht.
- Pending for creditor transfer amounting to 404.09 Million Baht.
- Pending for transfer-PromptPay amounting to 1,653.57 Million Baht which was a transaction of retail bank transfer which has not yet received payment.
- and others amounting to 894.88 Baht.

## 5.22 Other Reserves

	Unit : Million Baht					
	Financial statements exhibiting investments by the equity method					
	2020			2019		
	Beginning balance	During the period	Ending balance	Beginning balance	During the period	Ending balance
Surplus from valuation of assets	17,542.11	2,197.47	19,739.58	17,547.25	(5.14)	17,542.11
Surplus (deficit) on revaluation of investments	6,438.22	(6,304.57)	133.65	5,535.30	902.92	6,438.22
Share of other comprehensive profit (loss) from associates	123.08	(378.15)	(255.07)	33.64	89.44	123.08
<b>Total</b>	<b>24,103.41</b>	<b>(4,485.25)</b>	<b>19,618.16</b>	<b>23,116.19</b>	<b>987.22</b>	<b>24,103.41</b>

Unit : Million Baht

	Bank-only financial statements					
	2020			2019		
	Beginning balance	During the period	Ending balance	Beginning balance	During the period	Ending balance
Surplus from valuation of assets	17,542.11	2,197.47	19,739.58	17,547.25	(5.14)	17,542.11
Surplus (deficit) on revaluation of investments	6,438.22	(6,304.57)	133.65	5,535.30	902.92	6,438.22
<b>Total</b>	<b>23,980.33</b>	<b>(4,107.10)</b>	<b>19,873.23</b>	<b>23,082.55</b>	<b>897.78</b>	<b>23,980.33</b>

### 5.23 Appropriation of Net Profit

The Bank was approved by the State Enterprise Policy Office to appropriate net profit for the year 2020 and 2019 as follows :

Unit : Million Baht

	2019 Profit	2018 Profit
Annual net income	24,207.95	30,841.84
Reserve for business expansion	2,420.79	3,084.18
Director bonus	4.55	4.95
Employee bonus	3,075.03	3,971.55
Remittance as government revenue	18,000.00	16,538.00

For the appropriation of net profit for the year 2019, the Bank remitted the interim income to Ministry of Finance on October 22, 2019 in the amount of 5,409.00 Million Baht, remaining to be delivered in the year 2020 in the amount of 12,591.00 Million Baht and remitted the income to Ministry of Finance on April 23, 2020. The total remittance from the appropriation of net profit for the year 2019 was 18,000.00 Million Baht. The Bank appropriated net profit for the six-month period ended June 30, 2020 to be allocated as interim income for H1 on October 22, 2020 in the amount of 2,354.00 Million Baht.

For the appropriation of net income for the year 2018, the Bank remitted 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 remitted the income to Ministry of Finance on April 23, 2019. The total remittance from the appropriation of net profit for the year 2018 was 16,538.00 Million Baht.

### 5.24 Assets Pledged as Collateral and Under Restriction

Unit : Million Baht

	2020	2019
Government and state enterprise securities		
• Securities pledged as collateral for repurchase	62,124.48	41,893.27
Properties for sale	60.62	501.18
<b>Total</b>	<b>62,185.10</b>	<b>42,394.45</b>



## 5.25 Contingent Liabilities

### 5.25.1 Obligations

Unit : Million Baht

	2020	2019
Aval of bills	3.00	-
The obligation according to the bill for imported goods that has not yet matured	1.18	-
Letters of credit	70.21	106.95
Other obligations		
• Amount of unused bank overdrafts	38,018.62	33,745.71
• Other guarantees	7,242.86	6,812.51
• Others	574.00	382.14
<b>Total</b>	<b>45,909.87</b>	<b>41,047.31</b>

As at 31 December 2020 and 2019, the Bank had obligations of other guarantees amounting to 7,242.86 Million Baht and 6,812.51 Million Baht, respectively and recognized in the contingent liabilities of 1,081.69 Million Baht and 1,081.69 Million Baht, respectively (Note 5.19).

### 5.25.2 Contingent Liabilities Arising from Litigation

As at December 31, 2020, the Bank had contingent liabilities due to a third party filing a lawsuit against the Bank calling for compensation for damages amounting to 94 cases, with total computable monetary value claims of 8,586.17 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 36.40 Million Baht (Note 5.19).

## 5.26 Related Party Transactions

Unit : Million Baht

	2020			2019		
	Loans		Deposits	Loans		Deposits
	Outstanding balance	Allowance for doubtful accounts		Outstanding balance	Allowance for doubtful accounts	
1. Associates	-	-	140.15	-	-	129.05
<b>Total</b>	<b>-</b>	<b>-</b>	<b>140.15</b>	<b>-</b>	<b>-</b>	<b>129.05</b>
2. Transactions with related parties Key executives and close persons have the power to control or jointly control	-	-	1,018.81	5,000.00	50.00	1,207.02
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,018.81</b>	<b>5,000.00</b>	<b>50.00</b>	<b>1,207.02</b>
3. Transactions with related person Key executives and close persons	266.18	1.41	649.66	299.15	1.39	626.61
<b>Total</b>	<b>266.18</b>	<b>1.41</b>	<b>649.66</b>	<b>299.15</b>	<b>1.39</b>	<b>626.61</b>
<b>Subtotal</b>	<b>266.18</b>	<b>1.41</b>	<b>1,808.62</b>	<b>5,299.15</b>	<b>51.39</b>	<b>1,962.68</b>

## 5.27 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 2020 and 2019, the remuneration paid to executives was as follows :

Unit : Million Baht

	2020	2019
Short-term benefits	388.96	425.94
Post-employment benefits	67.95	69.77
Other long-term benefits	0.13	0.15
<b>Total</b>	<b>457.04</b>	<b>495.86</b>

## 5.28 The Financial Position and Results of Operations Classified by Domestic and Foreign Transactions

### 5.28.1 The Financial Position Classified by Domestic and Foreign transactions

Unit : Million Baht

	Financial statements exhibiting investments by the equity method					
	2020			2019		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Total assets	2,889,201.90	-	2,889,201.90	2,797,624.26	-	2,797,624.26
Interbank and money market items- net (Assets)	312,674.41	-	312,674.41	402,442.36	-	402,442.36
Investments-net *	439,843.38	-	439,843.38	311,876.47	-	311,876.47
Loans to customers and accrued interest receivables- net	1,786,580.06	-	1,786,580.06	1,856,793.06	-	1,856,793.06
Deposits	2,401,542.74	-	2,401,542.74	2,309,489.17	-	2,309,489.17
Interbank and money market items- net (Liabilities)	77,110.36	-	77,110.36	71,476.33	-	71,476.33
Debt securities issued and borrowings	80,500.00	-	80,500.00	80,500.00	-	80,500.00

\* Include investments in associates.

Unit : Million Baht

	Bank-only financial statements					
	2020			2019		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Total assets	2,889,147.26	-	2,889,147.26	2,797,067.60	-	2,797,067.60
Interbank and money market items- net (Assets)	312,674.41	-	312,674.41	402,442.36	-	402,442.36
Investments-net *	439,788.74	-	439,788.74	311,319.81	-	311,319.81
Loans to customers and accrued interest receivables- net	1,786,580.06	-	1,786,580.06	1,856,793.06	-	1,856,793.06
Deposits	2,401,542.74	-	2,401,542.74	2,309,489.17	-	2,309,489.17
Interbank and money market items- net (Liabilities)	77,110.36	-	77,110.36	71,476.33	-	71,476.33
Debt securities issued and borrowings	80,500.00	-	80,500.00	80,500.00	-	80,500.00

\* Include investments in associates.

## 5.28.2 Results of Operations Classified by Domestic and Foreign Transactions

Unit : Million Baht

	Financial statements exhibiting investments by the equity method					
	2020			2019		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Interest income	85,681.97	-	85,681.97	97,519.30	-	97,519.30
Interest expenses	(33,095.91)	-	(33,095.91)	(41,533.52)	-	(41,533.52)
Net interest income	52,586.06	-	52,586.06	55,985.78	-	55,985.78
Net fees and service income	4,108.01	-	4,108.01	4,805.66	-	4,805.66
Operating income	2,519.81	-	2,519.81	6,153.18	-	6,153.18
Income from public service account	8,232.40	-	8,232.40	5,864.13	-	5,864.13
Operating expenses	(42,886.99)	-	(42,886.99)	(42,649.35)	-	(42,649.35)
Expenses from public service account	(6,021.52)	-	(6,021.52)	(6,111.45)	-	(6,111.45)
<b>Net Profit</b>	<b>18,537.77</b>	<b>-</b>	<b>18,537.77</b>	<b>24,047.97</b>	<b>-</b>	<b>24,047.97</b>

Unit : Million Baht

	Bank-only financial statements					
	2020			2019		
	Domestic transaction	Foreign transaction	Total	Domestic transaction	Foreign transaction	Total
Interest income	85,681.97	-	85,681.97	97,519.30	-	97,519.30
Interest expenses	(33,095.91)	-	(33,095.91)	(41,533.52)	-	(41,533.52)
Net interest income	52,586.06	-	52,586.06	55,985.78	-	55,985.78
Net fees and service income	4,108.01	-	4,108.01	4,805.66	-	4,805.66
Operating income	2,642.20	-	2,642.20	6,313.18	-	6,313.18
Income from public service account	8,232.40	-	8,232.40	5,864.13	-	5,864.13
Operating expenses	(42,886.99)	-	(42,886.99)	(42,649.35)	-	(42,649.35)
Expenses from public service account	(6,021.52)	-	(6,021.52)	(6,111.45)	-	(6,111.45)
<b>Net Profit</b>	<b>18,660.16</b>	<b>-</b>	<b>18,660.16</b>	<b>24,207.95</b>	<b>-</b>	<b>24,207.95</b>

## 5.29 Interest income

	Unit : Million Baht	
	2020	2019
Interbank and money market items	3,200.16	4,774.71
Investments and trading transactions	13.46	21.05
Investments in debt securities	5,400.56	5,609.65
Loans	77,067.33	87,112.17
Hire purchase	0.46	1.72
<b>Total interest income</b>	<b>85,681.97</b>	<b>97,519.30</b>

## 5.30 Interest Expenses

	Unit : Million Baht	
	2020	2019
Deposits	16,142.19	23,618.25
Rewards	14,629.86	13,394.80
Interbank and money market items	524.51	1,032.68
Remittance to the Specialized Financial Institution Development Fund	2,887.22	5,382.24
Debt securities issued		
• Debentures	1,676.86	1,247.56
Loans	-	0.04
Loans fee	4.00	4.00
Interest paid under the lease	34.27	-
Transfer to interest expenses from public service account (Note 5.38.5)	(2,803.00)	(3,146.05)
<b>Total interest expenses</b>	<b>33,095.91</b>	<b>41,533.52</b>

### 5.31 Net Fees and Service Income

Unit : Million Baht

	2020	2019
<b>Fees and service income</b>		
Acceptances, avals and guarantees	77.62	72.31
ATM	783.76	902.44
Loans	937.34	1,166.07
Visa card	867.62	1,304.30
Card fee/annual fee – Master Card	710.28	1.28
Commission	955.37	1,272.81
Others	1,685.55	1,492.70
Transfer to fees and service income from public service account (Note 5.39.4)	(17.48)	(4.14)
<b>Total fees and service income</b>	<b>6,000.06</b>	<b>6,207.77</b>
<b>Fees and service expenses</b>		
ATM Pool	317.22	260.62
Mobile banking system	333.05	496.31
Credit card business – Compensation	315.05	274.94
PromptPay - Interchange/Switching/BEN Fcc	707.07	54.96
Telecommunication	239.63	269.43
Others	174.97	164.29
Transfer to other expenses from public service account (Note 5.39.5)	(194.94)	(118.44)
<b>Total fees and service expenses</b>	<b>1,892.05</b>	<b>1,402.11</b>
<b>Net fees and service income</b>	<b>4,108.01</b>	<b>4,805.66</b>

### 5.32 Net Gain on Trading and Foreign Exchange Transactions

Unit : Million Baht

	Gain (loss) – net	
	2020	2019
1) Gain (loss) on trading and foreign exchange transactions		
Foreign exchange and derivatives	(14.70)	(924.77)
Debt securities	69.04	130.00
<b>Total</b>	<b>54.34</b>	<b>(794.77)</b>
2) Gain (loss) from hedging	50.74	934.27
<b>Subtotal</b>	<b>105.08</b>	<b>139.50</b>



### 5.33 Net Gain (Loss) from Investments

Unit : Million Baht

	Gain (loss) – net	
	2020	2019
<b>1) Gain on sales</b>		
Available-for-sale securities	326.35	106.31
General investments	-	63.20
Investments in associates	-	2,075.00
<b>Total</b>	<b>326.35</b>	<b>2,244.51</b>
<b>2) Reversal (loss) on impairment</b>		
Available-for-sale securities	(1,389.88)	-
General investments	(9.71)	42.82
<b>Total</b>	<b>(1,399.59)</b>	<b>42.82</b>
<b>Subtotal</b>	<b>(1,073.24)</b>	<b>2,287.33</b>

### 5.34 Compensation for Debt Collection Agency

Unit : Million Baht

	2020	2019
Agency compensation – Loans	22.48	45.89
Agency compensation – Social loans	169.38	341.52
Agency compensation – Chor Por For-Chor Por Sor loans	3.63	10.34
Transfer to operating expenses from public service account	(18.26)	(30.98)
<b>Total</b>	<b>177.23</b>	<b>366.77</b>

### 5.35 Impairment Loss on Loans and Debt Securities

Unit : Million Baht

	2563	2562
Interbank and money market items	(62.89)	8.10
Held-to-maturity securities	100.00	35.05
Loans to customers	13,485.22	11,142.46
Loans to customers from public service account	1,075.54	1,120.49
<b>Total</b>	<b>14,597.87</b>	<b>12,306.10</b>

### 5.36 Provident Fund

	Unit : Million Baht	
	2020	2019
Provident fund	572.77	537.99
Compensation expenses	744.64	840.42
Compensation benefit expenses	171.26	347.42
<b>Total</b>	<b>1,488.67</b>	<b>1,725.83</b>

### 5.37 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.

### 5.38 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 (3<sup>rd</sup> amendment) at December 31, 2020, the Bank provided loans to Regional Urban Development Fund Office in the amount of 375.84 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 2020 and 2019 (after elimination of inter-transactions) consisted of :

	Unit : Million Baht	
	2020	2019
Assets	290.92	324.96
Liabilities	0.79	1.18
Equity	192.92	191.14
Income	15.43	17.67
Expenses	13.66	13.58

## 5.39 Public Service Account (PSA)

### 5.39.1 Summary Information of PSA

Unit : Million Baht		
Assets and Liabilities	2020	2019
<b>Assets</b>		
• Loans to customers from PSA and accrued interest receivables-net (Note 5.39.2)	271,333.71	149,400.46
• Receivables eligible for government reimbursement from PSA (Note 5.39.2)	702.20	1,845.47
<b>Total assets</b>	<b>272,035.91</b>	<b>151,245.93</b>

Unit : Million Baht		
Income and expenses	2020	2019
Income from PSA (Note 5.39.4)	8,232.40	5,864.13
<u>Less</u> Expenses from PSA (Note 5.39.5)	6,021.20	6,111.45
<u>Less</u> Impairment loss on debt securities from PSA (Note 5.35)	1,075.54	1,120.49
<b>Gain (loss)-net</b>	<b>1,135.34</b>	<b>(1,367.81)</b>

### 5.39.2 Assets according to PSA

Unit : Million Baht						
Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
1. Loan project to assist self-employed persons affected by floods and storm in 2010	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.  The Government provides compensation for future damages.	2010-2016	0.00	0.01	-	-
2. Project to provide financial assistance to business operators in the three southern border provinces.	Credit line of 25,000.00 Million Baht for commercial banks and specialized financial institutions with the interest rate of 0.01% per year. The Bank can use credit under the project with the interest rate of 1.5% per year.  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 1.5% per year.	2010-2013 Extension of the 1 <sup>st</sup> session to the end of 2014  2 <sup>nd</sup> session to the end of 2017 and 3 <sup>rd</sup> session to the end of 2022	21,702.76	21,188.92	7.48	279.81

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
3. Loan project for the development of flood protection systems by the Bank for industrial estates/ parks/ industrial zones	<p>Credit line of 15,000.00 Million Baht for 6 industrial estates/parks / industrial zones which included Bangpa-in, Bangkadee, 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	1,425.49	1,621.83	3.13	39.36
4. Loan project for construction of flood protection systems in industrial estates	<p>Credit line 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	1,149.82	1,500.90	2.05	37.93
5. Well-being promotion project-Village level	<p>Credit line 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	8,670.53	11,542.52	End of compensation	End of compensation
6. Soft loan project to provide working capital for Small and Medium-sized Enterprises (SMEs)	<p>Credit line 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>	2015-2023	43,167.91	55,685.33	268.26	1,120.75

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account																		
			2020	2019	2020	2019																	
7. Soft loan project to provide working capital for Small and Medium-sized Enterprises (SMEs) : Phase 2	<p>Credit line 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> <p>The government provides compensation by offering the interest rate equal to 2.21% per year of the cost, <u>plus</u> operating expenses of 0.75% per year, <u>less</u> rate of return of 0.10% per year.</p>	2015-2023	16,009.02	21,049.48	126.67	209.72																	
8. Ban Pracha Rath Project	<p>Housing loan with a credit line of 20,000.00 Million Baht (Post Finance) with the following interest rate :</p> <table><tr><th rowspan="2">Year</th><th colspan="2">Credit line</th></tr><tr><th>Up to 700,000 Baht</th><th>700,000- 1.50 Million Baht</th></tr><tr><td>1</td><td>0.00%/year</td><td>3.00%/year</td></tr><tr><td>2-3</td><td>2.00%/year</td><td>3.00%/year</td></tr><tr><td>4-6</td><td>5.00%/year</td><td>5.00%/year</td></tr><tr><td>More than 7 years</td><td>MRR-1.475% /year</td><td>General customers MRR-1.475%/year Customers with agreements MRR-1.725%/ year</td></tr></table>	Year	Credit line		Up to 700,000 Baht	700,000- 1.50 Million Baht	1	0.00%/year	3.00%/year	2-3	2.00%/year	3.00%/year	4-6	5.00%/year	5.00%/year	More than 7 years	MRR-1.475% /year	General customers MRR-1.475%/year Customers with agreements MRR-1.725%/ year	2016-2046	3,892.90	4,030.38	No compensation	No compensation
Year	Credit line																						
	Up to 700,000 Baht	700,000- 1.50 Million Baht																					
1	0.00%/year	3.00%/year																					
2-3	2.00%/year	3.00%/year																					
4-6	5.00%/year	5.00%/year																					
More than 7 years	MRR-1.475% /year	General customers MRR-1.475%/year Customers with agreements MRR-1.725%/ year																					
9. Low interest loan project to assist fishermen. “Thailand’s Fisheries Move Forward”	<p>Credit line 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 :</p> <p>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	199.23	221.73	0.03	1.83																	
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 :</p> <p>Year 1     0.00% per year Year 2-5   1.00% per month</p>	2016-2021	189.98	217.65	No compensation	No compensation																	



### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
11. Soft loan project to modify machinery and increase the productivity for Small and Medium-sized Enterprises (SMEs)	Credit line 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).  The government provides compensation by offering the interest rate equal to the 6 - month fixed deposit rate for general depositors, <u>plus</u> 1.85% per year, but not over 3.00% per year.	2016-2025	10,967.39	14,751.27	44.07	144.10
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	4,714.88	4,815.86	No compensation	No compensation
13. Public loan for People Project (Disaster Victims)	Credit line of 4,000.00 Million Baht for people affected by the floods or other natural disasters, with the interest rate as follows :  Year 1 0.00% per month Year 2-5 1.00% per month	2017-2022	37.82	43.53	No compensation	No compensation
14. Loan project for Small and Medium-sized enterprises (SMEs) affected by the floods in 2017	Credit line 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 :  Year 1 MLR - 2.00% per year Year 2-5 MLR interest per year	2017-2022	0.52	1.36	No compensation	No compensation
15. Retail loan project for emergency spending	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.	2017-2023	1,156.86	1,345.85	-	-

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account																		
			2020	2019	2020	2019																	
	<p>The government compensates for the NPL arising from the project’s implementation as follows :</p> <table><tr><th>NPL level</th><th>Government reimbursement</th><th>Amount (Million Baht)</th><th>Coverage ratio</th></tr><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% 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></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 reimbursement	Amount (Million Baht)	Coverage ratio	Not more than 25%	100%	2,500	Not more than 40%	More than 25% Not more than 37.50%	70%	875	More than 37.50% but not more than 50%	50%	625	Total		4,000					
NPL level	Government reimbursement	Amount (Million Baht)	Coverage ratio																				
Not more than 25%	100%	2,500	Not more than 40%																				
More than 25% Not more than 37.50%	70%	875																					
More than 37.50% but not more than 50%	50%	625																					
Total		4,000																					
16. Transformation Loan project (Soft loan for machine modification : phase 2)	<p>Credit line 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> <p>1. In case the Bank provides loans to SMEs entrepreneurs, interest rate of 2.00% per year.</p> <p>2. In case the Bank provides loans through commercial banks and specialized financial institutions, interest rate of 2.50% per year.</p>	2018-2025 Extending period (1 <sup>st</sup> time) To 2027 (2 <sup>nd</sup> time) to 2028	15,949.38	4,765.64	8.73	2.90																	
17. Retail loan project for emergency spending : Phase 2	<p>Credit line 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>	2018-2025	6,004.19	6,603.01	-	-																	

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview				Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account																		
						2020	2019	2020	2019																	
	<table><tr><td>NPL level</td><td>Government reimbursement</td><td>Amount (Million Baht)</td><td>Coverage ratio</td></tr><tr><td>Not more than 25%</td><td>100%</td><td>2,500</td><td rowspan="4">Not more than 40%</td></tr><tr><td>More than 25% 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></tr></table>				NPL level	Government reimbursement	Amount (Million Baht)	Coverage ratio	Not more than 25%	100%	2,500	Not more than 40%	More than 25% Not more than 37.50%	70%	875	More than 37.50% but not more than 50%	50%	625	Total		4,000					
NPL level	Government reimbursement	Amount (Million Baht)	Coverage ratio																							
Not more than 25%	100%	2,500	Not more than 40%																							
More than 25% Not more than 37.50%	70%	875																								
More than 37.50% but not more than 50%	50%	625																								
Total		4,000																								
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 for paying 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)						13.60	15.19	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. 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																					
2) Loan for franchise business	To finance franchise business or expand business with credit limit of not exceeding 50,000.00 Baht per customer. 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																					

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
3) Street Food Loan	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 2-10 0.50-0.75% per month (Flat rate) based on type of collaterals.	2018-2028				
19. Soft loans to help entrepreneurs who are directly and indirectly affected by the COVID-19 pandemic.	Credit line of 150,000.00 Million Baht to support liquidity as well as lightening the burden of entrepreneurs affected by the COVID-19 pandemic.		113,755.05	-	231.54	-
1) Loans through financial institutions	Credit line of 72,000.00 Million Baht, providing loans through financial institutions at an interest rate of 0.01% per year to provide loans to entrepreneurs at an interest rate of 2.00% per year.	2020-2023				
2) Loans to financial business operators that are not financial institutions. (Non - Bank)	Credit line of 60,000.00 Million Baht, providing loans to non-bank financial operators, credit limit not exceeding 10.00% of the borrower's credit portfolio and not exceeding 5,000.00 Million Baht per person with an interest rate of 2.00% per year.	2020-2023				
3) Loans for entrepreneurs (Direct)	Credit line of 18,000.00 Million Baht, providing loans to entrepreneurs directly with a credit limit not exceeding 20.00 Million Baht per person. at interest rates as follows : Year 1 - 2 Interest at 2% per year 3 <sup>rd</sup> year onwards according to the Bank's loan interest rates. The government compensates the costs at 2.5% per year for a period of 2 years.	2020-2031				

### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
20. Loans for fixed-income workers affected by the COVID-19 pandemic.	Credit line of 20,000.00 Million Baht		5,125.92	-	-	-
1) Loans for fixed-income workers affected by the COVID-19 pandemic.	Credit line of 5,000.00 Million Baht limit to increase liquidity for people with fixed incomes, but having lower income or lack of income due to the impact of COVID-19 with a credit limit not exceeding 50,000.00 Baht per person, at a flat rate of not more than 0.35% per month.	2020-2023				
2) GSB Empower Loans	Credit line of 10,000.00 Million Baht to help small entrepreneurs and Self-employed people with the credit limit is not more than 30,000.00 Baht per person. For fixed-income workers, the credit limit is not more than 50,000.00 Baht per person at a flat rate of not more than 0.35% per month.	2020-2023				
3) GSB Soft Loans for Thai tourism	Credit line of 5,000.00 Million Baht to help SMEs entrepreneurs who are in tourism-related businesses and supply chains that are affected by the COVID-19 outbreak, with a credit limit not exceeding 500,000.00 Baht per person at an interest rate of 3.99% per year.  The government compensates 100% of NPLs for NPLs that do not exceed 30% of all approved loans.	2020-2026				



### 5.39.2 Assets according to PSA (continued)

Unit : Million Baht

Project	Project overview	Period	Loans to customers from public service account		Receivables eligible for government reimbursement from public service account	
			2020	2019	2020	2019
21. Loans for self-employed people affected by the COVID 19 outbreak.	<p>Credit line of 20,000.00 Million Baht to increase temporary liquidity for living for self-employed people who don't have fixed income or lose their jobs because of the COVID-19 outbreak, including farmers who don't have fixed income and need emergency capital.</p> <p>Credit limit not exceeding 10,000.00 baht per person at a flat rate of not more than 0.10% per month.</p> <p>The government compensates for operating costs at a rate of 2.00% per year for a period of two years and compensates for damages from NPLs by 100% for NPLs that do not exceed 50% of all approved loans.</p>	2020-2023	16,977.92	-	-	-
22. Soft loans for the Office of the Government Pawnshop to help grassroots people affected by COVID-19 outbreak.	<p>Credit line of 2,000.00 Million Baht at an interest rate of 0.10% per year to provide loans to grassroots people who are directly or indirectly affected by COVID-19 outbreak and can't access to the financial institution system, at an interest rate of 0.125% per month</p> <p>The government compensates the Bank's cost at a rate of 2.40% per year for 2 years.</p>	2020-2022	189.92	-	1.16	-
23. Loans to enhance liquidity for fishery entrepreneurs.	<p>Credit line of 5,000.00 Million Baht to provides liquidity for commercial and local fishery entrepreneurs at the rate of 4.00% per year.</p> <p>The government compensates the interest rate of 3.00% per year for 7 years.</p>	2020-2028	32.62	-	0.01	-
<b>Total</b>			<b>271,333.71</b>	<b>149,400.46</b>	<b>702.20</b>	<b>1,845.47</b>

### 5.39.3 Asset Classification and Allowance of Public Account Service

Unit : Million Baht

	2020				
	No. Case	Outstanding Loans and Accrued Interest Receivables	Collateral Value	Rate used in determining the allowance for doubtful accounts (%)	Allowance for doubtful accounts
Normal	2,106,208	273,087.79	19,152.03	1	2,554.34
Special mentioned	8,485	501.26	95.36	2	43.07
Substandard	4,597	319.78	71.11	100	245.77
Doubtful	3,835	103.69	3.37	100	100.32
Doubtful of loss	42,146	1,999.18	264.69	100	1,734.49
<b>Total</b>	<b>2,165,271</b>	<b>276,011.70</b>	<b>19,586.56</b>		<b>4,677.99</b>

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
<b>Total</b>	<b>374,753</b>	<b>153,048.55</b>	<b>7,252.15</b>		<b>3,648.09</b>

### 5.39.4 Income from Public Service Account

Unit : Million Baht

Items	2020	2019
<b>Income from PSA receivables</b>		
Income	2,405.70	2,022.82
Fees and service income (Note 5.31)	17.48	4.14
Other income	7.11	4.00
<b>Income from government reimbursement from PSA</b>		
Income from government reimbursement	3,172.94	3,816.57
Interest compensation	1,554.57	
Other reimbursement	1,074.60	16.60
<b>Total</b>	<b>8,232.40</b>	<b>5,864.13</b>

#### 5.39.5 Expenses from Public Service Account

Items	Unit : Million Baht	
	2020	2019
Interest expenses from PSA (Note 5.30)	2,803.00	3,146.05
Operating expenses from PSA	3,023.58	2,846.96
Other expenses from PSA (Note 5.31)	194.94	118.44
<b>Total</b>	<b>6,021.52</b>	<b>6,111.45</b>

#### 5.40 Approval of Financial Statements

GSB President & CEO approved the financial statements on April 30, 2021.

## Highlight Activities

### Our Royalty and Love to the Monarchy



Signing a book of blessing to honor His Majesty King Rama X on the occasion of His Majesty's birthday on July 28, 2020.



Signing a book of blessing to honor Her Majesty Queen Suthida Bajrasudhabimalalakshana on the occasion of Her Majesty's birthday on June 03, 2020.



Signing a book of blessing to honor Her Majesty Queen Sirikit the Queen Mother's on the occasion of Her Majesty's 88<sup>th</sup> birthday on August 12, 2020.



Giving alms to monks in merit-making ceremonies to celebrate His Majesty King Bhumibol Adulyadej the Great (King Rama IX)'s birthday on December 5, 2020 which is also National Father's Day.



## Financial product and service



Establishing a joint venture with SAWAD Corporation Plc for its foray into the car title loan business with low interest rate to increase opportunities for grassroots people to access financial services.



Launching “SMEs loan Mee-tee Mee-ngoen”, a soft loan for tourism operators, both individual and juristic person to increase liquidity.



Underwriting National Housing Authority (NHA)’s social bonds to raise funds for building homes for low-and middle-income earners with the aim for sustainability and continuous development of residential projects.



Collaborate with SE Thailand to support social entrepreneurs and promote sustainable development of the community and society.



## Driving the Government Policy



Organizing “GSB for Samui : SAMUI MODEL” event to help people in the area after Koh Samui economy was hit hard by the COVID-19 epidemic by providing financial advisory services, Debt Solution Clinic, emergency loan registration along with organizing other events to stimulate the economy in the area.



GSB and 17 Financial Institutions collaborated with TCG to assist SMEs with Soft Loan Plus program.



Signing a MOU with Royal Thai Office and Government Housing Bank to resolve debt and financial problems for police officers and fixed-income workers.



**พิธีลงนามการบันทึกข้อตกลงโครงการสินเชื่อคอกเบี้ยต่ำ (Soft Loan) 150,000 ล้านบาท เพื่อช่วยเหลือผู้ประกอบการที่ได้รับผลกระทบจากการแพร่ระบาดของโรค COVID-19**





Signing a MOU for Soft Loan program, 150,000 Million Baht with with specialized financial institutions and 20 commercial banks via VDO Conference to assist entrepreneurs affected by the COVID-19 outbreak.



## Driving the Organization with Good Governance



GSB Management, officers and employees have worked together to fight corruption under the concept of “GSB WAY SAY NO CORRUPTION” and promised to perform duties in an honest and transparent manner.

## Activities for Society



The Royal Kathin Cloth Offering Ceremony 2020 at Maha Wanaram temple, Muang District, Ubon Ratchathani Province.





Signing the Principles for Responsible Banking of the United Nations Environment Programme Finance Initiative (UNEP FI).



“CSR GSB For Samui” activities in Suratthani Province.



Mr. Arkhom Termpittayapaisith, Minister of Finance visited Community Financial Institution supported by GSB in Phang Nga Province.



Giving educational equipment, scholarships, survival bags to students and people in Nakhon Nayok Province.





Visiting Baan Saluang Financial Institute in Mae Rim district, Chiang Mai Province.



Delivering survival bags to flood victims in Southern Thailand.



Creating 3D crosswalk under the “Street Hero” project for the Office of Property Management , Chulalongkorn University and Suan Sunandha Rajabhat University.



Delivering alcohol spray and gel to the public and organizations to prevent the spread of COVID-19.





Cooperating with AIS and great allies “Green Phahonyothin” to invite the public to separate the E-Waste and discard appropriately.



Participating in the “Pantry of Sharing” project by providing daily necessities to help people affected by the COVID-19 pandemic.

## Promoting Savings and Creating Financial Disciplines



Opening a public financial institution at Ban Pao subdistrict, Phutthaisong District, Buriram Province. It is the first registered public financial institution in Thailand.





Organizing a booth in “Money Expo 2020” event.



Organizing a booth in “Thailand Smart Money” event.



Organizing the National Savings Day 2020 under the concept of “Good social foundation starts with savings”.

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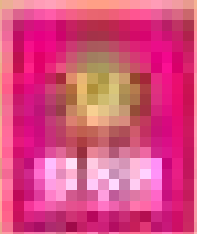
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